

HONDA
The Power of Dreams

How we move you.
CREATE ► TRANSCEND, AUGMENT

Greener Future



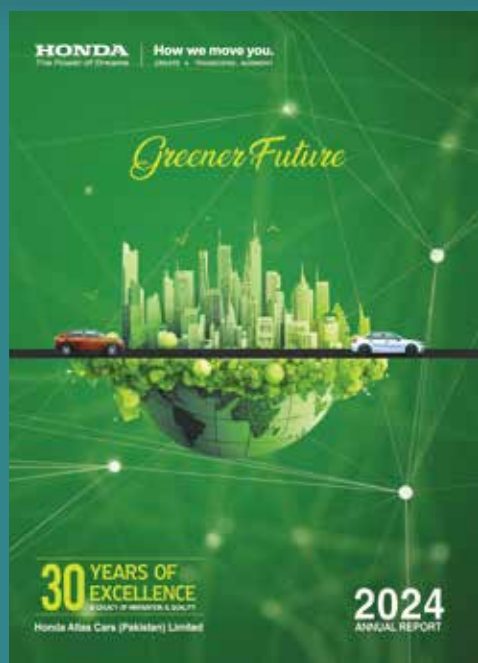
30 YEARS OF EXCELLENCE
A LEGACY OF INNOVATION & QUALITY

Honda Atlas Cars (Pakistan) Limited

2024
ANNUAL REPORT



Pioneering
30 years
of automotive
innovation



Cover Concept

Honda Atlas Cars (Pakistan) Limited proudly celebrates its 30 Years legacy of delivering unparalleled satisfaction to our valued customers. Driven by the power of dreams, Honda continues its legacy towards mobility that transcends boundaries and augments human potential as we move forward together to make the world cleaner and greener.

Honda is committed to developing environment friendly technologies and fostering positive impact through innovative solutions. Our dedication to the environment is embodied in our "Greener Future" initiative, which emphasizes our proactive approach to sustainability and eco-friendly practices. We align with Honda's goal of achieving zero environmental impact by 2050, thus contributing to a sustainable tomorrow. Through a series of proactive initiatives, we are committed to leaving a lasting mark on both the environment and society, ensuring a brighter and greener future for generations to come.

Company Profile



Ground Breaking Ceremony held 17th April 1993



Inauguration by President of Pakistan and visit of Mr. N. Kawamoto, President Honda Motor Co. Ltd., Japan - 13th July 1994



Celebrated 500,000th Unit Production 29th March 2022



Celebration of 30th Anniversary 27th November 2023

Honda Atlas Cars (Pakistan) Limited stands as a collaborative effort between Honda Motor, Japan, and the Atlas Group, Pakistan. Established as a public limited company, it is also listed on the Pakistan Stock Exchange Limited.

Incorporated on November 4, 1992, the joint venture agreement was formalized on August 5, 1993. A groundbreaking ceremony held on April 17, 1993, marked the beginning of construction and machinery erection, impressively completed within just 11 months. On May 26, 1994, the inaugural car rolled off the assembly line, graced by the presence of distinguished figures such as the President of Pakistan, late Sardar Farooq Ahmad Khan Leghari, alongside Mr. Nobuhiko Kawamoto, President of Honda Motor, Japan, and the late Mr. Yusuf H. Shirazi, Founder of Atlas Group. The Company was subsequently enlisted on the Karachi and Lahore Stock Exchanges, with an Initial Public Offer (IPO) launched in November 1994.

Starting from July 14, 1994, car bookings commenced at six dealerships situated in Karachi,

Lahore, and Islamabad. Over time, this network has flourished, expanding to encompass thirty-seven 3S (Sales, Service, and Spare Parts) dealerships, twenty 2S (Service and Spare Parts) outlets, and five 1S (Spare Parts) stores across all major cities in Pakistan. Each dealership adheres to the global standards set by Honda, ensuring consistency in service and Quality.

Our journey in production began in 1994 with the introduction of the 5th generation Honda Civic model in Pakistan. Expanding our offerings, we introduced Honda City in 1997, followed by Honda BR-V in 2017 and Honda HR-V in 2022. Since the commencement of production, the Company has produced and sold more than 540,000 cars in Pakistan.

To keep pace with the market growth and customer needs, we have consistently ramped up production. A significant milestone was reached in 2006 with a major plant expansion, doubling our production capacity to 50,000 units per year on a double-shift basis. This expansion has been pivotal in ensuring we meet the evolving

demands of the automotive market in Pakistan.

We adhere to the Government's policy regarding the percentage of local parts in our vehicles. We actively support local vendors in developing parts domestically. Our rigorous quality control processes ensure that local parts meet the stringent international standards set by Honda.

At Honda, our unwavering commitment is to deliver exceptional services and products to our esteemed customers. We conduct regular Service Campaigns to cater our customers' service needs, fostering absolute confidence in our vehicles. This confidence is reflected in the continual growth of our sales volumes.

At Honda Atlas Cars (Pakistan) Limited, our relentless pursuit is to attain the pinnacle of customer satisfaction. We are dedicated to exceeding customer expectations and delivering excellent value for their investment. Embracing the belief that individuals are inherently creative and expressive,

we endeavor to attract like-minded individuals who respect each other's uniqueness. We aim to cultivate an environment of mutual trust and fairness, empowering our associates to unleash their full potential and contribute to society by upholding the principles of the Honda Philosophy.

Our current lineup includes six models i.e., Two imported models- Honda Accord and Honda CR-V, as well as Four locally manufactured models i.e., Honda Civic, Honda City, Honda BR-V, and Honda HR-V.

The 2021 Honda City promises an unparalleled driving experience, equipped with CVT Transmission, standard SRS airbags for both the driver's and co-driver's safety across all variants. Furthermore, through attention to detail has been paid to enhance overall performance and fuel efficiency in the 6th generation model, making it exceptionally comfortable to navigate through city traffic. In March 2022, Honda launched the latest 11th-generation of Honda Civic in Pakistan, boasting cutting-edge Turbo Charged Engine and safety features. The Civic RS 2022

variant is particularly noteworthy for its additional safety technology, branded as Honda Sensing. This suite includes features like Collision Mitigation Braking System, Adaptive Cruise Control, Lane Keep Assist System, Road Departure Mitigation System, Auto High Beam, Lead Car Departure Notification System, and Walk Away Auto-locking. The performance ratings for the Honda Civic 2022 stand out as some of the best in its class. With precise handling, composed ride quality, and a robust engine lineup, the Civic 2022 sets a high standard for performance and driving experience. The Honda BR-V offers a diverse selection of colors alongside advanced technological features. Moreover, Honda recently broadened its portfolio of locally manufactured models. On October 21st, 2022, the Honda HR-V made its debut in two variants, featuring an extensive array of colors and advanced technological upgrades aimed at enhancing the driving experience. HACPL marked the rollout of 500,000 vehicles at the Manga Mandi plant in Lahore. This outstanding achievement is a sign of Pakistani customers' trust in Honda Cars (Pakistan).

On 27th November 2023 Honda Atlas Cars (Pakistan) Ltd. commemorated its 30th anniversary with a grand celebration at its Lahore plant. The event brought together over 1700 attendees, including Honda dealerships, corporates, suppliers, vendors, and associates. Distinguished guests from Honda Motors Co. Japan and Asian Honda Co. Thailand graced the occasion along with other executive members from the Atlas Group Pakistan. The event showcased the collaboration between Honda Motor Japan and the Atlas Group and celebrated three core joys: The Joy of Buying, Selling, and Creating. As HACPL continues its journey, it remains dedicated to inspiring joy and setting new standards of excellence.

As Honda Atlas Cars (Pakistan) Limited, we are dedicated to playing a pivotal role in Pakistan's automotive industry and reaffirm our commitment to long-term investment in the nation, as Pakistani customers have trust in the Honda brand.

HONDA
The Power of Dreams

How we move you.
CREATE ► TRANSCEND, AUGMENT

The dreams of each and every one of us working together have always been the driving force of Honda.

We have different kinds of dreams, but by applying our original technologies, ideas and design we take on challenges continuously to realize mobility that enables our customers to enjoy life with more freedom, more convenience and more fun.

The future mobility Honda dreams of, will create a joy and freedom of mobility that enables people to transcend the constraints of time and place, and augment their every possibility.

Such mobility will become the “power” for people who are trying to advance towards their own dreams.

Dreams that will move even more people, until there is an endless expanse of new dreams.

The Power of Dreams

Through the creation of mobility we dream of, Honda will become “The Power of Dreams” of more and more people. That is how we will move people and society forward.

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



Honda
SENSING

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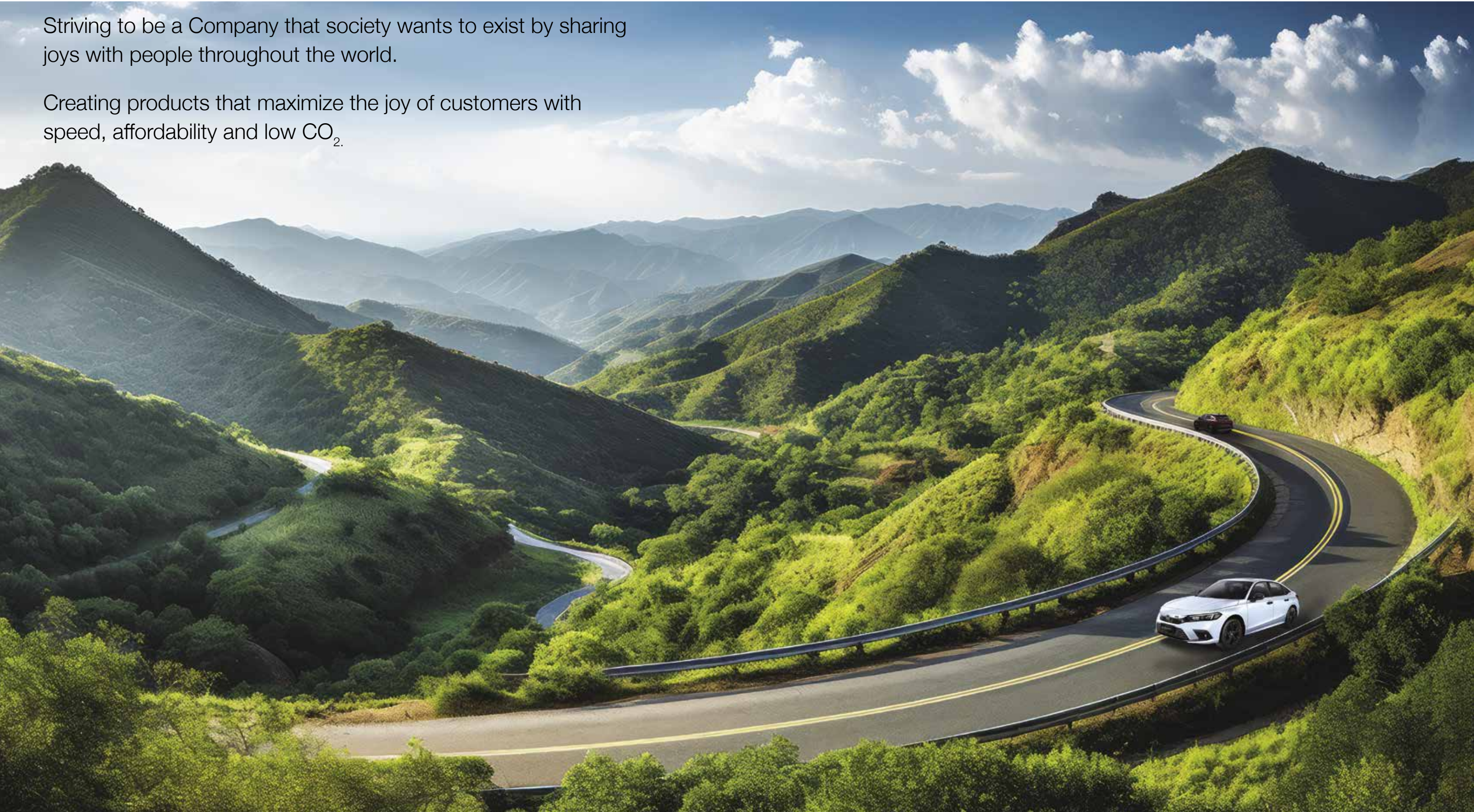
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Vision Statement

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. Shinobu Nakamura
Executive Director & VP (P)

Mr. Hidenori Ashikawa
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. Hidenori Ashikawa
Member

Mr. Gaku Nakanishi
Member

Executive Committee

Mr. Takafumi Koike

Mr. Maqsood-ur-Rehman Rehmani

Mr. Shinobu Nakamura

Human Resource and Remuneration Committee

Mr. Muhammad Naeem Khan
Chairman

Mr. Saquib H. Shirazi
Member

Mr. Takafumi Koike
Member

Mr. Shinobu Nakamura
Member

Mr. Hidenori Ashikawa
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
Bank Alfalah
Bank Islami
Citibank N.A.
Deutsche Bank AG
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank
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

M/s. Bukhari Aziz & Karim
M/s. Axis Law Chambers

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 the Chairman of Honda Atlas Cars, Atlas Honda, Atlas Engineering and Atlas Autos. He also serves on the Boards of Shirazi Investments (Group's 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. 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 26 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 2022. Mr. Koike graduated from Shanghai Normal University, China.



Mr. Saquib H. Shirazi
Director & Senior Advisor

Mr. Saquib Shirazi is the President & Chief Executive Officer of Atlas Honda. As a representative of the Atlas Group, he is the current Chairman of Pakistan Auto Manufacturers' Association. Previously, he has served as the Chairman of Harvard Business School's Global Alumni Board as well as the Chairman of the Pakistan Business Council.

He currently serves on the Boards of Pakistan Mobile Communication,

Tri-Pack and the National School of Public Policy. He is also on the Advisory Councils of British International Investment and the Harvard Business School. In the past, he has served as a Director on several national and multinational Boards.

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



Mr. Shinobu Nakamura
Executive Director & VP (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 35 years in different positions. He has also worked in Honda Manufacturing of Alabama, LLC, USA for five 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 General Manager Production.

He was appointed on the Board of Honda Atlas Cars (Pakistan) Limited from July 2022, as Executive Director & Vice President Production.

Board of Directors



Mr. Gaku Nakanishi
Director

Mr. Gaku Nakanishi has been associated with Honda Motor Co., Japan for 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 worked in different Honda subsidiaries. He served in Honda Mexico for 8 years as Manager. He worked as the President of Honda Automobile Thailand for 3 years. He also worked as the President of Honda Cars India, for 4 years, before

his appointment to his current position, Director 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. Muhammad Naeem Khan
Independent Director

Mr. M. 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 oil marketing where he extensively developed the retail chain and nurtured commercial customers besides looking after the 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.

Currently, he is serving on the Boards of Raaziq Group, which is engaged in logistics as well as public transportation. He is also an independent member on the Boards of Service Industries Ltd and Sapphire Fibres Ltd and Chairman of the Audit Committee of the former. Mr. Khan qualifies as an independent director under the guidelines of the Securities & Exchange Commission of Pakistan (SECP) and the Code of Corporate Governance.



Mr. Hidenori Ashikawa
Director

Mr. Hidenori Ashikawa has been associated with Honda Motor Co., Ltd., Japan, for last 22 years. He has vast experience in the management of Accounting, Finance, and Business Planning. He has been working at Honda Motor, Japan as well as overseas subsidiaries; for almost 4 years at Honda Motor Europe as Accounting, Finance, and HR Assistant to the President and at Honda Cars India for over 3 years as CFO & Director. Recently, he joined as the General Manager of Asian Honda Motor Co., Ltd, Thailand.

Mr. Ashikawa has been appointed to the Board of Honda Atlas Cars (Pakistan) Limited from April 01, 2024.



Ms. Rie Mihara
Independent Director

Ms. Mihara is the Chief Executive Officer & Founder of Makotoya Co., Limited, Japan since 2008. She is a graduate of 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 at Welcome Co., Limited, Japan.

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.

In 2008 she laid the foundation of Makotoya Co., Limited in Japan and



Mr. Ariful Islam
Independent Director

Mr. Ariful Islam is a senior banker with over 37 years of 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. He 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 recently retired from his position as the Deputy CEO of the Bank. He is also an Independent Director on the Board of Directors of Lucky Core Industries and has been on the Board of the Honda Atlas Cars (Pakistan) Limited since March 2020 as an Independent Director.



Mr. Maqsood-Ur-Rehman Rehmani
Company Secretary & Vice President

Mr. Rehmani has done an MBA in Marketing, a Law Graduate from the University of Karachi, and an Advance Management Course from INSEAD, France. He has vast experience in Human Resources, Administration, Industrial Relations, Import, Purchase & Logistics and 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 of Logistics.

Since November 2014, he is working as Company Secretary and Vice President.

Key Management



Mr. Muhammad Ashraf
Assistant Vice President
Model Planning & Production

Mr. Ashraf has more than 42 years experience in 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. Asif Mahmood
Senior General Manager
Technical

Mr. Asif is 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 Division where he headed the Purchasing Division till March 2023.

From April 2023, he has assumed the responsibilities as Senior General Manager Technical, to look after Production, Model Planning, and Production Control Divisions.



Mr. Iqbal Ahmad
Senior General Manager
After Sales

Mr. Iqbal has a BSc in Mechanical Engineering from UET, Lahore and an Executive MBA from LUMS. He has more than 32 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. Muhammad Akmal Dar
Senior General Manager
Purchasing

Mr. Dar has been associated with Atlas Group for the last 29 years. He joined Atlas Honda Limited in 1995 and started his career in Production Planning & Control Department. He is having bachelor's degree in Mechanical Technology, an

Executive MBA from the University of the Punjab and Post Graduate Diploma from LUMS. He has vast experience of Production Planning and organizing all business resources to meet production requirements efficiently, working in Supply Chain Area at National level, Production Management, Quality and Project Management. He has qualified variety of Management Courses from HIDA Japan, LUMS and other renowned institutes. In 2016, he became the Management Committee's 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. In April 2023, he was assigned the responsibilities of Purchasing Division, since then he is providing his services as Sr. GM Purchasing.



Mr. Sohail Qaisar
Senior General Manager
HR & Administration

Mr. Sohail holds BE in Mechanical Engineering from UET, Executive MBA & DBM from LUMS, Lahore.

He has more than 30 years experience 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 Senior General Manager of HR & Administration.



Mr. Rizwan Shafique
Senior General Manager
Import, Purchase & Logistics

Mr. Rizwan has been associated with Atlas Group for three decades. He started his career with Atlas Honda in 1991. He has experience of Business Management, Supply Chain, local & international procurement, Administration, Corporate affairs and Contract management with multinational companies. He has earlier worked with HACPL for 11 years before joining Atlas Power in 2010 where he was a member of the Company's Management Committee and a key member of the Team Renegotiating Agreements with Government & plant OEM. He is MBA in Banking & Finance from Punjab University, Lahore. He has attended several courses including Management Development Program from LUMS.

Since 2023 he is working as Sr. GM Import, Purchase & Logistics 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

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

Mr. Ajmal has been associated with the Company for the last 30 years. He has contributed significantly across various departments, including Frame Assembly, Vehicle Quality, Market Quality and Quality Control Division. He has qualified Management courses from AOTS, Japan in "Automobile-New Model Development" in 1999 and from HIDA, Japan in Production Management in 2017. Additionally, he completed a Senior Leadership Training Program from Thailand in 2018 and also obtained a Diploma in Business Management from FCCU in 2019. Currently, he holds the position of Chief Engineer Quality (CEQ) since April 2018.



Mr. Imran Farooq
General Manager
Head of Internal Audit

Mr. Imran is an M. Com from Hailey College of Commerce and has a Post-Graduate Diploma in HR from Punjab University, Lahore. He joined as Executive Shares and has been associated with the Company for more than 29 years. He has also served in HR & Admin Division and Health, Safety & Corporate Governance Division. He has experience in planning & organizing Secretarial matters, Corporate Governance, and compliances with stock exchanges, SECP, CDC, and other regulatory bodies. He has attended the Executive Program on Corporate Management from AOTS, Japan, and Management courses from Japan & Thailand. From August 2020, he has been assigned the responsibilities of Head of Internal Audit.



Mr. Muhammad Ali
General Manager
Information Technology

Mr. Ali is associated with the Company for last 9 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

Key Management

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. Imran Haider Rathore
General Manager
Legal, IPR & CRM

Mr. Rathore completed his LLB Hons in 1999 from the University of Punjab and LLM in Corporate & Commercial Law in 2018. He worked in a 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 LUMS & AOTS Japan in addition to other Management / Leadership training programs.



Mr. Syed Waseem Hassan
General Manager
Safety, Health & Corporate Governance

Mr. Waseem has been associated with the Company for the last 24 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 (Pakistan) Ltd., in Logistic

Division. He has worked in Import, Sales Tax, Procurement, Supply Chain and Corporate Affairs (Regional Office Islamabad). He also has 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. Muhammad Naeem
General Manager
Sales & Marketing

Mr. Naeem has done MBA in Marketing, and an Advance Business Management Program from IBA, Karachi. He has a qualified Management Training Program from AOTS, Japan. He joined Atlas Honda Limited in 2004 and started his career in Sales and served in different positions. He has more than 20 years of experience of Sales & Marketing, Product Planning, Network Development and Customer Relations.

Currently, he is working as General Manager of Sales & Marketing Division



Mr. Aneel Anwar
General Manager
Production

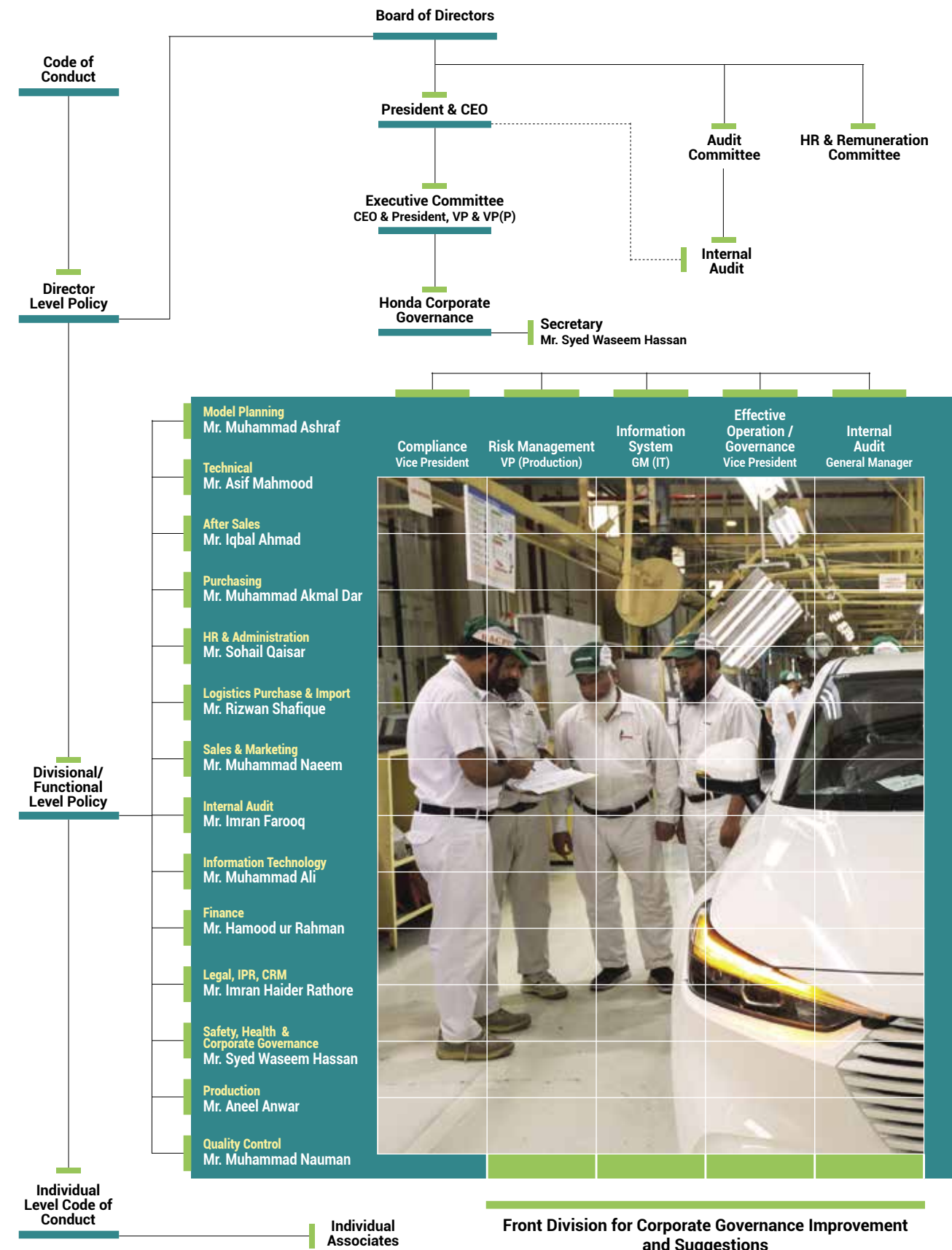
Mr. Aneel is Mechanical Associate Engineer with DAE from GCT Lahore. He has also completed Diploma in Business Management from FC College in 2017. Since joining the Company in 1993, he has held numerous managerial positions in Paint, Welding, Assembly Final, and Engine Assy Depts. He has completed Pretreatment & Electro Deposition Training from Honda Philippines in 1994 and management courses from ILO Japan in 2007. He has been assigned the responsibilities of Production as General Manager from April 2024.



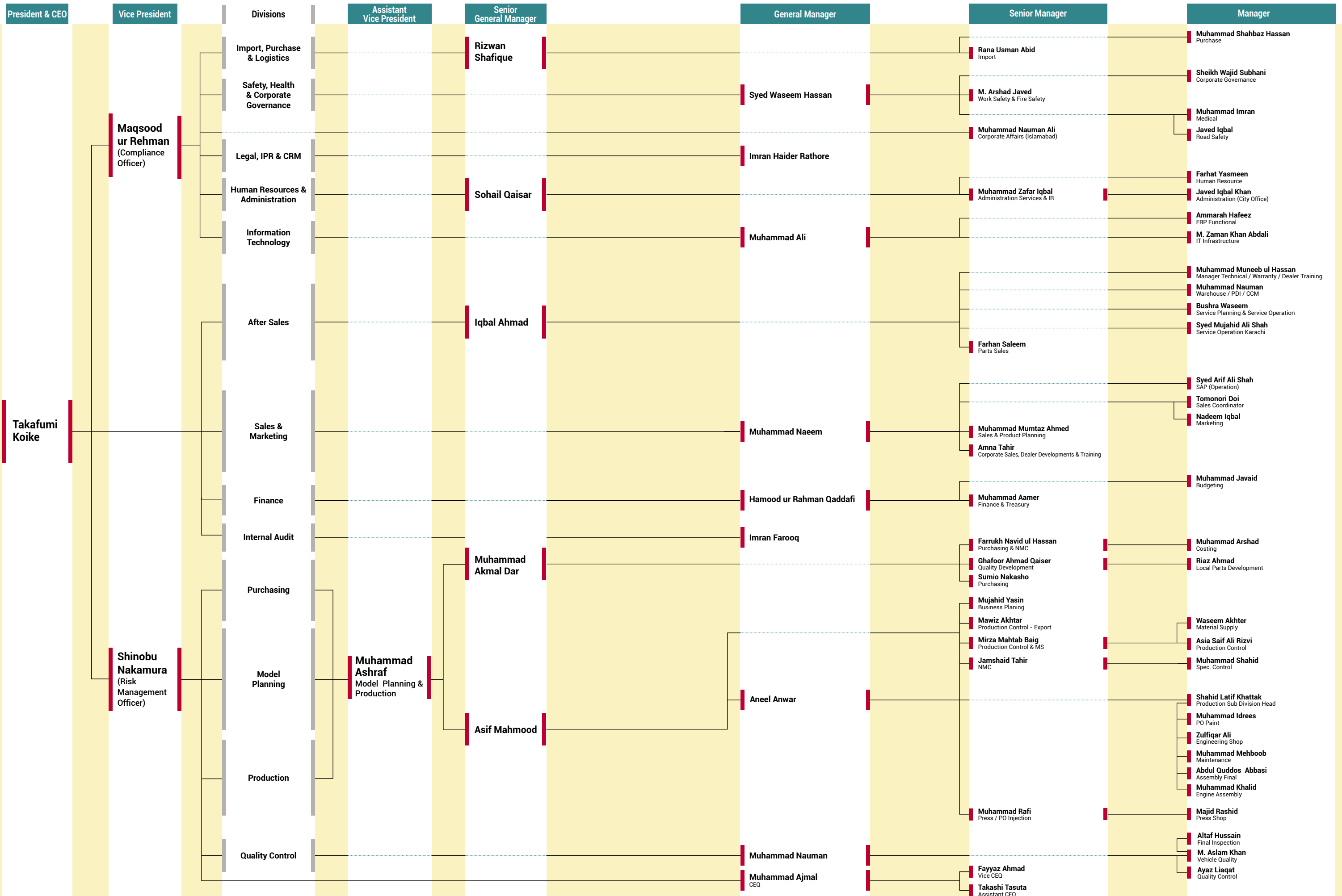
Mr. Muhammad Nauman
General Manager
Quality Control

Mr. Nauman is graduate in Mechanical Engineering from UET Lahore. He is also an Executive MBA and completed DBM from FCCU. He joined the Company in 1993. He has vast experience of Production Planning & Control, Purchasing & Quality Development, New Model Centre (NMC) and In-House Manufacturing (Press and PO). He has attended Advance Quality Training from AOTS, Japan. Since April 2024 he is working as General Manager of the QC Division.

Corporate Governance (Organization Structure)



Organization Chart





L to R:
Sitting: Mr. Muhammad Naeem, Mr. Muhammad Akmal Dar, Mr. Muhammad Ashraf & Mr. Iqbal Ahmed
Standing: Mr. Aneel Anwar, Mr. Muhammad Nauman & Mr. Imran Farooq

L to R:
Sitting: Mr. Asif Mahmood, Mr. Rizwan Shafique, Mr. Hamood ur Rahman Qaddafi & Mr. Muhammad Ajmal
Standing: Mr. Muhammad Ali, Mr. Syed Waseem Hassan & Mr. Imran Haider Rathore

Business Principles

HONDA MOTOR CO., LTD., 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 & Corporate Governance, Legal IPR & 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 operations in the relevant division and to fill the temporary/permanent vacancy.



Business Principles



L to R:
Sitting: Ms. Amna Tahir, Mr. Muhammad Aamer, Mr. Muhammad Arshad Javed, Mr. Mawiz Akhtar, Mr. Farhan Saleem & Mr. Mujahid Yasin
Standing: Mr. Fayyaz Ahmad, Mr. Rana Usman Abid, Mr. Muhammad Mumtaz Ahmed, Mr. Mirza Mehtab Baig, Mr. Farrukh Navid ul Hassan, Mr. Takashi Tasuta, Mr. Sumio Nakasho & Mr. Muhammad Zafar Iqbal

Quality Policy

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

- Smart team work,
- Complying all applicable legal and regulatory requirements,
- Continually improving our strategies and goals.

Health, Safety and Environment 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 and evaluate risks & opportunities to eliminate, reduce or manage risks 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.

Energy Management Policy

As an energy intensive company, we at Honda Atlas Cars (Pakistan) Limited strives to reduce its energy consumption and promote the long-term environmental sustainability of its operations. We are committed to perform following roles:

- Identification of energy related activities and its impacts.
- Formulate objectives and targets for energy conservation and control of wastages.
- Compliance with energy related legal and other requirements.
- Create awareness of associates on energy management.
- Introduce and Increase the usage of renewable energy.
- Continuously monitor and improve system performance based on PDCA.

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.



Honda Philosophy

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.

01

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.

02

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.

03

The Three Joys

The Joy of Buying

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

01

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.

02

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.

03

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.

