



# BEGINNING OF A NEW ERA



INTEGRATED  
ANNUAL REPORT  
**2024**



## About the Cover

As we step into 2024, our Company proudly embarks on a new era, underscoring a commitment to sustainability, innovation and evolution. In the previous eras, we have established a robust foundation, showcasing progress, efficiency, innovation, competition, and substantial growth. Each chapter in our journey has been a testament to our unwavering dedication to excellence, as we evolved from a burgeoning enterprise in 1963 to a leading two-wheeler manufacturer today. Our relentless pursuit of advancement has consistently set industry benchmarks, reflecting our core values and forward-thinking approach.

Our pursuit of growth remains steadfast, intertwined with the economic progress of our nation and the rapid advancements in technology. We envision a future where innovation not only propels our Company forward but also contributes to the broader societal goal of sustainable development. This era is not just about producing vehicles; it's about crafting a legacy of responsible manufacturing, cutting-edge technology, and unmatched quality.

As we drive forward into this new era, we invite our stakeholders to join us in this exciting chapter, where every ride is a step towards a greener, more prosperous future. Together, we will drive the change, embodying the spirit of sustainable innovation and continued growth.

Organisation  
development  
through  
self development



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# Vision

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

# Mission

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

# Core Values

Our core values are derived from group's philosophy which is based on the "Atlas Way". It enumerates the principles of "Atlas Culture" and "Atlas System".



### Respect, Recognition & Reward

We promote a culture of respect across the Company and reward exceptional performances.



### Education & Training

We provide education & training opportunities to our employees for their professional growth.



### Value of Time

We aim for optimum utilization of our time to increase productivity and improve work/life balance.



### Self Reliance

We trust our abilities and talent to build a better, stronger and more dynamic organization.



### Meritocracy

We foster meritocracies in hiring, rewarding and promoting the best people based on their merit.



### Excellence

We deliver high-quality products to our customers.

# Code of Conduct

Directors and employees are required to comply with the Atlas Honda's Code of Conduct, which is intended to help them put the Company's ethical principles into practice. The Code of Conduct clarifies the basic principles and standards they are required to follow and the behaviour expected of them. The Code of Conduct can be found at [www.atlashonda.com.pk](http://www.atlashonda.com.pk).

# Strategic Goals

## Customers

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

## Quality

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

## Local Manufacturing

To be the industry leader in indigenization of motorcycle parts.

## Technology

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

## Shareholders

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



## Employees

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

## Corporate Citizen

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

# Quality Policy

- Commitment to provide high quality motorcycles and parts
- Right work in first attempt and on time
- Maintain and continuously improve quality
- Training of manpower and acquisition of latest technology
- Safe, clean and healthy environment
- Market leadership and prosperity for all





# About the Company

Atlas Honda Limited is a public limited company listed on the Pakistan Stock Exchange. It is a joint venture between Shirazi Investments (Private) Limited (SIL) and Honda Motor Company Limited, with SIL holding 52.43% of issued, subscribed and paid-up capital as at March 31, 2023. The Company operates in Pakistan and is engaged in manufacturing and marketing of motorcycles, spare parts and engine oil. The registered office of the Company is located at Lahore whereas its manufacturing & assembly facilities are located at Karachi and Sheikhpura.

The Company serves the needs of automotive sector in Pakistan. The Company's customers mainly include dealers and institutions. The Company manufactures and sells various types of motorcycles in the categories of 70cc, 100cc, 125cc and 150cc through a nation-wide network of dealers. The Company also markets motorcycle parts and offers after-sale services through its dealer network.

## About the Group

The foundation of Atlas Group was laid in the year 1962 by Mr. Yusuf H. Shirazi when "Shirazi Investments (Private) Limited" was formed with an initial capital of Rs. 500,000 and 2 associates by his side. It was Mr. Shirazi's vision of empowering Pakistan by building institutions of excellence. This drove the nation's largest motorcycle manufacturing Company's chronicles, showcasing the "Power of Dreams, Generation after Generation."

Today Atlas is a diversified group dealing in engineering, power generation, trading, and financial services. The Group embodies the spirit of development as it endeavours to fuel the growth of Pakistan's economy through 19 companies out of which four are quoted on the Pakistan Stock Exchange.

The Group has harmonized professional management and institutionalized the Group shareholding to build businesses that last generation after generation. Atlas has also been playing a leading role as a corporate citizen promoting professional education centers, contributing to health facilities, helping law enforcement agencies, and improving the standard of life.



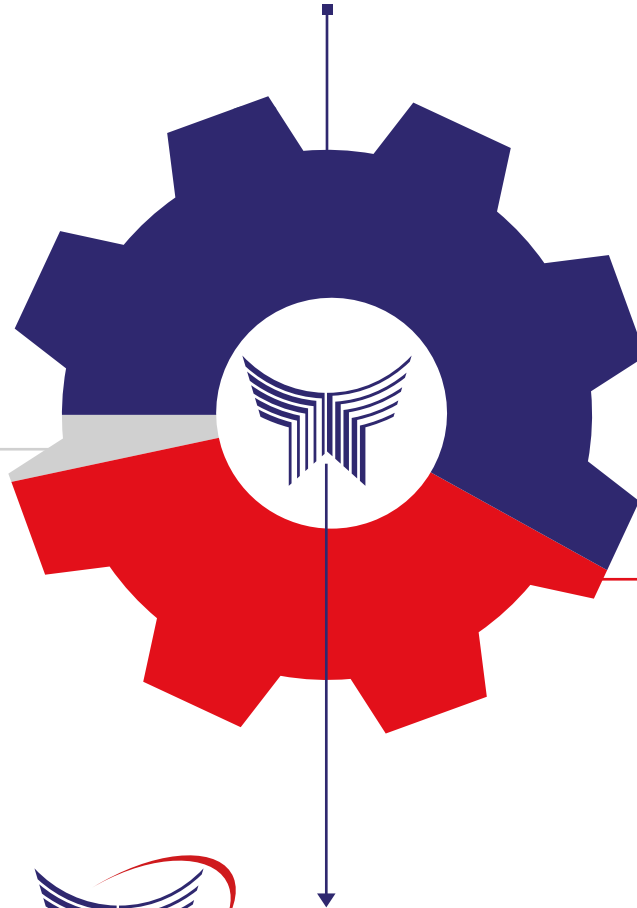
# Group Shareholding



Shirazi Investments (Private) Limited [SIL] was incorporated in 1962 and is the holding company of Atlas Group. SIL holds 52.43% of the shares of Atlas Honda Limited. Besides being holding company of Atlas Group, it is engaged in the businesses of real estate, warehousing and investments in capital markets.

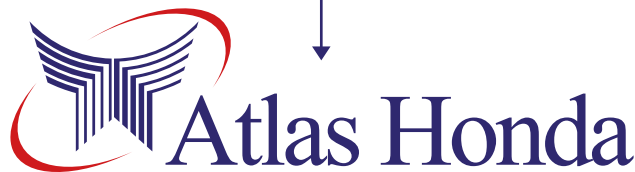


Atlas Insurance Limited is engaged in general insurance and takaful business. The company was founded by Sir Muhammad Iqbal in 1934 and was acquired by Atlas Group in 1980. Atlas Insurance holds 2.84% shares of Atlas Honda Limited.



**HONDA**

Honda Motor Company Limited, Japan is the joint venture partner of Atlas Group and holds 35% shareholding of Atlas Honda Limited.



**Atlas Honda Limited is a joint venture between Atlas Group and Honda Motor Company Limited Japan**



Atlas Hitec (Private) Limited is a joint venture between Atlas Honda Limited, Atlas Autos (Private) Limited and Denso Corporation, Japan engaged in the business of manufacturing automotive parts and components. Atlas Honda Limited holds 29.23% shares of Atlas Hitec (Private) Limited.

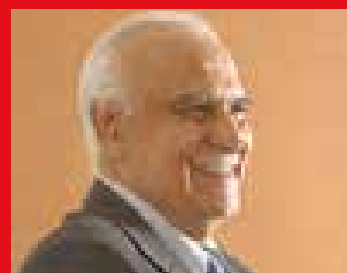


# Atlas Group Companies

Year of Establishment  
Acquisition\*

 Shirazi Investments	1962
 Atlas Honda	1962
 Atlas Battery	1966
 Shirazi Trading	1975
 Atlas Insurance	1980*
 Atlas Engineering	1981*
<b>HONDA</b> Honda Atlas Cars	1992
<b>HONDA</b> Honda Atlas Power Product	1997
 Atlas Asset Management	2002
 Atlas Power	2007
 Atlas World Wide	2007
 Atlas Venture	2008
 Atlas Autos	2011
 Atlas Hitec	2012
 Atlas Global FZE	2015
 Atlas Energy	2016
 Atlas DID	2019
 Atlas GCI	2019
 Atlas Solar	2020

# Engineering Excellence Across Eras



The journey of Atlas Honda Limited started in 1963 when Mr. Yusuf H. Shirazi signed a technical partnership agreement with Honda Motor Company Limited (HMC). It was the beginning of a ride to glory, aiming to transform people's lives by providing simplistic mobility solutions. The Company continued its journey to pioneer new approaches in manufacturing to enhance technological and production capabilities by entering a joint venture agreement in 1988 with HMC. Today, Atlas Honda Limited is an established market leader in two-wheeler segment with a reputation that precedes itself.

This year, Atlas Honda Limited celebrated 60 years of success. The rich and illustrious history of the Company is divided into 5 glorious eras as follows:

### **1963 – 1974** **An Era of Progress**

Pakistan's progress mirrored Atlas Honda's growth. Atlas Autos Limited was inaugurated, becoming the first two-wheeler company listed on the stock exchange. Popular models like the Honda C 50, C 90, and S 90 were launched, and the first in-house workshop was built as a first step to localization.

### **1975 – 1986** **An Era of Efficiency**

Despite challenges from nationalization, demand for Atlas Honda motorcycles grew. The CD 70 and CG 125 models were introduced. The company expanded capacity, achieved over 50% localization, and started quality circles and vendor conferences.

### **1987 – 1998** **An Era of Innovation**

Atlas Honda thrived during economic prosperity. It installed an engine parts plant, merged with Panjdarya Limited, launched new CD70 and CG125 models, facilitated technology transfer, and began exporting to Bangladesh, Nepal, Sri Lanka, Middle East and Central Asia.

### **1999 – 2010** **An Era of Competition**

Facing new competition, Atlas Honda innovated to dominate the market. The Company reached localization of 85%. It received ISO 9002 certification, was ranked among top employers, held its first dealer convention, surpassed 100,000 units, entered the 100cc category with CD100, expanded capacity, and implemented the SAP ERP system.

### **2011 – 2023** **An Era of Growth**

Amid national growth, Atlas Honda saw remarkable achievements. The Company reached 90% localization. Celebrated its 50th anniversary. It acquired shares of Atlas Hitec and entered the 150cc category with the launch of CB150F. During this era production capacity was further enhanced to 1.35 million units and then to 1.5 million units. The Company paid tribute to the legacy of its founder, Mr. Yusuf Shirazi. The company launched new models, CG125 Self, CB125F and CB150F and also introduced its first E-store with nationwide digital ordering. Further the sales surpassed landmark of 1 million units in 2018 for the first time. Atlas Honda received numerous prestigious awards during this era.

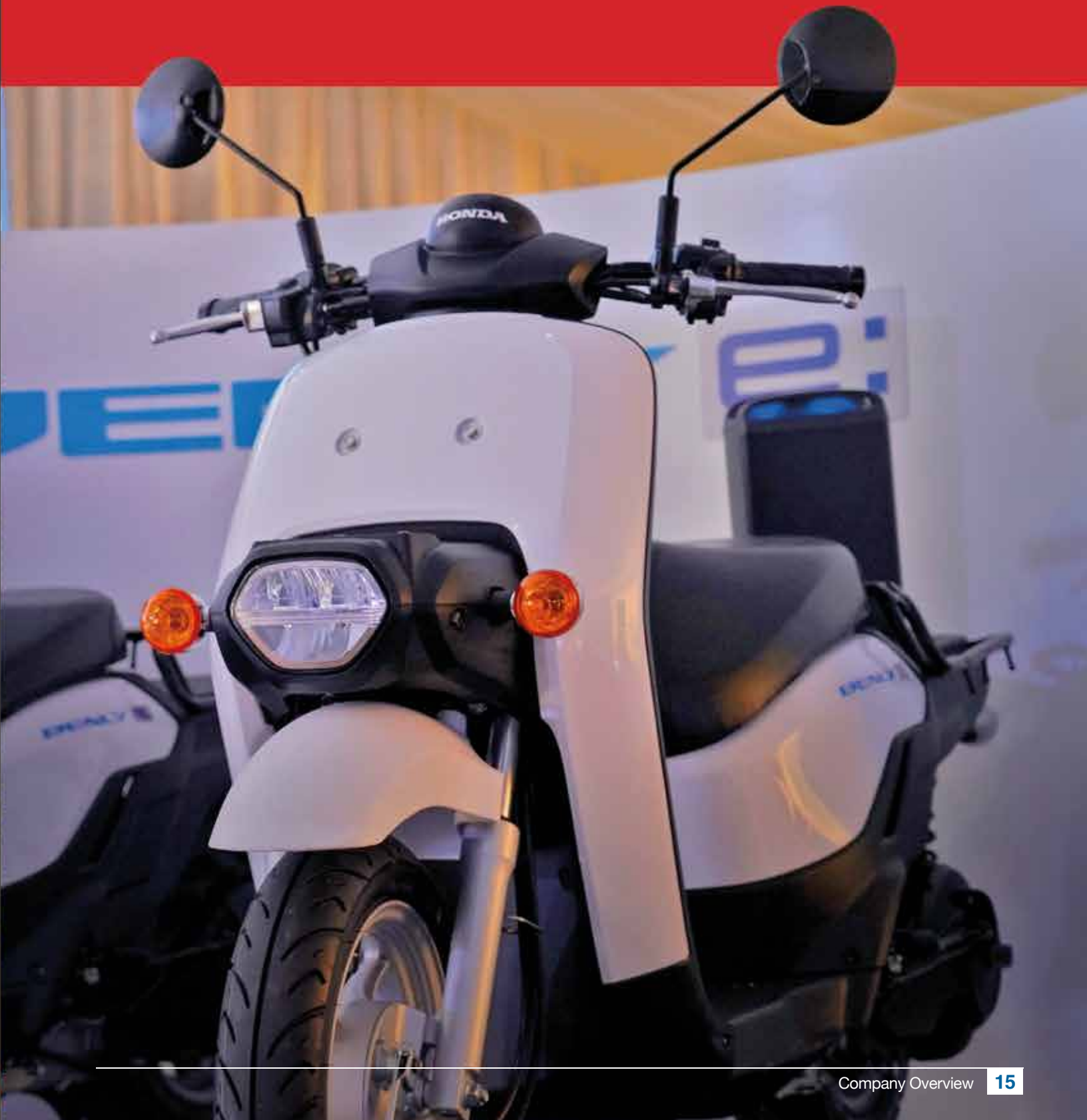
MARKING THE

ANNIVERSARY  
HALLMARK



To commemorate 60th anniversary, numerous events were held highlighting Atlas Honda's illustrious history. These events created impressive moments, witnessed remarkable experiences, and elicited highly enthusiastic reactions. Expressions of gratitude were extended to joint venture (JV) partners recognizing their crucial contributions to the company's success.

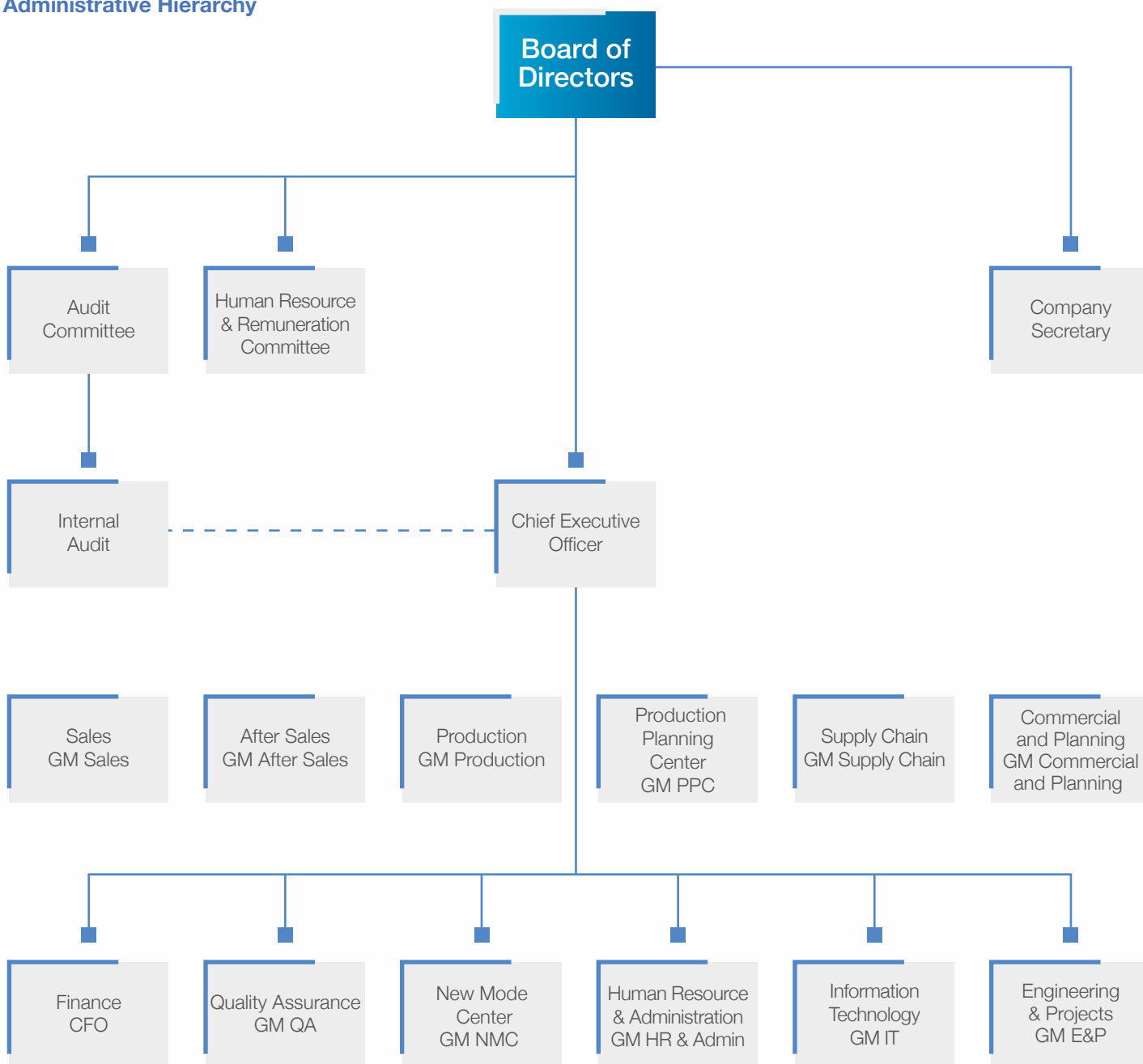
Several significant celebration events took place including the launch of Benly-e which marked a significant step towards sustainable mobility. A dealer convention was organized to bring together business partners fostering collaboration and sharing insights. Additionally, awards were presented to supply chain partners and other valuable stakeholders acknowledging their excellence and support in maintaining high standards and a long lasting relationship.



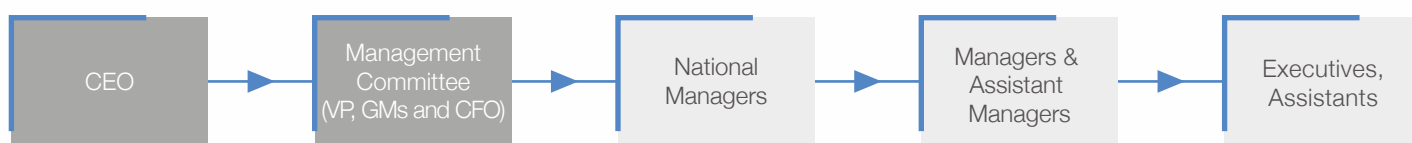


# Organization Chart

## Administrative Hierarchy








## Functional Hierarchy



# Geographical Presence



	Head Office:	Karachi
	Registered Office:	Lahore
	Factories:	Karachi, Sheikhupura
	Branch Offices & Customer Care Centres:	Lahore, Multan, Islamabad, Hyderabad, Faisalabad, Rahim Yar Khan
	Showroom:	Karachi

## Dealerships & Distribution Network

Atlas Honda's Dealerships are spread all over Pakistan. | Complete details are available at [www.atlashonda.com.pk](http://www.atlashonda.com.pk)

# Company Information

## Board of Directors

Aamir H. Shirazi  
Chairman

Abid Naqvi  
Director

Mashmooma Zehra Majeed  
Director

Azam Faruque  
Director

Masanori Kito  
Director

Tetsuya Komine  
Director

Kazushi Yamanaka  
Director

Saqib H. Shirazi  
Chief Executive Officer

Maheen Fatima  
Company Secretary

## Audit Committee

Mashmooma Zehra Majeed  
Chairperson

Abid Naqvi  
Member

Azam Faruque  
Member

Muhammad Asim  
Head of Internal Audit

Maheen Fatima  
Secretary

## Human Resource & Remuneration Committee

Mashmooma Zehra Majeed  
Chairperson

Abid Naqvi  
Member

Saqib H. Shirazi  
Member

Saadullah Ejaz  
Secretary

## Management

Saqib H. Shirazi  
Chief Executive Officer

Afaq Ahmed  
Vice President Marketing

Khuwaja Shujaiddin  
General Manager JVs Co-ordination

Danyal Ahmed Rasheed  
Chief Financial Officer

Faisal Mahmud  
General Manager Plants

Hassan Mushtaq Cheema  
General Manager Production, Planning & Control

Muhammad Ammar  
General Manager New Model Center

Muhammad Rashad Rashid  
General Manager Quality Assurance

Muhammad Zafar Iqbal  
General Manager After Sales

Rashid Ahmed  
General Manager Commercial & Planning

Saadullah Ejaz  
General Manager Human Resources & Administration

Tahir Khan  
General Manager Information Technology

Tahir Nazir  
General Manager Supply Chain

Zia ul Hassan Khan  
General Manager Sales

## Auditors

Shinewing Hameed Chaudhri & Co. Chartered Accountants

## Legal Advisors

Mohsin Tayebaly & Co.

## Tax Advisors

EY Ford Rhodes, Chartered Accountants

## Shares Registrar

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

## Bankers

Allied Bank Limited  
Askari Bank Limited  
Bank Al-Habib Limited  
Bank Alfalah Limited  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
Khushali Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
Standard Chartered Bank (Pakistan) Limited  
United Bank Limited

## Registered Office

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

## Factories

F-36, Estate Avenue, S.I.T.E., Karachi-75730  
UAN: (92-21) 111-111-245  
Tel: (92-21) 32575561-65  
Fax: (92-21) 32563758

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

## Branch Offices & Customer Contact Centre

Azmat Wasti Road, Multan Tel: (92-61)  
4570413-14 (92-61) 111-112-411  
Fax: (92-61) 4541690

Islamabad Corporate Center,  
Plot No. 784/785, Golra Road, Islamabad Tel:  
(92-51) 5495921-7,  
Fax: (92-51) 5475928

Makhdoom Altaf Road, West Sadiq Canal  
Bank, Near City School, Rahimyar Khan Tel:  
(068) 5883415-19,  
Fax: (068) 5883414

2nd Floor, Dawood Centre, Autobhan Road,  
Hyderabad  
Tel: (022) 3411361-9  
Fax: (022) 34113670

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

1st Floor, 28-Mozang Road, Lahore Tel: (92-42)  
36361191-5, 36360740-7

## Showroom

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

## Customer Contact Centre

UAN: (92-42) 111-245-222  
Toll Free: 0800-245-22  
Email: contact.centre@atlashonda.com.pk  
(Within working hours from Monday to Friday)



# Board of Directors



**Aamir H. Shirazi**  
Chairman

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

He is currently Chairman of Honda Atlas Cars, 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.



**Abid Naqvi**  
Director

Mr. Abid Naqvi is the CEO and Director of ACL Capital (Pvt.) Limited, a business development company affiliated with Associated Constructors Ltd. He is also on the Board of Associated Constructors Limited and Pie in the Sky (Pvt.) Ltd. He has worked in the fields of Commercial, Development and Investment banking for over twenty years. He was the CEO of Taurus Securities Limited, a renowned name in the Pakistan stock brokerage industry, and served on various committees of the Karachi Stock Exchange. He is a graduate of University College London (University of London), in the field of Economics and Finance.



## **Mashmooma Zehra Majeed**

### **Chairman**

Ms. Majeed is presently working as the Chief Executive of the Mutual Funds Association of Pakistan. She completed her Chartered Financial Analyst (CFA) program in 2001 from the CFA Institute and the Financial Risk Manager (FRM) Program in 2010. She has a vast experience of over 22 years with the asset management industry in Pakistan. She has played an instrumental role in launching the first Islamic open-end mutual fund in Pakistan as well as the launch of the voluntary pension scheme in Pakistan under the Voluntary Pension System Rules. She has previously worked in senior positions in Atlas Asset Management Ltd., JS Investments Ltd (formerly ABAMCO Ltd.) and Crosby Asset Management Pakistan Ltd. She started her career with M/s Hameed Majeed Associates (Pvt) Ltd.



## **Azam Faruque**

### **Director**

Mr. Azam Faruque is the Chief Executive of Cherat Cement Co. Ltd. He is an Electrical Engineer and Computer Science graduate from Princeton University, USA. He completed his MBA with high honors from the University of Chicago, Booth School of Business. Apart from the time he has spent in the cement industry, he has also served as a member on the Boards of State Bank of Pakistan, National Bank of Pakistan, and Oil and Gas Development Corporation Ltd. He was a member of the Board of Governors of GIK Institute, Member of the National Commission of Science & Technology and also a member of the National Committee of the Aga Khan Foundation. Mr. Azam Faruque has also served on the Board of the Privatization Commission of the Government of Pakistan, Madian Hydro Power Ltd., Atlas Asset Management Ltd., International Industries Ltd., Atlas Battery Ltd., Indus Motor Company Ltd., and was the Chairman KPK Oil & Gas Development Company Ltd.

At present, he is a member of the Board of Directors of Faruque (Pvt.) Ltd., Greaves Pakistan (Pvt.) Ltd., Unicol Ltd., Habib University Foundation and Atlas Honda Ltd. He is a 'Certified Director' from the Pakistan Institute of Corporate Governance.

# Board of Directors



**Masanori Kito**  
Director

Mr. Masanori Kito joined Honda Motor Company in April 1998. He has vast experience in the automobile sector especially in Motorcycle Sales, Business Planning & Marketing fields, having worked with Honda ventures in different capacities across the globe including, Honda Philippines in 2003 and Moto Honda da Amazonia in 2009. In 2016, he was transferred to Sundiro Honda Motorcycle (China) as Assistant President & Sales Director. In 2019, he came back to Headquarter of Honda Motor Co. Ltd. and worked as Department Manager in the Sales Division. Then, he assumed senior management roles in the Honda Motorcycle & Scooter India Pvt. Ltd. as Director Sales & Marketing. Currently, he is a Senior Manager of Asian Honda Motor Co. Ltd. and appointed as a member of the Board of Atlas Honda Limited in June 2022 Thus, he has diversified knowledge of Honda Products and has experience of working in different cultures.



**Tetsuya Komine**  
Director

Mr. Tetsuya Komine joined Honda Motor Company in April 1997. He has vast experience in the automobile sector especially in Motorcycle Sales, Business Planning & Marketing fields, having worked with Honda ventures in different capacities across the globe including, Honda Nirin Chubu Company in 1999 and Honda South Africa in 2005. In 2008, he was transferred to Honda Motor Europe Company as Division Manager. In 2011, he came back to Headquarter of Honda Motor Co. Ltd. Then, he assumed senior management role in the Honda Motorcycle & Scooter India Pvt. Ltd. as Deputy Director. In 2018, he came back to Honda Motor Co. Ltd before being transferred to PT Astra Honda Motor as Director for two years from April 2021 to July 2023. Currently, he is a Director of Asian Honda Motor Co. Ltd. and appointed as a member of the Board of Atlas Honda Limited in April 2024. Thus, he has diversified knowledge of Honda Products and has experience of working in different cultures.



## **Kazushi Yamanaka**

### **Director**

Mr. Kazushi Yamanaka started his career in 1987 at Hamamatsu factory of Honda Motor Company Limited. Having worked at Honda factories around the globe, he has gained vast experience not only on engineering side but also on factory management side that has contributed to the growth of the company. In 2006, he was transferred to Honda of America Mfg., Inc. as Staff Engineer. He was transferred back to Kumamoto Factory of Honda Motor Company Limited in 2008 and worked there as Department Manager till 2016. Before being appointed to Pakistan, he was stationed in Thai Honda Manufacturing Co., Ltd. as Chief Officer of Production. He has diversified knowledge of Honda Products and different working conditions. He has been a member of the Board of Atlas Honda Limited since April 2022.



## **Saquib H. Shirazi**

### **Chief Executive Officer**

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.





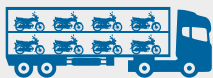

He currently serves on the Boards of Pakistan Mobile Communication, Tri-Pack and the National School of Public Policy. He is also on the Advisory Councils of British International Investment and the Harvard Business School. In the past, he has served as a Director on several national and multinational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

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



# Business Model

Our sustainable approach to sourcing, production, distribution and marketing helps us create value for a wide group of stakeholders, from suppliers to customers. We use our unique strengths and employ our resources and relationships to deliver sustainable growth in earnings for our shareholders. Applying the principles of “Atlas Way” to our business, strengthens our position as a market leader in Pakistan’s two-wheeler industry. There is no material change in Company’s business model during the year.

Our Six Capitals	Inputs		
<p><b>Financial</b> Our share capital and retained profits underpin strong capital base that supports the operations and funds growth.</p>	<p>Capital <b>Rs. 1.2 billion</b></p> <p>Equity <b>Rs. 28.8 Billion</b></p>		<p><b>01</b> Research and Development</p>
<p><b>Human</b> Atlas culture and our collective competencies, capabilities, experience and motivation to innovate.</p>	<p><b>2,718 Employees</b> Strong safety and wellbeing policies and procedures, including diversity and inclusion</p>		<p><b>02</b> Design and Engineering</p>
<p><b>Manufactured</b> Our state-of-the art manufacturing facilities, physical and digital infrastructure through which we conduct business activities. It includes our branches, dealership network and digital platforms.</p>	<p>State of the art Manufacturing Plants</p> <p>Diversified Product Portfolio Fully functional and enhanced sales platforms</p> <p>Advanced ERP and MIS</p>		<p><b>03</b> Raw material sourcing through approved vendors</p>
<p><b>Intellectual</b> Our trusted brand, strategic partnerships and innovative capabilities and expertise.</p>	<p>Strong strategic partnership with Honda Motor</p> <p>Technical know-how</p> <p>Innovative culture underpinned by the right employee skillset</p>		<p><b>04</b> Developing premium product at our manufacturing plants</p>
<p><b>Social and Relationship</b> Our relationships with stakeholders, including deep ties with the communities we operate in.</p>	<p>Established relationships of trust with our stakeholders</p> <p>Strong Sustainability framework</p>		<p><b>05</b> Outbound Logistics</p>
<p><b>Natural</b> The use of, including the influence and impact of business activities, on natural resources.</p>	<p>Focus on low carbon and resource efficient investments</p> <p>Integration of material climate related risks and opportunities into investment decisions</p>		<p><b>06</b> Marketing &amp; Communication</p>



**07**  
Sales through our dealer network



**08**  
Premium-quality customer experiences



**09**  
After sales services

**How we differentiate in the market place?**

We are proud to be the first choice of customers for nearly six decades through our unmatched quality, fuel efficiency and after sales services.

