

HONDA
The Power of Dreams

**DRIVE
TO A
GREENER
FUTURE**



Honda
SENSING

ANNUAL REPORT 2022

Honda Atlas Cars (Pakistan) Limited



Cover Concept



We are working diligently to reduce all the environmental impacts from our products, so we can leave blue skies for our children and pass on the joy of living life full on a clean, beautiful planet. Let's spread joy, create magic and turn dreams into reality.



HONDA

Company Profile

Honda Atlas Cars (Pakistan) Limited is a joint venture between Honda Motor, Japan, and the Atlas Group, Pakistan. The Company was incorporated on November 04, 1992 and listed on Pakistan Stock Exchange Limited.

The joint venture agreement was signed on August 05, 1993. The groundbreaking ceremony was held on April 17, 1993, and within a record time of 11 months, the construction and erection of machinery were completed. The first car rolled off the assembly line on May 26, 1994. The official inauguration was honored by the then President of Pakistan, Late Sardar Farooq Ahmad Khan Leghari. Mr. Nobuhiko Kawamoto, President of Honda Motor, Japan, and the 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 booking started at six dealerships in Karachi, Lahore, and Islamabad. Since then, the dealership network has expanded and now the Company has 37 3S (Sales, Service, and Spare Parts), 17 2S (Service and Spare Parts), and 5 1S (Spare Parts) authorized dealer-

ships in Pakistan. All dealerships are constructed in accordance with the standards defined by Honda the world over.

The Company started production in 1994, with the launch of the 5th generation of the Honda Civic in Pakistan. Later on, the Company enriched the product line with the launch of Honda City in 1997 and Honda BR-V in 2017. The Company consistently increased production with the progress of the 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/ year.

The 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 the stringent international standards of Honda.

Honda always strives to give outstanding service to our valued customers. In addition to providing regular services, the Company also regularly conducts Service Campaigns to facilitate the valued customers. This has given the customers absolute confidence in Honda 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 meeting customer expectations and providing 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. Honda strives to attract individuals who share this belief and who respect one another's individuality. The Company pursues to foster an atmosphere of mutual trust & fairness in which our associates are able to realize their potential and create new value for society by following the Honda Philosophy.

Currently, the Company is offering imported models of Honda Accord and Honda CR-V and locally manufactured Honda BRV, Honda City (6th generation), and Honda Civic (11th generation). With the launch of new Honda Civic this year, the Company has introduced 'Honda Sensing' first time in Pakistan which provides the additional safety & driving comfort.

In March 2022, Company celebrated the rollout of 500,000 vehicles in Pakistan. This outstanding achievement is a sign of trust of customers on the Company's product.



— THE ALL NEW 2022 —
CIVIC
A CLASS THAT SHINES THROUGH



Honda
SENSING

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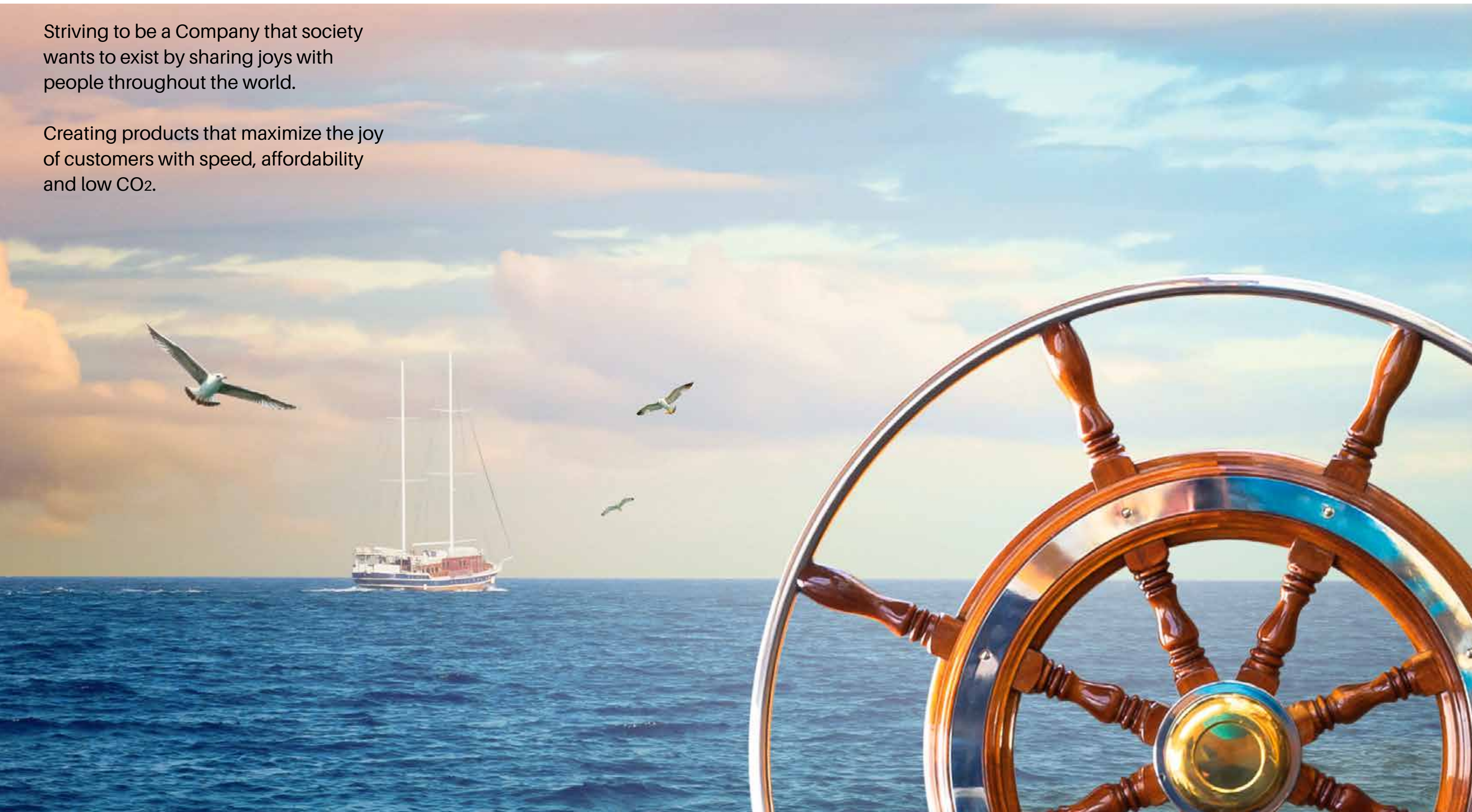
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Vision Statement

Striving to be a Company that society wants to exist by sharing joys with people throughout the world.

Creating products that maximize the joy of customers with speed, affordability and low CO₂.



Company Information

Board of Directors

Mr. Aamir H. Shirazi
Chairman

Mr. Takafumi Koike
President / CEO

Mr. Saquib H. Shirazi
Director & Senior Advisor

Mr. Katsumi Kasai
Executive Director / VP (P)

Mr. Eihiko Sato
Director

Mr. Gaku Nakanishi
Director

Mr. Muhammad Naeem Khan
Independent Director

Mr. Ariful Islam
Independent Director

Ms. Rie Mihara
Independent Director

Audit Committee

Mr. Muhammad Naeem Khan
Chairman

Mr. Saquib H. Shirazi
Member

Mr. Eihiko Sato
Member

Mr. Gaku Nakanishi
Member

Executive Committee

Mr. Takafumi Koike
Mr. Maqsood-ur-Rehman Rehmani
Mr. Katsumi Kasai

Human Resource and Remuneration Committee

Mr. Muhammad Naeem Khan
Chairman

Mr. Saquib H. Shirazi
Member

Mr. Takafumi Koike
Member

Mr. Katsumi Kasai
Member

Mr. Eihiko Sato
Member

Company Secretary & Vice President

Mr. Maqsood-ur-Rehman Rehmani

Chief Financial Officer

Mr. Hamood-ur-Rahman Qaddafi

Head of Internal Audit

Mr. Imran Farooq

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
Bukhari Aziz & Karim

Registered Office

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

Factory

43 Km, Multan Road,
Manga Mandi, Lahore, Pakistan.
Tel: +92 42 35384671-80
Fax: +92 42 35384691-92
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 32785411-1

Board of Directors



Mr. Aamir H. Shirazi
Chairman

Mr. Aamir H. Shirazi is the President of Atlas Group. He graduated from Claremont Mckenna College and attended the OPM at the Harvard Business School. He has over 35 years of corporate management experience. He has to his credit, work experience in Honda America, besides working at various positions in Atlas Group, including serving as the Chief Executive of Atlas Honda Limited for eleven years.

He is currently Chairman of Honda Atlas Cars (Pakistan) Limited, Atlas

Honda, Atlas Engineering and Atlas Autos. He also serves on the Boards of Shirazi Investment (Group Holding Company), Shirazi Trading, and Murree Brewery Company Limited.

He is a member of the Board of Governors, Lahore University of Management Science and member Syndicate, University of Engineering & Technology, Lahore. He was also appointed as a Professional Director on the Board of Lahore Stock Exchange

for two consecutive terms by the Securities & Exchange Commission of Pakistan.

He has been serving the Honorary Consul General of Japan in Lahore, since 2002 and is the Patron-in-Chief, Pakistan Japan Cultural Association, Lahore.



Mr. Takafumi Koike
President & CEO

Mr. Takafumi Koike has been associated with Honda Motor Co., Ltd., Japan for more than 24 years. He joined Honda in 1998 and began his career in Motorcycle Overseas Sales Division, Honda Motor Company, Japan.

Mr. Takafumi Koike has extensive experience in the Automobile industry, having worked in several product planning and sales divisions. In his previous assignment, he has worked as General Manager at Business Administration Division and served in Sales Supervisory Unit Automobile Operations in Honda Motor Co., Ltd.

He joined on the Board of Honda Atlas Cars (Pakistan) Limited as President & Chief Executive Officer from April 01, 2022. Mr. Koike graduated from Shanghai Normal University, China.

Mr. Saquib H. Shirazi
Director & Senior Advisor

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

He has previously served as Chairman of Pakistan Business Council, Pakistan Auto Manufacturers Association and Harvard Business School's Global Alumni Board.

He is currently a Board member of Pakistan Mobile Communications, Tri-Pack, Commonwealth Development Corporation Pakistan Advisory Committee and National School of Public Policy. In the past, he has served on the Boards of leading national and multinational companies.

He graduated from the Wharton School of Finance and has an MBA from the Harvard Business School.

Mr. Katsumi Kasai
Executive Director & VP (Production)

Mr. Katsumi Kasai has been associated with Honda Motor Co., for last 36 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 Executive Director & Vice President Production.



Mr. Eihiko Sato
Director

Mr. Eihiko Sato has been associated with Honda Motor Co., Japan for the last 33 years. He has vast experience in 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 worked as General Manager for five years in Mexico and Japan before his appointment to his current position. He joined as Director and CFO of Asian Honda Motor Company Limited, Thailand. Mr. Sato has been elected to the Board of Honda Atlas Cars (Pakistan) Limited from May 2021.



Mr. Gaku Nakanishi
Director

Mr. Gaku Nakanishi has been associated with Honda Motor Co., Japan for the last 33 years. He has vast experience of Automobile Business, Product Planning & Marketing. He started his career as a Staff Member with Honda Motor, Japan, and has worked in different Honda subsidiaries such as in Mexico for eight years as a Manager. He worked as President for three years in Honda Automobile Thailand. He also worked as a President in Honda Cars India, for three years, before his appointment to his current position.

He joined as Director and General Manager of Asian Honda Motor Company Limited, Thailand. Mr. Nakanishi has been appointed to the Board of Honda Atlas Cars (Pakistan) Limited from May 2022.



Mr. Ariful Islam
Independent Director

Mr. Ariful Islam is a senior banker with over 37 years experience with various banks in Bahrain and Pakistan. He qualified as a Chartered Accountant from the Institute of Chartered Accountants in England and Wales and is 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 before starting his banking career with Faysal Islamic Bank of Bahrain and subsequently moved to MCB where his last position was SEVP & Head of Investment Banking. He joined Meezan Bank in April 1999 as the Bank's first Chief Operating Officer and is currently the Deputy CEO of the Bank. He is also the Chairman of the Board of Directors 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. Muhammad Naeem Khan
Independent Director

Mr. Muhammad Naeem Khan is an AMP from Harvard Business School, Boston, USA, a fellow member of both The Institute of Chartered Accountants of Pakistan and The Institute of Chartered Accountants in England & Wales. He has exposure in the oil marketing where he extensively developed the retail chain and nurtured commercial customers besides looking after treasury and accounting functions. He has also worked with the food industry where he was instrumental in developing new economically viable product lines. He has been an investment banker with extensive exposure to the capital markets. He has served on the Boards of Atlas Group. Presently, he is member of the Board of Service Industries Ltd and Chairman of its Audit Committee.

Mr. Khan qualifies as independent director under the guidelines of Securities & Exchange Commission of Pakistan (SECP) and Code of Corporate Governance.



Ms. Rie Mihara
Independent Director

Ms. Mihara is the Chief Executive Officer & Founder of Makotoya Co., Limited, Japan since 2008. She is a 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 of 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. Maqsood-Ur-Rehman Rehmani
Company Secretary & Vice President

Mr. Rehmani has done MBA in Marketing, a Law graduate from the University of Karachi, and an Advance Management Course from INSEAD, France. He has vast experience in Administration, Industrial Relations, Human resources, 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 General Manager Logistics.

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

Key Management



Mr. Muhammad Ashraf
Assistant Vice President
Model Planning & Production

Mr. Ashraf has more than 40 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 Ahmed
Senior General Manager
After Sales

Mr. Iqbal has BSc in Mechanical Engineering from UET, Lahore and Executive MBA from LUMS. He has more than 30 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 a Mechanical Engineer who 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. Currently, he is working as Head of Purchasing Division.



Mr. Muhammad Akmal Dar
Senior General Manager
Import, Purchase & Logistics

Mr. Dar has been associated with Atlas Group for last 27 Years. He joined Atlas Honda Limited in 1995 and started his career 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 Division.



Mr. Sohail Qaisar
Senior General Manager
HR & Administration

Mr. Sohail holds BE in Mechanical Engineering from UET, Executive MBA & DBM from LUMS. He has more than 28 years' experience of in Production, Project Management, Supply Chain, Production Planning & Control Operations, and HR & Administration. He has also attended various management courses from ILO & AOTS, Japan. He started his career as a trainee engineer with Atlas Honda Limited and was transferred to Honda Atlas Cars (Pakistan) Limited in April 2019. Now he is working as a Senior General Manager of HR & Administration Division.



Mr. AMIR NAZIR
General Manager
Sales & Marketing

Mr. Amir is associated with the Company for 21 years. He is a graduate of UET Lahore and 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, New Model Developments and Production Planning. His efforts helped in controlling the cost and maintaining a strong brand image. He has a qualified management course from HIDA, Japan. Currently, he is working as General Manager of Sales & Marketing Division.



Mr. Basharat Ali Rana
General Manager
Quality Control

Mr. Rana has more than 37 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 in 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.



Mr. Muhammad Ajmal
General Manager
Chief Engineer Quality (CEQ)

Mr. Ajmal has been associated with the Company for the last 28 years. He has to his credit, work in Frame Assembly Department, Vehicle Quality Department, Market Quality Department and Quality Control Division. He has qualified Management courses from AOTS, Japan in "Automobile-New Model Development" in 1999, from HIDA, Japan in Production Management in 2017, and Senior Leadership training program in Thailand in 2018. He also did Diploma in Business Management from FCCU in 2019. Currently, he is working as Chief Engineer Quality (CEQ) since April 2018.



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 21 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. Imran Farooq
General Manager
Head of Internal Audit

Mr. Imran is an M.Com from Hailey College of Commerce and PGD in HR from Punjab University, Lahore. He joined as Executive and has been associated with Company for the last 27 years. He has served in Shares Dept., HR & Admin Division, and Health Safety & Corporate Governance Division. He has experience in planning & organizing Secretarial matters, and compliances with stock exchanges, SECP, CDC, and other regulatory bodies. He has also attended Executive Program on Corporate Management from AOTS, Japan and Management courses from Thailand. From August 2020, he has been assigned responsibilities of Head of Internal Audit Division.

Key Management



Mr. Muhammad Ali
General Manager
Information Technology

Mr. Ali is associated with the Company for last 7 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 22 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 has 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 the Institute of Cost & Management Accountants of Pakistan and holds 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. Owing to his diversified experience in Costing and Budgeting, Business Planning, Financial Management, and Internal Audit, Hamood was appointed as the CFO of Honda in August 2020. Mr. Hamood began 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 the Finance Department of Beaconhouse National University for 2 years. Prior to joining Honda in 2009, he worked as Manager Costing & Planning in Nimir Chemicals Pakistan Ltd. He is an avid reader and loves to travel.

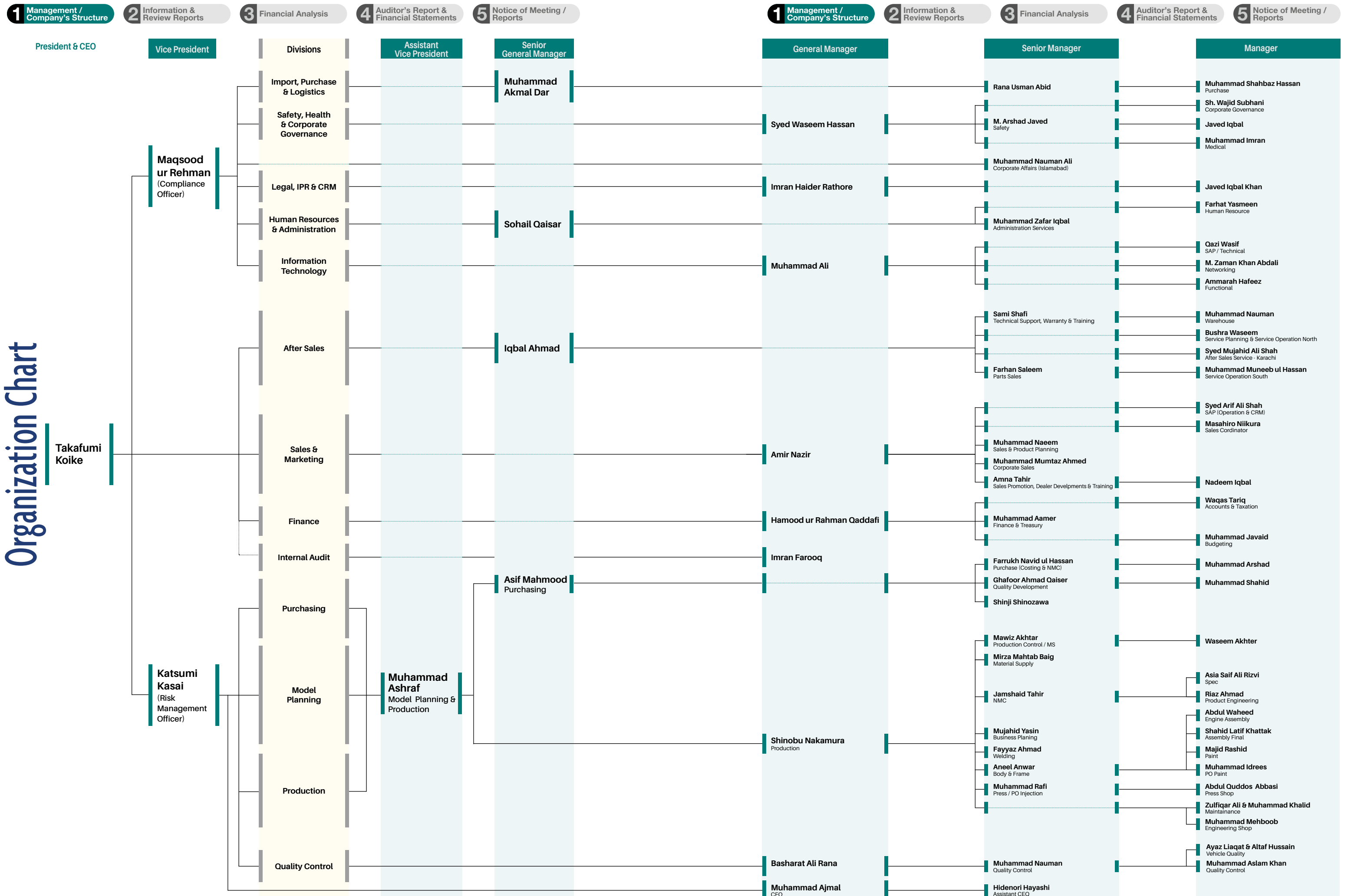


Mr. Imran Haider Rathore
General Manager
Legal, IPR & CRM

Mr. Rathore completed his LLB Hons in 1999 from University of Punjab and LLM in Corporate & Commercial Law in 2018. He worked in reputable Law Firm as Associate Lawyer before joining M/S MobiServe Pakistan Ltd (An Orascom Telecom Company). Mr. Rathore joined HACPL in 2008 and remained part of Sales, After Sales and Admin & HR Division before appointed as Head of Legal, IPR & CRM. He has also attended a Management Training course from AOTS Japan in addition to other Management/Leadership training programs.

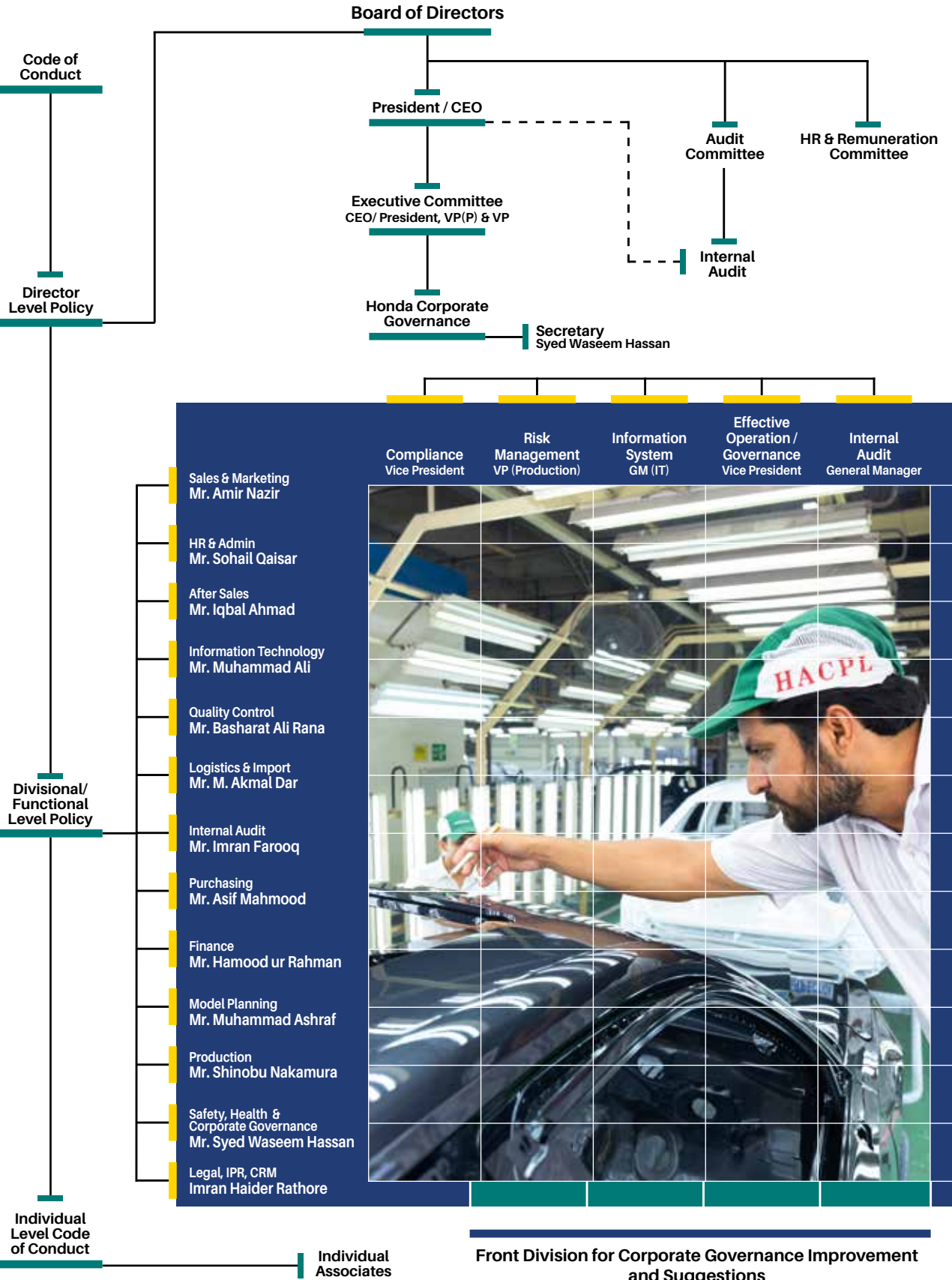


Organization Chart



Corporate Governance

(Organization Structure)



HONDA

The Power of Dreams

CITY

CITY HAS TAKEN OVER!



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.
2. 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

1. 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.

4. Believe in 3A “Hands on Approach” i.e. be on Actual Spot, look at the Actual Spot and confront the Actual Situation.
5. 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.
2. 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, IT, IA, Health Safety and Corporate Governance, Legal IPR and CRM and Human Resources & Administration Division.

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



L to R:

Sitting:
Mr. Sohail Qaiser, Mr. Iqbal Ahmed, Mr. Muhammad Ashraf,
Mr. Asif Mahmood, Mr. Akmal Dar

Standing:
Mr. Imran Farooq, Mr. Hamood ur Rahman Qaddafi, Mr. Amir Nazir,
Mr. Syed Waseem Hassan, Mr. Imran Haider Rathore, Mr. Muhammad Ali,
Mr. Basharat Ali Rana, Mr. Muhammad Ajmal, Mr. Shinobu Nakamura

Business Principles

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

Health, Safety and Environmental Policy

Honda Atlas Cars (Pakistan) Limited, being a leading car manufacturing company in Pakistan, is committed to produce Honda Cars with sustainable performance in Health, Safety and Environment (HSE).

In order to achieve this, the company shall:

- provide safe and healthy workplace to all stakeholders affected by its operations, for the prevention of injury and ill health.
- assign responsibilities for effective implementation of HSE management systems.
- comply all HSE applicable legal, regulatory and other requirements.
- create awareness and understanding about health, safety and environmental issues amongst our associates.
- empower workers for their participation and consultation on health and safety related matters.
- identify, evaluate, eliminate, reduce and manage risks and opportunities related to company's operations proactively to ensure that health & safety hazards and environmental impacts are prevented.

- formulate objectives and targets to eliminate workplace hazards, prevent environment pollution and continually improve HSE management systems, as much as possible.
- keep public and others interested parties informed on our HSE performance, wherever required.

Operating Principles

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

L to R:
Sitting: Mr. Mirza Mahtab Baig, Mr. Muhammad Zafar Iqbal, Mr. Muhammad Aamer, Mr. Sami Shafi, Mr. Muhammad Arshad Javed, Mr. Farhan Saleem and Mr. Mawiz Akhtar.
Standing: Mr. Fayyaz Ahmad, Mr. Jamshaid Tahir, Mr. Muhammad Naeem, Mr. Muhammad Rafi, Mr. Aneel Anwar, Mr. Shinji Shinozawa, Mr. Muhammad Mumtaz Ahmed, Mr. Rana Usman Abid, Mr. Muhammad Nauman, Mr. Farrukh Navid ul Hassan, Mr. Masahiro Niikura and Mr. Mujahid Yasin



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.

The Passion behind the White Coveralls

At Honda Atlas Cars (Pakistan) Limited, our associates wear white work clothes that stain and smudge easily, from the philosophy that "good products come from clean workplaces." The white outfit also symbolizes the equality of all that work at Honda, including the CEO. White symbolizes Honda's philosophy for making products wholeheartedly not only in its Japanese facilities, but all over the world. Regardless of level or role, it breaks down barriers and ensures everyone feels important.



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 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.