Honda's Sustainability

SERVE PEOPLE WORLDWIDE WITH THE
“JOY OF EXPANDING THEIR LIFE'S POTENTIAL”



BLUE SKY FOR OUR CHILDREN

Safety for Everyone



Together for Tomorrow

The Honda Philosophy forms the values shared by all Honda Group companies and all of their associates. It is the basis for Honda's corporate activities and the associates' behavior and decision-making.

To achieve both the creation of growth opportunities for the Company and a sustainable society, Honda has set "Striving to be a company society wants to exist" as its direction for the 21st century. It is also advancing initiatives known as "Creating the Joys," "Expanding the Joys" and "Ensuring the Joys for the Next Generation."

The "2030 Vision" is one milestone indicating in concrete terms the direction Honda ought to take toward realizing these objectives.

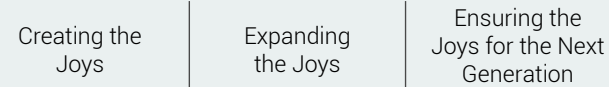
For Honda to achieve sustainability, it is important to meet stakeholders' expectations and needs by providing value through its products and services. Equally important is to fulfill its corporate social responsibility, for instance, by considering its impact on the environment and society and to contribute to the resolution of social issues through its business activities.

To this end, Honda devises medium- and long-term strategies that are based on the perspectives of both stakeholders and Honda itself. In determining these perspectives, Honda uses the materiality matrix as its guide and considers the roles it should play and contributions it should make, geared to the characteristics of each region around the world.

Direction for the 21st Century

Striving to be a company society wants to exist

[Guidelines]



2030 Vision

Serve people worldwide with the
"joy of expanding their life's potential"

—Lead the advancement of mobility and enable people everywhere in the world to improve their daily lives—

Medium- and long-term strategies

Fiscal year plan

Honda Philosophy



ENVIRONMENT

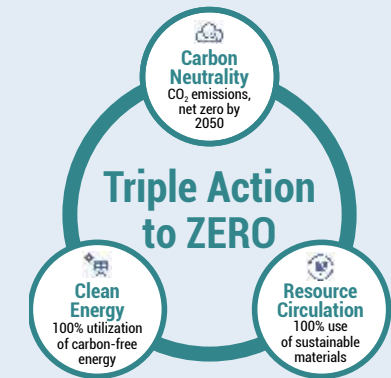
BLUE SKY FOR OUR CHILDREN

We created "Blue Skies for Our Children" as a global environmental slogan expressing our commitment to do more to realize our environmental vision.



Triple Action to Zero Approach

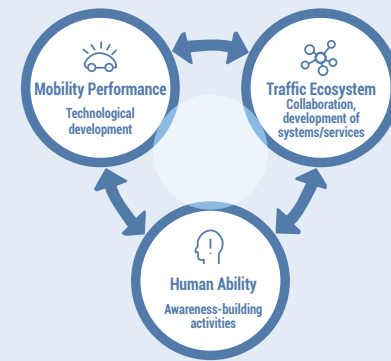
In order for people to live on Earth in a sustainable manner, Honda seeks to realize a society with zero environmental impact. Accordingly, the Company established the Triple ZERO initiative, a concept for environmental initiatives, and in 2021, it set Triple Action to ZERO, which defines specific target years and actions. Efforts will be centered around the Triple Action to ZERO, which integrates three elements, namely carbon neutrality, clean energy and resource circulation, into one concept.



SAFETY

Safety for Everyone

Honda dreams of a collision-free mobile society where our customers, and everyone sharing the road, can safely and confidently enjoy the freedom of mobility.



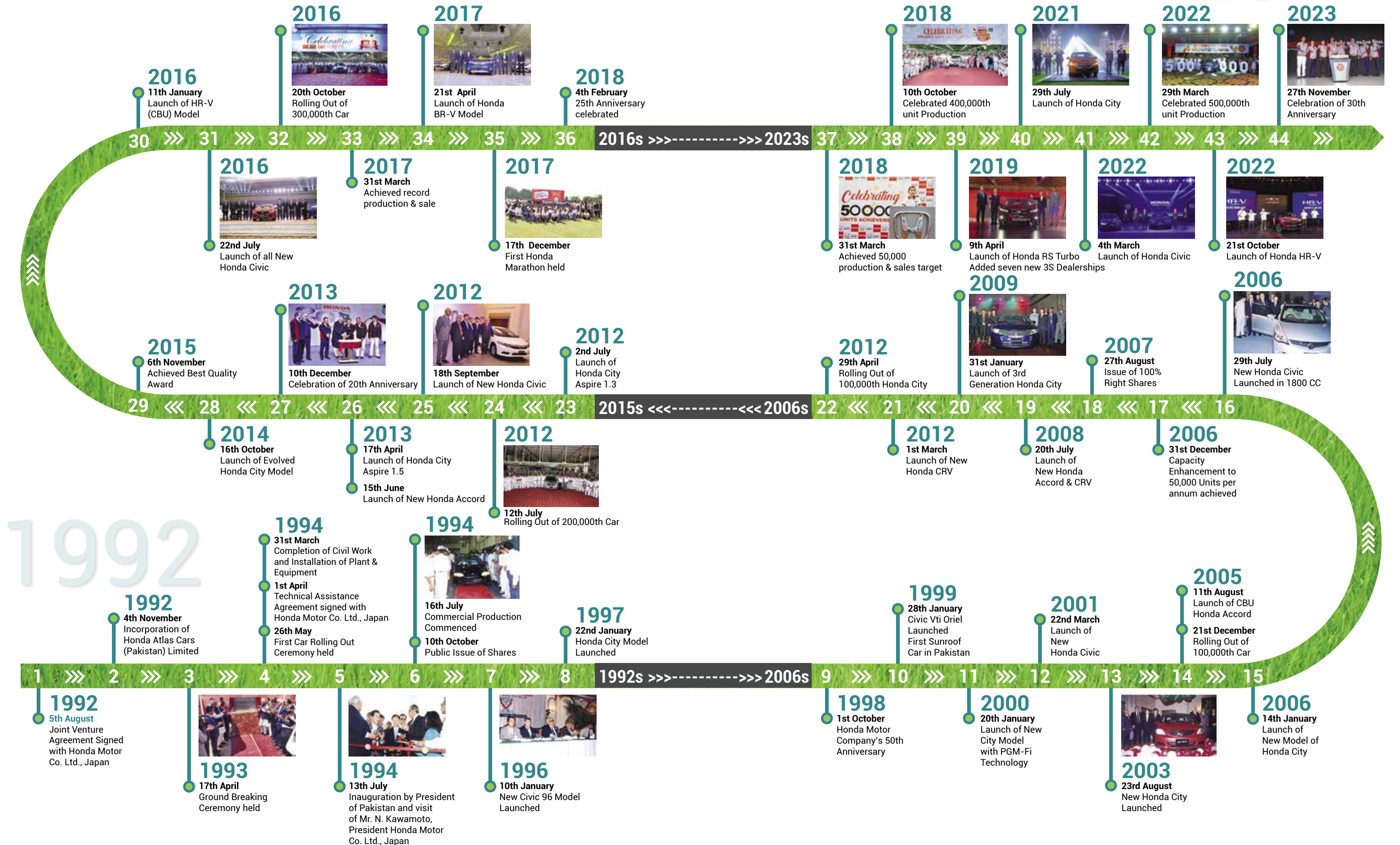
CSR

Honda establishes basic principles and global directions that represent our basic approach toward social activities. These clearly stated principles and directions demonstrate Honda's determination to actively take part in activities in the areas of educational initiatives, environmental initiatives and traffic safety initiatives to help create a future society in which everyone can pursue their dreams based on community initiatives. Honda pursues a variety of activities in six regions, taking advantage of our unique management resources in line with these principles and directions.



Chronicle of Events

2024



Pattern of Shareholding

As on March 31, 2024

Number of Shareholders	Shareholdings		Total Number of Shares Held	Percentage of Total Capital
	From	To		
3276	1	100	145,862	0.10
1778	101	500	567,098	0.40
1226	501	1000	1,044,695	0.73
1220	1001	5000	2,821,151	1.98
177	5001	10000	1,321,388	0.93
54	10001	15000	674,641	0.47
41	15001	20000	737,161	0.52
15	20001	25000	346,049	0.24
16	25001	30000	435,957	0.31
7	30001	35000	232,314	0.16
7	35001	40000	257,274	0.18
2	40001	45000	89,361	0.06
3	45001	50000	146,031	0.10
5	50001	55000	260,165	0.18
4	55001	60000	232,463	0.16
2	60001	65000	125,400	0.09
3	65001	70000	199,790	0.14
2	70001	75000	147,200	0.10
2	75001	80000	158,247	0.11
1	80001	85000	81,300	0.06
2	85001	90000	176,145	0.12
3	95001	100000	295,892	0.21
2	100001	105000	203,362	0.14
2	110001	115000	226,000	0.16
1	120001	125000	123,450	0.09
1	125001	130000	125,700	0.09
1	150001	155000	151,300	0.11
1	160001	165000	165,000	0.12
1	175001	180000	175,550	0.12
1	200001	205000	204,500	0.14
1	265001	270000	269,994	0.19
1	310001	315000	313,300	0.22
1	360001	365000	364,705	0.26
1	505001	510000	510,000	0.36
1	630001	635000	635,000	0.44
1	825001	830000	827,243	0.58
1	845001	850000	850,000	0.60
1	1360001	1365000	1,365,000	0.96
1	1605001	1610000	1,607,366	1.13
1	1695001	1700000	1,699,911	1.19
1	1960001	1965000	1,961,500	1.37
1	2090001	2095000	2,094,818	1.47
1	2480001	2485000	2,483,067	1.74
1	43115001	43120000	43,119,650	30.20
1	72825001	72830000	72,828,000	51.00
7,871			142,800,000	100.00

Categories of Shareholders

As on March 31, 2024

Sr. No.	Description	Number of Shareholders	Shares Held	Percentage of Total Capital
1	Individuals	7,748	12,313,050	8.62
2	Foreign Company	1	72,828,000	51.00
3	Associated Undertakings/Companies	1	43,119,650	30.20
4	Joint Stock Companies	57	3,492,082	2.44
5	Financial Institutions	8	2,501,038	1.75
6	Insurance Companies	2	869,952	0.61
7	Investment Companies	7	1,780,721	1.25
8	Mutual Funds	14	1,146,856	0.80
9	Funds	15	724,762	0.51
10	Others	18	4,023,889	2.82
		7,871	142,800,000	100

Shareholding Information

as on March 31, 2024

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 HBL INVESTMENT FUND	1	525
CDC - TRUSTEE HBL GROWTH FUND	1	204,500
CDC - TRUSTEE NBP STOCK FUND	1	25,922
CDC - TRUSTEE HBL MULTI - ASSET FUND	1	1,750
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	50,350
CDC - TRUSTEE HBL ISLAMIC STOCK FUND	1	800
CDC - TRUSTEE HBL EQUITY FUND	1	15,500
CDC - TRUSTEE HBL IPF EQUITY SUB FUND	1	5,300
CDC - TRUSTEE HBL PF EQUITY SUB FUND	1	3,130
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	827,243
CDC - TRUSTEE HBL ISLAMIC EQUITY FUND	1	4,500
CDC - TRUSTEE HBL ISLAMIC ASSET ALLOCATION FUND	1	2,650
CDC - TRUSTEE ALFALAH CONSUMER INDEX EXCHANGE TRADED FUND	1	4,516
Directors, CEO, their Spouse and Minor Children		
Mr. Aamir H. Shirazi	1	#
Mr. Saquib H. Shirazi	1	#
Mr. Takafumi Koike	1	*
Mr. Shinobu Nakamura	1	*
Mr. Nobuyoshi Noda	1	*
Mr. Gaku Nakanishi	1	*
Ms. Rie Mihara	1	500
Mr. Ariful Islam	1	500
Mr. Muhammad Naem	1	710
Executives		
	6	5,585
Public Sector Companies & Corporations (Joint Stock Companies)		
	57	3,492,082
Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension/Other Funds		
	49	9,050,362
Others, Individuals		
	7,733	12,305,755
TOTAL	7,871	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. Takafumi Koike, Mr. Shinobu Nakamura, Mr. Nobuyoshi Noda and Mr. Gaku Nakanishi in the capacity of its nominee directors. The ultimate ownership remains with Honda Motor Co., Limited, Japan.

Investor Relations Information

As on March 31, 2024

Company Information

Established on	November 4, 1992
Line of Business	Manufacturing and Sales of Honda Vehicles
Registered Office	1-Mcleod Road, Lahore Tel: (92-42) 37225015-17, 37233515-17
Fiscal Year-End	March 31
External Auditors	M/s. A.F. Ferguson & Co.
Share Registrar	M/s. Hameed Majeed Associates (Pvt.) Ltd. H.M. House, 7 - Bank Square, Lahore. Phone: +92-42-37235081-82, Email: shares@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

Exchange Listing	Honda Atlas Cars (Pakistan) Limited (the Company) is listed on Pakistan Stock Exchange Limited (PSX)												
Stock Symbol	HCAR												
Numbers of Shares Authorized	200,000,000												
Number of Shares Issued	142,800,000												
Number of Shareholders	7,871 (as on March 31, 2024)												
Statutory Compliance	During the year, the Company has complied with all applicable provisions, filed all returns/forms, and furnished all relevant particulars/information as required under the Companies Act, 2017 and allied rules, the listing requirements, and any other relevant laws, rules, and regulations prescribed by the Securities and Exchange Commission of Pakistan (SECP).												
Annual General Meeting	Date: June 27, 2024 Time: 11:30 A.M. Venue: Faletti's Hotel, Lahore.												
Dates of Book Closure	June 17, 2024, to June 27, 2024 (both days inclusive)												
Next Election of Directors	April-2027												
Financial Calendar (2024-25)	<table border="0"> <tr> <td>April:</td> <td>Budget Meeting for the year (2024-25)</td> </tr> <tr> <td>May:</td> <td>Audited Annual Results for the year ended March 31, 2024</td> </tr> <tr> <td>July:</td> <td>Unaudited first-quarter financial results</td> </tr> <tr> <td>July:</td> <td>Corporate Briefing Session</td> </tr> <tr> <td>November:</td> <td>Unaudited half-year financial results</td> </tr> <tr> <td>January:</td> <td>Unaudited third-quarter financial results</td> </tr> </table>	April:	Budget Meeting for the year (2024-25)	May:	Audited Annual Results for the year ended March 31, 2024	July:	Unaudited first-quarter financial results	July:	Corporate Briefing Session	November:	Unaudited half-year financial results	January:	Unaudited third-quarter financial results
April:	Budget Meeting for the year (2024-25)												
May:	Audited Annual Results for the year ended March 31, 2024												
July:	Unaudited first-quarter financial results												
July:	Corporate Briefing Session												
November:	Unaudited half-year financial results												
January:	Unaudited third-quarter financial results												
Dividend Announcement	The Board of Directors in its meeting held on May 27, 2024 is pleased to recommend a final cash dividend of Rs. 6.5 per share (65%) for the year ended March 31, 2024 subject to approval by shareholders of the Company at the forthcoming Annual General Meeting.												

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.

E-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 the Company's website to enable the Company to transfer your cash dividend into your bank account. Shareholders maintaining shareholding under the Central Depository System (CDS) are advised to submit their bank mandate information directly to the relevant participant / CDC Investor Account Service.

Withholding of Tax & Zakat on Dividend

As per the provisions of Section 150 of the Income Tax Ordinance, 2001, the withholding tax is deductible at source on the amount of dividend paid by the Company at the rate of 15% for filers and at the rate of 30% for non-filers.

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

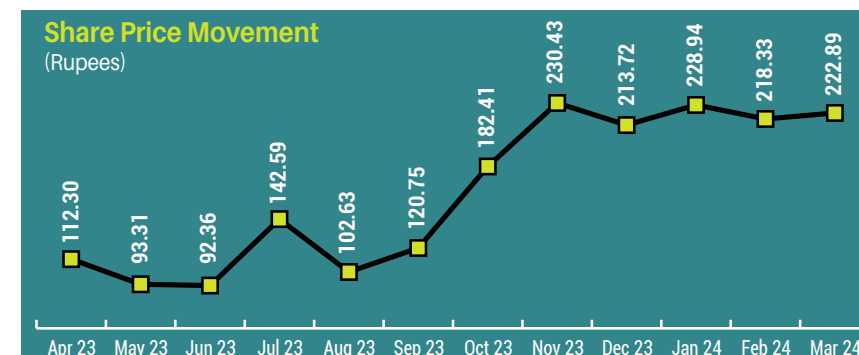
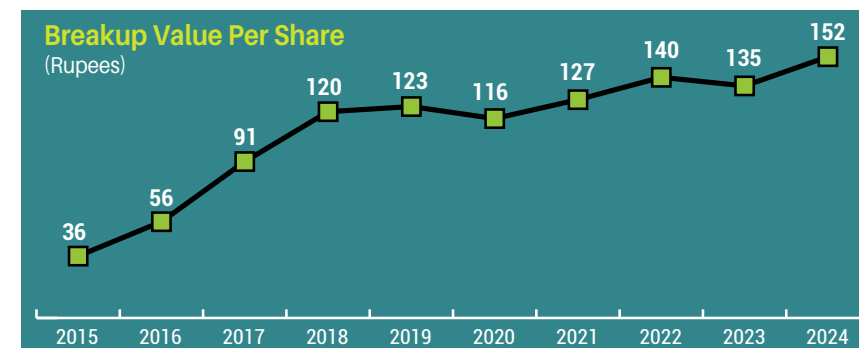
Copy of Computerized National Identification Number (CNIC) or National Tax Number (NTN)

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

Website of the Company

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



Significant Events

During 2023-24



BR-V

Every Plan with Friends Becomes an

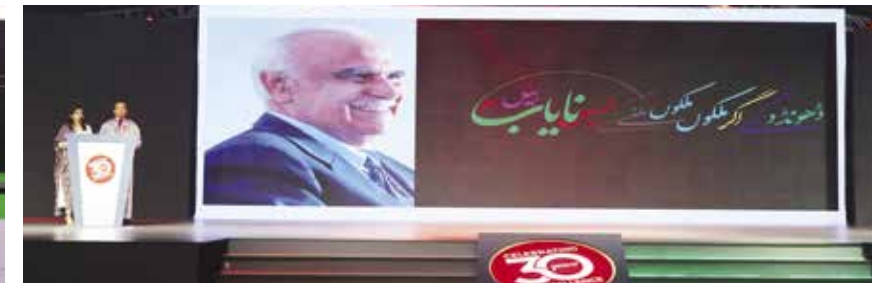
Adventure



Greener Future

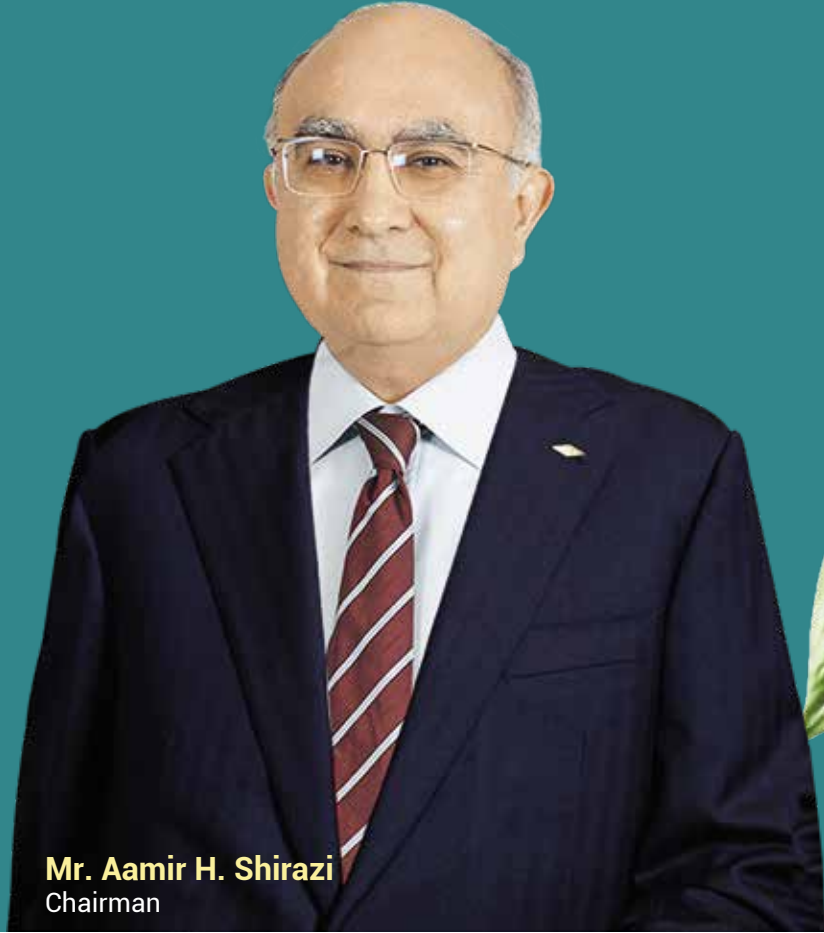
CELEBRATING 30 years OF EXCELLENCE

Honda Atlas Cars (Pakistan) Ltd., proudly celebrated 30 Years of success and excellence in the Pakistani automotive industry. A mega event was held at the HACPL's plant in Lahore, on November 27, 2023, with over 1700 attendees, including Honda dealerships, corporates, suppliers, vendors, and associates. The event was a memorable occasion, marked by recognition of historical accomplishments and anticipation of future endeavors in Pakistan. The celebrations brought together the extended Honda family- including esteemed guests from Honda Motors Co. Japan, Asian Honda Co. Thailand, and the Atlas Group in Pakistan. Distinguished guests witnessed a heartfelt commemoration of HACPL's legacy, innovation, and the shared aspirations for the future of Honda in Pakistan. As the journey unfolds, the Company remains firmly committed to Pakistan and steadfast in its mission to inspire joy and set new standards of excellence for years to come.



Chairman's Review

As on March 31, 2024



Mr. Aamir H. Shirazi
Chairman

Dear Shareholders,

I am pleased to present the 32nd Annual Report of the Company for the year ended March 31, 2024.

MACROECONOMIC OVERVIEW

Throughout the current fiscal year, the economic and financial situation has shown steady improvement. This is due to prudent policy management and the resumption of inflows from multilateral and bilateral partners. Recently, the country successfully concluded the IMF Stand-by Agreement program worth USD 3 billion. These developments have significantly contributed to the economic recovery and an increase in the country's overall economic confidence. Although still modest, at around 2%, growth in FY25 is now projected to be higher due to improved prospects.

On the external front, the current account deficit for 9MFY24 stood at USD 0.5 billion against USD 4.1 billion during the same period last year, reflecting a significant improvement of 88%. This progress was driven by 8.35% reduction in the import bill, coupled with a commendable 9.31% year-on-year growth in

“Dreams inspire us to create innovative products that enhance mobility and benefit society.”



Pakistan International Auto Show 2023, held at the Karachi Expo Center from Oct. 27th to 29th, distinguished guests including the Governor of Sindh attended the event, which attracted over 300,000 visitors

exports. Measures such as currency devaluation, higher interest rates, and other policy steps effectively curbed import demand, contributing to this surplus. Worker remittances provided much-needed support and increased significantly by 16.4% year-on-year, recording an inflow of USD 21 billion during the period. Consequently, the State Bank of Pakistan's (SBP) foreign reserves remained above USD 8 billion, while the Pak Rupee continuously

strengthened against the USD, closing at Rs. 278.50.

On the fiscal front, FBR revenue collection in 9MFY24 increased by 30% compared to the same period last year, reaching Rs. 6.710 trillion, exceeding the assigned target of Rs. 6.707 trillion. Headline inflation showed a significant year-on-year decline from 28.3% in January to 23.1% in February. This improvement reflects the combined

impact of contractionary monetary policy, fiscal consolidation, and a favorable base effect. However, the SBP's monetary policy committee cautioned that the inflation outlook remains at risk of elevation, necessitating the continuation of the current monetary stance at 22%. Overall positive sentiment also boosted confidence in the capital markets with the PSX 100 index surpassing 71,000 points for the first time in its history.

Chairman's Review as on March 31, 2024



AGRICULTURE

The agriculture sector has shown remarkable growth, surpassing production targets and achieving record cash flows. During the Rabi season, wheat cultivation exceeded the target, expanding from 8.9 to 9.2 million hectares. Cotton production saw significant improvement, increasing from 5.0 to 11.5 million bales. Similarly, rice production reached 9.0 million metric tons, with exports increasing by 76% during the year. The upward revision in support prices, subsidies on fertilizer, and timely initiatives by the Central bank, such as agricultural credit, insurance, and the credit guarantee scheme, contributed to and reinforced the overall performance of the sector. Consequently, demand for consumer durables remained positive in rural areas.

LARGE SCALE MANUFACTURING (LSM)

Large Scale Manufacturing (LSM) sector witnessed a minor negative growth of 0.5% during 7MFY24, compared to the contraction of 2.7% same period last year. A mixed trend was observed at the sub-sector level: 12 out of 22 sectors, including Food, Chemicals, Pharmaceuticals & Petroleum Products witnessed growth. The surge in output is attributed to the government's proactive measures, coupled with the effective interventions of the Special Investment Facilitation Council (SIFC). For long term sustainable growth, a new IMF program based on structural reforms promises to usher in an era of economic stabilization for Pakistan. Expanding the tax base, privatizing state-owned enterprises, and initiating power sector reforms will be among the important components of the new program.

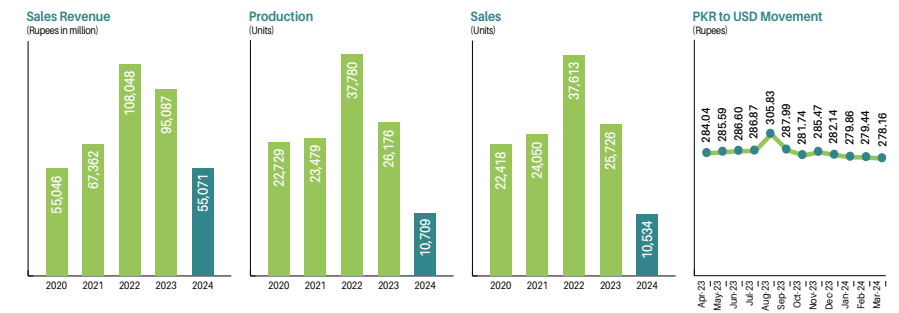
AUTOMOBILE INDUSTRY

The automobile industry in Pakistan continues to operate in a challenging environment. During the year 2023, it had to grapple with economic and political uncertainty as well as continued import restrictions. The unpredictability in the supply chain forced the Company into several plant closures, layoffs, and elongated delivery times. On the other hand, demand for consumer durables, including cars, reduced significantly as households recalibrated spending to prioritize purchase of essential goods. In addition, rapidly changing customer preferences, technological innovation and evolving regulatory requirements continued to have a cost push effect. Resultantly, the goals of creating an affordable small car or exporting vehicles remains a big challenge. However, despite formidable circumstances, the

auto industry remained resilient. The beginning of the second half brought a much-needed respite as the import restrictions gradually eased on the back of improving foreign exchange reserves. The IMF's Stand-by Agreement (SBA) played a pivotal role in restoring the import-based industrial operations, facilitating the automobile sector as well. Post general elections, a significant uptick in sales volume was witnessed across the automotive supply chain. Production followed a similar trajectory, indicating a continued positive momentum in the coming months.

Although the four-wheeler segment has shown significant recovery, yet operational capacity remains vastly under-utilized. The recession has had a negative effect on the entire eco system of auto distribution and vendor supplier base. Industry's sales have, therefore, witnessed a significant dip as the year's volume of cars and light commercial vehicles declined to 85,061 units as compared to 184,713 units last year. Similarly, your Company's overall sales declined to 10,534 units as against 25,726 units in the preceding year.

The industry anticipates a positive trajectory going forward as it embraces technological advancements and focuses increasingly on the modern features relating to software, safety, and quality. The industry has displayed maturity as it navigated through the recent cyclical trough. As the political landscape stabilizes, the economy will become resilient. Improvement in inflation indices should lead to interest rate reduction. However, maintaining the rupee exchange rate within a targeted range may prove to be a challenge. If, there is a soft landing for the economy, the automobile industry would be a beneficiary for the much-needed revival.



Chairman's Review as on March 31, 2024

THE COMPANY

Your Company continues to observe the '3 Joys' philosophy through innovative and reliable products. A world-class brand, Honda Pakistan has sustained challenging circumstances and is a preferred brand for customers. 2023 was significant milestone for the Company as it completed three decades of excellence.

● 30th Anniversary

Your Company proudly celebrated 30 Years of success and excellence in the Pakistani automotive industry. A mega event was held at the HACPL's plant in Lahore, on November 27, 2023, with over 1700 attendees, including Honda dealerships, corporates, suppliers, vendors, and associates. The event was a memorable occasion, marked by recognition of historical accomplishments and anticipation of future endeavors in Pakistan. The celebrations brought together the extended

Honda family- including esteemed guests from Honda Motors Co. Japan, Asian Honda Co. Thailand, and the Atlas Group in Pakistan. Distinguished guests witnessed a heartfelt commemoration of HACPL's legacy, innovation, and the shared aspirations for the future of Honda in Pakistan. As the journey unfolds, the Company remains firmly committed to Pakistan and steadfast in its mission to inspire joy and set new standards of excellence for years to come.

FINANCIAL PERFORMANCE

I am happy to report that despite the continuously changing and challenging business conditions during the year, your Company achieved commendable financial results for the year ended March 31, 2024. Although net sales revenue dropped to PKR 55,071 million as compared to PKR 95,087 million in the corresponding last year, the management team took timely measures and was able to post PKR 2,753 million as profit before

tax in comparison to the profit of PKR 1,983 million last year. After statutory tax adjustments, net profit for the year ended March 31, 2024 came in at PKR 2,334 million as compared to the profit of 260 million of last year. Some of the measures taken to counter the impact of rising input costs included increasing sales prices and managing selling and administrative expenses. Other income marginally declined to PKR 2,252 million as against PKR 2,322 million. Financial and other charges were also substantially reduced to PKR 1,613 million as against 5,276 million in the previous year. Stability in exchange rate parity also helped the Company avoid exchange losses. Accordingly, Earnings Per Share improved to PKR 16.34 against PKR 1.82 for the preceding year.

The Company remains committed to delivering its long-term objectives of sustainable growth and value creation.

MANUFACTURING EXCELLENCE

The Company has always been keen to embrace localization, introduce new technology and improve the process efficiency. The Company has taken a significant step forward on this front with an investment in a cutting-edge dies project as illustrated below:

● Inhouse Blanking Dies Project

A blanking die produces a flat piece of material by cutting the desired shape in one operation. Blanking capabilities are essential for metal fabrication processes. It is an efficient method of producing many similar parts and since the blanks are identical, the production runs are simple and cost effective. Previously, the Company has been importing steel blanks for use in the production process. However, in an endeavor to enhance technological prowess, In-house Blanking Project for Civic and City models was completed during the year. It offers efficiency through local cutting and cost benefit by reducing import costs. The Company looks forward to enhancing the localization for all models by employing the available infrastructure.

FUTURE OUTLOOK

The positive momentum in macroeconomics signals promising growth prospects and improved business sentiments. A sound initiative for decisive decision making on investments in particular is the establishment of the Special Investment Facilitation Council (SIFC), a collaborative platform aimed at attracting foreign investment and stimulating economic growth. Looking ahead, it is crucial to maintain the ongoing reform efforts and concentrate on strategies that ensure stability and foster sustainable growth. Moreover, the new IMF program and influx of external funding remain crucial for the economy as



Inhouse Blanking Dies Project

external repayments stand close to a daunting USD 25 billion for the year. Above steps will necessitate a consensus among all national stakeholders in helping formulate long term policies for sustainable development.



گیسوئے تابدار کو اور بھی تابدار کر
(Let's work better and better)

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. Mr. Takafumi Kioke and his team deserve strong

appreciation for their endeavors in these challenging times. I wish the Company all the success in the coming years.

Aamir H. Shirazi
Chairman

May 27, 2024
Karachi.