**How we innovate?**

We have a dedicated research and development team, which is focussed on product innovation and improvements according to our customers' need.

**Our motorcycles are carefully designed to provide unparalleled riding experience to our customers. How has the business model been designed to adapt to change?**

Our business model is continuously evaluated to assess whether there is a need to change according to changing business dynamics.

**Output**

**Customers**  
Glorious legacy of satisfied customers  
**07** MMCs & **1** new model launched

**Investors**  
Sustainable profit growth to our investors over the years  
**37.7%** ROE  
**60.0%** Dividend payout

**Employees**  
Respect, recognition and reward for performance  
**7.8bn** Salaries and benefits  
**22K** Man hours of training  
For details refer page no. 115 of sustainability report

**Partners**  
We collaborate with our vendors to provide utmost satisfaction to our customers  
**141.9bn** spent on payments

**Communities**  
We uplift communities to enhance the living standards of underprivileged  
**131.4mn** spent on communities  
For details refer page no. 117 of sustainability report

**Governing Bodies And Regulators**  
Contributing towards development of the country through direct and indirect taxes  
**38.0bn** paid to exchequer

**Outcome**



Creating maximum value for customers through high quality products



Optimum returns for all stakeholders



Highly motivated workforce



Commitment to UN's Sustainability goals

# Significant Events

## During the Year 2023-24

### 1st Quarter

April



Board of Director's Meeting for the year ended March 31, 2023 was held on April 28, 2023.

One-stop solution campaign was conducted for promoting Atlas Honda 3S (Sales, Service and Spare parts) dealerships.

May



Launched 0% markup credit offers for CD70 and CG125 through Banks and Daraz.

Atlas Honda and LUMS collaborated for "Females on Motorcycle" initiative to empower women through safety riding and to spread road safety awareness.

June



Annual General Meeting of the Company for the year ended March 31, 2023 was held on June 21, 2023.

MMC of CB150 was launched.

### 2nd Quarter

July



Corporate Briefing Session was held on July 19, 2023

Board of Director's Meeting for the quarter ended June 30, 2023 was held on July 26, 2023.

Launched 0% markup credit offers for CD70 and CG125 through Alfa mall.

August



MMC of CD70 was launched.

Celebrated 76th Independence Day at various dealerships throughout the country.

September



MMC of CG125 Kick and CG125 Self were launched. New Model CG125S Gold was launched which was one of the most successful launches in Comany's history.

Received awards on Best Corporate and Sustainability Reporting by joint committee of ICAP and ICMAP.

Influencer activities of CB150F were carried out throughout Pakistan to strengthen brand positioning and awareness.

### 3rd Quarter

October



MMC of CD Dream was launched.

Board of Director's Meeting for the quarter ended September 30, 2023 was held on October 23, 2023.

Participated in Pakistan autoshow for promoting new models and brand awareness.

November



Celebrated 60th anniversary in presence of Senior Management and guests from JV partners. The event was also attended by esteemed dealers, vendors, bankers and other valuable stakeholders.

Unveiled the new EV based model BENLYe which marked a significant step towards sustainable mobility.

December



Road safety awareness campaign was conducted.

Launched nationwide scratch & win lucky draw to promote genuine parts and oil consumption.

### 4th Quarter

January



Atlas Honda signed MOU with Bank of Khyber to finance motorcycles to its employees and customers.

Board of Director's Meeting for the quarter ended December 31, 2023 was held on January, 26, 2024.

February



Atlas Honda presented BENLYe to NUST in a strategic partnership to advance sustainability goals and drive impactful research and innovation.

MMC of CB125F was launched.

Women in-charge project was carried out in collaboration with LUMS to empower women through safety riding and to spread road safety awareness.

March



MMC of Pridor was launched.

Received multiple awards by NFEH on Corporate Sustainability Report.

Launches 0% markup credit offers for Atlas Honda motorcycles through Silk Bank Credit Cards.

# Shareholders' Information

## Registered Office

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

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## Exchange Listing

Atlas Honda Limited (the Company) is listed on Pakistan Stock Exchange Limited (PSX).

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## Stock Symbol

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

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## Listing Fees

The annual listing fee for the financial year 2023 - 24 was paid to the PSX and Central Depository Company of Pakistan Limited within the prescribed time limit.

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## 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).

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## Annual General Meeting

Date: June 27, 2024  
Time: 10:00 A.M.  
Venue: Avari Hotel, Mall Road, Lahore,

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## Financial Calendar

June: Audited Annual Results for the year ended March 31st, 2024  
Mailing of Integrated Annual Reports  
Annual General Meeting

July: Unaudited first quarter financial results  
Corporate Briefing Session

October: Unaudited half year financial results

January: Unaudited third quarter financial results

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## Dividend Announcement

The Board of Directors in its meeting held on April 30, 2024 is pleased to recommend a final cash dividend of Rs. 30.0 per share (300%) for the year ended March 31, 2024 subject to approval by shareholders of the Company at the forthcoming Annual General Meeting, taking the total distribution for the year to Rs. 47.0 per share i.e. a payout of 470%.

The total distribution for the last year was Rs. 24 per share i.e. a payout of 240%.

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## Dates of Book Closure

The register of the members and shares transfer books of the Company will remain closed from June 14, 2024 to June 27, 2024 (both days inclusive).

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## Date of Dividend Payment

The final dividend will payment of dividend, upon declaration by shareholders at the forthcoming Annual General Meeting, will be made on or after June 27, 2024.

Last year, the Company has transferred the final cash dividend on June 22, 2023 after approval from shareholders at the 59th Annual General Meeting.

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## Circulation of Integrated Annual Reports Through CD/DVD/USB

As notified by the Securities and Exchange Commission of Pakistan (SECP) vide SRO 470(1)/2016, dated May 31, 2016, and in continuation with the SRO 787(1)/2014 dated September 8, 2014, further supported by Section 223(6) of the Companies Act 2017 and approved by the Shareholders in the Annual General Meeting of the Company held on June 19, 2017, the Company shall circulate Annual Report 2024 to its shareholders in the form of CD /DVD/ USB. Any member requiring printed copy of Annual Report 2024 may send a request using a Standard Request Form placed on Company website.

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## E-Dividend Mandate (Mandatory)

Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. In order to receive dividends directly into their bank account, shareholders are requested to fill in Electronic Credit Mandate Form available on Company's website i.e. <http://www.atlashonda.com.pk> and send it duly signed along with a copy of CNIC to the Registrar of

the Company, M/S Hameed Majeed Associates (Private) Limited, H.M House, 7-Bank Square, Shahrah-e-Quaid-e-Azam, Lahore, Pakistan, in case of physical shares. In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker/ participant/CDC account services. In case of non-receipt of IBAN detail, the Company will be constrained to withhold payment of dividend under Companies (Distribution of Dividends) Regulations, 2017.

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## 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.

In case of joint shareholder, each shareholder is to be treated individually as either a filer or non-filer and tax will be deducted on the basis of shareholding of each shareholder as may be notified by the shareholders, in prescribed format, to our share registrar, or if no such notification is received each shareholder shall be assumed to have an equal number of shares. The required information must reach the shares registrar of the Company by the close of business on June 11, 2024 otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint shareholder(s).

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

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

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## Share Transfer System

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

Share transfers received at the Share Registrar of the Company are registered within 15 days from the date of receipt, provided the documents are complete in all respects.

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## Proxies

According to section 137 of the Companies Act, 2017 and Memorandum and Articles of Association of the Company, every shareholder of the Company who is entitled to attend and vote at

a General Meeting of the Company can appoint another member as his/her proxy to attend and vote instead of him/her. Every notice calling a General Meeting of the Company contains a statement that a shareholder entitled to attend, and vote is entitled to appoint a proxy, who ought to be a member of the Company.

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

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## Annual General Meeting

In pursuance of section 132 of the Companies Act, 2017, the Company holds a General Meeting of shareholders at least once a year. Every shareholder has a right to attend the General Meeting. The notice of such meeting is sent to all shareholders at least 21 days before the meeting and advertised in at least one English and Urdu newspaper.

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

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## Website of The Company

The Company is operating the website [www.atlashonda.com.pk](http://www.atlashonda.com.pk) containing updated information regarding the Company. The website contains the financial results of the Company together with the Company's profile, the Atlas Group philosophy and products of the Company.

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## Change of Address / E-Mail Address

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

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

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## Capital Structure

The paid-up capital of the Company is Rs. 1,241 million represented by 124.1 million shares of Rs. 10/- each. The balance sheet footing stands at 76 Billion and net worth of Rs. 28.8 Billion.

The Company is a subsidiary of Shirazi Investments (Private) Limited holding 52.43% shareholding. Another major shareholder is Honda Motor Company Limited – Japan holding 35% of the shares.

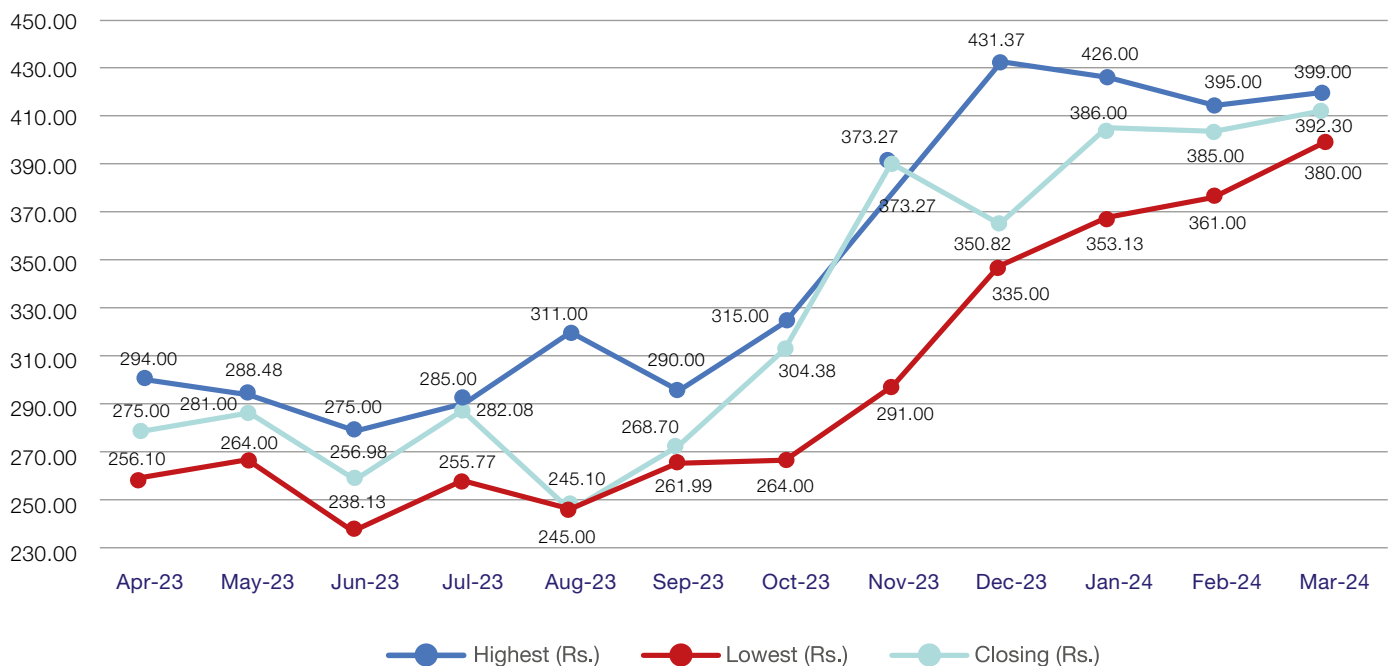
Details of shares held by Directors / Sponsors / Executives are given in the Pattern of Shareholding.

## Market Capitalization, Share Price And Volume Data

The following table shows the monthly high, low and closing share prices of the Company and the volume of shares traded on the Pakistan Stock Exchange Limited during the financial year ended March 31, 2024:

Months	Highest (Rs.)	Lowest (Rs.)	Closing (Rs.)	No. of shares traded	Market Capitalization in Value* (Rs. in billion)
Apr-23	294.00	256.10	275.00	62,000.00	36.48
May-23	288.48	264.00	281.50	39,300.00	35.80
Jun-23	275.00	238.13	256.98	24,800.00	34.12
Jul-23	285.00	255.77	282.08	56,700.00	35.37
Aug-23	311.00	245.00	245.10	44,200.00	38.59
Sep-23	290.00	261.99	268.70	12,000.00	35.99
Oct-23	315.00	264.00	304.38	157,100.00	39.09
Nov-23	373.27	291.00	373.27	171,200.00	46.32
Dec-23	431.37	335.00	350.82	265,600.00	53.53
Jan-24	426.00	353.13	386.00	266,600.00	52.86
Feb-24	395.00	361.00	385.00	19,900.00	49.01
Mar-24	399.00	380.00	392.30	47,700.00	49.51

\*Based on highest price



# Messages for Stakeholder

- Chairman's Review
- Directors' Report to Shareholders
- Directors' Report to Shareholders (Urdu)
- Chairman's Review (Urdu)
- Report of the Board Audit Committee
- Risk and Opportunity Report
- Additional Information
  - Strategy and Resource Allocation
  - Future Outlook
  - Business Rationale for Major Capital 58 Expenditure
  - Significant Plans & Decisions
  - Striving for Excellence in Corporate Reporting
- Notice of the 58th Annual General Meeting





# Chairman's Review

I am pleased to present the 60th Integrated 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 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.

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) 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 positive 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.

## MOTORCYCLE INDUSTRY

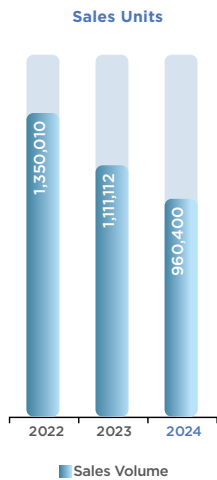
The Motorcycle industry witnessed a decline of over 22% due to import restrictions, inflationary pressures and an overall slowdown in the economy. The supply side constraints affected Chinese motorcycle manufacturers due to their higher dependency on imports. However, better agricultural cashflows, continued foreign remittances and need for a low cost, fuel-efficient mobility option will gradually revive the demand for two-wheelers. The availability and recent surge in prices of raw materials, escalation in energy costs will remain a challenge for the entire eco system of OEMs and Auto Parts manufacturers.

## THE COMPANY

For more than six decades, the Company has been offering affordable and high-quality mobility solutions to its customers. Continuously adopting new technologies to enhance productivity and maintain a competitive edge, the Company regularly upgrades its product lineup and after-sales services to provide greater value to its customers. In the past year, the Company celebrated its 60th anniversary and introduced its first electric vehicle (EV) variant, namely Benly-e, demonstrating a firm commitment to embracing technological advancements and innovation.

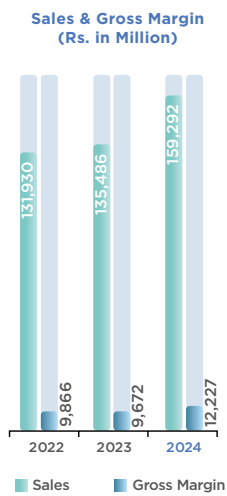
## SEGMENT REVIEW

The 70cc motorcycle category, the largest segment in the two-wheeler industry, continued to lead with sales exceeding 550K units. The introduction of the new "CD70 Blue" variant has not only repositioned the 70cc category but has also expanded the range of choices for fashion-conscious customers. Attractive pre-crop credit and exchange offers by dealers also ensured a stable customer flow.



In the 100cc category, demand for “Pridor” remained promising. The model aims to provide customers with a product powered for “commuting with comfort and maximum fuel efficiency.” It provides a step-up option for customers from the entry level segment. During the year, an additional blue color was launched in this category to enhance options for the customer. Localized marketing campaigns and influencer activities are helping to create a more appealing proposition for Pridor customers. The Company is optimistic about growing the annual customer base.

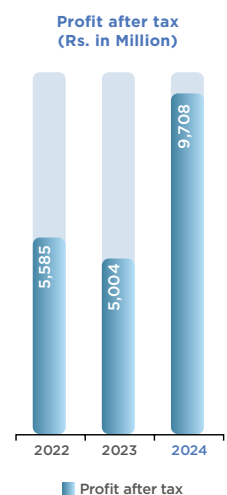
The 125cc category continues to gain market share in the overall two-wheeler industry, driven by a shift in customer preferences towards higher engine displacements, particularly in urban areas. The CG 125 (Self Start) has been upgraded with a superior carburetor design, which has helped enhance the airflow and provide greater fuel efficiency for customers. Additionally, the introduction of a new variant, CG 125 Gold (Self Start), proved to be one of the Company’s most successful launches. The CB 125’s MMC was well-received in the market, particularly among enthusiastic riders who appreciated its attributes as a ‘fun bike’. Credit offers, Exchange Galas, and reinforcement activities helped maintain sales momentum, resulting in the category’s sales volume exceeding 350K units during the year.



The Spare Parts Division continues to deliver promising results with sales surpassing Rs. 18 billion. This growth has been supported by further expansion of our 3S primary network and the implementation of comprehensive product and placement strategies. A strategic focus on tyres, oil, and batteries has strong foothold in the market. Throughout the year, significant efforts were made to promote dealer-driven consumption of periodic maintenance parts, with a focus on both wholesale and general repair parts. The dealer network was further expanded, extending presence to over a hundred previously unserved locations. Additionally, to cater to online customers, inbound marketing is conducted by offering products through the online platform and partnering with portals like Daraz and Alfa Mall to bring the store directly to customers’ doorstep.

## FINANCIAL PERFORMANCE

The Company’s operating results, financial position and net assets are indicative of a strong financial condition. The Company achieved net sales of Rs. 159.3 billion, an increase of 17.6% as compared to last year. Similarly, gross profit increased from Rs. 9.7 billion to Rs. 12.2 billion, up by 25.7%. The increase in gross profit was due to a better sales mix, stable exchange rates and other cost reduction measures. Sales and marketing expenses rose to Rs. 3.7 billion, an increase of 20.4%, which is attributable to promotional activities and general inflation. Administrative expenses also rose by 24.7% again mainly due to inflation. Other income, net of other operating expenses and financial charges, contributed an encouraging Rs. 8.2 billion to the bottom line. This is on account of efficient treasury operations and prudent management of enhanced liquidity. The above factors supported the Company in achieving profit before tax of Rs. 15.7 billion. Resultantly, after provision of super tax for the current and prior year, the Company achieved profit after tax of Rs. 9.7 billion. This translated into Earnings per Share (EPS) of Rs. 78.24 as against Rs. 40.33 for the corresponding period of last year.



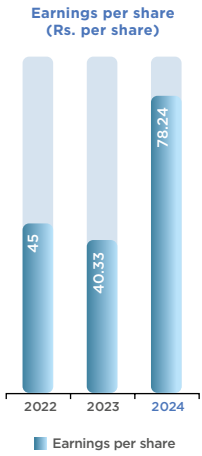
During the year, the Company contributed an amount of Rs. 38 billion to the Government and its agencies on account of various taxes and levies. The Atlas Group, of which the Company is a constituent member, contributed 2% towards the national exchequer. This makes Atlas Group one of the highest taxpayers in the Country.

## DIVIDEND POLICY

The Company aims to maintain a consistent approach to profit allocation. Additionally, the decision to distribute dividends is carefully made, taking into account various factors including business necessities, growth opportunities, and strategic perspectives. Keeping in line with the company’s dividend policy, the Board of Directors proposes a final cash dividend of Rs. 30.0 per share. This is in addition to an interim dividend of Rs. 17.0 per share declared in October 2023, aggregating a total dividend of Rs. 47.0 per share.

## OPERATIONS REVIEW

During the year, the Company continuously strived towards productivity enhancement, process optimization and cost reduction. This included localization of CKD parts, reduction in rejection & re-work cost, modifications of jigs, fixtures, die, tools & spares. Establishment of production dashboard also supported timely decision-making. Focusing improvement on supply chain management, operational efficiency and competitiveness in inventory management, the Company upgraded its warehouse facilities by implementing advanced tracking systems and efficient storage solutions. Manpower productivity was also enhanced by optimizing shift operations, minimizing variable downtime and line balancing. The Company recognizes that development of resources across its supply chain is necessary for long-term success. As a result, the Company continued to enhance vendor improvement partnerships (VIP) with its suppliers for optimum utilization of their resources. Periodic reviews of energy efficient



equipment, re-sourcing, localization of cutting tools and expansion of solar energy projects have paved the way for sustainable growth. The Company further installed solar bases at different locations. Cumulatively, the solar installed base has now crossed 8.7 MW and is helping to reduce energy cost. Further, maintenance of 5-S and safety is being stressed upon through regular audits and evaluation of compliance. During the year, the Company successfully achieved ASH Fire & Explosion verifications, Self-Verification Audits including BAKKA and training on ISO's. The details of Company's sustainable practices and its impact on Company's financial performance are presented in 'Sustainability Report' which forms integral part of this annual report.

## AWARDS

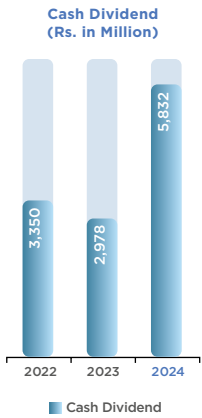
During the year under review, the Company received following awards in recognition for its efforts:

- Award from the Prime Minister of Pakistan for being one of the fastest emerging exporters of Pakistan;
- Best Corporate and Sustainability Report Award in "Engineering Sector" by the Joint Committee of ICAP and ICMAP;
- Award by National Forum for Environment & Health in the categories of Corporate Social Responsibility Report, Research & Publication and Environment & Waste Management.

## FUTURE OUTLOOK

The positive momentum in macroeconomics signals promising growth prospects and improved business sentiments. A sound initiative for decisive decision making for 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 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.

The Company is determined to keep pace and focus on overcoming challenges by improving its operating results and maintaining market leadership. Being socially responsible, financially strong, and operationally smart will remain the key objectives. Following the principles of "The Atlas Way", the Company is well positioned to continue creating significant value addition for the stakeholders in the years ahead.




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

## ACKNOWLEDGMENT

The Atlas Group takes great pride in its partnership with Honda Motor Company Limited. We wish to acknowledge their continued support and cooperation in maintaining high standards of excellence. I would like to thank our valued customers for their ongoing trust, the management team for their dedicated efforts, the Board of Directors for their guidance, and Mr. Saquib H. Shirazi - CEO, for his inspiring leadership. I also express gratitude to all stakeholders - including bankers, dealers, vendors, associates and shareholders for their decisive role in supporting Atlas Honda Limited over the last 60 years.

Dated: April 30, 2024  
Karachi

  
Amir H. Shirazi

# Directors' Report to Shareholders

The Directors of the Company are pleased to present their report together with the 60th Annual Report of the Company along with the Annual Audited Financial Statements for the year ended March 31, 2024.

## Operating Results

The operating results of the Company are summarized as follows:

	<b>Year ended March 31, 2024</b>	Year ended March 31, 2023
	-----Rupees in '000-----	
Profit before taxation	15,738,098	8,103,043
Taxation		
Current	5,308,410	2,283,923
Prior Years	478,358	704,816
Deferred	243,285	110,149
	6,030,053	3,098,888
Profit after taxation	<u>9,708,045</u>	<u>5,004,155</u>

## Dividends and Appropriations

The Directors have recommended a final cash dividend of Rs. 30 per share (2023: Rs. 13.00 per share final cash dividend).

Accordingly, the appropriation of profit will be as under:

	<b>Year ended March 31, 2024</b>	Year ended March 31, 2023
	-----Rupees in '000-----	
Profit available for appropriation	20,104,067	13,371,912
Appropriation:		
Transfer to General Reserves	-	-
Interim Cash Dividend 170% (2023: 110%)	2,109,495	1,364,967
Final Cash Dividend 300% (2023: 130%)	3,722,637	1,613,143
Bonus Shares 0% (2023: 0%)	-	-
	5,832,132	2,978,110
Un-appropriated profit carried forward	<u>14,271,935</u>	<u>10,393,802</u>

Accordingly, the appropriation of profit will be as under:

## Earnings per Share

The Basic and Diluted earnings per share after tax is Rs. 78.24 (2023 - Rs. 40.33).

## Holding Company

Shirazi Investments (Pvt.) Limited, incorporated in Pakistan, is the holding company of Atlas Honda Limited owning 52.43% shares of the Company.

## Chairman's Review

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

## Board of Directors and its Committees

### The Board

The Board comprises of two independent Directors (including one female director), three executive and three non-executive Directors. The Directors of the Company were elected in Extraordinary General meeting of the Company held on March 13, 2023. On April 01 2024, Mr. Shunsuke Miyazaki and Mr. Nurul Hoda resigned as Directors and Mr. Tetsuya Komine and Mr. Azam Faruque were appointed in their places, respectively.

### Human Resource and Remuneration (HR&R) Committee

The Committee meets to review and recommend all elements of the compensation, organization and employee development policies relating to the senior executives' remuneration and to approve all matters relating to the remunerations of the executive directors and

members of the management committee. The CEO of the Company and the Head of HR of Atlas Honda attended the Human Resource and Remuneration Committee meeting. The Committee met once during FY 2023 - 24.

Following are the members of the Committee:

- 1- Ms. Mashmooma Zehra Majeed (Chairperson)
- 2- Mr. Abid Naqvi
- 3- Mr. Saquib H. Shirazi

#### Board Audit Committee (BAC)

The Board Audit Committee assists the Board in fulfilling its oversight responsibilities, primarily in reviewing and reporting financial and non-financial information to share-holders, systems of internal control and risk management and the audit process. It has the autonomy to call for information from management and to consult directly with the external auditors or advisors as considered appropriate. The Chief Financial Officer regularly attends the Board Audit Committee meetings by invitation to present the accounts. After each meeting, the Chairperson of the Committee reports to the Board. The Committee met 4 times during FY 2023-24.

Following are the members of the Committee:

- 1- Ms. Mashmooma Zehra Majeed (Chairperson)
- 2- Mr. Abid Naqvi
- 3- Mr. Azam Faruque

#### Meetings of the Board and its Committees in 2023-24

During the year, five meetings of Board of Directors (BOD), four meetings of the BAC and one meeting of the HR&R Committees were held. All the meetings were held in Pakistan.

Sr. #	Director	Directorship	Status	Committee		Attendance		
				BAC	HR&R	BOD	BAC	HR&R
1.	Mr. Aamir H. Shirazi	4	Re-elected on March 13, 2023	-	-	5/5	-	-
2.	Mr. Saquib H. Shirazi	3	-do-	-	✓	5/5	-	1/1
3.	Mr. Abid Naqvi	1	-do-	✓	✓	5/5	4/4	1/1
4.	Ms. Mashmooma Zehra Majeed	2	-do-	✓	✓	5/5	4/4	-
5.	Mr. Kazushi Yamanaka	1	-do-	-	-	5/5	-	-
6.	Mr. Masanori Kito	1	-do-	-	-	5/5	-	-
7.	Mr. Shunsuke Miyazaki	1	Re-elected on March 13, 2023 and Resigned on April 1, 2024	-	-	-	-	-
8.	Mr. Nurul Hoda	1	Elected on March 13, 2023 and Re-signed on April 1, 2024	-	-	5/5	4/4	-
9.	Mr. Azam Faruque	2	Co-opted on April 1, 2024	✓	-	-	-	-
10.	Mr. Tetsuya Komine	1	Co-opted on April 1, 2024	-	-	-	-	-

#### Performance Evaluation of Board of Directors and Committees of the Board

The evaluation of Board's role of oversight and its effectiveness is continual process, which is appraised by the Board itself. The core areas of focus are:

- Alignment of corporate goals and objectives with the vision and mission of the Company;
- Strategy formulation for sustainable operation;
- Board's independence; and
- Evaluation of Board's Committees performance in relation to discharging their responsibilities set out in respective terms of reference.

Annual evaluation questionnaire developed in conformity with the Code of Corporate Governance and Global best practices is circulated to the Directors for performance evaluation.

Strict level of confidentiality is exercised by the Company Secretary upon receipt of completed questionnaires. These are then evaluated to identify areas that require improvement and highlight differences of opinion, if any.

#### Roles and Responsibilities of Chairman and CEO

To promote a culture of transparency and good governance, positions of the Chairman of the Board of Directors and the office of the Chief Executive Officer are held by separate incumbents with clear demarcation of roles and responsibilities.

Chairman represents the non-executive directors of the Board and is entrusted with the overall supervision and direction of the Board's proceedings, and has the power to set the agenda, give directions and sign the minutes of the Board meetings.

Chief Executive Officer is an executive director who also acts as the head of the Company's Management. He is authorized for implementing the Board's policies within delegated limits besides the responsibilities which are annexed in this Annual Report.

### Review of CEO's Performance

The performance of the CEO is formally appraised through the evaluation system which is based on quantitative and qualitative values. It includes the performance of the business, the accomplishment of objectives with reference to profits, organization building, succession planning and corporate success.

### Directors' Remuneration

The Board has implemented a formal policy supported by transparent procedures for fixing directors' remuneration. In accordance with the Code of Corporate Governance, no Director is involved in the determination of their own remuneration package. The Company does not pay remuneration to non-executive directors except fee for attending the meetings. In order to retain the best talent, the Company's remuneration policies are structured in line with prevailing industry trends and business practices. For information on remuneration of Directors and CEO in 2023-24, please refer notes to the Financial Statements.

### External Auditors

The retiring auditors M/s ShineWing Hameed Chaudhri & Co. Chartered Accountants, being eligible, offered themselves for re-appointment. The Audit Committee has recommended their re-appointment as auditors of the Company and their remuneration for the year 2024-25. The Board of directors endorses recommendation of the Audit Committee for their reappointment as auditors of the Company for the financial year 2024-25, to the shareholders for approval.

### Internal Control Framework

The report on Internal Control Framework, is presented in the Annual Report.

### Internal Audit

The Company has an independent Internal Audit function. The Board Audit Committee quarterly reviews the appropriateness of resources and authority of this function. The Head of Internal Audit functionally reports to the Audit Committee. The Board Audit Committee approves the audit plan, based on an annual and quarterly assessment of the operating areas. The Internal Audit function carries out reviews on the financial, operational and compliance controls, and reports on findings to the Board Audit Committee, Chief Executive and the divisional management.

### 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.

### Principal Risks and uncertainties

The report on principal risks and uncertainties, is presented in the 'Risk and Opportunity Report', which forms a part of this Annual Report.

### Communication

The Company focuses on the importance of the communication with the shareholders. The annual, half yearly and quarterly reports are distributed to them within the time specified in the Companies Act, 2017. The activities of the Company are updated on its web site at [www.atlashonda.com.pk](http://www.atlashonda.com.pk), on timely basis. The directors endorse the contents of the review.