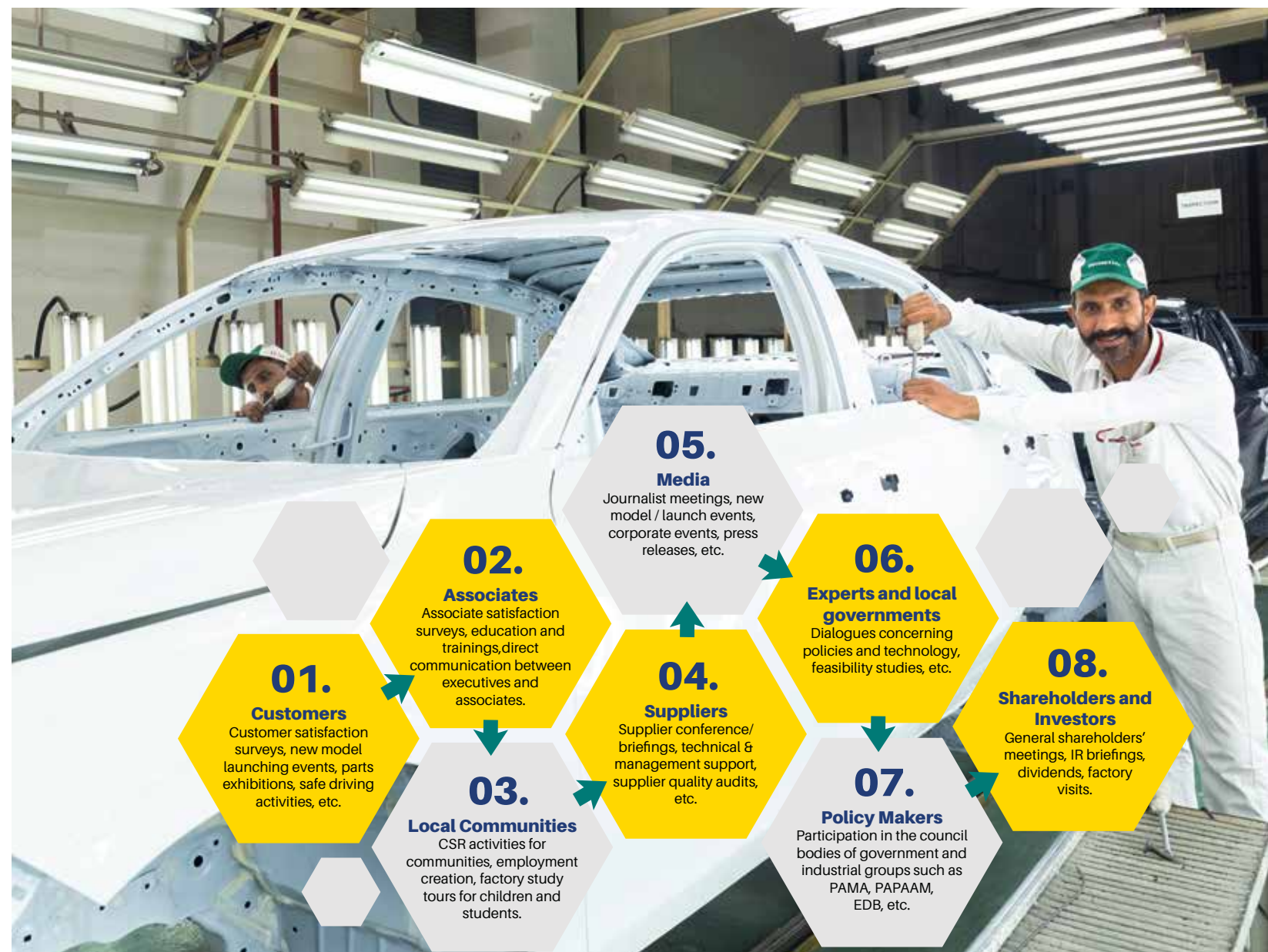
The Three Joys

Stakeholders' Engagement

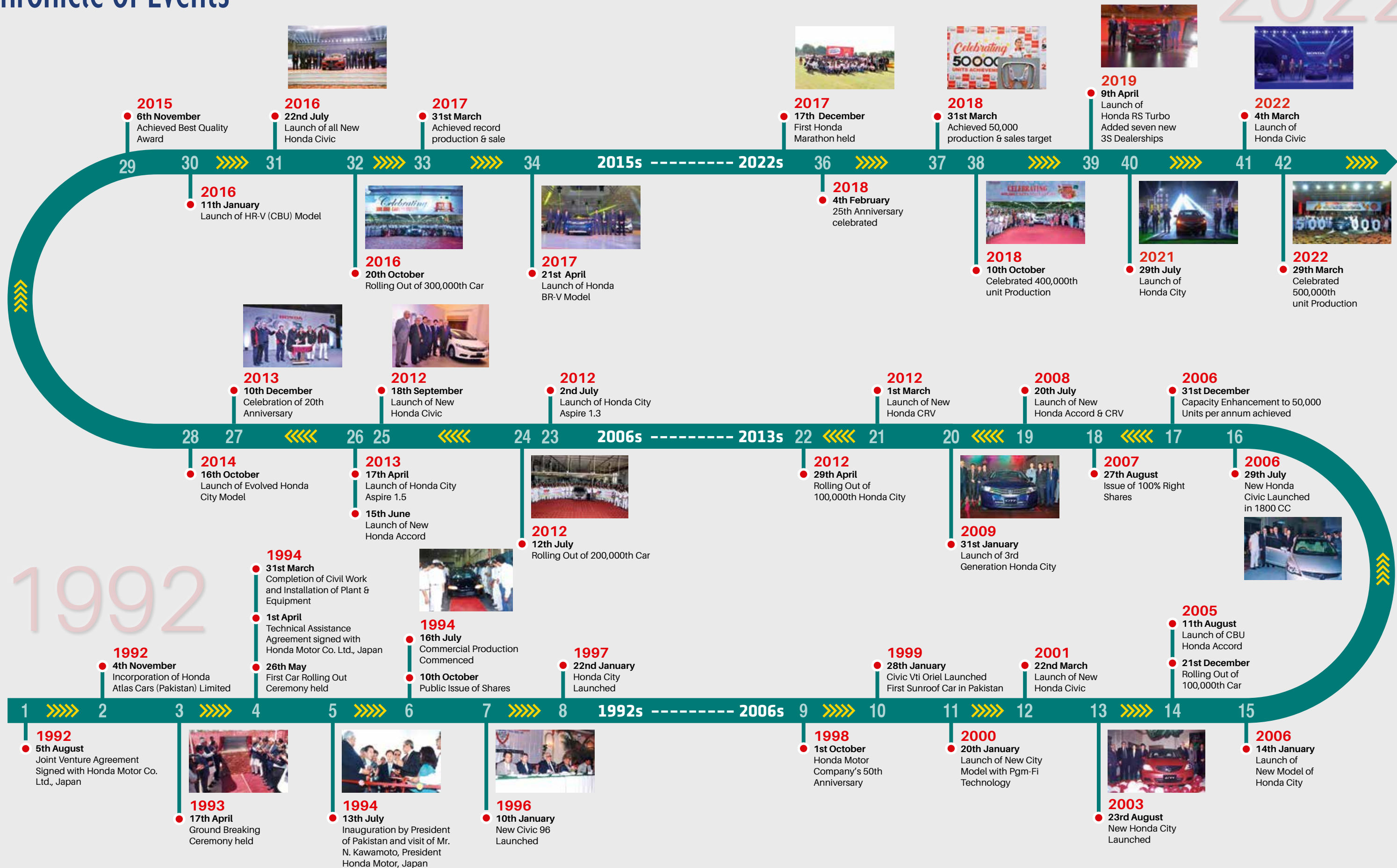
To be a "Company that society wants to exist", Honda must put into practice a communication cycle. This means appropriately and accurately conveying to society the value that it seeks to provide. It also means to engage in dialogue with diverse stakeholders to grasp and understand the demands and expectations 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.



Chronicle of Events



Pattern of Shareholding

As on March 31, 2022

Number of Shareholders	Shareholdings		Total Number of Shares Held	Percentage of Total Capital
	From	To		
2790	1	- 100	135,117	0.09
1586	101	- 500	522,760	0.37
2395	501	- 15000	5,173,364	3.62
75	15001	- 40000	1,805,914	1.26
27	40001	- 80000	1,662,786	1.16
21	85001	- 255000	3,244,149	2.27
1	295001	- 300000	296,300	0.21
1	310001	- 315000	313,300	0.22
1	325001	- 330000	330,000	0.23
1	360001	- 365000	364,705	0.26
1	440001	- 445000	444,701	0.31
1	445001	- 450000	446,200	0.31
1	715001	- 720000	718,043	0.50
1	845001	- 850000	850,000	0.60
1	1290001	- 1295000	1,292,889	0.91
1	1605001	- 1610000	1,607,366	1.13
1	1960001	- 1965000	1,961,500	1.37
1	2245001	- 2250000	2,250,000	1.58
1	3430001	- 3435000	3,433,256	2.40
1	43115001	- 43120000	43,119,650	30.20
1	72825001	- 72830000	72,828,000	51.00
6,909			142,800,000	100.00

Categories of Shareholders

As on March 31, 2022

Sr. No.	Description	Number of Shareholders	Shares Held	Percentage of Total Capital
1	Individuals	6,742	9,584,762	6.71
2	Foreign Company	1	72,828,000	51.00
3	Associated Undertakings/Companies	1	43,119,650	30.20
4	Joint Stock Companies	63	2,017,141	1.41
5	Financial Institutions	10	6,246,718	4.37
6	Insurance Companies	11	1,391,713	0.97
7	Investment Companies	8	1,865,209	1.31
8	Mutual Funds	25	2,709,195	1.90
9	Funds	37	923,243	0.65
10	Others	11	2,114,369	1.48
		6,909	142,800,000	100

Shareholding Information

as on March 31, 2022

Categories	Number of Shareholders	Shares Held
Associated Companies		
+ 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
Mutual Funds		
M/S FIRST CAPITAL MUTUAL FUND	1	170
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	1	222,600
CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND	1	75,000
CDC - TRUSTEE FAYSAL STOCK FUND	1	232
CDC - TRUSTEE AKD INDEX TRACKER FUND	1	6,770
CDC - TRUSTEE NBP STOCK FUND	1	253,700
CDC - TRUSTEE NBP BALANCED FUND	1	4,200
CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	1	87,500
CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFa FUND	1	45,500
CDC - TRUSTEE ALFALAH GHP STOCK FUND	1	77,000
CDC - TRUSTEE ALFALAH GHP ALPHA FUND	1	35,720
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	50,350
CDC - TRUSTEE ABL STOCK FUND	1	100
CDC - TRUSTEE NBP SARMAYA IZAFa FUND	1	8,900
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	1,292,889
CDC - TRUSTEE NBP ISLAMIC STOCK FUND	1	296,300
CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	1	72,900
CDC - TRUSTEE NITIPF EQUITY SUB-FUND	1	10,500
CDC - TRUSTEE NITPF EQUITY SUB-FUND	1	1,500
CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND	1	15,900
CDC - TRUSTEE NBP ISLAMIC REGULAR INCOME FUND	1	2,400
CDC - TRUSTEE NIT ASSET ALLOCATION FUND	1	20,000
CDC - TRUSTEE ALFALAH CONSUMER INDEX EXCHANGE TRADED FUND	1	8,268
MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	1	1,000
GLOBAL X FUNDS-GLOBAL X MSCI PAKISTAN ETF	1	119,796
Directors, CEO, their Spouse and Minor Children		
Mr. Aamir H. Shirazi	1	#
Mr. Saquib H. Shirazi	1	#
Mr. Hironobu Yoshimura	1	*
Mr. Katsumi Kasai	1	*
Mr. Eikiho Sato	1	*
Mr. Kazunori Shibayama	1	*
Ms. Rie Mihara	1	500
Mr. Ariful Islam	1	500
Mr. Muhammad Naeem	1	700
Executives	9	7,396
Public Sector Companies & Corporations (Joint Stock Companies)	63	2,017,141
Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension/Other Funds	76	11,691,252
Others, Individuals	6,724	9,575,666
TOTAL:	6,909	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.
** Ms. Rie Mihara, Mr. Ariful Islam have 500 and Mr. Muhammad Naeem Khan holds 700 qualification shares respectively. These shares are hold in their own name.

Investor Relations Information

As on March 31, 2022



Company Information

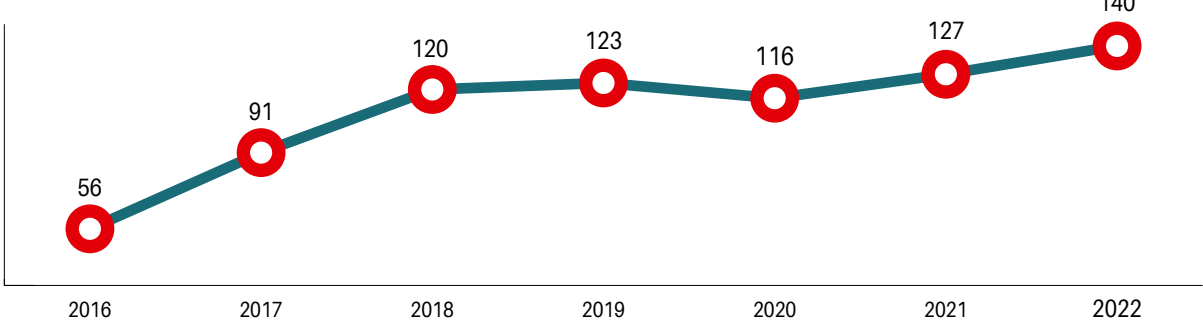
Established on	November 4, 1992
Line of Business	Manufacturing of Honda Vehicles
Fiscal Year-End	March 31
Auditors	M/s. A.F. Ferguson & Co.
Registrar	M/s. Hameed Majeed Associates (Pvt.) Ltd.
	H.M. House, 7 - Bank Square, Lahore
	Phone: +92-42-3723 5081-82
	Email: info@hmconsultants.com
Digital Mediums	www.honda.com.pk www.facebook.com/hacpl https://www.linkedin.com/company/honda-pakistan-official/ https://instagram.com/hondapakistanofficial?igshid=YmMyMTA2M2Y= https://twitter.com/HACPLOfficial?t=TUGRJlkxOTAHcE3fswhpEQ&s=09

Stock Information

Security Code	HCAR
Number of Shares Authorized	200,000,000
Number of Shares Issued	142,800,000
Number of Shareholders	6,909 (as on March 31, 2022)
Number of Shares per Trading Unit	100 Shares
Stock Exchange Listing	Pakistan Stock Exchange Limited
General Meeting of Shareholders	June 29, 2022
Book Closing	June 17, 2022 to June 29, 2022 (both days inclusive)
Next Election of Directors	April-2024
Dividend	Rs. 7.00 per share
Dividend Payment	July 2022

Breakup Value Per Share

(Rupees)



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 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)

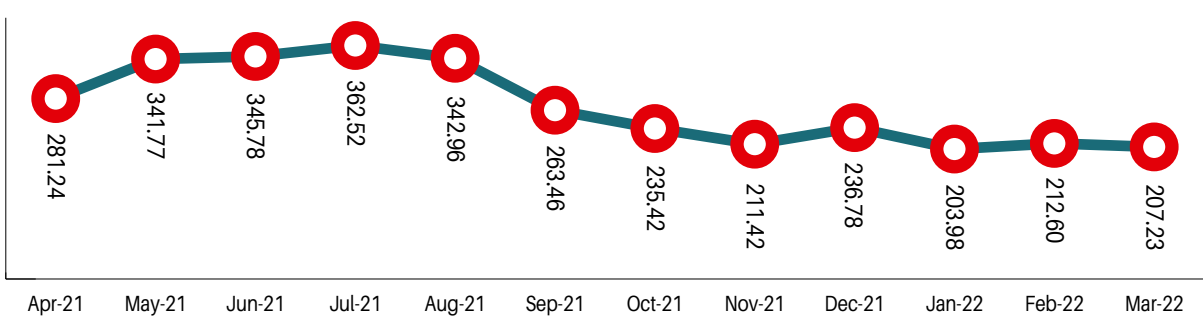
As per Section 242 of Companies Act, 2017 the payment of cash dividend through electronic mode has become mandatory. Therefore, all shareholders are advised to provide valid bank account details (if it is not provided earlier) in the "Dividend Mandate Form", available on Company's website to enable the 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.

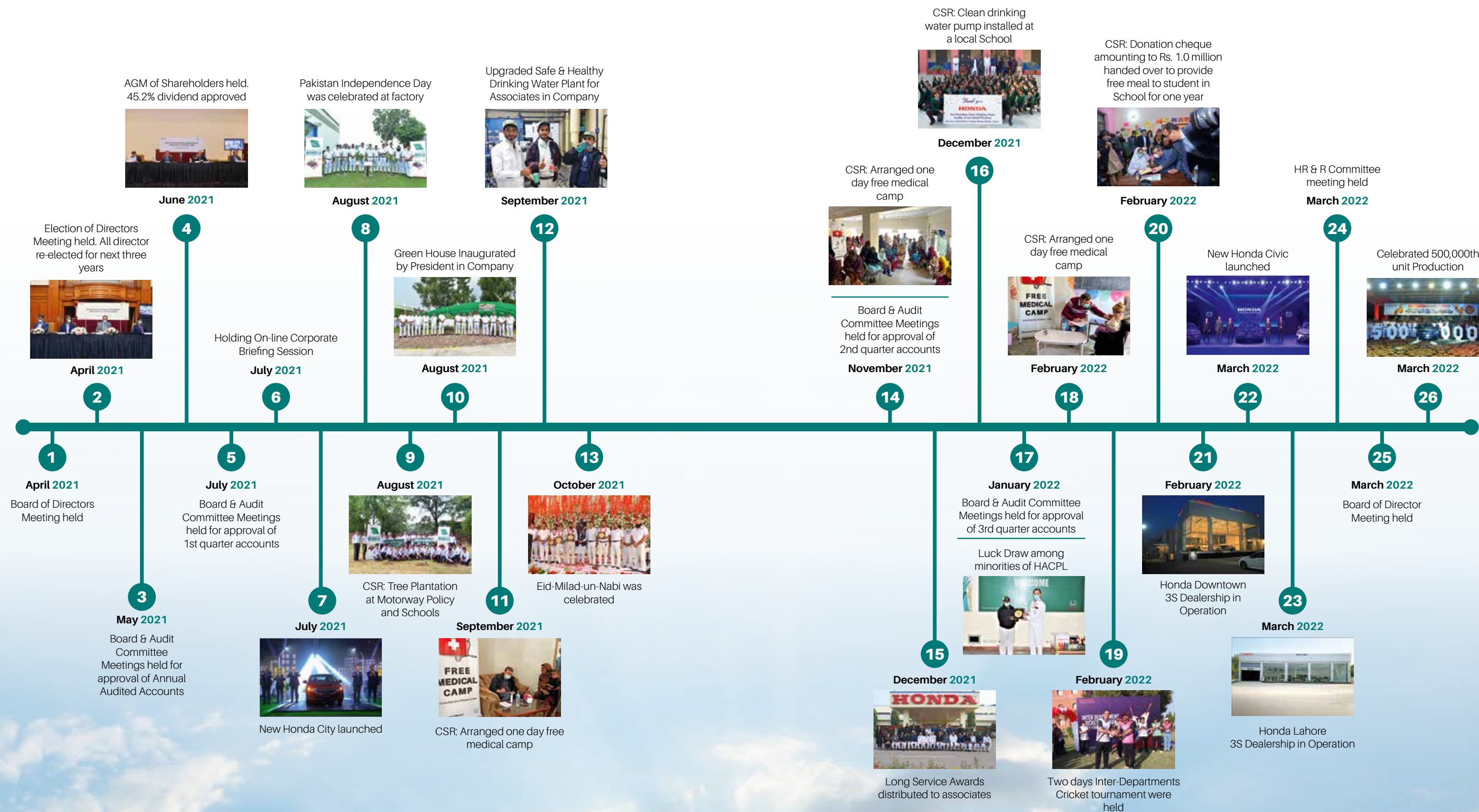
Share Price Movement

(Rupees)



Significant Events

During 2021-22



Chairman's Review

As on March 31, 2022



Aamir H. Shirazi
Chairman

2021-2022 has been a year in which the Company once again accelerated the implementation of core strategy and the Honda Philosophy that translated into fascinating products and financial resilience. This has been key to steering the Company through industry-wide challenges – from the ongoing pandemic to super commodity cycle. The Company is well-focused to make even better use of the opportunities that lie ahead.

I am pleased to present the 30th Annual Report of the Company for the year ended March 31, 2022.



Macroeconomic Overview

During the period under review, the Country witnessed a combination of both recovery and growth. On the back of higher incomes generated by agriculture and manufacturing sectors, the economy rebounded strongly and registered a GDP growth of 4.5 percent. Encouragingly, exports pace also picked up well. With higher competitiveness and better market access, textiles and IT sectors are leading the growth in exports of goods and services. Annual exports proceeds are projected to cross USD 36 billion, a healthy increase of nearly 30 percent. The contribution of home remittances has also continued to rise as annual inflows are now expected at USD 32 billion. Both are significant achievements that have helped enhance purchasing power and increase consumption patterns.

At the same time, unfortunately the high level of imports is exerting tremendous pressure on the external front. The country is expected to

record a current account deficit of USD 17 billion for the fiscal year with the trade deficit alone at over USD 35 billion. This rise is largely due to the unprecedented increase in energy and edible oil bills, which in turn have washed away most of the export and foreign remittance gains. In the face of external price shocks, SBP foreign exchange reserves remained under pressure and have reduced to a two-year low level of USD 11.3 billion. Going forward, imported inflation and currency devaluation will remain key challenges. Increase in the prices of key commodities has already raised the prospects of global stagflation. Both fiscal and monetary policies, therefore, will likely need to be tightened further. The brunt of the impact will be felt by the Rupee, which has already devalued by around 15 percent. To counter the external pressures, the SBP has increased the policy rate to 12.25 percent, a cumulative increase of 525 bps since September 2021. A further increase in interest rates appears imminent.

Agriculture

Pakistan's economic activities are closely linked to the agriculture sector. As a contributor of around 25 percent to the GDP, it accounts for around half of the country's employed labor force in the agriculture and livestock sectors. During the year, the increase in price and production of major Kharif crops like cotton, sugarcane, and maize provided the much-needed impetus, leading to an overall growth of 3.5 percent for the sector. Agriculture credit disbursement also recorded a growth of 3.4 percent and reached nearly Rs 750 billion. Better seed availability and credit access have made the prospects of crops in Rabi season quite promising. Coupled with significant rise in global Agri prices, the sector is expected to reflect a steady growth in farm income. Demand for consumer durables should, therefore, remain strong in the rural areas.

Large Scale Manufacturing

Large Scale Manufacturing (LSM) represents nearly 80 percent of the

Chairman’s Review as on March 31, 2022



country's total manufacturing and accounts for nearly 11 percent of national output. During the year, LSM grew by an encouraging 7.6 percent as major sectors posted an increase in output. Leading indicators of demand including electricity generation, cement dispatches, sales of consumer goods and petroleum products depicted a positive momentum. Going forward, energy tariff hikes, increase in raw material cost, global supply chain disruptions and gas shortages are raising production costs and remain significant challenges. However, expectations are strong that the export industry and agriculture linked domestic industry will both be able to sustain the growth momentum.

Automobile Industry

The automobile industry has emerged as an important business segment of the Country. The investment has increased with the new entrants' focus on the car vertical and introduction of modern products. The development of the automobile industry is a

manifestation of the Country's economic potential and an important leading indicator.

Unlike the beginning of last year, the auto industry was off to a smooth start with elevated demand. The demand was supported by improved incomes through exports, agriculture, foreign remittances and rapid urbanization. The Government also demonstrated its intention to promote the automobile sector through introduction of the Auto Policy 2021~2026.

The automobile sector globally, however, had a bumpy ride. The commodity super cycle took a toll on the local automotive industry too. Consumer financing petered out due to high markup rates. The continued devaluation of PKR against USD, the record high ocean freight rates and global inflation resulted in an unprecedented hike in the cost of doing business. Consequently, the OEMs were forced to pass on the

unavoidable impact to the customers through multiple price revisions.

The PKR may inevitably lose more value, hampering the potential upside. The global shortage of the microchips also has a strong ramification on the OEMs. The situation is now further being plagued by political upheaval and energy crises. The automotive sector is in the midst of multiple challenges, marked by the continued advancements, exchange rate volatility, transformed supply chains, increased interest rates and rapidly changing customer preferences. These shifts require companies to navigate the evolving landscape and plan for the future of Mobility proactively.

Despite the challenges, the car manufacturers still managed to achieve satisfactory sales level. The industry wide sales of locally manufactured passenger cars and light commercial vehicles for the year ended March 2022 significantly



Launch of Honda City

improved by 72% to 230,374 units in comparison to 134,010 units last year. In line with the industry growth, the Company's sale witnessed growth of 56% to 37,613 units as against 24,050 units sold during the preceding financial year.

The Company

Your Company has always been keen to deliver the '3 Joys' philosophy through innovative & reliable products. With the introduction of new models of Civic & City, the Company produced 37,780 units as compared to 23,479 units produced of last year.

Following are the key highlights for the year ended March 2022:

Launch of Honda City

"City Has Taken Over"

The current year witnessed the arrival of the new Honda City, a much-anticipated car launch. It offers a perfect

fusion of style, luxury, comfort & safety. With a sporty and luxurious design, the cutting-edge technology signifies innovation making it a timeless work of art.

The All-new Honda City comes in five variants, 1.5L ASPIRE CVT & MT, 1.5L City CVT and 1.2L CVT & MT. All variants ensure maximum safety & security by features like Driver & Passenger Airbags, ABS + EBD, Impact Mitigating Headrest, ACE Body Structure, Pedestrian Injury Mitigation Technology, ECU Immobilizer and many more. In Exterior, all variants carry Premium Dual-Barrel Halogen Headlights with Daytime Running Light, attractive Rear Lights with 15" Tire Size & High Ground Clearance. Interior color is Ivory, Newly Designed Meter, Tilt & Telescopic Steering with Audio Switches, Driver Seat Height Adjuster, Dust & Pollen Air Filter, Trunk Lid Lining & comfortably spacious Cabin along with bigger Trunk Space. The new Honda City is designed to deliver a comfortable yet luxurious driving experience.



Chairman’s Review as on March 31, 2022



Launch of Honda Civic

Launch of Honda Civic

“A Class that Shines Through”

The All-new Honda Civic was launched via virtual event broadcast nationwide during March 2022. Honda Civic is flawlessly advanced and exhibits an opulent design that makes it one of the ultimate sedan in its class.

For the first time in Pakistan, Company has introduced Honda SENSING in The All-new Honda Civic 2022. Honda SENSING is an advanced and comprehensive suite of Safety and Driver-assistive technologies designed to assist and help protect drivers. The All-new Honda Civic is a testament from the makers to fortify its position as the leading car manufacturer in the country.

The All-new Honda Civic comes in three variants, RS CVT, Oriel CVT and Standard CVT. All variants carrying exceptional features. All variants have a premium and sporty exterior design with an aggressive front and clean side & rear profile. For the first time roof laser brazing is introduced which makes it noiseless roof. All variants ensure maximum safety & security by features like Driver & Passenger Airbags, ABS + EBD, Vehicle Stability Assist, Hills Start Assist, Emergency Stop Signal (ESS), Impact Mitigating Headrest, ACE Body Structure, Pedestrian Injury Mitigation Technology, ECU Immobilizer, Security Alarm, Walk Away Auto Locking, Auto Door Lock by Speed and many more. In Exterior, all variants carry Premium Daytime Running lights, attractive rear lights, Auto Retractable Mirrors, & high ground clearance. Interior color is Gray and Black, 7” TFT Meter, Driver Attention Monitor, Tilt & Telescopic steering with audio MID & Cruise Control switches, Self-opening trunk, & and unique Rear Seat Reminder feature. It has comfortably spacious

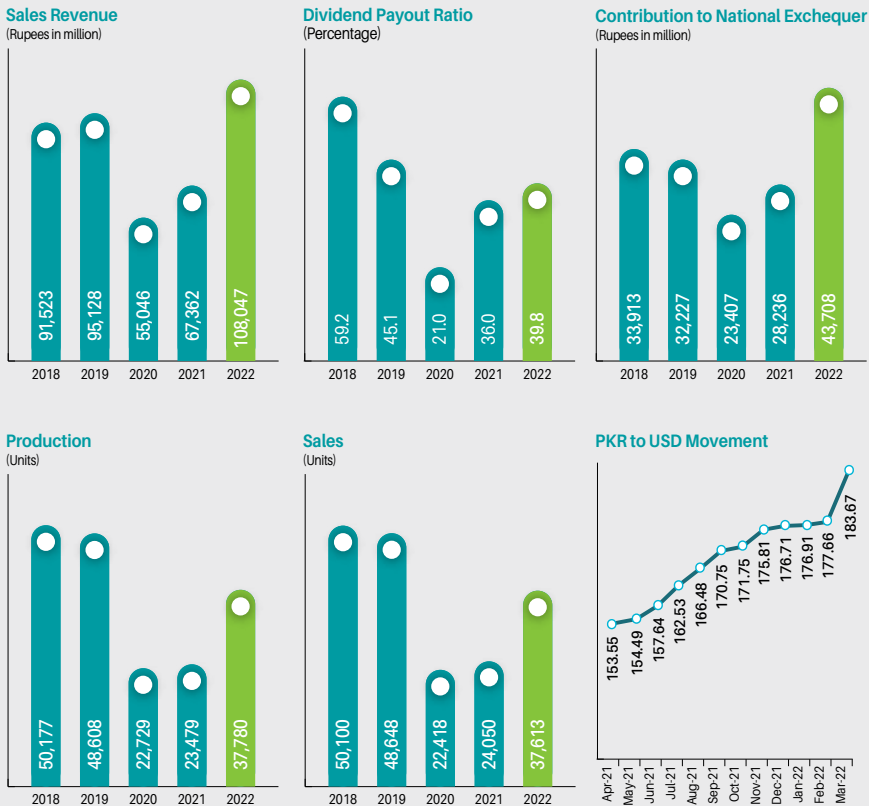
cabin along with bigger trunk space. Honda Civic RS incorporates some of the most advanced features like Card Key, Remote Engine Start & above all Honda Sensing.

Addition of New Dealerships

During the year, two new dealerships were added – one each in Lahore and Rawalpindi. With the addition of these dealerships, the Company extended its network to 37 3S dealerships, covering almost all major consumer markets of the country. The new dealerships will provide not only the convenience for booking of new vehicles but also the presence of extended and efficient after-sales services to our valued customers.

Financial Performance

The Company has been striving to cope with the radically changing business conditions. Keeping the overall business targets intact was demanding in the current circumstances. With resilient efforts, the Company managed to achieve



satisfactory financial results, much improved from the previous year.

During the year ended March 31, 2022, the Company achieved net sales revenue of PKR 108,048 million as compared to PKR 67,362 million in the corresponding last year. Continuous production resulted in better overhead absorption which helped to generate a healthy gross profit of PKR 5,578 million against PKR 3,776 million. The selling and administrative expenses were increased to PKR 2,207 million against PKR 1,560 million in the wake of enhanced business activity and model launches of Civic & City. Other income improved to PKR 2,005 million against PKR 918 million owing to customers’ confidence on the Company’s products and better funds management; benefited by increased interest rates. Financial and other charges were recorded at a level of PKR 1,100 million against 353 million, last year. Unfavorable exchange rate has turned out to be a negative factor. The Company posted

PKR 4,275 million as profit before tax in comparison to the profit of PKR 2,781 million. After statutory tax adjustments, the net profit for the year ended March 31, 2022 came in at PKR 2,510 million as compared to the profit of PKR 1,793 million of the last year.

The earning per share improved to PKR 17.58 against PKR 12.56 for the preceding year.

The Company remains committed to deliver its long-term objectives of sustainable growth and value creation. This is being achieved through continued focus on operational excellence, product portfolio diversification, cost reduction and a strong capital structure.

Dividend Policy

The Company endeavors to be consistent with its approach regarding profit appropriation. The decision on distributing dividends is drawn after considering a multitude of parameters including business needs, growth



Chairman's Review as on March 31, 2022



Roof Laser Brazing Process – Welding Department



SRS Air Bag System Assembly & Seamless Welding and Vibration of Instrument Panel - PO Injection Department

prospects and strategic direction. For the year, the Board of Directors is pleased to propose final cash dividend of Rs. 7 per share.

Manufacturing Excellence

The Company has always strived to introduce modern technology & to improve the process efficiency. As the journey continues, the following milestones have been achieved during the year:

Roof Laser Brazing

A major investment was made in Welding Department for Roof Laser Brazing process. The process is highly sophisticated and performed by laser-guided multi-axis robots to ensure precision. Brazing joins the two panels in continuity, which provides better seam, rigidity and protection against dampness and moisture. The use of brazing technology also helps in reduced work of finishing before the vehicle goes for paint. The process is faster and eliminates the plastic molding parts from the supply chain. The process has been introduced for New Honda Civic 2022.

SRS Air Bag & Instrument Panel

New hi-tech equipment has been installed in the PO Injection Department for SRS Air Bag System Assembly & Seamless Welding & Vibration of the Instrument Panel. This is a vital step towards the safety of the car users. The instrument panel for an automobile passenger compartment comprises of a substrate with an interior surface and an exterior surface. A pre-weakened outline is formed within the interior surface. The front surface includes a plurality of welding ribs adapted for vibration welding to the interior surface. All the Honda vehicles come with the prime safety feature of the Air Bags.



New CKD Warehouse



Enhancement in Storage Capacity

During the year, the Company enhanced its warehouse capacity and built another CKD warehouse. The new facility increased the CKD storage capacity by 960 units at a time. The new facility will help the company to meet the market requirement due to increased demand and manage the supply chain issues.