Directors' Report

As on March 31, 2024



Takafumi Koike
President & CEO

Dear Stakeholders,

The Directors of the Company are pleased to present their report together with the 32nd Annual Report of the Company along with Audited Financial Statements for the year ended March 31, 2024.



Financial Results:

Key financial results for the year are as follows:

Rupees in million	Year ended March 31, 2024	Year ended March 31, 2023
Profit before tax for the year	2,752.74	1,982.65
Taxation	(418.85)	(1,722.51)
Other comprehensive income for the year	56.80	43.06
Un-appropriated profit	2,390.69	303.20
Opening retained earnings	380.32	77.12
Total balance available for appropriation	2,771.01	380.32
Appropriations:		
Transfer to general reserves	(1,500.00)	-
Proposed dividend 65% (2023: Nil)	(928.20)	-
	(2,428.20)	-
Earnings per share – basic & diluted (Rs.)	16.34	1.82

* 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.

Earnings per Share

The basic and diluted earnings per share was Rs. 16.34 (2023: Rs. 1.82).

Dividend

In line with the Company's strategy to pay dividends, keeping a balance between reasonable payout as well as to meet future business requirements, the Board of Directors has recommended Rs.6.5 (65%) dividend per share for the year ended March 31, 2024. The Company maintained the Dividend payout of 40% for the year.

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:

i. Independent Director (Female) 1
ii. Independent Directors (Male) 2
iii. Non-Executive Directors 4
iv. Executive Directors 2

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



31st Annual General Meeting of Shareholders

Board of Directors

The Board of Directors consists of three Independent Directors and six Directors representing Honda Motor and Atlas Group. Their primary responsibility is to meet the shareholders' mandate of achieving sustainable growth and enhancing the Company's corporate value over the medium to long term. This involves making decisions on key Company matters, setting strategic business directions, ensuring corporate governance, formulating management policies, and overseeing operations. Additionally, the Board deliberates and decides on issues outlined in the Articles of Association, the Code, and the relevant laws. Candidates for director positions are expected to possess exceptional qualities and insights, along with the expertise in business and financial management, accounting, quality assurance, production, or the company's core operations.

Changes on the Board

Mr. Nobuyoshi Noda Director succeeded Mr. Eihiko Sato through regular annual rotation

process by Honda Motor, Japan, effective April 1, 2023. The Board expressed gratitude for the valuable contributions of the outgoing Director and extended a warm welcome to the newly appointed Director.

Roles and Responsibilities of Chairman and CEO & President

In line with fostering transparency and upholding good governance practices, distinct individuals hold the positions of Chairman of the Board of Directors and Chief Executive Officer, each with delineated roles and duties.



The Chairman represents the non-executive directors and oversees the strategies and direction of the Board. This role also involves setting agendas, providing guidance, and officially endorsing the minutes of Board meetings.

The Chief Executive Officer, as an executive director, serves as the head of the Company's Management. In addition to implementing Board policies within delegated boundaries, the CEO bears responsibility for the day-to-day operations and management of the organization.

Director's Remuneration

In compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Code), the Company has developed a policy titled "Remuneration Policy for Executive & Non-Executive Directors," which governs the compensation to its Directors. This remuneration framework is structured to incentivize Directors towards achieving enhanced business performance, both in the short and long term, while

fostering sustained growth in corporate value. Executive Directors receive monthly remuneration and benefits as determined and approved by the Board of Directors. Non-executive Directors, on the other hand, do not receive regular remuneration except for advisory fee or meeting fee. For detailed information regarding the remuneration and fee of Directors & CEO during the fiscal year 2023-24, please refer to the notes accompanying the Financial Statements.

For the fiscal year ending March 31, 2025, the Board has approved the following advisory fee & remunerations of the Directors:

- a) the advisory fee of the Chairman (Non-executive Director) at Rs. 55.0 million,
- b) the remuneration of the President/CEO at Rs. 55.0 million; and
- c) the remuneration of one full-time director at Rs. 32.0 million

Board Meetings

During the year, four meetings of the Board of Directors were held. The attendance of the Board Members and Company Officials were as follows:

Sr No	Name	Designation	Q1	Q2	Q3	Q4	No of meetings Attended
1	Mr. Aamir H. Shirazi	Chairman	✓	✓	✓	✓	4
2	Mr. Takafumi Koike	President & CEO and Executive Director	✓	✓	✓	✓	4
3	Mr. Saquib H. Shirazi	Non-Executive Director / Senior Advisor	✓	✓	✓	✓	4
4	Mr. Shinobu Nakamura	Executive Director & Vice President Production	✓	✓	✓	✓	4
5	Mr. Muhammad Naeem Khan	Independent Director	✓	✓	✓	✓	4
6	Mr. Nobuyoshi Noda	Non-Executive Director	✓	✓	✓	✓	4
7	Mr. Gaku Nakanishi	Non-Executive Director	✓	✓	✓	✓	4
8	Mr. Ariful Islam	Independent Director	✓	✓	-	✓	3
9	Ms. Rie Mihara	Independent Director	✓	-	✓	-	2
10	Mr. Maqsood ur Rahman	Company Secretary & Vice President	✓	✓	✓	✓	4
11	Mr. Hamood ur Rahman	CFO / General Manager Finance	✓	✓	✓	✓	4

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



Audit Committee

The Audit Committee comprises of four members, including both Independent and Non-Executive Directors, with the Chairman being an Independent Director. Quarterly, the Committee evaluates the adequacy of resources and authority allocated to its function. The Head of Internal Audit reports functionally to the Audit Committee, which approves the audit plan following annual and quarterly assessments of operational areas. In line with the shareholders' expectations, the Audit Committee scrutinizes audit reports, internal control systems, and financial statements, while fulfilling other duties mandated by laws and regulations, aiming to ensure the Company's sound and sustainable growth. Reporting obligations arise for items which significantly impact the Company. During this process, internal auditors review departmental processes to ensure adherence to Company policies, regulations, and Standard

Directors' Report as on March 31, 2024

Operating Procedures (SOPs). The Internal Audit Division directly reports to the Chairman of Audit Committee.

During the year under review, the Audit Committee convened four meetings, focusing on reviewing, and discussing various matters including financial statements, internal audit reports, compliance with pertinent laws and regulations, and other associated issues.

The attendance of the Audit Committee members and Company Officials was as under:

Sr No	Name	Designation	Q1	Q2	Q3	Q4	No of meetings Attended
1	Mr. Muhammad Naeem Khan	Chairman / Independent Director	✓	✓	✓	✓	4
2	Mr. Saquib H. Shirazi	Non-Executive Director	✓	✓	✓	✓	4
3	Mr. Nobuyoshi Noda	Non-Executive Director	✓	✓	✓	✓	4
4	Mr. Gaku Nakanishi	Non-Executive Director	✓	✓	✓	-	3
5	Mr. Imran Farooq	Head of Internal Audit / Secretary AC	-	✓	✓	✓	3

Leave of absence was granted to the member who did not attend the Audit Committee meetings.

Human Resource & Remuneration Committee

The Human Resource and Remuneration Committee comprises of five members, with a majority being non-executive directors. An independent director serves as the Chairman of the Committee. The Committee offers strategic guidance to management on human resource matters, conducts annual performance evaluations, reviews personnel policies, and oversees compensation and benefits for associates.

During the year under review, the HR&R Committee convened one meeting to discuss and approve matters within its terms of reference. Attendance of the HR&R Committee members at this meeting was as follows:

Sr.No.	Name of Committee Member	Designation	Attendance
1	Mr. Muhammad Naeem Khan	Chairman	1
2.	Mr. Saquib H. Shirazi	Member	1
3.	Mr. Takafumi Koike	Member	1
4.	Mr. Shinobu Nakamura	Member	1
5.	Mr. Nobuyoshi Noda	Member	1

Audit by Asian Honda

During the year, regional auditors from Asian Honda, Thailand visited the Company to assess the effectiveness of internal control systems and the efficiency of production operations. They also evaluated the management and operations of the internal audit activities. During the week-long audit, the auditors conducted a comprehensive review of the operations and expressed their satisfaction on the management's practices with a few suggestions for improvement.

Corporate Governance

The Company prioritizes the enhancement of corporate governance as a fundamental task for its management, guided by the Company's core principles, aiming to bolster trust among shareholders, customers, and society at large. The Board consistently promotes timely, decisive, and risk-aware decision-making, striving for a sustainable growth and continual improvement of the corporate value over the medium to long term to make the organization "a company that society wants to exist." To ensure a clear distinction between the supervisory and executive functions of the management and to facilitate swift and adaptable decision-making, the Company has established various committees. These include the Audit Committee, the Human Resource & Remuneration Committee, and the Executive Committee. The Executive Committee facilitates broad delegation of business execution authority to the Key Management, enabling prompt and flexible decision-making processes.

Compliance

To bolster a culture of compliance, the Company has appointed a Compliance Officer designated by the Board of Directors. The Officer holds decision-making authority concerning crucial internal control system measures, including the development and modification of compliance policies. Additionally, the Compliance Officer is tasked with the establishment and operation of internal control systems, overseeing the management of the Business Ethics Proposal Line, and determining preventive measures in the event of breaches. Matters of exceptionally high importance regarding compliance undergo deliberation or reporting at the Executive Committee meetings, contingent upon the specifics of the issue. Notably, there were no violations of laws or regulations reported during the year under review.

Honda Code of Conduct

To foster sustainable growth and earn the trust of both customers and society, we must not only comply with the laws & regulations but go beyond those legal structures by practicing sincere and ethical conduct. Recognizing this, Honda has established the Honda Code of Conduct, which encapsulates the principles guiding the actions of our global workforce. We are dedicated to ingraining this code within every associate, employing various measures such as training sessions, distribution of informational materials, internal newsletters, and intranet postings. During the year, we administered a comprehensive written test (designed by the ASH Secretariat) of HACPL associates on the Honda Code of Conduct, with an impressive participation rate



Celebrated World Environment Day – June 2023

exceeding 92% and a remarkable understanding level of 94% among associates. Later, the result was shared with the ASH Secretariat.

Business Ethics Proposal Line

The Business Ethics Proposal Line serves as a vital structure within the Company, dedicated to enhancing corporate ethics. This hotline is specifically designed to address any breaches of corporate ethics, whether through violations of laws or internal regulations. It offers a platform for associates to submit proposals and seek impartial consultation on resolving workplace issues. Operated from a fair and neutral standpoint, the hotline also handles inquiries concerning internal rules in case of questionable actions,

conducting thorough evaluations of the facts involved. To enhance awareness and understanding of the importance of the Business Ethics Proposal Line, we distributed a booklet among associates. Proposals can be submitted via email, letter, telephone, or drop-box by all associates and business partners, ensuring accessibility. We prioritize the protection of proposers by accepting anonymous submissions as well.

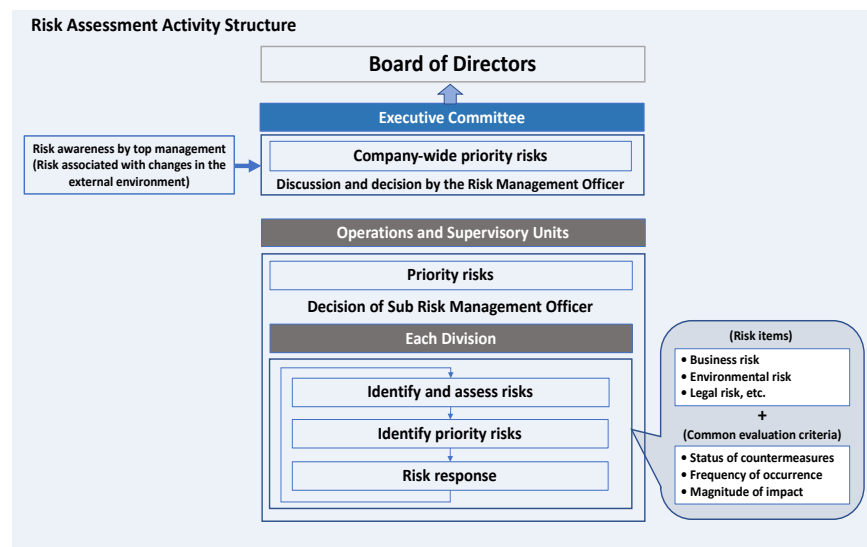
Initiatives to Prevent Bribery and Corruption

The Company maintains a stringent stance against bribery and corruption, as outlined in the Honda Code of Conduct. Adherence to the laws and regulations is of paramount importance, particularly



Directors' Report as on March 31, 2024

concerning interactions with political and administrative entities. Our Code emphasizes the necessity for appropriate relationships in compliance with legal frameworks and internal policies. Specifically, it prohibits the provision of entertainment or gifts, both monetary and non-monetary, which contravene laws, regulations, or Company's guidelines. Furthermore, associates are obligated not to accept or offer business partner benefits in the form of goods or entertainment that exceed societal norms of appropriateness.



Aside from the aforementioned measures, the Company has implemented the Honda Policy on the Prevention of Bribery and Corruption, overseen by ASH, HCG Secretariat. This policy outlines fundamental principles regarding bribery and corruption, while the Honda Guideline for the Prevention of Bribery and Corruption details specific compliance requirements and prohibited actions. We prioritize the reinforcement of this policy through various channels, including training sessions, email notifications of any policy updates, and accessible information on the Company's intranet. Moreover, we have trained divisional trainers on

the Honda Policy, empowering them to provide additional guidance and training to associates within their respective divisions.

Establishing an Effective Risk Management Structure

The Risk Management Policy is geared towards fostering the Company's sustainable growth and ensuring stable management in alignment with the Honda Philosophy. It encompasses all the potential risks that could affect the Company's operations.

The Company has established a comprehensive risk management framework overseen by the Risk Management Officer. Each

Business and Functional Division conducts risk assessment activities to anticipate potential threats to the business and proactively mitigate them. Using standardized risk items and assessment criteria, departments evaluate risks and identify priority areas within their divisions. The Risk Management Officer, following a thorough review of risk status within each operational area, determines Company-wide priority risks. These identified risks are then integrated into the business plans of respective divisions for ongoing monitoring, improvement, and risk mitigation efforts.

The Company arranged a special two weeks' training program through the



Nine associates attended the "Special Training Program" arranged by Ministry of Civil Defence



12 associates participated in "Annual Volunteers National Contest" 2023 known as CERT's Competition

Ministry of Civil Defence Academy to respond actively against emergencies like natural disasters, floods, and fire. Nine associates qualified the course successfully.

Our Emergency Response Squad (12 associates) participated in "Annual Volunteers National Contest" 2023 known as CERT's Competition (Community Emergency Response Team) arranged by Punjab Emergency Services 1122 academy. The objective of this competition is to respond appropriately to disasters/emergencies like fire incidents', earthquakes, floods, etc., and provide necessary "First Aid" treatment to victims of disaster before shifting to hospitals.

Information Management

To safeguard information assets, including confidential and personal data, the Company has implemented both the Global Confidentiality Policy (GCP) and the Global IT Security Policy (GITSP). These policies establish a structured approach and compliance guidelines for managing confidential and personal information, as well as security standards for information

systems and networks. They also outline reporting procedures in the event of any information breaches. To ensure the enforcement of these policies, the Company has instituted a Confidentiality Committee to ensure swift adaptation to evolving circumstances. Additionally, the Company is intensifying efforts to fortify information security against sophisticated cyber threats while continuously assessing its readiness to promptly address emergent events.

Personnel Management

Honda upholds the belief that every individual is inherently free and unique, endowed with the capacity to think, create, and dream. The Company is committed to nurturing and celebrating these qualities by valuing individual differences, fostering mutual trust, and encouraging full expression of each person's abilities. This philosophy is ingrained in Honda's core values as 'Respect for the Individual'.

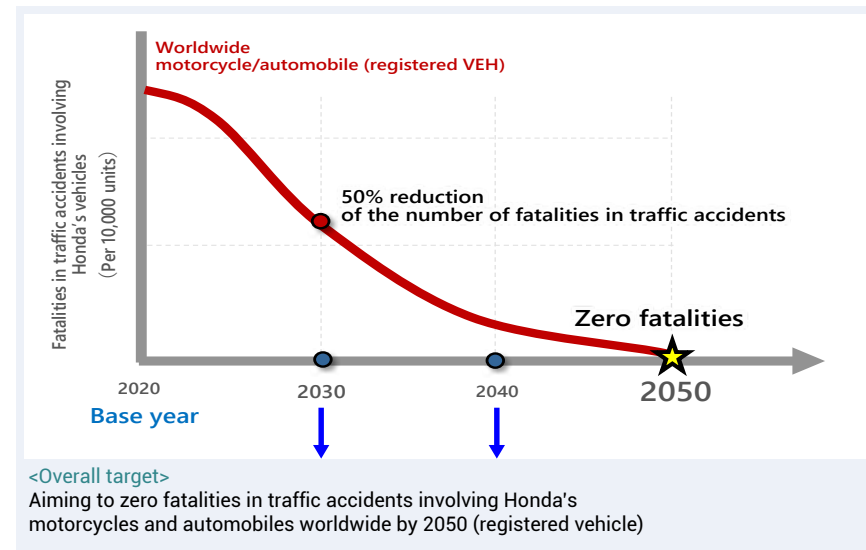
In managing its human resources, Honda adheres to the 'Three Principles' of Personnel Management i.e., Respecting Initiative, Ensuring Fairness, and

Encouraging Mutual Trust. These principles guide various aspects of HR management, including recruitment, training, assignment, evaluation, and treatment. The Company is dedicated to creating an environment conducive to the development of associates' skills and aspirations, providing a workplace where individuals can actively exercise their talents and ambitions.

During the year, the Company's two associates were sent to Japan to attend management, technical, and leadership development courses under ATOS Program. The fourth batch of twenty associates who



Directors' Report as on March 31, 2024



attended the Diploma of Business Management (DBM) was rolled out from Forman Christian College Lahore apart from some other Diploma courses arranged for associates at PIM Lahore. These measures will help to develop competencies among associates which are essential to face future business challenges.

Occupational Health and Safety

Aligned with this principle, the Health & Safety Division has developed comprehensive policies aimed at preventing industrial accidents, minimizing their recurrence, and safeguarding the well-being of associates. During the year, the Company has conducted the first surveillance audit of ISO 45001 (Occupational Health and Safety Management System), by the certification agency.

The Company has been taking various measures to upgrade its safety committees, which consist of Fire fighting Committee, Plant Safety Committee, Road Safety Committee, Transport Committee, and Canteen Committee.

CSR Activities

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

Free Medical Camps

The first free medical camp was arranged in 2014 in Manga Mandi village and since then, it has been a hallmark of the Company's



Free Medical Camp on 8 March at Havelian, Abbottabad

CSR activities. During the year, the Company organized two free medical camps in remote areas, and more than 1,100 patients were given free medical treatment and medicines. Since start of this initiative, the Company has arranged 47 medical camps, wherein more than 28,000 patients have been provided free medical assistance.

Tree Plantation

Honda pledged to donate 5,000 plants to Aligarh School, Manga Mandi, Lahore. The ceremony commenced with planting seeds for a greener tomorrow. Honda aims to achieve more as an environmentally sustainable company by participating in the initiative of 'A step towards Cleaner Greener Pakistan'. Through this project, Honda was able to raise awareness of environmental issues while also giving students a learning opportunity. The event emphasized the value of planting trees as well as the wider advantages of adopting eco-friendly behaviors.



Free Medical Camp on 9 March at Sheikhubandi, Abbottabad



Donated Rs. 1 million under Scholarships Program to Aligarh School



Donated Plants to Aligarh School



Road Safety Awareness Session at Atlas Honda, Sheikhpura Plant



Clean Water Project at Govt. Primary School Tibba Samad, in Manga Mandi



Road Safety Awareness Program for Students of Aligarh School



Road Safety Awareness Session at University of Engineering & Technology, Lahore



Road Safety Awareness Session at GC University, Lahore



Road Safety Awareness Session at Punjab Police Training Centre, Chungh, Lahore

Sponsoring Scholarships to Students in Remote Areas in Pakistan

The Company encourages education for students in the remote areas. To achieve this dream, the Company donated Rs. 1.35 million to Aligarh School, Manga Mandi, Lahore. The Company dreams the quality education for the students of underprivileged areas so that they can play an important role in the development of their community and country.

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 triggers life-threatening diseases. The students at Govt. Primary School

Tibba Samad, in Manga Mandi, & vicinity suffer from the scarcity of clean drinking water. During the year, the Company installed a Deep-bored water pump & water reservoir for clean drinking water in Government Primary School Tibba Samad, in Manga Mandi, to facilitate the supply of clean drinking water.

Road Safety Awareness Program

Under the "Asia & Oceania Safety Strategy Vision 2030", Honda Atlas Cars (Pakistan) Limited is committed to enhancing "Road Safety Awareness" by conducting seminars in corporate sectors and educational institutes. These efforts are in collaboration with Atlas Honda Limited and the National Highway & Motorway Police. The goal of this

road safety educational program is to emphasize the importance of following safety precautions to ensure safe journeys and achieve zero traffic collisions. The key focus during these awareness sessions was the importance of adhering to "Road Safety Signs" and consistently wearing a "SEAT BELT" throughout the journey. In the above seminars, a total of 2,355 persons participated.

The Company also conducted a Road Safety Awareness Program for HACPL's associates, coaster drivers, and community members, including students driving motorcycles and cars. A total of 586 participants attended in-house sessions, while 277 participated in community sessions. This training emphasizes the necessity of having a driving license, wearing safety

Directors' Report as on March 31, 2024



Distribution of Safety Helmet to Associates



Fire Fighting Training Lecture & Drill at Honda 3S Dealers

helmets for motorcycle drivers and riders, using side view mirrors for motorcyclists, and fastening of seat belts for car drivers and occupants. These sessions were conducted in collaboration with the teams from Atlas Honda Limited and the National Highway & Motorway Police to ensure comprehensive road safety education. To promote the importance of associates and their families, HACPL distributed safety helmets among all the associates who commute to HACPL using motorcycles.

Firefighting Training

The Company provided firefighting training to the dealers and vendors at their premises. This year firefighting training was arranged for 3S Dealerships which trained more than 120 employees. The standard session included theoretical knowledge about fire

and its contents, followed by a practical demonstration to control fire. These sessions have been helpful in raising the importance of fire safety among our business partners.

Corporate and Financial Reporting Framework

The Company is committed to maintaining high standards of corporate governance without any exception. The Directors are pleased to state that the Company is compliant with the provisions of the Code of Corporate Governance as required by the Securities and Exchange Commission of Pakistan and forms a part of the Listing Regulations of the Pakistan Stock Exchange. It is also stated:

- a. The financial statements for the year ended March 31, 2024, present fairly its state of affairs, the results of its operations, cash flow, and changes in equity;
- b. The Company has maintained proper books of accounts;
- c. Appropriate accounting policies have been consistently applied in the preparation of financial statements for the year ended March 31, 2024, and accounting estimates are based on reasonable and prudent judgment;
- d. International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements;
- e. The systems of internal control are sound in design and have been effectively implemented and monitored;

- f. There are no doubts about the Company's ability to continue as a going concern;
- g. There has been no material departure from the best practices of corporate governance, as detailed in listing regulations;
- h. The book value of investments held by the Employees Provident Fund and Employees Gratuity Fund as on March 31, 2024, are as follows (PKR in millions):

Fund Name	March 31, 2024	March 31, 2023
Provident Fund	541.19	575.42
Gratuity Fund	1,206.24	983.37

- i. The Key operating and financial data for the last ten years is given in this report.

Statement of Value Addition

The 'Statement of Value Addition and its Distribution' is annexed to this Annual Report.

Material Changes

There have been no material changes since March 31, 2024 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. Nobuyoshi Noda, the new nominated director from M/s Honda Motor, Japan replacing Mr. Eihiko Sato on the Board. 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, 2024 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.

Pattern of Shareholding


The pattern of shareholding as on March 31, 2024 and its disclosure is annexed with this report.

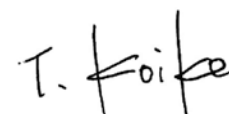


External Auditors

M/s A. F. Ferguson & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment for the year ending March 31, 2025. The Audit Committee has recommended their reappointment to the Board.

For and on behalf of
The Board of Directors


Aamir H. Shirazi
Chairman


Takafumi Koike
President/CEO

Karachi, May 27, 2024

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. Shinobu Nakamura

Name of Company: **Honda Atlas Cars (Pakistan) Limited**
 Year ended: **March 31, 2024**



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 Director (Female)	Ms. Rie Mihara
2.	Independent Directors (Male)	Mr. Ariful Islam
3.		Mr. Muhammad Naeem Khan
4.	Non-Executive Directors	Mr. Aamir H. Shirazi
5.		Mr. Saquib H. Shirazi
6.		Mr. Nobuyoshi Noda
7.		Mr. Gaku Nakanishi
8.	Executive Directors	Mr. Takafumi Koike
9.		Mr. Shinobu Nakamura

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 the 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, five 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. There 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	Member
	3.	Mr. Nobuyoshi Noda	Member
	4.	Mr. Gaku Nakanishi	Member
b) HR & Remuneration Committee	1.	Mr. Muhammad Naeem Khan	Chairman
	2.	Mr. Saquib H. Shirazi	Member
	3.	Mr. Takafumi Koike	Member
	4.	Mr. Shinobu Nakamura	Member
	5.	Mr. Nobuyoshi Noda	Member

Statement of Compliance



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

14. The frequency of meetings (quarterly/yearly) of the committee were as per following:

a) **Audit Committee**

Four quarterly meetings were held during the financial year ended March 31, 2024

b) **HR & Remuneration Committee**

One meeting was held during the financial year ended March 31, 2024.

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:

Since there are no Nomination and Risk Management

Committees in place (required under non-mandatory provision of Regulations 29 & 30), the Executive Committee of the Company perform these functions effectively and appraise the Board, wherever required.

Further, five directors of the company qualify the Directors Training Program (DTP) and the Company will take adequate measures for DTP for the remaining directors, female executive and head of department (required under non-mandatory provision of Regulation 19(1) and Regulation 19(3).

Moreover, the Company will also place significant policies on its website in due course of time (required under non-mandatory provision of Regulation 35).

Amir H. Shirazi
Chairman

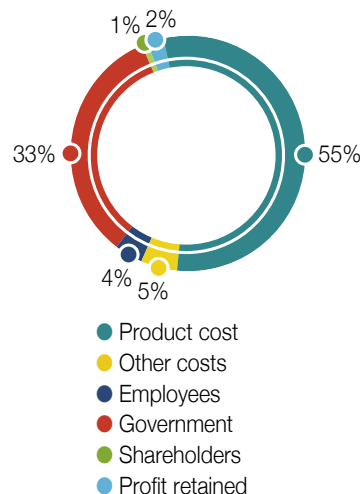
Date: May 27, 2024
Karachi.

A new vision,
a new drive
for a better tomorrow

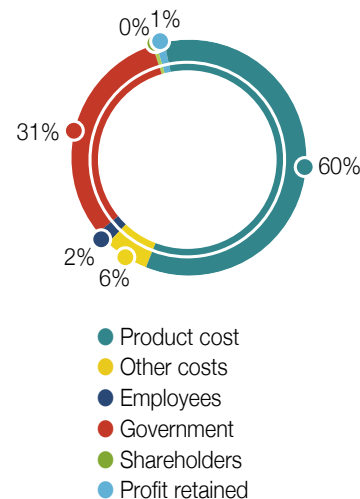


Revenue Application

March 31, 2024



March 31, 2023

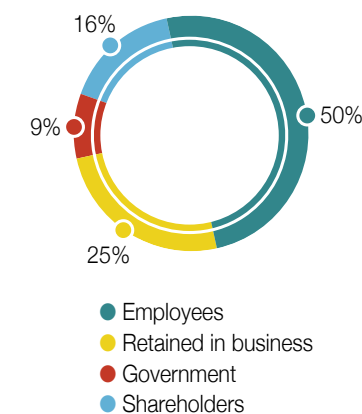


Rupees in thousand	March 31, 2024	March 31, 2023
REVENUE		
Gross sales	71,641,076	118,864,403
Other income	2,252,115	2,321,705
Total	73,893,191	121,186,108
APPLICATION		
Product Cost		
Cost of sales (excluding employees' remuneration and government levies)	40,803,803	72,519,228
Other costs		
Operating expenses (excluding employees' remuneration)	1,468,587	6,057,450
Dealers' commission	974,281	1,645,984
Financial charges	1,218,996	346,141
	3,661,864	8,049,575
Employees		
Workers' profit participation fund	148,990	105,310
Employees' remuneration	2,780,664	2,770,901
	2,929,654	2,876,211
Government		
Workers' welfare fund	78,066	18,244
Sales tax & CVT	15,595,472	22,131,168
Custom duties	8,014,791	13,565,975
Income tax	418,848	1,722,507
	24,107,177	37,437,894
Shareholders		
Dividend	928,200	-
Retained in Business		
Profit retained	1,462,493	303,200
Total	73,893,191	121,186,108
Percentage	2024	2023
APPLICATION		
Product cost	55%	60%
Other costs	5%	6%
Employees	4%	2%
Government	33%	31%
Shareholders	1%	0%
Profit retained	2%	1%
	100%	100%

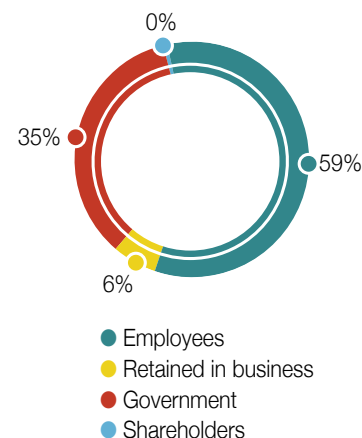
Value Added and its Distribution

Rupees in thousand	March 31, 2024	March 31, 2023
VALUE ADDED		
Net sales	55,071,323	95,087,251
Other income	2,252,115	2,321,705
Cost of sales (excluding employees' remuneration)	(48,818,594)	(86,085,203)
Operating expenses (excluding employees' remuneration)	(1,468,587)	(6,057,450)
Finance cost	(1,218,996)	(346,141)
Total	5,817,261	4,920,162
DISTRIBUTION		
To Government		
Workers' welfare fund	78,066	18,244
Income tax	418,848	1,722,507
	496,914	1,740,751
To Employees		
Workers' profit participation fund	148,990	105,310
Employees' remuneration	2,780,664	2,770,901
	2,929,654	2,876,211
To Shareholders		
Dividend	928,200	-
Retained In Business		
Profit retained	1,462,493	303,200
Total	5,817,261	4,920,162
Percentage	2024	2023
DISTRIBUTION		
Government	9%	35%
Employees	50%	59%
Shareholders	16%	0%
Retained in business	25%	6%
	100%	100%