### Safeguarding of Records

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

### Business Continuity Plan

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

### Human Resource Management

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

### Corporate Social Responsibility

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

## Strategic Objectives on ESG

The Board is actively involved and strongly backs the Company's ESG initiatives. The Company's dedication lies in integrating ESG considerations seamlessly into its strategy. This supports long-term growth, mitigates risks, and cultivates a foundation of trust with stakeholders. The Company's strategic goals encompass eco-friendliness, societal obligations, and proficient governance. We are resolute in diminishing carbon footprints, safeguarding resources, promoting usage of green energy and handling waste materials in an environment friendly manner. The Company's focal points include promoting diversity, ensuring employee welfare, and actively participating in the community. The Company's decision-making is steered by ethical behavior, openness, transparency and prudent risk management. Within Corporate Social Responsibility, strategic focus is on education, healthcare and serving the community.

## Health, Safety and Environment

We strongly believe in maintaining the highest standards in health, safety and environment (HSE) to ensure the well-being of the people who work with us as well as of the communities where we operate. The impact of the Company's business on the environment are presented in the 'Sustainability Report' which forms an integral part of this Annual Report.

## Statement of Value Addition

We strongly believe in maintaining the highest standards in health, safety and environment (HSE) to ensure the well-being of the people who work with us as well as of the communities where we operate. The impact of the Company's business on the environment are presented in the 'Sustainability Report' which forms an integral part of this Annual Report.

## Statement of Value Addition

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

## 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 Securities and Exchange Commission of Pakistan and form a part of the Listing Regulations of the Pakistan Stock Exchange. The Directors confirm that:

- The financial statements prepared by the management of the Company presents fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- The Company has maintained proper books of account.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan and the requirements of the Companies Act 2017 have been duly followed in preparation of the financial statements. Any departure thereof has been adequately disclosed and explained.
- There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations of the Pakistan Stock Exchange.
- The system of internal control is sound in design and has been effectively implemented and monitored. The process of monitoring internal controls will continue as an ongoing process with the objective to further strengthen the controls and bring improvements in the system.
- There are no significant doubts about the Company's ability to continue as a going concern.
- The Company operates a contributory provident fund scheme for all employees and Defined benefit gratuity fund scheme for its management / non-management employees. The value of investments based as at March 31, 2024 are as follows (PKR in millions):

Fund Name	Audited March 2024	Audited March 2023
Provident Fund	969.36	811.59
Gratuity Fund – Management	461.31	345.23
Gratuity Fund – Non management	109.88	91.36

- Information regarding outstanding taxes and levies, as required by the listing regulations, is disclosed in the notes to the financial statements.
- Statements regarding the following are annexed in this Annual Report:
  - > Key financial data for the last six (6) years
  - > Pattern of shareholding
  - > Trading in shares of the Company by its Directors, CEO, CFO and Company Secretary

On behalf of the Board of Directors

Amir H. Shirazi  
Chairman

Saquib H. Shirazi  
Chief Executive Officer

Karachi: April 30, 2024

ہم صحت، تحفظ اور ماحول کے اعلیٰ معیار کو برقرار رکھنے پر مضبوط یقین رکھتے ہیں تاکہ ہمارے ساتھ کام کرنے والے لوگوں اور جن علاقوں میں ہم خدمات انجام دیتے ہیں وہاں موجود لوگوں کی فلاح و بہبود کو یقینی بناسکیں۔ کمپنی کے کاروباری ماحولیات کے اثرات کو sustainability report میں پیش کیا گیا ہے جو اس سالانہ رپورٹ کا ایک لازمی حصہ ہے۔

اسٹیمٹ برائے ویلیو ایڈیشن

اسٹیمٹ برائے ویلیو ایڈیشن اور اس کی ڈسٹری بیوشن کا بیان اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک

کمپنی کسی رعایت کے بغیر کارپوریٹ گورننس کے اعلیٰ معیار کو برقرار رکھنے کے لیے پرعزم ہے۔ ڈائریکٹرز یہ بتاتے ہوئے خوشی محسوس کر رہے ہیں کہ کمپنی سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ضرورت کے مطابق کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل کرتی ہے جو کہ پاکستان اسٹاک ایکسچینج کی لسٹنگ ریگولیشنز کا ایک حصہ ہے۔

ڈائریکٹرز تصدیق کرتے ہیں کہ:

- کمپنی کی انتظامیہ کی جانب سے تیار کی جانے والی مالیاتی اسٹیمٹ شفافیت کے ساتھ کمپنی کے اسٹیٹ آف افیئرز، آپریشنز کے نتائج، کیش فلوا اور ایکویٹی میں تبدیلیوں کو پیش کرتے ہیں۔
- کمپنی اکاؤنٹ کی کتب کو درستگی کے ساتھ قائم رکھتی ہے۔
- مالی اسٹیمٹ کی تیاری کے لیے درست اکاؤنٹنگ پالیسیاں تسلسل کے ساتھ لاگو کی جاتی ہیں اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلوں پر مبنی ہوتے ہیں۔
- کمپنی کے مالیاتی اسٹیمٹس کی تیاری میں پاکستان میں لاگو ہونے والے انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز اور گلوبل ریگولیشنز کی 2017 کی درکار ضروریات پر عمل درآمد کیا جاتا ہے۔ کسی بھی انحراف کا واضح انکشاف کیا گیا ہے
- کارپوریٹ گورننس کے بہترین طریقوں میں کوئی بڑا انحراف نہیں کیا گیا، جو کہ پاکستان اسٹاک ایکسچینج کی لسٹنگ ریگولیشن میں تفصیلاً درج ہیں۔
- اندرونی کنٹرول کا نظام بہترین انداز میں مرتب کیا گیا، موثر انداز میں لاگو کیا گیا ہے اور ساتھ ساتھ اس کی باقاعدہ نگرانی بھی کی جاتی ہے۔ اندرونی کنٹرول کی نگرانی کا عمل اس مقصد کے ساتھ جاری رہے گا کہ ان کنٹرولز کو مزید مضبوط اور بہتر بنایا جائے۔
- جاری و ساری منصوبوں اور امور کی انجام دہی کے لیے کمپنی کی بہترین صلاحیتوں پر کوئی شک نہیں کیا جاسکتا۔
- کمپنی تمام ملازمین کے لیے کفایتی بیوری پرووڈنٹ فنڈ اسکیم اور منجمنٹ / نان منجمنٹ ملازمین کے لیے ڈیفائنڈ پینشن گریجویٹ فنڈ اسکیم چلا رہی ہے۔ اس انوٹسٹمنٹ کی مالیت (روپے ملین میں) 31 مارچ 2024 کے لیے درج ذیل ہے۔


فنڈ کا نام	آؤٹینڈ 31 مارچ 2024	آؤٹینڈ 31 مارچ 2023
پرووڈنٹ فنڈ	969.36	811.59
گریجویٹ فنڈ - منجمنٹ اسٹاف	461.31	345.23
گریجویٹ فنڈ - نان منجمنٹ اسٹاف	109.88	91.36

- لسٹنگ ریگولیشنز کے مطابق درکار واجب الادا ٹیکس اور لیویز کی معلومات فنانشل اسٹیمٹس کے نوٹس میں درج ہیں۔
- مندرجہ ذیل کے بارے میں بیانات سالانہ رپورٹ کے ساتھ منسلک ہیں:
- گزشتہ 6 سالوں کا کلیدی مالیاتی ڈیٹا
- شیئر ہولڈنگ کا پٹرن
- ڈائریکٹرز، CFO، CEO اور کمپنی سیکریٹری کی جانب سے شیئرز کی ٹریڈنگ کی معلومات

بورڈ آف ڈائریکٹرز کی جانب سے



عامر ایچ شیرازی  
چیئر مین



عاقب ایچ شیرازی  
چیئر ایگزیکٹو آفیسر

کراچی: 30 اپریل 2024



## سی ای او کی کارکردگی کا جائزہ

سی ای او کی کارکردگی کا باضابطہ طور پر تشخیصی نظام کے ذریعے جائزہ لیا جاتا ہے جو مقصداری اور معیاری اقدار پر مبنی ہوتا ہے۔ اس میں کاروباری کارکردگی، منافع کے حوالے سے مقاصد کی تکمیل، تنظیم سازی، جانشینی کی منصوبہ بندی اور کارپوریٹ کامیابی شامل ہے۔

## ڈائریکٹرز کا مشاہرہ

بورڈ نے ڈائریکٹرز کے مشاہرے کو فکس کرنے کے لیے باقاعدہ پالیسی اور طریقہ کار مرتب کیا ہے۔ کوڈ آف کارپوریٹ گورننس کے تحت اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے مشاہرے کا تعین خود نہیں کرے گا۔ کمپنی نان ایگزیکٹو ڈائریکٹر کو مشاہرے کی ادائیگی نہیں کرتی بلکہ انہیں اجلاس میں شرکت کی فیس ادا کی جاتی ہے۔ بہترین قابلیت اور صلاحیت یافتہ لوگوں کو کمپنی کے ساتھ منسلک رکھنے کے لیے کمپنی نے انڈسٹری میں جاری رجحانات اور کاروباری طور طریقوں کے مطابق اپنے مشاہرے مقرر کر رکھے ہیں۔ سال 2023-24 میں ڈائریکٹرز اور چیف ایگزیکٹو آفیسرز کے مشاہروں کی معلومات کے لیے فنانشیل اسٹیٹمنٹ کے نوٹس کا جائزہ لیں۔

## ایکسٹرنل آڈٹرز

سکدوش ہونے والے آڈیٹرز میسرز شائن ونگ میڈ چوہدری اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے اہل ہونے کی بنا پر خود کو دوبارہ تفری کے لیے پیش کر دیا ہے۔ آڈٹ کمپنی نے کمپنی کے لیے سال 2024-25 کے لیے ان کی دوبارہ تفری کی سفارش کی ہے۔ بورڈ آف ڈائریکٹرز مالی سال 2024-25 کے لیے کمپنی کے آڈیٹرز کے طور پر ان کی دوبارہ تفری کے لیے آڈٹ کمپنی کی تجویز کی توثیق کرتے ہیں کہ وہ منظوری کے لیے شیئر ہولڈرز کو ارسال کریں گے۔

## انٹرنل کنٹرول فریم ورک

انٹرنل کنٹرول فریم ورک پر رپورٹ، سالانہ رپورٹ میں پیش کی گئی ہے۔

## انٹرنل آڈٹ

اٹلس ہنڈ ایک خود مختار انٹرنل آڈٹ فنکشن رکھتا ہے۔ بورڈ آڈٹ کمپنی سماہی کی بنیاد پر اس کے وسائل کی مناسبت اور اختیارات کا جائزہ لیتی ہے۔ انٹرنل آڈٹ کمپنی کا سربراہ فعال طور پر آڈٹ کمپنی کو رپورٹ کرتا ہے۔ بورڈ آڈٹ کمپنی آڈٹ پلان کی منظوری دیتی ہے، جو کہ پریٹننگ ایریاز کی سالانہ اور سماہی کارکردگی پر مبنی ہوتا ہے۔ انٹرنل آڈٹ کا کام فنانشیل، آپریشنل اور کمپلائنس کنٹرولز کا جائزہ لینا اور ان کے نتائج کی رپورٹ بورڈ آڈٹ کمپنی، چیف ایگزیکٹو اور ڈویژنل مینجمنٹ کو مہیا کرنا ہے۔

## اہم تبدیلیاں

31 مارچ 2024 سے رپورٹ کی تیاری تک کسی قسم کی کوئی بھی اہم تبدیلیاں نہیں کی گئی ہیں اور کمپنی نے اس مدت کے دوران ایسا کوئی وعدہ نہیں کیا ہے جس سے کمپنی کی مالیاتی پوزیشن پر کسی قسم کے منفی اثرات مرتب ہوں گے۔

## بنیادی خطرات اور غیر یقینی صورتحال

بنیادی خطرات اور غیر یقینی صورتحال سے متعلق Risks and Opportunities Report پیش کی گئی ہے، جو اس سالانہ رپورٹ کا ایک حصہ ہے۔

## مواصلات

کمپنی شیئر ہولڈرز کے ساتھ رابطہ قائم رکھنے کی اہمیت پر توجہ مرکوز رکھتی ہے۔ شیئر ہولڈرز کو سالانہ، ششماہی اور سماہی رپورٹس کیپٹیز ایکٹ 2017 کے مطابق واضح کردہ وقت کے مطابق ارسال کی جاتی ہیں۔ کمپنی کی سرگرمیاں بروقت ویب سائٹ [www.atlashonda.com.pk](http://www.atlashonda.com.pk) پر اپ ڈیٹ کی جاتی ہیں۔ ڈائریکٹرز ریویو کے مندرجات کی توثیق کرتے ہیں۔

## ریکارڈز کا تحفظ

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

## کاروبار کے تسلسل کا منصوبہ

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

## ہیومن ریورس انجینئرنگ

ہیومن ریورس پلاننگ اور انجینئرنگ کمپنی کی سٹریٹجی کے اہم ترین اجزاء میں سے ایک ہے۔ کمپنی نے ہیومن ریورس اور ہیومن ریسورس کیپٹیل وی ہے جو کہ اہم انتظامی اشخاص کے انتخاب، جانچ، مشاہرے اور متبادل منصوبہ بندی کے معاملات شامل ہے۔ یہ ہیومن ریورس پالیسیوں اور طریقے کار میں بہتری کی سفارشات اور متواتر جائزے کے عمل میں شامل ہے۔ ہیومن ریورس پالیسیوں کی تفصیلات sustainability report میں پیش کی گئی ہیں جو کہ سالانہ رپورٹ کا ایک اہم حصہ ہے۔

## کارپوریٹ سوشل ریسپانسیبلٹی

کمپنی مجموعی طور پر کاروباری حالات کے تناظر میں سماجی، ماحولیاتی اور اخلاقی معاملات کے بارے میں غور و خوض کرتی ہے۔ کمپنی اپنے تمام اسٹیک ہولڈرز کے بہترین مفاد میں کام کرنے کے لیے پرعزم ہے، خاص طور پر اس کیونٹی میں جس میں ہم رہتے ہیں اور جو ہمارے لیے کسٹمرز ہیں تشکیل دیتے ہیں۔ کارپوریٹ سوشل ریسپانسیبلٹی پر رپورٹ جس میں کمپنی کی سٹیٹیا اینڈ سٹیٹیا، ہیومن ریورس، سوشل، انوائرنمنٹل اور دیگر متعلقہ مسائل کی جانب سوچ کی عکاسی کرتی ہے۔ اسے sustainability report میں پیش کیا گیا ہے جو کہ سالانہ رپورٹ کا ایک اہم حصہ ہے۔

## ای ایس جی پراسٹریٹجک مقاصد

بورڈ فعال طور پر کمپنی کے ای ایس جی اقدامات کی بھرپور حمایت کرتا ہے۔ کمپنی کی توجہ ای ایس جی کے تحفظات کو بتا کر کسی رکاوٹ کے اپنی حکمت عملی میں ضم کرنے پر مرکوز ہے جو طویل مدتی ترقی کی حمایت کرتے ہوئے خطرات کو کم کرتا ہے اور اسٹیک ہولڈرز کے ساتھ اعتماد کو فروغ دیتا ہے۔ کمپنی کے اسٹریٹجک اہداف ماحول دوست، سماجی ذمہ داریاں اور گورننس کی مہارت پر مبنی ہے۔ ہم کاربن فٹ پرنٹس کو کم کرنے، وسائل کا تحفظ، سبز توانائی کے استعمال کو فروغ دینے اور فضلہ مواد کو ماحول دوست طریقے سے ہینڈل کرنے میں پرعزم ہیں۔ کمپنی کے فوکل پوائنٹس میں تنوع کا فروغ، ملازمین کی فلاح و بہبود اور کیونٹی میں فعال طور پر حصہ لینا شامل ہے۔ کمپنی کی فیصلہ سازی، اخلاقی اقدار، شفافیت اور یحیات رویوں سے ہوتی ہے۔ کارپوریٹ سماجی ذمہ داری کے اندر، اسٹریٹجک توجہ تعلیم، صحت کا تحفظ اور کیونٹی کی خدمت پر مرکوز ہے۔

## انسانی وسائل اور مشاہرے کی کمیٹی

کمیٹی تنخواہوں، آرگنائزیشن اور سینئر ایگزیکٹو ملازمین کی ترقی سے متصل مشاہراتی پالیسیوں کا جائزہ لینے کے لیے کراچی، ایگزیکٹو ڈائریکٹرز اور انتظامی کمیٹی کے مشاہروں سے متعلق تمام اہم معاملات کی منظوری دینے کے لیے ملاقات کرتی ہے۔ کمیٹی کے چیف ایگزیکٹو آفیسر اور اٹل ہنڈا کے ہیومن ریسورس ہیڈ نے انسانی وسائل اور مشاہرے کی کمیٹی کے اجلاس میں شرکت کی۔ کمیٹی کا اجلاس سال 2023-24 کے دوران ایک بار منعقد کیا گیا۔

### کمیٹی کے ارکان مندرجہ ذیل ہیں:

- 1- محترمہ مشومہ زہرہ مجید (چیئر مین)
- 2- جناب عابد نقوی
- 3- جناب ثاقب انجینئر شیرازی

### بورڈ کی آڈٹ کمیٹی (بی اے سی)

بورڈ کی آڈٹ کمیٹی کمیٹی کے بورڈ کو اس کی ذمہ داریاں پوری کرنے، بنیادی طور پر شیئر ہولڈرز کو مہیا کی جانے والی فنانشل اور نان فنانشل معلومات کا جائزہ لینے، اندرونی کنٹرول اور رسک مینجمنٹ کے نظام اور آڈٹ کے طریقہ کار جیسے امور انجام دینے میں معاونت فراہم کرتی ہے۔ اس کے پاس انتظامیہ سے معلومات حاصل کرنے اور براہ راست بیرونی آڈیٹرز یا مشیروں کا یا جسے وہ مناسب سمجھیں، سے مشورہ کرنے کی خود مختاری ہے۔ چیف فنانشل آفیسر مدعو کیے جانے پر باقاعدگی کے ساتھ آڈٹ کمیٹی کے اجلاس میں شرکت کر کے اکاؤنٹس پیش کرتے ہیں۔ ہر اجلاس کے بعد کمیٹی کے چیئر مین بورڈ کو رپورٹ کرتے ہیں۔ سال 2022-23 کے دوران کمیٹی کے چار اجلاس منعقد ہوئے۔

### کمیٹی کے ارکان مندرجہ ذیل ہیں:

- 1- محترمہ مشومہ زہرہ مجید (چیئر مین)
- 2- جناب عابد نقوی
- 3- جناب اعظم فاروق

### سال 2023-24 کے دوران بورڈ اور اس کی کمیٹیوں کے اجلاس

سال کے دوران، بورڈ آف ڈائریکٹرز کے پانچ اجلاس، بورڈ آڈٹ کمیٹی کے چار اجلاس، انسانی وسائل اور مشاہرے کا ایک اجلاس منعقد کیا گیا۔ تمام اجلاس پاکستان میں بذریعہ ویڈیو کانفرنس منعقد کیے گئے۔ ڈائریکٹرز کی حاضری اور لیکچر کمیٹیوں، بشمول اٹل ہنڈا لیٹیٹڈ میں ان کی ڈائریکٹرشپس کی تعداد ذیل میں دی گئی ہے:

نمبر شمار	ڈائریکٹر	ڈائریکٹر شپ	ایٹلٹس	کمیٹی	حاضری
	ڈائریکٹر	ڈائریکٹر شپ	ایٹلٹس	کمیٹی	حاضری
1	جناب عامر انجینئر شیرازی	4	13 مارچ 2023 کو منتخب ہوئے	-	-
2	جناب ثاقب انجینئر شیرازی	3	-do-	✓	1/1
3	جناب عابد نقوی	1	-do-	✓	4/4
4	محترمہ مشومہ زہرہ مجید	2	-do-	✓	4/4
5	جناب کازوکی یامانا کا	1	-do-	-	-
6	جناب ماسانوری کیٹو	1	-do-	-	-
7	جناب شنسو کی میازا کی	1	دوبارہ منتخب 13 مارچ 2023 اور 01 اپریل 2024 کو مستعفی ہوئے	-	-
8	جناب نور الہدیٰ	1	دوبارہ منتخب 13 مارچ 2023 اور 13 مارچ 2023 کو مستعفی ہوئے	-	4/4
9	جناب اعظم فاروقی	2	11 اپریل 2024 کو انتخاب میں بطور امیدوار شامل ہوئے	✓	-
10	جناب ٹیشو یا کومائن	1	11 اپریل 2024 کو انتخاب میں بطور امیدوار شامل ہوئے	-	-

### بورڈ آف ڈائریکٹرز اور بورڈ کی کمیٹیوں کی کارکردگی کا جائزہ

کمیٹی میں بورڈ کی نگرانی کے کردار اور اس کے موثر ہونے کا جائزہ ایک جاری عمل ہے جس کی انجام دہی خود بورڈ کی جانب سے دی جاتی ہے۔ جن کلیدی امور پر توجہ مرکوز کی جاتی ہیں وہ مندرجہ ذیل ہیں:

- کارپوریٹ اہداف اور مقاصد کو کمیٹی کے وژن اور مشن کے ساتھ مطابقت میں رکھنا۔
- پائیدار آپریشن کے لیے حکمت عملی کی تیاری۔
- بورڈ کی خود مختاری؛ اور
- متعلقہ شرائط اور حوالہ جات کے ساتھ بورڈ کی کمیٹیوں کا ان کی ذمہ داریوں کے حوالے سے تجربہ

## شیر ہولڈرز کے لیے ڈائریکٹر رپورٹ

کمپنی کے ڈائریکٹرز نہایت مسرت کے ساتھ اپنی رپورٹ بمعہ 31 مارچ 2024 کو ختم ہونے والے سال کے لیے کمپنی کی 60 ویں سالانہ رپورٹ اور آڈیٹ شدہ مالیاتی بیانات پیش کر رہے ہیں۔

آپریٹنگ نتائج

کمپنی کے آپریٹنگ نتائج مختصراً مندرجہ ذیل ہیں:

سال کا اختتام 31 مارچ 2023	سال کا اختتام 31 مارچ 2024	
(000 روپے میں)		
8,103,043	15,738,098	قبل از ٹیکس منافع
		ٹیکس
1,975,529	5,308,410	موجودہ سال
1,035,162	478,358	گزشتہ سال
88,197	243,285	ملٹوی / منوخر
3,098,888	6,030,053	بعد از ٹیکس منافع
5,004,155	9,708,045	

منقسمہ اور تصرفات

ڈائریکٹرز نے فائنل کیش ڈویڈنڈ.... روپے فی شیئر (13.00 روپے فی شیئر 2023) کی سفارش کی ہے۔

سال کا اختتام 31 مارچ 2023	سال کا اختتام 31 مارچ 2024	
(000 روپے میں)		
13,317,912	20,104,067	تصرفات کے لیے دستیاب منافع
		تصرفات:
-	-	عام ذخائر کی منتقلی
1,364,967	2,109,495	عموری کیش ڈویڈنڈ 170% (2023: 110%)
1,613,143	3,722,637	فائل کیش ڈویڈنڈ 300% (2023: 130%)
-	-	بونس شیئرز 0% (2023: 0%)
2,978,110	5,832,132	غیر تصرف شدہ منافع آگے لایا گیا
10,339,802	14,271,935	اس کے مطابق منافع کا تصرف حسب ذیل ہوگا:

آمدنی فی شیئر

بنیادی اور diluted آمدنی بعد از ٹیکس فی شیئر 78.24 روپے (40.33 روپے 2023) ہے۔

ہولڈنگ کمپنی

پاکستان میں قائم کی گئی شرازی انویسٹمنٹس (پرائیویٹ) لمیٹڈ 52.43 فیصد حصص کے ساتھ اٹلس ہنڈلڈ کی ہولڈنگ کمپنی ہے۔

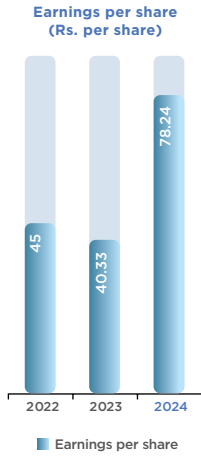
چیئر مین کا تجزیہ

چیئر مین کا تجزیہ سالانہ رپورٹ میں دیگر امور کے ساتھ کاروبار کی نوعیت، کمپنی کی کارکردگی، گزشتہ سال سے اہم انحراف کی وضاحت، مستقبل کے امکانات اور غیر یقینی صورتحال پر مشتمل ہے۔ ڈائریکٹرز اس چیئر مین کے جائزے میں موجود مندرجات کی تائید کرتے ہیں۔

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیاں

بورڈ:

بورڈ دو خود مختار ڈائریکٹر (بشمول ایک خاتون ڈائریکٹر)، تین ایگزیکٹو اور تین نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔ کمپنی کے ڈائریکٹرز کا انتخاب 13 مارچ 2023 کو منعقدہ غیر معمولی اجلاس عام میں کیا گیا۔ 01 اپریل 2024 کو جناب شونو کو میازا کی اور جناب نور الہودا نے بطور ڈائریکٹر استعفیٰ دے دیا اور مسٹر ٹیٹو یا کو مائن اور جناب اعظم فاروق کو ان کی جگہوں پر بالترتیب مقرر کیا گیا۔



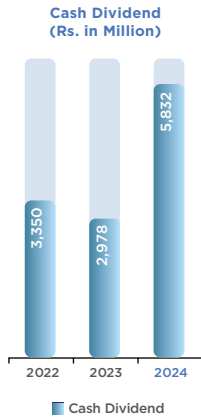
مالی سال کے دوران، کمپنی نے پیداواری صلاحیت میں اضافہ، عمل کی اصلاح اور لاگت میں کمی کے لئے مسلسل کوشش کی۔ اس میں سی ڈی حصوں کی لوکلائزیشن، ریجنل اورری ورک کی لاگت میں کمی، جگ، فیکٹری، ڈائی، ٹولز اور اسپینرز میں ترمیم شامل ہے۔ پروڈکشن ڈیش بورڈ کے قیام نے بھی بروقت فیصلہ سازی میں مدد کی۔ سپلائی چین مینجمنٹ، آپریشنل کارکردگی اور انویسٹری مینجمنٹ میں مسابقت پر توجہ مرکوز کرتے ہوئے، کمپنی نے جدید ٹیکنالوجی سسٹمز اور منوٹرنگ سلسلوں کو لاگو کر کے اپنی گودام کی سہولیات کو اپ گریڈ کیا۔ افرادی قوت کی پیداواری صلاحیت کوشش آپریشنز کو بہتر بنانے، متغیر ڈاؤن ٹائم کو کم سے کم کرنے اور لائن ٹیلنگ کے ذریعے بھی بڑھایا گیا۔ کمپنی تسلیم کرتی ہے کہ طویل مدتی کامیابی کے لئے اس کی سپلائی چین میں وسائل کی ترقی نہایت اہم ہے۔ نتیجتاً، کمپنی نے اپنے سپلائرز کے ساتھ اپنے وسائل کی زیادہ سے زیادہ استعمال کے لیے وینڈر امپروومنٹ پارٹنرشپ (VIP) کو بڑھانا جاری رکھا۔ توانائی کے کم خرچ ساز سامان کے استعمال، ریسورسنگ، ٹیکنالوجی کی لوکلائزیشن اور ترقیاتی منصوبوں کی توسیع کے وقتاً فوقتاً جائزوں نے پائیدار ترقی کی راہ ہموار کر دی ہے۔ کمپنی نے مزید مختلف مقامات پر سولر پنلز لگائے

۔ مجموعی انشال ٹیس اب 8.5 میگا واٹ سے تجاوز کر گیا ہے اور توانائی کی اہم بچت کا باعث بنا ہے۔ مزید یہ کہ باقاعدگی سے آڈٹ اور تعلیمات کی جانچ کے ذریعے 5S برقرار رکھنے کو یقینی بنایا جا رہا ہے۔ سال کے دوران، کمپنی نے کامیابی کے ساتھ ASH فائبر ایڈاپٹیشن کی تصدیق، خود کی تصدیق جس میں باکا اور تربیت، آئی ایس اوز شامل ہیں۔

#### ایوارڈز

زیر جائزہ سال کے دوران، کمپنی کو اپنی کاوشوں کے اعتراف میں مندرجہ ذیل ایوارڈز سے نوازا گیا:

- پاکستان کے تیزی سے نمایاں ہوئے برآمد کنندگان میں سے ایک ہونے پر وزیراعظم پاکستان کی جانب سے ایوارڈ؛
- ICAP اور ICMAP کی مشترکہ کمیٹی کی جانب سے ’’انجینئرنگ مینجر‘‘ میں بہترین کارپوریٹ اور پائیداری کی رپورٹ کا ایوارڈ؛
- کارپوریٹ سماجی ذمہ داری کی رپورٹ، تحقیق، اشاعت اور ماحولیات اور ویسٹ مینجمنٹ کی ٹیکنیکل فورم برائے صحت اور ماحولیات کی جانب سے ایوارڈ



#### مستقبل کے خدو خال

میکرو اکنامکس میں مثبت پیش رفت ترقی کے امید افزا امکانات اور بہتر کاروباری جذبات کی نشاندہی کرتی ہے۔ بالخصوص سرمایہ کاری کے لئے متاثر کن فیصلہ سازی کی خاطر ایک بڑا اقدام آپریٹل انویسٹمنٹ فیسیلیٹیشن کونسل (SIFC) کا قیام ہے جو ایک باہمی تعاون پر مبنی پلیٹ فارم ہے جس کا مقصد غیر ملکی سرمایہ کاری کو راغب کرنا اور اقتصادی ترقی کی رفتار کو مزید بڑھانا ہے۔ اسی کے ساتھ ساتھ، اصلاحات کی جاری کوششوں کو برقرار رکھنا اور ایسی حکمت عملی پر توجہ مرکوز کرنا بہت ضروری ہے جو استحکام کو یقینی بنائیں اور پائیدار ترقی کو فروغ دیں۔ مزید برآں، آئی ایم ایف کا نیا پروگرام اور بیرونی فنڈنگ کی آمد معیشت کے لئے نہایت اہم ہے کیونکہ بیرونی ادائیگیاں سال کے لئے 25 بلین امریکی ڈالر کے خوفناک حد تک ہیں۔ مندرجہ بالا اقدامات پائیدار ترقی کے لئے طویل مدتی پالیسیوں کی تشکیل میں معاونت کے لئے تمام قومی اسٹیک ہولڈرز کے درمیان اتفاق رائے کی ضرورت ہے۔

کمپنی اپنے آپریٹنگ نتائج کو بہتر بنا کر مارکیٹ کی قیادت کو برقرار رکھنے ہوئے چیلنجوں پر قابو پانے کے لئے رفتار اور توجہ مرکوز کرنے کے لئے پُر عزم ہے۔ سماجی طور پر ذمہ دار، مالی طور پر مستحکم اور عملی طور پر ہوشیار ہونا اہم مقصد رہے۔ کمپنی آنے والے سالوں میں اسٹیک ہولڈرز کے لیے اہم ویلیو ایڈیشن کو جاری رکھنے کے لئے پوری طرح آراستہ ہے۔ اس سلسلے میں ’’ٹلس وے‘‘ کے اصول ہمارے کاروباری فلسفے کے بنیادی ستون بنے ہوئے ہیں۔