Future Outlook

The global economy is clearly impacted by the ongoing conflict between Russia and Ukraine. However, the country has done reasonably well and completed major part of the fiscal year on a positive note. This is reflected by continued growth prospects and positive business sentiments. However, maintaining this momentum in the face of the political changes and economic challenges will be critical. The economic indicators have started to show signs of overheating, driven by strong domestic demand and rising global commodity prices. This is likely to add pressure on the rupee parity and domestic inflation. While in the near term all these figures are likely to remain high, they are expected to gradually moderate as global commodity prices retrench. It is imperative for the Country to restart and successfully conclude the IMF's EFF program, which in turn

should help in reversing the currency sentiment. Domestic revenue collection, through implementation of structural reforms, is also pivotal to mitigate the increased risks of fiscal and debt sustainability. While for the long-term growth enhancement, it is important that it is driven by expansion of domestic production. If all these actions proceed smoothly, it is expected that the economic recovery and demand for automobile products will also continue its momentum.

The Company aims to strive for the best use of resources and manufacturing excellence which has led to significant value creation for the stakeholders and the society. This enables the Company to deliver efficient and accessible mobility solutions to the present and future generations. In this regard, principles of "Honda Philosophy" continue to remain the corner stone of our business.

در خراماں خراماں ارم دیکھتے ہیں
(We foresee bright prospects)

Acknowledgement

I would like to acknowledge the continued support and cooperation of Honda Motor Company Limited in maintaining high standards of excellence. I extend gratitude to our valued customers for the trust they continue to place in us, the management team for its sincere efforts & the Board of Directors for their guidance. The out-going President, Mr. Hironobu Yoshimura & his team deserve appreciation for effective management throughout. I also take opportunity to welcome Mr. Takafumi Koike as the new President. The Board has full confidence in his leadership to fight through the challenging times ahead. I wish the Company all the success in the coming years.

Aamir H. Shirazi
Chairman

May 26, 2022
Karachi.

Directors' Report

As on March 31, 2022



Takafumi Koike
President/CEO

The Directors of the Company are pleased to present their report together with the 30th Annual Report of the Company along with Audited Financial Statements for the year ended March 31, 2022.

Financial Results:
 Key financial results for the year are as follows:

Rupees in million	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax for the year	4,275.40	2,780.63
Taxation	(1,765.50)	(987.42)
Other comprehensive loss for the year	(99.89)	(11.50)
Un-appropriated profit	2,410.01	1,781.71
Opening retained earnings	166.71	30.45
Total balance available for appropriation	2,576.72	1,823.16
Appropriations: *		
Transfer to general reserves	(1,500.00)	(1,000.00)
Proposed dividend 70% (2021: 45.2%)	(999.60)	(645.47)
	(2,499.60)	(1,645.47)
Earnings per share - basic & diluted (Rs.)	17.58	12.56

* 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 business environment remained difficult throughout the year. The automobile industry faced unprecedented challenges including PKR devaluation, global supply chain disruptions, rise in ocean freights and higher interest rates. However, despite all these factors, the demand for automobile products remained strong, especially in the SUV segment. Despite all the challenges, the Company closed the financial year with profit before tax of Rs 4,275.40 million and net profit after tax of Rs 2,509.91 million, as compared to Rs 2,780.63 million and Rs 1,793.20 million respectively, in the corresponding last year.

Earnings per Share

The basic and diluted earnings per share after tax was Rs. 17.58 (2021: Rs. 12.56).

Dividend

In line with the Company's strategy to pay dividends, keeping balance between reasonable payout as well as to meet the future business requirements, the Board of Directors has recommended Rs 7.0 (70%) per share dividend for the year ended March 31, 2022 as compared to Rs. 4.52/- (45.2%) declared last year. The Company maintained the Dividend payout of 40% for the year.



Directors' Report as on March 31, 2022



Annual General meeting of Shareholders

Composition of the Board

The following is the composition of the Board of Directors:

Total Number of Directors:	9
a) Male	8
b) Female	1

Composition of the Board:

a) Independent Directors	3
b) Non-Executive Directors	4
c) Executive Directors	2

There were two changes on the Board during the year, however, the statutory composition of the Board was maintained.

The election of the Board of Directors was held during the year under review. As a result, the Board of Directors were re-elected for a period of three years starting from May 2, 2022. All the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 related to the composition of the Board have been complied with

Board of Directors

The Board of Directors is comprised of three Independent Directors and

six Directors representing Honda Motor & Atlas Group. 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 includes making decisions concerning key Company matters, strategic business direction, corporate governance and management policies and monitoring of operations. In addition, the Board discusses and makes decisions concerning matters specified in the Articles of Association, the Code and other applicable laws. To fulfill these roles, the candidates for Directors shall be persons of superior characteristics and insight who have high expertise in business & financial management, accounting, quality, production or the Company's business operations.

Board Meetings

During the year, six 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	6
2.	Mr. Hironobu Yoshimura	6
3.	Mr. Saquib H. Shirazi	6
4.	Mr. Katsumi Kasai	6
5.	Mr. Feroz Rizvi	3
	Mr. Muhammad Naeem Khan (replaced Mr. Feroz Rizvi)	3
6.	Mr. Eihiko Sato	5
7.	Mr. Kazunori Shibayama	5
8.	Ms. Rie Mihara	6
9.	Mr. Ariful Islam	3
	Mr. Maqsood ur Rehman Rehmani (Company Secretary)	6
	Mr. Hamood ur Rahman Qaddafi (Chief Financial Officer)	6

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

Corporate Governance

The Company strives to enhance corporate governance as one of the most important tasks for its management, based on the Company's basic principles, to strengthen the trust of its shareholders, customers' and society. The Board always encourages timely, decisive and risk-considered decision-making; seek sustainable growth and the enhancement of corporate value over the mid-to long-term; and become "a company that society wants to exist." To clearly segregate the supervisory function and execution function of management and to enable prompt and flexible decisions, the company has an Audit Committee, a Human Resource & Remuneration Committee and an Executive Committee which allow broad delegation of the business execution authority to the Executive Officers.

Audit Committee

The Audit Committee is composed of Independent and Non-Executive Directors. The Chairman of the Audit Committee is an Independent Director. To respond to the entrustment of the shareholders, the Audit Committee reviews the audit reports, internal control systems, financial statements and perform other duties of the Committee as prescribed by the laws and regulations, with the aim of ensuring sound and sustainable growth of the Company. Reporting is required whenever there is an item that has a major impact on the Company.

The Internal Audit Division, which directly reports to the Chairman Audit Committee, conducts the internal audits of departments and processes to ensure compliances with the policies, regulation and SOPs of the Company.

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 & regulations and other associated matters.

The attendance of the Audit Committee members was as under:

Sr.No.	Name of Committee Member	Appointed on	Attendance
1.	Mr. Feroz Rizvi	Chairman	2
	Mr. Muhammad Naeem Khan (replaced Mr. Feroz Rizvi)	Chairman	2
2.	Mr. Saquib H. Shirazi	Member	4
3.	Mr. Eihiko Sato	Member	4
4.	Mr. Kazunori Shibayama	Member	4

A leave of absence was granted to the members who did not attend the Audit Committee meetings.

Human Resource & Remuneration Committee

The Human Resource and Remuneration Committee consists of five members, majority of whom are non-executive directors. The Chairman of the Committee is an Independent Director. The Committees provides strategic guidance to the management on human resource, review the annual performance evaluations, personnel policies and compensation & benefits for the associates.

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	Appointed on	Attendance
1.	Mr. Muhammad Naeem Khan (replaced Mr. Feroz Rizvi)	Chairman	1
2.	Mr. Saquib H. Shirazi	Member	1
3.	Mr. Hironobu Yoshimura	Member	1
4.	Mr. Katsumi Kasai	Member	1
5.	Mr. Eihiko Sato	Member	1

Changes on the Board

On October 01, 2022, Mr. Feroz Rizvi, Independent Director was replaced by Mr. Muhammad Naeem Khan. Mr. Hironobu Yoshimura, Executive Director and President & Chief Executive Officer was replaced by Mr. Takafumi Koike and Mr. Kazunori Shibayama Director was replaced by Mr. Gaku Nakanishi in regular annual rotations by Honda Motor, Japan on April 01, 2022, and May 17, 2022 respectively. The Board acknowledges the valuable contributions made by the outgoing Directors and welcome the new members on the Board.

Director's Remuneration

The system of remuneration for Directors is designed to enhance their motivation for improved business performance, both over the short term and medium to long term with sustained growth of corporate value. The Executive Directors are paid monthly remuneration and benefits as approved by the members, whereas the Company does not pay remuneration to Non-executive Directors, except advisory fee. For information on remuneration and fee of Directors & CEO in 2022-23, please refer notes to the Financial Statements.

Directors' Report as on March 31, 2022



Inter-Department Cricket Tournament

For the year ending March 31, 2023, the Board has recommended the following advisory fee & remunerations for the Directors, subject to the approval by the shareholders:

- the advisory fee of the Chairman (Non-executive Director) at Rs. 50.69 million,
- the remuneration of the President/ CEO at Rs. 25 million; and
- the remuneration of one fulltime director at Rs. 17.37 million

Honda Code of Conduct

To earn the trust of customers and society for sustainable growth, we must not only comply with laws & regulations but go beyond those legal structures by practicing sincere and ethical conduct. Recognizing this, the Company has formulated the Honda Code of Conduct. It summarizes the sincere behavior to be practiced by the people working at Honda around the world. The Company works to instill the Honda Code of Conduct in every associate through actions such as the distribution of leaflets, the publication of in-house newsletters, the posting of information on its intranet and through training.

Business Ethics Proposal Line

The Company has established the Business Ethics Proposal Line as a structure to improve corporate ethics. This hotline addresses issues which compromise corporate ethics through violation of 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 at the workplace. In addition, this hotline responds to the inquiries about the internal rules when questionable actions have occurred and also engages in fact evaluation related to such cases. Proposals are accepted by email, letter, telephone or drop box from all associates and business partners. We ensure protection of the proposers and anonymous proposals are also accepted.

Initiatives to Prevent Bribery and Corruption

The Company strictly prohibits bribery and corruption. The Honda Code of Conduct requires the Company to comply with the laws & regulations. The Code states, "as an independent corporate entity, the Company maintains appropriate relationships

with political entities (political organizations and politicians) and administrative entities (Governmental agencies and Government officials)" and "will interact with political and administrative entities in an appropriate manner in compliance with laws, regulations & Company policies and will not offer politicians or Government officials entertainment or gifts (both monetary and non-monetary) that are prohibited by laws, regulations and company policies." Moreover, the Code stipulates that the associates will not receive from or provide to business partners benefits in the form of goods (both monetary and non-monetary) or entertainment beyond what is generally considered appropriate by society.

In addition to the above, the Company also has established the Honda Policy on the Prevention of Bribery and Corruption. It stipulates basic policy about bribery and corruption and the Honda Guideline for the Prevention of Bribery and Corruption specifying compliance and prohibited items. The reinforcement of the policy is ensured through trainings, emails of any policy change and the Company's intranet.

Establishing an Effective Risk Management Structure

The Risk Management Policy aims at driving the Company's sustainable growth and stabilizing management based on the Honda Philosophy. It targets all the risks having potential impact on the operations of the Company.

The Company has developed a risk management framework which is headed by the Risk Management Officer. The risk assessment activities are carried out by each Business and Functional Division. The purpose of these activities is to foresee potential risks surrounding the business and to respond beforehand to mitigate these risks. Each department performs risk evaluation by using the common risk items and the assessment criteria to identify the priority risks of each Division. The Company-wide priority risks are identified by the Risk Management Officer after due deliberation over the risk status of each operations. The concerned division then includes such risk items in its business plan for continuous monitoring, improving the situation 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 including formulation and amendment 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 appropriate management of the Business Ethic Proposal Line and deciding measures to prevent recurrences when any breach

transpires. 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.

Information Management

To protect the information assets, including confidential & personal information, the Company has adopted the Global Confidentiality Policy (GCP) and the Global IT Security Policy (GITSP). These policies stipulate a systematic response structure and compliance items for handling confidential & personal information along with security standards for information systems and networks. They also specify the line of reporting in the event of any information leakage. While effectively applying these policies, the Company has set up the Confidentiality Committee to ensure timely response to changes. Beside strengthening of activities to ensure information security against increasingly sophisticated and complex cyberattacks, the Company

continuously monitors its capability of immediately responding to the events which must be addressed.

Personnel Management

Honda believes that human beings are born as free and unique individuals with the capacity to think, reason, create – and the ability to dream. The Company wishes to nurture and promote these characteristics by respecting individual differences, trusting each other as equal partners, exercising abilities to the fullest and sharing joy. From this standpoint, the Company adopts Respect for the Individual 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. The Company always seeks to create an environment which supports to develop abilities and ambitions of associates and provides them with a workplace where these skills may actively be exercised.



Directors' Report as on March 31, 2022



Free Medical Camp



Tree plantation at Motorway Police Premises



Provided Clean Drinking Water Facility under CSR Activity

Occupational Health and Safety

The Company always endeavors to build a safe and secure work environment for associates. Under the fundamental safety principle of “no safety, no production”, the Company seeks to realize a work environment that brings the joy to the people of working 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. During the year, all associates went through mandatory annual medical checkup and necessary precautions were taken in case of any deviation from standard health parameters. The Company continued to focus on the health of associates in the ongoing pandemic environment. Though the pandemic recedes towards end of the year, the social distancing and basic precautions for Covid-19 safety were observed throughout the year. All workstations & lunch tables

were protected and work from home protocols were observed. E-meetings were preferred instead of meeting in person to control the spread.

The Company has been taking various measures to update the fire safety system in the premises. It includes adding new fire safety fixtures, improving existing installations and conducting firefighting drills of associates. A comprehensive firefighting organization has been developed and regular trainings of every department are conducted in line with the safety schedule.

CSR Activities

During the year, the Company continued to undertake social contribution activities, aiming to share joy with people and to ‘become a company society wants to exist’. The Company contributed towards society through some major projects including medical camps, safe drinking water and plantation.

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 amid Covid-19, the Company organized three free medical camps at remote areas and more than 1,944 patients were given free medical treatment and medicines. Since 2014, the Company has arranged 41 medical camps wherein more than 24,944 patients have been provided free medical assistance.

Tree Plantation

The Company observed “Let's Celebrate 75th INDEPENDENCE DAY by Planting a Tree” under the National campaign of “Clean and Green Pakistan”. This activity was initiated with different schools and Government institutes. The program also helped the Company to educate students about the importance of tree plantation and the greater benefit of being ecofriendly. Students really



Donation cheque handed over under Student's Free Meal Program



Tree Plantation at Ali Garh School at Manga Mandi, Lahore



Participated in Student's Free Meal Program

appreciated the program and vowed to take care of plants in the school premises.

Clean Drinking Water

Availability of clean drinking water has been a major concern in the rural areas. The available water sources are mostly contaminated which trigger life threatening diseases. The students at Government schools in Manga Mandi & vicinity suffer with the scarcity of clean drinking water. During last year, the Company installed clean drinking water pumps in Government School for Boys in Manga Mandi & Sunder. Deep-bored water pumps & water reservoirs were installed to facilitate the supply of clean drinking water.

Free School Meal Program

In Government Schools of the Punjab, annual drop-out ratio of Children is very high from KG to Class V by reason of poverty. To control the drop-out ratio, the Company initiated to liaison with a local NGO who has been working to serve lunch to the children

on daily basis in various schools. The Company donated Rs. 1.0 million to provide hygienic meal to the school students for one year. The ‘School Meal Program’ improved attendance, health and retention of students.

Renovation of local School

One of the schools at Manga Mandi was restructured during the year. The building of a Girls Primary School was at risk due to wear & tear over the period and needed immediate repair. The Company got a part of the building renovated and also added basic amenities in the premises.

Safe Driving Trainings

The Company arranged regular traffic safety education & training sessions in coordination with one of the associated companies and Motorway Police. Training sessions for the coaster drivers were also arranged for awareness. It has been particularly helpful for the Company to reduce accidents since the beginning of such safety trainings.

Firefighting Trainings

The Company started to provide firefighting training to the dealers and vendors at their premises. The firefighting trainings were arranged for two 3S Dealerships and two vendors which trained 30 employees. The standard session included theoretical knowledge about fire and its contents, followed by practical demonstration to control the fire. These sessions have been helpful to raise the importance of the fire safety among our business partners.

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:

- a. The financial statements for the year ended March 31, 2022 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 the financial statements for the year ended March 31, 2022 and accounting estimates are based on reasonable and prudent judgement;
- d. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements;
- e. The systems of internal control are sound in design and has 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, 2022 were Rs. 608.70 million and Rs. 777.37 million respectively.
- i. The key operating and financial data for last ten years is given in this report.

Material Changes
 There have been no material changes since March 31, 2022 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.

Shares Transfer
 During the year, 525 qualification shares were transferred in the name of Mr. Eihiko Sato, the new nominated director from Honda Motor, Japan replacing Mr. Akira Murayama who was transferred to Japan on April 01, 2021. 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 period under review.

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, 2022 and the future outlook. The directors endorse the contents of the review.

Statement of Compliance with 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.

Patten of Shareholding
 The pattern of shareholding as on March 31, 2022 and its disclosure is annexed with this report.

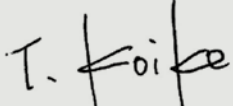
Auditors
 M/s A. F. Ferguson & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment for the year ending March 31, 2023. The Audit Committee has recommended their reappointment to the Board.

For and on behalf of
The Board of Directors



Aamir H. Shirazi
Chairman

May 26, 2022
Karachi.



Takafumi Koike
President/CEO



Statement of Compliance

with Listed Companies (Code of Corporate Governance) Regulations, 2019



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

Name of Company: **Honda Atlas Cars (Pakistan) Limited**
Year ended: **March 31, 2022**

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 the Board of Directors (the Board) is as follows:

Sr. No.	Category	Names
1.	Independent Directors	Mr. Muhammad Naeem Khan
2.		Mr. Arif ul Islam
3.		Ms. Rie Mihara
4.	Other Non-Executive Directors	Mr. Aamir H. Shirazi
5.		Mr. Saquib H. Shirazi
6.		Mr. Eihiko Sato
7.		Mr. Kazunori Shibayama
8.	Executive Directors	Mr. Hironobu Yoshimura
9.		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 in 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. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.

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.



7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the 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. Their was no new appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit during the year.

11. The 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:

a) Audit Committee	1.	Mr. Muhammad Naeem Khan	Chairman
	2.	Mr. Saquib H. Shirazi	
	3.	Mr. Eihiko Sato	
	4.	Mr. Kazunori Shibayama	
b) HR & Remuneration Committee	1.	Mr. Muhammad Naeem Khan	Chairman
	2.	Mr. Saquib H. Shirazi	
	3.	Mr. Hironobu Yoshimura	
	4.	Mr. Katsumi Kasai	
	5.	Mr. Eihiko Sato	

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

Statement of 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, 2022.
- b) **HR & Remuneration Committee**
One meeting was held during the financial year ended March 31, 2022.

15. The Board has set up an effective internal audit function who is considered suitably qualified and experienced for the purpose and is 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 regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
- 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 Company Secretary and 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 111 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 RMC and the Company's Risk Manager performs the requisite functions and apprises the board accordingly.

Aamir H. Shirazi
Chairman

Date: May 26, 2022
Karachi.



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, 2022 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.

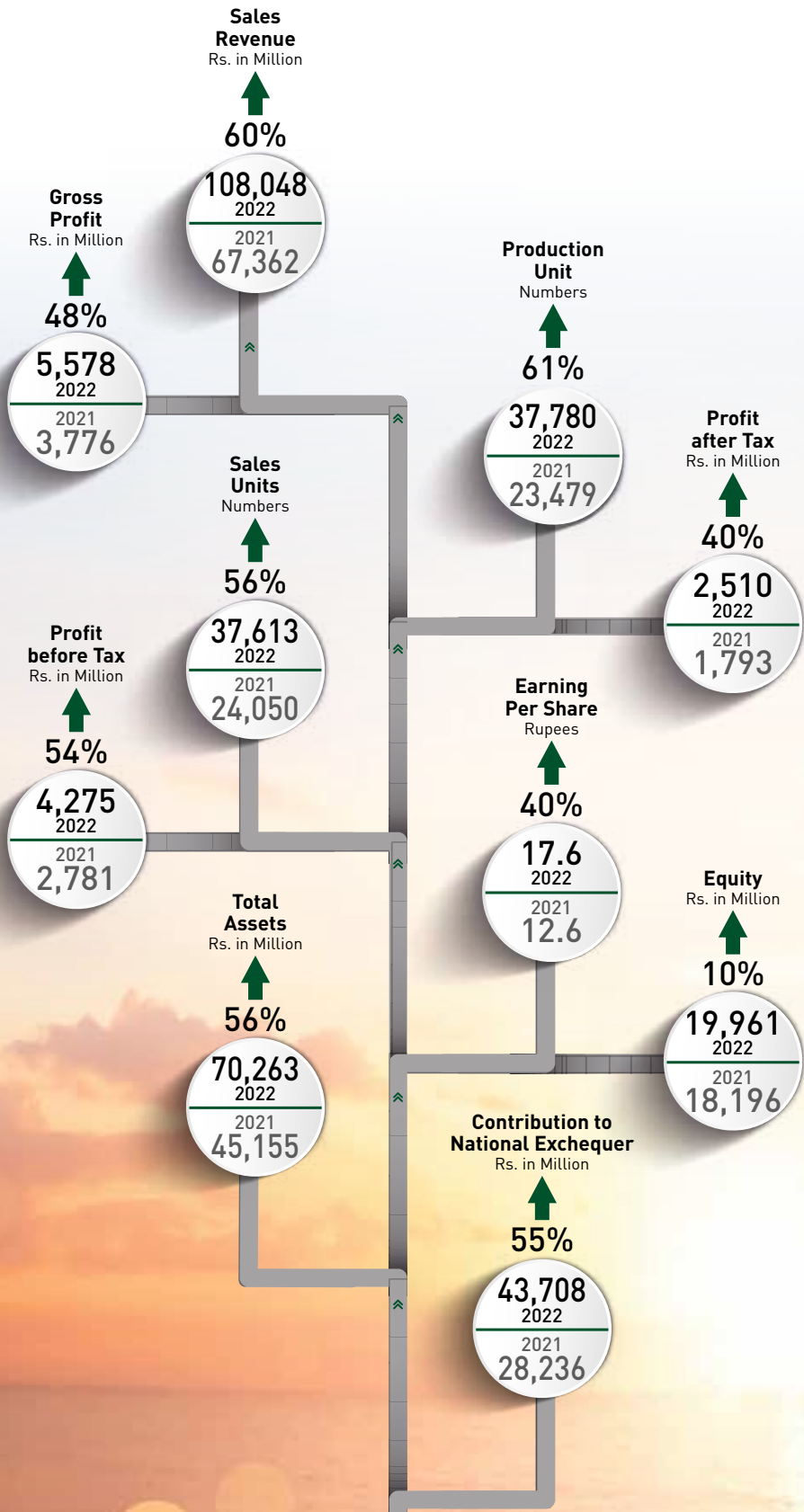
The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent 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, 2022.

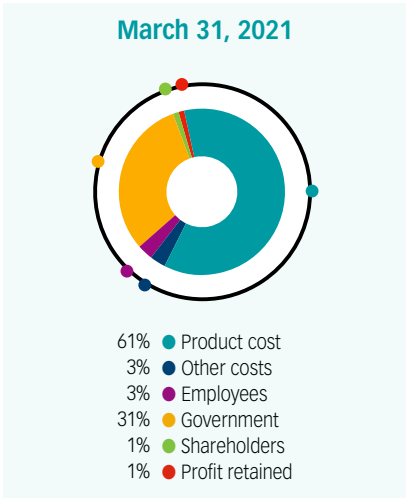
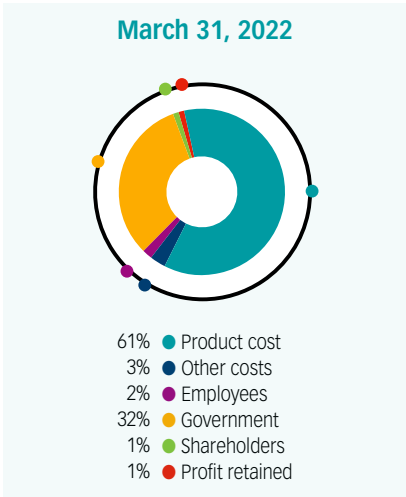

A. F. FERGUSON & CO.
Chartered Accountants

Lahore
Date: June 07, 2022
UDIN: CR202210071FNUaLqy5v

Significant Highlights



Revenue Application



Rupees in thousand	2022	2021
REVENUE		
Gross sales	133,241,755	84,208,088
Other income	2,004,952	918,484
Total	135,246,707	85,126,572
APPLICATION		
Product Cost		
Cost of sales (excluding employees' remuneration and government levies)	82,598,986	52,822,804
Other costs		
Operating expenses (excluding employees' remuneration)	2,054,782	874,248
Dealers' commission	2,041,424	1,282,062
Financial charges	115,914	116,159
	4,212,120	2,272,469
Employees		
Workers' profit participation fund	227,436	149,647
Employees' remuneration	2,708,589	2,072,529
	2,936,025	2,222,176
Government		
Workers' welfare fund	45,887	62,663
Sales tax	23,152,481	15,563,719
Custom duties	18,125,691	9,413,610
Income tax	1,765,499	987,422
	43,089,558	26,027,414
Shareholders		
Dividend	999,600	645,456
Retained in Business		
Profit retained	1,410,418	1,136,253
Total	135,246,707	85,126,572

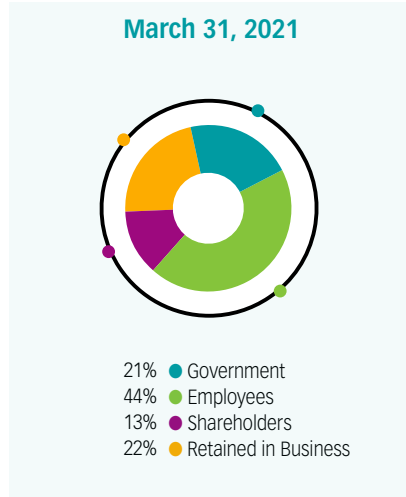
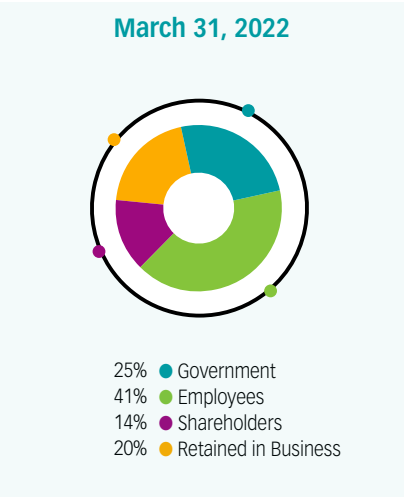
Percentage	2022	2021
APPLICATION		
Product cost	61	61
Other costs	3	3
Employees	2	3
Government	32	31
Shareholders	1	1
Profit retained	1	1
Total	100	100

Value Added and its Distribution

Rupees in thousand	2022	2021
VALUE ADDED		
Net sales	108,047,850	67,362,307
Other income	2,004,952	918,484
Cost of sales (excluding employees' remuneration)	(100,724,677)	(62,236,414)
Operating expenses (excluding employees' remuneration)	(2,054,782)	(874,248)
Finance cost	(115,914)	(116,159)
Total	7,157,429	5,053,970

DISTRIBUTION		
To Government		
Workers' welfare fund	45,887	62,663
Income tax	1,765,499	987,422
	1,811,386	1,050,085
To Employees		
Workers' profit participation fund	227,436	149,647
Employees' remuneration	2,708,589	2,072,529
	2,936,025	2,222,176
To Shareholders		
Dividend	999,600	645,456
Retained In Business		
Profit retained	1,410,418	1,136,253
Total	7,157,429	5,053,970

Percentage	2022	2021
DISTRIBUTION		
Government	25	21
Employees	41	44
Shareholders	14	13
Retained in business	20	22
Total	100	100