March 31, 2024



March 31, 2023



Financial Highlights

		2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
STATEMENT OF PROFIT OR LOSS											
Sales	Rs in million	55,071	95,087	108,048	67,362	55,046	95,128	91,523	62,803	40,086	37,764
Gross profit	Rs in million	4,508	7,161	5,533	3,776	4,091	7,304	10,449	9,122	6,047	4,773
Operating profit	Rs in million	3,972	2,329	4,329	2,897	2,275	5,605	9,493	8,660	5,186	3,786
Profit before tax	Rs in million	2,753	1,983	4,275	2,781	1,547	5,594	9,479	8,636	5,179	3,767
Profit after tax	Rs in million	2,334	260	2,510	1,793	682	3,851	6,494	6,135	3,556	3,162
Proposed dividend	Rs in million	928	-	1,000	645	143	1,735	3,846	1,856	1,000	714
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	21,655	19,264	19,961	18,196	16,557	17,627	17,073	13,065	7,941	5,120
Capital expenditure	Rs in million	233	1,651	3,782	3,895	724	961	1,266	1,812	1,346	662
Fixed assets - at cost	Rs in million	18,894	19,356	18,431	16,613	13,129	12,621	11,961	11,454	9,844	8,531
Fixed assets - net	Rs in million	8,484	10,461	10,662	7,974	4,905	5,245	5,373	4,974	3,781	2,933
Non current liabilities	Rs in million	3,979	4,603	4,317	3,053	474	465	540	440	226	64
Total assets	Rs in million	49,830	62,688	70,263	45,155	31,842	32,101	58,809	51,497	16,205	13,926
Working capital	Rs in million	16,102	12,578	13,330	13,045	11,792	12,286	12,047	8,419	4,300	1,806
Capital employed	Rs in million	25,458	23,441	23,837	21,213	18,890	17,627	17,073	13,065	7,941	5,120
SIGNIFICANT RATIOS											
Profitability											
Gross profit margin	%	8.2	7.5	5.1	5.6	7.4	7.7	11.4	14.5	15.1	12.6
Profit before tax	%	5.00	2.09	3.96	4.13	2.81	5.88	10.36	13.75	12.92	9.98
Profit after tax	%	4.2	0.3	2.3	2.7	1.2	4.0	7.1	9.8	8.9	8.4
Liquidity											
Current ratio	Times	1.7	1.3	1.3	1.5	1.8	1.9	1.3	1.2	1.5	1.2
Quick ratio	Times	0.8	1.0	0.8	1.1	1.0	1.2	1.1	1.0	1.0	0.6
Long term debt to equity	Times	0.2	0.2	0.2	0.2	-	-	-	-	-	-
Total liabilities to equity	Times	2.3	3.3	3.5	2.5	1.9	1.8	3.4	3.9	2.0	2.7
Activity											
Total assets turnover	Times	1.1	1.5	1.5	1.5	1.7	3.0	1.6	1.2	2.5	2.7
Fixed assets turnover	Times	6.5	9.1	10.1	8.4	11.2	18.1	17.0	12.6	10.6	12.9
Stock turnover ratio	Times	3.1	5.0	5.9	5.5	5.1	10.4	10.9	10.1	7.1	7.0
Interest cover (BT)	Times	3.3	6.7	81.3	24.9	3.1	500.9	655.8	369.4	741.8	202.8
Interest cover (AT)	Times	2.9	1.8	48.1	16.4	1.9	345.2	449.6	262.7	509.6	170.4
Number of days stock	Days	118	73	62	66	72	35	33	36	51	52
Earning											
Return on capital employed	%	9.5	1.1	11.1	8.9	3.7	22.2	43.1	58.4	54.5	84.2
Return on equity (BT)	%	13.2	10.1	22.4	16.0	9.1	32.2	62.9	82.2	79.3	100.3
Return on equity (AT)	%	11.2	1.3	13.2	10.3	4.0	22.2	43.1	58.4	54.5	84.2
Earning per share (BT)	Rs	19.3	13.9	29.9	19.5	10.8	39.2	66.4	60.5	36.3	26.4
Earning per share (AT)	Rs	16.3	1.8	17.6	12.6	4.8	27.0	45.5	43.0	24.9	22.1
Price earning ratio (AT)	Times	13.7	65.6	11.8	21.7	27.7	8.9	10.5	17.5	10.1	8.3
Dividend per ordinary share	Rs	6.5	-	7.0	4.5	1.0	12.1	26.9	13.0	7.0	5.0
Dividend pay out ratio	%	39.8	-	39.8	36.0	21.0	45.1	59.2	30.3	28.1	22.6
OTHER INFORMATION											
Break up value per share	Rs	152	135	140	127	116	123	120	91	56	36
Market value per share	Rs	223	118	207	273	133	240	477	752	252	183
Contribution to national exchequer	Rs in million	23,172	40,704	43,708	28,236	23,407	32,227	33,913	25,130	12,488	11,758
Units produced	Units	10,709	26,176	37,780	23,479	22,729	48,608	50,177	34,560	25,939	23,320
Units sold	Units	10,534	25,726	37,613	24,050	22,418	48,648	50,100	35,381	25,800	23,311
Manpower (permanent+contractual)	Nos.	1,378	1,532	2,274	1,498	1,483	2,284	2,278	2,033	1,256	1,160
Exchange rates at year end date											
¥ to \$	¥	151.17	132.69	121.52	110.82	108.29	110.64	106.06	111.65	112.74	119.13
Rs to \$	Rs	278.16	283.96	183.68	152.79	166.59	140.51	115.60	104.95	104.85	101.94
Rs to ¥	Rs	1.84	2.14	1.51	1.38	1.54	1.27	1.09	0.94	0.93	0.85

Horizontal Analysis

	2024	2023	2022	2021	2020	2019	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019
	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	17,456,000	17,456,000	15,956,000	14,956,000	14,306,000	12,306,000	-	9.40	6.69	4.54	16.25
Unappropriated profit	2,771,018	380,325	2,576,725	1,812,163	823,254	3,892,652	628.59	(85.24)	42.19	120.12	(78.85)
NON-CURRENT LIABILITIES											
Long-term finances - secured	2,634,503	2,921,056	2,739,121	2,068,693	-	-	(9.81)	6.64	32.41	100.00	-
Deferred grant	632,766	820,361	787,677	595,838	-	-	(22.87)	4.15	32.20	100.00	-
Employee retirement benefits	68,928	136,539	250,977	173,374	187,484	164,766	(49.52)	(45.60)	44.76	(7.53)	13.79
Deferred taxation	625,553	706,823	521,177	201,780	270,510	288,058	(11.50)	35.62	158.29	(25.41)	(6.09)
Deferred revenue	17,242	18,547	18,197	13,535	16,438	11,829	(7.04)	1.92	34.44	(17.66)	38.96
CURRENT LIABILITIES											
Current portion of non-current liabilities	542,829	442,008	357,011	361,713	20,498	5,232	22.81	23.81	(1.30)	1,664.63	291.78
Short term borrowings - secured	5,515,661	-	-	-	-	-	100	-	-	-	-
Short term loan from related party - Unsecured	-	-	-	-	2,332,246	-	-	-	-	(100.00)	100.00
Accrued mark-up	304,713	19,504	37,293	6,120	75,547	17	1,462.31	(47.70)	509.36	(91.90)	444,294.12
Trade, dividend, other payables and provisions	17,833,052	38,358,921	45,590,870	23,538,010	12,381,837	14,004,637	(53.51)	(15.86)	93.69	90.10	(11.59)
	49,830,265	62,688,084	70,263,048	45,155,226	31,841,814	32,101,191	(20.51)	(10.78)	55.60	41.81	(0.81)
ASSETS											
NON-CURRENT ASSETS											
Property, plant and equipment	7,579,533	9,364,933	7,549,924	4,000,261	4,518,634	4,905,667	(19.06)	24.04	88.74	(11.47)	(7.89)
Intangible assets	881,480	1,089,005	747,295	186,188	289,015	215,951	(19.06)	45.73	301.37	(35.58)	33.83
Capital work-in-progress	22,885	7,015	2,364,549	3,788,001	97,062	123,487	226.23	(99.70)	(37.58)	3,802.66	(21.40)
Long term trade debts	776,274	481,267	27,216	56,157	117,080	208,959	61.30	1,668.32	(51.54)	(52.04)	(43.97)
Long term loans and advances	218,788	343,759	254,558	170,209	213,814	346,959	(36.35)	35.04	49.56	(20.39)	(38.37)
Long term deposits	52,805	4,042	4,042	4,042	4,042	4,042	1,206.41	-	-	-	-
CURRENT ASSETS											
Stores and spares	210,018	235,060	290,262	185,370	194,479	169,004	(10.65)	(19.02)	56.59	(4.68)	15.07
Stock-in-trade	20,468,774	12,602,074	22,866,173	11,648,838	11,268,644	8,670,614	62.42	(44.89)	96.30	3.37	29.96
Trade debts	8,523,202	944,078	978,728	845,765	868,505	1,122,986	802.81	(3.54)	15.72	(2.62)	(22.66)
Advances, prepayments and other receivables	9,906,702	22,466,514	15,398,259	9,349,859	8,653,570	10,173,428	(55.90)	45.90	64.69	8.05	(14.94)
Derivative financial instruments	-	-	-	-	42,205	-	-	-	-	(100.00)	100.00
Short term investments	-	14,251,272	6,795,538	-	4,053,057	4,768,252	(100.00)	109.72	100.00	(100.00)	(15.00)
Cash and bank balances	1,189,804	899,065	12,986,504	14,920,536	1,521,707	1,391,842	32.34	(93.08)	(12.96)	880.51	9.33
	49,830,265	62,688,084	70,263,048	45,155,226	31,841,814	32,101,191	(20.51)	(10.78)	55.60	41.81	(0.81)
STATEMENT OF PROFIT OR LOSS											
Sales	55,071,323	95,087,251	108,047,850	67,362,307	55,046,264	95,128,289	(42.08)	(12.00)	60.40	22.37	(42.13)
Cost of sales	(50,563,229)	(87,926,215)	(102,515,219)	(63,586,363)	(50,955,042)	(87,824,215)	(42.49)	(14.23)	61.22	24.79	(41.98)
Gross profit	4,508,094	7,161,036	5,532,631	3,775,944	4,091,222	7,304,074	(37.05)	29.43	46.52	(7.71)	(43.99)
Distribution and marketing costs	(914,883)	(902,374)	(1,145,187)	(736,974)	(667,901)	(931,787)	1.39	(21.20)	55.39	10.34	(28.32)
Administrative expenses	(1,479,952)	(1,321,962)	(1,079,683)	(823,588)	(738,757)	(800,040)	11.95	22.44	31.10	11.48	(7.66)
Other operating income	2,252,115	2,321,705	2,004,952	918,484	638,618	1,313,522	(3.00)	15.80	118.29	43.82	(51.38)
Other operating expenses	(393,635)	(4,929,616)	(984,045)	(237,080)	(1,048,538)	(1,281,007)	(92.01)	400.95	315.07	(77.39)	(18.15)
Finance cost	(1,218,996)	(346,141)	(53,263)	(116,159)	(727,444)	(1,189)	252.17	549.87	(54.15)	(84.03)	6,401.42
Profit before taxation	2,752,743	1,982,648	4,275,405	2,780,627	1,547,200	5,593,573	38.84	(53.63)	53.76	79.72	(72.34)
Taxation	(418,848)	(1,722,507)	(1,765,499)	(987,422)	(865,448)	(1,742,460)	(75.68)	(2.44)	78.80	14.09	(50.33)
Profit after taxation	2,333,895	260,141	2,509,906	1,793,205	681,752	3,851,113	797.17	(89.64)	39.97	163.03	(82.30)

Vertical Analysis

	2024	2023	2022	2021	2020	2024	2023	2022	2021	2020
	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	2.87	2.28	2.03	3.16	4.48
Reserves	17,456,000	17,456,000	15,956,000	14,956,000	14,306,000	35.03	27.85	22.71	33.12	44.93
Unappropriated profit	2,771,018	380,325	2,576,725	1,812,163	823,254	5.56	0.61	3.67	4.01	2.59
NON-CURRENT LIABILITIES										
Long-term finances - secured	2,634,503	2,921,056	2,739,121	2,068,693	-	5.29	4.66	3.90	4.58	-
Deferred grant	632,766	820,361	787,677	595,838	-	1.27	1.31	1.12	1.32	-
Employee retirement benefits	68,928	136,539	250,977	173,374	187,484	0.14	0.22	0.36	0.38	0.59
Deferred taxation	625,553	706,823	521,177	201,780	270,510	1.26	1.13	0.74	0.45	0.85
Deferred revenue	17,242	18,547	18,197	13,535	16,438	0.03	0.03	0.03	0.03	0.05
CURRENT LIABILITIES										
Current portion of non-current liabilities	542,829	442,008	357,011	361,713	20,498	1.09	0.71	0.51	0.80	0.06
Short term borrowings - secured	5,515,661	-	-	-	-	11.07	-	-	-	-
Short term loan from related party - Unsecured	-	-	-	-	2,332,246	-	-	-	-	7.32
Accrued mark-up	304,713	19,504	37,293	6,120	75,547	0.61	0.03	0.05	0.01	0.24
Trade, dividend, other payables and provisions	17,833,052	38,358,921	45,590,870	23,538,010	12,381,837	35.79	61.19	64.89	52.13	38.89
	49,830,265	62,688,084	70,263,048	45,155,226	31,841,814	100.00	100.00	100.00	100.00	100.00
ASSETS										
NON-CURRENT ASSETS										
Property, plant and equipment	7,579,533	9,364,933	7,549,924	4,000,261	4,518,634	15.21	14.94	10.75	8.86	14.19
Intangible assets	881,480	1,089,005	747,295	186,188	289,015	1.77	1.74	1.06	0.41	0.91
Capital work-in-progress	22,885	7,015	2,364,549	3,788,001	97,062	0.05	0.01	3.37	8.39	0.30
Long term trade debts	776,274	481,267	27,216	56,157	117,080	1.56	0.77	0.04	0.12	0.37
Long term loans and advances	218,788	343,759	254,558	170,209	213,814	0.44	0.55	0.36	0.38	0.67
Long term deposits	52,805	4,042	4,042	4,042	4,042	0.11	0.01	0.01	0.01	0.01
CURRENT ASSETS										
Stores and spares	210,018	235,060	290,262	185,370	194,479	0.42	0.37	0.41	0.41	0.61
Stock-in-trade	20,468,774	12,602,074	22,866,173	11,648,838	11,268,644	41.08	20.10	32.54	25.80	35.39
Trade debts	8,523,202	944,078	978,728	845,765	868,505	17.10	1.51	1.39	1.87	2.73
Advances, prepayments and other receivables	9,906,702	22,466,514	15,398,259	9,349,859	8,653,570	19.88	35.84	21.92	20.71	27.18
Derivative financial instruments	-	-	-	-	42,205	-	-	-	-	0.13
Short term investments	-	14,251,272	6,795,538	-	4,053,057	-	22.73	9.67	-	12.73
Cash and bank balances	1,189,804	899,065	12,986,504	14,920,536	1,521,707	2.39	1.43	18.48	33.04	4.78
	49,830,265	62,688,084	70,263,048	45,155,226	31,841,814	100.00	100.00	100.00	100.00	100.00
STATEMENT OF PROFIT OR LOSS										
Sales	55,071,323	95,087,251	108,047,850	67,362,307	55,046,264	100.00	100.00	100.00	100.00	100.00
Cost of sales	(50,563,229)	(87,926,215)	(102,515,219)	(63,586,363)	(50,955,042)	(91.81)	(92.47)	(94.88)	(94.39)	(92.57)
Gross profit	4,508,094	7,161,036	5,532,631	3,775,944	4,091,222	8.19	7.53	5.12	5.61	7.43
Distribution and marketing costs	(914,883)	(902,374)	(1,145,187)	(736,974)	(667,901)	(1.66)	(0.95)	(1.06)	(1.09)	(1.21)
Administrative expenses	(1,479,952)	(1,321,962)	(1,079,683)	(823,588)	(738,757)	(2.69)	(1.39)	(1.00)	(1.22)	(1.34)
Other operating income	2,252,115	2,321,705	2,004,952	918,484	638,618	4.09	2.44	1.86	1.36	1.16
Other operating expenses	(393,635)	(4,929,616)	(984,045)	(237,080)	(1,048,538)	(0.71)	(5.18)	(0.91)	(0.35)	(1.90)
Finance cost	(1,218,996)	(346,141)	(53,263)	(116,159)	(727,444)	(2.21)	(0.36)	(0.05)	(0.17)	(1.32)
Profit before taxation	2,752,743	1,982,648	4,275,405	2,780,627	1,547,200	5.00	2.09	3.96	4.13	2.81
Taxation	(418,848)	(1,722,507)	(1,765,499)	(987,422)	(865,448)	(0.76)	(1.81)	(1.63)	(1.47)	(1.57)
Profit after taxation	2,333,895	260,141	2,509,906	1,793,205	681,752	4.24	0.27	2.32	2.66	1.24



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, 2024, 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, 2024.

A. F. FERGUSON & CO.
Chartered Accountants

Lahore

Date: June 4, 2024

UDIN: CR202410071TXivGC3IS

Financial Statements

For the year ended March 31, 2024



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, 2024, 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 material accounting policy information 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, 2024 and of the profit and other comprehensive income, 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.

Following is the Key audit matter:

S. No	Key audit matter	How the matter was addressed in our audit
(i)	<p>Revenue recognition (refer notes 4.11 and 28 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 it being a significant audit risk and due to the fact that revenue decreased significantly as compared to last year.</p>	<p>We performed, amongst others, the following audit procedures:</p> <ul style="list-style-type: none"> Assessed the design, implementation and operating effectiveness of the key internal controls over revenue recognition; Understood and evaluated the accounting policy with respect to revenue recognition; Performed testing of revenue transactions on a sample basis with underlying documentation including dispatch documents and sales invoices; Tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue was recognised in the correct period; Performed recalculation of discounts and commissions as per the Company's policy on sample basis; Performed audit procedures to analyze variation in the price and quantity sold during the year; and Assessed the adequacy of disclosures made in the financial statements related to revenue.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

To the members of Honda Atlas Cars (Pakistan) Limited

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.

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
- no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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 4, 2024
UDIN: AR202410071GSf5g8Xpa

Statement of Financial Position

As at March 31, 2024

Rupees in thousand	Note	2024	2023
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
200,000,000 (2023: 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 (2023: 142,800,000)			
ordinary shares of Rs 10 each	6	1,428,000	1,428,000
Reserves	7	17,456,000	17,456,000
Revenue reserve: Un-appropriated profits		2,771,018	380,325
		21,655,018	19,264,325
NON-CURRENT LIABILITIES			
Long term finances - secured	8	2,634,503	2,921,056
Deferred government grant	9	632,766	820,361
Employee retirement benefits	10	68,928	136,539
Deferred taxation	11	625,553	706,823
Deferred revenue		17,242	18,547
		3,978,992	4,603,326
CURRENT LIABILITIES			
Current portion of non-current liabilities	12	542,829	442,008
Short term borrowings - secured	13	5,515,661	-
Accrued markup	14	304,713	19,504
Unclaimed dividend		50,420	50,666
Unpaid dividend		-	509,796
Trade and other payables and provisions	15	17,782,632	37,798,459
		24,196,255	38,820,433
CONTINGENCIES AND COMMITMENTS			
	16		
		49,830,265	62,688,084

The annexed notes 1 to 49 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	2024	2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	17	7,579,533	9,364,933
Intangible assets	18	881,480	1,089,005
Capital work-in-progress	19	22,885	7,015
Long term trade debts	20	776,274	481,267
Long term loans to employees	21	218,788	343,759
Long term deposits		52,805	4,042
		9,531,765	11,290,021
CURRENT ASSETS			
Stores and spares	22	210,018	235,060
Stock-in-trade	23	20,468,774	12,602,074
Trade debts	24	8,523,202	944,078
Loans, advances, deposits, prepayments and other receivables	25	2,810,756	16,437,113
Income tax recoverable		7,095,946	6,029,401
Short term investments	26	-	14,251,272
Cash and bank balances	27	1,189,804	899,065
		40,298,500	51,398,063
		49,830,265	62,688,084


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, 2024

Rupees in thousand	Note	2024	2023
Sales	28	55,071,323	95,087,251
Cost of sales	29	(50,563,229)	(87,926,215)
Gross profit		4,508,094	7,161,036
Distribution and marketing costs	30	(914,883)	(902,374)
Administrative expenses	31	(1,479,952)	(1,321,962)
Other income	32	2,252,115	2,321,705
Other expenses	33	(393,635)	(4,929,616)
Finance cost	34	(1,218,996)	(346,141)
Profit before taxation		2,752,743	1,982,648
Taxation	35	(418,848)	(1,722,507)
Profit for the year		2,333,895	260,141
Earnings per share - basic and diluted (in Rupees)	39	16.34	1.82

The annexed notes 1 to 49 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, 2024

Rupees in thousand	2024	2023
Profit for the year	2,333,895	260,141
Other comprehensive income for the year:		
<i>Items that may be reclassified subsequently to profit or loss (net of tax)</i>	-	-
<i>Items that will not be subsequently reclassified to profit or loss (net of tax):</i>		
- Remeasurement gain of post retirement benefits obligation	56,798	43,059
	56,798	43,059
Total comprehensive income for the year	2,390,693	303,200

The annexed notes 1 to 49 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, 2024

Rupees in thousand	Share Capital	Capital Reserve	Revenue Reserves		Total Equity
	Issued, subscribed and paid-up share capital	Share premium	General reserve	Un-appropriated profits	
Balance as on April 1, 2022	1,428,000	76,000	15,880,000	2,576,725	19,960,725
Appropriation of reserves					
Transfer to general reserve	-	-	1,500,000	(1,500,000)	-
Total comprehensive income for the year					
Profit for the year	-	-	-	260,141	260,141
Other comprehensive income for the year	-	-	-	43,059	43,059
	-	-	-	303,200	303,200
Transactions with owners in their capacity as owners recognised directly in equity					
Final dividend for the year ended March 31, 2022 @ Rupees 7.00 per share	-	-	-	(999,600)	(999,600)
Balance as on March 31, 2023	1,428,000	76,000	17,380,000	380,325	19,264,325
Total comprehensive income for the year					
Profit for the year	-	-	-	2,333,895	2,333,895
Other comprehensive income for the year	-	-	-	56,798	56,798
	-	-	-	2,390,693	2,390,693
Balance as on March 31, 2024	1,428,000	76,000	17,380,000	2,771,018	21,655,018

The annexed notes 1 to 49 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, 2024

Rupees in thousand	Note	2024	2023
Cash flows from operating activities			
Cash (utilized) / generated from operations	36	(15,623,050)	999,634
Finance cost paid		(533,530)	(104,799)
Employees' retirement benefits and other obligations paid		(243,073)	(289,614)
Net decrease / (increase) in loans to employees		139,201	(315,810)
Net increase in long term deposits		(49,450)	-
Income tax paid		(1,566,663)	(2,907,848)
Royalty paid		(1,581,339)	(1,486,079)
Net increase in deferred revenue		2,135	3,273
Net cash outflow from operating activities		(19,455,769)	(4,101,243)
Cash flows from investing activities			
Purchase of property, plant and equipment		(227,568)	(1,354,969)
Purchase of intangible assets		(23,977)	(295,693)
Proceeds from disposal of property, plant and equipment		480,035	185,425
Proceeds from disposal of short term investments		-	6,981,276
Interest received		635,397	935,699
Net cash inflow from investing activities		863,887	6,451,738
Cash flows from financing activities			
Long term finances acquired		-	590,392
Long term finances repaid		(374,270)	(289,979)
Dividends paid		(510,042)	(487,075)
Net cash outflow from financing activities		(884,312)	(186,662)
Net (decrease) / increase in cash and cash equivalents		(19,476,194)	2,163,833
Cash and cash equivalents at the beginning of the year		15,150,337	12,986,504
Cash and cash equivalents at the end of the year	37	(4,325,857)	15,150,337

The annexed notes 1 to 49 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, 2024

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');
- ii) Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Act; and
- iii) Provisions of and directives issued under the Act.

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

2.2 New and amended standards and interpretations

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

	Effective date (period beginning on or after)
IFRS 7 Financial Instruments: Disclosures (Amendments)	January 1, 2024
IFRS 16 Leases (Amendments)	January 1, 2024
IAS 12 Income Taxes (Amendments)	January 1, 2024
IAS 1 Presentation of Financial Statements (Amendments)	January 1, 2024
IAS 7 Statement of Cash Flows (Amendments)	January 1, 2024
IAS 21 The Effects of Changes in Foreign Exchange Rates (Amendments)	January 1, 2025
IFRS 17 Insurance Contracts	January 1, 2026

2.2.2 Other than the aforementioned standards, interpretations and amendments, IASB has also issued the following standards, which have not been notified locally, in relation to the Company, by Securities and Exchange Commission of Pakistan (SECP) as at March 31, 2024:

IFRS 1 First Time Adoption of International Financial Reporting Standards
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2 Climate-related Disclosures

2.2.3 The management anticipates that the adoption of above standards, interpretations and amendments in future periods will have no material impact on the financial statements other than in presentation / disclosures.

2.2.4 There are certain amendments to the accounting and reporting standards which became applicable to the Company on April 1, 2023. However, these amendments do not have any significant impact on the Company's financial statements, except as disclosed in note 4 to the financial statements.

3. BASIS OF MEASUREMENT

3.1 These financial statements have been prepared under the historical cost convention except for certain items as disclosed in the relevant accounting policies below.

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 4.14.2 (a) and 10
- b) Provision for taxation - notes 4.13 and 35
- c) Useful lives and residual values of property, plant and equipment and intangible assets - notes 4.1, 4.15, 17 and 18
- d) Impairment of financial assets - note 4.4.4
- e) Provision for warranty claims - note 4.8 and 15.10
- f) Contingent liabilities - notes 4.12 and 16

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.

During the year, as a result of assessment of the review of the remaining useful lives of the Company's plant and equipment and license fees and drawings require upward and downward revision in their useful lives. Hence, the remaining useful lives of such plant and equipment and license fees and drawings have been adjusted accordingly. Such change has been accounted for as a change in accounting estimate in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Had there been no change in accounting estimate, the profit before tax for the year ended March 31, 2024 would have been lower by Rs 178.17 million and carrying amount of property, plant and equipment and intangible assets as at that date would have been lower by Rs 147.43 million and Rs 30.74 million respectively. Consequently due to above changes in accounting estimates, the future profit before tax would decrease by Rs 178.17 million.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2 'Making Materiality Judgements') from April 1, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the financial statements.

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2024

4.1 Property, plant and equipment

4.1.1 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	11% to 41%
Furniture and office equipment	20%
Vehicles	20%
Tools and equipment	20%
Computers	35%

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. The effect of any changes in estimate is accounted for on a prospective basis.

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.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in as other income or expense in the statement of profit or loss.

4.1.2 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.

4.2 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.

4.3 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, and 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 the statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

4.4 Financial assets

4.4.1 Classification

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

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

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

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

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

4.4.2 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.

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For the year ended March 31, 2024

4.4.3 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.

4.4.4 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 loans, deposits and other receivables, short term investments 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 deposits
- Trade debts
- Loans, deposits and other receivables
- Bank balances.
- Short term investments

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

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

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

The following indicators are considered while assessing credit risk:

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

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

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

Irrespective of the above analysis, in case of trade debts, the Company considers that default has occurred when a debt is more than 360 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:

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For the year ended March 31, 2024

- 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.

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.

4.5 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.

4.6 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 the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines.

4.7 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.

4.8 Provision for warranty claims

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.

4.9 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.

4.10 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.

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4.11 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 in 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.

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.

4.12 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.

4.13 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.

4.14 Employee benefits

4.14.1 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.

4.14.2 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, 2024 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 8.32% (2023: 7.59%) per annum of basic salary.

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

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited 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:

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	2024	2023
	(Per annum)	
Discount rate	15.50%	15.75%
Expected increase in eligible pay	15.00 to 18.00%	8.45 to 15.75%
Expected rate of return on plan assets	15.50%	15.75%

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

The Company is expected to contribute Rs 99.513 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.

4.15 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, dealership management system, 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 is charged at the annual rates given below:

	Rate
License fees and drawings	5% to 17%
Computer software	20% to 25%

The assets' useful lives are continually reviewed by the Company and adjusted if impact on amortisation is significant. The effect of any changes in estimate accounted for on a prospective basis.

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.

4.16 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.

4.17 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.

4.18 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.

4.19 Ijarah contracts

The Company has entered in to Ijarah contracts under which it obtains the right to use and benefit from an asset for an agreed period for an agreed consideration. The Ijarah contracts are undertaken in compliance with the Shariah essentials for such contracts prescribed by the State Bank of Pakistan.

Company accounts for its Ijarah contracts in accordance with the requirements of IFAS 2 'Ijarah'. Accordingly, Company as a Mustaj'ir (lessee) in the Ijarah contract recognises the Ujrah (lease) payments as an expense in the profit and loss on straight line basis over the Ijarah term.

4.20 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 Company shall present the contract as a contract liability when the payment is made or the payment is due (whichever is earlier).

4.21 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.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2024

4.22 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.

4.23 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.

5. SUMMARY OF OTHER ACCOUNTING POLICIES

5.1 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.

5.2 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.

5.3 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').

5.4 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.

5.5 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.

5.6 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.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

5.7 Rounding of amounts

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

5.8 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.

6. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2024		2023	
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
31,400,000	31,400,000	Ordinary shares of Rs 10 each allotted as bonus shares	314,000
142,800,000	142,800,000		1,428,000

6.1 72,828,000 (2023: 72,828,000) ordinary shares of the Company which represent 51% (2023: 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.

6.2 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, 2024

6.3 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	2024	2023
Directors			
Mr. Ariful Islam		500	500
Mr. Muhammad Naeem Khan		710	700
Ms. Rie Mihara		500	500
	6.3.1	1,710	1,700
Other related parties			
Atlas Insurance Limited		850,000	850,000
Shirazi Investments (Private) Limited		43,119,650	43,119,650
		43,971,360	43,971,350

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

Rupees in thousand	Note	2024	2023
7. RESERVES			
Composition of reserves is as follows:			
Capital			
Share premium	7.1	76,000	76,000
Revenue			
General reserve	7.2		
- At the beginning of the year		17,380,000	15,880,000
- Transferred from un-appropriated profit		-	1,500,000
		17,380,000	17,380,000
		17,456,000	17,456,000

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

7.2 This reserve has been maintained for general purposes.

Rupees in thousand	Note	2024	2023
8. LONG TERM FINANCES - SECURED			
Loan under refinance scheme - Islamic mode of financing	8.1	2,981,772	3,154,228
Current portion shown under current liabilities	12	(347,269)	(233,172)
		2,634,503	2,921,056

8.1 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 amounted 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 first hypothecation charge over all present and future movable fixed assets of the Company 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 1.60% per annum. The effective interest rate during the year ranges from 7.50% to 14.25% (2023: 7.50% to 14.25%) per annum. The reconciliation of the carrying amount is as follows:

Rupees in thousand	Note	2024	2023
Balance as at beginning of the year		3,154,228	2,739,121
Disbursements during the year		-	590,392
Repayments during the year		(374,270)	(102,510)
		2,779,958	3,227,003
Discounting adjustment for recognition at fair value			
- deferred government grant	9	-	(267,937)
Unwinding of discount on liability		201,814	195,162
Balance as at end of the year		2,981,772	3,154,228
Current portion shown under current liabilities	12	(347,269)	(233,172)
		2,634,503	2,921,056

9. 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 8. 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 7.50% to 14.25% (2023: 7.50% to 14.25%) per annum.

9.1 The reconciliation of the carrying amount is as follows:

Rupees in thousand	Note	2024	2023
Balance as at beginning of the year		1,022,175	952,713
Deferred government grant recognised during the year	8.1	-	267,937
Credited to profit or loss - amortised during the year		(201,814)	(198,475)
		820,361	1,022,175
Current portion shown under current liabilities	12	(187,595)	(201,814)
Balance as at end of the year		632,766	820,361

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2024

10. EMPLOYEE RETIREMENT BENEFITS

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

Rupees in thousand	Note	2024	2023
Present value of defined benefit obligation	10.2	1,275,165	1,119,914
Fair value of plan assets	10.3	(1,206,237)	(983,375)
Liability as at March 31		68,928	136,539

10.1 Movement in net liability of defined benefit obligation

Net liability as at beginning of the year		136,539	250,977
Charged to statement of profit or loss	10.5	102,136	104,075
Total remeasurement gain for the year recognised in OCI	10.6	(63,109)	(43,059)
Contributions made by the Company during the year		(106,638)	(175,454)
Net liability as at end of the year		68,928	136,539

10.2 Movement in the present value of defined benefit obligation

Present value of defined benefit obligation as at beginning of the year		1,119,914	1,028,363
Current service cost		81,104	74,585
Interest cost		166,049	118,899
Benefits paid during the year		(125,261)	(32,915)
Benefits due but not paid		(6,002)	-
Remeasurements on obligation recognised in OCI			
- Actuarial losses / (gains) from changes in financial assumptions		26,279	(68,773)
- Experience adjustments		13,082	(245)
Present value of defined benefit obligation as at end of the year		1,275,165	1,119,914

10.3 Movement in the fair value of plan assets

Fair value of plan assets as at beginning of the year		983,375	777,386
Interest income on plan assets		145,017	89,409
Contributions made during the year		106,638	175,454
Benefits paid during the year		(125,261)	(32,915)
Benefits due but not paid		(6,002)	-
Remeasurements on fair value of plan assets recognised in / (charged to) OCI		102,470	(25,959)
Fair value of plan assets as at end of the year		1,206,237	983,375

10.4 Plan assets are comprised as follows:

Mutual funds - unquoted		1,079,995	754,170
Cash		126,242	229,205
		1,206,237	983,375

Rupees in thousand

10.5 Amounts recognised in the statement of profit or loss

Current service cost	81,104	74,585
Interest cost	166,049	118,899
Interest income on plan assets	(145,017)	(89,409)
Net expense charged in the statement of profit or loss	102,136	104,075

10.6 Remeasurements recognised in other comprehensive income ('OCI')

Actuarial losses / (gains) from changes in financial assumptions	26,279	(68,773)
Experience adjustments	13,082	(245)
Remeasurements on fair value of plan assets (recognised in) / charged to OCI	(102,470)	25,959
Total remeasurements recognised in OCI	(63,109)	(43,059)

10.7 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%	1,168,576	1,397,761
Salary growth rate	1.00%	1,397,910	1,166,551

The average duration of the defined benefit obligation is 9 years.