سے گیسوئے تابدار کو اور بھی تابدار کر

(Let's work better and better)

#### توثیقی بیان

ٹلس گروپ ہنڈاموٹر کمپنی سے اپنی شراکت داری پر فخر محسوس کرتا ہے اور اپنے ممتاز حیثیت کے اعلیٰ معیارات کو برقرار رکھنے میں ان کے مسلسل تعاون کا معترف ہے۔ میں اپنے کسٹمرز کے ہم پر اعتماد، ہماری انتظامی ٹیم کی مخلصانہ کوششوں، بورڈ آف ڈائریکٹرز کی رہنمائی اور جناب ثاقب انجینئرنگ شیرازی کو ان کی پرائز لیڈرشپ اور اپنے اسٹیک ہولڈرز، بینکرز، ڈیلرز، وینڈرز، ایسوسی ایٹس اور شیئرز ہولڈرز کا گزشتہ 60 سالوں سے بے حد ممنون و شگور ہوں کہ جن کی مدد سے ٹلس ہونڈاموٹر کو ایک ممتاز کمپنی کی حیثیت حاصل ہے۔

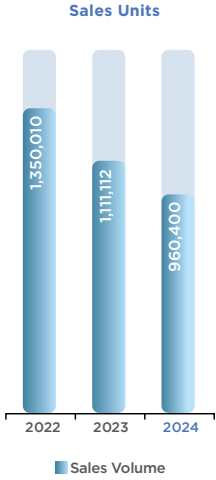
عامر انجینئر شیرازی

بتاریخ: 130 اپریل 2024

کراچی

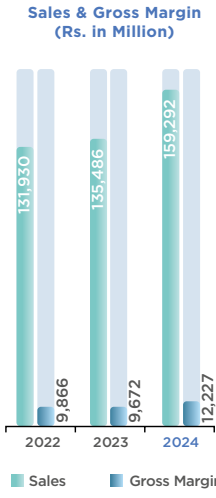
70cc صنعت کا سب سے بڑا سنگٹ ہونے کی حیثیت سے 550,000 سے زائد پوٹس کی فروخت کے ساتھ سب سے آگے رہا۔ نئے 'CD70 بلیو' وریونٹ کے تعارف نے نہ صرف 70cc کیٹیگری کو تبدیل کر دیا ہے بلکہ فیشن سے آگاہ

صارفین کے لئے انتخاب کی حد کو بھی بڑھا دیا ہے۔ ڈیلرزی جانب سے کریڈٹ اور آپتھنج کی دلچسپ پیشکش نے بھی صارفین کی رغبت کو یقینی بنایا۔



کمپنی کی 100cc کیٹیگری میں Pridor کی مانگ امید افزا رہی۔ اس ماڈل کا مقصد صارفین کو 'آرام دہ اور ایندھن کی بہترین کارکردگی کے ساتھ سفر' کے ذریعے پائیدار مصنوعات فراہم کرنا ہے۔ یہ اینٹری لیول سنگٹ کے صارفین کے لیے ایک اسٹیپ اپ آپشن فراہم کرتا ہے۔ سال کے دوران، صارفین کے لیے اختیارات کو بڑھانے کی خاطر اس سنگٹ میں نیلے رنگ کا اضافہ کیا گیا ہے۔ مارکیٹنگ کی مقامی مہمات اور اثرا گیزر سرگرمیوں سے Pridor کے صارفین کے لئے ایک زیادہ پرکشش پیشکش بنانے میں مدد مل رہی ہے۔ کمپنی سالانہ کسٹمر میں کو بڑھانے کے لیے پُر امید ہے۔

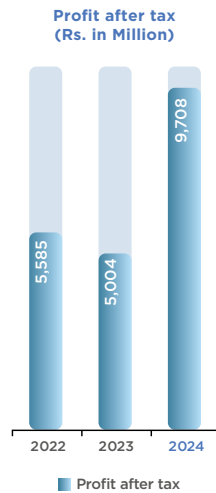
125cc کیٹیگری مجموعی طور پر دو پہیوں کی صنعت میں مارکیٹ شیئر کا حصول جاری رکھے ہوئے ہے۔ بالخصوص ہر شہری علاقے میں بڑے انجن کی طرف منتقلی صارفین کی ترجیحات میں تبدیلی لائی ہے۔ CG 125 (سیلف اسٹارٹ) کو ایک اعلیٰ کاربوہائیڈریٹز کے ساتھ اپ گریڈ کیا گیا ہے جس نے ہوا کے گزر کو بڑھانے اور صارفین کے لئے ایندھن کی زیادہ کارکردگی فراہم کرنے میں مدد کی ہے۔ مزید برآں، ایک نئے ورژن CG 125 (سیلف اسٹارٹ) کا تعارف کمپنی کے کامیاب ترین پیشکشوں میں سے ایک ثابت ہوا۔ CB125 کی ایم ایم سی کو مارکیٹ میں بالخصوص نوجوان سواروں کے درمیان خاصی پذیرائی حاصل ہوئی جنہوں نے اس کی خصوصیات کو 'دفن ہانگ' کے طور پر سراہا۔ کریڈٹ آفرز، آپتھنج گالا ز اور ری انفورسمنٹ سرگرمیوں سے فروخت کی رفتار کو برقرار رکھنے میں مدد ملی۔ نتیجتاً، سال کے دوران اس کیٹیگری کی فروخت کا حجم تقریباً 350,000 رپکارڈ کیا گیا۔



اسپیئر پارٹس ڈویژن حوصلہ افزا نتائج فراہم کر رہا ہے جس کی فروخت اب 18 بلین روپے ہے۔ اس ترقی کو ہمارے 3S پرائمری نیٹ ورک کی مزید توسیع اور جامع پروڈکٹ اور جگہ کی حکمت عملیوں کے نفاذ کے ذریعے معاونت ملی۔ کمپنی نے ٹائر، تیل اور اینٹری پراسٹریجک ٹوجہ نہ مارکیٹ میں مضبوط قدم جمانے کو یقینی بنایا۔ سال کے دوران وقتاً فوقتاً مینٹنس کرنے والے پروزوں کی ڈیلرز چلنے والی کھپت کو فروغ دینے کے لیے کوششیں جاری رکھی گئیں۔ ڈیلر نیٹ ورک کو مزید وسعت دی گئی اور اب ظاہری موجودگی 100 سے زائد مقامات تک پھیلی ہوئی ہے جہاں اس سے قبل ایسی خدمات کی فراہمی کا تصور نہیں تھا۔ آن لائن صارفین کے لیے کمپنی دراز اور الفامال جیسے پورٹلز کے ذریعے اسٹور کو صارفین کی دہلیز تک پہنچا کر ان کا ونڈ ما کیٹنگ میں بھی مصروف عمل ہے۔

### مالیاتی کارکردگی

کمپنی کے آپریٹنگ نتائج، مالی پوزیشن اور نیٹ اثاثے ایک مضبوط مالی صورتحال کی نشاندہی کرتے ہیں۔ کمپنی نے 159.3 بلین روپے کی خالص فروخت حاصل کی جو گزشتہ سال کے مقابلے میں 17.6 فیصد زیادہ ہے۔ اسی طرح مجموعی منافع 25.7 فیصد اضافے کے ساتھ 9.7 بلین روپے سے بڑھ کر 12.2 بلین روپے ہو گیا۔ مجموعی منافع میں اضافہ بہتر بیلنس، مستحکم شرح مبادلہ اور لاگت میں کمی کے دیگر اقدامات کی وجہ سے ہوا۔ سٹیز اور مارکیٹنگ کے اخراجات بڑھ کر 3.7 بلین روپے ہو گئے جو کہ 20.4 فیصد اضافہ ہے۔ جس کی وجہ پر موٹل سرگرمیوں اور عام افرا زرز ہے۔ انتظامی اخراجات میں بھی 24.7 فیصد اضافہ ہوا جس کی بنیادی وجہ افراط زر ہے۔ دیگر آمدنی، دوسرے آپریٹنگ اخراجات اور مالیاتی چارجز کے خالص نے باٹم لائن میں 8.2 بلین روپے کا حوصلہ افزا حصہ ڈالا۔ یہ موٹو ٹریڈری آپریٹسز اور بہتر لیکویڈٹی کے دانشمندانہ انتظام کی وجہ سے ہے۔ مندرجہ بالا عوامل نے کمپنی 15.7 بلین روپے کا قبل از ٹیکس منافع حاصل کرنے میں مدد کی۔ نتیجتاً، موجودہ اور گزشتہ سال کے لئے پرنٹس کی فراہمی کے بعد کمپنی نے 9.7 بلین روپے کا بعد از ٹیکس منافع حاصل کیا۔ فی شیئر آمدنی (EPS) 78.24 روپے رہی جو گزشتہ سال کی اسی مدت کے دوران 40.33 روپے تھی۔



سال کے دوران کمپنی نے مختلف ٹیکس اور محصولات کی مدد میں حکومت اور اس کی ایجنسیوں کو 38 بلین روپے ادا کیے۔ ٹیکس گروپ (کمپنی جس کا جڑ ہے) نے قومی خزانے میں 2 فیصد کا حصہ ڈالا۔ جس سے ٹیکس گروپ حکومت کو سب سے زیادہ ٹیکس ادا کرنے والوں میں شامل ہو جاتا ہے۔

### ڈیویڈنڈ پالیسی

کمپنی منافع کی تخصیص کے حوالے سے اپنے مستقل نقطہ نظر کے مطابق رہنے کی کوشش کرتی ہے۔ مزید یہ کہ منافع کی تقسیم کا فیصلہ احتیاط سے کیا جاتا ہے جس میں کاروباری ضروریات، ترقی کے امکانات اور اسٹریٹجک خیالات سمیت مختلف عوامل کو مد نظر رکھا جاتا ہے۔ موجودہ سال کے لیے، بورڈ آف ڈائریکٹرز نے 30 روپے فی شیئر کے حتمی منافع کی تجویز کی ہے جو کہ اکتوبر 2023 میں اعلان کردہ 17.0 روپے فی حصص کے عبوری ڈیویڈنڈ کے علاوہ ہے، لہذا اگلے ڈیویڈنڈ 47.0 روپے فی شیئر ہے۔

## چیمبر میں کا جائزہ

میں 31 مارچ 2024 کو ختم ہونے والے سال کے لیے کمپنی کی 60 ویں کارکردگی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔

### میکرو اکنامک جائزہ

موجودہ مالی سال میں معاشی اور مالی صورتحال میں بہتری آ رہی ہے، جس کی وجہ دانشمندانہ حکمت عملیوں کا انتظام اور کثیر جہتی اور دو طرفہ شراکت داروں کی جانب سے آمدن کی بحالی ہے۔ حال ہی میں پاکستان نے 3 بلین امریکی ڈالر کے آئی ایم ایف اسٹیڈ بائی آرگنٹمنٹ (ایس بی اے) پروگرام کو کامیابی کے ساتھ تکمیل تک پہنچایا ہے۔ ان پیش رفتوں کے باعث ایک پائیدار اقتصادی بحالی اور ملک کے مجموعی اقتصادی اعتماد میں بھی اضافہ دیکھنے میں آیا ہے۔ اگرچہ ابھی بھی نمو 2 فیصد کے قریب ہے اور توقع ہے کہ مالی سال 2025 میں نمو میں اضافے ہوگا۔

بیرونی محاذ پر، مالی سال 2024 کی نو ماہی کے لئے کرنٹ اکاؤنٹ خسارہ گزشتہ سال کی اسی مدت کے دوران 4.1 بلین امریکی ڈالر کے مقابلے میں 0.5 بلین امریکی ڈالر رہا جو 88 فیصد کی نمایاں بہتری کو ظاہر کرتا ہے۔ یہ پیشرفت درآمدی بل میں 8.35 فیصد کی کمی کے ساتھ ساتھ برآمدات میں سال بہ سال 9.31 فیصد کی نمایاں اضافے کے باعث دیکھنے میں آئی۔ پاکستانی روپے کی قدر میں کمی، بلند شرح سود اور دیگر پالیسی کے اقدامات نے درآمدی طلب کو مؤثر طریقے سے روکا جس کے باعث اس سربلس میں حصہ ڈالا گیا۔ ملازمین کی ترسیلات زر نے انتہائی اہم معاونت فراہم کی اور سال بہ سال اس میں 16.4 فیصد کا اضافہ ہوا، اس مدت کے دوران 21 بلین امریکی ڈالر کی آمد ریکارڈ کی گئی۔ جس کے نتیجے میں، اسٹیٹ بینک آف پاکستان (SBP) کے غیر ملکی ذخائر 8 بلین امریکی ڈالر سے اوپر رہے جبکہ پاکستانی روپیہ امریکی ڈالر کے مقابلے میں 278.50 روپے پر بند ہوا۔

مالیاتی محاذ پر، ایف بی آر کی آمدنی مالی سال 2024 کی نو ماہی میں گزشتہ سال کی اسی مدت کے مقابلے میں 30 فیصد بڑھ گئی جو 6.707 بلین روپے کے مقرر کردہ ہدف سے بڑھ کر 6.710 بلین روپے تک پہنچ گئی۔ ہیڈ لائن افراط زر میں سال بہ سال کمی واقع ہوئی جو جنوری میں 28.3 فیصد سے کم ہو کر فروری میں 23.1 فیصد تھی۔ یہ بہتری سخت مائٹری پالیسی، مالیاتی استحکام اور ایک سازگار بنیادی اثر کے مشترکہ اثرات کی عکاسی کرتی ہے۔ تاہم، SBP کی مائٹری پالیسی کمیٹی نے بلند افراط زر کے خطرے سے خبردار کیا ہے جس سے موجودہ مائٹری پالیسی کو 22 فیصد پر برقرار رکھنے کی ضرورت ہے۔ مجموعی طور پر ان مثبت اثرات نے کیپٹل مارکیٹوں میں اعتماد کو بھی بڑھایا جس کے ساتھ PSX-100 انڈیکس نے اپنی تاریخ میں پہلی بار 71,000 پوائنٹس کو عبور کیا۔

زرعی شعبے میں قابل ذکر نمود دیکھنے میں آئی جس نے پیداواری اہداف کو نہ صرف عبور کیا بلکہ ریکارڈ نقد بہاؤ بھی حاصل کیا ہے۔ رینج کے سیزن کے دوران، گندم کی کاشت ہدف سے بڑھ کر 8.9 سے 9.2 بلین ہیکٹری تک ہو گئی۔ کپاس کی پیداوار میں نمایاں بہتری دیکھی گئی جو گزشتہ سال کی 5 بلین ہیکٹری سے بڑھ کر 11.5 بلین ہیکٹری تک پہنچ گئی ہے۔ اسی طرح چاول کی پیداوار 9 بلین میٹرک ٹن تک پہنچنے کے ساتھ اس سال کے دوران چاول کی برآمدات میں 76 فیصد اضافہ ہوا۔ امدادی قیمتوں میں اضافے، کھاد پر سبسڈی اور مرکزی بینک کی جانب سے بروقت اقدامات، جیسے زرعی قرضہ اور انشورنس کے ساتھ ساتھ کریڈٹ گارنٹی اسکیم سے سیکٹور کی مجموعی کارکردگی کو سہولت اور تقویت ملی۔ اس کے نتیجے میں دیہی علاقوں میں صارفین کی پائیدار اشیاء کی مانگ مثبت رہی۔

بڑے پیمانے پر مینوفیکچرنگ (LSM) کے شعبے میں مالی سال 2024 کے ساتھیوں میں 0.5 فیصد کی معمولی منفی نمو دیکھی گئی جو گزشتہ سال کی اسی مدت میں 2.7 فیصد کی کمی تھی۔ ذیلی شعبے کی سطح پر ملا جلار، جھان، دیکھا گیا، خوراک، کیمیکل، دواسازی اور پینرولیم مصنوعات سمیت 22 شعبوں میں سے 12 میں مثبت نمو دیکھی گئی۔ پیداوار میں اضافے کی وجہ حکومت کے فعال اقدامات اور اسٹیل فیٹیلٹیٹیشن کنسل (SIFC) کی مؤثر مداخلتوں سے منسوب ہے۔ طویل مدتی پائیدار ترقی کے لئے ساختی اصلاحات پر مبنی ایک نیا آئی ایم ایف پروگرام پاکستان کے لئے اقتصادی استحکام کے دور کا آغاز کرنے کا عہد کرتا ہے۔ محصولات کی وصولی کو بڑھانا، سرکاری اداروں کی نجکاری اور پورٹیکلر میں اصلاحات کا آغاز نئے پروگرام کے اہم اجزاء میں شامل ہوں گے۔

### موٹر سائیکل صنعت

درآمدی پابندیوں، افراط زر کے دباؤ اور معیشت میں مجموعی طور پر سست روی کی وجہ سے موٹر سائیکل انڈسٹری میں 22 فیصد سے زائد کمی دیکھی گئی۔ درآمدات پر زیادہ انحصار کے باعث سپلائی چین کی روکاؤوں نے چینی موٹر سائیکل مینوفیکچررز کو بہت متاثر کیا۔ مزید برآں، بہتر زرعی کیش فلو، مسلسل غیر ملکی ترسیلات اور ایندھن کی بچت کی نقل و حرکت کے اختیار سے آہستہ آہستہ دو پہیوں کی مانگ کو بحال کرے گی۔ تاہم، خام مال کی دستیابی، قیمتوں میں حالیہ اضافہ اور توانائی کی لاگت میں اضافہ OEMs کو پارٹس مینوفیکچررز کے پورے ایکوسٹم کے لیے ایک چیلنج رہے گی۔

### کمپنی

گزشتہ چھ ماہوں سے زائد عرصے سے کمپنی اپنے صارفین کو سستی اور معیاری نقل و حرکت کے حل فراہم کر رہی ہے۔ کمپنی اپنی مسابقتی برتری کو برقرار رکھنے اور پیداواری صلاحیت کو بہتر بنانے کی خاطر مسلسل نئی ٹیکنالوجیز کو بروئے کار لارہی ہے۔ اس کی پروڈکٹ لائن اپ اور بعد از فروخت خدمات کو مسلسل اپ گریڈ کیا جا رہا ہے تاکہ کمپنی اپنے صارفین کو قیمت کی زیادہ سے زیادہ قدر فراہم کرے۔ گزشتہ سال کمپنی نے اپنی 60 ویں سالگرہ جشن منایا اور اپنی پہلی الیکٹرانک گاڑی (EV) ویرینٹ یعنی Benly-e متعارف کروائی جو تکنیکی ترقی اور جدت کو اپنانے کے لئے کمپنی کے پختہ عزم کا مظاہرہ کرتی ہے۔

# Report of the Board Audit Committee

The members of the Audit Committee are pleased to present their report to the shareholders for the year ended March 31, 2024.

The Composition of the Board is as mentioned in the table below:

Name of Director	Status in Committee	Status as a Director
Ms. Mashmooma Zehra Majeed	Chairperson	Independent Director
Mr. Azam Faruque	Member	Independent Director
Mr. Abid Naqvi	Member	Non-Executive Director

The Chairperson of the Committee is a seasoned professional having 22 years of experience in the Asset Management Industry. The incumbent members are qualified professionals and the Committee as a whole possesses significant economic, financial and business acumen.

The names and profiles of the Audit Committee members are given on Page No.133 of the Integrated Annual Report 2024.

The Chief Executive Officer and Chief Financial Officer of the Company attend the Committee meetings upon invitation. Internal auditors are present at all Committee meetings, while the attendance of External Auditors is based on the specific requirements of the meetings.

## Meetings of the Board Audit Committee

The Committee met four (4) times during the year, quarterly meetings were held primarily to review and recommend interim and annual financial statements to the Board of Directors (Board) for its considerations and approval.

The secretary of the Committee circulates either minutes or synopsis of meetings to all members, directors, Head Of Internal Audit and where required to Chief Financial Officer prior to the next meeting of the Board. The Chairperson provides updates of all significant matters discussed in the meeting to the Board.

## Financial Statements

The Committee has concluded its annual review, of the conduct and operations of the Company during the year ended March 31, 2024, and reports that:

- The financial statements of the Company for the year ended March 31, 2024 have been prepared on a going concern basis under requirements of Companies Act 2017, incorporating the requirements of the Code of Corporate Governance, International Financial Reporting Standards and other applicable regulations.
- These financial statements present a true and fair view of the Company's state of affairs, results of operations, profits, cash flows and changes in equity of the Company for the year under review.
- In line with the Auditors (Reporting Obligations) Regulations, 2018 issued by SECP, the Auditors have issued unmodified audit reports in respect of the above financial statements for the year 2024.
- Appropriate accounting policies have been consistently applied except for the changes, if any, which have been appropriately disclosed in the financial statements.
- The Committee reviewed quarterly, half-yearly and annual financial statements of the Company and recommended them for approval of the Board of Directors.
- Accounting estimates are based on reasonable and prudent judgment.
- The Company in accordance with the Companies Act, 2017, has maintained proper and adequate accounting records and the external reporting is consistent with management process and adequate for shareholders' needs.
- The Chairperson of the Board, Chief Executive Officer and the Chief Financial Officer have endorsed the financial statements of the Company, while the Chief Executive Officer and Chairperson sign the Directors' Report. They acknowledge their responsibility for true and fair presentation of the Company's financial condition and results, compliance with regulations, applicable accounting standards, establishment, and maintenance of internal controls and systems of the Company.
- The Committee has reviewed all related party transactions prior to approval by the Board.
- The Company has issued a "Statement of Compliance with the Code of Corporate Governance" which has also been reviewed and certified by the External Auditors of the Company.
- Understanding and compliance with Company codes and policies has been affirmed by the members of the Board, the Management and employees of the Company. Equitable treatment of shareholders has also been ensured.
- Trading and holdings of Company's shares by Directors & executives or their spouses were notified in writing to the Company Secretary along with the price, number of shares, form of share certificates and nature of transaction which were notified by the Company Secretary to the Board within the stipulated time. All such holdings have been disclosed in the Pattern of Shareholding. The Annual Secretarial Compliance Certificates are being filed regularly within stipulated time.
- Closed periods were duly determined and announced by the Company, precluding the Directors, the Chief Executive Officer and Executives of the Company from dealing in Company shares, prior to each Board meeting involving announcement of interim / final results, distribution to shareholders or any other business decision, which could materially affect the share market price of Company, along with maintenance of confidentiality of all business information.

### Risk Management and Internal Controls

- The Company has developed a sound mechanism for identification of risks and assigning appropriate criticality level and devising appropriate mitigation measures which are regularly monitored and implemented by the management across all major functions of the Company and presented to the Audit Committee for information and review.
- The Company has devised and implemented an effective internal control framework which also includes an independent internal audit function which is duly reviewed by the Committee for effectiveness.
- The Internal Audit department is responsible for monitoring of compliance, inherent and other risks associated with the internal controls and other areas of operations of the Company.
- The Company's approach towards risk management and types and detail of risks along with mitigating measures are disclosed in relevant section of the Integrated Annual Report.

### Internal Audit

- The Company's system of internal controls is sound in design and has been continually evaluated for effectiveness and adequacy.
- The Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company and the shareholders' wealth at all levels within the Company.
- The Internal Audit department has carried out its duties under the charter defined by the Committee. The Committee has reviewed material internal audit findings, taking appropriate action or bringing the matters to the Board's attention where required.
- Audit Committee has provided proper arrangement for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters. Adequate remedial and mitigating measures are applied, where necessary.
- The Head of Internal Audit has direct access to the Chairperson of the Audit Committee. At year-end meeting, the Committee met HOIA without the presence of the management. The management supported internal audit activities and provided all the required information on timely basis in a transparent manner. The recommendations of the internal auditors were agreed for implementation in due course of time and there was no point of conflict between the management and the internal auditors.
- The Committee has ensured staffing of personnel with sufficient internal audit acumen and that the function has all necessary access to Management and the right to seek information and explanations.
- Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

### External Auditors

- The statutory auditors of the Company, M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants, have completed the audit of financial statements of the Company for the year ended March 31, 2024 and review of the "Statement of Compliance with the Code of Corporate Governance" for the year ended March 31, 2024 and shall retire on the conclusion of the 60th Annual General Meeting.
- The Audit Committee has discussed the audit process and the observation, if any, of the External Auditors regarding the preparation of the financial statements including compliance with the applicable regulations or any other issues.
- The External Auditors attended all the Audit Committee meetings where their reports were discussed. At year-end meeting, the Committee met the External Auditors without the presence of the management. The Committee discussed the audit process and any observation identified during audit of the financial statements and checking compliance with the applicable regulations or any other issues.
- The External Auditors also attended General Meetings of the Company during the year and have confirmed attendance of the 60th Annual General Meeting scheduled for June 27, 2024. The Auditors have also indicated their willingness to continue as auditors.
- The External Auditors do not provide any services other than external audit of the Company. The audit firm has no financial or other relationship of any kind with the Company except that of External Auditors.
- Being eligible, M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants have offered themselves to be re-appointed as auditors for the financial year 2024. The Committee being satisfied with the performance of External Auditors has recommend them to the Board for reappointment for the year ending March 31, 2025.

### Integrated Annual Report 2024

- The Company has issued a very comprehensive Integrated Annual Report which besides presentation of the financial statements and the Directors' Reports of the Company, also discloses other information much in excess of the regulatory requirements to offer an in depth understanding about the management style, the policies set in place by the Company, its performance during the year, and future prospects to various stakeholder of the Company.
- The information has been disclosed in the form of ratios, trends, graphs, analysis, explanatory notes and statements etc., and the Audit Committee believes that the Integrated Annual Report 2024 gives a detailed view of how the Company evolved, its state of affairs and future prospects.

### The Audit Committee

- The Audit Committee believes that it has carried out responsibilities to the full, in accordance with terms of reference approved by the Board, which included principally the items mentioned above and the actions taken by the Audit Committee in respect of each of these responsibilities. Evaluation of the Board performance, which also included members of the Audit Committee was carried out separately.



# Risks and Opportunities Report

Our business is exposed to internal risks and opportunities, as well as factors and events in our external environment. These can affect our ability to achieve strategic objectives and our ability to generate sustainable value for all stakeholders. By understanding the factors in our internal and external operating environments that create uncertainty and risk, as well as their interrelated dynamics, we are better able to manage these impacts and position ourselves to capitalise on opportunities, meet future challenges and deliver on our growth prospects.

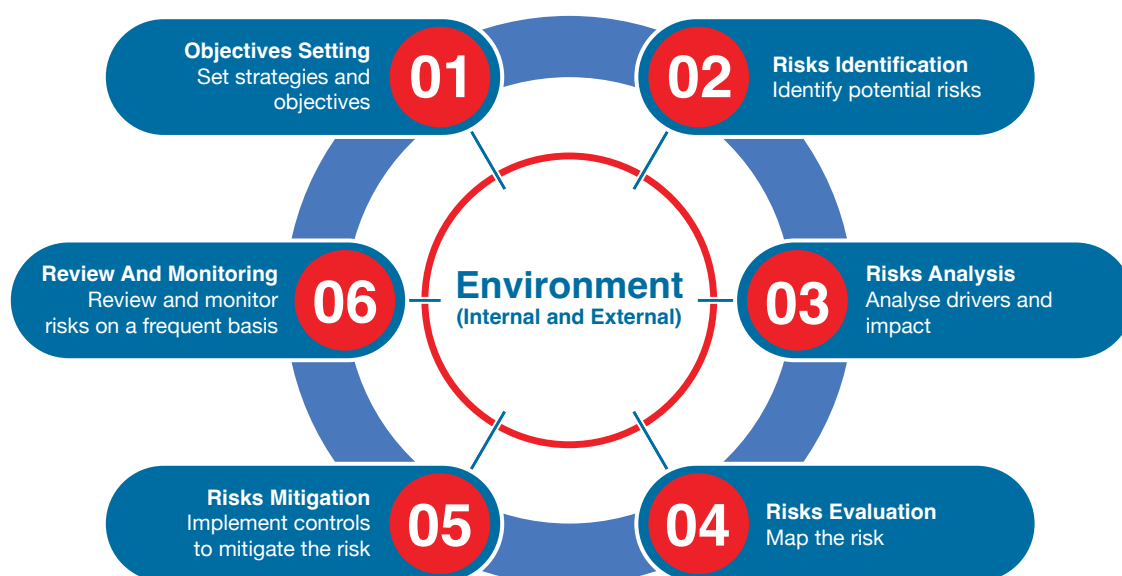
## Our Approach to Risk Management

Our approach to risk management relies on continuous assessment of the business environment of the organization and monitoring of the risks and related mitigation procedures and revisiting them whenever required. These procedures are embedded in our day-to-day activities and processes at operational level and in our governance structures.

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

## Our Risk Management Framework

Our Enterprise Risk Management (ERM) Framework is a comprehensive approach to identifying, assessing and mitigating risk within the context of our risk environment. Exposure to these risks is mitigated through the enterprise risk management process. The purpose of an ERM is to identify potential risks, and to define strategies to manage impact of those risks, as well as mechanism to effectively monitor and evaluate identified strategies. The highlighted risks are prioritized according to their impact and remedial actions are devised accordingly.



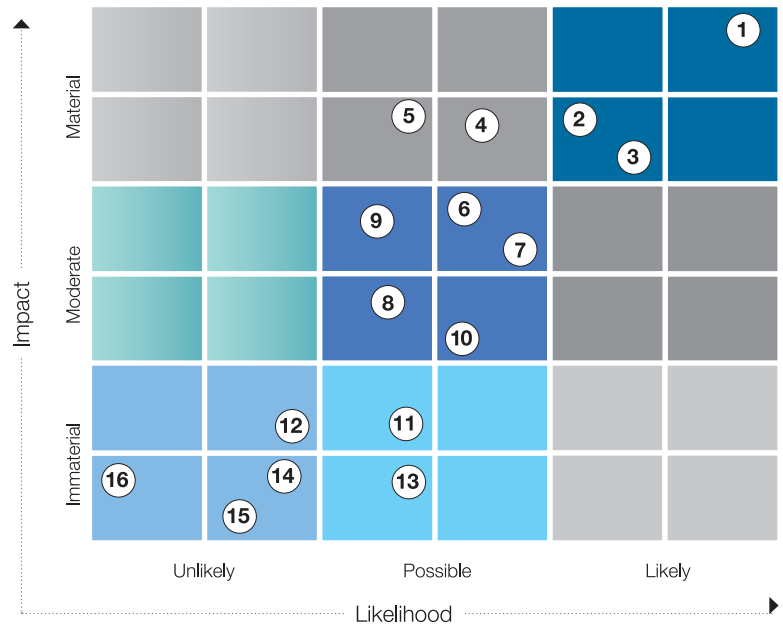
## Our Principal Risks

Risks are identified, assessed and measured against a defined set of criteria to consider the likelihood of occurrence and potential impact to the business, facilitated by our ERM framework. Plotting our principal risks on a risk map helps to visualise each risk profile as well as targeting to bring each risk back within a tolerable level.