Financial Highlights

		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
STATEMENT OF PROFIT OR LOSS											
Sales	Rs in million	108,048	67,362	55,046	95,128	91,523	62,803	40,086	37,764	39,153	30,275
Gross profit	Rs in million	5,578	3,776	4,091	7,304	10,449	9,122	6,047	4,773	2,857	1,447
Operating profit	Rs in million	4,391	2,897	2,275	5,605	9,493	8,660	5,186	3,786	2,135	716
Profit before tax	Rs in million	4,275	2,781	1,547	5,594	9,479	8,636	5,179	3,767	2,097	525
Profit after tax	Rs in million	2,510	1,793	682	3,851	6,494	6,135	3,556	3,162	1,074	244
Proposed dividend	Rs in million	1,000	645	143	1,735	3,846	1,856	1,000	714	428	43
STATEMENT OF FINANCIAL POSITION											
Share capital	Rs in million	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428
Shareholders' equity	Rs in million	19,961	18,196	16,557	17,627	17,073	13,065	7,941	5,120	2,391	1,365
Capital expenditure	Rs in million	3,782	3,895	724	961	1,266	1,812	1,346	662	239	466
Fixed assets - at cost	Rs in million	18,431	16,613	13,129	12,621	11,961	11,454	9,844	8,531	8,150	7,957
Fixed assets - net	Rs in million	10,662	7,974	4,905	5,245	5,373	4,974	3,781	2,933	3,041	3,503
Non current liabilities	Rs in million	4,317	3,053	474	465	540	440	226	64	56	43
Total assets	Rs in million	70,263	45,155	31,842	32,101	58,809	51,497	16,205	13,926	12,317	15,146
Working capital	Rs in million	13,330	13,045	11,792	12,286	12,047	8,419	4,300	1,806	(1,043)	(3,180)
Capital employed	Rs in million	23,837	21,213	18,890	17,627	17,073	13,065	7,941	5,120	2,391	1,365
SIGNIFICANT RATIOS											
Profitability											
Gross profit margin	%	5.2	5.6	7.4	7.7	11.4	14.5	15.1	12.6	7.3	4.8
Operating profit margin	%	4.1	4.3	4.1	5.9	10.3	13.8	12.9	10.0	5.5	2.4
Profit before tax	%	4.0	4.1	2.9	5.9	10.4	13.8	12.9	9.9	5.4	1.7
Profit after tax	%	2.3	2.7	1.2	4.0	7.1	9.8	8.9	8.4	2.7	0.8
Liquidity											
Current ratio	Times	1.3	1.5	1.8	1.9	1.3	1.2	1.5	1.2	0.9	0.8
Quick ratio	Times	0.8	1.1	1.0	1.2	1.1	1.0	1.0	0.6	0.5	0.4
Long term debt to equity	Times	0.2	0.2	-	-	-	-	-	-	-	-
Total liabilities to equity	Times	3.5	2.5	1.9	1.8	3.4	3.9	2.0	2.7	5.2	11.1
Activity											
Total assets turnover	Times	1.5	1.5	1.7	3.0	1.6	1.2	2.5	2.7	3.2	2.0
Fixed assets turnover	Times	10.1	8.4	11.2	18.1	17.0	12.6	10.6	12.9	12.9	8.6
Stock turnover ratio	Times	5.9	5.5	5.1	10.4	10.9	10.1	7.1	7.0	8.9	8.0
Interest cover (BT)	Times	37.9	24.9	3.1	500.9	655.8	369.4	741.8	202.8	56.1	3.7
Interest cover (AT)	Times	22.7	16.4	1.9	345.2	449.6	262.7	509.6	170.4	29.2	2.3
Number of days stock	Days	62	66	72	35	33	36	51	52	41	45
Earning											
Return on capital employed	%	11.1	8.9	3.7	22.2	43.1	58.4	54.5	84.2	57.2	18.4
Return on equity (BT)	%	22.4	16.0	9.1	32.2	62.9	82.2	79.3	100.3	111.7	42.1
Return on equity (AT)	%	13.2	10.3	4.0	22.2	43.1	58.4	54.5	84.2	57.2	19.6
Earning per share (BT)	Rs.	29.9	19.5	10.8	39.2	66.4	60.5	36.3	26.4	14.7	3.7
Earning per share (AT)	Rs.	17.6	12.6	4.8	27.0	45.5	43.0	24.9	22.1	7.5	1.7
Price earning ratio (AT)	Times	11.8	21.7	27.7	8.9	10.5	17.5	10.1	8.3	7.3	17.1
Dividend per ordinary share	Rs.	7.00	4.5	1.0	12.1	26.9	13.0	7.0	5.0	3.0	0.3
Dividend pay out ratio	%	39.8	36.0	21.0	45.1	59.2	30.3	28.1	22.6	39.9	17.6
OTHER INFORMATION											
Break up value per share	Rs.	140	127	116	123	120	91	56	36	17	10
Market value per share	Rs.	207	273	133	240	477	752	252	183	55	29
Contribution to national exchequer	Rs in million	43,708	28,236	23,407	32,227	33,913	25,130	12,488	11,758	13,750	10,664
Units produced	Units	37,780	23,479	22,729	48,608	50,177	34,560	25,939	23,320	23,223	19,387
Units sold	Units	37,613	24,050	22,418	48,648	50,100	35,381	25,800	23,311	23,310	18,915
Manpower (permanent+contractual)	Nos.	2,274	1,498	1,483	2,284	2,278	2,033	1,256	1,160	1,122	1,003
Exchange rates at year end date											
¥ to \$	¥	121.52	110.82	108.29	110.64	106.06	111.65	112.74	119.13	104.00	93.97
Rs to \$	Rs.	183.68	152.79	166.59	140.51	115.60	104.95	104.85	101.94	98.53	98.57
Rs to ¥	Rs.	1.51	1.38	1.54	1.27	1.09	0.94	0.93	0.85	0.95	1.05

Horizontal Analysis

	2022	2021	2020	2019	2018	2017	2022 vs 2021	2021 vs 2020	2020 vs 2019	2019 vs 2018	2018 vs 2017
		Rupees in thousand						Percentage			
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	15,956,000	14,956,000	14,306,000	12,306,000	9,706,000	5,506,000	6.69	4.54	16.25	26.79	76.28
Unappropriated profit	2,576,725	1,812,163	823,254	3,892,652	5,939,492	6,130,847	42.19	120.12	(78.85)	(34.46)	(3.12)
NON-CURRENT LIABILITIES											
Long-term finances - secured	2,739,121	2,068,693	-	-	-	-	32.41	100.00	-	-	-
Deferred government grant	787,677	595,838	-	-	-	-	32.20	100.00	-	-	-
Employee retirement benefits	250,977	173,374	187,484	164,766	93,385	61,645	44.76	(7.53)	13.79	76.44	51.49
Deferred taxation	521,177	201,780	270,510	288,058	433,591	367,144	158.29	(25.41)	(6.09)	(33.56)	18.10
Deferred revenue	18,197	13,535	16,438	11,829	12,838	10,842	34.44	(17.66)	38.96	(7.86)	18.41
CURRENT LIABILITIES											
Current portion of non-current liabilities	357,011	361,713	20,498	5,232	3,026	4,480	(1.30)	1,664.63	291.78	72.90	(32.46)
Short term borrowings - secured	-	-	-	-	-	-	-	-	-	-	-
Short term loan from related party - Unsecured	-	-	2,332,246	-	-	-	-	(100)	100	-	-
Accrued mark-up	37,293	6,120	75,547	17	782	14,218	509.36	(91.90)	444,294.12	(97.83)	(94.50)
Trade, dividend and other payables	45,590,870	23,538,010	12,381,837	14,004,637	41,191,665	37,973,858	93.69	90.10	(11.59)	(66.00)	8.47
	70,263,048	45,155,226	31,841,814	32,101,191	58,808,779	51,497,034	55.60	41.81	(0.81)	(45.41)	14.20
ASSETS											
NON-CURRENT ASSETS											
Property, plant and equipment	7,549,924	4,000,261	4,518,634	4,905,667	4,991,899	4,402,000	88.74	(11.47)	(7.89)	(1.73)	13.40
Intangible assets	747,295	186,188	289,015	215,951	305,124	373,092	301.37	(35.58)	33.83	(29.23)	(18.22)
Capital work-in-progress	2,364,549	3,788,001	97,062	123,487	76,348	199,194	(37.58)	3,802.66	(21.40)	61.74	(61.67)
Long term trade debts	27,216	56,157	117,080	208,959	-	-	(51.54)	(52.04)	(43.97)	100.00	-
Long term loans and advances	254,558	170,209	213,814	346,959	189,023	107,251	49.56	(20.39)	(38.37)	83.55	76.24
Long term deposits	4,042	4,042	4,042	4,042	4,042	4,042	-	-	-	-	-
CURRENT ASSETS											
Stores and spares	290,262	185,370	194,479	169,004	138,779	134,569	56.59	(4.68)	15.07	21.78	3.13
Stock-in-trade	22,866,173	11,648,838	11,268,644	8,670,614	8,208,043	6,658,735	96.30	3.37	29.96	5.64	23.27
Trade debts	978,728	845,765	868,505	1,122,986	92,441	49,536	15.72	(2.62)	(22.66)	1,114.81	86.61
Advances, prepayments and other receivables	15,398,259	9,349,859	8,653,570	10,173,428	13,135,180	9,088,890	64.69	8.05	(14.94)	(22.55)	44.52
Derivative finacial instruments	-	-	42,205	-	-	-	-	(100.00)	100.00	-	-
Short term investments	6,795,538	-	4,053,057	4,768,252	20,674,900	20,943,345	100.00	(100.00)	(15.00)	(76.94)	(1.28)
Cash and bank balances	12,986,504	14,920,536	1,521,707	1,391,842	10,993,000	9,536,380	(12.96)	880.51	9.33	(87.34)	15.27
	70,263,048	45,155,226	31,841,814	32,101,191	58,808,779	51,497,034	55.60	41.81	(0.81)	(45.41)	14.20
STATEMENT OF PROFIT OR LOSS											
Sales	108,047,850	67,362,307	55,046,264	95,128,289	91,522,872	62,802,753	60.40	22.37	(42.13)	3.94	45.73
Cost of sales	(102,470,241)	(63,586,363)	(50,955,042)	(87,824,215)	(81,073,777)	(53,681,061)	61.15	24.79	(41.98)	8.33	51.03
Gross profit	5,577,609	3,775,944	4,091,222	7,304,074	10,449,095	9,121,692	47.71	(7.71)	(43.99)	(30.10)	14.55
Distribution and marketing costs	(1,139,359)	(736,974)	(667,901)	(931,787)	(916,906)	(542,321)	54.60	10.34	(28.32)	1.62	69.07
Administrative expenses	(1,067,838)	(823,588)	(738,757)	(800,040)	(677,602)	(497,269)	29.66	11.48	(7.66)	18.07	36.26
Other operating income	2,004,952	918,484	638,618	1,313,522	1,883,025	1,115,189	118.29	43.82	(51.38)	(30.24)	68.85
Other operating expenses	(984,045)	(237,080)	(1,048,538)	(1,281,007)	(1,244,569)	(537,523)	315.07	(77.39)	(18.15)	2.93	131.54
Finance cost	(115,914)	(116,159)	(727,444)	(11,189)	(14,476)	(23,443)	(0.21)	(84.03)	6,401.42	(22.71)	(38.25)
Profit before taxation	4,275,405	2,780,627	1,547,200	5,593,573	9,478,567	8,636,325	53.76	79.72	(72.34)	(40.99)	9.75
Taxation	(1,765,499)	(987,422)	(865,448)	(1,742,460)	(2,984,117)	(2,501,335)	78.80	14.09	(50.33)	(41.61)	19.30
Profit after taxation	2,509,906	1,793,205	681,752	3,851,113	6,494,450	6,134,990	39.97	163.03	(82.30)	(40.70)	5.86

Vertical Analysis

	2022	2021	2020	2019	2018	2022	2021	2020	2019	2018	
		Rupees in thousand						Percentage			
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	2.03	3.16	4.48	4.45	2.43	
Reserves	15,956,000	14,956,000	14,306,000	12,306,000	9,706,000	22.71	33.12	44.93	38.34	16.50	
Unappropriated profit	2,576,725	1,812,163	823,254	3,892,652	5,939,492	3.67	4.01	2.59	12.13	10.10	
NON-CURRENT LIABILITIES											
Long-term finances - secured	2,739,121	2,068,693	-	-	-	3.90	4.58	-	-	-	
Deferred grant	787,677	595,838	-	-	-	1.12	1.32	-	-	-	
Gratuity	250,977	173,374	187,484	164,766	93,385	0.36	0.38	0.59	0.51	0.16	
Deferred taxation	521,177	201,780	270,510	288,058	433,591	0.74	0.45	0.85	0.90	0.74	
Deferred revenue	18,197	13,535	16,438	11,829	12,838	0.03	0.03	0.05	0.04	0.02	
CURRENT LIABILITIES											
Current portion non-current liabilities	357,011	361,713	20,498	5,232	3,026	0.51	0.80	0.06	0.02	0.01	
Short term borrowings - secured	-	-	-	-	-	-	-	-	-	-	
Short term loan from related party - Unsecured	-	-	2,332,246	-	-	-	-	7.32	-	-	
Accrued mark- up	37,293	6,120	75,547	17	782	0.05	0.01	0.24	-	-	
Trade, dividend and other payables	45,590,870	23,538,010	12,381,837	14,004,637	41,191,665	64.89	52.13	38.89	43.63	70.04	
	70,263,048	45,155,226	31,841,814	32,101,191	58,808,779	100.00	100.00	100.00	100.00	100.00	
ASSETS											
NON-CURRENT ASSETS											
Property, plant and equipment	7,549,924	4,000,261	4,518,634	4,905,667	4,991,899	10.75	8.86	14.19	15.28	8.49	
Intangible assets	747,295	186,188	289,015	215,951	305,124	1.06	0.41	0.91	0.67	0.52	
Capital work-in-progress	2,364,549	3,788,001	97,062	123,487	76,348	3.37	8.39	0.30	0.38	0.13	
Long term trade debts	27,216	56,157	117,080	208,959	-	0.04	0.12	0.37	0.65	-	
Long term loans and advances	254,558	170,209	213,814	346,959	189,023	0.36	0.38	0.67	1.08	0.32	
Long term deposits	4,042	4,042	4,042	4,042	4,042	0.01	0.01	0.01	0.01	0.01	
CURRENT ASSETS											
Stores and spares	290,262	185,370	194,479	169,004	138,779	0.41	0.41	0.61	0.53	0.24	
Stock-in-trade	22,866,173	11,648,838	11,268,644	8,670,614	8,208,043	32.54	25.80	35.39	27.01	13.96	
Trade debts	978,728	845,765	868,505	1,122,986	92,441	1.39	1.87	2.73	3.50	0.16	
Advances, prepayments and other receivables	15,398,259	9,349,859	8,653,570	10,173,428	13,135,180	21.92	20.71	27.18	31.69	22.34	
Derivative financial instruments	-	-	42,205	-	-	-	-	0.13	-	-	
Short term investments	6,795,538	-	4,053,057	4,768,252	20,674,900	9.67	-	12.73	14.85	35.16	
Cash and bank balances	12,986,504	14,920,536	1,521,707	1,391,842	10,993,000	18.48	33.04	4.78	4.34	18.69	
	70,263,048	45,155,226	31,841,814	32,101,191	58,808,779	100.00	100.00	100.00	100.00	100.00	
STATEMENT OF PROFIT OR LOSS											
Sales	108,047,850	67,362,307	55,046,264	95,128,289	91,522,872	100.00	100.00	100.00	100.00	100.00	
Cost of sales	(102,470,241)	(63,586,363)	(50,955,042)	(87,824,215)	(81,073,777)	(94.84)	(94.39)	(92.57)	(92.32)	(88.58)	
Gross profit	5,577,609	3,775,944	4,091,222	7,304,074	10,449,095	5.16	5.61	7.43	7.68	11.42	
Distribution and marketing costs	(1,139,359)	(736,974)	(667,901)	(931,787)	(916,906)	(1.05)	(1.09)	(1.21)	(0.98)	(1.00)	
Administrative expenses	(1,067,838)	(823,588)	(738,757)	(800,040)	(677,602)	(0.99)	(1.22)	(1.34)	(0.84)	(0.74)	
Other operating income	2,004,952	918,484	638,618	1,313,522	1,883,025	1.86	1.36	1.16	1.38	2.06	
Other operating expenses	(984,045)	(237,080)	(1,048,538)	(1,281,007)	(1,244,569)	(0.91)	(0.35)	(1.90)	(1.35)	(1.36)	
Finance cost	(115,914)	(116,159)	(727,444)	(11,189)	(14,476)	(0.11)	(0.17)	(1.32)	(0.01)	(0.02)	
Profit before taxation	4,275,405	2,780,627	1,547,200	5,593,573	9,478,567	3.96	4.13	2.81	5.88	10.36	
Taxation	(1,765,499)	(987,422)	(865,448)	(1,742,460)	(2,984,117)	(1.63)	(1.47)	(1.57)	(1.83)	(3.26)	
Profit after taxation	2,509,906	1,793,205	681,752	3,851,113	6,494,450	2.32	2.66	1.24	4.05	7.10	



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, 2022, 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, 2022 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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Independent Auditor's Report

to the Members of Honda Atlas Cars (Pakistan) Limited

Following are the key audit matters:

S. No	Key audit matters	How the matter was addressed in our audit
1.	<p>Capital expenditure (Refer note 16 to the annexed financial statements)</p> <p>During the current year, the Company has incurred a significant amount of the capital expenditure to enhance production, technological upgrades and strengthen the existing product slate of the Company and has been capitalized during the year.</p> <p>We consider the above as a key audit matter being significant transactions and events for the Company during the year.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessed, on a sample basis, costs capitalised during the year by comparing the costs capitalised with the relevant underlying documentation, which included purchase agreements and invoices. Assessed whether the costs capitalized met the relevant criteria for capitalization as per the applicable accounting and reporting framework. Evaluated management's estimation of economic useful lives and residual values by considering our knowledge of the business and practices adopted in the local industry. Checked the date of transferring capital work-in-progress to operating fixed assets by examining the completion certificates, on a sample basis. Assessed whether the disclosures are made in accordance with the financial reporting framework.
2	<p>Revenue recognition (Refer notes 4.20 and 27 to the annexed financial statements)</p> <p>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.</p> <p>We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company and due to the reason that revenue increased significantly as compared to last year. In addition, revenue was</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> 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.

S. No	Key audit matter	How the matter was addressed in our audit
	also considered as an area of significant audit risk as part of the audit process.	<ul style="list-style-type: none"> 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 variation in the price and quantity sold during the year. 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.

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

Independent Auditor's Report

to the Members of Honda Atlas Cars (Pakistan) Limited

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:

- Identify 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.
- 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:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- 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 Muhammad Masood.



A. F. Ferguson & Co.
Chartered Accountants

Lahore

Date: June 07, 2022

UDIN: AR202210071Jyq0QM7IA

Statement of Financial Position

As at March 31, 2022

Rupees in thousand	Note	2022	2021
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
200,000,000 (2021: 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 (2021: 142,800,000)			
ordinary shares of Rs 10 each	5	1,428,000	1,428,000
Reserves	6	15,956,000	14,956,000
Revenue reserve: Un-appropriated profits		2,576,725	1,812,163
		19,960,725	18,196,163
NON-CURRENT LIABILITIES			
Long term finances - secured	7	2,739,121	2,068,693
Deferred government grant	8	787,677	595,838
Employee retirement benefits	9	250,977	173,374
Deferred taxation	10	521,177	201,780
Deferred revenue		18,197	13,535
		4,317,149	3,053,220
CURRENT LIABILITIES			
Current portion of non-current liabilities	11	357,011	361,713
Short term borrowings - secured	12	-	-
Accrued markup	13	37,293	6,120
Unclaimed dividend		47,937	47,141
Trade and other payables	14	45,542,933	23,490,869
		45,985,174	23,905,843
CONTINGENCIES AND COMMITMENTS			
	15		
		70,263,048	45,155,226

The annexed notes 1 to 47 form an integral part of these financial statements.



Aamir H. Shirazi
Chairman



Takafumi Koike
President / CEO



Hamood ur Rahman Qaddafi
Chief Financial Officer

Rupees in thousand	Note	2022	2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	16	7,549,924	4,000,261
Intangible assets	17	747,295	186,188
Capital work-in-progress	18	2,364,549	3,788,001
Long term trade debts	19	27,216	56,157
Long term loans to employees	20	254,558	170,209
Long term deposits		4,042	4,042
		10,947,584	8,204,858
CURRENT ASSETS			
Stores and spares	21	290,262	185,370
Stock-in-trade	22	22,866,173	11,648,838
Trade debts	23	978,728	845,765
Loans, advances, deposits, prepayments and other receivables	24	10,739,845	7,139,001
Income tax recoverable		4,658,414	2,210,858
Short term investments	25	6,795,538	-
Cash and bank balances	26	12,986,504	14,920,536
		59,315,464	36,950,368
		70,263,048	45,155,226



Aamir H. Shirazi
Chairman



Takafumi Koike
President / CEO



Hamood ur Rahman Qaddafi
Chief Financial Officer

Statement of Profit or Loss

For the year ended March 31, 2022

Rupees in thousand	Note	2022	2021
Sales	27	108,047,850	67,362,307
Cost of sales	28	(102,470,241)	(63,586,363)
Gross profit		5,577,609	3,775,944
Distribution and marketing costs	29	(1,139,359)	(736,974)
Administrative expenses	30	(1,067,838)	(823,588)
Other income	31	2,004,952	918,484
Other expenses	32	(984,045)	(237,080)
Finance cost	33	(115,914)	(116,159)
Profit before taxation		4,275,405	2,780,627
Taxation	34	(1,765,499)	(987,422)
Profit for the year		2,509,906	1,793,205
Earnings per share - basic and diluted (in Rupees)	38	17.58	12.56

The annexed notes 1 to 47 form an integral part of these financial statements.



Aamir H. Shirazi
Chairman



Takafumi Koike
President / CEO



Hamood ur Rahman Qaddafi
Chief Financial Officer

Statement of Comprehensive Income

For the year ended March 31, 2022

Rupees in thousand	Note	2022	2021
Profit for the year		2,509,906	1,793,205
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	(140,687)	(16,192)
- Income tax on remeasurement of post retirement benefits obligation		40,799	4,696
		(99,888)	(11,496)
Total comprehensive income for the year		2,410,018	1,781,709

The annexed notes 1 to 47 form an integral part of these financial statements.



Aamir H. Shirazi
Chairman



Takafumi Koike
President / CEO



Hamood ur Rahman Qaddafi
Chief Financial Officer

Statement of Changes in Equity

For the year ended March 31, 2022

Rupees in thousand	Share capital	Capital Reserve	Revenue Reserves		Total
		Share premium	General reserve	Un-appropriated profit	
Balance as on April 1, 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 @ Rupee 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
Appropriation of reserves					
Transfer to general reserve	-	-	1,000,000	(1,000,000)	-
Total comprehensive income for the year					
Profit for the year	-	-	-	2,509,906	2,509,906
Other comprehensive loss for the year	-	-	-	(99,888)	(99,888)
	-	-	-	2,410,018	2,410,018
Transactions with owners in their capacity as owners recognised directly in equity					
Final dividend for the year ended March 31, 2021 @ Rupees 4.52 per share	-	-	-	(645,456)	(645,456)
Balance as on March 31, 2022	1,428,000	76,000	15,880,000	2,576,725	19,960,725

The annexed notes 1 to 47 form an integral part of these financial statements.



Aamir H. Shirazi
Chairman



Takafumi Koike
President / CEO



Hamood ur Rahman Qaddafi
Chief Financial Officer

Statement of Cash Flows

For the year ended March 31, 2022

Rupees in thousand	Note	2022	2021
Cash flows from operating activities			
Cash generated from operations	35	12,243,244	16,085,694
Finance cost paid		(22,090)	(156,060)
Employees' retirement benefits and other obligations paid		(235,944)	(226,929)
Net (increase)/decrease in loans to employees		(186,842)	53,575
Income tax paid		(3,910,731)	(2,305,437)
Royalty paid		(1,387,578)	(1,348,681)
Net increase/(decrease) in deferred revenue		8,296	(7,600)
Net cash inflow from operating activities		6,508,355	12,094,562
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,927,709)	(3,823,355)
Purchase of intangible assets		(853,987)	(71,173)
Proceeds from disposal of property, plant and equipment		68,590	22,744
Proceeds from disposal of short term investments		38,775,790	324,576
Purchase of short term investments		(45,024,758)	-
Interest received		1,304,719	496,821
Net cash outflow from investing activities		(8,657,355)	(3,050,387)
Cash flows from financing activities			
Short term loan from related party repaid		-	(2,334,267)
Long term finances acquired		1,109,587	3,078,852
Long term finances repaid		(249,959)	(62,490)
Dividends paid		(644,660)	(143,697)
Net cash inflow from financing activities		214,968	538,398
Net (decrease)/increase in cash and cash equivalents		(1,934,032)	9,582,573
Cash and cash equivalents at the beginning of the year		14,920,536	5,337,963
Cash and cash equivalents at the end of the year	36	12,986,504	14,920,536

Refer notes 7 and 11 for reconciliation of liabilities arising from financing activities.

The annexed notes 1 to 47 form an integral part of these financial statements.



Aamir H. Shirazi
Chairman



Takafumi Koike
President / CEO



Hamood ur Rahman Qaddafi
Chief Financial Officer

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2022

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 Standard, amendments to published standards and interpretations that are effective in the current year

There were certain amendments and interpretations to published accounting and reporting standards that are applicable for the financial year beginning on April 1, 2021 but does not have any significant impact on the Company's financial reporting and therefore, have not been disclosed in these financial statements.

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

There is a standard and certain amendments to accounting and reporting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on April 1, 2021. The standard and amendments are not expected to have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

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 4.1.2
- b) Provision for taxation - notes 4.2 and 34
- c) Useful lives and residual values of property, plant and equipment and intangible assets - notes 4.3, 4.4, 16 and 17
- d) Impairment of financial assets - note 4.8.4
- e) Provision for warranty claims - notes 4.15.1 and 14.10
- f) Contingent liabilities - notes 4.27 and 15
- g) Provision for net realizable value of stock-in-trade - notes 4.12 and 22.4

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.

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, 2022 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 8.2% (2021: 7.20%) per annum of basic salary.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2022

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	2022	2021
Discount rate	10.25%	10.25%
Expected increase in eligible pay	11.75 to 15.00%	9.25 to 12.00%
Expected rate of return on plan assets	11.75%	10.87%

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

The Company is expected to contribute Rs 104.074 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.

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 simultaneously.

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	8% to 43.25%
Furniture and office equipment	20%
Vehicles	20%
Tools and equipment	20%
Computers	35%

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

The assets' residual values and useful lives are continually reviewed by the Company and adjusted if impact on depreciation is significant.

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.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2022

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 to intangible assets is charged from the month when an asset is available for use while no amortisation is charged for the month when the asset is derecognised or retired from active use. Amortisation is charged at the annual rates given below:

	Rate
License fees and drawings	11% to 50%
Computer software	20% to 30%

The assets' useful lives are continually reviewed by the Company and adjusted if impact on amortisation is significant.

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 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.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2022

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.
- 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) Fair value through profit or loss ('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 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 to employees
- Long term deposits
- Trade debts
- Loans, deposits and other receivables
- 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.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2022

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.

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.

4.9 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 in 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 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.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2022

4.12 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.

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. Stock-in-trade considered obsolete are carried at nil value.

4.13 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.

4.14 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.

4.15 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 pre-tax 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.

4.15.1 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.

4.16 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.

4.17 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.

4.18 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.

4.19 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.

4.20 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.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2022

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.

4.21 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.

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).

4.22 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').

4.23 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.

4.24 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.

4.25 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.

4.26 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.

4.27 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.

4.28 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.

4.29 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

2022		2021	2022	
Number of shares			Rupees in thousand	
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 (2021: 72,828,000) ordinary shares of the Company which represent 51% (2021: 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 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2022

5.3 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	2022	2021
Directors			
Mr. Arif Ul Islam		500	500
Mr. Naeem Khan		700	-
Mr. M. Feroz Rizvi		-	500
Ms. Rie Mihara		500	500
	5.3.1	1,700	1,500
Other related parties			
Atlas Insurance Limited		850,000	850,000
Shirazi Investments (Private) Limited		43,119,650	43,119,650
		43,971,350	43,971,150

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

Rupees in thousand	Note	2022	2021
6. RESERVES			
Composition of reserves is as follows:			
Capital			
Share premium	6.1	76,000	76,000
Revenue			
General reserve	6.2		
- At the beginning of the year		14,880,000	14,230,000
- Transferred from un-appropriated profit		1,000,000	650,000
		15,880,000	14,880,000
		15,956,000	14,956,000

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

6.2 This reserve has been maintained for general purposes.

Rupees in thousand	Note	2022	2021
7. LONG TERM FINANCES - SECURED			
Loan under refinance scheme - Conventional loan	7.1	184,156	417,399
Loan under refinance scheme - Islamic mode of financing	7.2	2,739,121	1,883,959
		2,923,277	2,301,358
Current portion shown under current liabilities		(184,156)	(232,665)
		2,739,121	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, 2022, the balance is repayable in three 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	2022	2021
Balance as at beginning of the year		417,399	-
Disbursements during the year		-	499,918
Repayments during the year		(249,959)	(62,490)
		167,440	437,428
Discounting adjustment for recognition at fair value - deferred government grant	8	-	(39,208)
Unwinding of discount on liability		16,716	19,179
Balance as at end of the year		184,156	417,399
Current portion shown under current liabilities	11	(184,156)	(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% to 10.25% per annum. The reconciliation of the carrying amount is as follows:

Rupees in thousand	Note	2022	2021
Balance as at beginning of the year		1,883,959	-
Disbursements during the year		1,109,587	2,578,934
		2,993,546	2,578,934
Discounting adjustment for recognition at fair value - deferred government grant	8	(372,026)	(710,424)
Unwinding of discount on liability		117,601	15,449
Balance as at end of the year		2,739,121	1,883,959
Current portion shown under current liabilities		-	-
		2,739,121	1,883,959

Notes to and Forming Part of the Financial Statements

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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% to 10.25% 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	2022	2021
Balance as at beginning of the year		715,004	-
Deferred government grant recognised during the year	7.1 & 7.2	372,026	749,632
Credited to profit or loss - amortised during the year		(134,317)	(34,628)
		952,713	715,004
Current portion shown under current liabilities	11	(165,036)	(119,166)
Balance as at end of the year		787,677	595,838

9. EMPLOYEE RETIREMENT BENEFITS

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

Rupees in thousand	Note	2022	2021
Present value of defined benefit obligation		1,028,363	777,037
Fair value of plan assets		(777,386)	(603,663)
Liability as at March 31		250,977	173,374

9.1 Movement in net liability of defined benefit obligation

Net liability as at beginning of the year		173,374	187,484
Charged to statement of profit or loss	9.5	74,980	70,660
Total remeasurements for the year charged to OCI	9.6	140,687	16,192
Contributions made by the Company during the year		(138,064)	(100,962)
Net liability as at end of the year		250,977	173,374

9.2 Movement in the present value of defined benefit obligation

Present value of defined benefit obligation as at beginning of the year		777,037	670,361
Current service cost		57,210	51,443
Interest cost		79,370	67,125
Benefits paid during the year		(5,382)	(30,972)
Remeasurements on obligation recognised in OCI			
- Actuarial losses from changes in financial assumptions		122,975	19,079
- Experience adjustments		(2,847)	1
Present value of defined benefit obligation as at end of the year		1,028,363	777,037

Rupees in thousand	2022	2021
9.3 Movement in the fair value of plan assets		
Fair value of plan assets as at beginning of the year	603,663	482,877
Interest income on plan assets	61,600	47,908
Contributions made during the year	138,064	100,962
Benefits paid during the year	(5,382)	(30,972)
Remeasurements on fair value of plan assets recognised in OCI	(20,559)	2,888
Fair value of plan assets as at end of the year	777,386	603,663
9.4 Plan assets are comprised as follows:		
Debt	3,519	3,156
Mutual funds	561,016	442,057
Cash	212,851	158,450
	777,386	603,663
9.5 Amounts recognised in the statement of profit or loss		
Current service cost	57,210	51,443
Interest cost	79,370	67,125
Interest income on plan assets	(61,600)	(47,908)
Net expense charged in the statement of profit or loss	74,980	70,660
9.6 Remeasurements charged to other comprehensive income ('OCI')		
Actuarial losses from changes in financial assumptions	122,975	19,079
Experience adjustments	(2,847)	1
Remeasurements on fair value of plan assets	20,559	(2,888)
Total remeasurements charged to OCI	140,687	16,192

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

Rupees in thousand	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	936,077	1,135,360
Salary growth rate	1.00%	1,135,390	934,352

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 (which will closely reflect inflation and other macroeconomic factors), the benefit amount would also increase proportionately.
- **Asset volatility** - Most investments of the Company are in various mutual funds of different institutions. Investments in equity instruments 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, since the long term private sector market is not deep enough in Pakistan. 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.

Notes to and Forming Part of the Financial Statements

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- **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.
- **Mortality risk** - The risk that the actual Mortality Experience is different than the assumed mortality. The effect is more pronounced in schemes where age and service distribution is on the higher side.
- **Withdrawal risk** - The risk of actual withdrawals Experience is different from assumed Withdrawal probability. The significance of the Withdrawal risk varies with age , service and the entitled benefits of the beneficiary.