10.8 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 the Company has 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's fund 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.
- **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.

Demographic risks:

- **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.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2024

11. DEFERRED TAXATION

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

Rupees in thousand	Note	2024	2023
Opening deferred tax liability		706,823	521,177
(Recognised in) / charged to statement of profit or loss	35	(81,270)	185,646
Closing deferred tax liability		625,553	706,823
The liability for deferred taxation comprises of taxable / (deductible) temporary differences relating to:			
Accelerated tax depreciation		638,099	717,439
Minimum tax available for carry forward	11.1	-	-
Provision for custom duties		(12,546)	(10,616)
		625,553	706,823

- 11.1** 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
2022	100,116	2027
2023	695,339	2026
	795,455	

Rupees in thousand	Note	2024	2023
12. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Current portion of long term finances - secured	8	347,269	233,172
Current portion of deferred government grant	9	187,595	201,814
Current portion of deferred revenue		7,965	7,022
		542,829	442,008

13. SHORT TERM BORROWINGS - SECURED

Running finances - secured	13.1	2,615,661	-
Short term finances - secured	13.2	2,900,000	-
Letters of credit and bank guarantees	13.3	-	-
		5,515,661	-

13.1 Running finances - secured

Short term borrowings available from commercial banks under mark up arrangements amount to Rs 28,500 million (2023: Rs 21,500 million). These arrangements carry mark up ranging from 21.22% to 23.48% (2023: 11.39% to 20.08%) per annum. The aggregate short term borrowings amounting to Rs 25,500 million are secured by first pari passu hypothecation charge over current assets of the Company.

13.2 Short term finances - secured

Short term finances amounting to Rs 12,600 million (2023: Nil) were obtained by the Company during the year from various financial institutions. The effective rate applicable during the year on these loans ranges from 21.33% to 22.34% (2023: Nil).

The loans outstanding as at March 31, 2024 amounting to Rs 2,900 million (2023: Nil) are repayable within one month from the date of disbursement. These loans are secured by joint pari passu charge over the current assets of the Company.

13.3 Letters of credit and guarantees

Of the aggregate facility of Rs 11,571 million (2023: Rs 4,704 million) for opening letters of credit, the amount utilized as at March 31, 2024 was Rs 1,508 million (2023: Rs 1,822 million). The aggregate facility for opening letters of credit is secured by lien over import documents of the Company.

Of the aggregate facility of Rs 7,200 million (2023: Rs 8,200 million) for bank guarantees, out of which Rs 6,700 million is available as a sub-limit of the above mentioned facilities for short term borrowings, the amount utilized as at March 31, 2024 was Rs 4,428 million (2023: Rs 4,549 million).

Rupees in thousand	2024	2023
14. ACCRUED MARKUP		
Accrued mark up on:		
- Long term finances - secured	18,170	19,478
- Short term borrowings - secured	286,543	26
	304,713	19,504

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2024

Rupees in thousand	Note	2024	2023
15. TRADE AND OTHER PAYABLES AND PROVISIONS			
Creditors	15.1	1,385,081	572,675
Accrued liabilities		1,545,040	1,003,788
Bills payable	15.2	905,531	15,155,703
Deposits against display cars	15.3	2,447,870	2,474,940
Accumulating compensated absences	15.4	107,259	106,712
Contract liabilities	15.5 and 28.2	1,160,115	10,857,318
Cash discount payable against delayed delivery of vehicles	15.5	986,247	669,716
License fee, technical fee and royalties	15.6	1,844,164	2,300,539
Provision for custom duties	16.1	32,169	32,169
Punjab sales tax payable		864,996	562,979
Withholding income tax payable		97,485	21,132
Punjab infrastructure development cess payable		631,276	631,276
Sindh development and maintenance of infrastructure cess payable		2,950,420	2,593,319
Workers' Welfare Fund	15.7	79,178	19,074
Workers' Profit Participation Fund	15.8	19,091	25,310
Custom duty payable		335,303	287,478
Payable to employees' provident fund		25,101	20,349
Security deposits	15.9	218,576	219,492
Provision for warranty claims	15.10	68,000	102,500
Sales tax payable		1,924,681	-
Others		155,049	141,990
		17,782,632	37,798,459

15.1 This includes amounts due to the following related parties:

Rupees in thousand	2024	2023
Holding company	44	-
Other related parties	83,639	38,372
	83,683	38,372

15.2 This includes amounts due to the following related parties:

Holding company	43,585	2,131,221
Other related parties	898,685	12,936,284
	942,270	15,067,505

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

Rupees in thousand	2024	2023
15.4 Accumulating compensated absences		
Balance as at beginning of the year	106,712	95,411
Provision for the year	130,671	125,461
	237,383	220,872
Payments made during the year	(130,124)	(114,160)
Balance as at end of the year	107,259	106,712

15.5 This represents contract liabilities of the Company towards customers against the sale of vehicles. Customers who have given these advances, are entitled to discount at the rate of Karachi Inter Bank Offered Rate ('KIBOR') plus 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.

15.6 This includes amounts due to the following related parties:

Rupees in thousand	Note	2024	2023
Holding company		1,791,453	2,210,019
Other related parties		33,410	72,478
		1,824,863	2,282,497

15.7 **Workers' Welfare Fund**

Balance as at beginning of the year		19,074	51,857
Net provision for the year	33	78,066	18,244
		97,140	70,101
Payments during the year		(17,962)	(51,027)
Balance as at end of the year		79,178	19,074

15.8 **Workers' Profit Participation Fund**

Balance payable as at beginning of the year		25,310	9,436
Provision for the year	33	148,990	105,310
Interest for the year		101	896
		174,401	115,642
Payments during the year		(155,310)	(90,332)
Balance payable as at end of the year		19,091	25,310

15.9 These represent interest free deposits from dealers and contractors amounting to Rs 207.23 million (2023: Rs 203.09 million) and Rs 11.35 million (2023: Rs 16.40 million) against spare parts sales and scrap sales respectively. These are repayable on demand and cannot be utilised for the purpose of business in accordance with the terms of written agreements with these parties. These have been kept in a separate bank account in accordance with the requirements of section 217 of the Act.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2024

Rupees in thousand	2024	2023
15.10 Provision for warranty claims		
Balance as at beginning of the year	102,500	93,750
Charge for the year	6,000	25,000
Reversed during the year	(40,500)	(16,250)
Balance as at end of the year	68,000	102,500

16. CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

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

The Company approached custom authorities on the grounds that the components specified in the above mentioned notices included certain components which were duly appearing in the indigenization program of the Company for the relevant period. Hence, CBU rate of duty was not applicable on import of these components. However, the Customs Appellate Tribunal, Lahore ('CAT'), vide its order dated November 30, 2007, decided the matter against the Company against which references were filed in the Honourable Lahore High Court. The Honourable Lahore High Court remanded back the cases to CAT on December 16, 2016 which are pending adjudication. 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 5,384.82 million raised against the Company by the Customs Department in respect of imports affected during the period from April 2011 to December 2016, April 2017 to December 2017 and April 2018 to March 2021, on account of custom duty, sales tax and income tax on the grounds that 'license fee' and 'royalty' paid to M/s Honda Motor Co., Ltd., Japan was includable in the 'import value' of 'Completely Knocked Down' kits of vehicles assembled by the Company and parts thereof. The Company has filed an appeal against the decision of Collector of Customs (Adjudication) before the Customs Appellate Tribunal which is pending adjudication.

During the year, the Collector of Customs (Adjudication) has endorsed further demand of Rs 16.55 million on similar grounds for the periods from April 2021 to March 2022, taking the total amount involved in the matter to Rs 5,401.37 million. The Company has already filed an appeal and obtained stay against this demand with Customs Appellate Tribunal.

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 on 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 filed an appeal against ATIR's decision before Lahore High Court on February 18, 2019. Lahore High Court, through order dated February 25, 2019 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 4,428.14 million (2023: Rs 4,548.94 million) have been issued in favour of third parties.

16.2 Commitments in respect of

- (i) Letters of credit and purchase orders for capital expenditure aggregating Rs 41.24 million (2023: Rs 146.79 million).
- (ii) Letters of credit and purchase orders for other than capital expenditure aggregating Rs 2,145.50 million (2023: Rs 188.50 million).
- (iii) The future aggregate payments under Ijarah arrangements are as follows:

Rupees in thousand	Note	2024	2023
Not later than 1 year		129,507	-
Later than 1 year and not later than 5 years		258,017	-
		387,524	-
17. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	17.1	7,463,718	9,267,918
Major stores and spares	17.2	115,815	97,015
		7,579,533	9,364,933

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2024

17.1 Operating fixed assets

Rupees in thousand		2024					
	Cost as at April 01, 2023	Additions / (deletions)	Cost as at March 31, 2024	Accumulated depreciation as at April 01, 2023	Depreciation charge / (deletions) for the year	Accumulated depreciation as at March 31, 2024	Book value as at March 31, 2024
Freehold land	417,319	-	417,319	-	-	-	417,319
Buildings on freehold land	2,544,663	-	2,544,663	1,348,870	59,790	1,408,660	1,136,003
Plant and machinery	12,636,712	113,214	12,749,926	6,141,893	1,245,881	7,387,774	5,362,152
Furniture and office equipment	345,138	2,613	347,751	213,025	26,575	239,600	108,151
Vehicles	1,180,741	25,324 (711,960)	494,105	338,935	157,707 (263,524)	233,118	260,987
Tools and equipment	238,129	4,662	242,791	168,233	14,544	182,777	60,014
Computers	386,946	48,042 (1,667)	433,321	270,774	44,866 (1,411)	314,229	119,092
Total	17,749,648	193,855 (713,627)	17,229,876	8,481,730	1,549,363 (264,935)	9,766,158	7,463,718

Rupees in thousand		2023					
	Cost as at April 01, 2022	Additions / (deletions)	Cost as at March 31, 2023	Accumulated depreciation as at April 01, 2022	Depreciation charge / (deletions) for the year	Accumulated depreciation as at March 31, 2023	Book value as at March 31, 2023
Freehold land	417,319	-	417,319	-	-	-	417,319
Buildings on freehold land	2,430,896	113,767	2,544,663	1,286,130	62,740	1,348,870	1,195,793
Plant and machinery	10,079,978	2,632,489 (75,755)	12,636,712	5,000,365	1,216,365 (74,837)	6,141,893	6,494,819
Furniture and office equipment	298,024	49,578 (2,464)	345,138	187,379	27,700 (2,054)	213,025	132,113
Vehicles	848,669	642,070 (309,998)	1,180,741	290,073	192,827 (143,965)	338,935	841,806
Tools and equipment	227,069	12,981 (1,921)	238,129	153,616	16,349 (1,732)	168,233	69,896
Computers	378,502	11,604 (3,160)	386,946	212,970	60,425 (2,621)	270,774	116,172
Total	14,680,457	3,462,489 (393,298)	17,749,648	7,130,533	1,576,406 (225,209)	8,481,730	9,267,918

17.1.1 The cost of fully depreciated assets which are in use as at March 31, 2024 is Rs 1,586.76 million (2023: Rs 1,586.76 million).

17.1.2 Plant and machinery includes dies and moulds having book value of Rs 237.62 million (2023: Rs 279.44 million) which are in possession of various vendors of the Company as these dies and moulds are used by the vendors for producing certain parts for supply to the Company.

17.1.3 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.

17.1.4 The depreciation charge has been allocated as follows:

Rupees in thousand	Note	2024	2023
Cost of sales	29	1,402,211	1,403,169
Distribution and marketing costs	30	34,557	45,926
Administrative expenses	31	112,595	127,311
		1,549,363	1,576,406

17.1.5 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 8.1.

17.1.6 Sale of operating fixed assets

Rupees in thousand		2024				
Particulars of assets	Sold to	Cost	Net book value	Sale price	Gain / (loss) on sale	Mode of disposal
Vehicles	Employees					
	Qazi Wasif Ali	4,675	3,740	4,026	286	As per Company policy
	Mumtaz Hussain	3,622	3,324	3,538	214	-do-
	Syeda Mustajab Zehra	3,332	2,532	2,466	(66)	-do-
	Ghufraan Hameed	2,841	1,871	1,649	(222)	-do-
	Dr. Ali Chand	2,820	2,036	1,901	(135)	-do-
	Naseem UI Ghani	2,841	1,871	1,649	(222)	-do-
	Ghulam Murtaza	2,982	1,964	1,871	(93)	-do-
	Zahid Nadeem	3,047	2,316	2,121	(195)	-do-
	Umair Asmat	3,020	2,174	2,244	70	-do-
	Sami Ullah	1,901	701	836	135	-do-
	Yamna Anwar	2,845	1,742	1,679	(63)	-do-
	Jurry Murtaza	3,022	2,136	2,162	26	-do-
	Dilshad Majeed	2,841	1,707	1,649	(58)	-do-
	Hamza Nawaz	2,995	2,036	1,978	(58)	-do-
	Sheroz Abid	2,843	1,643	1,620	(23)	-do-
	Amna Tahir	4,814	3,145	3,560	415	-do-
	Muhammad Zafar Iqbal	4,806	3,140	3,560	420	-do-
	Fayyaz Ahmad	4,808	3,141	3,560	419	-do-
	Rana Usman Abid	4,808	3,141	3,560	419	-do-
	Muhammad Mumtaz Ahmed	4,808	3,141	3,560	419	-do-
	Farrukh Navid UI Hassan	4,806	3,140	3,560	420	-do-
	Mujahid Yasin	4,790	3,130	3,478	348	-do-
	Mirza Mahtab Baig	4,790	3,130	3,478	348	-do-
	Farhan Saleem	4,790	3,130	3,478	348	-do-
	Muhammad Arshad Javed	4,780	3,123	3,478	355	-do-
	Ghafoor Ahmad Qaiser	4,780	3,123	3,478	355	-do-
	Muhammad Rafi	4,782	3,124	3,478	354	-do-
	Mawiz Akhtar	4,782	3,124	3,478	354	-do-
	Muhammad Aamer	4,782	3,124	3,478	354	-do-
	Muhammad Nauman Ali	4,796	3,133	3,478	345	-do-
	Jamshaid Tahir	4,782	3,124	3,478	354	-do-
	Muhammad Javaid	4,705	3,074	3,386	312	-do-
	Nadeem Iqbal	4,705	3,074	3,386	312	-do-
	Muhammad Arshad	4,697	3,069	3,386	317	-do-
	Javed Iqbal	4,639	3,031	3,386	355	-do-
	Muhammad Mehboob	4,699	3,070	3,386	316	-do-
	Syed Mujahid Ali Shah	4,713	3,079	3,386	307	-do-
	Altat Hussain	4,699	3,070	3,386	316	-do-
	Ammarah Hafeez	4,699	3,070	3,386	316	-do-
	Muhammad Idrees	4,699	3,070	3,386	316	-do-

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2024

Rupees in thousand

2024

Particulars of assets	Sold to	Cost	Net book value	Sale price	Gain / (loss) on sale	Mode of disposal
Vehicles	Employees					
	Bushra Waseem	4,675	3,054	3,288	234	As per Company policy
	Farhat Yasmeen	4,675	3,054	3,288	234	-do-
	Majid Rashid	4,675	3,054	3,288	234	-do-
	Muhammad Shahid	4,609	3,012	3,288	276	-do-
	Muhammad Shahbaz Hassan	4,613	3,014	3,288	274	-do-
	Syed Arif Ali Shah	4,675	3,054	3,288	234	-do-
	Waseem Akhter	4,675	3,054	3,288	234	-do-
	Ayaz Liaqat	4,675	3,054	3,288	234	-do-
	Asia Saif Ali Rizvi	4,669	3,050	3,288	238	-do-
	Sh.Wajid Subhani	4,604	3,008	3,288	280	-do-
	Shahid Latif	4,669	3,050	3,288	238	-do-
	Abdul Quddos Abbasi	4,669	3,050	3,288	238	-do-
	Zulfiqar Ali	4,669	3,050	3,288	238	-do-
	Muhammad Nauman	4,670	3,051	3,288	237	-do-
	Muhammad Imran	4,669	3,050	3,288	238	-do-
	Muhammad Khalid	4,666	3,049	3,288	239	-do-
	Javed Iqbal Khan	4,666	3,048	3,288	240	-do-
	Riaz Ahmad	4,666	3,049	3,288	239	-do-
	Muhammad Aslam Khan	4,670	3,051	3,288	237	-do-
	M.Zaman Khan Abdali	4,666	3,049	3,288	239	-do-
	Muhammad Muneeb Ul Hassan	4,669	3,050	3,288	238	-do-
	Syed Awais Ahmed Shah	2,012	673	842	169	-do-
	Muhammad Fahad	2,011	673	842	169	-do-
	Ahmad Butt	1,872	626	702	76	-do-
	Muhammad Aleem	2,011	673	842	169	-do-
	Imran Naseem	2,363	856	1,065	209	-do-
	Shakeel Ahmad	2,776	1,122	1,176	54	-do-
	Muhammad Sattar Anjum	2,986	1,691	1,770	79	-do-
	Zeeshan Ashraf	2,980	1,687	1,770	83	-do-
	Khurram Manzoor	2,980	1,687	1,770	83	-do-
	Subah Sadiq	2,980	1,687	1,770	83	-do-
	Rizwan Haider	2,980	1,687	1,770	83	-do-
	Sami Ullah Athar	2,982	1,689	1,770	81	-do-
	Nawazish Ali	2,982	1,689	1,770	81	-do-
	Ahsan Saleem	2,982	1,689	1,770	81	-do-
	Imtiaz Hussain Khan	2,982	1,689	1,770	81	-do-
	Muhammad Zubair Maqbool	2,982	1,689	1,770	81	-do-
	Muhammad Kashif Shahzad	2,986	1,691	1,770	79	-do-
	Sajid Hameed	2,986	1,691	1,770	79	-do-
	Hafiz M. Sajid Naseem	2,910	1,743	1,871	128	-do-
	Amna Farrukh	3,332	2,177	2,324	147	-do-
	Mubashar Ahmed	3,332	2,177	2,324	147	-do-
	Naseem Maqsood	3,332	2,177	2,324	147	-do-
	Muhammad Amjad	3,332	2,177	2,324	147	-do-
	Ejaz Ahmad	3,332	2,177	2,324	147	-do-
	Muhammad Faisal Ijaz	3,332	2,177	2,324	147	-do-
	Chaudry Usman Liaquait	3,332	2,177	2,324	147	-do-
	Azeem Sattar	3,332	2,177	2,324	147	-do-
	Salman Gul	3,332	2,177	2,324	147	-do-
	Kashif Mushtaq	3,306	2,160	2,324	164	-do-
	Nadeem Bashir	3,306	2,160	2,324	164	-do-
	Waqar Ahmad Khan	3,309	2,162	2,324	162	-do-
	Amna Riyaset	3,308	2,161	2,324	163	-do-
	Sadaf Saqib	3,309	2,162	2,324	162	-do-
	Imran Khan	3,309	2,162	2,324	162	-do-
	Shamas Din	3,309	2,162	2,324	162	-do-

Rupees in thousand

2024

Particulars of assets	Sold to	Cost	Net book value	Sale price	Gain / (loss) on sale	Mode of disposal
Vehicles	Employees					
	Muhammad Afzal	3,308	2,161	2,324	163	As per Company policy
	Khurram Shamim	3,462	2,356	2,638	282	-do-
	Muhammad Ijaz Anjum	4,825	3,809	3,737	(72)	-do-
	Nisar Abbas	1,899	635	772	137	-do-
	Awais Akbar	1,901	636	772	136	-do-
	Rana Ali Ahmad	1,905	637	772	135	-do-
	Saad Bin Khalid	1,899	635	772	137	-do-
	Waqas Riaz	1,905	637	772	135	-do-
	Mian Jamshaid Ali	1,905	637	772	135	-do-
	Zeshan Haider	1,899	635	772	137	-do-
	Muhammad Javed	1,899	635	772	137	-do-
	Muhammad Amer Khan	1,907	638	772	134	-do-
	Muhammad Sagheer Imran	1,899	635	772	137	-do-
	Maqbool Ahmad	2,157	782	1,003	221	-do-
	Sher Dil Khan	2,185	792	1,003	211	-do-
	Muhammad Tanveer	2,183	791	1,003	212	-do-
	Tariq Mehmood	2,516	1,096	1,210	114	-do-
	Naveed Ahmad	2,517	1,096	1,210	114	-do-
	Rizwan Majeed	2,503	1,090	1,210	120	-do-
	Rizwan Ahmad Jamil	2,505	1,091	1,210	119	-do-
	Muhammad Ajmel Ali	2,503	1,090	1,210	120	-do-
	Syed Hasham Ali	2,505	1,091	1,210	119	-do-
	Momina Raza	2,521	1,098	1,210	112	-do-
	Mohsin Kalim	2,516	1,096	1,210	114	-do-
	Asad Ullah Toor	2,521	1,098	1,210	112	-do-
	Sufian Mukhtar	2,514	1,095	1,210	115	-do-
	Ayesha Azeem	2,462	1,072	1,210	138	-do-
	Muhammad Munir Malik	2,500	1,111	1,230	119	-do-
	Tuba Kareem	2,799	1,585	1,561	(24)	-do-
	Muhammad Ansar Qadri	2,848	1,612	1,561	(51)	-do-
	Tariq Gulzar	2,844	1,610	1,561	(49)	-do-
	Mustafa Saeed	2,841	1,609	1,561	(48)	-do-
	Aurang Zeb Khan	2,841	1,609	1,561	(48)	-do-
	Sarmad Afzaal	2,844	1,610	1,561	(49)	-do-
	Arif Hussain	2,844	1,610	1,561	(49)	-do-
	Obbaid Ali	2,841	1,609	1,561	(48)	-do-
	Muhammad Faheem	2,841	1,609	1,561	(48)	-do-
	Qasim Naseer	2,844	1,610	1,561	(49)	-do-
	Muhammad Umar Ghauri	2,844	1,610	1,561	(49)	-do-
	Muzammil Mehmood	2,841	1,609	1,561	(48)	-do-
	Atif Khan	2,841	1,609	1,561	(48)	-do-
	Qazi Samie Saeed	2,841	1,609	1,561	(48)	-do-
	Nadeem Asghar	2,841	1,609	1,561	(48)	-do-
	Uzair Ahmed	2,844	1,610	1,561	(49)	-do-
	Umar Maqsood	2,715	1,567	1,590	23	-do-
	Muhammad Tahir Arif	3,047	1,991	1,999	8	-do-
	Asim Shafi	3,047	1,991	1,999	8	-do-
	Muhammad Nawaz Farooqi	3,047	1,991	1,999	8	-do-
	Muhammad Nawaz	3,047	1,991	1,999	8	-do-
	Usman Ali	3,047	1,991	1,999	8	-do-
	Wajid Ali	3,047	1,991	1,999	8	-do-
	Hamza Farooq	3,046	1,990	1,999	9	-do-
	Muhammad Saghir	3,023	1,975	1,999	24	-do-
	Zakir Mehmood	3,020	1,973	1,999	26	-do-
	Ghussan Ayoub Hashmi	2,988	1,952	1,999	47	-do-

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2024

Rupees in thousand

2024

Particulars of assets	Sold to	Cost	Net book value	Sale price	Gain / (loss) on sale	Mode of disposal
Vehicles	Employees					
	Ali Arslan	3,020	1,973	1,999	26	As per Company policy
	Muhammad Israr	3,020	1,973	1,999	26	-do-
	Shahid Afzal	3,023	1,975	1,999	24	-do-
	Khalid Mahmood	3,023	1,975	1,999	24	-do-
	Arfan Faisal	3,020	1,973	1,999	26	-do-
	Mansoor Shafi	3,020	1,973	1,999	26	-do-
	Sohail Akhtar	3,020	1,973	1,999	26	-do-
	Muhammad Faheem Chishti	3,020	1,973	1,999	26	-do-
	Moazzam Waheed	3,033	1,981	1,999	18	-do-
	Muhammad Naveed Mazhar	3,034	1,982	1,999	17	-do-
	Muhammad Suhaib Bin Aziz	3,022	1,974	1,999	25	-do-
	Malik Muhammad Nawaz Sharif	3,020	1,973	1,999	26	-do-
	Hafiz Muhammad Sajid	3,019	1,972	1,999	27	-do-
	Muhammad Umair Aslam	3,023	1,975	1,999	24	-do-
	Muhammad Tahir Mahmood	3,023	1,975	1,999	24	-do-
	Waseem Shahid	3,033	1,981	1,999	18	-do-
	Hamza Khan	3,020	1,973	1,999	26	-do-
	Hira Jamshed	3,023	1,975	1,999	24	-do-
	Arif Hussain Awan	3,022	1,974	1,999	25	-do-
	Naeem Akhtar	3,020	1,973	1,999	26	-do-
	Muhammad Azhar Khan	3,020	1,973	1,999	26	-do-
	Ali Raza	3,023	1,975	1,999	24	-do-
	Muhammad Ahsin Naeem	2,984	1,950	1,999	49	-do-
	Qazi Umair	3,306	2,430	2,830	400	-do-
	Muhammad Rizwan Khan	4,336	3,482	3,761	279	-do-
	Employees					
	- Key management personnel					
	Rana Basharat (Ex-employee)	5,656	4,375	4,696	321	-do-
	Amir Nazir (Ex-employee)	5,731	3,757	4,048	291	-do-
	Maqsood Ur Rehman	5,669	3,642	3,911	269	-do-
	Maqsood Ur Rehman	5,632	4,139	4,491	352	-do-
	Muhammad Ashraf	5,659	3,636	3,911	275	-do-
	Muhammad Ashraf	5,632	4,139	4,491	352	-do-
	Iqbal Ahmad	5,659	3,636	3,911	275	-do-
	Asif Mahmood	5,659	3,636	3,911	275	-do-
	Muhammad Nauman	4,788	3,128	3,478	350	-do-
	Muhammad Naeem	4,782	3,124	3,478	354	-do-
	Aneel Anwar	4,782	3,124	3,478	354	-do-
	Muhammad Akmal Dar	5,659	3,636	3,911	275	-do-
	Sohail Qaisar	5,664	3,639	3,911	272	-do-
	Rizwan Shafique	8,370	7,115	8,624	1,509	-do-
	Hamood Ur Rahman Qaddafi	5,659	3,636	3,886	250	-do-
	Imran Farooq	5,722	3,676	3,886	210	-do-
	Muhammad Ali	5,721	3,676	3,886	210	-do-
	Muhammad Ajmal	5,661	3,637	3,886	249	-do-
	Syed Waseem Hasan	5,659	3,636	3,886	250	-do-
	Imran Haider Rathore	5,627	3,676	4,081	405	-do-
	Outsiders					
	Honda Falcon (Pvt) Ltd	8,341	8,338	10,298	1,960	Sale of car

Rupees in thousand

2023

Particulars of assets	Sold to	Cost	Net book value	Sale price	Gain / (loss) on sale	Mode of disposal
Vehicles	Employees					
	Muhammad Mumtaz Ahmed	2,877	1,449	1,488	39	As per Company policy
	Sami Shafi	2,869	1,445	1,488	43	-do-
	Muhammad Aamer	2,871	1,446	1,488	42	-do-
	Muhammad Khalid	2,867	1,444	1,488	44	-do-
	Muhammad Zafar Iqbal	2,871	1,446	1,488	42	-do-
	Farrukh Navid Ul Hassan	2,871	1,446	1,488	42	-do-
	Muhammad Naeem	2,874	1,447	1,488	41	-do-
	Ghafoor Ahmad Qaiser	2,871	1,445	1,488	43	-do-
	Muhammad Arshad Javed	2,870	1,445	1,488	43	-do-
	Muhammad Muneeb Ul Hassan	2,870	1,445	1,488	43	-do-
	Muhammad Aslam Khan	2,867	1,444	1,488	44	-do-
	Muhammad Nauman	2,867	1,444	1,488	44	-do-
	Rana Usman Abid	2,867	1,444	1,488	44	-do-
	Mirza Mahtab Baig	2,867	1,444	1,488	44	-do-
	Muhammad Nauman Ali	2,870	1,445	1,488	43	-do-
	Farhan Saleem	2,870	1,445	1,488	43	-do-
	Zulfiqar Ali	2,867	1,444	1,488	44	-do-
	Amna Tahir	2,867	1,444	1,488	44	-do-
	Mawiz Akhtar	2,867	1,444	1,488	44	-do-
	Shahid Latif	2,867	1,444	1,488	44	-do-
	Muhammad Rafi	2,867	1,444	1,488	44	-do-
	Fayyaz Ahmad	2,867	1,444	1,488	44	-do-
	Asia Saif Ali Rizvi	2,867	1,444	1,488	44	-do-
	Ayaz Liaqat	2,867	1,444	1,488	44	-do-
	Mujahid Yasin	2,867	1,444	1,488	44	-do-
	Jamshaid Tahir	2,867	1,444	1,488	44	-do-
	Abdul Waheed	2,867	1,444	1,488	44	-do-
	Syed Arif Ali Shah	2,867	1,444	1,488	44	-do-
	Aneel Anwar	2,867	1,444	1,488	44	-do-
	Majid Rashid	2,907	1,488	1,616	128	-do-
	Waseem Akhter	2,910	1,490	1,616	126	-do-
	Muhammad Imran	2,906	1,488	1,616	128	-do-
	Muhammad Shahid	2,910	1,490	1,616	126	-do-
	Abdul Quddos Abbasi	2,910	1,490	1,616	126	-do-
	Waqas Tariq	3,485	2,082	2,063	(19)	-do-
	Qazi Wasif Ali	3,562	2,374	2,401	27	-do-
	Bushra Waseem	3,559	2,372	2,401	29	-do-
	Sh.Wajid Subhani	3,536	2,357	2,401	44	-do-
	M.Zaman Khan Abdali	3,523	2,819	2,944	125	-do-
	Javed Iqbal Khan	3,525	2,820	2,944	124	-do-
	Riaz Ahmad	3,523	2,819	2,944	125	-do-
	Farhat Yasmeen	3,554	2,843	2,944	101	-do-
	Muhammad Shahbaz Hassan	3,475	2,780	2,944	164	-do-
	Muhammad Nauman	2,910	1,490	1,616	126	-do-
	Muhammad Umair Aslam	1,567	631	773	142	-do-
	Ammarah Hafeez	1,569	632	689	57	-do-
	Amna Riyaset	1,543	622	773	151	-do-
	Malik Muhammad Nawaz Sharif	1,566	631	773	142	-do-
	Arif Hussain Awan	1,564	630	773	143	-do-
	Muhammad Suhaib Bin Aziz	1,567	631	773	142	-do-
	Amna Farrukh	1,567	631	773	142	-do-
	Hafiz Muhammad Sajid	1,566	631	773	142	-do-
	Azeem Sattar	1,565	630	773	143	-do-
	Naeem Akhtar	1,567	631	773	142	-do-
	Jurry Murtaza Syed	1,542	621	773	152	-do-
	Muhammad Tahir Mahmood	1,565	630	773	143	-do-