### Principal risks at a glance

Our principal risks	Current year's ranking
Economic and political environment	1
Exchange rate fluctuations	2
Commodity price	3
Talent and Capability	4
Climate Changes	5
Information and cyber securities	6
Intellectual Property (IP) rights protection	7
Change in Technology	8
Regulations and compliance	9
Dependence on vendors for success of our business	10
Counterparty Default	11
Safe working environment	12
Market Competition	13
Unethical and prohibited business practices	14
Competitive business efficiency	15
Product liability and recalls	16

### The potential impact and likelihood of our key risks



#### Key

- Risks that are highly likely to occur and could materially impact our ability to reach our business objectives
- "Risks that remain at tolerable levels but could impact the business unless monitored and managed."
- Risks that are unlikely to materialise and unlikely to materially impact our business.

Current risk<sup>S</sup>

#### 1. Materiality Approach

Materiality is defined by the management as a degree of measure significant to the interests of the Company and its stakeholders. Determination of when such degree is achieved is a matter of management's best judgement. A risk is considered material if, in management's view, its occurrence is reasonably expected to prevent the Company from achieving its key objectives and expectations.

#### 2. Key Source of Uncertainty

Within the automotive industry, uncertainties stem from various sources including changes in the economy, technology, government regulations, relative prices and market dynamics.

# Key Risks and Opportunities

## 01. Economic and Political Environment



### About Risk

Changes in the economic, political and other external factors may impact our business



### Mitigations

We continue to closely monitor political and macroeconomic developments. Accordingly, we maintain a balanced retail sales profile across key sales regions. Further, we operate two production facilities and have a diversified vendor base in order to avoid the risk of disruption.



### Objective

To maintain stability, resilience and achieve sustainable growth



### Opportunities

The continuous monitoring helps to ensure continuity of operations without disruptions across the supply chain

Risk Source	Risk Appetite	Category
External	High	Strategic Risk

## 02. Exchange Rate Fluctuations



### About Risk

Devaluation of Pak Rupee against foreign currencies may adversely affect our financial performance.



### Mitigations

We continuously monitor foreign currency forecasts and manage it through forward buying and hedging policy as approved by the Board of Directors.



### Objective

To effectively manage and mitigate the impact of exchange rate fluctuations on our financial performance



### Opportunities

We continue to investigate further opportunities to develop our global footprint, which may result in greater natural hedging of our currency exposures by aligning the currency profile of cost with sales.

Risk Source	Risk Appetite	Category
External	High	Financial Risk

## 03. Commodity Price



### About Risk

Adverse fluctuations commodity prices pose financial risk to our performance and profitability.



### Mitigations

We have agreements in place with suppliers to counter short term fluctuations in material prices. Further, appropriate protection is carried out through forward buying and multiple resourcing.



### Objective

To proactively manage and mitigate the impact of commodity price fluctuations on our cost structure, profitability, and supply chain



### Opportunities

We continue to invest in projects to support localization of key components and raw materials.

Risk Source	Risk Appetite	Category
External	Moderate	Financial Risk

## 04. Talent and Capability



### About Risk

Inability to hire and retain skilled individuals for key positions poses risks to our human capital.



### Mitigations

We attract, reward and train the right people with the right skills in a planned and targeted way, including regular benchmarking of remuneration and continuing a strong focus on individual development and succession planning.



### Objective

Commitment to high performance culture and conducive work environment



### Opportunities

Hiring competent associates and their continuous personnel development and training helps to generate ideas and suggestions that make significant contributions to our success. Further it is enabling us to secure sufficient number of qualified young workforce with the potential to become the next generation of highly skilled specialists and executives.

Risk Source	Risk Appetite	Category
Internal	High	Operational Risk

## 05. Climate Changes



### About Risk

Global warming, depleting air quality index, rapid , excessive use of non-renewable natural resources and rapid urbanisation are causing climate changes.



### Mitigations

We continuously strive to reduce our environmental footprint by developing products with higher efficiency that reduces the CO<sub>2</sub> Emissions. Further, the Company focusses on environmental protection through plantation drives across the country. For more information, please refer environmental section of our sustainability report.



### Objective

To assess, adapt to, and mitigate the impact of climate change on our operations, assets, and stakeholders, while promoting environmental sustainability, resilience, and long-term viability



### Opportunities

Improving production processes to reduce emissions and investing in greener technologies helps us to reduce our environmental footprint and improve our position of a responsible corporate citizen.

Risk Source	Risk Appetite	Category
External	Moderate	Strategic Risk

## 06. Information and Cyber Securities



### About Risk

New and emerging technologies bring unprecedented threats of hacking and cyber attacks.



### Mitigations

We strive to implement consistent security policies and procedures as well as educating our associates, vendors and suppliers to embed best practices by implementing internal tools to detect and mitigate cyber security threats.



### Objective

To safeguard our digital infrastructure from cyber threats, while ensuring compliance with regulatory requirements.



### Opportunities

Maintain strong IT control environment and enhance the stakeholders' confidence and trust

Risk Source	Risk Appetite	Category
External	Low	Operational Risk

## 07. Intellectual Property (IP) Rights Protection



### About Risk

Infringement of IP rights poses rights to our intellectual property and brand reputation.



### Mitigations

Dedicated team of in-house specialists to manage matters relating to IP have been established to ensure that robust processes are followed to protect our IP, by means of patents, registered designs, trademarks and copyrights.



### Objective

To protect our intellectual property rights



### Opportunities

The development of IP protection strengthens our brand image, reinforcing our positions as a leader in the two wheeler industry.

Risk Source	Risk Appetite	Category
External	Moderate	Legal and Compliance Risk

## 08. Change in Technology



### About Risk

The technological development together with scarcity of specialist resources could result in a significant change in the two wheeler industry



### Mitigations

We continue to invest substantially on modernization and up gradation of our production facilities. Further, we continue to focus on investment in new and existing models to meet the latest standards.



### Objective

To proactively assess, embrace, and integrate emerging technologies.



### Opportunities

Timely investment in technology brings efficiency in our processes. Substantial changes to the market enable us to focus on launching industry defining products as well as strengthening partnership with our global partner.

Risk Source	Risk Appetite	Category
External	Moderate	Strategic Risk

## 09. Regulations and Compliance



### About Risk

Our business is subject to rapidly evolving regulatory landscape with associated laws, regulations and policies including the environmental regulations.



### Mitigations

We have developed a team of qualified and experienced professionals to ensure compliance with all applicable laws, rules and regulations. Further, we actively participate in various government forums for recommending appropriate measures.



### Objective

Ensure compliance with underlying laws & regulations to mitigate the risk of fines, penalties, reputational damage, and operational disruptions



### Opportunities

It enables smooth and stable operations with least volatility and low occurrence of unforeseen variables.

Risk Source	Risk Appetite	Category
External	Low	Legal and Compliance Risk

## 10. Dependence on Vendors for Success of Our Business



### About Risk

Disruption or failure in the delivery of essential components or services from our vendors could directly impact our production schedules, quality standards, and overall business operations.



### Mitigations

We have an integrated vendor management system to ensure that targets are communicated, understood and aligned. Furthermore, we have developed a diversified vendor base to avoid dependence on any single



### Objective

To diversify and strengthen the vendor ecosystem



### Opportunities

Our focus on diversified vendors base and their performance maintains our reputation as a quality leader in the two-wheeler industry.

Risk Source	Risk Appetite	Category
External	Moderate	Operational Risk

## 11. Counterparty Default



### About Risk

Counterparty defaults possess risk of impairment of assets.



### Mitigations

Counterparty risk management procedures are carried out continuously in order to monitor credit worthiness of business partners.



### Objective

Mitigate the risk of counterparty default to ensure financial stability, continuity of operations, and protection of assets



### Opportunities

We maintain a strong financial position and performance which is reflective of our scale of operations, effort of employees and expectations of all stakeholders.

Risk Source	Risk Appetite	Category
External	Low	Financial Risk

## 12. Market Competition



### About Risk

Competition in the entry-level segment makes effective product positioning crucial in the evolving two-wheeler market.



### Mitigations

We are committed to making quality products and meeting the demand of our customers while enhancing product innovation and ensuring customer satisfaction to maintain the competitive edge. We place due emphasis on monitoring markets and competitors to understand and pre-empt external dynamics and remain competitive.



### Objective

Sustain our competitive positioning



### Opportunities

Strengthen our products by creating greater brand association into our expanding product portfolio and services.

Risk Source	Risk Appetite	Category
External	Moderate	Strategic Risk

### 13. Safe Working Environment



**About Risk**

Provision of safe working environment is necessary to ensure well being of our associates and all of those who may be impacted by our operations.



**Mitigations**

We have a Health & Safety "Plan, Do, Check, Act" framework for managing risk in the workplace and ensure compliance with local and international regulations, guidelines and best practices.



**Objective**

To ensure a safe working environment for all employees and fostering a culture of safety.



**Opportunities**

A safe working environment ensures protection of human rights and increases the satisfaction and commitment of our associates, supply chain partners and all those impacted by our operations.

Risk Source	Risk Appetite	Category
Internal / External	Low	Operational Risk

### 14. Unethical and Prohibited Business Practices



**About Risk**

Our continuing expansion exposes our business to increased diversity and complexity of legal and other frameworks, which is subject to maintaining legal and ethical standards across all our locations.



**Mitigations**

Our code sets out the behaviors expected from the associates, including conforming to the highest moral and ethical standards and complying with applicable laws, including anti-bribery, corruption and competition laws, sanctions and export control.



**Objective**

To establish and enforce robust ethical standards and compliance policies and foster a culture of integrity and transparency.



**Opportunities**

We are committed to conduct business in an ethical manner to instill a reputation of trust and reliance. Such qualities foster greater business relationships with the supplier base, governments and partnerships with other third parties.

Risk Source	Risk Appetite	Category
Internal	Low	Legal and Compliance Risk

### 15. Competitive Business Efficiency



**About Risk**

The risk is that efforts to optimize operating efficiency might fail to achieve the expected improvements, resulting in the projected efficiencies and anticipated benefits not being realized as planned.



**Mitigations**

We have launched certain initiatives to reduce product and business complexity, benefit from economies of scale, and we have robust project management processes in place to ensure set targets are met.



**Objective**

To optimize the shareholders' value



**Opportunities**

We are focused on developing business tools to realize greater degrees of efficiency. Furthermore, our expansion plans present opportunities to invest in world class facilities and enhanced capabilities.

Risk Source	Risk Appetite	Category
External	High	Financial Risk

## 16. Product Liability and Recalls



### About Risk

Potential defects and quality deficiencies increase the risk of product liability, exposing us to legal claims, financial losses, and reputational damage.



### Mitigations

We regularly monitor the service data of products in order to minimize the warranty claims. We also issue technical updates to dealer network to manage identified faults and defects



### Objective

Safeguard the consumer safety, and protect the organization's reputation



### Opportunities

Enhanced product quality helps us to maintain our market leadership and customer loyalty. It also helps to identify and take remedy against potential faults more efficiently.

Risk Source	Risk Appetite	Category
Internal	Moderate	Operational Risk



# Additional Information

## Strategy and Resource Allocation

Based on the analysis of risk and opportunities identified in the report, the relationship between the Company's objectives, strategy along with priority and performance indicators (financial & non financial) used by the management to evaluate actual results are summarized below in the table:

<p><b>01</b> <b>Objective</b> To abide by all the laws and regulations, as a responsible corporate citizen.</p> <hr/> <p><b>Strategy</b> We maintain a team of qualified and experienced professionals to ensure compliance with all applicable laws, rules and regulations.</p> <hr/> <p>Nature              Short Term to Long Term</p> <p>KPI Monitored Number of non compliances and reporting awards</p> <hr/> <p>Priority              Relevance In Future Yes</p> <hr/> <p>Resource Allocated</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> Financial</div> <div style="text-align: center;"> Human</div> <div style="text-align: center;"> Intellectual</div> </div>	<p><b>02</b> <b>Objective</b> To expand sales in two-wheeler industry.</p> <hr/> <p><b>Strategy</b> We continue to expand customer reach through enhanced dealership network, providing online sales platforms, availability of financial solutions, high quality after sales service.</p> <hr/> <p>Nature              Short Term to Long Term</p> <p>KPI Monitored Sales and profitability</p> <hr/> <p>Priority              Relevance In Future Yes</p> <hr/> <p>Resource Allocated</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> Financial</div> <div style="text-align: center;"> Human</div> <div style="text-align: center;"> Intellectual</div> <div style="text-align: center;"> Social and relationship</div> <div style="text-align: center;"> Manufactured</div> <div style="text-align: center;"> Natural</div> </div>
<p><b>03</b> <b>Objective</b> To maintain market leadership in the two wheeler industry.</p> <hr/> <p><b>Strategy</b> We continuously focus on upgradation of production facilities considering and ensure compliance with international standards and latest technology.</p> <hr/> <p>Nature              Long Term</p> <p>KPI Monitored Capital expenditure, market share and production efficiency ratio</p> <hr/> <p>Priority              Relevance In Future Yes</p> <hr/> <p>Resource Allocated</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> Financial</div> <div style="text-align: center;"> Manufactured</div> </div>	<p><b>04</b> <b>Objective</b> To ensure continuity of operations without disruptions in supply chain.</p> <hr/> <p><b>Strategy</b> In order to ensure uninterrupted supplies of raw materials and supplies, continuous monitoring of deliveries is carried out through B2B portal. Also, more than one supplier is inducted to reduce dependency on single source. Further, backup plans are in place to mitigate any operational interruptions which are audited regularly.</p> <hr/> <p>Nature              Short Term</p> <p>KPI Monitored Current ratio and idle days</p> <hr/> <p>Priority              Relevance In Future Yes</p> <hr/> <p>Resource Allocated</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> Financial</div> <div style="text-align: center;"> Human</div> <div style="text-align: center;"> Intellectual</div> <div style="text-align: center;"> Social and relationship</div> <div style="text-align: center;"> Manufactured</div> <div style="text-align: center;"> Natural</div> </div>

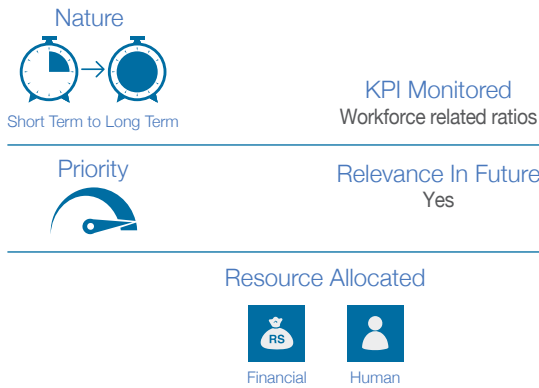
## 05

### Objective

To recruit and retain the best people and provide adequate training to ensure high quality skilled force.

### Strategy

We have developed comprehensive and well-structured procedures for recruitment, training, compensation, periodic appraisals and succession planning in order to ensure staff development and retention.



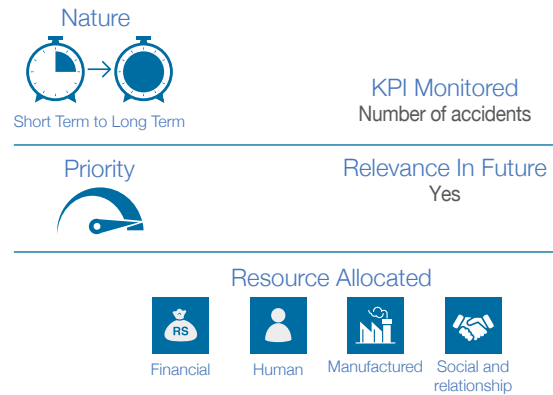
## 06

### Objective

To ensure health and safety of associates in workplaces.

### Strategy

We focus on continuously monitoring our health and safety policies and procedures. Regular risk assessment exercises are carried out by our HSE department to analyse and address potential risks. HSE department is also responsible for regular audits of workplace. Further, extraction and evacuation drills are conducted regularly and staff is frequently trained for crisis management.



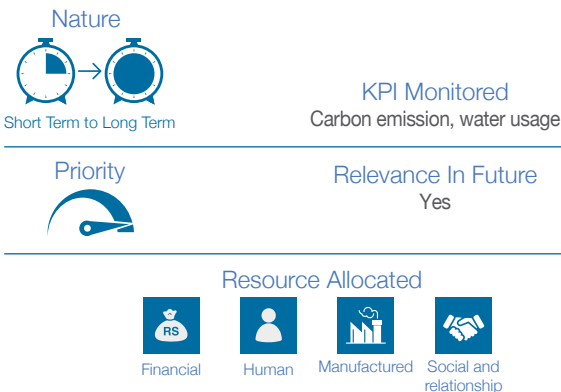
## 07

### Objective

To ensure environment friendly products and processes.

### Strategy

Our defined policy for the protection of environment from emissions and hazardous discharges, ongoing monitoring and maintenance activities coupled with investment in new technology, efficiency enhancing measures, continuous measurements, follow ups and reporting are carried out to ensure that we achieve our desired goals. Solid hazardous waste is disposed-off through Environmental Protection Agency's legitimate contractors. Recycling is also carried out, to the maximum extent, where possible.



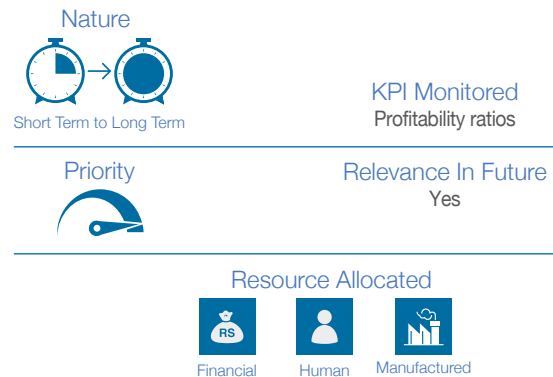
## 08

### Objective

To ensure optimum cost level.

### Strategy

We keep our cost at an optimum level through continuous cost reduction measures, buying and manufacturing efficiencies, conservation of resources and relentless efforts towards localisation.



### Significant Changes in Objectives and Strategies

There have been no significant changes in objectives and strategies of the Company as compared to previous year.

# Future Outlook

## Analysis Of Prior Period's Forward-Looking Disclosures / Status Of Projects

2023-24 was foreseen as a challenging year in the backdrop of PKR devaluation, high inflation and supply shortages. However, after facing acute financial pressures earlier in the year, the economic and financial position has shown steady improvement. Due to timely monetary measures, the reserves maintained by the State Bank of Pakistan have surged to over USD 8 Billion, steadily rising from less than USD 4 Billion. Agricultural sector was the main driver of economic growth as the production targets surpassed expectations, registering record cash flows. However, Large-Scale Manufacturing observed a marginal contraction of 0.5% as compared to a contraction of 2.7% last year.

In the two-wheeler segment, the demand remained subdued on account of import restrictions in place and inflationary pressures. These factors resulted in 22% contraction of the two-wheeler industry. However, the Company was able to maintain its market leadership owing to the continuous adoption of innovative technologies and successful completion of localization projects.

## Forward Looking Statement

Despite significant challenges, the overall economic outlook appears optimistic due to reducing inflationary pressures, positive prospects in agriculture, and signs of potential recovery in the industrial sector. However, the new IMF program and influx of external funding will remain crucial for the economy.

In the foreseeable future, the automotive landscape is poised for significant shifts, with new technological advancements including electrification of motorcycles. In response to this evolving landscape, our company remains committed to delivering innovative, cost-effective, and fuel-efficient two-wheelers that meet the diverse needs of our customers while contributing to a more sustainable future.

The future strategies of the company focus on enhancing after-sales services, embracing new technologies and increasing its market presence. The Company is committed to improving its after-sales services by expanding the service network, enhancing customer support, and introducing digital solutions for seamless service scheduling and maintenance tracking, thereby ensuring superior customer satisfaction and long-term loyalty. These initiatives underscore the Company's commitment to innovation and customer satisfaction reinforcing its position as the market leader in the two-wheeler industry of the Country.

## Source of Information and Assumptions Used For Projections / Forecasts

The Company prepares annual budgets and forecasts to manage business more effectively. The forecasting is done keeping in view the historical data and figures. Projections are developed based on macro and micro economic indicators, markets trends & research, international and local material price forecasts, data from regulatory & taxation authorities, seasonal variations and competitors' actions etc. Internal capacities are reviewed based on available data and alignment is planned to achieve desired results.



Information is also generated internally from management information systems linked with critical functions of the Company including Marketing, Manufacturing & Operations, Technology & Engineering, Human Resources, Finance etc., and the information so collected is collaborated with the data compiled from the sources mentioned earlier for preparation of meaningful and practical forecasts which are adopted as formal plans for the Company after approval by the Board.

## BUSINESS RATIONALE FOR MAJOR CAPITAL EXPENDITURE

Atlas Honda Limited has been growing steadily and has expanded and enhanced its production capacity to 1.5 million units per annum. We have a systematic procedure for evaluating the requirements of capital expenditure. The capital expenditure is now primarily focused on capacity expansion of the after sales segment, balancing modernization and replacement (BMR), safety and sustainability for continued production of premium products while focusing on energy conservation and environment protection. Before undertaking any capital expenditure, exhaustive financial evaluation is also carried out which includes payback period, NPV / IRR, cash flow requirements and other financial analysis techniques.

## SIGNIFICANT PLANS & DECISIONS

Atlas Honda Limited has a long history of continuous investment in its facilities. The Company believes in step-by-step investments for capacity expansion and BMR. These investments demonstrate our commitment to delivering unparalleled quality products to our customers. In the next year, the Company will focus on sustainable growth through structured reinforcement with futuristic approach to drive long-term and sustainable progress. The Company is committed to identify new markets and expand its dealerships which provides avenues for business growth and provide our shareholders the desired return on investment. For customers to feel "Joy of Buying", the company plans to launch new models and upgrade the existing model line-up.

The Company's focus on localization has always helped to successfully deal with challenges of devaluation. Accordingly, it will continue to identify various opportunities for localization of parts, material and dies & jigs. This, in turn, will help to save our country's valuable exchange reserves. Managing manufacturing costs, enhancing efficiency, and improving business processes will continue to be key areas of focus. Further, the Company has plans to invest in energy conservation and health and safety projects.

# Striving for Excellence in Corporate Reporting

## Unreserved Compliance of IFRS issued by the IASB

Company's financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail.

## Certifications Acquired and International Standards Adopted

We take pride in adhering to the best corporate and governance practices including achieving excellence in all aspects of compliance and transparent reporting. The Company has acquired following certifications and adopted following standards:

### ISO Certification

Integrated Management systems of the Company – Quality, Health, Safety and Environmental Management System (QHSE) has been approved by independent reviewer to the following standards:

- ISO 14001: 2015 (Environmental Management System)
- ISO 9001:2015 (Quality Management System)
- ISO 45001:2018 (Occupational Health & Safety Management)

### International Integrated Reporting Framework

Annual report has been prepared as per the guidelines of the International Integrated Reporting (IR) framework. The fundamental concept is to provide its stakeholders transparent and quality information on the Company's business insights, strategy and environment, governance, performance and its expertise to create sustainable value for its stakeholders.

### Global Reporting Initiative (GRI) Standards

Sustainability report is integrated with the annual report of the Company which is prepared on the basis of Global Reporting Initiative (GRI) standards 2021. The GRI standards 2021 provide information about adherence to the principles of inclusivity, materiality, responsiveness and impact. The GRI content index for the users of this report is mentioned on page numbers 123 to 127.

# Notice of the 60th Annual General Meeting

Notice is hereby given that the Sixtieth (60th) Annual General Meeting (AGM) of the shareholders of Atlas Honda Limited will be held on Thursday, June 27, 2024, at 10:00 A.M. at Avari Hotel, Mall Road, Lahore, to transact the following business.

## ORDINARY BUSINESS

1. To confirm the minutes of the AGM held on June 21, 2023.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2024, together with the Directors' and Auditor's Reports thereon and Chairman's Review Report.

As required under section 223(7) of the Companies Act 2017, Financial Statements of the Company has been uploaded on the website of the Company, which can be downloaded from the following link/QR code:

<https://www.atlashonda.com.pk/financial-reports/>



3. To appoint Auditors and to fix their remuneration. The shareholders are hereby notified that the Board and the Board Audit Committee have recommended the name of M/s ShineWing Hameed Chaudhri & Co., Chartered Accountants, for re-appointment as auditors of the Company.
4. To consider and approve the payment of final cash dividend for the year ended March 31, 2024 @ 300% i.e. Rs. 30 per share as recommended by the Board. This is in addition to 170% i.e. Rs. 17.00 per share interim cash dividend already paid.

## SPECIAL BUSINESS

5. To consider and approve circulation / dissemination of Annual Audited Financial Statements through QR enabled code and weblink as recommended by the Board of Directors.

In order to give effect to the aforesaid, if though fit, pass with or without modification(s) the following resolutions as Special Resolution:

- 5.1 RESOLVED "that pursuant to compliance of S.R.O. 389(1)/2023 dated March 21, 2023, the Company may circulate the annual balance sheet, profit and loss account, auditors' report and directors' report etc. ("Annual Audited Financial Statements") to its members through QR enabled code and weblink instead of transmitting the same through USB / DVD / CD."
- 5.2 FURTHER RESOLVED "that the Chief Executive Officer and Company Secretary be and are hereby authorized singly to do all acts, deeds and things, take any or all necessary actions to complete all legal formalities and to file requisite documents with the Registrar to effectuate and implement the aforesaid resolutions."

A statement under Section 134(3) of the Companies Act, 2017 pertaining to the Special Business referred to above is annexed to this Notice of Meeting.

## OTHER BUSINESS

6. To transact any other business with the permission of the Chair.

By Order of the Board



Maheen Fatima  
Company Secretary

Karachi: June 06, 2024

## NOTES:

### i. Closure of Share Transfer Books

The share transfer books of the Company will remain closed from Friday, June 14, 2024 to Wednesday, June 27, 2024 (both days inclusive). The transfers received at Company's Share Registrar namely M/S Hameed Majeed Associates (Private) Limited, H.M House, 7-Bank Square, Shahrāh-e-Quaid-e-Azam, Lahore, Pakistan by the close of business (5:00 p.m.) on Thursday, June 13, 2024 will be considered in time for determination of entitlement of shareholders to cash dividend, bonus shares and to attend and vote at the meeting.

## ii. Participation in the Annual General Meeting (AGM):

The Company has made arrangements to ensure maximum participation of shareholders in the AGM proceedings via video-link. For this, shareholders are required to email their Name, Folio Number, Cell No., and Number of Shares held in their name with subject "Registration for Atlas Honda Limited AGM" along with valid copy of CNIC (both sides) at investor.relations@atlashonda.com.pk. Video link and login credentials will be shared with only those shareholders whose emails, containing all the required particulars, are received by close of office on Monday, June 24, 2024. Login facility will be opened thirty minutes before the meeting time to enable the participants to join the meeting after the identification process. Shareholders will be able to login and participate in the AGM proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders.

All shareholders entitled to attend, speak and vote at this AGM shall be entitled to appoint another person, as a proxy to attend and vote on his / her behalf. A corporate entity, being shareholder, may appoint any person, regardless whether they are a shareholder or not, as its proxy. In case of corporate entities, a resolution of the board of directors / power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity shall be submitted to the Company along with a completed proxy form.

The instrument appointing Proxy must be received at the Registered Office or Share Registrar of the Company not less than 48 hours before the time of the meeting. For the convenience of the shareholders, a Proxy Application Form is dispatched with the Annual Report 2024.

CDC account holders will further have to follow the under mentioned guidelines as laid down by the SECP.

### A. For Attending the Meeting:

- (i) In case of individuals, the account holder or sub-account holder and / or the person, whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate identity by his/her original valid CNIC or the original passport at the above mentioned email address at least 48 hours before the AGM.
- (ii) In case of corporate entity, the board of directors' resolution/power of attorney with specimen signature of the nominee shall be shared on the above mentioned email address at least 48 hours before the AGM (unless it has been provided earlier).

### B. For Appointing Proxies:

- (i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration detail is uploaded as per the regulations, shall submit the proxy form as per the above requirement.
- (ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (iii) The proxy shall produce original valid CNIC or original passport at the above mentioned email address at least 48 hours before the meeting.
- (iv) In case of corporate entity, the board of directors' resolution / power of attorney with specimen signature shall be submitted on the email address mentioned above at least 48 hours before the meeting (unless it has been provided earlier) along with proxy form to the Company.
- (v) Proxy form will be witnessed by two persons whose names, addresses and valid CNIC numbers shall be mentioned on the form.

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address investor.relations@atlashonda.com.pk.

## iii. E-Voting

Shareholders can also exercise their right of E-voting subject to the requirements of Section 143 - 145 of the Companies Act 2017 and the applicable clauses of the Companies (Postal Ballot) Regulations 2018.

## iv. Change / Update of Shareholders' Particulars:

Shareholders holding physical shares are requested to notify any change in their addresses immediately to the Company's Share Registrar.

All those individual shareholders holding physical shares who have not yet recorded their CNIC No. are once again reminded to immediately submit the copy of their CNIC to our Share Registrar. Shareholders while sending CNIC, must quote their respective folio numbers. As per SECP directives, the dividend of shareholders whose valid CNICs are not available with the Share Registrar could be withheld.

The corporate shareholders having CDC accounts are required to have their NTN updated with their respective participants, whereas corporate entities having physical shares should send a copy of their NTN certificates to our Share Registrar. The corporate shareholders while sending NTN or NTN certificates, as the case may be, must quote the company name and their respective folio numbers.

## v. Transmission of Annual Report 2024:

The Financial Statements of the Company for the year ended March 31, 2024 along with reports have been placed on the website of the Company and can be viewed through the below link/ QR Code:

<https://www.atlashonda.com.pk/financial-reports/>



Pursuant to S.R.O 470(1)/2016 dated May 31, 2016, the shareholders of the Company have accorded approval in general meeting for transmission of annual reports including annual audited financial statements, notices of AGMs and other information contained therein of the Company through CD or DVD or USB instead of transmitting the same in hard copies. Therefore, the Annual Report 2024 of the Company is dispatched in form of USB / DVD / CD to all the shareholders whose particulars are updated.

The shareholders who wish to receive hard copy of the aforesaid documents may send to the Company Secretary or Share Registrar, the Standard Request Form provided in the annual report and also available on the website of the Company and the Company will supply hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand.

Members are also hereby informed that pursuant to SECP notification vide SRO 787(1)/2014 dated September 8, 2014, and under Section 223(6) of the Companies Act, 2017, circulation of Audited Financial Statements and Notice of Annual General Meeting has been allowed in electronic format through email.

In compliance with the above requirements, soft copies of the Annual Report 2024 are being emailed to those members whose email addresses are available with the Company. Other members who wish to receive the Annual Report 2024 via email may file an application as per the form provided on the Company's website i.e. <http://www.atlashonda.com.pk>.

Members are also hereby informed that pursuant to SECP Notification vide S.R.O. 389(1)/2023 dated March 21, 2023 circulation of Audited Financial Statements has been allowed through QR enabled code, and weblink and considering technological advancements and old technology becoming obsolete, the circulation of annual financial statements through USB / DVD / CD may be discontinued from next year.

## vi. Dividend Mandate

Under the second proviso of Section 242 of the Companies Act, 2017, listed companies are required to pay cash dividend to their shareholders only through electronic mode directly into bank account designated by the entitled shareholders.

Accordingly, the Shareholders are requested to fill in Electronic Credit Mandate Form available on Company's website i.e. <http://www.atlashonda.com.pk> and send the duly signed form along with a copy of CNIC / NTN to our Share Registrars in case of physical shares. In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker / participant / CDC account services.