10. DEFERRED TAXATION

The gross movement in net deferred tax liability during the year is as follows:

Rupees in thousand	Note	2022	2021
Opening deferred tax liability		201,780	270,510
Charged/ (Credited) to statement of profit or loss	34	319,397	(68,730)
Closing deferred tax liability		521,177	201,780
The liability for deferred taxation comprises of taxable/(deductible) temporary differences relating to:			
Accelerated tax depreciation		557,694	227,567
Minimum tax available for carry forward	10.1	-	-
Provision for custom duties and warranties		(36,517)	(25,787)
		521,177	201,780

- 10.1 Deferred tax asset on deductible temporary differences arising due to 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 minimum tax relates	Amount of minimum tax (Rupees in thousand)	Accounting year in which minimum tax will expire
2019	33,621	2024
2020	338,100	2025
2021	145,399	2026
2022	708,109	2027
	1,225,229	

Rupees in thousand	Note	2022	2021
11. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Current portion of long term finances - secured	7	184,156	232,665
Current portion of deferred government grant	8	165,036	119,166
Current portion of deferred revenue		7,819	9,882
		357,011	361,713

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 (2021: Rs 14,860 million). These arrangements carry mark up ranging from 7.29% to 11.44% (2021: 7.29% to 12.26%) 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

Of the aggregate facility of Rs 2,351 million (2021: Rs 2,205 million) for opening letters of credit, the amount utilized at March 31, 2022 was Rs 55 million (2021: Rs 190 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 (2021: Rs 7,200 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, 2022 was Rs 5,844 million (2021: Rs 5,739 million).

Rupees in thousand	Note	2022	2021
13. ACCRUED MARKUP			
Accrued mark up on:			
- Long term finances - secured		37,091	6,105
- Short term borrowings - secured		202	15
		37,293	6,120

14. TRADE AND OTHER PAYABLES

Creditors	14.1	2,605,770	1,460,589
Accrued liabilities		1,408,280	648,151
Bills payable	14.2	4,800,560	2,324,255
Deposits against display cars	14.3	2,399,421	2,154,510
Accumulating compensated absences	14.4	95,411	84,733
Contract liabilities	14.5	28,378,934	10,814,600
License fee, technical fee and royalties	14.6	1,567,778	801,605
Provision for custom duties		32,169	32,169
Punjab sales tax payable		210,794	137,114
Withholding income tax payable		114,739	154,537
Punjab infrastructure development cess payable		631,275	631,275
Sindh development and maintenance of infrastructure cess payable		2,020,400	1,322,666
Workers' Welfare Fund	14.7	51,857	63,843
Workers' Profit Participation Fund	14.8	9,436	-
Custom duty payable		809,609	2,563,734
Payable to provident fund		18,040	15,781
Security deposits	14.9	158,048	144,448
Provision for warranty claims	14.10	93,750	56,750
Others		136,662	80,109
		45,542,933	23,490,869

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For the year ended March 31, 2022

14.1 Includes amounts due to the following related parties:

Rupees in thousand	2022	2021
Holding company	4,339	-
Other related parties	70,244	39,957
	74,583	39,957

14.2 Includes amounts due to the following related parties:

Holding company	692,681	199,268
Other related parties	4,021,892	2,085,179
	4,714,573	2,284,447

14.3 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	2022	2021
14.4 Accumulating compensated absences		
Balance as at beginning of the year	84,733	116,091
Provision for the year	108,558	94,609
	193,291	210,700
Payments made during the year	(97,880)	(125,967)
Balance as at end of the year	95,411	84,733

14.5 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 3% 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.

14.6 Includes amounts due to the following related parties:

Rupees in thousand	Note	2022	2021
Holding company		1,495,226	507,589
Other related parties		47,570	73,887
		1,542,796	581,476

14.7 **Workers' Welfare Fund**

Balance as at beginning of the year		63,843	35,587
Provision for the year (net of reversal)	32	45,887	62,663
		109,730	98,250
Payments during the year		(57,873)	(34,407)
Balance as at end of the year		51,857	63,843

Rupees in thousand	Note	2022	2021
14.8 Workers' Profit Participation Fund			
Balance (recoverable) as at beginning of the year		(353)	(1,704)
Provision for the year	32	227,436	149,647
		227,083	147,943
Payments during the year		(217,647)	(148,296)
Balance payable/ (recoverable) as at end of the year		9,436	(353)

14.9 These represent interest free deposits from dealers and customers of scrap amounting to Rs 148.65 million (2021: Rs 135.64 million) and Rs 9.40 million (2021: Rs 8.80 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.

Rupees in thousand	2022	2021
14.10 Provision of warranty claims		
Balance as at beginning of the year	56,750	16,250
Charge for the year	37,000	40,500
Utilisation during the year	-	-
Balance as at end of the year	93,750	56,750

15. CONTINGENCIES AND COMMITMENTS

15.1 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 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

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For the year ended March 31, 2022

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 5,844.05 million (2021: Rs 5,738.79 million) have been issued in favour of third parties.

15.2 Commitments in respect of

- (i) Letters of credit and purchase orders for capital expenditure aggregating Rs 93.81 million (2021: Rs 1,893.86 million).
- (ii) Letters of credit and purchase orders for other than capital expenditure aggregating Rs 2,795.58 million (2021: Rs 1,285.55 million).

16. PROPERTY, PLANT AND EQUIPMENT - OPERATING FIXED ASSETS

Rupees in thousand				2022			
	Cost as at April 01, 2021	Additions / (deletions)	Cost as at March 31, 2022	Accumulated depreciation as at April 01, 2021	Depreciation charge / (deletions) for the year	Accumulated depreciation as at March 31, 2022	Total Book value as at March 31, 2022
Freehold land	417,319	-	417,319	-	-	-	417,319
Buildings on freehold land	2,403,015	27,881	2,430,896	1,226,868	59,262	1,286,130	1,144,766
Plant and machinery	7,925,097	3,982,750 (1,827,869)	10,079,978	6,161,529	666,602 (1,827,766)	5,000,365	5,079,613
Furniture and office equipment	283,729	20,558 (6,263)	298,024	168,049	25,179 (5,849)	187,379	110,645
Vehicles	593,287	368,517 (113,135)	848,669	257,122	94,078 (61,127)	290,073	558,596
Tools and equipment	209,771	18,587 (1,289)	227,069	138,992	15,750 (1,126)	153,616	73,453
Computers	292,982	100,111 (14,591)	378,502	172,379	53,159 (12,568)	212,970	165,532
Total	12,125,200	4,518,404 (1,963,147)	14,680,457	8,124,939	914,030 (1,908,436)	7,130,533	7,549,924

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	Total 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 (367,319)	7,925,097	6,048,788	479,921 (367,180)	6,161,529	1,763,568
Furniture and office equipment	274,562	9,288 (121)	283,729	140,860	27,295 (106)	168,049	115,680
Vehicles	578,725	47,743 (33,181)	593,287	189,806	83,571 (16,255)	257,122	336,165
Tools and equipment	206,797	4,280 (1,306)	209,771	123,249	16,911 (1,168)	138,992	70,779
Computers	205,604	96,504 (9,126)	292,982	146,324	34,111 (8,056)	172,379	120,603
Total	12,332,664	203,589 (411,053)	12,125,200	7,814,031	703,673 (392,765)	8,124,939	4,000,261

16.1 The book value of fully depreciated assets which are in use as at March 31, 2022 is Rs 1,649.58 million (2021: Rs 145.32 million).

16.2 Plant and machinery includes dies and moulds having book value of Rs 82.65 million (2021: Rs 3.91 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.

16.3 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.

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16.4 The depreciation charge has been allocated as follows:

Rupees in thousand	Note	2022	2021
Cost of sales - own manufactured	28	792,414	595,171
Distribution and marketing costs	29	31,990	32,799
Administrative expenses	30	89,626	75,703
		914,030	703,673

16.5 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.

Rupees in thousand		2022				
Particulars of assets	Sold to	Cost	Net book value	Sale price	Gain / (loss) on sale	Mode of disposal
16.6 Sale of operating fixed assets						
Vehicles	Employees					
	Nadeem Iqbal	1,467	542	606	64	As per company policy
	Muhammad Mehboob	1,472	563	626	63	-do-
	Ghulam Murtaza	1,425	545	545	-	-do-
	Arif Hussain	1,425	545	545	-	-do-
	Tariq Gulzar	1,425	545	545	-	-do-
	Naseem Maqsood	1,425	545	545	-	-do-
	Sami Ullah Athar	1,417	576	576	-	-do-
	Muhammad Ijaz Anjum	1,417	576	576	-	-do-
	Farhat Yasmin	1,472	603	671	68	-do-
	Nawazish Ali	1,566	736	877	141	-do-
	Khurram Manzoor	1,565	735	877	142	-do-
	Rizwan Haider	1,546	726	877	151	-do-
	Imtiaz Hussain Khan	2,183	1,413	1,636	223	-do-
	Zeeshan Ashraf	2,440	1,731	1,788	57	-do-
	Muhammad Zubair Maqbool	1,567	736	877	141	-do-
	Subah Sadiq	2,157	1,396	1,636	240	-do-
	Muhammad Kashif Shahzad	2,035	1,241	1,289	48	-do-
	Ahsan Saleem	1,565	735	877	142	-do-
	Muhammad Shahzad Ashraf (ex-employee)	1,900	1,095	1,550	455	-do-
	Majid Sultan Khattak (ex-employee)	2,693	1,736	1,649	(87)	-do-
	Employees - Key management personnel					
	Maqsood Ur Rehman	2,896	1,489	1,525	36	As per Company policy
	Muhammad Ashraf	2,892	1,486	1,525	39	-do-
	Muhammad Akmal Dar	2,758	1,225	1,286	61	-do-
	Basharat Ali Rana	2,890	1,485	1,525	40	-do-
	Sohail Qaisar	2,890	1,485	1,525	40	-do-
	Muhammad Ajmal	2,891	1,486	1,525	39	-do-
	Asif Mahmood	2,890	1,485	1,525	40	-do-
	Muhammad Ali	2,894	1,487	1,525	38	-do-
	Hamood Ur Rahman Qaddafi	2,869	1,475	1,513	38	-do-
	Iqbal Ahmad	2,887	1,484	1,525	41	-do-
	Amir Nazir	2,890	1,485	1,525	40	-do-
	Imran Farooq	2,890	1,485	1,525	40	-do-
	Syed Waseem Hasan	2,870	1,475	1,513	38	-do-

Rupees in thousand		2022				
Particulars of assets	Sold to	Cost	Net book value	Sale price	Gain / (loss) on sale	Mode of disposal
	Related Party					
	Atlas Insurance Limited	4,152	2,555	2,815	260	Total loss-insurance claim
	Outsiders					
	Augmentec Business Solutions	16,017	6,557	17,005	10,448	Auction
	Muhammad Irfan	2,698	767	2,550	1,783	Auction

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
	Sheikh 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				2022			
	Cost as at April 01, 2021	Additions / (deletions)	Cost as at March 31, 2022	Accumulated amortisation as at April 01, 2021	Amortisation charge / (deletions) for the year	Accumulated amortisation as at March 31, 2022	Book value as at March 31, 2022
17. INTANGIBLE ASSETS							
License fees and drawings	631,895	604,987	1,236,882	448,866	118,182	567,048	669,834
Computer softwares	67,454	81,757	149,211	64,295	7,455	71,750	77,461
Total	699,349	686,744	1,386,093	513,161	125,637	638,798	747,295

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

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	Rupees in thousand	Note	2022	2021
17.1	The amortisation charge has been allocated as follows:			
	Cost of sales - own manufactured	28	118,183	98,434
	Administrative expenses	30	7,455	4,393
			125,638	102,827
18.	CAPITAL WORK-IN-PROGRESS			
	Plant and machinery [including in transit Rs 462.921 million (2021: Rs 532.247 million)]			
			1,984,251	3,704,264
	Intangible assets under development		250,980	83,737
	Others		129,318	-
			2,364,549	3,788,001
18.1	The reconciliation of the carrying amount is as follows:			
	Opening balance		3,788,001	97,062
	Additions during the year	18.1.1	3,781,696	3,916,203
			7,569,697	4,013,265
	Transfers during the year		(5,205,148)	(225,264)
	Closing balance		2,364,549	3,788,001

18.1.1 Includes borrowing cost capitalised of Rs 35.624 million (2021: Rs 7.602 million).

	Rupees in thousand	Note	2022	2021
19.	LONG TERM TRADE DEBTS			
	Considered good		38,561	116,404
	Unwinding of discount	31	9,335	16,902
			47,896	133,306
	Current portion shown under current assets	23	(20,680)	(77,149)
			27,216	56,157

19.1 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 47.90 million (2021: Rs 80.39 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	2022	2021
20.	LONG TERM LOANS TO EMPLOYEES			
	Loans to employees - considered good			
	- Key management personnel	20.1	20,280	6,587
	- Others		474,608	335,989
			494,888	342,576
	Discounting of long term loans		(107,277)	(73,724)
	Unwinding of discount	31	34,530	29,098
			422,141	297,950
	Current portion shown under current assets			
	- Key management personnel		(4,276)	(3,616)
	- Others		(163,307)	(124,125)
		24	(167,583)	(127,741)
			254,558	170,209

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 till December 15, 2021 and 11.5% thereafter (2021: 8.3% 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 4 to 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 8.08%% to 12.84% 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.

20.1 These comprise loans to the following key management personnel: Muhammad Ali, Basharat Ali Rana, Iqbal Ahmed, Amir Nazir, Muhammad Akmal Dar, Asif Mahmood, Sohail Qaisar, Imran Farooq, Muhammad Ajmal, Syed Wasim Hassan, Hamood Ur Rahman Qaddafi.

The maximum amount of loan outstanding at the end of any month during the year was Rs 20.28 million (2021: Rs 6.25 million).

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

Notes to and Forming Part of the Financial Statements

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21. 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 0.01 million (2021: Rs 12.40 million) are in the possession of various vendors which relate to the dies and moulds.

Rupees in thousand	Note	2022	2021
22. STOCK-IN-TRADE			
Raw materials [including in transit Rs 7,991.98 million (2021: Rs 4,888.82 million)]	22.1 & 22.5	20,476,929	10,303,868
Work-in-process		707,331	599,743
Finished goods			
- Own manufactured	22.2	720,218	63,501
- Trading stock [including in transit Rs 183.35 million (2021: Rs 170.87 million)]	22.3	961,695	681,726
		22,866,173	11,648,838

22.1 Raw materials amounting to Rs 466.98 million (2021: Rs 235.2 million) are in the possession of various vendors of the Company for further processing into parts to be supplied to the Company.

22.2 Own manufactured finished goods amounting to Rs 44.51 million (2021: Rs 30.44 million) are in the possession of various dealers as consignment stock for display at dealerships.

22.3 Trading stock amounting to Rs 13.91 million (2021: Rs 23 million) is in possession of various dealers as consignment stock for display at dealerships.

22.4 Stock-in-trade includes raw materials costing Rs 2,488.13 million (2021: Rs 2,703.6 million) having net realisable value Rs 2,402.02 million (2021: Rs 2651.5 million), work-in- process costing Rs 142.62 million (2021: Rs 414.19 million) having a net realisable value of Rs 139.90 million (2021: Rs 393.95 million), finished goods costing Rs 19.07 million (2021: Rs 2.01 million) having a net realisable value Rs 17.83 million (2021: Rs 1.91 million). The related expense has been charged to cost of sales.

22.5 This includes raw material written off amounting to Nil (2021: Rs 139.47 million).

Rupees in thousand	Note	2022	2021
23. TRADE DEBTS			
Considered good			
- Current portion of long term trade debts	19	20,680	77,149
- Others	23.1	958,048	768,616
		978,728	845,765
Considered doubtful		16,142	16,142
Loss allowance		(16,142)	(16,142)
		-	-
		978,728	845,765

23.1 Includes balance receivable from the following related parties:

Rupees in thousand	2022	2021
Honda Trading Asia Co. Limited	62	46
	62	46

The maximum amount receivable from the related parties at the end of any month during the year was Rs 0.062 million (2021: Rs 0.046 million). The receivables are neither past due, nor impaired.

Rupees in thousand	Note	2022	2021
24. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Current portion of loans to employees	20	167,583	127,741
Advances - considered good:			
- to employees		1	-
- to suppliers and contractors	24.1	2,063,610	1,006,167
		2,063,611	1,006,167
Due from related parties	24.2	80,770	72,069
Recoverable from government authorities:			
- Sales tax		4,817,953	4,730,987
- Custom duty		39,152	39,152
		4,857,105	4,770,139
Prepayments	24.3	290,344	246,106
Margin held against imports		3,139,548	796,278
Profit receivable on bank deposits		55,927	65,482
Workers' Profit Participation Fund		-	353
Other receivables	24.4	84,957	54,666
		10,739,845	7,139,001

24.1 Includes interest bearing advances to suppliers and contractors aggregating Rs 1,618.709 million (2021: Rs 851.406 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 8.70% to 11.79% (2021: 8.50% to 8.85%) per annum.

Rupees in thousand	Note	2022	2021
24.2 Due from related parties			
Holding company			
Honda Motor Co., Ltd., Japan		213	1,056
Other related parties			
Honda Automobile (Thailand) Co., Ltd.		71,487	68,099
Honda Malaysia SDN. BHD. Malaysia		124	-
PT Honda Prospect Motor Indonesia		4,784	1,709
PT Honda Precision Parts Mfg.		3,154	1,157
Honda Trading Asia Co., Ltd		-	48
American Honda Motor Co., Inc.		1,008	-
	24.2.1	80,770	72,069

24.2.1 These are in the normal course of business and are interest free.

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24.2.2 The maximum aggregate amount due from these related parties at the end of any month during the year was Rs 81 million (2021: Rs 166 million). These are neither past due nor impaired.

24.3 This includes prepaid insurance to Atlas Insurance Limited, a related party, amounting to Rs 210.48 million (2021: Rs 178.99 million).

24.4 Other receivables include an amount of Rs 1.399 million (2021: Rs 0.117 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 2.887 million (2021: Rs 0.696 million). It is neither past due nor impaired.

25. This represents investment in 6 months Government Treasury Bills bearing markup ranging from 11.21% to 11.23% (2021: Nil) per annum.

Rupees in thousand	Note	2022	2021
26. CASH AND BANK BALANCES			
At banks on:			
- Current accounts		30,048	25,129
- Deposit accounts	26.1	4,353,545	2,893,081
		4,383,593	2,918,210
Cash in hand		2,911	2,326
Term deposit receipts	26.2	8,600,000	12,000,000
		12,986,504	14,920,536

26.1 Balances in deposit accounts bear mark up which ranges from 8.25% to 11.50% (2021: 5.50% to 6.90%) per annum.

26.2 This represents term deposit receipts having maturity of one month from the date of purchase. These bear mark up which ranges from 11.50% to 13% (2021: 6.75% to 7.25%) per annum.

Rupees in thousand	Note	2022	2021
27. SALES			
Sales - own manufactured goods	27.1 & 27.2	130,026,655	80,919,787
Sales tax		(18,933,763)	(11,757,536)
Federal excise duty		(3,619,226)	(3,275,168)
Commission to dealers	27.3	(2,040,924)	(1,280,162)
Discount to customers	27.4	(498,299)	(17,442)
		104,934,443	64,589,479
Sales - trading goods		3,713,399	3,305,743
Sales tax		(599,492)	(531,015)
Commission to dealers		(500)	(1,900)
		3,113,407	2,772,828
		108,047,850	67,362,307

27.1 Contract liabilities as at the beginning of the year, aggregating to Rs 10.81 billion (2021: Rs 1.97 billion), have been recognized as sales upon dispatch of vehicles against such advances.

27.2 Includes amortization of deferred revenue amounting to Rs 5.65 million (2021: Rs 15.82 million) that has been recognised in respect of deferred revenue outstanding as at the beginning of the year.

27.3 This includes reversal of provision for commission amounting to Nil (2021: Rs 7.70 million) in respect of prior year.

27.4 This represents discount to customers as explained in note 14.5 to these financial statements.

Rupees in thousand	Note	2022	2021
28. COST OF SALES			
Raw material consumed		95,009,651	56,011,474
Stores and spares consumed		215,417	108,616
Salaries, wages and benefits	28.1	1,745,564	1,349,949
Fuel and power		347,462	195,605
Insurance		147,372	139,653
Travelling and vehicle running		254,327	129,055
Freight and handling		293,061	126,936
Repairs and maintenance		86,943	36,671
Technical assistance		13,425	11,542
Depreciation on property, plant and equipment	16.4	792,414	595,171
Amortisation on intangible assets	17.1	118,183	98,434
Royalty	28.2	2,135,060	1,310,029
Canteen subsidy		81,606	39,562
Cost of providing free goods and services	28.3	-	140,674
Provision for net realisable value		34,198	52,025
Other expenses	28.4	134,808	42,149
		101,409,491	60,387,545
Opening stock of work-in-process		599,743	577,187
Closing stock of work-in-process		(707,331)	(599,743)
		(107,588)	(22,556)
Cost of goods manufactured		101,301,903	60,364,989
Own work capitalized		(186,508)	(36,532)
Cost of damaged cars		(22,586)	(2,762)
		101,092,809	60,325,695
Opening stock of finished goods		63,501	1,467,376
Closing stock of finished goods		(720,218)	(63,501)
		(656,717)	1,403,875
Cost of sales - Own manufactured goods		100,436,092	61,729,570
Cost of sales - Trading goods	28.5	2,034,149	1,856,793
		102,470,241	63,586,363
28.1 Salaries, wages and benefits include following amounts in respect of gratuity:			
Current service cost		40,319	36,229
Net interest on defined benefit obligation		12,524	13,534
		52,843	49,763

In addition to above, salaries, wages and benefits include Rs 54.03 million (2021: Rs 48.67 million) on account of provident fund contributions.

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

Company name	Address	Relationship with the Company	2022 Rupees in thousand	2021
Honda Motor Co., Ltd., Japan	1-1, Minami-Aoyama, 2-Chome, Minato-ku,Tokyo,107-8556,Japan	Holding company	2,104,015	1,292,419
Honda Lock Mfg. Co. Japan	3700, Shimonaka Sadowara-Cho Miyazaki City Miyazaki Pref, 880-0293 Japan	Group company	4,950	3,053
Honda Access Asia Oceania Co. Limited	2754/1 Soi Sukhumvit 66/1, Sukhumvit Rd; Kwaeng Bangna, Bangkok 10260 Thailand	Group company	6	8,253
Yutaka Giken Co., Ltd.	508-1, Yutaka-cho, Higashi-ku Hamamatsu-Shi SZK 431-3194, Japan	Group company	10,347	9
Other parties	Various	None	11,608	4,379
			2,130,926	1,308,113

- 28.3 This represents cost of various promotional schemes and incentives in relation to cars sold to customers.
- 28.4 Includes expense in respect of short term leases as per IFRS 16 amounting to Rs 43.34 million (2021: Rs 43.61 million).
- 28.5 Includes provision for net realisable value amounting to Nil (2021: Rs 10 million).

Rupees in thousand	Note	2022	2021
29. DISTRIBUTION AND MARKETING COSTS			
Salaries, wages and benefits	29.1	303,030	265,668
Fuel and power		8,044	6,844
Insurance		16,633	17,985
Travelling and vehicle running		33,223	20,153
Freight and handling		21,954	17,745
Repairs and maintenance		18,271	5,881
Printing and stationery		24,442	8,174
Warranty costs - net of claims		93,193	66,507
Advertising and sales promotion		478,771	178,293
Depreciation on property, plant and equipment	16.4	31,990	32,799
Training expenses		6,413	3,262
Canteen subsidy		8,982	7,374
Free service claims		10,356	5,200
Rent, rates and taxes	29.2	26,800	25,525
Fees and subscriptions		48,849	71,191
Others		8,408	4,373
		1,139,359	736,974
29.1 Salaries, wages and benefits include following amounts in respect of gratuity:			
Current service cost		6,974	6,498
Net interest on defined benefit obligation		2,166	2,428
		9,140	8,926

In addition to above, salaries, wages and benefits include Rs 11.42 million (2021: Rs 10.63 million) on account of provident fund contributions.

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

Rupees in thousand	Note	2022	2021
30. ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	30.1	560,107	445,417
Fuel and power		20,276	12,276
Insurance		23,060	17,114
Travelling and vehicle running		77,833	49,492
Repairs and maintenance		89,277	65,542
Printing and stationery		12,382	9,179
Communications		44,192	41,939
Postage		1,508	913
Auditors' remuneration	30.2	13,243	9,866
Legal and professional charges		26,242	18,419
Depreciation on property, plant and equipment	16.4	89,626	75,703
Amortisation on intangible assets	17.1	7,455	4,393
Fees and subscriptions		9,774	5,411
Canteen subsidy		17,888	13,866
Security expenses		87	49
Training expenses		4,201	2,118
Others	30.3	70,687	51,891
		1,067,838	823,588
30.1 Salaries, wages and benefits include following amounts in respect of gratuity:			
Current service cost		9,917	8,715
Net interest on defined benefit obligation		3,080	3,256
		12,997	11,971

In addition to above, salaries, wages and benefits include Rs 16.59 million (2021: Rs 14.78 million) on account of provident fund contributions.

30.2 Auditors' remuneration			
The charges for professional services (excluding sales tax) consist of the following in respect of auditors' services for:			
Rupees in thousand		2022	2021
Statutory audit		2,401	2,182
Half yearly review		709	644
Taxation services		8,425	3,800
Certifications and audits required by various regulations		1,043	950
Assistance in preparation of statutory documentation		136	1,597
Out of pocket expenses		529	693
		13,243	9,866
30.3 Includes expense in respect of short term leases as per IFRS 16 of Rs 2.31 million (2021: Rs 2.78 million). It also includes expense in respect of advisory fee of a non-executive Director aggregating Rs 39.085 million (2021: 37.227 million).			

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	Rupees in thousand	Note	2022	2021
31. OTHER INCOME				
Profit on bank deposits			1,218,640	518,229
Interest on loans to employees			4,184	3,973
Unwinding of discount on long term trade debts	19		9,335	16,902
Unwinding of discount on long term loans to employees	20		34,530	29,098
Fair value gain on financial assets at fair value through profit or loss:				
- Realised			400,224	87,775
- Unrealised			146,346	-
			546,570	87,775
Net gain on disposal of property, plant and equipment			13,879	4,456
Markup on advances to suppliers			72,340	25,262
Exchange gain - net			-	227,995
Others			105,474	4,794
			2,004,952	918,484
32. OTHER EXPENSES				
Workers' Welfare Fund	14.7		45,887	62,663
Workers' Profit Participation Fund	14.8		227,436	149,647
Exchange loss - net			677,052	-
Freight loss - net			33,670	8,863
Loss on derivative financial instruments			-	15,907
			984,045	237,080
33. FINANCE COST				
Interest/mark up on:				
- Short term borrowing from related party - unsecured			-	18,812
- Short term borrowings - secured			426	64,079
- Long term finances - secured			15,361	3,742
Discounting of long term loans to employees			62,651	7,051
Bank charges			37,476	22,475
			115,914	116,159
34. TAXATION				
Current				
- For the year	34.1		1,486,058	1,056,152
- Prior years			(39,956)	-
			1,446,102	1,056,152
Deferred				
- For the year	10		319,397	(68,730)
			1,765,499	987,422

34.1 This represents minimum tax charged under section 113 of Income Tax Ordinance, 2001.

	Percentage	Note	2022	2021
34.2 Tax charge reconciliation				
Numerical reconciliation between the average effective tax rate and the applicable tax rate				
Applicable tax rate as per Income Tax Ordinance, 2001			29.00	29.00
Tax effect of:				
- change in prior years' tax			(0.85)	-
- permanent differences			0.19	0.12
- deferred tax asset not recognised			16.65	6.83
- lower tax rates and final tax regime			(3.70)	(0.44)
			12.29	6.51
Average effective tax rate charged to statement of profit or loss			41.29	35.51
	Rupees in thousand	Note	2022	2021
35. CASH GENERATED FROM OPERATIONS				
Profit before taxation			4,275,405	2,780,627
Adjustments for:				
Depreciation on property, plant and equipment	16.4		914,030	703,673
Net gain on disposal of property, plant and equipment	31		(13,879)	(4,456)
Profit on bank deposits	31		(1,218,640)	(518,229)
Markup on advances to suppliers	31		(72,340)	(25,262)
Interest on loans to employees	31		(4,184)	(3,973)
Gain on short term investments	31		(546,570)	(87,775)
Discounting of long term loans	33		62,651	7,051
Finance cost			53,263	116,159
Provision for employees' retirement benefits and other obligations			183,538	165,269
Amortisation on intangible assets	17.1		125,637	102,827
Provision for net realizable value			90,174	82,367
Obsolete stock written off			-	139,475
Amortisation of deferred revenue			(5,697)	(5,919)
Royalty	28		2,135,060	1,310,029
Exchange loss/(gain) - net	32		677,052	(227,995)
Loss on derivative financial instruments	32		-	15,907
Working capital changes	35.1		5,587,744	11,535,919
			12,243,244	16,085,694
35.1 Working capital changes				
(Increase)/decrease in current assets				
- Stores and spares			(104,892)	9,109
- Stock-in-trade			(11,307,509)	(602,036)
- Trade debts			(104,023)	83,663
- Loans, advances, deposits, prepayments and other receivables			(3,570,557)	555,104
			(15,086,981)	45,840
Increase in current liabilities				
- Trade and other payables			20,674,725	11,490,079
			5,587,744	11,535,919

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Rupees in thousand	Note	2022	2021
36. CASH AND CASH EQUIVALENTS			
Cash and cash equivalents included in the statement of cash flows comprise of the following:			
Cash and bank balances	26	12,986,504	14,920,536
		12,986,504	14,920,536

37. 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:

Rupees in thousand	Chief Executive		Executive Director		Non Executive Directors		Executives	
	2022	2021	2022	2021	2022	2021	2022	2021
Short term employee benefits								
Managerial remuneration	968	1,081	1,057	1,407	-	-	289,862	244,226
House rent and utilities	3,758	3,890	3,706	6,307	-	-	162,104	133,946
Bonus	-	-	-	-	-	-	124,908	103,080
Reimbursement of medical expenses	135	7	15	19	-	-	10,391	6,602
Meeting fee	-	-	-	-	1,150	850	-	-
Advisory fee	-	-	-	-	39,085	37,227	-	-
Other allowances	11,971	11,517	7,468	8,710	-	-	54,743	38,653
Post employment benefits								
Contributions to Provident and Gratuity Funds	-	-	-	-	-	-	52,233	40,336
	16,832	16,495	12,246	16,443	40,235	38,077	694,241	566,843
Number of persons	1	1	1	1	4	4	118	105

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

37.2 Total number of directors of the Company (excluding Chief Executive) is 8 (2021: 8). No remuneration was paid to any of the other directors.

37.3 This represents remuneration for attending Board meetings as approved in Annual General Meeting dated July 14, 2020.

38. EARNINGS PER SHARE (EPS)

38.1 Basic earnings per share

		2022	2021
Profit for the year	Rupees in thousand	2,509,906	1,793,205
Weighted average number of ordinary shares	Number in thousand	142,800	142,800
Basic EPS	Rupees	17.58	12.56

38.2 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, 2022 and March 31, 2021 which would have any effect on the earnings per share if the option to convert is exercised.