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2024

Rupees in thousand		2023				
Particulars of assets	Sold to	Cost	Net book value	Sale price	Gain / (loss) on sale	Mode of disposal
Vehicles	Employees					
	Syeda Mustajab Zehra	1,566	631	773	142	As per Company policy
	Ali Raza	1,542	621	773	152	-do-
	Mubashar Ahmed	1,567	631	773	142	-do-
	Muhammad Amjad	1,647	664	848	184	-do-
	Muhammad Faisal Ijaz	1,645	663	848	185	-do-
	Muhammad Nawaz	1,565	630	773	143	-do-
	Muhammad Javaid	1,647	664	848	184	-do-
	Shamas Din	1,645	663	848	185	-do-
	Waseem Shahid	1,565	630	773	143	-do-
	Salman Gul	1,890	761	848	87	-do-
	Imran Khan	1,458	587	633	46	-do-
	Asim Shafi	1,567	631	773	142	-do-
	Syed Mujahid Ali Shah	1,645	663	848	185	-do-
	Moazzam Waheed	1,567	631	773	142	-do-
	Muhammad Afzal	1,649	664	848	184	-do-
	Umais Asmat	1,576	635	773	138	-do-
	Nadeem Bashir	1,567	631	773	142	-do-
	Ejaz Ahmad	1,707	699	901	202	-do-
	Wajid Ali	1,543	622	773	151	-do-
	Muhammad Ahsin Naeem	1,546	623	773	150	-do-
	Muhammad Naveed Mazhar	1,566	631	773	142	-do-
	Zahid Nadeem	1,542	621	773	152	-do-
	Muhammad Zohaib (Ex-employee)	1,567	610	689	79	-do-
	Nadeem Iqbal	2,982	2,585	2,714	129	-do-
	Kashif Mushtaq	2,844	2,464	2,393	(71)	-do-
	Waqar Ahmad Khan	1,900	973	1,107	134	-do-
	Altaf Hussain	2,980	2,583	2,714	131	-do-
	Muhammad Arshad	2,982	2,585	2,714	129	-do-
	Muhammad Mehboob	2,982	2,585	2,714	129	-do-
	Javed Iqbal	2,357	1,307	1,547	240	-do-
	Naseem Maqsood	2,844	2,464	2,393	(71)	-do-
	Muhammad Idrees	2,358	1,308	1,547	239	-do-
	Chaudry Usman Liaquat	1,899	972	1,107	135	-do-
	Sadaf Saqib	2,413	1,291	981	(310)	-do-
	Mumtaz Hussain (Ex-employee)	2,153	1,135	1,370	235	-do-
	Atif Iqbal (Ex-employee)	2,795	2,478	2,570	92	-do-
	Sami Shafi (Ex-employee)	4,780	4,382	4,880	498	-do-
	Abdul Waheed (Ex-employee)	4,668	4,201	4,529	328	-do-
	Muhammad Shakeel (Ex-employee)	2,982	2,326	2,422	96	-do-
	Muhammad Khyzar (Ex-employee)	3,023	2,671	2,703	32	-do-
	Muhammad Salman (Ex-employee)	2,841	2,134	2,098	(36)	-do-
	Fahad Mehmood (Ex-employee)	2,514	1,425	1,516	91	-do-
	Employees - Key management personnel					
	Aamir H. Shirazi	2,718	1,058	1,150	92	As per Company policy
	Imran Haider Rathore	2,869	1,444	1,488	44	-do-
	Muhammad Ashraf	2,890	1,310	1,347	37	-do-
	Maqsood Ur Rehman	2,893	1,311	1,347	36	-do-
	Related Party					
	Atlas Insurance Limited	11,059	8,551	8,881	330	Total loss-insurance claim
	Outsiders					
	Creative Electronics (Pvt) Ltd	27,093	10,189	16,960	6,771	Auction
	Kamran Bashir Mughal	11,599	2,800	3,350	550	Auction
	Adnan Naseer	3,470	992	2,245	1,253	Auction

Rupees in thousand	2024	2023
17.2 Major stores and spares		
Balance at the beginning of the year	97,015	-
Additions during the year	18,800	97,015
Balance at the end of the year	115,815	97,015

18. INTANGIBLE ASSETS

Rupees in thousand		2024					
	Cost as at April 01, 2023	Additions / (deletions)	Cost as at March 31, 2024	Accumulated amortisation as at April 01, 2023	Amortisation charge / (deletions) for the year	Accumulated amortisation as at March 31, 2024	Book value as at March 31, 2024
License fees and drawings	1,306,646	-	1,306,646	385,543	189,076	574,619	732,027
Computer softwares	195,911	23,020	218,931	28,009	41,469	69,478	149,453
Total	1,502,557	23,020	1,525,577	413,552	230,545	644,097	881,480

Rupees in thousand		2023					
	Cost as at April 01, 2022	Additions / (deletions)	Cost as at March 31, 2023	Accumulated amortisation as at April 01, 2022	Amortisation charge / (deletions) for the year	Accumulated amortisation as at March 31, 2023	Book value as at March 31, 2023
License fees and drawings	1,236,882	436,008 (366,244)	1,306,646	567,048	184,739 (366,244)	385,543	921,103
Computer softwares	149,211	109,699 (62,999)	195,911	71,750	19,258 (62,999)	28,009	167,902
Total	1,386,093	545,707 (429,243)	1,502,557	638,798	203,997 (429,243)	413,552	1,089,005

Rupees in thousand	Note	2024	2023
18.1	The amortisation charge has been allocated as follows:		
Cost of sales	29	189,076	184,739
Administrative expenses	31	41,469	19,258
		230,545	203,997

Notes to and Forming Part of the Financial Statements

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Rupees in thousand	Note	2024	2023
19. CAPITAL WORK-IN-PROGRESS			
Plant and machinery	19.2	17,850	2,937
Intangible assets under development		1,923	966
Others		3,112	3,112
		22,885	7,015
19.1 The reconciliation of the carrying amount is as follows:			
Opening balance		7,015	2,364,549
Additions during the year	19.1.1	232,745	1,650,663
		239,760	4,015,212
Transfers during the year		(216,875)	(4,008,197)
Closing balance		22,885	7,015

19.1.1 This includes borrowing cost capitalised of Rs Nil (2023: Rs 9.92 million).

19.2 This includes rear drum brakes having book value of Rs 2.45 million (2023: Rs Nil) which are in possession of the holding company for testing purposes.

Rupees in thousand	Note	2024	2023
20. LONG TERM TRADE DEBTS			
Considered good		1,763,096	836,769
Unwinding of discount	32	223,201	42,963
		1,986,297	879,732
Current portion shown under current assets	24	(1,210,023)	(398,465)
		776,274	481,267

20.1 These represent interest free receivables in respect of vehicles sold on monthly instalments in accordance with the Company's policy and are recoverable within a period of 2 to 5 years. Included in these receivables is an amount aggregating to Rs 260.02 million (2023: Rs 300.02 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 ranging from 11.50% to 23.99% per annum (2023: 11.50% to 18.79% per annum).

Rupees in thousand	Note	2024	2023
21. LONG TERM LOANS TO EMPLOYEES			
Loans to employees - considered good			
- Key management personnel	21.2	28,234	44,631
- Others		514,902	711,109
		543,136	755,740
Discounting of long term loans		(211,497)	(248,621)
Unwinding of discount	32	73,403	54,959
		405,042	562,078
Current portion shown under current assets			
- Key management personnel		(10,523)	(9,513)
- Others		(175,731)	(208,806)
	25	(186,254)	(218,319)
		218,788	343,759

21.1 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 22.00% per annum (2023: 11.50% to 22.00% 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 6.10% to 21.87% per annum (2023: 6.10% to 18.79% per annum).

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

21.2 The reconciliation of carrying amount of long term loans to key management personnel is as follows:

Rupees in thousand	2024	2023
Opening balance	44,631	20,280
Disbursements during the year	4,638	29,592
Receipts during the year	(21,035)	(5,241)
Closing balance	28,234	44,631

21.2.1 These comprise loans to the following key management personnel: Muhammad Ali, Muhammad Nauman, Iqbal Ahmed, Muhammad Naeem, Muhammad Akmal Dar, Asif Mahmood, Sohail Qaisar, Imran Farooq, Syed Wasim Hassan, Hamood Ur Rahman Qaddafi, Imran Haider Rathore and Rizwan Shafique.

The maximum amount of loan outstanding from the key management personnel at the end of any month during the year was Rs 39.70 million (2023: Rs 45.43 million).

The loans to key management personnel of the Company have been granted under the same terms as explained in note 21.1.

22. STORES AND SPARES

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

Spares amounting to Rs 0.01 million (2023: Rs 0.01 million) are in the possession of various vendors which relate to the dies and moulds.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2024

Rupees in thousand	Note	2024	2023
23. STOCK-IN-TRADE			
Raw materials [including in transit Rs 5,478.92 million (2023: Rs 296.46 million)]	23.2 & 23.5	14,557,958	9,390,095
Work-in-process		1,201,106	94,018
Finished goods			
- Own manufactured	23.3	3,805,878	2,303,304
- Trading stock [including in transit Rs 100.28 million (2023: Rs Nil)]	23.4 & 23.6	903,832	814,657
		20,468,774	12,602,074
Less: Provision for slow moving items	23.1	-	-
		20,468,774	12,602,074

23.1 Movement of provision for slow moving items

Balance as at April 1		-	68,677
Reversal during the year		-	(68,677)
Balance as at March 31		-	-

23.2 Raw materials amounting to Rs 416.60 million (2023: Rs 489.26 million) are in the possession of various vendors of the Company for further processing into parts to be supplied to the Company.

23.3 Own manufactured finished goods amounting to Rs 1,138.00 million (2023: Rs 912.54 million) are in the possession of various dealers as consignment stock for display at dealerships.

23.4 Trading stock amounting to Rs 18.59 million (2023: Rs 8.80 million) is in possession of various dealers as consignment stock for display at dealerships.

23.5 This represents the net amount of raw material after recording write offs amounting to Rs 65.34 million (2023: Rs 70.00 million).

23.6 This represents the net amount of spare parts after recording write offs amounting to Rs 18.99 million (2023: Nil).

Rupees in thousand	Note	2024	2023
24. TRADE DEBTS			
Considered good			
- Current portion of long term trade debts	20	1,210,023	398,465
- Others	24.1	7,313,179	545,613
		8,523,202	944,078
Considered doubtful		16,142	16,142
Loss allowance		(16,142)	(16,142)
		-	-
		8,523,202	944,078

24.1 This includes balance receivable from Honda Trading Asia Co. Limited, a related party, amounting to Rs 0.355 million (2023: Rs 0.153 million).

The maximum amount receivable from the related parties at the end of any month during the year was Rs 0.355 million (2023: Rs 0.153 million).

Rupees in thousand	Note	2024	2023
The aging analysis of trade debts due from related parties that are past due and not impaired is as follows:			
Neither past due nor impaired		-	-
Past due but not impaired:			
Up to 90 days		355	-
90 to 180 days		-	153
Greater than 180 days		-	-
		355	153

The aging analysis of trade debts due from other than related parties that are past due and not impaired is as follows:

Neither past due nor impaired		7,289,758	512,408
Past due but not impaired:			
Up to 90 days		-	27,105
90 to 180 days		-	-
Greater than 180 days		23,066	5,947
		23,066	33,052
		7,312,824	545,460

25. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Current portion of loans to employees	21	186,254	218,319
Advances to suppliers and contractors - considered good	25.1	1,776,576	2,017,073
Due from related parties	25.2	24,463	240,256
Recoverable from government authorities:			
- Sales tax		-	1,922,340
- Custom duty		39,152	39,152
		39,152	1,961,492
Prepayments	25.3	326,755	327,393
Margin held against imports		11,353	11,482,816
Profit receivable on bank deposits		6,029	59,251
Other receivables	25.4	440,174	130,513
		2,810,756	16,437,113

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2024

25.1 This includes interest bearing advances to suppliers and contractors aggregating to Rs 872.52 million (2023: Rs 645.73 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 22.50% to 25.25% (2023: 13.20% to 18.25%) per annum.

Rupees in thousand	Note	2024	2023
25.2 Due from related parties			
Holding company			
Honda Motor Co. Ltd., Japan		1,823	-
Other related parties			
Honda Automobile (Thailand) Co. Ltd.		19,343	100,648
PT Honda Prospect Motor Indonesia		123	1,399
PT Honda Precision Parts Mfg.		982	138,209
Honda Trading Asia		2,192	-
	25.2.1	24,463	240,256

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

25.2.2 The maximum aggregate amount due from these related parties at the end of any month during the year was Rs 234 million (2023: Rs 240 million).

Rupees in thousand	2024	2023
The aging analysis of due from related parties that are past due and not impaired is as follows:		
Neither past due nor impaired	24,463	-
Past due but not impaired:		
Up to 90 days	-	231,552
90 to 180 days	-	8,479
Greater than 180 days	-	225
	-	240,256
	24,463	240,256

25.3 This includes the following related parties:

Rupees in thousand	2024	2023
Holding company		
Honda Motor Co. Ltd., Japan	768	-
Other related parties		
Asian Honda Motor Co. Ltd., Thailand	5,677	2,210
Atlas Insurance Limited	245,823	253,342
	252,268	255,552

25.4 Other receivables include an amount of Rs 1.77 million (2023: Rs 0.79 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 1.77 million (2023: Rs 1.96 million). It is neither past due nor impaired.

26. This represents investment in Government Treasury Bills which bear markup ranging from 17.76% to 22.25% (2023: 17.76% to 20.97%) per annum.

Rupees in thousand	Note	2024	2023
27. CASH AND BANK BALANCES			
At banks on:			
- Current accounts		19,150	65,981
- Deposit accounts	27.1 & 27.2	1,159,599	821,703
		1,178,749	887,684
Cash in hand		11,055	11,381
		1,189,804	899,065

27.1 Balances in deposit accounts bear mark up which ranges from 8.25% to 22.00% (2023: 8.25% to 20.00%) per annum.

27.2 This includes an amount of Rs 226.94 million (2023: Rs 222.43 million) in respect of security deposits received from dealers and contractors which 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	Note	2024	2023
28. SALES			
Sales - own manufactured goods	28.2, 28.3 & 28.5	67,477,282	115,385,710
Sales tax		(12,357,732)	(16,842,219)
Federal excise duty		(2,133,174)	(4,106,451)
Capital value tax		(342,332)	(490,190)
Commission to dealers		(974,081)	(1,645,384)
Discount to customers	28.4	(320,253)	(781,957)
		51,349,710	91,519,509
Sales - trading goods		4,484,047	4,260,650
Sales tax		(762,234)	(692,308)
Commission to dealers		(200)	(600)
		3,721,613	3,567,742
		55,071,323	95,087,251

28.1 Information by geographical area

Rupees in thousand	2024	2023
Pakistan	55,058,651	95,087,251
Thailand	12,672	-
	55,071,323	95,087,251

28.2 Contract liabilities as at the beginning of the year, aggregating to Rs 10.86 billion (2023: Rs 28.38 billion), have been recognized as sales upon dispatch of vehicles against such advances.

28.3 This includes amortization of deferred revenue amounting to Rs 2.50 million (2023: Rs 3.72 million) that has been recognised in respect of deferred revenue outstanding as at the beginning of the year.

28.4 This represents discount to customers as explained in note 15.5 to these financial statements.

28.5 Sales for the year include export sales amounting to Rs 12.67 million (2023: Nil).

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2024

Rupees in thousand	Note	2024	2023
29. COST OF SALES			
Raw material consumed		44,736,718	78,961,454
Stores and spares consumed		187,078	279,007
Salaries, wages and benefits	29.1	1,744,635	1,841,012
Fuel and power		286,557	349,451
Insurance		221,392	209,325
Travelling and vehicle running		267,970	297,769
Freight and handling		306,161	1,022,176
Repairs and maintenance		75,521	139,131
Technical assistance		25,268	75,107
Depreciation on property, plant and equipment	17.1.4	1,402,211	1,403,169
Amortisation on intangible assets	18.1	189,076	184,739
Royalty	29.2	1,211,137	2,162,067
Canteen subsidy		58,463	76,703
Provision / (reversal) for net realisable value		-	(86,223)
Rent, rate and taxes	29.3	2,331	80,087
Other expenses		11,196	13,369
		50,725,714	87,008,343
Opening stock of work-in-process		94,018	707,331
Closing stock of work-in-process		(1,201,106)	(94,018)
		(1,107,088)	613,313
Cost of goods manufactured		49,618,626	87,621,656
Own work capitalized		(16,823)	(366,750)
Cost of damaged cars		(3,360)	(5,642)
		49,598,443	87,249,264
Opening stock of finished goods		2,303,304	720,218
Closing stock of finished goods		(3,805,878)	(2,303,304)
		(1,502,574)	(1,583,086)
Cost of sales - Own manufactured goods		48,095,869	85,666,178
Cost of sales - Trading goods		2,467,360	2,260,037
		50,563,229	87,926,215
29.1 Salaries, wages and benefits include following amounts in respect of gratuity:			
Current service cost		56,698	53,111
Net interest on defined benefit obligation		14,703	21,000
		71,401	74,111

In addition to above, salaries, wages and benefits include Rs 65.04 million (2023: Rs 61.17 million) on account of provident fund contributions.

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

Company name	Address	Relationship with the Company	2024 Rupees in thousand	2023 Rupees in thousand
Honda Motor Co., Ltd., Japan	1-1, Minami-Aoyama, 2-Chome, Minato-ku, Tokyo, 107-8556, Japan	Holding company	1,029,642	1,839,626
Honda Lock Mfg. Co., Japan	3700, Shimonaka Sadowara-Cho Miyazaki City Miyazaki Pref, 880-0293 Japan	Group company	1,944	4,215
Yutaka Giken Co., Ltd.	508-1, Yutaka-cho, Higashi-ku Hamamatsu-Shi SZK 431-3194, Japan	Group company	7,714	8,083
Toyo Denso Co., Ltd.	2-104, Shinbashi, Minato-ku Tokyo, Japan	None	92	-
Yamada Manufacturing Co., Ltd.	1-2757, Hirosawa-cho, Kiryu-shi Gumma Pref, 379-8585, Japan	None	251	713
Hitachi Astemo, Ltd.	1-14-1, Fujiwara-cho, Gyoda, Saitama 361-8506, Japan	None	1,327	2,925
Sankei Giken Kogyo Co., Ltd.	2-5-1, Akabane-Minami, Kita-ku, Tokyo 115-8555, Japan	None	3,090	5,431
Kotobukiya Co., Ltd.	Kotobukiya Bldg., 4-5, Midori-cho, Tachikawa-shi, Tokyo 190-8542, Japan	None	24	3,209
			1,044,084	1,864,202

29.3 This represents expenses incurred by the Company in respect of short term leases as per IFRS 16.

Rupees in thousand	Note	2024	2023
30. DISTRIBUTION AND MARKETING COSTS			
Salaries, wages and benefits	30.1	327,058	336,902
Fuel and power		9,935	12,781
Insurance		25,691	23,909
Travelling and vehicle running		55,137	50,777
Freight and handling		29,099	30,804
Repairs and maintenance		4,319	6,047
Printing and stationery		7,195	18,136
Warranty costs - net of claims		598	(14,460)
Advertising and sales promotion		291,064	281,683
Depreciation on property, plant and equipment	17.1.4	34,557	45,926
Training expenses		4,828	6,338
Canteen subsidy		13,566	12,485
Free service claims		2,498	9,553
Rent, rates and taxes	30.2	31,368	27,708
Fees and subscriptions		68,410	43,336
Others		9,560	10,449
		914,883	902,374

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

Current service cost	8,724	8,029
Net interest on defined benefit obligation	2,262	3,175
	10,986	11,204

In addition to above, salaries, wages and benefits include Rs 12.43 million (2023: Rs 12.39 million) on account of provident fund contributions.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2024

30.2 This represents expenses incurred by the Company in respect of short term leases as per IFRS 16.

Rupees in thousand	Note	2024	2023
31. ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	31.1 & 31.2	765,769	682,672
Fuel and power		22,090	31,539
Insurance		38,810	37,926
Travelling and vehicle running		151,903	123,990
Repairs and maintenance		139,866	94,460
Printing and stationery		9,299	14,287
Communications		64,337	47,419
Postage		1,033	1,215
Auditors' remuneration	31.3	13,992	12,661
Legal and professional charges		27,543	20,810
Depreciation on property, plant and equipment	17.1.4	112,595	127,311
Amortisation on intangible assets	18.1	41,469	19,258
Fees and subscriptions		23,318	10,177
Canteen subsidy		21,765	22,353
Security expenses		785	851
Training expenses		10,595	21,706
Others	31.4	34,783	53,327
		1,479,952	1,321,962
31.1 Salaries, wages and benefits include following amounts in respect of gratuity:			
Current service cost		15,682	13,444
Net interest on defined benefit obligation		4,067	5,316
		19,749	18,760

In addition to above, salaries, wages and benefits include Rs 21.04 million (2023: Rs 20.06 million) on account of provident fund contributions.

31.2 It also includes expense in respect of advisory fee of a non-executive Director aggregating Rs 47.147 million (2023: 45.225 million).

31.3 Auditors' remuneration

The charges for professional services (excluding sales tax) consist of the following in respect of auditors' services for:

Rupees in thousand	2024	2023
Statutory audit	3,300	2,641
Half yearly review	1,000	779
Taxation services	4,692	3,535
Certifications and audits required by various regulations	1,930	1,663
Assistance in relation to statutory documentation	2,719	3,036
Out of pocket expenses	351	1,007
	13,992	12,661

31.4 Includes expense in respect of short term leases as per IFRS 16 of Rs 7.13 million (2023: Rs 1.96 million).

Rupees in thousand	Note	2024	2023
32. OTHER INCOME			
Profit on bank deposits		426,560	825,936
Interest on loans to employees		6,947	6,591
Unwinding of discount on long term trade debts	20	223,201	42,963
Unwinding of discount on long term loans to employees	21	73,403	54,959
Fair value gain on financial assets at fair value through profit or loss:			
- Realised		1,096,367	891,270
- Unrealised		-	342,783
		1,096,367	1,234,053
Net gain on disposal of property, plant and equipment		31,343	17,336
Markup on advances to suppliers		148,668	106,496
Exchange gain - net		213,685	-
Others		31,941	33,371
		2,252,115	2,321,705

33. OTHER EXPENSES

Default surcharge on sales tax on royalty		135,288	-
Workers' Profit Participation Fund	15.8	148,990	105,310
Workers' Welfare Fund	15.7	78,066	18,244
Exchange loss - net		-	4,485,379
Freight loss - net		29,941	21,424
Sales tax recoverable written off		-	298,249
Donations	33.1	1,350	1,010
		393,635	4,929,616

33.1 The Company made a donation of Rs 1.35 million (2023: Rs 1.01 million) to Aligarh Public School & College (Manga) for the purpose of student scholarship. No directors or their spouses had any interest in the donee during the year.

Rupees in thousand	Note	2024	2023
34. FINANCE COST			
Interest / mark up on:			
- Workers' Profit Participation Fund		101	896
- Short term borrowings - secured		718,652	284
- Long term finances - secured		64,194	57,933
Discounting of long term trade debts		400,257	259,131
Bank and other markup charges		35,792	27,897
		1,218,996	346,141

35. TAXATION

Current			
- For the year	35.1	381,785	1,303,734
- Prior years		118,333	233,127
		500,118	1,536,861
Deferred			
	11	(81,270)	185,646
		418,848	1,722,507

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2024

35.1 During the year, the Company has adjusted brought forward minimum tax credits under section 113 of the Income Tax Ordinance, 2001 amounting to Rs 1,125.11 million against its current tax liability for the year.

Percentage	2024	2023
35.2 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:		
- prior year super tax	4.30	11.78
- current year super tax	13.86	3.98
- permanent differences	0.08	1.01
- effect of change in tax rate for future periods	3.59	4.32
- deferred tax asset not recognised	1.09	41.16
- impact of capital gain u/s 37A and final tax regime	3.60	(5.01)
- minimum tax adjusted	(40.87)	-
- others	0.57	0.64
	(13.78)	57.88
Average effective tax rate charged to statement of profit or loss	15.22	86.88

Rupees in thousand	Note	2024	2023
36. CASH (UTILIZED) / GENERATED FROM OPERATIONS			
Profit before taxation		2,752,743	1,982,648
Adjustments for:			
Depreciation on property, plant and equipment	17.1.4	1,549,363	1,576,406
Net gain on disposal of property, plant and equipment	32	(31,343)	(17,336)
Profit on bank deposits	32	(426,560)	(825,936)
Markup on advances to suppliers	32	(148,668)	(106,496)
Interest on loans to employees	32	(6,947)	(6,591)
Gain on short term investments	32	-	(185,738)
Discounting of long term loans		17,835	175,873
Discounting of long term trade debts	34	400,257	259,131
Finance cost		818,739	87,010
Provision for employees' retirement benefits and other obligations		232,807	229,536
Amortisation of long term deposits		687	-
Amortisation of intangible assets	18.1	230,545	203,997
Amortisation of deferred revenue		(2,497)	(3,720)
Royalty	29	1,211,137	2,162,067
Exchange (gain) / loss - net	32 and 33	(213,685)	4,485,379
Sales tax recoverable written off	33	-	298,249
Working capital changes	36.1	(22,007,463)	(9,314,845)
		(15,623,050)	999,634

Rupees in thousand	Note	2024	2023
36.1 Working capital changes			
(Increase) / decrease in current assets			
- Stores and spares		25,042	(41,813)
- Stock-in-trade		(7,866,700)	10,264,099
- Trade debts		(8,274,388)	(678,532)
- Loans, advances, deposits, prepayments and other receivables		13,541,070	(5,941,457)
		(2,574,976)	3,602,297
Decrease in current liabilities			
- Trade and other payables		(19,432,487)	(12,917,142)
		(22,007,463)	(9,314,845)

37. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise of the following:

	Note	2024	2023
- Short term investments	26	-	14,251,272
- Cash and bank balances	27	1,189,804	899,065
- Short term borrowings	13	(5,515,661)	-
		(4,325,857)	15,150,337

38. 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	
	2024	2023	2024	2023	2024	2023	2024	2023
Short term employee benefits								
Managerial remuneration	2,137	1,544	1,115	991	-	-	379,195	360,907
House rent and utilities	6,694	5,775	4,937	4,198	-	-	208,342	203,807
Bonus	-	-	-	-	-	-	182,558	92,634
Reimbursement of medical expenses	433	110	604	43	-	-	10,808	8,961
Meeting fee - note 38.3	-	-	-	-	1,400	1,400	-	-
Advisory fee	-	-	-	-	47,148	45,226	-	-
Other allowances	34,832	14,919	19,743	15,818	-	-	102,491	78,229
Post employment benefits								
Contributions to Provident and Gratuity Funds	-	-	-	-	-	-	74,380	71,809
	44,096	22,348	26,399	21,050	48,548	46,626	957,774	816,347
Number of persons	1	1	1	2	4	4	155	148

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

38.2 Total number of directors of the Company (excluding Chief Executive) is 8 (2023: 8).

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

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39. EARNINGS PER SHARE (EPS)

39.1 Basic earnings per share

		2024	2023
Profit for the year	Rupees in thousand	2,333,895	260,141
Weighted average number of ordinary shares	Number in thousand	142,800	142,800
Basic EPS	Rupees	16.34	1.82

39.2 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, 2024 and March 31, 2023 which would have any effect on the earnings per share if the option to convert is exercised.

40. 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.

40.1 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	
	2024	2023	2024	2023	2024	2023
40.2 Segment information						
Segment revenue	51,349,710	91,519,509	3,721,613	3,567,742	55,071,323	95,087,251
Segment expenses						
- Cost of sales	(48,095,869)	(85,666,178)	(2,467,360)	(2,260,037)	(50,563,229)	(87,926,215)
Gross profit	3,253,841	5,853,331	1,254,253	1,307,705	4,508,094	7,161,036
Distribution and marketing costs					(914,883)	(902,374)
Administrative expenses					(1,479,952)	(1,321,962)
Other income					2,252,115	2,321,705
Other expenses					(393,635)	(4,929,616)
Finance cost					(1,218,996)	(346,141)
Profit before taxation					2,752,743	1,982,648
Taxation					(418,848)	(1,722,507)
Profit for the year					2,333,895	260,141

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

41. FINANCIAL RISK MANAGEMENT

41.1 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	2024	2023
In USD		
Cash and bank balances	26	32
Other receivables	4	46
Trade and other payables	(3,590)	(42,316)
Net exposure	(3,560)	(42,238)
In JPY		
Other receivables	1,059	513
Trade and other payables	(53,424)	(1,068,349)
Net exposure	(52,365)	(1,067,836)
In THB		
Other receivables	2,460	10,739
Trade and other payables	(19,285)	(119,578)
Net exposure	(16,825)	(108,839)

As at March 31, 2024, 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 35.13 million (2023: Rs 425.99 million) lower / higher, mainly as a result of exchange losses / gains on translation of USD denominated financial instruments.

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As at March 31, 2024, 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 3.42 million (2023: Rs 81.12 million) lower / higher, mainly as a result of exchange losses / gains on translation of JPY denominated financial instruments.

As at March 31, 2024, 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 4.56 million (2023: Rs 32.22 million) lower / higher, 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	2024	2023
Fixed rate instruments:			
Financial assets			
Long term loans to employees		27,211	37,962
Short term investments - treasury bills	26	-	14,251,272
Bank balances - deposit accounts	27	1,159,599	821,703
		1,186,810	15,110,937
Financial liabilities			
Long term finances - secured	8	(2,981,772)	(3,154,228)
Net exposure		(1,794,962)	11,956,709

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

As at March 31, 2024, if interest rates on floating rate borrowings had been 1% higher / lower with all other variables held constant, profit before taxation for the year would have been Rs 55.156 million (2023: Nil) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings.

(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	2024	2023
Long term loans to employees	21	218,788	343,759
Long term deposits		52,805	4,042
Long term trade debts	20	776,274	481,267
Trade debts	24	8,523,202	944,078
Loans, advances and other receivables		668,273	12,131,155
Short term investments	26	-	14,251,272
Balances with banks	27	1,178,749	887,684
		11,418,091	29,043,257

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, 2024 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, 2024 was determined to be immaterial and hence has not been accounted for.

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(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	2024	2023
	Short term	Long term		Rupees in thousand	
Banks					
Treasury bills	Not available			-	14,251,272
Citibank N.A.	P-1	AA3	Moody's	-	3,689
Deutsche Bank A.G.	P-1	A1	Moody's	167	411
Faysal Bank Limited	A-1+	AA	PACRA	2,871	1,681
Habib Bank Limited	A-1+	AAA	JCR-VIS	373,970	231,322
Bank Islami	A-1	AA-	PACRA	41	-
Habib Metropolitan Bank	A-1+	AA+	PACRA	3	-
MCB Bank Limited	A-1+	AAA	PACRA	20,399	22,786
National Bank of Pakistan	A-1+	AAA	PACRA	715	715
Meezan Bank Limited	A-1+	AAA	JCR-VIS	37	55,617
Bank Alfalah	A-1+	AA+	PACRA	3,630	-
Allied Bank Limited	A-1+	AAA	PACRA	-	1,366
Standard Chartered Bank (Pakistan) Limited	A-1+	AAA	PACRA	572,764	190,726
Soneri Bank Limited	A-1+	AA-	PACRA	197,824	377,634
United Bank Limited	A-1+	AAA	JCR-VIS	6,328	1,737
				1,178,749	15,138,956

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, 2024, the Company had Rs 28,500 million available borrowing limits from financial institutions under mark up arrangements and Rs 1,189 million in cash and bank balances.

Management monitors the forecasts of the Company's cash and cash equivalents (note 37 to these financial statements) on the basis of expected cash flow. This is generally carried out in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows in each quarter and considering the level of liquid assets necessary to meet its liabilities, monitoring statement of financial position liquidity ratios against regulatory requirements and maintaining debt financing plans.