In case of non-receipt of IBAN detail, the Company will be constrained to withhold payment of dividend under Companies (Distribution of Dividends) Regulations, 2017.

## vii. Unclaimed Dividend

Shareholders, who by any reason, could not claim their dividends / shares, if any, are advised to contact our Share Registrar to collect / enquire about their unclaimed dividend/shares, if any.

In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend outstanding for a period of 3 years or more from the date due and payable shall be deposited to the Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to the SECP.

## viii. Withholding Tax on Dividend

Pursuant to the provisions of Income Tax Ordinance, 2001, different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies, as under:

'Filer' of Income Tax Return	15.0%
'Non - filer' of Income Tax Return	30.0%

The 'Filer' is defined as a taxpayer whose name appears in the Active Tax-payers List (ATL) issued by Federal Board of Revenue (FBR) from time to time.

To enable the Company to withhold tax @ 15% for filers, all the shareholders are advised to ensure that their names appear in the latest available ATL on FBR website, otherwise tax on their cash dividend will be deducted @ 30% for non-filers.

In case of joint shareholder, each shareholder is to be treated individually as either a filer or non-filer and tax will be deducted on the basis of shareholding of each shareholder as may be notified by the shareholders, in writing as follows, to our Share Registrar, or if no such notification is received each shareholder shall be assumed to have an equal number of shares:

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

The required information must reach the Share Registrar of the Company by the close of business (5:00 p.m.) on Tuesday, June 11, 2024 otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint shareholder(s).

As per FBR's clarification, valid exemption certificate under section 156 of the ordinance is mandatory to claim exemption of withholding tax under clause 47B of part IV of 2nd Schedule of the Income tax Ordinance, 2001. Those who fall in the category mentioned in the aforesaid clause must provide valid tax exemption certificate to our Share Registrar, otherwise tax will be deducted on dividend amount as per rates prescribed in Section 150 of the Income tax Ordinance, 2001.

#### ix. Deposit of Physical Shares into CDC Account

Section 72(2) of the Companies Act, 2017 provides that every existing company shall be required to replace its physical shares with book-entry form within four (4) years from the date of the promulgation of the Act. Further, vide its letter dated March 26, 2021, Securities and Exchange Commission of Pakistan has directed listed companies to pursue their such shareholders who are still holding shares in physical form to convert the same into book entry form. In order to ensure compliance with the aforementioned provision, all shareholders

having physical shareholding are encouraged to open a CDC sub-account with any of the brokers or an Investor Account directly with CDC to place their physical shares into scripless form. This will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.

#### x. Zakat Declaration (CZ-50)

Zakat will be deducted from the dividends at source at the rate of 2.5% of the paid-up value of the share (Rs. 10 each) and will be deposited within the prescribed period with the relevant authority. In case of claiming exemption, please submit your Zakat Declaration under Zakat and Ushr Ordinance, 1980 and Rule 4 of Zakat (Deduction and Refund) Rules, 1981, CZ-50 Form with our Share Registrar. Physical shareholders are requested to submit the said declaration to our Share Registrar in the proper manner. The Shareholders must write Atlas Honda Limited's name and their respective CDS A/C # or Folio numbers on Zakat Declarations at relevant place.

#### STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement is annexed to the Notice of the Annual General Meeting of Atlas Honda Limited to be held on June 27, 2024 at which certain special business is to be transacted. The purpose of this statement is to set forth the material facts concerning such special business.

#### Item No. 5 of the Agenda

The Board of Directors has recommended to the members of the Company that SECP has notified through S.R.O. 389 (1)/2023 dated March 21, 2023, whereby subject to the approval of shareholders in the general meeting, listed companies have been allowed to circulate the ("Annual Audited Financial Statements") to its members through QR enabled code and weblink instead of circulating through USB / DVD / CD which may be discontinued from next year. Accordingly, approval is hereby sought from shareholders to comply with the requirements of the SRO.

The Directors are not interested in these businesses except as shareholders of the Company.





# Key Financial & Non-Financial Performance Measures

## Financial Capital

Sales	Gross Profit	Profit After Tax	Earning Per Share	Market Value Per Share
Rs.159.3 Billion ▲ 17.6%	Rs.12.2 Billion ▲ 26.4%	Rs.9.7 Billion ▲ 94%	Rs.78.24 ▲ 94%	Rs.392.3 ▲ 46.3%
Return On Equity	Breakup Value Per Share	Capital Expenditure	Dividend Per Share	Wealth Distributed
37.7% ▲ 65.2%	Rs.231.8 ▲ 26.3%	Rs.1.76 Billion ▼ 47.2%	Rs.47 ▲ 95.8%	Rs.40.4 Billion

## Human Capital

Employees	Training Hours	Joiners	Revenue Per Employee	Production Per Employee
2,718	21,960	63	Rs. 58.6 Million	356 Units

Manufactured Capital			Intellectual Capital		
No. of Plants	Production Capacity	Product Portfolio	Market Shares	Brand	Manufacturing Experience
2	1.5 Million Units	8 Models	60%+	Superior	61 Years
Social & Relationship Capital			Natural Capital		
Dealers	Vendors	Donation	Raw Material Used	Energy Usage	Water Intake
850+	120+	Rs. 131.4 Million	73,197 Tons	337,535 GJ	481,569 m <sup>3</sup>

### Methods & Assumptions Used in Compiling The Indicators

Key performance indicators effectively reflect the Company's performance. The Company analyses its market positioning, competitors and general market conditions while compiling its indicators. The Company analyses sales, gross profit, profit after tax and earning per share on regular basis to gauge its performance. These are basic indicators of Company's financial performance and profitability. Market price is the measure of perception of the Company in the market. The difference between Book Value and Market Value shows investors' confidence on script.

The Company manages its dividend policy with the purpose of increasing shareholders' wealth. Dividend identifies the amount allocated out of profit for paying cash dividends to shareholders. The dividend payment is an indicator of how well earnings support the dividends. **The Company takes its decisions of cash or stock dividend based on market conditions, share price and governing laws and regulations.**

### Changes in the Indicators

There were no significant changes in the financial and non financial indicators as compared to previous years.

### Explanation of Changes in Performance over the Period

Changes in performance against prior years; including the analysis of financial statements and the vertical and horizontal analysis of statement of financial position, statement of profit or loss and statement of cash flows have been appropriately explained in the relevant sections of this report.

### Performance of Associate:

Our associate, Atlas Hitec (Private) Limited grew further and earned profit after tax of Rs 40 million as compared to Rs 29 million last year. The Company earned dividend from associate during the year amounting to Rs 9.2 million resulting in increase in carrying amount of investment in associate.

# Six Years Analysis of Financial Statements

## Financial Ratios

Particulars		2024	2023	2022	2021	2020	2019
<b>Profitability Ratios</b>							
Gross profit margin	%	7.7	7.1	7.5	7.4	7.2	8.0
Profit before tax margin	%	9.9	6.0	5.9	5.5	5.2	5.6
Net profit margin	%	6.1	3.7	4.2	3.9	3.6	3.9
Return on capital employed	%	57.9	35.3	37.4	27.7	26.2	27.9
Return on equity - after tax	%	37.7	22.8	28.2	20.4	19.3	20.5
Shareholders' funds	%	37.9	32.5	44.3	43.3	53.4	48.1
Return on Shareholders' funds	%	33.7	22.0	26.6	19.3	18.6	20.9
Return on assets	%	13.3	8.5	12.3	9.7	9.8	10.1
Earnings before interest, tax, depreciation and amortization (EBITDA)	Rs in million	17,378.9	9,566.7	9,123.8	6,481.9	5,769.1	5,723.6
EBITDA margin	%	10.9	7.1	6.9	7.0	6.8	6.9
Operating leverage ratio	%	533.1	141.2	122.7	169.1	(129.7)	(411.2)
<b>Equity / Investment Ratios</b>							
Cash dividend per share (declared)	Rs.	47.00	24.0	27.0	17.5	15.0	20.0
Stock dividend per share (declared bonus share)	Rs.	-	-	-	-	-	2.0
Earning per share *	Rs.	78.2	40.3	45.0	29.0	24.8	25.9
Price earning ratio *	Times	5.0	6.6	8.8	15.9	14.9	14.6
Price to book ratio	Times	0.6	0.5	1.0	1.3	1.5	1.2
Market price per share for the year	Rs.	392.3	268.1	394.0	460.0	370.0	378.0
- maximum value	Rs.	431.4	412.0	540.0	530.0	409.0	640.0
- minimum value	Rs.	238.1	258.0	385.0	340.0	285.0	360.0
Break up value per share *	Rs.	231.8	183.6	169.5	150.1	133.6	123.8
Dividend yield	%	12.0	9.0	6.9	3.8	4.1	5.3
Dividend cover	Times	1.7	1.7	1.7	1.7	1.7	1.2
Dividend pay out	%	60.1	59.5	60.0	60.4	60.5	70.9
<b>Efficiency Ratios</b>							
Assets turnover	Times	2.2	2.3	2.9	2.5	2.7	2.6
Fixed assets turnover	Times	12.9	12.0	13.1	9.3	8.8	9.6
Inventory turnover	Times	14.9	15.1	20.0	16.8	13.8	16.8
Debtors turnover	Times	175.1	140.8	100.4	80.4	87.9	83.4
Creditors turnover	Times	3.3	3.6	5.1	4.8	5.4	5.0
Capital employed turnover	Times	5.8	5.9	6.3	4.9	5.0	4.9
<b>Operating Cycle</b>							
Period of inventory holding	Days	24	24	18	22	26	22
Period of collection from debtors	Days	2	3	4	5	4	4
Period of payments to creditors	Days	(112)	(103)	(72)	(76)	(67)	(73)
Operating cycle	Days	(85)	(76)	(50)	(50)	(36)	(47)
<b>Liquidity / Leverage Ratios</b>							
Current ratio	Times	1.4	1.2	1.5	1.5	1.5	1.4
Quick ratio	Times	1.2	1.1	1.2	1.1	1.1	1.1
Debt to equity / financial leverage ratio	Ratio	----- Debt Free -----		0.01	0.02	----- Debt Free -----	
Weighted average cost of debt	%	-	1%	1%	-	-	-
Total liabilities to equity	Times	1.64	2.07	1.26	1.31	0.87	1.08
Interest cover	Times	155.15	107.58	132.08	82.90	78.78	179.76
Cash to current liabilities	Times	0.8	0.8	0.7	0.6	0.5	0.5
Cash flow from operations to sales	%	5.25	16.56	4.68	15.51	2.73	(0.02)
Cash flow to Capital Expenditure	Times	4.76	6.74	3.41	13.38	1.06	(0.01)
Cash flow Coverage Ratio	Times	----- Debt Free -----		32.92	33.02	----- Debt Free -----	
<b>Others</b>							
Spare inventory as % of assets cost	%	1.4	1.5	2.1	1.5	2.2	2.3
Maintenance cost as % of operating expenses	%	0.7	0.5	0.5	0.7	0.7	0.6
Customer retention ratio	%	100	100	100	100	100	100

# Six Years Analysis of Financial Statements

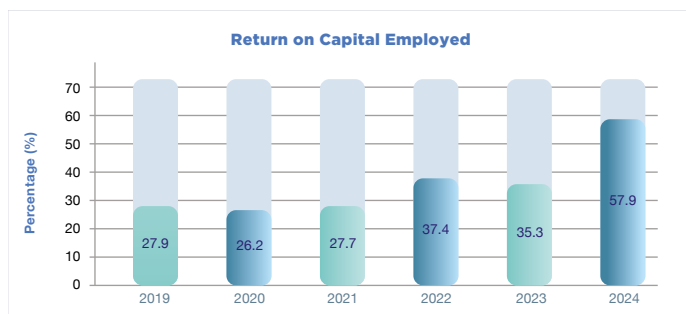
## Financial Ratios

### Profitability Ratios

Despite continued inflation and decline in two wheeler market size, the Company was able to achieve a turnover of Rs 159.3 billion as compared to Rs. 135.5 billion in 2023 which is due to the Company's sound market position and a reliable customer base. Gross profit increased from Rs. 9.7 billion to Rs. 12.2 billion, up by 26%. The growth is due to improved model mix, continued focus on localization, relatively stable material prices and exchange rates.

Other income increased from Rs. 4.6 billion in 2023 to Rs. 9.1 billion in 2024 and contributed a significant portion in improving the Company's profitability. The increase can be attributed to efficient treasury operations on account of higher liquidity and elevated interest rates maintained by the government during the year. As a result, the Company's profit from operations has increased from Rs. 8.2 billion in 2023 to Rs. 15.8 billion in 2024.

As a result, the Company was able to achieve highest ever profit after tax this year amounting to Rs 9.7 billion. Consequently, the return on equity increased from 22.8% to 37.7% and capital employed enhanced from 35.3% to an impressive 57.9%.

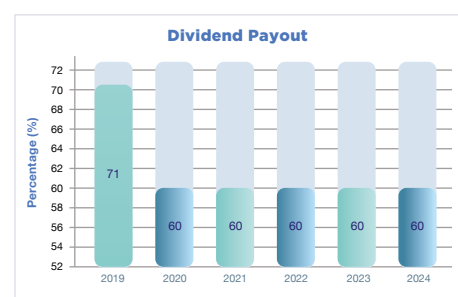
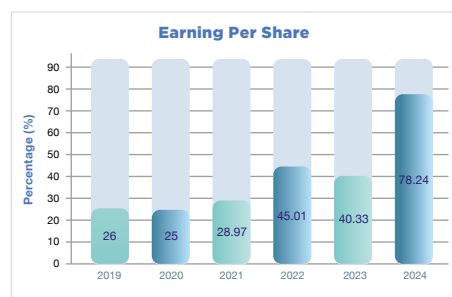


### Investment / Market Ratios

The Company's Earnings per Share increased by 94% due to enhanced profitability as explained above, The Company registered an earnings per share at Rs. 78.24 as compared to Rs. 40.33 in preceding year. Market value of shares also increased from Rs. 268 to Rs. 392. This resulted in price earning ratio of 5 in the current year.

The breakup value per share was recorded at Rs. 231.83 in line with increasing equity base.

The Company aims to maintain a consistent approach to profit allocation, taking into account various factors such as business requirements, growth opportunities, and strategic perspectives. The Company has maintained the dividend payout ratio of 60% distributing a cumulative cash dividend (interim and final) of Rs. 47 per share in the year 2024 as compared to cash dividend of Rs. 24 per share of last year.



# Six Years Analysis of Financial Statements

## Financial Ratios

### Activity / Turnover Ratios

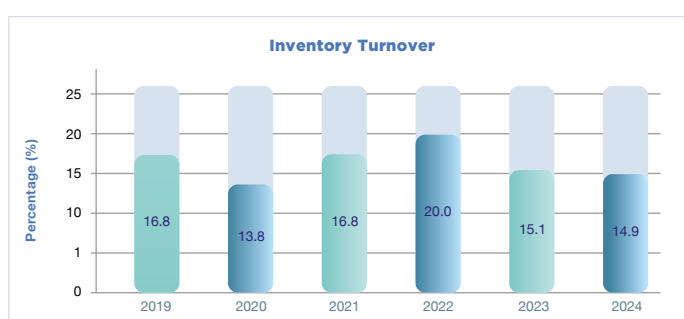
Asset turnover ratio decreased from 2.3 times in 2023 to 2.2 times in 2024 due to increase in asset base of the Company on account of stock in trade and availability of higher liquid assets i.e. cash & bank balances and short term investments as compared to previous year.

Inventory turnover observed a slight decrease from 15.1 times in 2023 to 14.9 times in 2024. The decrease is attributable to higher cost of sales which has increased due to higher input costs. Accordingly, inventory turnover has been recorded at 24 days in current year.

The debtor turnover days have decreased to 2 days in 2024 as compared to 3 days in 2023. However, debtor turnover increased to 175.1 in 2024 from 140.8 in 2023.

The creditor turnover days have increased to 112 days in 2024 compared to 103 days in 2023, in line with increasing cost of sales and foreign liabilities.

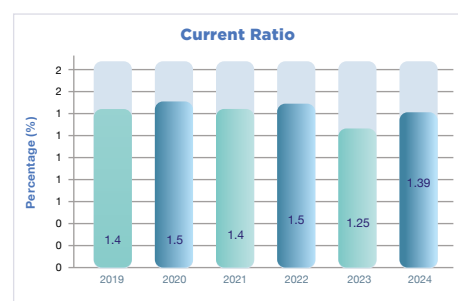
The Company was able to maintain overall operating cycle at negative 85 days which is better than prior year.



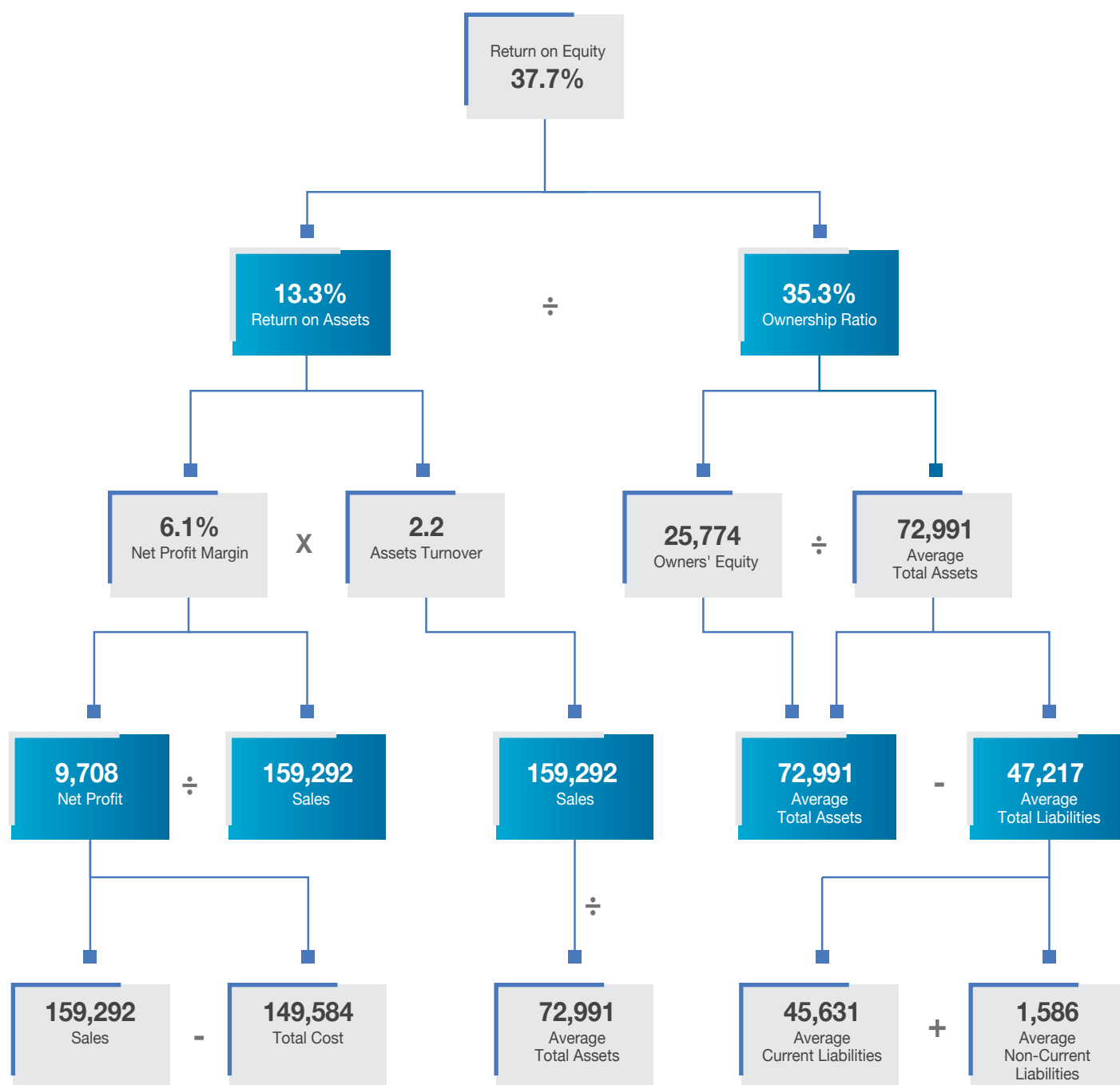
### Liquidity Ratios

The current ratio improved from 1.25 times to 1.4 times due to increase in current asset base. Quick Ratio was recorded at 1.2 times, maintaining an average of 1.1 times over six years period.

Due to healthy liquidity position of the Company, cash to current liabilities was maintained at 0.8 times.



# DuPont Analysis



Net Sales demonstrated growth of 18% over the preceeding period. Sales were lower than previous year, appropriate price adjustments were made to neutralise the impact of exchange rate devaluation, inflation and affects of high input costs in order to maintain a healthy financial position of the Company.

Further, the total assets of the Company increased by 8.4% as compared to last year. The rise was mainly attributable to increase in asset base on account of increase in inventory, short term investments and bank balances. This resulted in return on assets ratio of 13.3%.

Dupont Analysis	2024	2023
Tax Burden	38.32%	38.24%
Interest Burden	0.65%	0.94%
EBIT	9.94%	6.04%
Asset Turnover	2.2	2.3
Debt/Equity Ratio	62.12%	67.47%
<b>ROE</b>	<b>37.7%</b>	<b>22.8%</b>

# Six Years Analysis of Financial Statements

## Statement of Financial Position

Particulars	2024	2023	2022	2021	2020	2019
----- Rupees in '000 -----						
<b>Assets</b>						
<b>Non Current Assets</b>						
Property, plant & equipment	12,445,718	12,158,765	10,251,485	9,788,162	10,041,495	8,950,633
Intangible asset	7,826	35,311	56,255	101,813	135,121	168,924
Long term investments	350,593	340,816	343,534	329,669	322,240	323,497
Long term loans and advances	106,531	75,469	64,159	48,253	36,671	33,467
Long term deposits	41,672	41,662	14,077	12,071	13,025	13,882
<b>Total non current assets</b>	<b>12,952,340</b>	<b>12,652,023</b>	<b>10,729,510</b>	<b>10,279,968</b>	<b>10,548,552</b>	<b>9,490,403</b>
<b>Current Assets</b>						
Stores,spares and loose tools	1,027,714	1,083,666	998,612	647,035	683,123	725,754
Stock in trade	9,621,651	8,005,452	6,541,711	4,026,612	4,888,616	5,069,836
Trade debts	1,021,954	797,382	1,126,808	1,501,925	813,980	1,116,000
Loans and advances	89,211	94,502	59,889	47,429	42,752	43,794
Trade deposits and prepayments	229,118	2,242,128	1,491,756	1,388,594	686,517	1,007,128
Short term investments	13,959,667	10,114,241	8,819,083	10,063,915	5,248,268	5,261,724
Accrued mark-up/interest	656,355	343,803	19,540	14,657	22,392	37,614
Other receivables	16,137	1,874	2,583	1,754	329,021	573,080
Taxation-net	-	-	208,547	770,419	1,487,667	1,149,424
Bank balances	36,369,606	34,702,516	17,424,657	14,288,180	6,308,616	7,480,159
<b>Total current assets</b>	<b>62,991,413</b>	<b>57,385,564</b>	<b>36,693,186</b>	<b>32,750,520</b>	<b>20,510,952</b>	<b>22,464,513</b>
<b>Total assets</b>	<b>75,943,753</b>	<b>70,037,587</b>	<b>47,422,696</b>	<b>43,030,488</b>	<b>31,059,504</b>	<b>31,954,916</b>
<b>Equity</b>						
Share capital	1,240,879	1,240,879	1,240,879	1,240,879	1,240,879	1,034,066
Reserves	27,526,690	21,539,063	19,786,759	17,389,648	15,339,529	14,331,698
<b>Total equity</b>	<b>28,767,569</b>	<b>22,779,942</b>	<b>21,027,638</b>	<b>18,630,527</b>	<b>16,580,408</b>	<b>15,365,764</b>
<b>Non Current Liabilities</b>						
Lease liabilities	289,306	148,102	151,561	168,616	209,148	-
Long term borrowings	-	-	-	187,382	-	-
Deferred income - government grant	-	-	-	3,525	-	-
Retirement benefits	663,559	559,591	484,855	393,569	342,594	296,409
Deferred taxation	877,658	633,022	533,022	528,062	604,200	700,024
<b>Total non current liabilities</b>	<b>1,830,523</b>	<b>1,340,715</b>	<b>1,169,438</b>	<b>1,281,154</b>	<b>1,155,942</b>	<b>996,433</b>
<b>Current Liabilities</b>						
Trade and other payables	44,049,984	45,813,308	25,014,674	22,832,604	13,292,920	15,592,719
Current portion of lease liabilities	57,987	53,617	23,446	39,610	30,234	-
Current portion of long term borrowings	-	-	183,975	226,135	-	-
Current portion of deferred income - government grant	-	-	3,525	20,458	-	-
Taxation - net	1,237,690	50,005	-	-	-	-
<b>Total current liabilities</b>	<b>45,345,661</b>	<b>45,916,930</b>	<b>25,225,620</b>	<b>23,118,807</b>	<b>13,323,154</b>	<b>15,592,719</b>
<b>Total equity and liabilities</b>	<b>75,943,753</b>	<b>70,037,587</b>	<b>47,422,696</b>	<b>43,030,488</b>	<b>31,059,504</b>	<b>31,954,916</b>

# Six Years Analysis of Financial Statements

## Statement of Financial Position

Particulars	Horizontal Analysis						Vertical Analysis					
	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019	2019 vs 2018	2024	2023	2022	2021	2020	2019
-----Rupees in '000-----												
<b>Assets</b>												
<b>Non Current Assets</b>												
Property, plant & equipment	2	19	5	(3)	12	12	16	17	22	23	32	29
Intangible asset	(78)	(37)	(45)	(25)	(20)	276	0	0	0	0	0	1
Long term investments	3	(1)	4	2	(0)	(0)	0	0	1	1	1	1
Long term loans and advances	41	18	33	32	10	6	0	0	0	0	0	0
Long term deposits	0	196	17	(7)	(6)	(39)	0	0	0	0	0	0
<b>Total non current assets</b>	<b>2</b>	<b>18</b>	<b>4</b>	<b>(3)</b>	<b>11</b>	<b>13</b>	<b>17</b>	<b>18</b>	<b>23</b>	<b>24</b>	<b>34</b>	<b>31</b>
<b>Current Assets</b>												
Stores,spares and loose tools	(5)	9	54	(5)	(6)	12	1	2	2	2	2	2
Stock in trade	20	22	62	(18)	(4)	95	13	11	14	9	16	16
Trade debts	28	(29)	(25)	85	(27)	30	1	1	2	3	3	4
Loans and advances	(6)	58	26	11	(2)	9	0	0	0	0	0	0
Trade deposits and prepayments	(90)	50	7	102	(32)	632	0	3	3	3	2	3
Taxation-net	-	(100)	(73)	(48)	29	58	-	-	0	2	5	4
Short term investments	38	15	(12)	92	(0)	(37)	18	14	19	23	17	17
Accrued mark-up/interest	91	1,659	33	(35)	(40)	142	1	0	0	0	0	0
Other receivables	761	(27)	47	(99)	(43)	3,591	0	0	0	0	1	2
Bank balances	5	99	22	126	(16)	(25)	48	50	37	33	20	24
<b>Total current assets</b>	<b>10</b>	<b>56</b>	<b>12</b>	<b>60</b>	<b>(9)</b>	<b>(4)</b>	<b>83</b>	<b>82</b>	<b>77</b>	<b>76</b>	<b>66</b>	<b>72</b>
<b>Total assets</b>	<b>8.4</b>	<b>47.7</b>	<b>10.2</b>	<b>38.5</b>	<b>(2.8)</b>	<b>0.4</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>103</b>
<b>Equity &amp; Liabilities</b>												
<b>Equity</b>												
Share capital	-	-	-	-	20	-	2	2	3	3	4	3
Reserves	28	9	14	13	7	(4)	36	31	42	40	49	46
<b>Total equity</b>	<b>26</b>	<b>8</b>	<b>13</b>	<b>12</b>	<b>8</b>	<b>(4)</b>	<b>38</b>	<b>33</b>	<b>44</b>	<b>43</b>	<b>53</b>	<b>49</b>
<b>Non Current Liabilities</b>												
Lease liabilities	95	(2)	(10)	(19)	100	100	0	0	0	0	1	-
Long term borrowings	-	-	(100)	100	-	-	-	-	-	0	-	-
Deferred income - government grant	-	-	(100)	100	-	-	-	-	-	0	-	-
Retirement benefits	19	15	23	15	16	13	1	1	1	1	1	1
Deferred taxation	39	19	1	(13)	(14)	0	1	1	1	1	2	2
<b>Total non current liabilities</b>	<b>37</b>	<b>15</b>	<b>(9)</b>	<b>11</b>	<b>16</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>3</b>
<b>Current Liabilities</b>												
Trade and other payables	(4)	83	10	72	(15)	5	58	65	53	53	43	50
Current portion of lease liabilities	8	129	(41)	31	100	100	0.1	0.1	-	0	0	-
Current portion of long term borrowings	-	100	(19)	100	-	-	-	-	0	1	-	-
Current portion of deferred income - Government grant	-	100	(83)	100	-	-	-	-	0	0	-	-
<b>Total current liabilities</b>	<b>(1)</b>	<b>82</b>	<b>9</b>	<b>74</b>	<b>(15)</b>	<b>5</b>	<b>60</b>	<b>66</b>	<b>53</b>	<b>54</b>	<b>43</b>	<b>50</b>
<b>Total equity and liabilities</b>	<b>8.4</b>	<b>47.7</b>	<b>10.2</b>	<b>38.5</b>	<b>(2.8)</b>	<b>0.4</b>	<b>98</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>103</b>



# Six Years Analysis of Financial Statements

## Statement of Financial Position

### HORIZONTAL ANALYSIS

#### EQUITY

During the past six years, the Company's share capital primarily remained unchanged except for bonus share issuance in 2020 amounting to Rs. 206.8 million which increased the share capital of the Company to Rs. 1.24 billion. The reserves of the company have gradually increased over the period of 6 years primarily due to profit retention to fund capital expenditure and future development. Resultantly, the total shareholders' equity stood at Rs.28.8 billion with an increase of 87% since 2019.



#### NON-CURRENT LIABILITIES

Non-current liabilities comprise of lease liabilities, deferred taxation and retirement benefits. They have increased by 84% since 2019 primarily due to recognition of lease liabilities against right of use assets as per IFRS 16 and accumulation of leave balances.

#### CURRENT LIABILITIES

Current liabilities increased from Rs. 15.6 billion in 2019 to Rs. 45.3 billion in 2024 primarily due to increase in customer advances and trade and other payables, which are in line with the increasing sales and production trend respectively.



#### NON-CURRENT ASSETS

Non-current assets of the Company mainly comprise of property, plant & equipment, intangible assets and long term investments. The non-current assets of the Company have increased by 36% from Rs. 9.5 billion in 2019 to Rs. 13 billion by 2023 mainly due to production capacity enhancement, BMR and localisation projects.