39. OPERATING SEGMENTS

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.

39.1 The management has determined the operating segments based on the reports reviewed by the CODM that are used 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.

Rupees in thousand	Manufacturing		Trading		Total	
	2022	2021	2022	2021	2022	2021
39.2 Segment information						
Segment revenue	104,934,443	64,589,479	3,113,407	2,772,828	108,047,850	67,362,307
Segment expenses						
- Cost of sales	(100,436,092)	(61,729,570)	(2,034,149)	(1,856,793)	(102,470,241)	(63,586,363)
Gross profit	4,498,351	2,859,909	1,079,258	916,035	5,577,609	3,775,944
Distribution and marketing costs					(1,139,359)	(736,974)
Administrative expenses					(1,067,838)	(823,588)
Other income					2,004,952	918,484
Other expenses					(984,045)	(237,080)
Finance cost					(115,914)	(116,159)
Profit before taxation					4,275,405	2,780,627
Taxation					(1,765,499)	(987,422)
Profit for the year					2,509,906	1,793,205

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

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40. FINANCIAL RISK MANAGEMENT

40.1 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:

In thousand	2022	2021
In USD		
Cash and bank balances	12	11
Other receivables	18	11
Trade and other payables	(16,988)	(12,777)
Net exposure	(16,958)	(12,755)
In JPY		
Other receivables	3,213	1,795
Trade and other payables	(820,597)	(372,804)
Net exposure	(817,384)	(371,009)
In THB		
Other receivables	9,178	13,138
Trade and other payables	(103,125)	(30,618)
Net exposure	(93,947)	(17,480)

As at March 31, 2022, 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 110.46 million (2021: Rs 69.35 million) lower, mainly as a result of exchange losses/gains on translation of USD denominated financial instruments.

As at March 31,2022, 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 44.11 million (2021: Rs 18.18 million) lower, mainly as a result of exchange losses/gains on translation of JPY denominated financial instruments.

As at March 31,2022, 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 have been Rs 18.41 million (2021: Rs 3.10 million) lower, mainly as a result of exchange losses/gains on translation of JPY denominated financial instruments.

(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	2022	2021
Fixed rate instruments:			
Financial assets			
Long term loans to employees		55,739	58,087
Short term investments - treasury bills	25	6,795,538	-
Bank balances - term deposit receipts	26	8,600,000	12,000,000
Bank balances - deposit accounts	26	4,353,545	2,893,081
		19,804,822	14,951,168
Financial liabilities			
Long term finances - secured	7	(2,923,277)	(2,301,358)
Net exposure		16,881,545	12,649,810

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.

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Cash flow sensitivity analysis for variable rate instruments

As at March 31, 2022, 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.

(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	2022	2021
Long term loans to employees	20	254,558	170,209
Long term deposits		4,042	4,042
Long term trade debts	19	27,216	56,157
Trade debts	23	978,728	845,765
Loans, advances and other receivables		3,361,202	988,495
Short term investments	25	6,795,538	-
Balances with banks	26	12,983,593	14,918,210
		24,404,877	16,982,878

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, 2022 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, 2022 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:

	Rating		Rating Agency	2022 Rupees in thousand	2021
	Short term	Long term			
Banks					
Treasury bills	Not available			6,795,538	-
Citibank N.A.	P-1	AA3	Moody's	52,412	38,647
Deutsche Bank A.G.	P-2	A3	Moody's	4,351	3,629
Faysal Bank Limited	A1+	AA	PACRA	4,742	1,519,747
Habib Bank Limited	A-1+	AAA	JCR-VIS	379,130	76,863
MCB Bank Limited	A-1+	AAA	PACRA	34,585	80,289
National Bank of Pakistan	A-1+	AAA	JCR-VIS	715	716
Meezan Bank Limited	A-1+	AAA	JCR-VIS	12,417	1,710
Allied Bank Limited	A1+	AAA	PACRA	1,964	742
Standard Chartered Bank					
(Pakistan) Limited	A1+	AAA	PACRA	535,621	115,896
Soneri Bank Limited	A1+	AA-	PACRA	3,355,169	1,077,682
United Bank Limited	A-1+	AAA	JCR-VIS	2,487	2,289
				11,179,131	2,918,210

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, 2022, the Company had Rs 14,860 million available borrowing limits from financial institutions under mark up arrangements and Rs 12,983 million in cash and bank balances.

Management monitors the forecasts of the Company's cash and cash equivalents (note 36 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.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2022

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.

Rupees in thousand	Less than one year	One to five years	More than five years	Total contractual cashflows	Carrying amount
At March 31, 2022					
Accrued markup	37,293	-	-	37,293	37,293
Unclaimed dividend	47,937	-	-	47,937	47,937
Trade and other payables	13,189,970	-	-	13,189,970	13,189,970
Long term finances	531,743	2,305,326	1,038,921	3,875,990	2,923,277
	13,806,943	2,305,326	1,038,921	17,151,190	16,198,477
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

40.2 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, 2022:

Rupees in thousand	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
At fair value through profit or loss				
Short term investments	6,795,538	-	-	6,795,538
	6,795,538	-	-	6,795,538
Liabilities	-	-	-	-

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				
Short term investments	-	-	-	-
	-	-	-	-
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, 2022.

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.

Rupees in thousand	At fair value through profit or loss	At amortised cost	Total
40.3 Financial instruments by categories			
As at March 31, 2022			
Assets as per statement of financial position			
Long term loans to employees	-	254,558	254,558
Long term deposits	-	4,042	4,042
Long term trade debts	-	27,216	27,216
Trade debts	-	978,728	978,728
Loans, advances and other receivables	-	3,528,785	3,528,785
Short term investments	6,795,538	-	6,795,538
Cash and bank balances	-	12,986,504	12,986,504
	6,795,538	17,779,833	24,575,371

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2022

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, deposits 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	Financial liabilities at amortized cost	
	2022	2021
Liabilities as per statement of financial position		
Accrued markup	37,293	6,120
Unclaimed dividend	47,937	47,141
Trade and other payables	13,189,970	7,770,931
Long term finances - secured	2,923,277	2,301,358
	16,198,477	10,125,550

40.4 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.

40.5 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	2022	2021
Borrowings - notes 7 and 11	2,923,277	2,301,358
Less: Cash and cash equivalents - note 36	12,986,504	14,920,536
Net debt	(10,063,227)	(12,619,178)
Total equity	19,960,725	18,196,163

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

41. TRANSACTIONS WITH RELATED PARTIES

41.1 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:

Rupees in thousand	Holding company	Key management personnel	Entities with significant influence over the Company	Other related parties
For the year ended March 31, 2022				
Purchase of goods	6,315,825	-	-	56,428,933
Purchase of property, plant and equipment	90,679	-	-	2,121,570
Purchase of intangible assets	344,131	-	-	-
Sale of goods	-	-	26,909	305,912
Insurance premium	-	-	-	883,248
Insurance claims	-	-	-	50,006
Sales of property plant and equipment	-	19,584	-	-
Technical assistance and training charges	1,148	-	-	13,040
Dividend paid	329,183	-	194,901	-
Recovery booked against warranty claims	1,232	-	-	238,457
Short-term employment benefits - note 41.1.1	-	239,638	-	-
Post-employment benefits - note 41.1.1	-	11,457	-	-

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
Dividend paid	72,828	-	43,120	-
Recovery booked against warranty claims	3,963	-	-	420,691
Short-term employment benefits - note 41.1.1	-	217,775	-	-
Post-employment benefits - note 41.1.1	-	9,607	-	-

41.1.1 These represent remuneration of the Chief Executive, directors and certain executives that are included in the remuneration disclosed in note 37 to these financial statements.

41.2 Following are the related parties with whom the Company had entered into transactions or had arrangements/ agreements in place during the year:

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2022

Name	Country of Origin	Basis of relationship	Aggregate % of shareholding in the Company
Honda Motor Co. Ltd Japan	Japan	Group Company	51%
Shirazi Investments (Private) Limited	Pakistan	Common directorship and Group Company	30%
Atlas Insurance Limited	Pakistan	Group Company	1%
American Honda Motor Company, Inc.	United States of America	Group Company	None
Asian Honda Motor Co. Ltd., Thailand	Thailand	Group Company	None
Atlas Asset Management Limited	Pakistan	Common directorship	None
Atlas Autos (Private) Limited	Pakistan	Common directorship	None
Atlas Battery Limited	Pakistan	Common directorship	None
Atlas Engineering (Private) Limited	Pakistan	Common directorship	None
Atlas Foundation	Pakistan	Group Company	None
Atlas Hitec (Private) Limited	Pakistan	Common directorship	None
Atlas Honda Limited	Pakistan	Common directorship	None
Atlas Power Limited	Pakistan	Common directorship	None
Atlas Power Product (Private) Limited	Pakistan	Common directorship	None
Honda Access (Thailand) Co. Ltd	Thailand	Group Company	None
Honda Access Asia & Oceania Co., Ltd	Thailand	Group Company	None
Honda Assembly (Malaysia) Sdn. Bhd.	Malaysia	Group Company	None
Honda Automobile Thailand Co. Ltd	Thailand	Group Company	None
Honda Autoparts Manufacturing M Sdn. Bhd - Malaysia	Malaysia	Group Company	None
Honda Cars Philippines, Inc.	Philippines	Group Company	None
Honda Lock Mfg. Co Japan	Japan	Group Company	None
Honda Malaysia Sdn Bhd	Malaysia	Group Company	None
Honda Motor (China) Co., Ltd.	China	Group Company	None
Honda Parts Manufacturing Co Ltd	Philippines	Group Company	None
Honda Trading (South China) Co., Ltd.	China	Group Company	None
Honda Trading America Corp.	America	Group Company	None
Honda Trading Asia Co. Ltd.	Thailand	Group Company	None
Honda Trading Brazil Ltd	Brazil	Group Company	None
Honda Trading China Co.,Ltd	China	Group Company	None
Honda Trading Corporation Japan	Japan	Group Company	None
Honda Trading Europe Ltd	United Kingdom	Group Company	None
Honda Trading Malaysia	Malaysia	Group Company	None
Honda Trading Philippines Corp.	Philippines	Group Company	None
Honda Trading Viet Nam Co., Ltd.	Viet Nam	Group Company	None
P.T Honda Prospect Motor Indonesia	Indonesia	Group Company	None
P.T.Honda Precision Parts	Indonesia	Group Company	None
Pt. Honda Trading Indonesia	Indonesia	Group Company	None
Shanghai Honda Trading Co., Ltd.	China	Group Company	None
Shirazi Trading Company (Private) Limited	Pakistan	Common directorship	None
Taiwan Honda Trading Co., Ltd.	Taiwan	Group Company	None
Yutaka Giken Co. Ltd	Japan	Group Company	None
Maqsood Ur Rehman	N/A	Key Management Personnel	None
Muhammad Ashraf	N/A	Key Management Personnel	None
Iqbal Ahmad	N/A	Key Management Personnel	None
Asif Mahmood	N/A	Key Management Personnel	None
Amir Nazir	N/A	Key Management Personnel	None
Hamood Ur Rahman Qaddafi	N/A	Key Management Personnel	None
Basharat Ali Rana	N/A	Key Management Personnel	None
Muhammad Ajmal	N/A	Key Management Personnel	None
Muhammad Ali	N/A	Key Management Personnel	None
Syed Waseem Hasan	N/A	Key Management Personnel	None
Muhammad Akmal Dar	N/A	Key Management Personnel	None
Sohail Qaisar	N/A	Key Management Personnel	None

Name	Country of Origin	Basis of relationship	Aggregate % of shareholding in the Company
Imran Farooq	N/A	Key Management Personnel	None
Shinobu Nakamura	N/A	Key Management Personnel	None
Aamir H. Shirazi	N/A	Director	None
Hironobu Yoshimura	N/A	Director	0.0004%
Saquib H. Shirazi	N/A	Director	None
Katsumi Kasai	N/A	Director	0.0004%
Kazunori Shibayama	N/A	Director	0.0004%
Muhammad Naeem Khan	N/A	Director	0.0005%
Rie Mihara	N/A	Director	0.0004%
Ariful Islam	N/A	Director	0.0004%
Feroz Rizvi	N/A	Former Director	None
Company's Employees Provident Fund	N/A	Post Employment Benefit Plan	None
Company's Employees Gratuity Fund	N/A	Post Employment Benefit Plan	None

42. PLANT CAPACITY AND ACTUAL PRODUCTION

Number	Capacity		Production	
	2022	2021	2022	2021
Motor vehicles	50,000	50,000	37,780	23,479

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.

43. NUMBER OF EMPLOYEES

	2022	2021
Total number of employees (including contractual labour) as at March 31	2,274	1,498
Average number of employees during the year (including contractual labour)	2,138	1,480

Rupees in thousand	2022	2021
44. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX		
Loans/advances obtained as per Islamic mode:		
Loans obtained as per Islamic mode	2,739,121	1,883,959
Shariah compliant bank deposits/bank balances:		
Bank balances	12,417	1,710
Term deposit receipts	-	3,500,000
Revenue earned from shariah compliant business	108,047,850	67,362,307
Profit earned from shariah compliant bank deposits/bank balances		
Profit on term deposit receipts	96,655	24,456
Mark-up paid on Islamic mode of financing	15,590	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	1,121,985	518,229
Interest paid on loans	16,377	118,571

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2022

Relationship with shariah compliant bank

The Company has obtained long term loans from Faysal Bank Limited (as disclosed in note 7.2) and has maintained bank balances with Meezan Bank Limited.

45. 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.

46. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on May 26, 2022 by the Board of Directors of the Company.

47. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company has proposed a final cash dividend for the year ended March 31, 2022 of Rs 7.00 per share amounting to Rs 999.60 million and transfer of Rs 1,500.00 million from 'Un-appropriated profit' to 'General reserve' at their meeting held on May 26, 2022 for approval of the members at the Annual General Meeting to be held on June 29, 2022. 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.

47.1 Corresponding figures

Corresponding figures have been re-arranged wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison. However, no significant re-arrangements have been made except for the following:

Rupees in thousand

Income tax receivable' previously presented under 'Advances, deposits, prepayments and other receivables', now presented separately on the face of statement of financial position	2,210,858
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Aamir H. Shirazi
Chairman


Takafumi Koike
President / CEO


Hamood ur Rahman Qaddafi
Chief Financial Officer

Notice of Annual General Meeting

Notice is hereby given that the 30th Annual General Meeting of shareholders of Honda Atlas Cars (Pakistan) Limited will be held on Wednesday, June 29, 2022, at 11:00 a.m. at Faletti's Hotel, 24-Egerton Road, The Mall, Lahore to transact the following business:

- To confirm the minutes of the Annual General Meeting held on Tuesday, June 29, 2021;
- To approve and adopt the annual audited financial statements for the year ended March 31, 2022, together with the Directors' and Auditors' reports thereon;
- To approve cash dividend @ 70% (Rs. 7.00 per share) for the year ended March 31, 2022 as recommended by the Board of Directors;
- To appoint Auditors for the next financial year and fix their remuneration.

SPECIAL BUSINESS:

- To approve the advisory fee of Chairman and remuneration & benefits of Executive directors for the year 2022-23 and adopt the following resolution:

"The advisory fee of Chairman (Non-executive Director) amounting to Rs. 50.69 million (2021-22: Rs. 50.69 million) which includes allowances and other benefits be and is hereby approved for the year ending March 31, 2023."

"The remuneration of President/CEO amounting to Rs. 25 million (2021-22: Rs. 17.36 million) and one full-time director for Rs. 17.37 million (2021-22: Rs. 17.37 million) which includes allowances and other benefits be and is hereby approved for the year ending March 31, 2023"

6. Alteration in the Articles of Association of the Company:

To consider and, if deemed fit, pass the following resolutions with or without modification to amend the Articles of Association of the Company:

"Resolved that Article 92, 93 and 126 of the Articles of Association of the Company be amended as under:

In Article 92, the words 'shall not exceed Rs 500/- per meeting of the Board attended by him' be replaced with the words 'for attending board/committee meetings shall be decided by the Board of Directors from time to time'.

In Articles 93, the words 'General Meeting' be replaced with the words 'Board of Directors meeting'.

In Article 126, the words 'Company in General Meeting' be replaced with the words 'Board of Directors'.

"FURTHER RESOLVED THAT Mr. Takafumi Koike, President & Chief Executive Officer and Mr. Maqsood ur Rehman Rehmani, Vice President and Company Secretary of the Company, be and are hereby authorized, singly, to do all acts, deeds and take all necessary actions to complete all legal formalities and file all documents as may be necessary to implement the aforementioned resolution, as well as carry out any other act which may be ancillary and/or incidental to the above and necessary to achieve the objective of the aforesaid resolution."

A Statement under Section 134(3) of the Companies Act, 2017, read together with SRO 423(I)/2018 dated April 3, 2018, in connection with the Special Business above, is being sent to the shareholders along with this notice.

- To transact any other business with the permission of the Chairman.

By order of the Board

Lahore: June 08, 2022


Maqsood ur Rehman Rehmani
Company Secretary & Vice President

Notice of Annual General Meeting

NOTES:

1. The share transfer books of the company will remain closed from June 17, 2022, to June 29, 2022 (both days inclusive). The transfers received at the Company's Share Registrar M/s Hameed Majeed Associates (Private) Limited, H.M House, 7-Bank Square, Lahore by the close of business on June 16, 2022 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 to attend and vote on his/her behalf as a proxy. 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. A Proxy Application Form is being dispatched for the members' convenience with the Annual Report 2022.
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 the company's share registrar M/s Hameed Majeed Associates, HM-House, 7-Bank Square, Lahore. of any change in their address and provide a 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 the video-link facility shall be received by the company at the address given hereinabove at least 7 days before the date of the meeting.

Statement Under Section 134(3) of the Companies Act 2017

This statement sets out the material facts concerning the special business to be transacted at the Annual General Meeting of the Company to be held on June 29, 2022 at 11:00 a.m.

AMENDMENT IN ARTICLES OF ASSOCIATION OF THE COMPANY:

The Board of Directors of the Company have in their meeting held on May 26, 2022, approved to recommend the shareholders of the Company to consider and approve the amendment in the Articles of Association of the Company regarding provisions pertaining to the approval of remuneration of the Board of Directors. Following the changes in the Code of Corporate Governance, the company should offer remuneration or other fees to directors commensurate with the market practices. Further the power to decide the remuneration of the Director be shifted to the Board of directors to ease the business. Therefore, the Board proposes to change the relevant clauses of the Articles of Associates and give authority to the Board to decide the remuneration or other fees of the Board of directors from time to time.

Existing Clause	Proposed amended clause
Article No. 92: REMUNERATOIN OF DIRETORS: The remuneration of a Director shall not exceed Rs.500/- per meeting of the Board attended by him. The Directors may allow and pay to any director who for the time being is resident outside the place at which any meeting of the directors may be held and who shall come to that place for the purpose of attending the meeting, such sum as the Directors may consider fair and reasonable for his expenses in connection with his attending the meeting in addition to any remuneration as specified below.	In the Article 92 of the Article of Association of the Company be amended to include as under: The remuneration of a Director for attending board/ committee meetings shall be decided by the Board of Directors from time to time. The Directors may also allow and pay to any director who for the time being is resident outside the place at which any meeting of the directors may be held and who shall come to that place for the purpose of attending the meeting, such sum as the Directors may consider fair and reasonable for his expenses in connection with his attending the meeting in addition to any remuneration as specified under article 93.
Article No 93: SPECIAL REMUNERATION OF DIRECTORS FOR PERFORMING EXTRA DUTIES Any Director appointed to any executive office including for the purpose of this Article the office of the Chief Executive or Chairman or to serve on any committee or to devote special attention to the business of the Company or who otherwise performs extra services which in the opinion of the Directors are outside the scope of the ordinary duties of the Directors, may be paid such extra remuneration by way of salary, fees, percentage of profits or otherwise as shall from time to time be determined by the Company at the General Meeting , subject to restrictions imposed by law.	In the Article 93 of the Article of Association of the Company be amended to include as under: Any Director appointed to any executive office including for the purpose of this Article the office of the Chief Executive or Chairman or to serve on any committee or to devote special attention to the business of the Company or who otherwise performs extra services which in the opinion of the Directors are outside the scope of the ordinary duties of the Directors, may be paid such extra remuneration by way of salary, fees, percentage of profits or otherwise as shall from time to time be determined by the Company at the Board of Directors Meeting , subject to restrictions imposed by law.
Article No126: REMUNERATION OF EXECUTIVE DIRECTORS ETC The remuneration of an Executive director or Director holding any office as is mentioned in Article 130 may from time to time be determined by the Company in General Meeting and may be by way of fixed salary, or commission or dividend, profits or turnover of the Company or of any other company in which the Company is interested, or by participation in any such profits or by any or all those modes. The remuneration of any such Director may include such provisions (if any) for himself or any dependents whether by pension, superannuation or otherwise) after the termination of his office as the Directors shall think proper. A director holding any such office as is mentioned in Article 130 shall not be precluded merely by reason of his office, of director, form membership of any superannuation or Pension Fund established or supported by the Company.	In the Article 126 of the Article of Association of the Company be amended to include as under: The remuneration of an Executive director or Director holding any office as is mentioned in Article 130 may from time to time be determined by the Board of Directors and may be by way of fixed salary, or commission or dividend, profits or turnover of the Company or of any other company in which the Company is interested, or by participation in any such profits or by any or all those modes. The remuneration of any such Director may include such provisions (if any) for himself or any dependents whether by pension, superannuation or otherwise) after the termination of his office as the Directors shall think proper. A director holding any such office as is mentioned in Article 130 shall not be precluded merely by reason of his office, of director, form membership of any superannuation or Pension Fund established or supported by the Company.

The Board confirms that the proposed alterations are in line with the applicable provisions of the law and regulatory framework.

There is no specific interest of the directors in these special resolutions, except that mentioned therein.

Authorized Sales Service & Spare Parts Dealers

3S DEALERS

KARACHI

Honda Shahrah-e-Faisal
13-Banglore Town,
Main Shahrah-e-Faisal.
Tel: (021) 34547113-6,
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
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
Fax: (021) 34992823

Honda Quaideen

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

Honda Port Qasim

Plot No. 3B & 4B, Block-B,
Gulshan-e-Benazir,
Township Scheme,
PQA, Bin Qasim.
Cell: 0333-1025816

Honda Khair

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

Honda United

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

HYDERABAD

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

ABBOTTABAD

Honda Abbott
Kala Pull,
Main Mansehra Road,
Musa Zai Colony.
Tel: (0312) 0108190

LAHORE

Honda Fort
32 Queens Road.
Tel: (0311) 4348265
Fax: (042) 36361076

Honda Point

Main Defence Road.
Tel: (042) 35700994
Fax: (042) 35700993

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
Fax: (042) 35943371

Honda Ring Road

1-KM Ferozpur Road,
Bhulley Shah Interchange,
Ring Road.
Tel: (042)-345-100-00

Honda Lahore

12 KM, Lahore Sheikhpura
Road Kot Abdul Malik Lahore.
Ph # 042-7900500-4

ISLAMABAD

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

Honda Avenue

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

JHELUM

Honda Express
Main GT Road, Kala Gujran.
Tel: (0544) 272082

RAWALPINDI

Honda Centre
300, Peshawar Road.
Tel: (051) 5125181-5
UAN: (051) 111 300 123
Fax: (051) 5125186

Honda Downtown

Main G.T. Road Swan Camp
Rawalpindi / Islamabad.
UAN (051) 111 899 899

MARDAN

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

MULTAN

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

Honda Multan

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

FAISALABAD

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

Honda Chenab

123 JB Raja Wala,
Green View Colony.
Tel: (041) 260-111-4
Fax: (041) 2603549

Honda Lyallpur

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

SARGODHA

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

GUJRANWALA

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

SIALKOT

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
Fax: (05827) 451500

PESHAWAR

Honda North
Main University Road.
Tel: (091) 5854901
Fax: (091) 5854753

DERA GHAZI KHAN

Honda HiSun
Multan Road.
Tel: (064) 111-690-690
Fax: (064) 2689009

RAHIM YAR KHAN

Honda Rahim Yar Khan
Shahbaz Pur Road,Near
Naveena Textile Mills,
Cantt Chowk.
Tel: (068) 5674446-8
Fax: (068) 5674445

SAHIWAL

Honda Sahiwal
Sahiwal Bypass Lahore Road
near PSO
Tel: 040-4502081-82

QUETTA

Honda Carwan
Airport Road, Besides Carwan
Fuel Station, Sheikhmanda.
Tel: 081-2881001-3

Authorized Service & Spare Parts Dealers

2S DEALERS

LAHORE

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

Aabpara Honda

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

Samanabad Honda

Plot No.29/30 – 21,
Acre Scheme Samanabad,
Tel: 042-37530563 , 37530579

Defence Honda

E-105, New Super Town, Near Main
Gate Defence Housing, Society,
Main Boulevard, DHA
Tel: 0321-4466544, 042-35732358

Smart Honda

Lidhar adjacent to Shell Pump,
Near Askari-11,Main Bedian Road.
Tel: 0323-4142008

Shalamar Honda

Quaid-e-Azam Interchange,
Lakhodair Mehmood Booti,
Near Eastern, Housing Society.
Tel: 042-6558011-5

KARACHI

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

RAWALPINDI

Royal Honda
CB-940/A, Meherabad,
Main Peshawar Road,
Rawalpindi Cantt.
Tel: 0314-5462464

Swan Honda

Swan Honda Private Limited,
Main G.T. Road, Opposite SOS,
Village Near Sawan Camp.
Tel: 0300-5550569

ISLAMABAD

Margalla Honda
Service Road, E-11/4 Near,
Aura Grand Marquee.
Tel: 051-2318051-2

AMX Honda

Plot # 142, Opposite,
Islamabad Dry port I-9/2.
Tel: 0333-5488898

MULTAN

Prime Honda
Mushtaq Colony Industrial,
Estate Road, Near Nadirabad,
Railway Crossing.
Tel: 061-6538112

BAHAWALPUR

Horizon Honda
Multan Road.
Tel: 0321-6817729

Authorized Spare Parts Dealers

1S DEALERS

LAHORE

Sugoi Parts Center
Shop No. 4-6, Shamyl 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

KARACHI

Sugoi Parts Center
Shop No. 1&2 Amber Electronics,
Market M.A Jinnah Road.
Tel: 021-32778211-12

Sugoi Sunset Parts Center

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

FAISALABAD

Jaranwala Road Honda
Jaranwala Road.
Tel: 041-8710616, 8541097

Civil Lines Honda

P-121/1 Jail Road, Civil Lines.
Tel: 041-2641925, 2409394

GUJRAT

River Edge Honda
Near Science College, G.T. Road.
Tel: 053-3523511

SUKKUR

Clock Tower Honda
Hussaini Road, Near Gurdwara.
Tel: 071-5617683

ڈائریکٹرز کی رپورٹ

31 مارچ 2022ء

کے دوبارہ وقوع پذیر ہونے کو روکنے کے لئے بنیادی پالیسیاں قائم کی ہیں تاکہ ایسوسی ایٹس کی صحت کو یقینی بنایا جاسکے۔ پورے سال میں، تمام ایسوسی ایٹس کا ہر سال لازمی طبی معائنہ کرایا گیا اور صحت کے معیارات سے فرق سامنے آنے کی صورت میں حفاظتی اقدامات کئے گئے۔ کمپنی جاری عالمگیر وبا کے دوران اپنے ایسوسی ایٹس کی صحت پر بھرپور توجہ دے رہی ہے۔ اگرچہ وبا کا زور سال کے اختتام پر کم ہو گیا ہے لیکن کرونا وائرس کے لئے بنیادی حفاظتی تدابیر اور سماجی فاصلے کے اصول پر پورے سال میں عمل کیا گیا۔ کام کی جگہوں اور کھانے کی میزوں کو محفوظ کیا گیا اور گھر سے کام کرنے کے اصول پر عمل کیا گیا۔ اور جہاں ممکن ہوا بالمشافہ ملاقات کی بجائے ای-میٹنگ کو ترجیح دی گئی تاکہ پھیلاؤ کو روکا جاسکے۔

کمپنی اپنی املاک میں فائر سیفٹی سسٹم کی تجدید کے لئے مختلف اقدامات کر رہی ہے۔ جس میں نئے فائر سیفٹی آلات کی تنصیب، موجودہ تنصیبات کی بہتری اور ایسوسی ایٹس کے لئے فائر فائٹنگ ٹریننگ کا اہتمام شامل ہے۔ ایک جامع فائر فائٹنگ ادارہ قائم کیا گیا ہے اور ہر شعبے میں فائر ڈرلز اور تربیت کا باقاعدگی سے اہتمام کیا گیا ہے۔

کاروباری و سماجی ذمہ داری کی سرگرمیاں

پورے سال میں، کمپنی مختلف سماجی سرگرمیوں میں اپنا کردار ادا کرتی رہی تاکہ لوگوں میں خوشیاں بانٹی جا سکیں اور ایسی کمپنی بنا جسکے جس کی معاشرے کو خواہش ہے۔ خوشیاں بانٹنے کے لئے کمپنی نے طب، پینے کے محفوظ پانی، تعلیم اور ماحولیات جیسے شعبوں میں متعدد سماجی فلاح و بہبود کے کاموں میں اپنا کردار ادا کیا۔ تاکہ کمپنی ایک ذمہ دار ادارے کی حیثیت سے اپنے وجود کی شناخت برقرار رکھ سکے۔

فری میڈیکل کیمپ

گاؤں مانگا منڈی کے لیے 2014ء میں پہلے فری میڈیکل کیمپ کا اہتمام کیا گیا۔ یہ کمپنی کی CSR سرگرمیوں کے لئے ایک بڑا طرہ امتیاز رہا ہے۔ پورے سال میں کرونا وائرس کی وجہ سے کمپنی نے دور دراز مقامات پر تین میڈیکل کیمپ لگائے اور 1,944 سے زائد مریضوں کو مفت طبی علاج اور ادویات دی گئیں۔ سال 2014ء سے اس سرگرمی کے آغاز سے کمپنی نے اب تک 41 میڈیکل کیمپ لگائے ہیں جہاں 24,944 مریضوں کو بالکل مفت طبی امداد دی گئی۔

شجر کاری

”صاف اور سبز پاکستان“ قومی مہم کے تحت کمپنی نے ایک درخت لگا کر 75 واں یوم آزادی منائیں، پلیٹ فارم کے نیچے شجر کاری کا آغاز کیا۔ اس تناظر میں، کمپنی نے مختلف سکولوں اور سرکاری اداروں میں اس سرگرمی کا آغاز کیا۔ اس طرح ہم طلباء کو درختوں کی اہمیت اور دنیا میں اس کے فوائد کے بارے میں آگاہ بھی کرتے رہے۔ طلباء نے اس عمل کو بہتر سراہا اور عہد کیا کہ وہ سکول کے احاطے میں پودوں کی دیکھ بھال کریں گے۔