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

Rupees in thousand	Less than one year	One to five years	More than five years	Total contractual cashflows	Carrying amount
At March 31, 2024					
Accrued markup	304,713	-	-	304,713	304,713
Unclaimed dividend	50,420	-	-	50,420	50,420
Unpaid dividend	-	-	-	-	-
Trade and other payables	8,633,671	-	-	8,633,671	8,633,671
Long term finances	541,220	2,680,677	586,594	3,808,491	2,981,772
	9,530,024	2,680,677	586,594	12,797,295	11,970,576
At March 31, 2023					
Accrued markup	19,504	-	-	19,504	19,504
Unclaimed dividend	50,666	-	-	50,666	50,666
Unpaid dividend	509,796	-	-	509,796	509,796
Trade and other payables	22,665,904	-	-	22,665,904	22,665,904
Long term finances	380,623	2,674,321	1,121,458	4,176,402	3,154,228
	23,626,493	2,674,321	1,121,458	27,422,272	26,400,098

41.2 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, 2024:

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	-	-	-	-

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The following table presents the financial assets and liabilities that are measured at fair value at March 31, 2023:

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	14,251,272	-	-	14,251,272
	14,251,272	-	-	14,251,272
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, 2024.

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.

41.3 Financial instruments by categories

Rupees in thousand	At fair value through profit or loss	At amortised cost	Total
As at March 31, 2024			
Assets as per statement of financial position			
Long term loans to employees	-	218,788	218,788
Long term deposits	-	52,805	52,805
Long term trade debts	-	776,274	776,274
Trade debts	-	8,523,202	8,523,202
Loans, advances and other receivables	-	668,273	668,273
Short term investments	-	-	-
Cash and bank balances	-	1,189,804	1,189,804
	-	11,429,146	11,429,146

Rupees in thousand	At fair value through profit or loss	At amortised cost	Total
As at March 31, 2023			
Assets as per statement of financial position			
Long term loans to employees	-	343,759	343,759
Long term deposits	-	4,042	4,042
Long term trade debts	-	481,267	481,267
Trade debts	-	944,078	944,078
Loans, deposits and other receivables	-	12,131,155	12,131,155
Short term investments	14,251,272	-	14,251,272
Cash and bank balances	-	899,065	899,065
	14,251,272	14,803,366	29,054,638

Rupees in thousand	Financial liabilities at amortized cost	
	2024	2023
Liabilities as per statement of financial position		
Accrued markup	304,713	19,504
Short term borrowings - secured	5,515,661	-
Unclaimed dividend	50,420	50,666
Unpaid dividend	-	509,796
Trade and other payables	8,633,671	22,665,904
Long term finances - secured	2,981,772	3,154,228
	17,486,237	26,400,098

41.4 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.

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41.5 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	2024	2023
Borrowings - notes 8 and 13	8,497,433	3,154,228
Less: Cash and cash equivalents - note 37	(4,325,857)	15,150,337
Net debt	12,823,290	(11,996,109)
Total equity	21,655,018	19,264,325

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

42. TRANSACTIONS WITH RELATED PARTIES

42.1 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, 2024				
Purchase of goods	3,742,033	-	-	28,418,513
Purchase of property, plant and equipment	-	-	-	97,666
Sale of goods	-	-	6,558	453,940
Insurance premium	-	-	-	603,135
Insurance claims	-	-	-	15,725
Sales of property plant and equipment	-	73,355	-	-
Technical assistance and training charges	1,029,642	-	-	42,461
Recovery booked against warranty claims	6,088	-	-	202,764
Short-term employment benefits - note 42.1.1	-	1,002,437	-	-
Post-employment benefits - note 42.1.1	-	74,380	-	-

Rupees in thousand	Holding company	Key management personnel	Entities with significant influence over the Company	Other related parties
For the year ended March 31, 2023				
Purchase of goods	3,949,261	-	-	31,383,766
Purchase of property, plant and equipment	74,098	-	-	345,297
Purchase of intangible assets	228,255	-	-	-
Sale of goods	-	-	74,557	428,112
Insurance premium	-	-	-	790,499
Insurance claims	-	-	-	50,153
Sales of property plant and equipment	-	5,333	-	-
Technical assistance and training charges	1,839,626	-	-	32,738
Dividend paid	509,796	-	301,838	-
Recovery booked against warranty claims	21,609	-	-	629,956
Short-term employment benefits - note 42.1.1	-	266,910	-	-
Post-employment benefits - note 42.1.1	-	14,783	-	-

42.1.1 These represent remuneration of the Chief Executive, directors and certain executives that are included in the remuneration disclosed in note 38 to these financial statements.

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

Name	Country of Origin	Basis of relationship	Aggregate % of shareholding in the Company
Honda Motor Co. Ltd., Japan	Japan	Holding Company	51%
Shirazi Investments (Private) Limited	Pakistan	Common directorship and Group Company	30%
Atlas Insurance Limited	Pakistan	Group Company	1%
American Honda Motor Co., 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 Energy Solutions	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
Honda Atlas Power Product (Private) Ltd	Pakistan	Group Company	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

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Name	Country of Origin	Basis of relationship	Aggregate % of shareholding in the Company
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 Mfg	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
Muhammad Nauman	N/A	Key Management Personnel	None
Muhammad Naeem	N/A	Key Management Personnel	None
Aneel Anwar	N/A	Key Management Personnel	None
Hamood Ur Rahman Qaddafi	N/A	Key Management Personnel	None
Rizwan Shafique	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
Imran Farooq	N/A	Key Management Personnel	None
Imran Haider Rathore	N/A	Key Management Personnel	None
Aamir H. Shirazi	N/A	Director	0.00004%
Takafumi Koike	N/A	Director	0.00004%
Saquist H. Shirazi	N/A	Director	0.00004%
Shinobu Nakamura	N/A	Director	0.00004%
Nobuyoshi Noda	N/A	Director	0.00004%
Gaku Nakanishi	N/A	Director	0.00004%
Muhammad Naeem Khan	N/A	Director	0.00005%
Ariful Islam	N/A	Director	0.00004%
Rie Mihara	N/A	Director	0.00004%
Company's Employees Provident Fund	N/A	Post Employment Benefit Plan	None
Company's Employees Gratuity Fund	N/A	Post Employment Benefit Plan	None

43. PLANT CAPACITY AND ACTUAL PRODUCTION

Number	Capacity		Production	
	2024	2023	2024	2023
Motor vehicles	50,000	50,000	10,709	26,176

Capacity of plant is mentioned after accounting for double shift.

The variance of actual production from capacity is primarily on account of production planned as per market demand.

44. NUMBER OF EMPLOYEES

	2024	2023
Total number of employees (including contractual labour) as at March 31	1,378	1,532
Average number of employees during the year (including contractual labour)	1,455	1,970

Rupees in thousand	2024	2023
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45. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

Loans / advances obtained as per Islamic mode:

Loans obtained as per Islamic mode	2,981,772	3,154,228
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Shariah compliant bank deposits / bank balances:

Bank balances	2,949	55,616
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Revenue earned from shariah compliant business

	55,071,323	95,087,251
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Profit earned from shariah compliant bank deposits / bank balances

Profit on term deposit receipts	31,944	-
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Profit earned on deposits with banks

	522	2,842
--	-----	-------

Mark-up paid on Islamic mode of financing

	65,502	84,301
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Profits earned or interest paid on any conventional loan or advance

Profit earned on deposits with banks	394,094	823,095
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Interest paid on loans	432,135	58,971
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Relationship with shariah compliant bank

The Company has obtained long term loans from Faysal Bank Limited (as disclosed in note 8.1) and has maintained bank balances with Meezan Bank Limited, Faysal Bank Limited and Bank Islami Pakistan Limited. The Company also has entered into an Ijarah contract with Bank Islami Pakistan Limited.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2024

46. PROVIDENT FUND RELATED DISCLOSURE

All investments out of provident fund have been made in the in collective investment schemes, listed equity and listed debt securities in accordance with the provisions of section 218 of the Act and the rules formulated for the purpose.

47. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on May 27, 2024 by the Board of Directors of the Company.

48. EVENTS AFTER THE REPORTING PERIOD

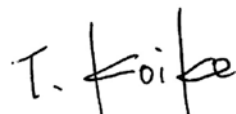
The Board of Directors of the Company has proposed a final cash dividend for the year ended March 31, 2024 of Rs 6.5 per share amounting to Rs 928.20 million at their meeting held on May 27, 2024 for approval of the members at the Annual General Meeting to be held on June 27, 2024. These financial statements do not include the effect of the above appropriation which will be accounted for in the period in which they are approved.

49. CORRESPONDING FIGURES

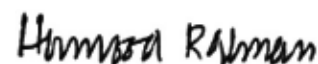
Corresponding figures have been re-arranged wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison. However, no significant re-arrangements have been made.



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 32nd Annual General Meeting of shareholders of Honda Atlas Cars (Pakistan) Limited will be held on Thursday, June 27, 2024, at 11:30 a.m. at Faletti's Hotel, 24-Egerton Road, The Mall, Lahore to transact the following business:

- To confirm the minutes of the Extra Ordinary General Meeting held on Thursday, April 25, 2024;
- To approve and adopt the annual audited financial statements for the year ended March 31, 2024, together with the Directors' and Auditors' reports thereon;
- To approve cash dividend @ 65% (Rs.6.50/- per share) for the year ended March 31, 2024 as recommended by the Board of Directors;
- To appoint Auditors for the next financial year and fix their remuneration.
- To transact any other business with the permission of the Chairman.

By order of the Board



Maqsood ur Rehman Rehmani
Company Secretary & Vice President

Lahore: June 06, 2024

NOTES:

- The share transfer books of the company will remain closed from June 17, 2024, to June 27, 2024 (both days inclusive). The share transfer request should be 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 14, 2024.
- All shareholders 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.
- 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 the 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 purposes. CDC Account Holders will also have to follow the guidelines as laid down in Circular 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan (SECP).
- Members are requested to immediately inform the company's share registrar of any change in their address / particulars 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.
- If the Company receives a request from members having 10% or more shareholding residing outside Lahore to participate in the meeting through video conference at least 10 (ten) days prior to the date of the meeting, the Company will arrange a video conference facility in that city subject to availability of such facility in that city. The Company will inform members regarding the venue of the video conference facility at least 5 (five) days before the date of the AGM along with complete information necessary to enable them to access such facility.
- SECP through SRO 787(1)/2014 dated September 8, 2014, has allowed the companies to circulate their Annual Audited Financial Statements to its members through Email/CD/DVD/USB/ or any other Electronic Media at their registered Addresses.

The Company has circulated its Annual Audited Financial Statements to its members through email, whose email addresses are available. The annual report link is available in the mail. Physical shares holders will receive the link through courier at their registered address. In addition to the above, the Company has also placed its Financial Statements and AGM notices on its website www.honda.com.pk.

Authorized Sales Service & Spare Parts Dealers

3S DEALERS

KARACHI

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

Honda Defence

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

Honda SITE

C-1, Main Manghopir
Road, SITE.
Tel: (021) 32577411-2

Honda South

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

Honda Drive In

118-C, Rashid Minhas Road.
Tel: (021) 34992832-7

Honda Quaideen

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

Honda Port Qasim

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

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: 0333-8882342

HYDERABAD

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

ABBOTTABAD

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

LAHORE

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

Honda Point

Main Defence Road.
Tel: (042) 35700994

Honda Gateway

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

Honda Township

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

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

Honda Avenue

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

JHELUM

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

RAWALPINDI

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

Honda Multan

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

FAISALABAD

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

Honda Chenab

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

Honda Lyallpur

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

SARGODHA

Honda Ittefaq
7-Km Lahore Road.
UAN: 0304-111-8292
Tel: 0482169291-92

GUJRANWALA

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

SIALKOT

Honda Falcon
Pakki Kotli, Daska Road.
Tel: (052) 3252000, 3251251-4

MIRPUR

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

PESHAWAR

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

DERA GHAZI KHAN

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

RAHIM YAR KHAN

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

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

BAHAWALPUR

Honda Bahawalpur
KLP Road,
Bypass, Bahawalpur
Cell: 0300-0891400

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

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

HARIPUR

Haripur Honda
Main G.T Road, Haripur.
Tel: (+92-995) 319881-3

HYDERABAD

Hyderabad Honda
A-33, SITE Area, Hyderabad.
Tel: 022-3885144, 0321-3003958

GUJRANWALA

GT Honda (PVT) Ltd.
Chan Da Qila, GT Road, Gujranwala.
Tel: 055-4298936

Authorized Spare Parts Dealers

1S DEALERS

LAHORE

Sugoi Parts Center
Shop No. 4-6, Sharyl 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

MULTAN

Sugoi Multan Parts Center
103/9, Iqbal Plaza Opp. RTO Office,
Near Feasta Garden, LMQ Road.
Tel: 061-4586160-61

ڈائریکٹرز کی رپورٹ

پیشہ ورانہ صحت اور تحفظ

اس اصول کی بنیاد پر ہیلتھ اینڈ سیفٹی ڈویژن نے صنعتی حادثوں اور ان کے دوبارہ وقوع پذیر ہونے کو روکنے اور ایسوسی ایٹس کی زندگی کی حفاظت کے لئے جامع پالیسیاں وضع کی ہیں۔ سال کے دوران کمپنی نے سرٹیفکیشن ایجنسی کے ذریعے ISO45001 (پیشہ ورانہ صحت اور حفاظت کے انتظام کا نظام) کا پہلا سرٹیفکیشن آڈٹ کیا۔ کمپنی اپنی حفاظتی کمٹیوں کو اپ گریڈ کرنے کے لئے مختلف اقدامات کر رہی ہے جو کہ فائر فائٹنگ کمیٹی، پلانٹ کمیٹی، روڈ سیفٹی کمیٹی، ٹرانسپورٹ کمیٹی اور کینیٹین کمیٹی پر مشتمل ہے۔

کاروباری و سماجی ذمہ داری کی سرگرمیاں (CSR)

پورے سال میں، کمپنی مختلف سماجی سرگرمیوں میں اپنا کردار ادا کرتی رہی تاکہ لوگوں میں خوشیاں بانٹی جاسکیں اور ایسی کمپنی بنا جاسکے جس کی معاشرے کو خواہش ہے۔ خوشیاں بانٹنے کے لئے کمپنی نے میڈیکل کمپ، پینے کے صاف پانی، تعلیم اور ماحولیات جیسے شعبوں میں متعدد سماجی فلاح و بہبود کے کاموں میں اپنا کردار ادا کیا۔

فری میڈیکل کمپ

سال 2014ء میں گاؤں مانگا منڈی میں پہلے فری میڈیکل کمپ کا اہتمام کیا گیا اور اس وقت سے یہ کمپنی کی CSR سرگرمیوں کے لئے ایک بڑا سنگ میل رہا ہے۔ پورے سال میں کمپنی نے دور دراز مقامات پر دو میڈیکل کمپ لگائے اور 1,100 سے زائد مریضوں کو مفت طبی علاج اور ادویات دی گئیں۔ سال 2014ء میں اس سرگرمی کے آغاز سے کمپنی نے اب تک 47 میڈیکل کمپ لگائے ہیں جہاں 28,000 سے زیادہ مریضوں کو بالکل مفت طبی امداد دی گئی۔

شجر کاری

ہنڈا نے علی گڑھ سکول مانگا منڈی لاہور میں 5,000 پودے عطیہ کرنے کا وعدہ کیا۔ سرسبز کل کے لئے بیج کاشت کر کے ہم کا آغاز کیا گیا۔ ”صاف اور سرسبز پاکستان کی جانب ایک قدم“ اقدام میں شرکت کے ذریعے ہنڈا ماحولیاتی لحاظ سے پائیدار کمپنی بننے کے لئے پرعزم ہے۔ اس پروجیکٹ کے ذریعے ہنڈا ماحولیاتی مسائل سے آگاہی پر آواز اٹھانے کے قابل ہوا جب کہ اس دوران طلباء کو سیکھنے کے مواقع بھی میسر آئے۔ اس تقریب کا مقصد درختوں کی اہمیت اجاگر کرنا اور ماحول دوست رویہ اپنانا کر اس سے دور رس نتائج حاصل کرنا تھا۔

پاکستان کے دور افتادہ علاقوں کے طلباء کے لئے سپانسرنگ وظائف

کمپنی دور افتادہ مقامات پر طلباء کی تعلیم کی حوصلہ افزائی کرتی ہے۔ اس خواب کو پورا کرنے کے لئے کمپنی نے علی گڑھ سکول مانگا منڈی لاہور کو 1.2 ملین روپے کے عطیات دیئے۔ کمپنی پسماندہ علاقوں کے طلباء کو معیاری تعلیم دینے کے لئے پرعزم ہے تاکہ وہ اپنی کمیونٹی اور ملک کی ترقی میں ایک اہم کردار ادا کر سکیں۔

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 گورنمنٹ پرائمری سکول ٹیچر صمد اور اس کے ملحقہ علاقے پینے کے صاف پانی کی قلت کا شکار ہیں۔ رواں برس کے دوران، کمپنی نے مانگا منڈی کے گورنمنٹ پرائمری سکول ٹیچر صمد میں پینے کے صاف پانی کا واٹر پمپ نصب کیا۔ بچوں کو پینے کے صاف پانی کی فراہمی کے لئے گہرے بورے واٹر پمپ اور پانی کے ذخائر نصب کئے گئے۔

روڈ سیفٹی کے آگاہی پروگرام

ایشیا ایشیا نا سیفٹی سٹریٹیجی ویژن 2030ء کے تحت ہنڈا اٹلس کارز (پاکستان) لمیٹڈ کاروباری شعبوں اور تعلیمی اداروں میں سیمینار کے انعقاد کے ذریعے ”روڈ سیفٹی کی آگاہی“ بڑھانے کے لئے پرعزم ہے۔ اٹلس ہنڈا لمیٹڈ اور نیشنل ہائی وے اینڈ موٹو وے پولیس کے تعاون سے یہ کوششیں کی گئیں۔ روڈ سیفٹی کے آگاہی پروگرام کا مقصد محفوظ سفر کو یقینی بنانے کے لئے احتیاطی تدابیر پر عمل کی اہمیت پر زور دینا اور صفر ٹریفک حادثات کے ہدف کو حاصل کرنا ہے۔ ان آگاہی سیشنز کے دوران ”روڈ سیفٹی علامات“ پر عمل درآمد کی اہمیت اور سفر کے دوران ”سیٹ بیلٹ“ کے مسلسل استعمال پر زور دیا گیا۔

کمپنی نے HACPL ایسوسی ایٹس، کوسٹ ڈرائیورز اور کمیونٹی اراکین بشمول موٹر سائیکل اور کار چلانے والے طلباء کے لئے روڈ سیفٹی آگاہی پروگرام کا بھی انعقاد کیا۔ کل 586 شرکاء نے ان ہاؤس سیشنز جب کہ 277 نے کمیونٹی سیشنز میں شرکت کی۔ اس ٹریننگ میں ڈرائیونگ لائسنس، موٹر سائیکل سواروں کے لئے سیفٹی ہیلمٹ کے استعمال، موٹر سائیکل سواروں کے لئے اطراف پر دیکھنے والے آئینوں کے استعمال اور کار ڈرائیوروں اور مسافروں کے لئے سیٹ بیلٹ باندھنے پر زور دیا گیا۔ یہ سیشنز اٹلس ہنڈا لمیٹڈ کی ٹیموں اور نیشنل ہائی وے اینڈ موٹو وے پولیس کے تعاون سے منعقد کئے گئے تاکہ روڈ سیفٹی سے متعلق جامع آگاہی دی جاسکے۔

فائر فائٹنگ ٹریننگ

کمپنی نے اپنے ڈیلرز اور سپلائرز کی املاک پر فائر فائٹنگ ٹریننگ فراہم کرنے کا آغاز کیا۔ کمپنی نے دو 3S ڈیلرز اور دو سپلائرز کی املاک پر فائر فائٹنگ ٹریننگ کا اہتمام کیا جس میں 120 ملازمین کی تربیت کی گئی۔ اس سیشن کے دوران فائر اور اس کے اجزاسے متعلق تھیوریٹیکل علم دیا گیا اور بعد ازاں آگ پر قابو پانے کے لئے عملی تربیت کا بھی اہتمام کیا گیا۔ کاروباری شرکت داروں میں فائر سیفٹی کی اہمیت اجاگر کرنے کے لئے یہ سیشن انتہائی کارگر ثابت ہوئے۔

کاروباری و مالیاتی رپورٹنگ فریم ورک

کمپنی بغیر کسی تفریق کے کارپوریٹ گورننس کے اعلیٰ معیار کو برقرار رکھنے کے لئے پرعزم ہے۔ ڈائریکٹرز ازراہ مسرت بیان کرتے ہیں کہ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کے مطابق کمپنی کوڈ آف کارپوریٹ گورننس کے اصولوں اور پاکستان اسٹاک ایکسچینج کے لسٹنگ ضوابط پر عمل کرتی ہے۔ مزید بیان کیا جاتا ہے:

- 31 مارچ 2024ء کو اختتام پذیر سال کے لئے مالیاتی اسٹیٹمنٹس کمپنی کے کاروباری امور، اس کے آپریشنز کے نتائج، کمپنیشنز اور فلو اور ایکویٹی کی بالکل درست عکاسی کرتی ہیں۔
- کھاتوں کی باقاعدہ کتابیں تیار کی گئی ہیں۔
- 31 مارچ 2024ء 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 2024ء کو ملازمین کے پراویڈنٹ فنڈ اور گریجویٹ فنڈ میں سرمایے کی بک ویلیو (ملین روپوں میں) حسب ذیل ہے۔

نام فنڈ	31 مارچ 2024ء	31 مارچ 2023ء
پراویڈنٹ فنڈ	541.19	575.42
گریجویٹ فنڈ	1,206.24	983.37

i. گذشتہ دس برس کے لئے اہم فعالی و مالیاتی اعداد و شمار رپورٹس ہذا میں دیئے گئے ہیں۔

قدر میں اضافہ کا بیان

قدر میں اضافے اور اس کی تقسیم کا اعلامیہ سالانہ رپورٹ کے ساتھ منسلک ہے۔

مادی تبدیلیاں

31 مارچ 2024ء 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 مضرات اثرات مرتب ہوں۔

حصص کی منتقلی

رواں برس کے دوران، 525 کو ایلیکٹیشن شیئرز بورڈ میں مسٹری ہیکو ساتو کے متبادل کے طور پر میسرز ہنڈا موٹر جاپان سے نئے نامزد ڈائریکٹر مسٹر نو بو یوشی نوڈا کے نام منتقل کئے گئے تھے۔

ڈائریکٹرز، کمپنی سیکریٹری، چیف فنانسینشل 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 2024ء کو اختتام پذیر سال کے لئے 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 لطف ہے۔

ہولڈنگ کمپنی

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

پیٹرن آف شیئرز ہولڈنگ

31 مارچ 2024ء کو پیٹرن آف شیئرز ہولڈنگ اور اس کا نظہار رپورٹ ہذا کے ساتھ لطف ہے۔

بیرونی آڈیٹرز

میسرز اے ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو چکے ہیں اور اہلیت کی بنا پر 31 مارچ 2024ء 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۔

T. Koike

تاکا فومی کوئیکے
صدر/CEO

عمرات شیرازی

چیئر مین
کراچی، 27 مئی 2024ء

ڈائریکٹرز کی رپورٹ

ایشین ہنڈا کی جانب سے آڈٹ

سال بھر میں، ایشین ہنڈا اٹھائی لینڈ کے ریجنل آڈیٹرز نے انٹرنل کنٹرول سسٹم کی افادیت اور پروڈکشن آپریشنز کی کارکردگی کا جائزہ لینے کے لئے کمپنی کا دورہ کیا۔ انہوں نے انٹرنل آڈٹ سرگرمیوں کی مینجمنٹ اور آپریشنز کا بھی جائزہ لیا۔ ایک ہفتہ پر محیط آڈٹ کے دوران آڈیٹرز نے آپریشنز کا تفصیلی جائزہ لیا اور بہتری کی چند تجاویز کے ساتھ انتظامی امور پر اپنے اطمینان کا اظہار کیا۔

کارپوریٹ گورننس

اپنے بنیادی اصولوں سے رہنمائی لیتے ہوئے کمپنی اپنی مینجمنٹ کے لئے بنیادی کام کی حیثیت سے کارپوریٹ گورننس بڑھانے کو ترجیح دیتی ہے جس کا بنیادی مقصد شیئرز ہولڈرز، کسٹمرز اور عوام الناس میں اعتماد برقرار رکھنا 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۔ مینجمنٹ کے سپروائزری اور ایگزیکٹو افعال میں واضح تفریق کو یقینی بنانے اور تیز رفتار اور قابل قبول فیصلہ سازی میں سہولت فراہم کرنے کے لئے کمپنی نے متعدد کمیٹیاں تشکیل دی ہیں۔ ان کمیٹیوں میں آڈٹ کمیٹی، ہیومن ریسورس اینڈ ریہیومنٹیشن کمیٹی اور ایگزیکٹو کمیٹی شامل ہیں۔ ایگزیکٹو کمیٹی کاروباری عمل کا اختیار ہم انتظامی عہدوں کو سونپنے میں سہولت فراہم کرتی ہے تاکہ فوری اور چلکدار فیصلہ سازی کے عمل کو جاری رکھا جاسکے۔

عمل داری

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 انٹرنل کنٹرول سسٹم کے قیام اور عمل کی صورت حال کی توثیق کرنا شامل ہے تاکہ برنس ایجنٹ 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 تفصیل پر ہوتا ہے۔ زیر جائزہ سال کے دوران قوانین و ضوابط کی ایسی کوئی خلاف ورزی سامنے نہیں آئی ہے۔

ہنڈا ضابطہ اخلاق

صارفین اور معاشرے کا اعتماد حاصل کرنے اور پائیدار نمو کے لئے ہمیں نہ صرف قوانین و ضوابط کی تعمیل کرنا ہوگی بلکہ اخلاقیات اور خلوص نیت سے ان قانونی ڈھانچوں سے ہٹ

کر کام کرنا ہوگا۔ علاوہ ازیں، کمپنی نے ہنڈا ضابطہ اخلاق ترتیب دیا ہے جس پر دنیا بھر میں ہنڈا کے عملے سے خلوص نیت سے عمل درآمد کی توقع کی جاتی ہے۔ کمپنی بذریعہ بک لیٹ کی تقسیم، تربیت اور انٹرانیٹ پر معلومات کی اشاعت تمام ایسوی ایٹس میں ہنڈا ضابطہ اخلاق نافذ کرنے کے لئے کام کرتی ہے۔ سال بھر میں ہم نے ہنڈا ضابطہ اخلاق پر HACPL ایسوی ایٹس کا (ASH) سیکرٹریٹ کی جانب سے مرتب کردہ) ایک جامع تحریری ٹیسٹ لیا جس میں شرکت کی شرح انتہائی متاثر کن یعنی 92% رہی۔ اور ایسوی ایٹس میں اس کی سمجھ بوجھ کی شرح 94% رہی۔ بعد ازاں ASH سیکرٹریٹ کے ساتھ نتائج کا تبادلہ کیا گیا۔

کاروباری اخلاقیات کی پروپوزل لائن

کمپنی نے کاروباری اخلاقیات کے معاملات کو بہتر بنانے کے لئے برنس آٹھکس 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۔ ایسوی 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۔ برنس آٹھکس پروپوزل لائن کی اہمیت کے بارے میں آگاہی اور تفہیم کو بڑھانے کے لئے ہم نے ایسوی ایٹس میں کتاچھ بھی تقسیم کیا۔ رسائی کو یقینی بنانے کے لئے تمام ایسوی ایٹس اور کاروباری شرائط داروں سے تجاویز بذریعہ ایمیل، 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 بدعنوانی کو ختم کرنے کے اقدامات

کمپنی رشوت ستانی اور بدعنوانی کی سختی سے ممانعت کرتی ہے۔ ہنڈا ضابطہ اخلاق 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 ایسوی ایٹس ”معاشرے کے لئے قابل قبول حد کے علاوہ (مالیاتی و غیر مالیاتی) اشیاء کی صورت میں کاروباری شرائط داروں کو

مرامعات یا ضیافت پیش یا وصول نہیں کریں گے۔“

مذکورہ بالا کے علاوہ، کمپنی نے رشوت ستانی اور بدعنوانی کے خاتمہ کے لئے ہنڈا پالیسی بھی مرتب کی ہے جس کے مطابق رشوت ستانی اور بدعنوانی اور ان کے تدارک کے لئے ہنڈا ہدایات سے متعلق مرکزی پالیسی مرتب کی گئی ہے جس میں مخصوص تعمیلی اور ممنوعہ ایشیا شامل ہیں۔ پالیسی کی آگاہی تربیت، امی میل بابت تبدیلی پالیسی اور کمپنی انٹرانیٹ کے ذریعے دی جاتی ہے۔ مزید برآں، ہم نے ہنڈا کی پالیسی پر ڈیویژنل ٹرینرز کو تربیت دی ہے جس سے وہ اپنی متعلقہ ڈیویژن میں ساتھیوں کو رہنمائی اور تربیت دیتے ہیں۔

موثر رسک مینجمنٹ ڈھانچے کا قیام

رسک مینجمنٹ پالیسی کا مقصد کمپنی کو پائیدار نمو کی جانب گامزن کرنا اور ہنڈا فلسفہ کے عین مطابق 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۔ مشنر کہ رسک آئیٹمز اور معیار کو استعمال کرتے ہوئے ہر شعبے میں خطرے کا تعین کیا جاتا ہے تاکہ ہر ڈیویژن کے ترجیحی خطرات کی نشاندہی کی جاسکے۔ کمپنی بھر میں ہر آپریشن کے رسک کی صورت حال پر اپنی تجاویز و ڈر رسک مینجمنٹ آفیسر ترجیحی خطرات کی نشاندہی کرتا ہے۔ پھر متعلقہ ڈیویژن ان خطرناک عوامل کو اپنے کاروباری منصوبے میں شامل کرتا ہے تاکہ اس کی مسلسل نگرانی کی جاسکے اور صورتحال کو بہتر کر کے خطرات سے بچنا جاسکے۔

سال کے دوران کمپنی نے دو ہفتوں پر محیط وزارت سول ڈیفنس اکیڈمی کے تعاون سے ایک خصوصی ٹریننگ پروگرام کا اہتمام کیا تاکہ قدرتی آفات، سیلاب اور آتشزدگی جیسی ہنگامی حالتوں سے بروقت بچنا جاسکے۔ 9 ایسوی ایٹس نے کامیابی سے کورس پاس کیا۔

اضافی طور پر ہمارے ایمرجنسی ریپانس سکواڈ (12 ایسوی ایٹس) نے پنجاب ایمرجنسی سروسز 1122 اکیڈمی کے زیر اہتمام ”سالانہ رضا کارانہ قومی مقابلہ 2023ء“ یعنی ”CERT کا مقابلہ (کیونٹی ایمرجنسی ریپانس ٹیم)“ میں شرکت کی۔ اس مقابلے کے مقاصد میں آتشزدگی کے واقعات، زلزلہ سیلاب وغیرہ جیسی آفات/ہنگامی حالتوں کا موزوں انداز میں مقابلہ کرنا اور ہسپتال منتقلی سے قبل آفات سے متاثرہ افراد کو ”ابتدائی طبی امداد“ دینا شامل ہیں۔

انفارمیشن مینجمنٹ

معلوماتی اثاثہ جات بشمول خفیہ اور ذاتی معلومات کے تحفظ کے لئے کمپنی نے عالمی رازداری پالیسی (GCP) اور گلوبل آئی ٹی سیکورٹی پالیسی (GITSP) کو اپنایا ہے۔ یہ پالیسیاں غیر روایتی رد عمل کا ڈھانچہ، خفیہ اور ذاتی معلومات کی ہینڈلنگ اور انفارمیشن سسٹمز اور نیٹ ورکس کے لئے سیکورٹی معیارات کا احاطہ کرتی ہیں۔ یہ پالیسیاں معلومات کے اخراج کی صورت میں رپورٹنگ کا طریقہ کار بیان کرتی ہیں۔ ان پالیسیوں کا موثر اطلاق کرتے ہوئے کمپنی نے رازداری کمیٹی تشکیل دی ہے تاکہ تبدیلیوں سے متعلق بروقت رد عمل کو یقینی بنایا جاسکے۔ پیچیدہ اور نقائص سے پاک سائبر حملوں کے مقابلہ کے لئے انفارمیشن سیکورٹی 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۔