#### CURRENT ASSETS

Current assets mainly constitute stores and spares, stock in trade, trade debts, short term investments and cash & bank balances. Stock levels including stores and spares increased from Rs. 5.8 billion in 2019 to

Rs. 10.6 billion in 2024, in line with production levels and rise in material prices due to devaluation of exchange rate. However, trade debts decreased from Rs. 1.1 billion in 2019 to Rs. 1 billion in 2024 on account of efficient debtor recovery measures. Further, short term investments and cash balances have increased to Rs. 50.3 billion in 2024 from Rs. 12.7 billion in 2019. Resultantly, the total current assets increased from Rs. 22.5 billion in 2019 to Rs. 63 billion in 2024.



### VERTICAL ANALYSIS

#### TRADE & OTHER PAYABLES

Trade and other payables decreased by Rs. 1.8 billion as compared to last year mainly on account of decrease in customer advances which is partially offset by increase in trade creditors.

#### PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment increased by Rs. 0.3 billion due to BMR and dies and jigs for new model development.



#### STORES & STOCK IN TRADE

Stores and stock in trade increased by Rs. 1.6 billion as compared to last year due to lifting of import restriction and inline with production requirements.

#### TRADE DEPOSITS & PREPAYMENTS

Trade deposits and prepayments decreased by Rs. 2 billion due to withdrawal of requirement for maintenance of cash margin held by commercial banks on letter of credit established for imported raw material.

#### TRADE DEBTS

Trade debts increased by Rs 0.2 billion from last year due to increase in sales prices.

# Six Years Analysis of Financial Statements

## Statement of Profit or Loss

Particulars	2024	2023	2022	2021	2020	2019
-----Rupees in '000-----						
<b>Profit and Loss Account</b>						
Sales	159,292,229	135,485,652	131,930,193	93,156,958	84,775,972	82,412,548
Cost of sales	(147,065,100)	(125,813,871)	(122,045,479)	(86,277,404)	(78,660,040)	(75,856,677)
<b>Gross Profit</b>	<b>12,227,129</b>	<b>9,671,781</b>	<b>9,884,714</b>	<b>6,879,554</b>	<b>6,115,932</b>	<b>6,555,871</b>
Sales and marketing expenses	(3,651,933)	(3,032,096)	(2,688,082)	(1,936,861)	(2,001,683)	(1,924,062)
Administrative expenses	(1,073,333)	(860,548)	(770,535)	(681,124)	(632,161)	(640,209)
Other income	9,061,152	4,555,670	2,065,562	1,392,482	1,370,948	1,097,636
Other operating expenses	(735,293)	(2,156,059)	(629,260)	(448,068)	(388,968)	(463,793)
Share of profit of an Associated Company - net of tax	12,475	322	16,905	9,329	4,443	15,698
<b>Profit from operations</b>	<b>15,840,197</b>	<b>8,179,070</b>	<b>7,879,304</b>	<b>5,215,312</b>	<b>4,468,511</b>	<b>4,641,141</b>
Finance cost	(102,099)	(76,027)	(59,655)	(62,913)	(56,718)	(25,818)
<b>Profit before taxation</b>	<b>15,738,098</b>	<b>8,103,043</b>	<b>7,819,649</b>	<b>5,152,399</b>	<b>4,411,793</b>	<b>4,615,323</b>
Taxation	(6,030,053)	(3,098,888)	(2,234,484)	(1,557,601)	(1,333,393)	(1,406,664)
<b>Profit after taxation</b>	<b>9,708,045</b>	<b>5,004,155</b>	<b>5,585,165</b>	<b>3,594,798</b>	<b>3,078,400</b>	<b>3,208,659</b>

Particulars	Horizontal						Vertical					
	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019	2019 vs 2018	2024	2023	2022	2021	2020	2019
-----%-----												
<b>Profit and Loss Account</b>												
Sales	17.6	2.7	41.6	9.9	2.9	80.0	100.0	100.0	100.0	100.0	100.0	97.2
Cost of sales	16.9	3.1	41.5	9.7	3.7	84.6	(92.3)	(92.9)	(92.5)	(92.6)	(92.8)	(89.5)
<b>Gross Profit</b>	<b>26.4</b>	<b>(2.2)</b>	<b>43.7</b>	<b>12.5</b>	<b>(6.7)</b>	<b>40.3</b>	<b>7.7</b>	<b>7.1</b>	<b>7.5</b>	<b>7.4</b>	<b>7.2</b>	<b>7.7</b>
Sales and marketing expenses	20.4	12.8	38.8	(3.2)	4.0	46.4	(2.3)	(2.2)	(2.0)	(2.1)	(2.4)	(2.3)
Administrative expenses	24.7	11.7	13.1	7.7	(1.3)	48.0	(0.7)	(0.6)	(0.6)	(0.7)	(0.7)	(0.8)
Other income	98.9	120.6	48.3	1.6	24.9	101.8	5.7	3.4	1.6	1.5	1.6	1.3
Other operating expenses	(65.9)	242.6	40.4	15.2	(16.1)	89.2	(0.5)	(1.6)	(0.5)	(0.5)	(0.5)	(0.5)
Share of profit of an Associated Company - net of tax	3,774.2	(98.1)	81.2	110.0	(71.7)	(40.3)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Profit from operations</b>	<b>93.7</b>	<b>3.8</b>	<b>51.1</b>	<b>16.7</b>	<b>(3.7)</b>	<b>42.7</b>	<b>9.9</b>	<b>6.0</b>	<b>6.0</b>	<b>5.6</b>	<b>5.3</b>	<b>5.5</b>
Finance cost	34.3	27.4	(5.2)	10.9	119.7	215.2	(0.06)	(0.06)	(0.05)	(0.07)	(0.07)	(0.03)
<b>Profit before taxation</b>	<b>94.2</b>	<b>3.6</b>	<b>51.8</b>	<b>16.8</b>	<b>(4.4)</b>	<b>42.3</b>	<b>9.9</b>	<b>6.0</b>	<b>5.9</b>	<b>5.5</b>	<b>5.2</b>	<b>5.4</b>
Taxation	94.6	38.7	43.5	16.8	(5.2)	57.6	(3.8)	(2.3)	(1.7)	(1.7)	(1.6)	(1.7)
<b>Profit after taxation</b>	<b>94.0</b>	<b>(10.4)</b>	<b>55.4</b>	<b>16.8</b>	<b>(4.1)</b>	<b>36.5</b>	<b>6.1</b>	<b>3.7</b>	<b>4.2</b>	<b>3.9</b>	<b>3.6</b>	<b>3.8</b>

# Six Years Analysis of Financial Statements

## Statement of Profit or Loss

### HORIZONTAL ANALYSIS

#### SALES & COST OF SALES

Sales growth momentum has driven by positive market demand, leading to an average annual growth rate of 14%. Over the past six years, The Company has remained focused to provide sustainable growth to its shareholders through value creation while maintaining quality for a reliable experience.

The cost of sales also grew at an average rate of 14% over the same period on account of volume growth, continuous devaluation of exchange rate, increase in raw material prices and other inflationary factors. The Company achieved gross profit margin of 7.7% in 2024.

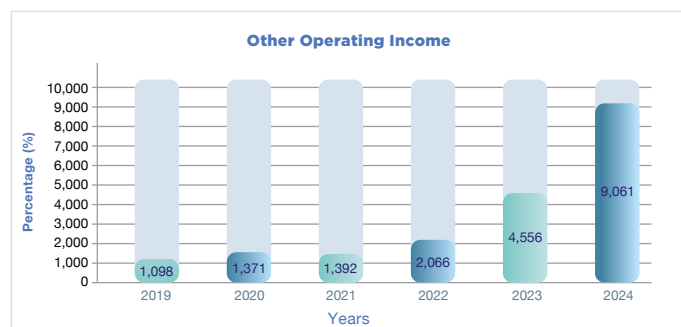


#### SELLING GENERAL AND ADMINISTRATIVE EXPENSES

SG&A expenses have increased from Rs. 2.6 billion in 2019 to Rs. 4.7 billion in 2024 with a cumulative average growth rate of 13% over six years period. This is due to expanding operations on account of higher volumes, surge in inflation over the period and spending on marketing campaigns. However, other operating expenses increased from Rs. 0.46 billion in 2019 to Rs. 0.74 billion in 2024 over the period of six years with cumulative average growth rate of 10%. This mainly comprises of provision for workers' welfare funds and workers' profit participation funds that are directly related to profits.

#### OTHER OPERATING INCOME

Other operating income increased from Rs. 1.11 billion in 2019 to Rs. 9.1 billion in 2024 over the period of six years with cumulative average growth rate of remarkable 52%. This is on account of healthy liquidity position of the Company and increase in policy rates.



### TAXATION

Since 2019, the effective tax rate has observed an increase from 30% to 38% owing to super tax.

### VERTICAL ANALYSIS

#### GROSS PROFIT

The gross profit of the Company increased from 7.1% to 7.7% as a percentage of sales, on account of increase in sales price and better sales mix, stable exchange rates and cost reduction measures. Resultantly the gross profit margin improved from Rs. 9.7 billion to Rs. 12.2 billion.



#### PROFIT AFTER TAX

The growth in profit after tax is mainly attributable to increase in profit before tax slightly offset by increase in tax rate.



# Six Years Analysis of Financial Statements

## Statement of Cash Flow

Particulars	2024	2023	2022	2021	2020	2019
-----Rupees in '000-----						
<b>Cash Flow Statement</b>						
Cash flows from operating activities	8,361,519	22,438,316	6,171,564	14,444,377	2,313,045	(12,804)
Cash flows from investing activities	(2,494,051)	(2,818,103)	415,164	(5,301,626)	(1,585,723)	1,308,414
Cash flows from financing activities	(4,200,378)	(2,342,354)	(3,450,251)	(1,163,187)	(1,898,865)	(3,797,066)
Net increase / (decrease) in cash & cash equivalent	1,667,090	17,277,859	3,136,477	7,979,564	(1,171,543)	(2,501,456)

Particulars	Horizontal						Vertical					
	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019	2019 vs 2018	2024	2023	2022	2021	2020	2019
-----%-----												
<b>Cash Flow Statement</b>												
Cash flows from operating activities	(62.7)	263.6	(57.3)	524.5	(18,165.0)	(100.2)	501.6	129.9	196.8	181.0	(197.4)	0.5
Cash flows from investing activities	(11.5)	(778.8)	(107.8)	234.3	(221.2)	(144.0)	(149.6)	(16.3)	13.2	(66.4)	135.4	(52.3)
Cash flows from financing activities	79.3	(32.1)	196.6	(38.7)	(50.0)	99.4	(252.0)	(13.6)	(110.0)	(14.6)	162.1	151.8
Net increase / (decrease) in cash & cash equivalent	(90.4)	450.9	(60.7)	(781.1)	(53.2)	(185.4)	100.0	100.0	100.0	100.0	100.0	100.0

Particulars	2024	2023	2022	2021	2020	2019
-----Rupees in '000-----						
Profit before taxation	15,738,098	8,103,043	7,819,649	5,152,399	4,411,793	4,615,323
Adjustment non cash items	(1,829,938)	1,020,775	663,310	468,906	439,094	514,399
Changes in working capital	(1,068,261)	16,061,320	(651,544)	9,864,810	(1,233,335)	(3,424,484)
	12,839,899	25,185,138	7,831,415	15,486,115	3,617,552	1,705,238
Less: Capital expenditure	(1,755,582)	(3,217,425)	(1,722,697)	(1,027,728)	(2,118,516)	(2,041,487)
Free Cashflows	11,084,317	21,967,713	6,108,718	14,458,387	1,499,036	(336,249)

# Six Years Analysis of Financial Statements

## Statement of Cash Flow

### Analysis of Cash Flows, Liquidity & Financing Arrangements

#### Cash Flows from Operating Activities

Cash flows from operating activities have witnessed significant fluctuations since 2019. The net cash generated from operations stood at Rs. 8.4 billion in 2024 against Rs. 12.8 million of 2019, with the cumulative average rate of -466%. This is mainly driven by changes in working capital requirements of the business.

#### Cash Flows from Investing Activities

The cash flows utilised from investing activities were Rs. -2.5 billion in 2024 as compared to Rs. 1.3 Billion generated in 2019 with cumulative average reduction of -214%. Sale and purchase of short term investment and necessary capital expenditures were the main constituents that affected cash inflow from investing activities.

#### Cash Flows from Financing Activities

The net cash flows from financing activities mainly comprise of lease rental payments recorded as per IFRS-16 and dividend payments. Resultantly, the cash outflows increased from Rs. 3.8 billion to Rs. 4.2 billion at cumulative average rate of 2%.

#### Liquidity Management and Repayment of Financial Liabilities

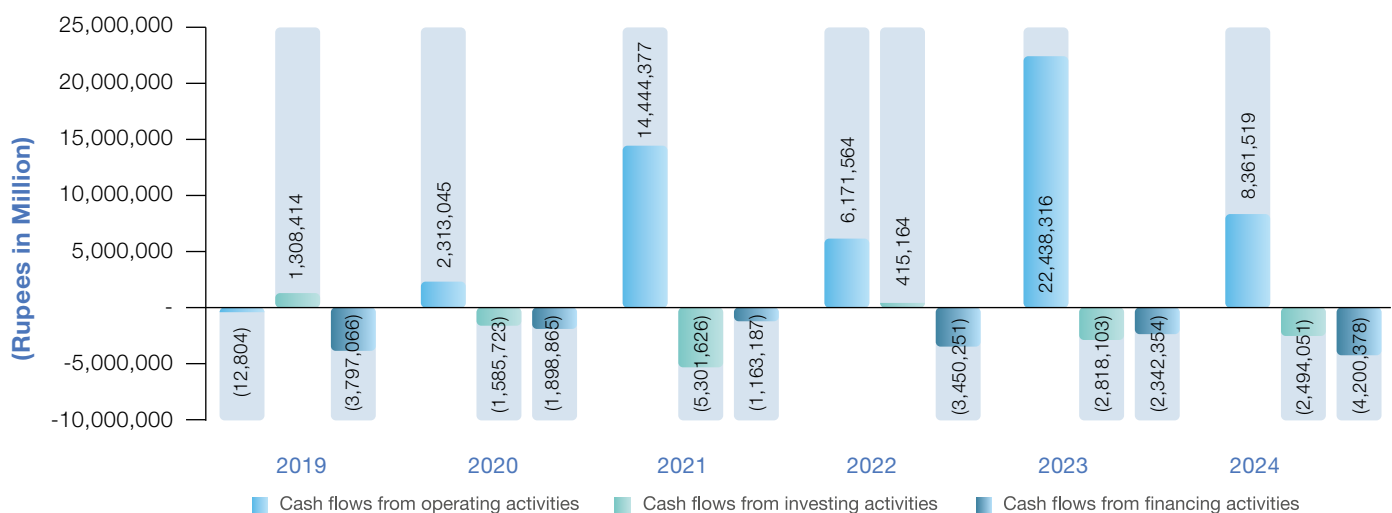
The company has a robust treasury function in place which ensures reliable and effective working capital management. In order to optimize treasury income, proactive decisions are taken using a system of periodic forecasting of anticipated inflows and planned withdrawals that is meticulously monitored. In addition, the company plans its long-term financing needs by doing in-depth market research and taking the financial conditions into consideration in order to make sound decisions about financing capital expenditures in line with long-term business strategy.

The Company is self-sufficient for liquidity needs as cash is primarily generated from bookings against sales. As at year end, the Company is sufficiently liquid with cash and cash equivalents amounting to Rs 36.4 billion. The Company has settled all financial liabilities within the agreed timelines.

Surplus funds are invested in short and long term government securities, various mutual funds, Term Deposit Receipts (TDRs) and other investment schemes at the most competitive rates

#### Liquidity and Financing Arrangements

The Company believes in financing through cash generations from operations rather than long term financing. Accordingly, the Company has mostly stayed "Debt Free" over the past six years.



# Share Price Sensitivity Analysis

The Market Capitalisation of the Company at the end of the year was Rs. 48.6 billion. There are many factors which affect the Company's market share price. Some of these factors are mentioned below:

## Agriculture:

The agricultural sector serves as backbone in Country's economy and employs majority of the population either directly or indirectly in agriculture related activities. The well-being of this sector is crucial for the Country's overall economic performance. The growth of this sector is influenced by various factors, including crop acreage, weather conditions, availability of irrigation water and farm inputs, and government policies on crop prices and support. The increase in farmers' income has a positive impact on sales volume and ultimately, the profitability of the Company.

## Material Prices Volatility:

The production of motorcycles requires major raw materials such as steel, aluminum, paints, and others, which constitute a significant portion of the Company's total annual expenses. A rise in major input prices can cause a negative impact on margins, therefore lowering the EPS, which may further affect the share price.

## Sales Volume:

Sales volume is driven by various factors including plant production capacities, demand and supply situation, farm economics and natural calamities.

## Exchange Fluctuations:

Financial assets and liabilities denominated in foreign currency and foreign business transactions are exposed to foreign exchange risk. The volatility in exchange rate can also impact Company's profitability which they may affect the share price.

## Regulations and Government Policies:

The share price is also sensitive to any changes in policies by the Government or regulatory authorities, both specific to two-wheeler industry and overall business.

## Capital and Money Markets:

The Company held short-term investments worth Rs. 14 billion, primarily consisting of investments in open-ended mutual funds. These funds predominantly invest in the capital and money markets. The performance of these markets directly influences the Net Asset Value (NAV) of these funds, which in turn impacts the financial performance of the Company

## Interest Rates:

The Company has maintained a strong liquidity position with funds of approximately Rs. 36 billion invested in bank savings accounts, term deposit receipts, treasury bills, and Pakistan Investment Bonds, generating treasury income. During the year, the Central Bank has raised the policy rate by a cumulative 200 basis points, reaching 22 percent, which had a positive impact on income. However, it may also have a direct impact on the sale of motorcycles through consumer financing.

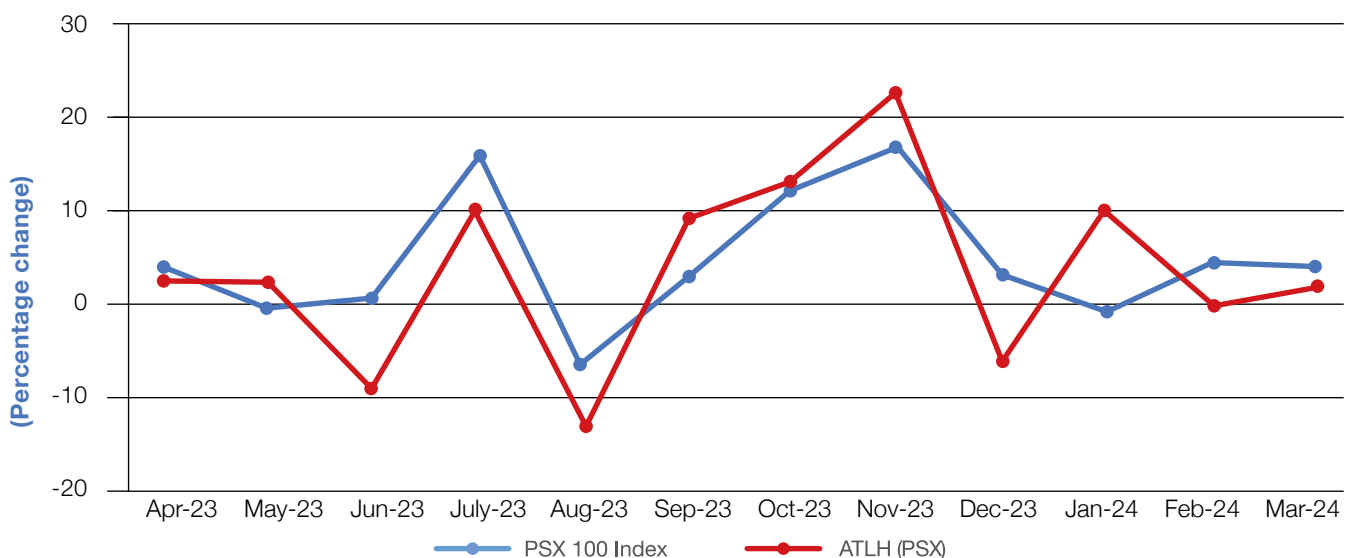
## Law and Order:

A favorable and stable political environment and law order situation help in creating a conducive business environment. Sales of the Company are directly impacted by political instability and adverse law and order conditions.

## Energy Crisis:

Continued availability of gas and electricity is one of the key factors affecting business availability. Non-availability of these resources may lead to use of alternate expensive alternatives which may have significant impacts on the financial well-being of the Company.

## Sensitivity Index



# Statement of Value Addition and its Distribution

## Value Addition

Net sales including sales tax  
Other operating income

Bought in materials and services  
Value Added

%                      **Year ended**                      %                      Year ended  
----- **March 31,2024** ----- **March 31,2023**  
----- **Rupees in '000** -----

	95.44%	189,937,351	97.25%	160,934,299
	4.56%	9,073,627	2.75%	4,555,992
	100.00%	199,010,978	100.00%	165,490,291
	-71.30%	(141,901,553)	-73.44%	(121,535,812)
	28.70%	57,109,425	26.56%	43,954,479
	66.48%	37,964,699	70.59%	31,029,588
	13.66%	7,798,999	14.77%	6,493,308
	0.23%	131,426	0.18%	79,565
	0.00%	-	0.00%	469
	10.21%	5,832,132	6.78%	2,978,110
	9.42%	5,382,169	7.67%	3,373,439
	100.00%	57,109,425	100.00%	43,954,479

## Value Distribution

### To Government

Income tax, sales tax, custom & excise duties, workers funds, EOBI & social security contribution and local taxes

### To Employees

Remuneration & benefits

### To Society

Donations

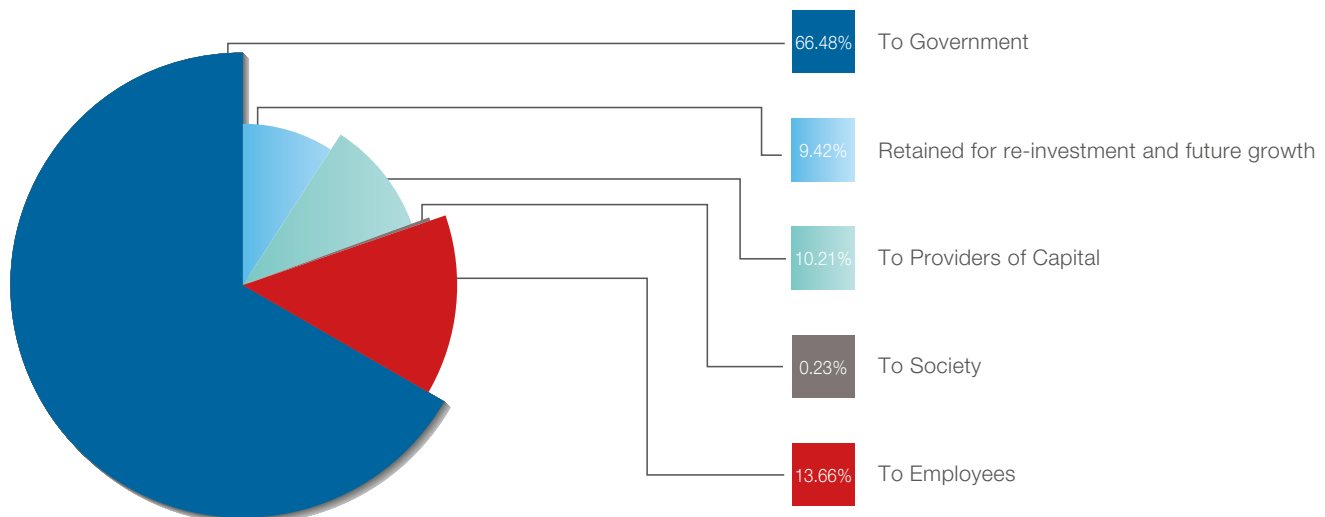
### To Providers of capital

Financial charges on borrowed funds  
Dividends for shareholders

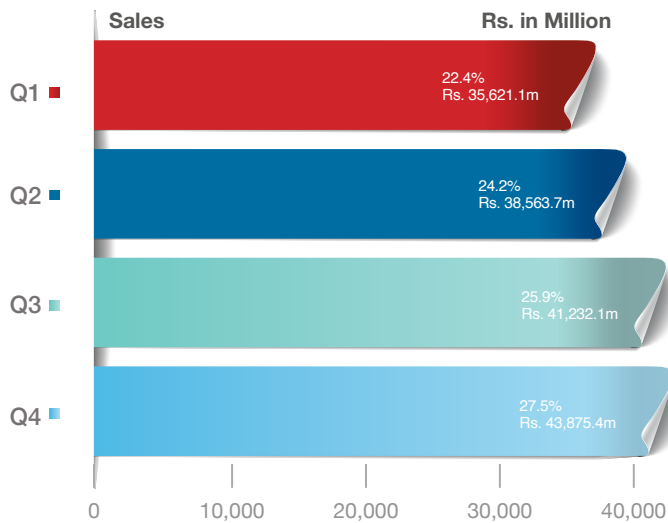
### Retained for re-investment and future growth

### Total Value Distributed

## Value Distribution

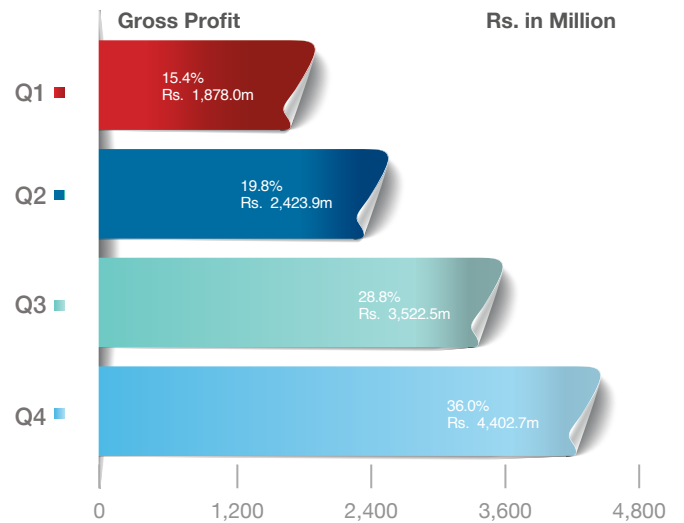


# Quarterly Performance Analysis

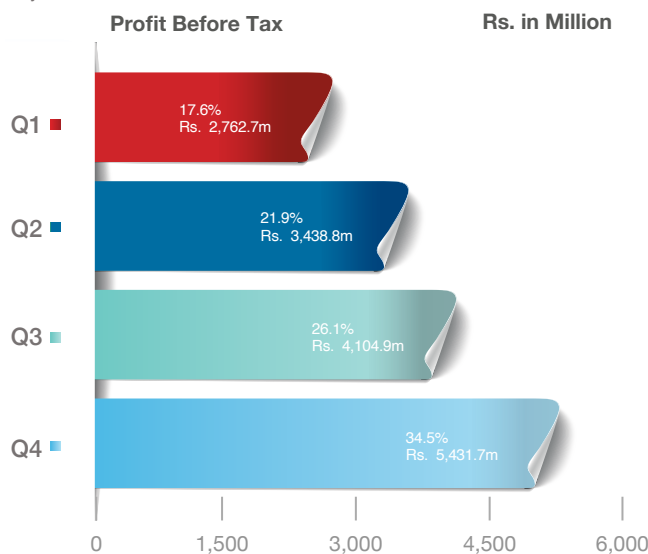


The Company started the year modestly on account of import restrictions and overall slow down of economy. With the steady recovery of economy over the course of the year, sales picked up momentum and volume started to increase. The Company successful launch of new CD 70 blue variant not only re-positioned the market standing but also provided but also expanded the choices for fashion conscious customers.

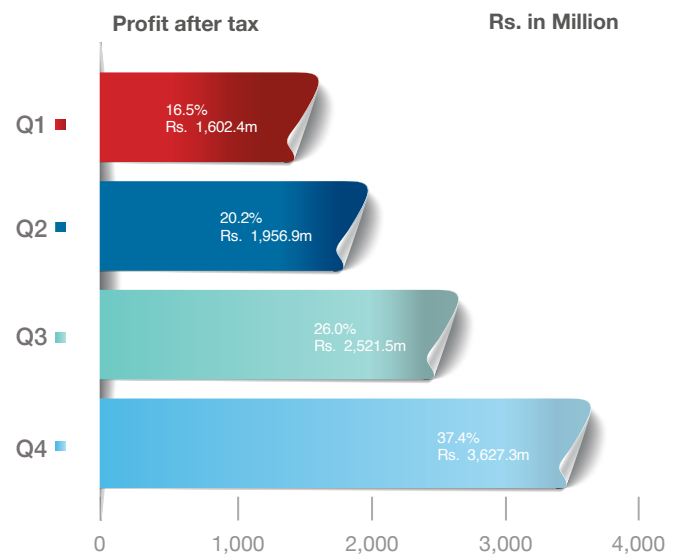
Further the CG125 Self variant with improved air-flow was well received by customers due to its fuel efficiencies. Also the launch of CG125 Self Gold had an overwhelming response from customers. Besides these changes, model changes were carried out in other models also. Resultantly, the Company ended the year with sales of 960,400 units.



The gross profit remained under pressure during 1st and 2nd quarters due to lower sales volume, increase in raw material prices, rising energy costs and devaluation of PKR. As the economic recovery gained momentum, and exchange rates and material prices stabilised, gross profit margins started to improve. Moreover, continued focus on cost reduction and an improved model mix helped to achieve gross profit margin of 7.7% for the year. Resultantly, the gross profit of the Company increased from Rs. 9.7 billion to Rs. 12.2 billion.



Profit Before Tax (PBT) followed the trajectory of sales revenue and gross profit. Sales, marketing and general expense marginally increased as a percentage of sales due to inflationary pressures. Further the increase in treasury income due to prudent investment of surplus funds and higher discount rates played a significant role in improving the bottom line. Accordingly, profit before tax increased by 94% from previous year to arrive at Rs. 15.7 billion with a profit margin ratio of 9.9%.



Profit After Tax (PAT) followed similar trend as that of PBT. Effective tax rate was registered at 38.3%, a minor increase of 0.1% from last year. Overall, an increase of 94% was recorded in PAT as compared to previous year. This translated into Earning per share of Rs. 78.24 for the year, up by 94%.

## Analysis of Variation in Interim Results with Final Accounts

The Company earned gross margin and net margin before tax of 5.8% and 8.4% respectively during the first half of the financial year, respectively. Stable economic indicators and relieved cost pressures provided much needed support to the Company's margins in 2nd half. Further, the sales volumes also increased in the latter half of the financial year due to strong agricultural inflows. Resultantly, gross profit margins increased from 5.8% to 7.7% in the second half. Also, the Company was able to achieve net margin before tax of 9.9% in second half as compared to 8.4% in first half.



# Sustainability Report 2024

- About the Report
- Sustainability Highlights 2024
- General Information
- CEO's Message on Sustainability
- Sustainable Development Goals
- Sustainability Targets
- Sustainability Strategy
- Environmental Protection
- Product Responsibility
- Corporate Citizenship
- Vendor Management
- Employee Management
- Definition, Methodology and Scope
- Independent Assurance Statement
- GRI Content Index





# About the Report

01

## Reporting Period

Financial year 2024 (April 01, 2023 to March 31, 2024)

02

## Reporting Cycle

Annual

03

## Date of Publication

June 05, 2024

04

## Available Version

Online and printed versions are available in English. Online version can be accessed from [www.atlashonda.com.pk](http://www.atlashonda.com.pk)

05

## Report Content

The contents of this report are based on the results of our engagement with stakeholders and requirements of the Global Reporting Initiative (GRI) Sustainability Reporting Standards. All material topics which are important to our business strategy, represent impacts on economy, environment and society and are of interest to various stakeholders & the company are included in this report.