پینے کا صاف پانی

دیہی علاقوں میں پینے کے صاف پانی کی دستیابی ایک بڑا مسئلہ رہا ہے۔ پانی کے دستیاب وسائل اکثر آلودہ ہیں جو کئی بیماریوں کا باعث بنتے ہیں۔ مانگا منڈی کے سرکاری سکول اور اس کے ملحقہ علاقے پینے کے صاف پانی کی قلت کا شکار کے صاف پانی کی قلت کا شکار ہیں اور طلباء کو آلودہ پانی پر انحصار کرنا پڑتا ہے جس کی وجہ سے وہ موذی بیماریوں کا شکار ہو سکتے ہیں۔ گذشتہ برس کے دوران، کمپنی نے مانگا منڈی اور سندر کے گورنمنٹ ہوائز سکول میں صاف پانی کے واٹر پمپ نصب کئے۔ بچوں کو پینے کے صاف پانی کی فراہمی کے لئے گہرے بور کے واٹر پمپ اور پانی کے ذخائر نصب کئے گئے۔

سکولوں کے لئے مفت کھانے کا پروگرام

غریبی کے باعث پنجاب میں اول سے پانچویں کلاس تک کے سرکاری سکولوں کے بچوں کی سکول چھوڑنے کی شرح بہت زیادہ ہے۔ سکول چھوڑنے کی شرح کو کم کرنے کے لئے کمپنی نے مقامی این جی او کی معاونت سے مختلف سکولوں میں بچوں کو روزانہ کی بنیاد پر مفت کھانا پیش کرنے کے اقدامات کا آغاز کیا۔ ایک سال تک سکول کے بچوں کو صحت بخش کھانا فراہم کرنے کے لئے کمپنی نے 1.0 ملین روپے مالیت کا چیک بطور عطیہ اس این جی او کو دیا۔ “سکول میل پروگرام” کی مدد سے حاضری میں بہتری آئی اور سکولوں میں بچوں کی واپسی اور صحت کو یقینی بنایا گیا۔

مقامی سکول کی مرمت

مانگا منڈی کے ایک سکول کو امسال دوبارہ تعمیر کیا گیا۔ کافی عرصے سے تراش خراش کے باعث لڑکیوں کے پرائمری سکول کی عمارت خطرے میں تھی جس کی فوری مرمت ضروری تھی۔ کمپنی نے عمارت کے ایک حصے کی تزئین کی اور ڈھانچے میں کئی تبدیلیاں کی گئیں۔

محفوظ ڈرائیونگ ٹریننگ

کمپنی اپنی ملحقہ کمپنی اور موٹروے پولیس کی مدد سے باقاعدگی سے ٹریفک سیفٹی ایجوکیشن اینڈ ٹریننگ سیشن کا اہتمام کرتی ہے۔ کمپنی کو سٹر ڈرائیورز اور ایسوسی ایٹس کے لیے بھی ٹریننگ سیشن کا اہتمام کیا گیا۔ ایسی حفاظتی تربیت کے آغاز سے ہی حادثات میں کمی کمپنی کے لئے انتہائی مفید ثابت ہوئی۔

فائر فائٹنگ ٹریننگ

کمپنی نے اپنے ڈیلرز اور سپلائرز کی املاک پر فائر فائٹنگ ٹریننگ فراہم کرنے کا آغاز کیا۔ کمپنی نے 33 ڈیلرز اور دو سپلائرز کی املاک پر فائر فائٹنگ ٹریننگ کا اہتمام کیا جس میں 30 ملازمین کی تربیت کی گئی۔ اس سیشن کے دوران فائر اور اس کے اجزاء سے متعلق تھیوریٹیکل علم دیا گیا اور بعد ازاں آگ پر قابو پانے کے لئے عملی تربیت کا بھی اہتمام کیا گیا۔ کاروباری شراکت داروں میں فائر سیفٹی کی اہمیت اجاگر کرنے کے لئے یہ سیشن انتہائی کارگر ثابت ہوئے۔

کاروباری و مالیاتی رپورٹنگ فریم ورک

پاکستان سٹاک ایکسچینج کے لسٹنگ ضوابط کی پیروی میں بورڈ اراکین حسب ذیل بیانات کو ریکارڈ پر رکھنا چاہتے ہیں:-

- مارچ 2022ء کو اختتام پذیر سال کے لئے مالیاتی اسٹیٹمنٹس 31 کمپنی کے کاروباری امور، اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی کی بالکل درست عکاسی کرتی ہیں۔
- کھاتوں کی باقاعدہ کتابیں تیار کی گئی ہیں۔
- 31 مارچ 2022ء کو اختتام پذیر سال کے لئے مالیاتی اسٹیٹمنٹس کی تیاری میں معقول اکاؤنٹنگ پالیسیوں کا باقاعدگی سے اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینہ جات مناسب اور معقول فیصلوں کی بنیاد پر لگائے گئے ہیں۔
- مالیاتی اسٹیٹمنٹس کی تیاری میں پاکستان میں رائج بین الاقوامی مالیاتی رپورٹنگ معیارات کا اطلاق کیا گیا ہے۔
- داخلی نظم و ضبط کا ایک مربوط نظام تیار کیا گیا ہے اور اس کی موثر نگرانی کی جاتی ہے۔
- کمپنی کی کاروباری جاری رکھنے کی صلاحیت میں کوئی ابہام نہیں ہے۔
- لسٹنگ ریگولیشنز میں بیان کردہ کارپوریٹ گورننس کی بہترین عمل داری میں کوئی ٹھوس سقم موجود نہیں ہے۔
- 31 مارچ 2022ء کو ملازمین کے پراویڈنٹ فنڈ اور گریجویٹ فنڈ میں سرمایے کی بک ویلیو بالترتیب 608.70 ملین روپے اور 777.37 ملین روپے تھی۔
- گذشتہ دس برس کے لئے اہم فعالی و مالیاتی اعداد و شمار رپورٹس ہذا میں دیئے گئے ہیں۔

مادی تبدیلیاں

31 مارچ 2022ء سے رپورٹ کی تاریخ تک کوئی مادی تبدیلی واقع نہیں ہوئی ہے اور کمپنی اس دورانیے میں کسی عہد و پیمان میں داخل نہیں ہوئی ہے جس کے کمپنی کی مالیاتی حالت پر مضر اثرات مرتب ہوں۔

حصص کی منتقلی

یکم اپریل 2021ء کو مسٹر اکیرا مورایاما کی جاپان ٹرانسفر کے باعث ہنڈا موٹر کے نئے نامزد ڈائریکٹر مسٹر ای ہیکو ساتو کے نام پر پورے سال میں 525 کوالیفیکیشن حصص منتقل ہوئے۔ ڈائریکٹرز، کمپنی سیکریٹری، چیف فنانشل آفیسر اور ان کے اہلیان اور کم سن بچوں کی جانب سے زیر جائزہ مدت کے دوران حصص کی خرید و فروخت کی کوئی ٹرانزیکشن سامنے نہیں آئی ہے۔

چیئر مین کا تجربہ

31 مارچ 2022ء کو اختتام پذیر سال کے لیے کمپنی کی کارکردگی پر چیئر مین کا تجربہ اور مستقبل کا منظر نامہ سالانہ رپورٹ میں شامل ہے۔ ڈائریکٹرز اس جائزے کے متن کو تسلیم کرتے ہیں۔

کوڈ آف کارپوریٹ گورننس کی تعمیل سے متعلق بیان

کمپنی نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019ء کے معیارات کی مکمل طور پر تعمیل کی ہے۔ اس بابت بیان رپورٹ کے ساتھ لف ہے۔

ہولڈنگ کمپنی

جاپان میں قائم میسرز ہنڈا موٹر کمپنی لمیٹڈ 51 فی صد ملکیتی حصص کے ساتھ ہولڈنگ کمپنی ہے۔

ہیڈن آف شیئر ہولڈنگ

مارچ 2022ء کو ہیڈن آف شیئر ہولڈنگ اور اس کا اظہار رپورٹ ہذا کے 31 ساتھ موجود ہے۔

آڈیٹرز

میسرز اے ایس فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس رینڈز ہو چکے ہیں اور اہلیت کی بنا پر 31 مارچ 2023ء کو اختتام پذیر سال کے لئے اپنی دوبارہ تقرری کی پیشکش کرتے ہیں۔ آڈٹ کمیٹی نے بورڈ کو ان کی دوبارہ تقرری کی سفارش کی ہے۔

منجانب/برائے

بورڈ آف ڈائریکٹرز

T. Koike

تاکا فومی کوئیک
صدر/CEO

عمر ایچ شیرازی

چیئر مین

کراچی

26 مئی 2022ء

ڈائریکٹرز کی رپورٹ

31 مارچ 2022ء

تفصیل پر ہوتا ہے۔ زیر جائزہ سال کے دوران قوانین و ضوابط کی ایسی کوئی خلاف ورزی سامنے نہیں آئی ہے۔

انفارمیشن مینجمنٹ

معلوماتی اثاثہ جات بشمول خفیہ اور ذاتی معلومات کے تحفظ کے لئے کمپنی نے (GITSP) اور گلوبل آئی ٹی سکیورٹی پالیسی (GCP) عالمی رازداری پالیسی کو اپنایا ہے۔ یہ پالیسیاں غیر روایتی رد عمل کا ڈھانچہ، خفیہ اور ذاتی معلومات کی ہینڈلنگ کے وقت تعمیلی آئیٹمز اور انفارمیشن سسٹمز اور نیٹ ورکس کے لئے سکیورٹی معیارات کا احاطہ کرتی ہیں۔ یہ پالیسیاں معلومات کے اخراج کی صورت میں رپورٹنگ کا طریقہ کار بیان کرتی ہیں۔ ان پالیسیوں کا مؤثر اطلاق کرتے ہوئے کمپنی نے رازداری کمیٹی تشکیل دی ہے تاکہ تبدیلیوں سے متعلق بروقت رد عمل کو یقینی بنایا جاسکے۔ پیچیدہ اور تقاضے سے پاک سائبر حملوں کے مقابلہ کے لئے انفارمیشن سکیورٹی کو یقینی بنانے کی غرض سے ان سرگرمیوں کو مسلسل مستحکم کرنے کے علاوہ کمپنی روزانہ کی بنیاد پر نگرانی کرتی ہے اور واقعات کو روکنے کے لئے فوری رد عمل کے حامل سسٹم قائم کرتی ہے۔

عمل کا انتظام

ہنڈلینگ رکھتا ہے کہ انسان ایک آزاد اور منفرد شخصیت کی حیثیت رکھتے ہیں جو سوچنے، دریافت کرنے اور تخلیق کرنے اور خواب دیکھنے کی صلاحیت رکھتے ہیں۔ انفرادی اختلافات کا احترام، بطور مساوی شراکت دار ایک دوسرے پر بھروسہ، صلاحیتوں کا بھرپور استعمال کرتے ہوئے اور خوشیوں کو بانٹنے ہوئے کمپنی ان خصوصیات کی ترقی و ترویج کی خواہش رکھتی ہے۔ اس عمل کے لئے کمپنی افراد کے احترام کو اپناتی ہے جو آغاز، مساوات اور بھرپور جیسے تین عوامل پر مشتمل ہے جو کمپنی کا بنیادی عقیدہ ہے۔ کمپنی یقین رکھتی ہے یہ جذبہ نہ صرف اپنے تمام متعلقین بشمول ایسوسی ایٹس بلکہ کمپنی کاروبار سے منسلک ہر فرد میں سرایت کر جائے۔ بھرتی، تربیت، فرائض سونپنے اور استعمال، تعین اور روپے جیسے شعبوں میں اپنے انسانی وسائل کا انتظام کرتے ہوئے کمپنی عمل کے انتظام خصوصاً اقدامات کا احترام، انصاف کی یقین دہانی اور باہمی اعتماد حوصلہ افزائی جیسے تین اصولوں پر عمل کرتی ہے۔ کمپنی ہمیشہ ایسا ماحول پیدا کرنے کے لئے کوشاں ہے جس میں ہر ایسوسی ایٹ کے جذبات اور صلاحیتوں کو نکھارا جاسکے اور کام کی جگہ ایسی ہو جہاں افراد کی صلاحیتوں سے مکمل طور پر استفادہ حاصل کیا جاسکے۔

پیشہ ورانہ صحت اور تحفظ

کمپنی ایسوسی ایٹس کے لئے محفوظ اور سکیورڈک انوائرنمنٹ پیدا کرنے کے لئے کوشاں ہے جس کی بنیاد ”افراد کا احترام“ اور ”تھری جواز“ جیسے مرکزی عقائد پر ہے۔ ”No Production without Safety“ جیسے بنیادی حفاظتی اصول کے تحت کمپنی کام کا ایسا ماحول قائم کرنے کے لئے کوشاں ہے جو تمام لوگوں میں اعتماد پیدا کرے کہ وہ سیفٹی اور سکیورٹی کی اصل روح کے ساتھ کام کر سکیں۔ اس اصول کی بنیاد پر ہیلتھ اینڈ سیفٹی ڈویژن نے صنعتی حادثوں اور ان

کے مطابق کمپنی قوانین و ضوابط کی تعمیل کرتی ہے۔ یہ ضابطہ بیان کرتا ہے کہ، ”بحیثیت ایک خود مختار کاروباری ادارہ کمپنی سیاسی اداروں (سیاسی جماعتوں اور سیاستدانوں) اور انتظامی اداروں (سرکاری ایجنسیوں اور اہلکاروں) کے ساتھ مناسب تعلقات برقرار رکھتی ہے“ اور ”قوانین، ضوابط اور کمپنی پالیسیوں کی پیروی میں مناسب انداز میں سیاسی و انتظامی اداروں کے ساتھ رابطہ کرے گی اور سیاستدانوں اور سرکاری اہلکاروں کو قوانین، ضوابط اور کمپنی پالیسیوں کے مطابق ممنوعہ (مالیاتی و غیر مالیاتی) ضیافت یا تحائف پیش نہیں کرے گی۔“ مزید برآں، ضابطہ بیان کرتا ہے کہ ایسوسی ایٹس ”معاشرے کے لئے قابل قبول حد کے علاوہ (مالیاتی و غیر مالیاتی) اشیاء کی صورت میں کاروباری شراکت داروں کو “مرامعات یا ضیافت پیش یا وصول نہیں کریں گے۔

مذکورہ بالا کے علاوہ، کمپنی نے رشوت ستانی اور بد عنوانی کے خاتمہ کے لئے ہنڈل پالیسی بھی مرتب کی ہے جس کے مطابق رشوت ستانی اور بد عنوانی اور ان کے تدارک کے لئے ہنڈل ہدایات سے متعلق مرکزی پالیسی مرتب کی گئی ہے جس میں مخصوصی تعمیلی اور ممنوعہ اشیاء شامل ہیں۔ پالیسی کی آگاہی تربیت، ای میل بابت تبدیلی پالیسی اور کمپنی انٹرا نیٹ کے ذریعے دی جاتی ہے۔

مؤثر رسک مینجمنٹ ڈھانچے کا قیام

رسک مینجمنٹ پالیسی کا مقصد کمپنی کو پائیدار نمو کی جانب گامزن کرنا اور ہنڈل فلسفہ کی بنیاد پر مینجمنٹ کو متوازن کرنا اور کمپنی کے کاروباری امور پر ممکنہ اثرات کے حامل تمام خطرات سے نبرد آزما ہونا ہے۔ کمپنی نے ایک رسک مینجمنٹ فریم ورک ترتیب دیا ہے جس کی سرپرستی رسک مینجمنٹ افسر کرتا ہے۔ خطرات کے تعین کی سرگرمیاں تمام کاروباری و فعالی آپریشنز کے ذریعے عمل میں لائی جاتی ہیں۔ ان سرگرمیوں کا مقصد کاروبار کو لاحق ممکنہ خطرات سے قبل از وقت واقفیت حاصل کرنا اور ان خطرات کا مقابلہ کرنا ہے۔ مشترکہ رسک آئیٹمز اور معیار کو استعمال کرتے ہوئے ہر شعبے میں خطرے کا تعین کیا جاتا ہے تاکہ ہر ڈویژن کے ترجیحی خطرات کی نشاندہی کی جا سکے۔ کمپنی بھر میں ہر آپریشن کے رسک کی صورت حال پر اپنی تجاویز دے کر رسک مینجمنٹ آفیسر ترجیحی خطرات کی نشاندہی کرتا ہے۔ پھر متعلقہ ڈویژن ان خطرناک عوامل کو اپنے کاروباری منصوبے میں شامل کرتا ہے تاکہ اس کی مسلسل نگرانی کی جا سکے اور صورتحال کو بہتر کر کے خطرات سے بچا جاسکے۔

تعمیل

تعمیلی کلچر کو پروان چڑھانے کے لئے کمپنی نے بورڈ آف ڈائریکٹرز کی تجاویز پر ایک کمپلائنس آفیسر مقرر کیا ہے۔ کمپلائنس آفیسر داخل نظم و ضبط کے سسٹم کی بابت اقدامات پر فیصلہ سازی کرتا ہے۔ مزید برآں، کمپلائنس آفیسر کی ذمہ داریوں میں انٹرئل کنٹرول سسٹم کے قیام اور عمل کی صورت حال کی توثیق کرنا شامل ہے تاکہ بزنس بے تھک پروپوزل لائن کے انتظام اور کمپلائنس سے متعلق مسائل کے دوبارہ وقوع پذیر ہونے سے روکنے کے لئے مزید اقدامات کئے جاسکیں۔ انتہائی اہمیت کے حامل تعمیلی معاملات کے لئے ایگزیکٹو کمیٹی کے اجلاس میں تجاویز یا رپورٹنگ کی جاتی ہے جس کا انحصار معاملات کی

لئے ان کے مشاہیرہ کا ایک سسٹم مرتب کیا گیا ہے۔ ایگزیکٹو ڈائریکٹرز کو ماہانہ معاوضہ اور مراعات پیش کی جاتی ہیں جن کی منظوری اراکین دیتے ہیں جب کہ کمپنی نان ایگزیکٹو ڈائریکٹرز کو ایڈوائزری فیس کے علاوہ معاوضہ ادا نہیں کرتی۔ 2022-23 میں ڈائریکٹرز اور CEO کے معاوضہ اور فیس کی معلومات کے لیے براہ کرم ان مالیاتی اسٹیٹمنٹس کے نوٹس ملاحظہ کریں۔ 31 مارچ 2023 کو اختتام پذیر سال کے لئے شیئر ہولڈرز کی منظوری سے مشروط ڈائریکٹرز کی ایڈوائزری فیس اور معاوضہ کی تفصیلات حسب ذیل ہیں:-

(a) چیئرمین (نان-ایگزیکٹو ڈائریکٹر) کی ایڈوائزری فیس مبلغ 50.69 ملین روپے۔

(b) پریزیڈنٹ اور CEO کا مشاہیرہ 17.37 ملین روپے۔

(c) ایک کل وقتی ڈائریکٹر کا مشاہیرہ 17.37 ملین روپے۔

ہنڈل ضابطہ اخلاق

صارفین اور معاشرے کا اعتماد حاصل کرنے اور پائیدار نمو کے لئے ہمیں نہ صرف قوانین و ضوابط کی تعمیل کرنا ہو گی بلکہ اخلاقیات اور خلوص نیت سے ان قانونی ڈھانچوں سے ہٹ کر کام کرنا ہو گا۔ علاوہ ازیں، کمپنی نے ہنڈل ضابطہ اخلاق ترتیب دیا ہے جس پر دنیا بھر میں ہنڈل کے عمل سے خلوص نیت سے عمل درآمد کی توقع کی جاتی ہے۔ کمپنی بذریعہ لیف لیٹس، ان ہاؤس نیوز لیٹرز کی تقسیم، تربیت اور انٹرا نیٹ پر معلومات کی اشاعت تمام ایسوسی ایٹس میں ہنڈل ضابطہ اخلاق نافذ کرنے کے لئے کام کرتی ہے۔

کاروباری اخلاقیات کی پروپوزل لائن

کمپنی نے کاروباری اخلاقیات کے معاملات کو بہتر بنانے کے لئے بزنس ایٹھکس پروپوزل لائن قائم کی ہے۔ یہ ہاٹ لائن قوانین اور داخلی اصولوں کی خلاف ورزی کی بابت کاروباری اخلاقیات سے متعلق مسائل کو حل کرنے میں مدد کرتی ہے۔ ایسوسی ایٹس کو اعلیٰ افسران سے مشاورت میں مشکلات کے باعث کام کی جگہ پر مسائل حل کرنے میں درپیش رکاوٹوں کو ختم کرنے کے لئے یہ ہاٹ لائن تجاویز کو تسلیم اور مشورہ فراہم کرنے میں مدد کرتی ہے۔ علاوہ ازیں، قوانین اور داخلی اصولوں کی واضح خلاف ورزیوں اور قابل اعتراض فعل سرزد ہونے کی صورت میں یہ ہاٹ لائن مشورہ اور داخلی اصولوں کی تفصیلات سے متعلق سوالات کا جواب فراہم کرتی ہے اور ایسے معاملات کی نگرانی میں بھی مدد کرتی ہے۔ تمام ایسوسی ایٹس اور کاروباری شراکت داروں سے تجاویز بذریعہ ای میل، خط، ٹیلی فون یا ڈراپ باکس وصول کی جاتی ہیں۔ ہم تجویز کنندہ کے تحفظ کو یقینی بناتے اور نامعلوم تجاویز کو قبول کرتے ہیں۔

رشوت اور بد عنوانی کو ختم کرنے کے اقدامات

کمپنی رشوت ستانی اور بد عنوانی کی سختی سے ممانعت کرتی ہے۔ ہنڈل ضابطہ اخلاق

نمبر شمار	نام رکن کمیٹی	حاضری
1.	مسٹر فیروز رضوی	چئیرمین 2
2.	مسٹر محمد نعیم خان (مسٹر فیروز رضوی کے متبادل)	چئیرمین 2
3.	مسٹر ثاقب ایچ شیرازی	رکن 4
4.	مسٹر ای بیگو ساتو	رکن 4
5.	مسٹر کازونوری شایاما	رکن 4

آڈٹ کمیٹی اجلاس میں شرکت نہ کر سکنے والے اراکین کو غیر حاضری کی رخصت عنایت کی گئی۔

ہیومن ریسورس اینڈ ریمونریشن کمیٹی

ہیومن ریسورس اینڈ ریمونریشن کمیٹی پانچ اراکین، جن میں زیادہ تر نان ایگزیکٹو ڈائریکٹرز ہیں، پر مشتمل ہے۔ کمیٹی کا چیئرمین ایک خود مختار ڈائریکٹر ہے۔ یہ کمیٹی انسانی وسائل، سالانہ کارکردگی کے جائزہ، عملے کی پالیسیوں اور ایسوسی ایٹس کے معاوضے اور مراعات پر انتظامیہ کی سٹریٹجک رہنمائی کرتی ہے۔ زیر جائزہ سال کے دوران کمیٹی کے دائرہ کار میں آنے والے معاملات پر غور و فکر اور ان کی منظوری کے لئے HR&R کمیٹی کا ایک اجلاس منعقد ہوا۔

نمبر شمار	نام رکن کمیٹی	حاضری
1.	مسٹر محمد نعیم خان (مسٹر فیروز رضوی کے متبادل)	1
2.	مسٹر ثاقب ایچ شیرازی	رکن 1
3.	مسٹر ہیرونایو شیورا	رکن 1
4.	مسٹر کائوسی کاسائی	رکن 1
5.	مسٹر ای بیگو ساتو	رکن 1

بورڈ میں تبدیلیاں

یکم اکتوبر 2021ء کو مسٹر فیروز رضوی، خود مختار ڈائریکٹر، کو مسٹر محمد نعیم خان سے تبدیل کیا گیا۔ یکم اپریل 2022ء اور 17 مئی 2022ء کو بالترتیب ہنڈل موٹر کمپنی/جاپان کی معمول کے مطابق سالانہ روٹیشن کی بنیاد پر مسٹر ہیرونایو شیورا، ایگزیکٹو ڈائریکٹر، صدر اور چیف ایگزیکٹو آفیسر کو مسٹر تاکافومی کونیکے اور مسٹر کازونوری شایاما ڈائریکٹر کو مسٹر گاگو ناگانیشی سے تبدیل کیا گیا۔ بورڈ سبکدوش ہونے والے ڈائریکٹرز کی گراں قدر خدمات کو سراہتے اور بورڈ کے نئے اراکین کو خوش آمدید کہتے ہیں۔

ڈائریکٹرز کا معاوضہ

کاروباری قدر کی دائمی نمو حاصل کرنے کی غرض سے قلیل اور متوسط و طویل مدتی کاروباری کارکردگی کو بہتر بنانے میں ڈائریکٹرز کے جذبہ کو بڑھانے کے

ڈائریکٹرز کی رپورٹ

31 مارچ 2022ء

کمپنی کے ڈائریکٹرز 31 مارچ 2022ء کو اختتام پذیر سال کے لئے کمپنی کی تیسویں (30ویں) سالانہ رپورٹ اور پڑتال شدہ مالیاتی اسٹیٹمنٹس کے ہمراہ اپنی رپورٹ ازراہ مسرت پیش کرتے ہیں۔

مالیاتی نتائج:-

اہم مالیاتی نتائج حسب ذیل ہیں:

(ملین روپوں میں)	سال مختتمہ 31 مارچ 2022ء	سال مختتمہ 31 مارچ 2021ء
سال بھر میں نفع بمعہ ٹیکس	4,275.40	2,780.63
ٹیکسیشن	(1,765.50)	(987.42)
سال بھر میں دیگر جامع خسارہ	(99.89)	(11.50)
غیر تخصیص شدہ منافع	2,410.01	1,781.71
شروعاتی حاصل آمدنی	166.71	30.45
تخصیص کے لیے کل دستیاب بیلنس	2,576.72	1,823.66
	(1,500.00)	(1,000.00)
جزل ذخائر میں منتقلی	(999.60)	(645.47)
مجوزہ منافع منقسمہ 70% (2021: 45.2%)	(2,499.60)	(1,645.47)
فی حصص آمدنی۔ بنیادی و ڈائیلیوٹڈ (روپے)	17.58	12.56

بورڈ آف ڈائریکٹرز نے ان تخصیصات کو تجویز کیا ہے۔ جنہیں کمپنیز ایکٹ 2017ء کے چوتھے جدول کی پیروی میں مالیاتی اسٹیٹمنٹس میں ظاہر نہیں کیا گیا ہے۔

کاروباری ماحول

پورا سال کاروباری ماحول مشکلات کا شکار رہا۔ آٹو موبائل انڈسٹری کو پاکستانی روپے کی بے قدری، عالمی سپلائی چین میں رکاوٹوں، سمندری فریٹ میں اضافہ اور بلند شرح سود جیسے بے مثال مسائل کا سامنا رہا۔ البتہ ان تمام عوامل کے باوجود آٹو موبائل مصنوعات خصوصاً SUV شعبے کی طلب میں استحکام آیا۔ تمام مشکلات کے باوجود کمپنی نے مالیاتی سال کا اختتام 4,275.40 ملین روپے بمعہ ٹیکس اور 2,509.91 ملین روپے خالص منافع علاوہ ٹیکس پر کیا جبکہ گذشتہ برس یہی منافع بالترتیب 2,780.63 ملین روپے اور 1,793.20 ملین روپے تھا۔

فی حصص آمدنی

علاوہ ٹیکس بنیادی و ڈائیلیوٹڈ فی حصص آمدنی 17.58 روپے تھی (2021: 12.56)۔

منافع منقسمہ

منافع منقسمہ کی ادائیگی کے لئے کمپنی پالیسی کے عین مطابق اور معقول پے آؤٹ میں بیلنس برقرار اور مستقبل میں کاروباری ضروریات کو پورا کرنے کے لئے بورڈ آف ڈائریکٹرز نے گذشتہ برس میں 4.52 روپے (45.2%) کے مقابلے میں 31 مارچ 2022 ء کو اختتام پذیر سال کے لیے 7.0 روپے (70%) فی حصص منافع منقسمہ تجویز کیا ہے۔

بورڈ کی ترکیب

بورڈ آف ڈائریکٹرز کی ترکیب حسب ذیل ہے:-

کل تعداد ڈائریکٹرز	9
i. مرد	8
ii. خاتون	1
i. خود مختار ڈائریکٹرز	3
ii. نان ایگزیکٹو ڈائریکٹرز	4
iii. ایگزیکٹو ڈائریکٹرز	2

پورے سال کے دوران بورڈ میں دو تبدیلیاں کی گئیں۔ البتہ بورڈ کی لازمی ترکیب کو برقرار رکھا گیا۔

زیر جائزہ سال کے دوران بورڈ آف ڈائریکٹرز کا انتخاب کیا گیا۔ نتیجتاً، 2 مئی 2022ء تاریخ آغاز سے عرصہ تین سال کے لئے بورڈ آف ڈائریکٹرز کی تشکیل نو کی گئی۔ بورڈ کی ترکیب کی بابت لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط 2019 ء کے تمام معیارات کی تعمیل کی گئی۔

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز ہنڈا موٹر اور اٹلس گروپ کی نمائندگی کرنے والے تین خود مختار اور چھ ڈائریکٹرز پر مشتمل ہے۔ دائمی نمو حاصل کرنے اور متوسط سے طویل مدت تک کمپنی کی کاروباری قدر کو بڑھانے کے لئے شیئر ہولڈرز کے مینڈیٹ کا خیال رکھا گیا۔ بورڈ کے فرائض میں کمپنی کے اہم معاملات، سٹریٹجک کاروباری سمت، کارپوریٹ گورننس اور مینجمنٹ پالیسیوں اور آپریشنز کی نگرانی پر فیصلہ سازی کرنا شامل ہیں۔ مزید برآں، بورڈ آرٹیکلز آف اہسوسی ایشن، ضابطہ اور دیگر مروجہ قوانین میں بیان کردہ معاملات پر تبادلہ خیال اور فیصلہ سازی کرنے کا بھی ذمہ دار ہے۔ ان فرائض کی انجام دہی کے لئے ڈائریکٹرز کے امیدوار اعلیٰ خصوصیات اور بصیرت کے حامل افراد ہوں گے جو کاروباری و مالیاتی انتظام، مالیات و اکاؤنٹنگ، معیار، پیداوار اور کمپنی کے کاروباری آپریشنز میں وسیع تجربہ رکھتے ہوں۔

بورڈ کے اجلاس

پورے سال میں بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے۔ بورڈ اراکین کی حاضری حسب ذیل ہے:-

نمبر شمار	نام ڈائریکٹرز	حاضری
1.	مسٹر عامر ایچ شیرازی	6
2.	مسٹر ہیروناہ یوشیمورا	6
3.	مسٹر ثاقب ایچ شیرازی	6