عملے کا انتظام

ہنڈا یقین 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 بانٹتے ہوئے کمپنی ان خصوصیات کی ترقی و ترویج کی خواہش رکھتی ہے۔ یہ فلسفہ ہنڈا کی بنیادی اقدار میں بطور ”افراد کا احترام“ درج ہے۔

اپنے انسانی وسائل کو بیچ کرنے میں ہنڈا ملازمین کی مینجمنٹ کے ”تین اصولوں“ پر کاربند ہے: اقدامات کا احترام کرنا، انصاف کی یقین دہانی اور باہمی اعتماد کی حوصلہ افزائی۔ یہ اصول HR مینجمنٹ کے متعدد پہلوؤں بشمول بھرتی، ٹریننگ، اسائنمنٹ، جائزہ اور ٹریڈنٹ میں رہنمائی فراہم کرتے ہیں۔ کمپنی ہمیشہ ایسا ماحول پیدا کرنے کے لئے کوشاں ہے جس میں ہر ایسوی ایٹ کے جذبات اور صلاحیتوں کو نکھارا جاسکے اور کام کی ایسی جگہ فراہم کی جاسکے جہاں افراد اپنی صلاحیتوں اور عزائم پر بھرپور عملدرآمد کر سکیں۔

سال بھر میں کمپنی کے دو ایسوی ایٹس کو مینجمنٹ، ٹیکنیکل اور لیڈرشپ ڈیولپمنٹ کورسز میں شرکت کے لئے AOTS جاپان بھیجا گیا۔ برنس مینجمنٹ ڈپلومہ (DBM) میں شرکت کرنے والے 20 ایسوی ایٹس پر مشتمل چوتھے بیچ کوفورمین کرکچن کالج لاہور سے رول آؤٹ کیا گیا جب کہ ایسوی ایٹس کے لئے PIM لاہور میں دیگر ڈپلومہ کورسز کا اہتمام کیا گیا۔ ان اقدامات کی بدولت ایسوی ایٹس کی صلاحیتوں کو نکھارا گیا جو آئندہ کے لئے کاروباری چیلنجز کا سامنا کرنے کے لئے ضروری ہیں۔

ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز ہنداموٹر اور اٹلس گروپ کی نمائندگی کرنے والے تین خود مختار اور چھ ڈائریکٹرز پر مشتمل ہے۔ دائمی نمونہ حاصل کرنے اور متوسط سے طویل مدت تک کمپنی کی کاروباری قدر کو بڑھانے کے لئے شیئرز 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 ایسوسی ایشن، ضوابط 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 صلاحیت 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۔

ڈائریکٹرز کا معاوضہ

کاروباری قدر کی دائمی نمونہ حاصل کرنے کی غرض سے قلیل اور متوسط طویل مدتی کاروباری کارکردگی کو بہتر بنانے میں ڈائریکٹرز کے جذبہ کو بڑھانے کے لئے ان کے مشاہیرہ کا ایک سٹم 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۔ 2023-24 میں ڈائریکٹرز اور CEO کے معاوضہ اور فیس کی معلومات کے لئے براہ کرم ان مالیاتی اسٹیٹمنٹس کے نوٹس ملاحظہ کریں۔

بورڈ میں تبدیلیاں

یکم اپریل 2023ء سے مؤثر ہنداموٹر جاپان کے باقاعدہ سالانہ تبدیلی عمل کے ذریعے ڈائریکٹر مسٹر نوپوشی نوڈا نے مسٹری ہیکو سا تو کی جگہ لی۔ بورڈ سبکدوش ہونے والے ڈائریکٹرز کی گراں قدر خدمات کو سراہتا اور بورڈ کے نئے ڈائریکٹر کو خوش آمدید کہتا ہے۔

چیئر مین، صدر اور CEO کے فرائض و ذمہ داریاں

شفافیت کی بقا اور بہتر گورننس کو برقرار رکھتے ہوئے بورڈ آف ڈائریکٹرز کے چیئر مین اور چیف ایگزیکٹو آفیسر کے عہدوں کے لئے علیحدہ علیحدہ افراد متعین ہوتے ہیں جن کے علیحدہ علیحدہ فرائض اور ذمہ داریوں کو واضح کیا گیا ہے۔

بورڈ کے اجلاس

پورے سال میں بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے۔ بورڈ اراکین اور کمپنی کے دیگر آفیشیلز کی حاضری حسب ذیل ہے:

نمبر شمار	نام	عہدہ	Q1	Q2	Q3	Q4	اجلاس میں حاضری کی تعداد
1	مسٹر عامر ایچ شیرازی	چیئر مین	✓	✓	✓	✓	4
2	مسٹر تاکا فومی کونیکے	صدر، CEO اور چیف ایگزیکٹو ڈائریکٹر	✓	✓	✓	✓	4
3	مسٹر ثاقب ایچ شیرازی	نان ایگزیکٹو ڈائریکٹر/سینئر ایڈوائزر	✓	✓	✓	✓	4
4	مسٹر شنوبو ناکامورا	ایگزیکٹو ڈائریکٹر و نائب صدر پروڈکشن	✓	✓	✓	✓	4
5	مسٹر محمد نعیم خان	خود مختار ڈائریکٹر	✓	✓	✓	✓	4
6	مسٹر نوپوشی نوڈا	نان ایگزیکٹو ڈائریکٹر	✓	✓	✓	✓	4
7	مسٹر گا کو ناکائیشی	نان ایگزیکٹو ڈائریکٹر	✓	✓	✓	✓	4
8	مسٹر عارف الاسلام	خود مختار ڈائریکٹر	✓	✓	-	✓	3
9	مس رائی میہارا	خود مختار ڈائریکٹر	✓	-	✓	-	2
10	مسٹر مقصود الرحمن	کمپنی سیکریٹری و نائب صدر	✓	✓	✓	✓	4
11	مسٹر حمود الرحمن	CFO / جنرل مینجرفائننس	✓	✓	✓	✓	4

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

آڈٹ کمیٹی

آڈٹ کمیٹی 4 اراکین بشمول خود مختار اور نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔ آڈٹ کمیٹی کا چیئر مین ایک خود مختار ڈائریکٹر ہوتا ہے۔ کمیٹی سہ ماہی بنیادوں پر وسائل کی موزونیت اور اپنے فنکشن کو دی گئی اتھارٹی کا تعین کرتی ہے۔ انٹرنل آڈٹ کا سربراہ آڈٹ کمیٹی کو رپورٹ کرتا ہے جو آپریشنل شعبوں کے سالانہ اور سہ ماہی جائزہ کے بعد آڈٹ پلان منظور کرتی ہے۔ شیئرز ہولڈرز کی توقعات کے عین مطابق آڈٹ کمیٹی آڈٹ رپورٹس، انٹرنل کنٹرول سسٹمز اور مالیاتی اسٹیٹمنٹس پر نظر ثانی کرتی ہے اور قوانین و ضوابط کے مطابق حاصل کی گئی فرائض کو سرانجام دیتی ہے تاکہ کمپنی کی مربوط اور پائیدار نمو کے حصول کو یقینی کیا جاسکے۔ ایسے امور سے رپورٹنگ فرائض پیدا ہوتے ہیں جو کمپنی پر واضح اثرات مرتب کرتے ہوں۔ اس عمل کے دوران انٹرنل آڈیٹرز شعبہ جاتی طریق عمل کا جائزہ لیتا ہے تاکہ کمپنی پالیسیوں، ضوابط اور اسٹینڈرڈ آپریشننگ سٹمز (SOPs) پر عمل درآمد کو یقینی بنایا جاسکے۔ انٹرنل آڈٹ ڈویژن آڈٹ کمیٹی کے چیئر مین کو براہ راست رپورٹ کرتا ہے۔

مالیاتی اسٹیٹمنٹس، انٹرنل آڈٹ رپورٹس، متعلقہ قوانین و ضوابط کی تعمیل اور دیگر معاملات کے جائزہ اور تبادلہ خیال کے لئے زیر جائزہ سال کے دوران آڈٹ کمیٹی کے چار (4) اجلاس منعقد ہوئے۔

آڈٹ کمیٹی اراکین اور کمپنی آفیشیلز کی حاضری حسب ذیل رہی:

نمبر شمار	نام	عہدہ	Q1	Q2	Q3	Q4	اجلاس میں حاضری کی تعداد
1	مسٹر محمد نعیم خان	چیئر مین/خود مختار ڈائریکٹر	✓	✓	✓	✓	4
2	مسٹر ثاقب ایچ شیرازی	نان ایگزیکٹو ڈائریکٹر	✓	✓	✓	✓	4
3	مسٹر نوپوشی نوڈا	نان ایگزیکٹو ڈائریکٹر	✓	✓	✓	✓	4
4	مسٹر گا کو ناکائیشی	نان ایگزیکٹو ڈائریکٹر	✓	✓	✓	-	3
5	مسٹر عمران فاروق	ہیڈ انٹرنل آڈٹ/سیکرٹری AC	-	✓	✓	✓	3

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

ہیومن ریسورس اینڈ ریویژن کمیٹی

ہیومن ریسورس اینڈ ریویژن کمیٹی پانچ اراکین، جن میں زیادہ تر نان ایگزیکٹو ڈائریکٹرز ہیں، پر مشتمل ہے۔ ایک خود مختار ڈائریکٹر کمیٹی کے چیئر مین کی حیثیت سے خدمات سرانجام دیتا ہے۔ یہ کمیٹی انسانی وسائل، سالانہ کارکردگی کے جائزہ، عملے کی پالیسیوں اور ایسوسی ایشن کے معاوضے اور مراعات پر انتظامیہ کی سٹریٹجک رہنمائی کرتی ہے۔

زیر جائزہ سال کے دوران کمیٹی کے دائرہ کار میں آنے والی معاملات پر غور و فکر اور ان کی منظوری کے لئے HR&R کمیٹی کا ایک اجلاس منعقد ہوا۔ اس اجلاس میں HR&R کمیٹی اراکین کی حاضری حسب ذیل ہے:

نمبر شمار	نام رکن کمیٹی	حاضری
1	مسٹر محمد نعیم خان	1
2	مسٹر ثاقب ایچ شیرازی	1
3	مسٹر تاکا فومی کونیکے	1
4	مسٹر شنوبو ناکامورا	1
5	مسٹر نوپوشی نوڈا	1

ڈائریکٹرز کی رپورٹ

31 مارچ 2024ء تک

کمپنی کے ڈائریکٹرز 31 مارچ 2024ء کو اختتام پذیر سال کے لئے کمپنی کی پڑتال شدہ مالیاتی اسٹیٹمنٹس کے ہمراہ 32 ویں سالانہ رپورٹ ازراہ مسرت پیش کرتے ہیں۔

مالیاتی نتائج
سال کے لئے اہم مالیاتی نتائج حسب ذیل ہیں:

برائے اختتام سال	برائے اختتام سال	
31 مارچ 2023ء	31 مارچ 2024ء	(ملین روپوں میں)
1,982.65	2,752.74	مذکورہ برس کے لیے نفع بمعہ ٹیکس
(1,722.51)	(418.85)	ٹیکسیشن
43.06	56.80	دیگر جامع آمدنی برائے مذکورہ سال
303.20	2,390.69	غیر تخصیص شدہ منافع
77.12	380.32	ابتدائی برقرار آمدنی
380.32	2,771.01	تخصیص کے لیے دستیاب کل رقم
		تخصیصات:
-	(1,500.00)	عمومی ذخائر میں منتقلی
-	(928.20)	مجوزہ منافع 65 فیصد (2023: -)
-	(2,428.20)	
1.82	16.34	فی حصص آمدنی - بنیادی و تحلیلی (روپے)

بورڈ کی ترکیب

بورڈ آف ڈائریکٹرز کی ترکیب حسب ذیل ہے:

کل تعداد ڈائریکٹرز	
9	
8	i. مرد
1	ii. خاتون

بورڈ کی ترکیب

1	i. خود مختار ڈائریکٹرز (خاتون)
2	ii. خود مختار ڈائریکٹرز (مرد)
4	iii. نان ایگزیکٹو ڈائریکٹرز
2	iv. ایگزیکٹو ڈائریکٹرز

بورڈ آف ڈائریکٹرز نے ان تخصیصات کی تجویز دی ہے جنہیں کمپنی ایکٹ 2017ء کے چوتھے شیڈول کی بیرونی میں مالیاتی اسٹیٹمنٹس میں ظاہر نہیں کیا گیا ہے۔

فی حصص آمدنی

بنیادی و تحلیلی فی حصص آمدنی 16.34 روپے رہی (2023: 1.82 روپے)

منافع منقسمہ

منافع منقسمہ کی ادائیگی کی بابت کمپنی کی حکمت عملی کے عین مطابق معقول ادائیگی میں توازن رکھنے اور مستقبل کی کاروباری ضروریات کو پورا کرنے کے لئے بورڈ آف ڈائریکٹرز نے 31 مارچ، 2024ء کو اختتام پذیر سال کے لئے 6.5 روپے (65%) فی حصص منافع منقسمہ تجویز کیا ہے۔ کمپنی نے رواں برس کے لئے 40% منافع منقسمہ کی ادائیگی کو برقرار رکھا ہے۔

پورے سال کے دوران بورڈ میں ایک تبدیلی کی گئی۔ البتہ بورڈ کی لازمی ترکیب کو برقرار رکھا گیا۔

چیئر مین کا تجزیہ

پیداواری عہدگی

کمپنی لوکارائزیشن کو اپنانے، جدید ٹیکنالوجی کو متعارف کرانے اور کارکردگی میں بہتری لانے کے لئے ہمیشہ سے پر عزم رہی ہے۔ کمپنی مندرجہ ذیل عالمی معیار کے ڈائریکٹرز پر چیفٹ میں سرمایہ کاری کر کے اہم اقدام اٹھایا ہے:

ان ہاؤس بلینٹنگ ڈائریکٹرز پر چیفٹ

بلینٹنگ ڈائریکٹرز ایک آپریشن میں مطلوبہ شکل کو کٹ کر میٹرل کا ایک چٹا ٹکڑا بناتی ہے۔ دھاتوں کی فیئر ٹیکنیشن کے عمل کے لئے بلینٹنگ استعداد لازمی جزو ہے۔ زیادہ تعداد میں ایک جیسے پرزے تیار کرنے کے لئے یہ انتہائی مؤثر طریقہ کار ہے۔ چونکہ بلینٹنگ ایک جیسے ہوتے ہیں لہذا پیداوار سادہ اور لاگت موافق ہوتی ہے۔ ماضی میں، کمپنی پیداواری عمل میں استعمال کے لئے اسٹیل کے بلینٹنگ ڈراما کرتی تھی۔ البتہ، ٹیکنیکی صلاحیت کو بڑھانے کی جدوجہد میں سوک اور سٹی ماڈلز کے لئے ان ہاؤس بلینٹنگ پر چیفٹ رواں برس مکمل ہوا۔ اس اقدام کے باعث مقامی سطح پر کٹائی اور لاگت پر کنٹرول کے ذریعے درآمدی اخراجات پر قابو پانے میں مدد ملی۔ کمپنی دستیاب انفراسٹرکچر کو بروئے کار لاکر تمام ماڈلز کو لوکارائزیشن بڑھانے کے لئے عمل پیرا ہے۔

مستقبل کا منظر نامہ

کلی اقتصادی اشاریوں میں مثبت پیش رفت نمو کے امکانات اور کاروباری حالات میں بہتری لانے میں سازگار ثابت ہو رہی ہے۔ غیر ملکی سرمایہ کاری کو بڑھانے اور معاشی نمو کو متحرک کرنے کے لئے مشترکہ پلیٹ فارم اسپیشل انویسٹمنٹ فیڈیلیٹیشن کونسل (SIFC) کے قیام کے ذریعے سرمایہ کاری کی بابت ایک فیصلہ کن اقدام کیا گیا ہے۔ مستقبل میں اصلاحات کو کوششوں کا جاری رکھنا اور پائیدار نمو اور استحکام کو یقینی بنانے کے لئے حکمت عملی پر توجہ مرکوز رکھنا انتہائی اہم ہے۔ مزید برآں، نیا آئی ایم ایف پروگرام اور دیگر ممالک سے رقم کی آمد معیشت کے لئے انتہائی اہم رہی کیونکہ رواں برس بیرونی ادائیگیوں کا حجم 25 بلین ڈالر سے تجاوز کر چکا ہے۔ مذکورہ بالا اقدامات پر تمام ملکی اسٹیک ہولڈرز کے مابین اتفاق لائے ایک سیر حاصل بحث درکار ہے تاکہ پائیدار ترقی کے لئے طویل المدتی پالیسیاں وضع کی جاسکیں۔



عامر ایچ شیرازی

چیئر مین

مؤرخہ: 27 مئی، 2024ء

کراچی

کمپنی اپنے آپریٹنگ نتائج میں بہتری لاکر اور مارکیٹ میں اپنی لیڈرشپ کو برقرار رکھنے کے لئے چیلنجز سے نبھنا ضروری ہے۔ اپنے رفاکار کو برقرار رکھنے اور پھر پورے توجہ دینے کے لئے پر عزم ہے۔ سماجی لحاظ سے ذمہ دار، مالیاتی لحاظ سے مستحکم اور آپریشنز میں نمایاں کارکردگی

چیز میں کا تجزیہ

31 مارچ 2024ء

31 مارچ 2024ء کو اختتام پذیر سال کے لئے میں کمپنی کی 32 ویں سالانہ رپورٹ ازراہ مسرت پیش کرتا ہوں۔

کل اقتصادی جائزہ

رواں مالیاتی سال کے دوران معیشت اور مالیاتی حالت میں مسلسل بہتری دیکھنے میں آئی۔ یہ بہتری پالیسی کے معقول انتظام اور کثیر الجہتی اور دو طرفہ فراکت داروں کی جانب سے فنڈز کی آمد کے باعث ممکن ہوا۔ حال ہی میں، حکومت نے 3 بلین ڈالر کے آئی ایم ایف اسٹینڈ بائی پروگرام کی بابت ایک کامیاب معاہدہ کیا ہے۔ اس پیش رفت نے معاشی بحالی اور معیشت کی بابت ملک میں اعتماد کی فضا بڑھانے میں نمایاں کردار ادا کیا۔ اگرچہ 2% کی شرح نمو معتدل ہے لیکن مالیاتی سال 2025ء میں اس کے بڑھنے کے واضح امکانات ہیں۔

بیرونی محاذ پر، گذشتہ برس کی اسی مدت 4.1 بلین ڈالر کے مقابلے میں مالیاتی سال 2024ء کی نو ماہی کے لئے کرنٹ اکاؤنٹ خسارہ 0.5 بلین ڈالر ریکارڈ کیا گیا جو 88% کی نمایاں پیش رفت کی عکاسی کرتا ہے۔ اس پیش رفت کو درآمدی بل میں 8.35% کمی اور برآمدات میں سالہا سال کی بنیاد پر 9.31% کے حیران کن اضافہ سے منسوب کیا جا رہا ہے۔ روپے کی قدر میں کمی، بلند شرح سود اور دیگر پالیسی اقدامات نے درآمدات کی طلب کو موثر انداز میں کم کیا جس سے یہ سرپلس ممکن ہوا۔ ورکرز کے ترسیلات زر نے بھی انتہائی ضروری سہارا دیا اور مذکورہ مدت کے دوران 21 بلین ڈالر کی آمد سے سالہا سال کی بنیاد پر 16.4% کا نمایاں اضافہ ہوا۔ نتیجتاً، اسٹیٹ بینک آف پاکستان (SBP) کے غیر ملکی زرمبادلہ کے ذخائر 8 بلین ڈالر سے تجاوز کر گئے اور ڈالر کے مقابلے میں روپے کی قدر لگا تار مستحکم رہی جو 278.50 روپے فی ڈالر پر بند ہوا۔

مالیاتی شعبہ میں، سال 2024ء کی نو ماہی میں FBR کی آمدن میں گذشتہ برس کی اسی مدت کی نسبت 30% اضافہ ہوا جو 6.707 ٹریلین روپے کی مقررہ ہدف کے مقابلے میں 6.710 ٹریلین روپے تک پہنچ گئی۔ مہنگائی کی شرح میں بھی جنوری میں 28.3% کے مقابلے میں فروری کے ماہ میں 23.1% تک کمی واقع ہوئی۔ اس پیش رفت کو نحمد مانیٹری پالیسی، مستحکم مالیات اور موافق بنیادی اثرات سے منسوب کیا جاتا ہے۔ البتہ، SBP کی مانیٹری پالیسی کمیٹی نے انتخاب جاری کیا کہ مہنگائی کی شرح بڑھنے کا خدشہ موجود ہے جس کے باعث حالیہ مانیٹری شرح 22% پر برقرار رکھنے کی ضرورت ہے۔ مجموعی مثبت اثرات نے سرمایہ کاری منڈیوں میں اعتماد کی فضا میں اضافہ کیا اور PSX 100 انڈیکس تاریخ میں پہلی مرتبہ 71,000 پوائنٹس سے تجاوز کر گیا۔

زراعت

زرعی شعبہ نے خاطر خواہ نمو ظاہر کی ہے جس سے تمام پیداواری اہداف کو مات دی اور ریکارڈ آمدنی ہوئی۔ ربیع سیزن کے دوران گندم کی کٹائی میں تمام اہداف عبور ہوئے جو 8.9 سے 9.2 ملین ہیکٹرز تک پہنچ گئی۔ کپاس کی پیداوار میں بھی نمایاں بہتری سامنے آئی جس میں 5.0 سے 11.5 ملین ہیکٹرز تک اضافہ ہوا۔ اسی طرح سے چاول کی پیداوار 9.0 ملین میٹرک ٹن تک پہنچ گئی جب کہ مذکورہ برس کے دوران اس کی برآمدات میں 76% اضافہ ہوا۔ قیمتوں میں اضافے کا رجحان، کھادوں پر رعایت اور مرکزی بینک کے بروقت اقدامات بشمول زرعی قرضے، انشورنس اور کریڈٹ گارنٹی سکیم نے اس شعبے کی مجموعی مثبت کارکردگی میں اہم کردار ادا کیا۔ نتیجتاً، صارف اشیاء کی طلب دہی علاقوں میں مثبت رہی۔

بڑے پیمانے کی صنعتیں (LSM)

بڑے پیمانے کی صنعتوں (LSM) کے شعبے نے گذشتہ برس کی اسی مدت میں 2.7% کمی کے مقابلے میں مالیاتی سال 2024ء کے سات ماہ کے دوران 0.5% کی منفی نمو ظاہر کی۔ ذیلی شعبہ کی سطح پر ملا جلا رجحان سامنے آیا: خوراک، کیمیکلز، فارماسیوٹیکلز اور پٹرولیم مصنوعات جیسے 22 شعبوں میں سے 12 شعبوں میں نمو ظاہر ہوئی۔ حکومت کے قبل از وقت اقدامات اور اسپیشل انویسٹمنٹ فیسلٹیشن کونسل (SIFC) کی بروقت مداخلت سے پیداوار میں اضافہ ہوا۔ طویل مدتی پائیدار نمو کے لئے پاکستان کے معاشی استحکام کی بابت سٹرکچرل اصلاحات کی بنیاد پر آئی ایم ایف کا پروگرام کا متعارف انتہائی ضروری ہے۔ ٹیکس کے دائرہ کار میں پھیلاؤ، ریاستی اداروں کی نجکاری اور توانائی کے شعبہ میں اصلاحات کا نفاذ نئے پروگرام کے اہم نکات ہوں گے۔

آٹوموبائل انڈسٹری

پاکستان کی آٹوموبائل انڈسٹری انتہائی مشکل ماحول میں کام کر رہی ہے۔ سال 2023ء کے دوران جاری درآمدی پابندیوں اور معاشی و سیاسی بے یقینی نے اس شعبے کو شدید متاثر کیا۔ سپلائی چین میں غیر متوقع حالات نے کمپنی کو کئی پلانٹ بند کرنے، ملازمین کی برطرفی اور ڈیلیوری میں تاخیر پر مجبور کر دیا۔ دوسری طرف، صارف اشیاء بشمول کارز کی طلب میں نمایاں کمی واقع ہوئی کیونکہ اکثر گھر آنے اشیاء ضروریہ کی خریداری پر رقم خرچ کرنے پر مجبور ہیں۔ مزید برآں، صارف ترجیحات میں تیزی سے تبدیلی، تکنیکی جدت اور ریگولیٹری ضوابط میں رد و بدل نے لاگت پر اثرات مرتب کئے ہیں۔ نتیجتاً، قابل خرید چھوٹی گاڑی بنانا یا گاڑیوں کی برآمد کیلئے اہداف طے کرنا بڑا چیلنج رہا۔ البتہ، توشیٹاک حالات کے باوجود، آٹو انڈسٹری نے لچک کا مظاہرہ کیا۔ غیر ملکی زرمبادلہ کے ذخائر میں

بہتری کے باعث دوسرے نصف حصے میں انتہائی ضروری سہارا ملا۔ آئی ایم ایف کے اسٹینڈ بائی معاہدہ (SBA) نے درآمدات پر مبنی صنعتی آپریشنز کی بحالی میں اہم کردار ادا کیا جس سے آٹوموبائل شعبے کو بھی فائدہ پہنچا۔ عام انتخابات کے بعد، آٹوموبائل سپلائی چین میں فروخت کے حجم میں نمایاں بہتری سامنے آئی۔ پیداواری گراف میں کوئی فرق نہیں پڑا جس سے آئندہ مہینوں میں مثبت پیش رفت کی توقع ہے۔

اگرچہ چار پہلوؤں والی گاڑیوں کے شعبوں میں بہتری عیاں ہے لیکن آپریشنل استعداد کو بھرپور انداز میں استعمال نہیں کیا جا سکا۔ آٹو ڈسٹری بیوشن اور وینڈر سپلائرز کے تمام ٹراکیو سسٹم پر کساد بازاری نے منفی اثرات مرتب کئے۔ لہذا، اس صنعت کی فروخت میں نمایاں کمی واقع ہوئی کیونکہ مذکورہ برس میں کاروں اور لائٹ کمرشل گاڑیوں کا حجم گذشتہ برس میں 184,713 یونٹس کے مقابلے میں کم ہو کر 85,061 یونٹس رہ گیا۔ اسی طرح سے، آپ کی کمپنی کی مجموعی سیلز گذشتہ برس میں 25,726 یونٹس کی نسبت 10,534 یونٹس رہی۔

مستقبل میں انڈسٹری مثبت رجحان کی توقع رکھتی ہے کیونکہ اس نے تکنیکی جدت کو تسلیم کیا ہے اور سافٹ ویئر، سیفٹی اور معیار کی بابت جدید خصوصیات پر بھرپور توجہ دی ہے۔ حالیہ گردش گراؤت سے بچ کر اس انڈسٹری نے انتہائی سوجھ بوجھ کا مظاہرہ کیا ہے۔ چونکہ سیاسی دھارہ مستحکم ہو چکا ہے لہذا معیشت سازگار رہے گی۔ افراط زر کے اشاریوں میں بہتری سے شرح سود میں کمی واقع ہوگی۔ البتہ، موافق درجے پر روپے کی شرح مبادلہ کو برقرار رکھنا ایک چیلنج ثابت ہوگا۔ اگر معیشت پروان چڑھتی ہے تو آٹوموبائل انڈسٹری انتہائی ضروری بحالی سے مستفید ہوگی۔

کمپنی

آپ کی کمپنی جدید اور با اعتبار پروڈکٹس کے ذریعے 3 Joys، فلسفے پر کار بند رہے گی۔ عالمی معیار کے برانڈ ہنڈا پاکستان نے مشکل ترین حالات میں اپنی ساکھ برقرار رکھی ہے جو صارفین کے لئے ترجیحی برانڈ ہے۔ سال 2023ء میں کمپنی نے بہترین کارکردگی کی 3 دہائیوں کو مکمل کر کے ایک سنگ میل عبور کیا ہے۔

30 ویں سالگرہ

آپ کی کمپنی نے پاکستان کی آٹوموبائل انڈسٹری میں کامیابی اور عمدگی کے 30 سال مکمل ہونے کا جشن منایا۔ 27 نومبر 2023ء کو HACPL کے لاہور پلانٹ میں ایک بڑی تقریب منعقد ہوئی جس میں ہنڈا ڈیلرشپس، کارپوریٹس، سپلائرز، وینڈرز اور ایسوسی ایٹس پر مشتمل 1700 سے زائد

شرکاء نے شرکت کی۔ یہ تقریب ایک یادگار موقع تھا جس میں تاریخی کامیابیوں اور پاکستان میں مستقبل کی جدوجہد کو سراہا گیا۔ اس جشن میں ہنڈا فیملی کو اکٹھا کیا گیا جس میں ہنڈا موٹرز کمپنی جاپان، ایشین ہنڈا کمپنی تھائی لینڈ اور ایٹلس گروپ پاکستان سے معزز مہمانوں نے شرکت کی۔ معزز مہمانوں نے HACPL کی ثقافت، جدت اور پاکستان میں ہنڈا کے مستقبل پر مشترکہ عزائم کا اظہار کیا۔ جب سے سفر شروع ہوا ہے کمپنی پاکستان کے لئے ہمیشہ پر عزم رہی اور خوشیاں بانٹنے اور آئندہ برسوں میں عمدگی کے نئے معیارات وضع کرنے کے مشن پر قائم رہنے کے عزم کو دہرایا گیا۔

مالیاتی نتائج

مذکورہ برس کے دوران مسلسل تبدیل ہوتے اور مشکل ترین کاروباری حالات کے باوجود مسرت انتہائی کے ساتھ رپورٹ کرتا ہوں کہ آپ کی کمپنی نے 31 مارچ 2024ء کو اختتام پذیر سال کے لئے پائیدار مالیاتی نتائج حاصل کئے ہیں۔ اگرچہ سیلز پر خالص آمدنی گذشتہ برس کی اسی مدت میں 95,087 ملین روپے سے کم ہو کر 55,071 ملین روپے ہو گئی ہے البتہ انتظامیہ کی ٹیم نے بروقت اقدامات کئے اور کمپنی نے گذشتہ برس میں 1,983 ملین روپے کے مقابلے میں 2,753 ملین روپے نفع جمع کیس درج کیا۔ لازمی ٹیکس رد و بدل کے بعد، 31 مارچ 2024 کو اختتام پذیر سال کے لئے خالصاً منافع 2,334 ملین روپے رہا جو گذشتہ برس کی اسی مدت میں 260 ملین روپے تھا۔ قیمت فروخت میں اضافہ، سیلنگ اور انتظامی اخراجات پر نظر ثانی جیسے اقدامات کے ذریعے پیداواری لاگت میں اضافے کے اثرات کا مقابلہ کیا گیا۔ دیگر آمدنی میں 2,322 ملین روپے کے مقابلے میں 2,252 ملین روپے معمولی کمی واقع ہوئی۔ مالیاتی و دیگر اخراجات میں بھی گذشتہ برس کے دوران 5,276 ملین روپے کے مقابلے میں 1,613 ملین روپے کی نمایاں کمی واقع ہوئی۔ شرح مبادلہ میں استحکام نے مبادلہ کے خسارے سے بچنے میں کمپنی کو بہت سہارا دیا۔ اسی طرح سے فی حصص آمدنی میں گذشتہ برس کے دوران 1.82 روپے کے مقابلے میں 16.34 روپے کی بہتری واقع ہوئی۔

کمپنی پائیدار نمو اور خصوصیات میں اضافہ کے طویل مدتی مقاصد حاصل کرنے کے لئے پر عزم رہی۔

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