4.	مسٹر کٹسوی کاسائی	6
5.	مسٹر فیروز رضوی	3
	(مسٹر محمد نعیم خان (مسٹر فیروز رضوی کا متبادل	3
6.	مسٹری ای ہیکو ساتو	5
7.	مسٹر کازونوری شایاما	5
8.	مس رائی میہارا	6
9.	مسٹر عارف الاسلام	3
	(مسٹر مقصود الرحمن (کمپنی سیکریٹری	6
	مسٹر حمود الرحمن (جی ایم فائننس /CFO)	6

بورڈ اجلاس میں شرکت نہ کر سکنے والے اراکین کو غیر حاضری کی رخصت عنایت کی گئی۔

کارپوریٹ گورننس

اپنے شیئر ہولڈرز، کسٹمرز اور معاشرے کا اعتماد برقرار رکھنے کی غرض سے کمپنی اپنے بنیادی اصولوں کے عین مطابق مینجمنٹ کے اہم ترین کام طور پر اپنی کارپوریٹ گورننس کو وسیع کرنے کے لئے کوشاں ہے۔ بورڈ ہمیشہ سے ہی بروقت، فیصلہ کن اور خطرات سے آگاہ رہنے کی فیصلہ سازی؛ پائیدار نمو کے حصول اور متوسط سے طویل مدت تک کے لئے کاروباری قدر میں اضافہ کرنے اور “معاشرے کی خواہشات کے مطابق کمپنی کے قیام”کی حوصلہ افزائی کرتا ہے۔ انتظامیہ کے نگرانی اور نفاذ کے عمل کو واضح طور پر پھیلانے اور فوری اور موافق فیصلوں کے لئے کمپنی نے آؤٹ کیٹی، ہیومن ریسورس اینڈ ریسونریشن کیٹی اور ایک ایگزیکٹو کمیٹی تشکیل دی ہے جو بورڈ کو کاروباری عمل داری کے اختیارات ایگزیکٹو افسران کو سونپنے میں مدد کرتی ہیں۔

آؤٹ کیٹی

آؤٹ کیٹی خود مختار اور نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔ آؤٹ کیٹی کا چیئر مین ایک خود مختار ڈائریکٹرز ہوتا ہے۔ شیئر ہولڈرز کی امانت پر رد عمل دینے کی غرض سے آؤٹ کیٹی آؤٹ رپورٹس، انٹرئل کنٹرول سسٹمز اور مالیاتی اسٹیٹمنٹس پر نظر ثانی کرتی ہے اور قوانین و ضوابط کے مطابق حاصل کیٹی کے فرائض کو سرانجام دیتی ہے تاکہ کمپنی کی مربوط اور پائیدار نمو کو حاصل کیا جاسکے۔ کمپنی پر واضح اثرات مرتب کرنے والے آئیکٹم کے لئے رپورٹنگ لازمی ہے۔

مذکورہ بالا کے علاوہ انٹرئل آؤٹ ڈویژن جو چیئر مین آؤٹ کیٹی کو براہ راست رپورٹ کرتا ہے، ہر شعبے اور طریق عمل کا داخلی آؤٹ کرتا ہے تاکہ کمپنی کی ضوابط اور SOPs پالیسیوں کی تعمیل کو یقینی بنایا جاسکے۔ مالیاتی اسٹیٹمنٹس، انٹرئل آؤٹ رپورٹس، متعلقہ قوانین و ضوابط کی تعمیل اور دیگر معاملات کے جائزہ اور تبادلہ خیال کے لئے زیر جائزہ سال کے دوران آؤٹ کیٹی کے چار (4) اجلاس منعقد ہوئے۔ آؤٹ کیٹی اراکین کی حاضری حسب ذیل رہی:-

حراماں خراماں ارم دیکھتے ہیں

(ہم روشن امکانات کی امید رکھتے ہیں)

اظہار تشکر

میں عہدگی کے اعلیٰ معیار کو برقرار رکھنے میں ہنڈا موٹر کمپنی لمیٹڈ کی مدد اور تعاون کا اعتراف کرتا ہوں۔ میں اپنے معزز صارفین کے ہم پر مسلسل بھروسے، مخلصانہ کاوشوں کے لئے اپنی انتظامی ٹیم اور رہنمائی کے لئے بورڈ آف ڈائریکٹرز کا تہہ دل سے شکر گزار ہوں۔ سبکدوش ہونے والے صدر مسٹر ہیرونوبو یوشیمورا اور ان کی ٹیم مؤثر انتظامی صلاحیتوں کے اظہار کے لئے خراج تحسین کی مستحق ہے۔ میں اس موقع پر مسٹر تاکا فومی کو نیکی کو بطور نیا صدر خوش آمدید کہتا ہوں۔ مستقبل میں آنے والے مشکل حالات سے نبرد آزما ہونے کے لئے بورڈ ان کی قائدانہ صلاحیتوں پر بھرپور یقین رکھتی ہے۔ میں آئندہ برسوں میں کمپنی کی کامیابی کے لئے دعا گو ہوں۔

تاریخ: 26 مئی، 2022ء

عامر ایف شیرازی
کراچی

ذخیرہ کی صلاحیت میں اضافہ

سال بھر میں، کمپنی نے اپنے گودام کی استعداد میں اضافہ کیا ہے اور ایک CKD گودام تعمیر کیا ہے۔ نئی جگہ پر CKD ذخیرہ صلاحیت میں اضافہ کیا گیا ہے جہاں ایک وقت میں 960 یونٹس ذخیرہ کیے جاسکتے ہیں۔ نئی جگہ سے بڑھتی ہوئی طلب کی منڈی کی ضروریات پورا کرنے اور سپلائی چین مسائل سے نپٹنے میں مدد ملے گی۔

مستقبل کا منظر نامہ

روس اور یوکرین کے درمیان جاری تنازعہ کے عالمی معیشت پر واضح اثرات مرتب ہوئے ہیں۔ البتہ، ملک کی پالیسی معقول رہی ہے اور مالیاتی سال کا زیادہ تر عرصہ مثبت نوٹ پر ختم ہوا ہے۔ مسلسل نمو کے امکانات اور مثبت کاروباری ماحول اس کی عکاسی کرتے ہیں۔ البتہ، سیاسی تبدیلیوں اور معاشی مسائل کے ماحول میں اس رفتار کو برقرار رکھنا اہم ہوگا۔ ملکی طلب اور عالمی سطح پر اشیائے ضروری کی قیمتوں میں اضافے کے باعث معاشی اشاریے اوور ہیٹنگ کی علامات ظاہر کر رہے ہیں۔ اس طرح روپے کے استحکام اور قومی مہنگائی پر دباؤ میں اضافہ ہوگا۔ مستقبل قریب میں یہ اعداد و شمار برقرار رہنے کی توقع کی جارہی ہے البتہ عالمی سطح پر اشیائے ضروریہ کی قیمتیں کم ہونے پر اس میں اس میں لگاتار بہتری آنے کی امید ہے۔ IMF کا EFFPR گرام بحال کرنا اور اس پر کامیابی سے عمل کرنا ملک پاکستان کے لئے انتہائی ضروری ہے جس کے نتیجے میں کرنسی کے حالات بہتر کرنے میں مدد ملے گی۔ سٹرکچرل اصلاحات پر عمل درآمد کے ذریعے قومی ٹیکس آمدنی بھی مالیاتی وڈیٹ پائیداری کے بڑھتے ہوئے خطرات سے نپٹنے کے لئے انتہائی اہم ہے۔ نمو میں طویل مدتی اضافے کے لئے یہ اہم ہے کہ یہ ملکی پیداوار میں اضافے سے منسوب ہو۔ اگر ایسے تمام اقدامات باسانی چلتے رہیں تو امید کی جاتی ہے کہ معاشی بحالی اور آٹو موہائل مصنوعات کی طلب اپنی رفتار پکڑ میں لے گی۔

کمپنی اپنے وسائل کے بہترین استعمال اور پیداواری عہدگی کو برقرار رکھنے کے لئے کوشاں ہے جس نے سٹیک ہولڈرز اور معاشرے کی ترقی میں بنیادی کردار ادا کیا ہے۔ اس طرح کمپنی موجودہ اور آئندہ نسلوں کو موہلی حل فراہم کرنے اور ان تک رسائی دینے میں مدد کرتی ہے۔ اس بابت، ہنڈا فلسفے کا اصول ہمارے کاروبار کا مرکزی نقطہ ہے۔

منافع منقسمہ کی تقسیم پر فیصلہ تمام عوامل بشمول کاروباری ضروریات، نمو کے امکانات اور سٹریٹجک سمت کو مد نظر رکھ کر کیا جاتا ہے۔ رواں سال کے لئے بورڈ آف ڈائریکٹرز نے 7.00 روپے فی حصص کا حتمی نقد منافع منقسمہ تجویز کیا ہے۔

میں فیکچرنگ میں عہدگی

کمپنی جدید ٹیکنالوجی متعارف کرانے اور پروسیس کارکردگی کو بہتر بنانے کے لئے ہمیشہ سے ہی پر عزم رہی ہے۔ یہ سفر جاری ہے۔ اس سال کے دوران مندرجہ سنگ میل عبور کئے گئے۔

روف لیزر بریزنگ

روف لیزر بریزنگ پروسیس کے لئے ویلڈنگ ڈیپارٹمنٹ میں بھاری سرمایہ لگایا گیا۔ یہ انتہائی نفیس عمل ہے اور نفاست کو یقینی بنانے کے لئے لیزر گائیڈ ملٹی ایکسز روبوٹ کی مدد سے یہ عمل کیا جاتا ہے۔ بریزنگ دو پینلز کو ایک تسلسل سے جوڑتا ہے جو بہتر سلامتی اور چٹنگی فراہم کرتا ہے اور سیلن اور نمی سے محفوظ رکھتا ہے۔ بریزنگ ٹیکنالوجی کا استعمال گاڑی کوروغن کے لئے بھیجنے سے پہلے تیاری میں صرف کام کو کم کرنے میں مدد کرتا ہے۔ یہ عمل تیز رفتار ہے اور سپلائی چین سے پلاسٹک مولڈنگ پرزوں کو ختم کرتا ہے۔ یہ عمل نئے ہنڈا سوک ماڈل 2022ء کے لئے متعارف کرایا گیا ہے۔

SRS لیئر بیگز اور انسٹرومنٹ پینل

SRS لیئر بیگز سسٹم اسیملی اور انسٹرومنٹ کی سیم لیس ویلڈنگ اور واہریشن TPO انجیکشن شے میں نئے ہائی ٹیک آلات نصب کیے گئے ہیں۔ کار صارفین کے تحفظ کی جانب یہ اہم ترین اقدام ہے۔ آٹو موہائل پینجر کمپارٹمنٹ کے لئے انسٹرومنٹ پینل اندرونی و بیرونی سطح کے ساتھ ایک سب سٹریٹ پر مشتمل ہوتا ہے۔ اندرونی سطح میں پہلے سے کمزور آؤٹ لائن بنائی جاتی ہے۔ فرنٹ سطح اندرونی سطح کی واہریشن ویلڈنگ کے لئے اپنائی گئی ویلڈنگ ریز کی پوریٹی پر مشتمل ہوتی ہے۔ ہنڈا کی تمام گاڑیاں لیئر بیگز جیسی بنیادی حفاظتی خصوصیات کی حامل ہیں۔

آٹو موبائل انڈسٹری

آٹو موبائل انڈسٹری ملک کی ابھرتی ہوئی کاروباری صنعت کے طور پر سامنے آ رہی ہے۔ گاڑیوں کے شعبے میں نئے حریفوں کی آمد اور جدید مصنوعات کے تعارف سے سرمایہ داری میں اضافہ ہوا ہے۔ آٹو موبائل انڈسٹری کی ترقی ملک کی اقتصادی ترقی کا بنیادی جزو اور مرکزی انڈیکٹر ہے۔

گذشتہ برس کے آغاز سے برعکس رواں سال کا آغاز آٹو انڈسٹری کی طلب میں اضافے کے ساتھ ہوا۔ طلب میں یہ اضافہ برآمدات، زراعت، غیر ملکی ترسیلات زر اور تیز رفتار شہری ترقی کے ذریعے آمدنی سے منسوب کیا گیا۔ حکومت نے بھی آٹو پالیسی 2021~2026 کے تعارف کے ذریعے آٹو موبائل شعبے کی ترقی و ترویج میں اپنے عزم کا اظہار کیا۔

البتہ عالمی سطح پر آٹو موبائل کا شعبہ اتار چڑھاؤ کا شکار رہا۔ اشیائے ضروریہ کی طلب میں اضافے نے بھی مقامی آٹو موٹو انڈسٹری پر منفی اثرات مرتب کئے ہیں۔ مارک اپ کی زیادہ شرح کے باعث کمزور فائنسنگ میں کمی واقع ہوئی۔ امریکی ڈالر کے مقابلے میں روپے کی قدر میں مسلسل کمی، سمندری فریٹ کی شرح اور عالمی مہنگائی میں ریکارڈ اضافے کے باعث کاروباری لاگت میں غیر معمولی اضافہ ہوا۔ نتیجتاً OEMs کو قیمتوں پر نظر ثانی کے ذریعے ناگزیر اثرات صارف کو منتقل کرنے پر مجبور ہونا پڑا۔

روپے کی قدر میں بھی مزید کمی واقع ہو سکتی ہے جس کے باعث مزید مزاحمت پیدا ہونے کی توقع ہے۔ مائیکرو چپس کی عالمی قلت نے OEMs کی پریشانی میں مسلسل اضافے کا سبب رہی۔ سیاسی بے یقینی اور توانائی بحران کی وجہ سے حالات مزید ابتر ہو رہے ہیں۔ مسلسل جدت، شرح مبادلہ میں عدم استحکام، سپلائی چین میں اتار چڑھاؤ، شرح سود میں اضافہ اور صارف ترجیحات میں تیز رفتار تبدیلیوں کے باعث آٹو موٹو شعبہ کئی مسائل سے دوچار ہے۔ یہ تبدیلیاں کمپنیوں کو بدلتے ہوئے منظر نامے اور نقل و حرکت کی منصوبہ بندی کے لئے مجبور کر رہی ہیں۔

ان مسائل کے باوجود، کار مینوفیکچررز فروخت کی تسلی بخش سطح حاصل کرنے میں کامیاب ہوئے۔ مارچ 2022ء کو اختتام پذیرال کے لئے مقامی سطح پر تیار مسافر گاڑیوں اور لائٹ کمرشل گاڑیوں کی صنعتی فروخت میں گذشتہ برس 134,010 یونٹس کے مقابلے میں 72 فی صد اضافہ کے ساتھ 230,374 رہی۔ صنعتی ترقی کو مد نظر رکھتے ہوئے کمپنی کی فروخت میں گذشتہ مالیاتی سال

کے دوران 24,050 یونٹس کے مقابلے میں 37,613 یونٹس 56 فیصد اضافہ کے ساتھ رہی۔

کمپنی

آپ کی کمپنی جدید اور با اعتبار مصنوعات کے ذریعے '3 جولائی' فلسفہ کو آگے بڑھانے کے لئے ہمیشہ سے پرعزم رہی ہے۔ سوک اور سٹی کے نئے ماڈل کے تعارف سے کمپنی کی پیداوار گذشتہ برس میں 23,479 یونٹس کے مقابلے میں 37,780 یونٹس رہی۔

مارچ 2022ء کو ختم ہونے والے سال کی اہم خصوصیات درج ذیل ہیں۔

متعارف کردہ نئی ہنڈا سٹی

(City Has Taken Over)

رواں سال کے دوران ہنڈا سٹی کا نیا ماڈل متعارف کرایا گیا جس کا کافی عرصے سے انتظار تھا۔ یہ سٹائل، لکڑی، آرام اور تحفظ کا حسین امتزاج ہے۔ سپورٹی اور پرتعیش ڈیزائن کے ساتھ عصر حاضر کی یہ ٹیکنالوجی جدت اور آرت کے لازوال کام کی عکاسی کرتی ہے۔

نئی ہنڈا سٹی L1.5 لیسپائر CVT اور 1.5L، MT سٹی CVT اور 1.2 L CVT اور MT جیسی 5 اقسام میں دستیاب ہے۔

تمام Varients ڈرائیور اور پینجر ایئر بیگز ABS+EBD جھکے کے اثرات کو کم کرنے والا ہیزڈریسٹ ACE ہاڈی سٹرکچر، پیدل افراد کو چوٹ سے بچانے کی ٹیکنالوجی ECU، موبیلایز، وغیرہ جیسی سیفٹی و سکیورٹی خصوصیات کی حامل ہیں۔ جس میں دن کے وقت روشن ہونے والی معیاری ڈبل بیرل ہیلو جن ہیڈ لائٹس 15 انچ ٹائر اور ہائی گراؤنڈ کلیرنس پر مشتمل ہے۔ Baige Interior جو جدید میٹر ٹلٹ اور ٹیلی سکوپک سٹئرنگ بمعہ آڈیو سوئچ، ڈرائیور سیٹ ہائیڈ جیسٹر، ڈسٹ اور پولن ایئر فلٹر، ٹرنک لڈ لائٹ اور آرام دہ وسیع کین بمعہ ٹرنک سپیس پر مشتمل ہے۔ نئی ہنڈا سٹی کا ڈیزائن نا صرف آرام دہ ہے بلکہ عمدہ ڈرائیونگ کا مزہ دیتا ہے۔

متعارف کردہ نئی ہنڈا سوک

(A Class that Shines Through)

بالکل نئی ہنڈا سوک مارچ 2022ء میں ملک بھر میں نشر کردہ ورچوئل ایونٹ کے

ذریعے لانچ کی گئی۔ ہنڈا سوک پر کشش ڈیزائن کے ساتھ تفانص سے پاک جدید ترین گاڑی ہے جو اس درجے کی گاڑیوں میں اپنی مثال آپ ہے۔ پاکستان میں پہلی مرتبہ HACPL نے بالکل نئی ہنڈا سوک 2022ء میں ہنڈا سینسنگ متعارف کروائی۔ ہنڈا سینسنگ حفاظت کا جدید ترین اور جامع طریق عمل ہے اور ڈرائیوروں کی حفاظت کے لئے ڈرائیور اسٹیبو ٹیکنالوجی متعارف کرائی گئی ہے۔ ملک بھر کے مینوفیکچررز میں اولین مقام پیدا کرنے کے لئے نئی ہنڈا سوک ایک مصدقہ سنگ میل ہے۔

نئی ہنڈا سوک تین اقسام یعنی RS CVT اور نیل CVT اور شینڈرڈ CVT میں دستیاب ہے۔ ہر Varient میں غیر معمولی خصوصیات پائی جاتی ہیں۔ ہر قسم پر کشش اور سپورٹی بیرونی ڈیزائن، جارحانہ فرنٹ اور شفاف سائیڈ اور ریئر پروفائل پر مشتمل ہے۔ پہلی مرتبہ روف لیز بریزنگ متعارف کرایا گیا ہے جس کی وجہ سے چھت شور سے پاک رہتی ہے۔

تمام اقسام ڈرائیور اور پینجر لیئر بیگز ABS+EBD، وہیکل سٹیبلیٹی اسسٹ ہلز سٹارٹ اسسٹ، ایئر جنسی سٹاپ سگنل (ESS) جھکے کے اثرات کو کم کرنے والے ہیزڈریسٹ، ACE ہاڈی سٹرکچر، پیدل افراد کو چوٹ سے بچانے کی ٹیکنالوجی ECU، موبیلایز، سکیورٹی الارم، واک اوے، آٹو لائٹنگ، رفتار کے مطابق آٹو ڈور لاک وغیرہ جیسی حفاظتی خصوصیات پر مشتمل ہیں۔ تمام اقسام میں بیرونی ڈھانچہ معیاری ڈے ٹائم رنگ لائٹس، پر کشش ریئر لائٹس، آٹو ریڈیکٹ ایبل آئینوں اور ہائی گراؤنڈ کلیرنس پر مشتمل ہے۔ اندرونی سطح کا رنگ گرے اور سیاہ ہے جو 17 انچ ٹی ایف ٹی میٹر، ڈرائیور آئینشن مانیٹر، ٹلٹ اینڈ ٹیلی سکوپک سٹئرنگ بمعہ آڈیو MID اینڈ کروکنٹرول سوئچ، سیلف اوپننگ ٹرنک اور منفرد ریئر سیٹ ری مینڈر خصوصیات پر مشتمل ہے۔ یہ وسیع اور آرام دہ کین اور بڑے ٹرنک پر مشتمل ہے۔ ہنڈا سوک RS جدید ترین خصوصیات یعنی کارڈ کی ریہوٹ انجن سٹارٹ اور ان سب سے اعلیٰ ترین ہنڈا سینسنگ پر مشتمل ہے۔

نئی ڈیلرشپس کی شمولیت

امسال، لاہور اور راولپنڈی میں دو نئے ڈیلرشپ شامل کئے گئے۔ ان ڈیلرشپس کی شمولیت سے کمپنی نے اپنا نیٹ ورک 37 تھری لہس ڈیلرشپس تک وسیع کر لیا ہے جو ملک کی بڑی صارف منڈیوں کا احاطہ کرتی ہیں۔ نئی ڈیلرشپس نہ

صرف نئی گاڑیوں کی بلینگ میں سہولت فراہم کریں گی بلکہ اپنے معزز صارفین کو وسیع اور معیاری بعد از فروخت خدمات بھی مہیا کریں گی۔

مالیاتی کارکردگی

کمپنی یکسر بدلتے ہوئے کاروباری حالات سے نبرد آزما ہونے کے لئے کوشاں ہے۔ موجودہ صورتحال تمام تر کاروباری اہداف کو برقرار رکھنے کا مطالبہ کرتی ہے۔ مربوط کوششوں کی مدد سے کمپنی گذشتہ برس کی نسبت تسلی بخش مالیاتی نتائج حاصل کرنے کے قابل ہوئی ہے۔

31 مارچ 2022ء کو اختتام پذیر سال کے دوران کمپنی نے گذشتہ برس کی اسی مدت میں 67,362 ملین روپے کے مقابلے میں 108,048 ملین روپے کا خالص سیلز ریوینیو حاصل کیا۔ مسلسل پیداوار اخراجات کو قابو کرنے میں مدد ملی جس کے نتیجے میں 3,776 ملین روپے کی نسبت 5,578 ملین روپے کا بھاری مجموعی منافع ریکارڈ ہوا۔ وسیع کاروباری سرگرمیوں اور سوک اور سٹی کی ماڈل لانچ کے باعث فروخت اور انتظامی اخراجات بھی 1,560 ملین روپے کے مقابلے میں 2,207 ملین روپے رہے۔ کمپنی مصنوعات پر صارفین کے اعتماد اور اضافی شرح سود سے مستفید ہوتے ہوئے سرمایے کے بہتر انتظام کے باعث دیگر آمدنی 918 ملین روپے کی نسبت 2,005 ملین روپے رہی۔ مالیاتی و دیگر اخراجات بھی گذشتہ برس میں 353 ملین روپے کی نسبت 1,100 ملین روپے رہے۔ غیر موزوں شرح مبادلہ ایک منفی فیکٹر رہا۔ کمپنی نے 2,781 ملین روپے کے مقابلے میں 4,275 ملین روپے نفع بمعہ ٹیکس درج کیا۔ لازمی ٹیکس کے بعد 31 مارچ 2022ء کو اختتام پذیر سال کے لئے خالص منافع گذشتہ برس میں 1,793 ملین روپے کی نسبت 2,510 ملین روپے ریکارڈ ہوا۔

فی حصص آمدنی میں بھی گذشتہ برس 12.56 روپے کی نسبت 17.58 روپے رہی۔ کمپنی پائیدار نمو اور جدت جیسے طویل مدتی مقاصد پر عمل درآمد کے لئے پرعزم ہے۔ آپریشنل عمدگی، پروڈکٹ پورٹ فولیو میں تنوع، لاگت میں کمی اور سرمایے کے مضبوط ڈھانچے پر توجہ دیتے ہوئے یہ مقاصد حاصل کئے گئے۔

منافع منقسمہ پالیسی

کمپنی منافع کی تقسیم کے عمل میں مستقل پیش رفت کے لئے کوشاں ہے۔

چیمبر میں کا تجزیہ

31 مارچ 2022

اس کے اثرات روپے کی قدر پر پڑیں گے جو پہلے ہی تقریباً 15 فی صد تک کم ہو گئی ہے۔ بیرونی دباؤ سے نبرد آزما ہونے کے لئے SBP نے پالیسی ریٹ 12.25 فیصد کر دیا ہے۔ جب کہ ستمبر 2021ء سے کل 525 بیسز پوائنٹ اضافہ کیا جا چکا ہے۔ شرح سود میں مزید اضافہ بھی متوقع ہے۔

زراعت

پاکستان کی معاشی سرگرمیوں کا زیادہ تر انحصار زرعی شعبے سے ہے۔ مجموعی قومی پیداوار میں تقریباً 25 فی صد حصے کے ساتھ ملک کی نصف سے زیادہ مزدور برادری زراعت اور لائیو سٹاک شعبے سے منسلک ہے۔ رواں سال کے دوران خریف کی بڑی فصلوں کپاس، کماؤ اور گندم کی قیمت اور پیداوار میں اضافے نے ترقی کی رفتار میں غیر معمولی تحریک پیدا کی جس کی وجہ سے اس شعبے میں مجموعی طور پر 3.5 فی صد نمو ریکارڈ ہوئی۔ زرعی قرضوں کی تقسیم بھی 3.4 فی صد ریکارڈ اضافے کے ساتھ تقریباً 750 بلین روپے رہی۔ بیجوں کی آسان دستیابی اور قرضوں تک رسائی نے موسم رسیج کی فصلوں کی نمایاں پیداوار کے امکانات کو بڑھا دیا ہے۔ عالمی سطح پر زرعی اجناس کی قیمتوں میں نمایاں اضافے کے باعث یہ شعبہ فارم کی آمدنی میں متوازن نمو پیدا کرے گا۔ البتہ، دیہی علاقوں میں صارف اجناس کی طلب برقرار رہے گی۔

بڑے پیمانے کی صنعت (LSM)

بڑے پیمانے کی صنعت (LSM) ملک کی کل صنعت کاری کا تقریباً 80 فیصد اور قومی پیداوار کا تقریباً 11 فی صد ہے۔ رواں سال کے دوران بڑے شعبوں کی پیداوار میں اضافے کے باعث LSM میں 7.6 فیصد کی نمایاں ترقی ہوئی۔ بجلی کی پیداوار، سیمنٹ کی ترسیل، صارف اشیا اور پٹرولیم مصنوعات کی فروخت جیسے طلب کے نمایاں اشاریوں میں مثبت پیش رفت سامنے آئی۔ مستقبل میں، توانائی کی شرح اور خام مال کی قیمتوں میں اضافے، عالمی سپلائی چین میں رکاوٹ اور گیس کی قلت جیسے عوامل پیداواری لاگت میں اضافے اور مشکلات کا باعث بنیں گے۔ البتہ، قومی امکانات ہیں کہ برآمدی صنعت اور زراعت سے منسلک قومی صنعت ترقی کی رفتار کو برقرار رکھنے کا باعث بنیں گی۔

مالیاتی سال 2021-2022 عمدہ مصنوعات کی فراہمی اور مالیاتی استحکام پیدا کرنے کے لئے بنیادی حکمت عملی اور ہنڈا فلاسفی کے نفاذ میں کمپنی کی پیش رفت کا سال رہا۔ اس نے جاری عالمگیر وبا سے اشیائے ضروریہ کی قیمتوں میں اضافے تک انڈسٹری میں جاری چیلنجز سے نبرد آزما ہونے میں بنیادی کردار ادا کیا۔ کمپنی مستقبل میں پیدا ہونے والے مواقع سے بھرپور فائدہ حاصل کرنے کے لئے پرعزم ہے۔

میں 31 مارچ 2022ء کو اختتام پذیر سال کے لئے کمپنی کی تیسویں (30ویں) سالانہ رپورٹ ازراہ مسرت پیش کرتا ہوں۔

معیشت

زیر جائزہ مدت کے دوران، ملک میں بحالی اور نمو کا سفر جاری رہا۔ صنعتی اور زرعی شعبے میں بہترین آمدنی کے باعث معیشت میں تحریک پیدا ہوئی اور نتیجتاً شرح نمو 4.5 فی صد درج ہوئی۔ تسلی بخش امر یہ ہے کہ برآمدات کی رفتار میں بھی اضافہ ہوا ہے۔ مقابلہ سازی کی فضا اور منڈی تک آسان رسائی کے باعث ٹیکنالوجی اور آئی ٹی شعبوں نے مصنوعات اور خدمات کی برآمد میں نمایاں اضافہ ریکارڈ کیا۔ برآمدات سے سالانہ آمدنی 30 فی صد بھاری اضافے کے ساتھ 36 بلین ڈالر سے تجاوز کر چکی ہے۔ ہوم ریشینس میں بھی اضافہ جاری ہے اور سالانہ ترسیلات زر 32 بلین ڈالر ہونے کی توقع ہے۔ یہ دونوں نمایاں کامیابیاں ہیں جس کے باعث خریدنے کی سکت اور کھپت کے بیڑن میں اضافہ ہوا۔

اسی اثنا میں، برآمدات کی سطح میں انتہائی اضافہ بیرونی محاذ پر شدید دباؤ ڈال رہا ہے۔ رواں مالیاتی سال کے لئے کرنٹ اکاؤنٹ خسارہ 17 بلین ڈالر اور تجارتی خسارہ 35 بلین ڈالر رہنے کی پیشنگوئی کی جارہی ہے۔ یہ اضافی توانائی کی قیمتوں اور خوردنی تیل کے بلوں میں بے پناہ اضافے سے منسوب کیا جا رہا ہے جس کے باعث برآمدات اور غیر ملکی ترسیلات زر سے حاصل آمدنی معدوم ہو رہی ہے۔ قیمتوں میں غیر متوقع اضافے کے باعث SBP کے غیر ملکی زرمبادلہ کے ذخائر دباؤ میں رہے اور یہ دو سال کی کم ترین سطح یعنی 11.3 بلین ڈالر پر آگئے۔ آئندہ بھی عالمی سطح پر مہنگائی اور روپے کی قدر میں کمی بنیادی مسئلہ رہے گی۔ لہذا مالیاتی و مانیٹری پالیسیوں کو مزید سخت کرنے کی ضرورت ہے۔

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.,
having Folio No. / CDC Participant I.D No. _____ and having _____ number of shares, hereby
appoint Mr./Ms. _____ of _____
who is also 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 Annual
General Meeting of the Company to be held on Wednesday, June 29, 2022 at 11:00 a.m. at Faletti's Hotel, 24- Egerton
Road, The Mall, Lahore and at any adjournment thereof.

Signed on this _____ day of _____ 2022.

Witness 1:

Signed: _____
Name: _____
Address: _____
CNIC / Passport No. _____

Witness 2:

Signed: _____
Name: _____
Address: _____
CNIC / Passport No. _____

Signature of Proxy

Signature of shareholder should
match the specimen signature
registered with the Company

Affix Rs. 5/-
Revenue
Stamp here

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.

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

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HONDA

Honda Atlas Cars (Pakistan) Limited
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www.honda.com.pk