06

## Global Reporting Initiative

This report has been prepared in accordance with the GRI Standards 2021. The GRI content index is available on page 123.

07

## Assurance

The report was externally reviewed by Corporate Social Responsibility Center Pakistan (CSRCP), an independent reviewer, in compliance with GRI Standards and ISAE 3000 (2003) standard. The statement of the independent external reviewer describing the activities carried out and the expression of opinion is provided on the page 121.

08

## Contact for Feedback

We value feedback and welcome comments on our reporting. For any questions or suggestions, please get in touch with our sustainability team.

Address: 1-Mcleoad Road, Lahore-54000 | Phone: +92-42-37225015-17, 37233515-17

Email: [ah1.suggestions@atlashonda.com.pk](mailto:ah1.suggestions@atlashonda.com.pk)

# Sustainability Highlights 2024



## Award by NFEH

1ST Awards in the Categories of "CSR Report, Research & Publications and Waste Management / Recycle"



**21,960**

Hours spent on Employees' Training



**Rs. 131.43**  
Million Donated

**440,000**  
Plus Customers Served for free checkups



**771**

Women trained for bike riding



**2.90%**

Reduction in water consumption per bike



**5.50%**

Reduction in effluents and waste per bike



**1st**

Prize by Spring Festival 2024 Sheikhupura Horticulture Society, in 3 Categories



**54,944**

Participants attended safety riding trainings and lectures

# General Information

## Ownership and Legal form

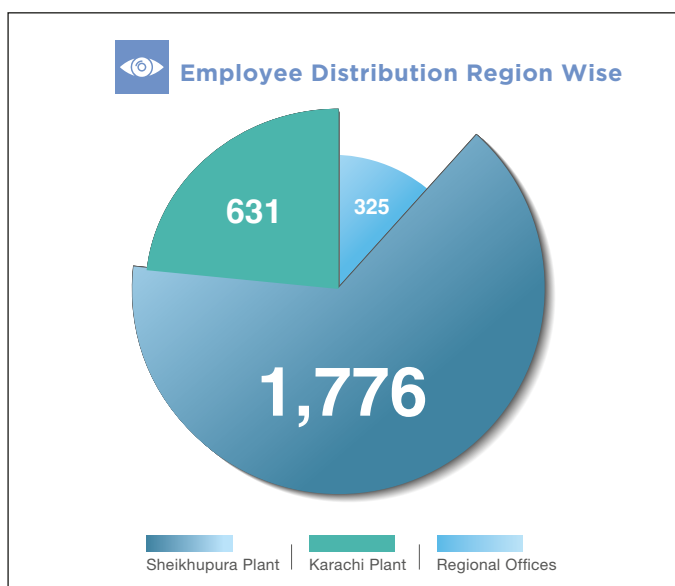
Atlas Honda Limited is a public limited company listed on the Pakistan Stock Exchange. It is a joint venture between Shirazi Investments (Private) Limited (SIL) and Honda Motor Company Limited, with SIL holding 52.43% of issued, subscribed and paid-up capital as at March 31, 2024.

## Headquarters and Operations

The Company operates in Pakistan and is engaged in manufacturing and marketing of motorcycles, spare parts and engine oil. The registered office of the Company is located at Lahore whereas its manufacturing & assembly facilities are located at Karachi and Sheikhpura with branches, customer care centers, warranty & training center and other offices located at Karachi, Hyderabad, Multan, Lahore, Faisalabad, Rahim Yar Khan and Islamabad.

## Scale of the Company

During the year ended March 31, 2024, net sales of the Company amounted to Rs. 159.2 billion, with sales of more than Nine Hundred and Fifty Thousand motorcycles. Net profit for the year amounted to Rs. 9.7 billion with total assets amounting to Rs. 75.9 Billion with equity of Rs. 28.7 billion, as at the said date. The workforce of the Company comprised of 2,732 permanent employees as at March 31, 2024. The Company does not hire employees on part-time or temporary basis and no portion of the organization's activities are performed by workers who are not employees of the Company.



## Supply Chain

The supply chain of the Company spans from procurement of machinery, raw materials, semi-finished & finished parts, services and other inputs from local and foreign vendors to delivery of finished motorcycles and parts to customers through a country-wide network of dealers. The Company's supply chain is

both labor and capital intensive. During the year, the Company paid Rs. 141,901 million to its supply chain partners on account of purchases of goods and services.

## Activities, Brands, Products & Services and Markets Served

The Company serves the needs of automotive sector in Pakistan. The Company's customers mainly include dealers and institutions. The Company manufactures and sells various types of motorcycles in the categories of 70cc, 100cc, 125cc and 150cc through a nation-wide network of dealers. The Company also markets motorcycle parts and offers after-sale services through its dealer network. Atlas Honda does not sell any product that is banned in any market.

## Memberships and external initiatives

Atlas Honda is a member of the following major associations:

1. Pakistan Automotive Manufacturers Association
2. Pakistan Business Council
3. Federation of Pakistan's Chambers of Commerce and Industry
4. Chambers of Commerce and Industry of:
  - Karachi
  - Lahore
  - Sheikhpura
  - Overseas Investors
5. Management Association of Pakistan
6. Marketing Association of Pakistan

The Company does not provide any funding to these associations. However, it takes part, through sponsorship or otherwise in events, such as exhibitions, seminars and workshops organized by these associations.

Further, in addition to the Company's internally developed charters, code of conduct and guidelines, the Company is committed to various externally developed initiatives, charters and principles. Please refer page 51 for more details.

## Significant Changes

There were no major changes in the Company's supply chain, locations, operations and organizational structure during the year. However, it continued to make significant investments as per plan on account of research & development, localization and process improvement.

# CEO's Message on Sustainability

**"I feel immense pride in presenting Atlas Honda's 12th Sustainability Report, a testament to our unwavering dedication to sustainable business practices and our commitment to fostering positive change. Building upon the foundation laid out in previous years, this report highlights our continued efforts to integrate sustainability into every aspect of our business operations".**

In line with the GRI Reporting Standards and UN Sustainable Development Goals (UNSDGs), this report highlights our aspirations to enhance shareholders' and stakeholders' value while creating avenues for long-term sustainable growth. Recognizing our commitment to governance and reporting standards, the 11th sustainability publication of the Company was recognized as the 2nd best corporate sustainability report at the annual ICAP/ICMAP awards for the year 2023.



In the face of unprecedented global challenges, including the ongoing commodity price hikes owing to geo-political factors, Atlas Honda has remained steadfast in its pursuit of sustainability. As we navigate these uncertainties, we recognize the critical importance of resilience, adaptability, and responsible leadership. Our sustainability strategy, anchored in four pillars - environmental stewardship, social responsibility, ethical governance, and economic prosperity - guides our actions as we strive to create value for all stakeholders.

The planet is undergoing significant changes, making climate change an urgent issue. Pakistan, in particular, has experienced severe impacts such as extreme heatwaves and unprecedented monsoon flooding, highlighting its vulnerability in terms of loss of life and livelihoods. It is imperative that we take collective action now to ensure a more sustainable future for the generations to come.

In response to these challenges, Atlas Honda has embarked on a comprehensive sustainability journey. We have implemented solar energy systems to reduce our carbon footprint, committed to efficient material consumption and recycling to minimize waste, and integrated advanced water management practices in our production processes. Beyond environmental efforts, we support education initiatives, promote gender diversity across our organization and its value chain, enhance employee health and safety, and invest in training and development of our employees through focused training programs. These actions underscore our dedication to fostering a sustainable, inclusive, and prosperous future for all stakeholders.

Looking ahead, we are committed to building upon our progress and advancing sustainability across our value chain. By fostering collaboration, embracing innovation, and investing in our people, we will continue to drive positive impact and create shared value for our stakeholders.

I would like to extend my sincere gratitude to our partner, Honda Motor, for its continued support and guidance in our journey. Together, we will continue to strive for excellence and lead by example in the pursuit of a more sustainable future for all.

Chief Executive Officer

Karachi: April 28, 2024

# Sustainable Development Goals

At the United Nations General Assembly in September 2015, the Sustainable Development Goals (SDGs) were adopted for the purpose of establishing a sustainable society across the world through community development, environmental protection and inclusive economic growth. The timeline for these UN SDGs runs from 2016 until 2030. As a responsible corporate citizen, we aim to take account of the SDGs in how we run our business.

Initiatives such as the SDGs contribute to knowledge creation, advancing regulation and technological development, which ultimately lead to changed market demands.

We are committed to all 17 goals, as they all have some connection to our business. For detailed activities and the company's progress towards these goals, please refer to the SDG Index available on page 128-129.



# Sustainability Targets

The Company has established the following targets for continued sustainability approach to be followed to ensure sufficient and effective use of resources:

Sustainability Area	New Targets	Targets Year
To reduce per unit material consumption	<b>Material</b> 0.8% reduction in material consumption from current year. During the current year, 1% reduction in material consumption per unit was achieved in line with the set target. This target was achieved through process optimizations and materials recycling.	2025
Reduction in energy intensity ratio	<b>Energy</b> 4.5% reduction in energy intensity ratio from current year. Process optimizations have resulted in 5% reduction in energy intensity ratio during the current year, which was in line with the set target.	2025
Reduction in CO <sub>2</sub> emissions intensity	<b>Emissions</b> 2% reduction in CO <sub>2</sub> emissions intensity ratio over the next 2 years. Inline with the set targets, 1% reduction in CO <sub>2</sub> emissions intensity was achieved from last year, through process optimizations and utilization of solar energy.	2026
Reduction in water intensity	<b>Water</b> 3% reduction in water intensity ratio from 2024. Inline with the set targets, 2.90% reduction in water intensity ratio was achieved during the current year, through process optimizations and recycling of water.	2025
Zero Injury	<b>Health &amp; Safety</b> Zero Injury	2025

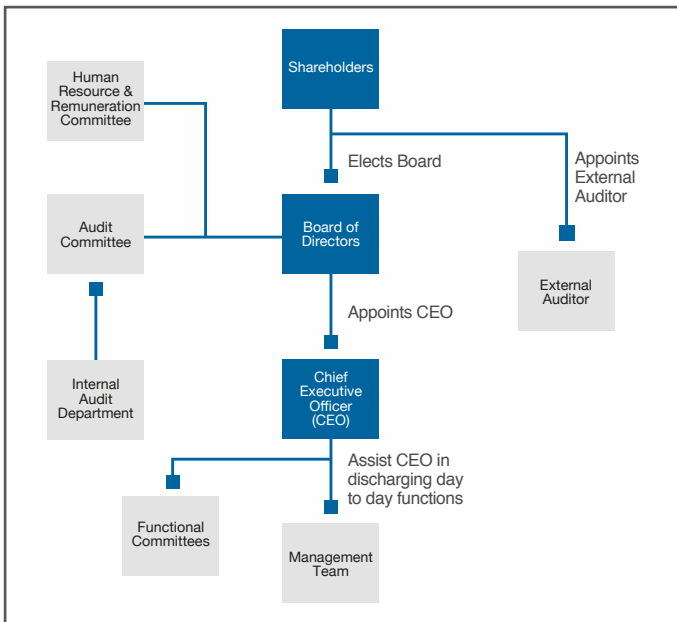


# Sustainability Strategy



## Governance Structure

Atlas Honda's governance framework provides a sound structure for effective and responsible decision-making within the organization. The highest decision-making is carried out at the shareholders' meetings, supported by the Board of Directors. The Board has an oversight of the risks and opportunities arising from the Company's activities and is responsible for identifying the direction, strategies & objectives and monitoring the implementation of the same by management.



## Board of Directors

The Company has an experienced and dynamic Board with the right blend of skills to develop strategies. Presently, the Board comprises of eight Directors, including three non-executive Directors, three executive Directors and two independent Directors. Non-executive Directors are elected to enhance objectivity. The existing board members were appointed by the shareholders in the Extraordinary General Meeting (EOGM) of the members of the Company, held on Monday, 13 March, 2023. The existing board was elected for a period of three years commencing from 14 March, 2023, in accordance with the provisions of section 159 of the Companies Act, 2017.

The Chairman of the Board of Directors is selected from within the Board. The statute requires the Board to formulate Audit Committee and Human Resource & Remuneration Committee. Additionally, the Board may from time to time establish committees, to assist it by

focusing on specific responsibilities in greater detail than is possible for the Board as a whole, reporting to the Board and making any necessary recommendations.

AHL is an equal opportunity employer and members of the Board are selected based on merit. AHL has not introduced any specific quotas for specific nationalities, ethnic minorities, or special age groups for the Board. AHL has, on its Board, highly competent and committed personnel with vast experience, expertise, integrity, and a strong sense of responsibility required for safeguarding stakeholders' interests. The Board is comprised of qualified directors with diversified backgrounds in the field of business, finance, economics, engineering, and other disciplines. The Chairman is responsible for the overall discharge of the Board's duties. The office of the Chairman and the Chief Executive Officer (CEO) are separate, and the Chairman is a non-executive Director.

All the matters including election, appointment and disclosure of interest are governed by the statutory requirements and regulations laid down by SECP and PSX. There were no non-compliances identified during the year. Further details about the Directors and matters carried out during the year can be found in the Director's profile and Statement of Compliance with the Code of Corporate Governance on page 20 to 23 and 132 and 133 respectively.

## Representation of Female Director on the Board

In compliance with the requirement of The Code of Corporate Governance for listed companies, to have representation of female directors on Board, the Company elected a female member on its board in the election of Directors.

## Roles and Responsibilities of the Board

The Board provides leadership to the Company in a manner that promotes its long-term success, thereby maximizing value for the stakeholders. It also sets the direction for the Company's values, ethics & business policies and practices. The Board exercises all powers granted to it by the Companies Act, 2017 with responsibility, diligence, and in compliance with the legal framework after due deliberations in its meetings. These include, but are not limited to, appointment of key management positions, approval of annual budgets including capital expenditures, investments in new ventures and approval of related party transactions. Financial statements of the Company, including interim and final dividends and review of internal / external audit observations regarding the overall control environment including effectiveness of the control procedures, are also approved by the Board. An independent Internal Audit department ensures continuous compliance and monitoring of formal policies and effectiveness of the internal control

framework, designed by the Board for the conduct of the Company's business. The Audit Committee is tasked to report compliance thereof to the Board, at least once every quarter of the year.

### Formal Orientation and Director's Training Program

On appointment, Directors take part in an "Induction Program" which is aimed at broadening their knowledge and understanding regarding the Company's business. The orientation program is designed to apprise the Directors regarding the expectations of the majority shareholders and their responsibilities. The Directors are also encouraged to attend courses which provide information and training relating to their duties, responsibilities, powers and potential liabilities. The Chairman, in collaboration with the Company Secretary and senior management, is responsible to ensure that the Board members are provided, at all times,

with the information necessary for them to effectively discharge their duties and responsibilities. The Company Secretary also arranges an appropriate Director's Training Program in line with the requirements of the Code of Corporate Governance.

### Committees of the Board and Terms of Reference

Each committee of the Board has a written 'Terms of Reference' outlining their duties and responsibilities. The committees report on their activities and results to the Board. The table below summarizes the terms of reference, number of members and frequency of meetings of the committees.

Committee	Roles and responsibilities of committee	Number of members	Frequency of meeting
Audit Committee	<ul style="list-style-type: none"> <li>Monitors the integrity of the financial statements and reporting and makes recommendation to the Board for its approval</li> <li>Oversight of external auditor: to consider findings and recommendations arising from the external audit process</li> <li>Review of compliance procedures to ensure adherence to applicable legal and regulatory standards and internal policies</li> <li>Monitoring the effectiveness of the internal control processes and the internal audit function</li> <li>Oversight of risk management</li> </ul>	Three	Quarterly
Human Resource and Remuneration Committee	<ul style="list-style-type: none"> <li>Recommending Human Resource Management policies to the Board</li> <li>Recommending to the Board about selection, evaluation, compensation and succession planning of CEO, VP, CFO, Company Secretary and Head of Internal Audit</li> <li>Consideration and approval of recommendations for key management positions who report directly to CEO and VP</li> <li>Recommending to the Board a policy framework for determining remuneration of directors</li> <li>Undertaking annual evaluation of the Board of Director's performance</li> </ul>	Three	Once a year

### Board's Performance Evaluation

The Company has a comprehensive policy for fixing executive Directors' remuneration. In order to attract well qualified and experienced Directors, the Company's remuneration policies are structured in line with prevailing industry trends and business practices. As per the applicable legal and regulatory requirements, the remuneration of the Board members is approved by the Board itself. However, in accordance with the Code of Corporate Governance, it is ensured that no director takes part in deciding their own remuneration.

The Company does not pay remuneration to non-executive Directors including independent directors except a fee for attending meetings of the Board. Information on remuneration of the Directors and CEO in 2023-24, please refer note 37 to the Financial Statements on page 171.

The evaluation of Board's role of oversight and its effectiveness is a continual process, which is appraised by the Board itself. The core areas of focus are:

- Alignment of corporate goals and objectives with the vision and mission of the Company;
- Strategy formulation for sustainable operation;
- Board's independence; and
- Evaluation of the Board's Committees' performance in relation to discharging their responsibilities set out in respective terms of reference.

The Human Resource and Remuneration Committee of the Board, evaluates on an annual basis, the degree to which objectives of the company as a whole and particularly those of the Executive Committee have been met. The said evaluation also includes an evaluation of success of the Company in managing its impact on the economy, environment and people. Based on the evaluation of the performance against operational and sustainability-related goals, recommendations are made for review and approval of the Board. The members of the Board and especially the Executive Committee have expertise in managing economic, environmental, and social issues. To ensure that they keep abreast of current trends and

developments in the aforementioned areas, AHL ensures the participation of its management and staff in relevant training and involvement in international and national conferences. The results of the performance evaluation are also taken into account for setting remuneration of the Board members. The Company does not have a policy to involve an external consultant to carry out an evaluation of the Board's performance. During the year, there were no changes in the composition of Board as a result of Board's performance evaluation.

#### Policy for Retention of Fee Earned by Executive Directors for Services in Other Companies as Non-Executive Directors

The Company's CEO is treated as an executive Director on the Board by virtue of the Companies Act, 2017. In addition, he holds position as a non-executive Director on the Boards of Pakistan Mobile Communications, Tri-Pack Limited, National School of Policy and eleven private companies of Atlas Group. Fee paid, if any, by these companies are in compliance with policies of respective companies which have been approved by their Board of Directors. Executive directors other than CEO of the Company do not hold directorship position in any other company.

#### Security Clearance of Foreign Directors

Every foreign Director who is nominated for election on the Board of Directors of the Company is required to furnish documents which are then submitted to the Ministry of Interior for security clearance.

#### Chairman's Review on the Performance of the Board

Review by the Chairman on the Company's performance, which is derived through the guidance received by the management from the Board of Directors, has been outlined in Chairman's Review. Further detailed explanations have been covered throughout the Annual Report.

#### Roles & Responsibilities of Chairman and CEO

The Chairman's role is primarily to guide long-term strategic planning for Atlas Honda including:

- Presiding over the Board and ensuring that all relevant information has been made available to the Board;
- Defining the Company's philosophy and objectives;
- Safeguarding shareholders' interest in the Company;
- Responsible for building the Company's image nationally and globally;
- Ensuring the appropriate recording and circulation of the minutes of the meeting to the Directors and officers entitled to attend the Board meetings;
- Major spokesman of the Company, responsible for liaison with the senior most levels of the Federal and Provincial Governments;
- Overseeing the Company's macro approaches and public relations in the broad sense, including its relations with public organizations and other companies; and
- Commitments and de-commitments of strategic investments.

The CEO is responsible for reporting the Company's performance to the Board of Directors. He is also responsible for all matters pertaining to operations of the Company under direction of the Board of Directors. His responsibilities include:

- To plan, formulate and implement strategic policies;
- To build and maintain amicable relations with government departments, trade associations and regulatory bodies;
- To ensure the achievement of productivity and profitability targets

and that the Company operates efficiently;

- To ensure that the chain of command in the Company is clear to facilitate the maintenance of discipline, the roles and duties of all managers clearly define their functions to ensure accountability;
- To maintain a regular review of duties and functions of the staff to ensure that there are no duplications of efforts in office methods and procedures and that all operations are carried out efficiently and economically;
- To chalk out human resource policies for achieving high professional standards, overall progress / betterment of the Company as a whole;
- To ensure that proper succession planning for all levels of hierarchy exists in the Company and is constantly updated;
- To ensure welfare and training of the staff in accordance with the Company's policy and government regulations which are applicable from time to time;
- To ensure that open and progressive atmosphere is created among employees giving them a sense of participation and providing them with an opportunity to give their best;
- To ensure that every employee is treated equally as an individual regardless of his designation; career development is on merit basis and each employee is helped to develop its performance through continuous study and training so as to form a team in which all levels of employees work together with common goals to strengthen the position of the Company;
- To ensure that necessary coordination exists between various departments of the Company to achieve smooth and effective operations;
- To ensure that technical information made available to the Company under Technical Service or Royalty Agreements are used solely in the manufacturing of approved products and the staff of the Company maintains strict confidentiality of such information;
- To ensure that the Company's interests and assets are properly protected & maintained and all the required Government obligations are complied with in a timely manner;
- To maintain close liaison with the Government, customers, suppliers and sales offices;
- To pay all Government dues on or before due date and obtain all refunds due from the Government;
- To ensure proper functioning of the Management Committees of the Company of which he is the Chairman;
- To prepare and present personally to the Board of Directors the following reports/details;
  - Annual business plan, cash flow projections and long term plans.
  - Budgets including capital, manpower and overhead budgets along with variance analysis.
  - Quarterly operating results of the company in terms of its operating divisions & segments.
  - Promulgations or amendment of the law, rules or regulations, accounting standards and such other matters as may affect the Company.
  - Reviewing performance against budgets / targets, revenue and capital expenditure, profits, other administration, commercial, personnel and other matters of importance to the Company.
- To always keep the line of communication open with the competitors for taking joint actions for mutual benefits;
- To be responsible for publicity of the Company's products consistent with the company's image and with a view to maximizing sales; and
- To ensure that the Company operates with minimum staffing and paperwork.

#### Committees Reporting to the Highest Governance Body

The members of the highest governance body are supported by committees that facilitate them in performance of their duties. These

committees meet frequently and ensure implementation of sustainability framework in various aspects of Atlas Honda's operations. The implementation of the framework is ensured by various departmental heads who report the activities and progress to these committees. Based on the inputs of different Board Committees, the Board reviews and discusses organizational performance, impacts, risks, opportunities, and the effectiveness of controls and procedures in its quarterly meetings. Input is also

acquired from associated third parties through the Company's process of stakeholders' engagement. The implementation of sustainability framework is frequently monitored by Internal Audit function along with the annual assurance from an independent expert before reporting the results to the stakeholders.

Below are the committees that facilitate them in the performance of their duties.

Committee	Roles and responsibilities of committee	Number of members	Frequency of meeting
Management Committee	<ul style="list-style-type: none"> <li>Reviewing and forwarding long term plans, capital and revenue budget, development and stewardship of business plans</li> <li>Maintaining healthy environment</li> <li>Providing advice to CEO in normal course of business</li> </ul>	Twelve	Monthly
Business Ethics Committee	<ul style="list-style-type: none"> <li>Effective communication and reinforcement of ethical values &amp; best practices in the business</li> <li>Ensuring compliance with the Company's 3R principles (Respect, Reward and Recognition)</li> </ul>	Nine	Twice a year
Treasury Committee	<ul style="list-style-type: none"> <li>Oversight of day to day treasury &amp; investment matters</li> <li>Approval of short term investment decisions</li> <li>Ensuring subsequent approval of all the decisions by Board</li> </ul>	Three	Monthly
Risk Management Committee	<ul style="list-style-type: none"> <li>Identifies and propose strategies to mitigate risks, on a timely basis, in accordance with a well-structured risk management process</li> </ul>	Three	Monthly
Environment, Health, Safety and Security Committee	<ul style="list-style-type: none"> <li>Ensures compliance with applicable Environmental, Health, Safety and Security (EHS&amp;S) laws and regulations</li> </ul>	Six	Monthly
Corporate Social Responsibility Committee	<ul style="list-style-type: none"> <li>Ensures compliance with Social Performance Governance Framework</li> </ul>	Five	Quarterly

### Governance Practices Exceeding Legal Requirements

The Company's commitment to the highest levels of moral and ethical values is demonstrated by voluntary adoption of best business practices in addition to the stipulated regulatory requirements. Some of the governance practices exceeding legal requirements that have been adopted by the Company include:

- Best reporting practices recommended by ICAP/ICMAP;
- Adoption of Pakistan Stock Exchange criteria for selecting top companies;
- Disclosure of various financial analysis including ratios, reviews, risk matrix and graphs etc., and
- Implementation of aggressive Health, Safety and Environment strategies to ensure safety of employees and equipment.
- Publication of annual sustainability report as per Reporting guidelines of GRI.

### Risk Management

The Company has an entity-wide risk management processes for identifying, evaluating and managing the principal risks. The Board is responsible for the systems of internal control and risk management and for reviewing each year the effectiveness of those systems. The key features of the Company's entity-wide risk management and internal control process include:

- The Audit Committee, on behalf of the Board, considers the effectiveness of the internal control procedures during the financial year. It reviews reports from the internal and external auditors and

reports its conclusions to the Board.

- A Risk Management Committee is responsible for reviewing the keyrisks and develop the strategies to mitigate/ counter these risks.
- The Company's Internal Audit function carries out the continuing assessments of the quality of risk management and control, reports to the management and the Audit Committee on the status of specific areas identified for improvement and promotes effective risk management in the lines of business processes.

During the year, the Committee discharged its responsibilities and reported the matters in Report of the Audit Committee.

### Corporate Policies and Commitments

The Company's Code of Conduct (the Code) provides guidelines on ethical standards. It covers issues such as bribery and corruption, fraud, insider trading, legal compliance, conflict of interests, human rights and discrimination. The Code includes a commitment to conduct the Company's business with due regard to the interests of all stakeholders and the environment. The Code requires compliance with all applicable laws and regulations as a minimum standard. In essence, the guidelines to the Code outline the Company's approach to ethics management, which includes all elements recognized as best practices in ethics management. The Code guides interactions with all the stakeholders, including employees, vendors and customers. The Company provides regular trainings to its stakeholders to ensure that they are abreast of the developments. In addition to this, annual survey for the employees' understanding of Company's code of conduct and other policies, is conducted. All of

the Policies adopted and implemented by the Company stipulate applying the precautionary principle and these apply to all the organization's activities and to all its business relationships.

To uphold our dedication to equitable and sustainable business practices, it is imperative for all employees and stakeholders within our value chain to adhere to our policies and protocols. Our Code of Conduct is accessible via our website ([www.atlashonda.com.pk](http://www.atlashonda.com.pk)), while additional policies, procedures, and guidelines are easily accessible through our staff intranet and SAP platform, promoting transparency. Where relevant, pertinent policies are shared with our supply chain partners. The Company frequently updates its policies and procedures based on inputs and shares the same with relevant stakeholders.

The overall responsibility for embedding, implementing, and reviewing the policy commitment rests with the Board. AHL's policy commitments follow a centralized system and all department heads ensure the implementation of their respective policies. However, HSEQ policy commitments are aligned with risk management and responsibilities are location-based. Regular trainings are provided to employees for keeping them abreast of development and refresh their knowledge. Compliance with the policies and commitments is ensured through internal reviews, audits, and external certification. The Code is reviewed annually and any changes therein are approved by the Board. The same is communicated to all the employees, vendors, service providers and customers and is available on the Company's website.

### Whistleblower Policy

The Company's purpose and values set the standard for how it does business and actively encourage openness, integrity and accountability. The Company's Whistleblower Policy has been developed to ensure that concerns are raised regarding actual or suspected contraventions of the Company's ethical and legal standards freely and without fear of repercussions. The policy provides a number of avenues for disclosure including internally through managers and Business Ethics Committee. Matters reported are investigated by the Internal Audit function and it is determined whether there is evidence to support the matter raised or to refute it. Information regarding any incident is reported to the Audit Committee. The reports include details of the matter, measures taken and the status of any investigation. During the year, no such incidences were reported.

### Privacy and Data Protection

The stakeholders are understandably concerned about how their personal information is used and shared and they want to feel confident that data communicated or stored online is secure. The Company works regularly to enhance robust processes and systems that protect customers' and employees' data and to raise awareness about the importance of data protection and privacy through the Company's IT Governance Policy which is summarized below:

- The members of Management Committee are responsible for required compliance in their respective functional areas, at all locations.
- The General Manager Information Technology is responsible for its implementation, maintenance, compliance and for suggesting new areas
- As per technology enhancement.

### Conflict of Interest Policy

The Company has a policy in place to ensure that any conflict of interest is properly disclosed, recorded and addressed, upholding the interests of the company. In line with the provisions of Companies Act, 2017, every Director is required to disclose his interest in writing to the Company Secretary, in respect of any contract/appointment, etc. Such disclosures are circulated to the Board. Interested Directors do not participate in voting on the said resolution and it is properly recorded in the minutes of the Board meeting and also entered in the statutory register maintained for this purpose. The details of the all the related party relationships and transactions are given in note 38 of the financial statements.

### Insider Trading

The Company has a clearly defined policy relating to insider trading which requires all the relevant employees to maintain confidentiality of inside information at all times. The purpose of this policy is to set forth guidelines on purchase or sale of securities while in possession of inside information. The Company is in compliance with the requirements issued by SECP relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.

### Anti-corruption and Anti-competitive Behavior

Analysis of risks related to corruption is a continual process at Atlas Honda and no corrupt practices are tolerated. The Company has a strict Code of Conduct which contains explicit requirement about Business Integrity and Anti-corruption. The code is supported by an effective risk management system to identify corruption risk. The Company has a dedicated internal audit department to implement the risk management systems. The department directly reports the findings to Audit Committee for taking appropriate action. Risk assessment for corruption risk covering all of our major operations was carried out during the year and no significant risk or incidence related to corruption or anti-competitive behavior was identified and reported. Furthermore, a survey of Code of Conduct was carried out during the year to evaluate stakeholders understanding of company's Code of Conduct. Based on the results of the survey no training needs were identified. Therefore, no specific training for anti-corruption policies and procedures was conducted during the year. The anti-corruption policies and procedures are communicated to all directors and employees at all locations of company's operations. New employees receive orientation at the time of joining which includes a briefing about anti-corruption policies and procedures. Moreover, the anti-corruption policies and procedures are also communicated to all business partners at the time of engagement. During the year, there was no violation of laws, regulations, and voluntary codes of practice in the economic or social areas. Moreover, no fines were paid and no non-monetary penalties for failure to comply with legal regulations were levied.

### Embedding Policies and Commitments in the Supply Chain and Business Relationships

The company's approach to integrating policies in its supply chain and business relations is thorough and strategic for which it has established a comprehensive framework that ensures alignment with its core values and sustainability goals. This framework includes:

- Pre-Qualification Screening: Rigorous pre-qualification processes to ensure potential suppliers and partners meet the company's sustainability, ethical, and regulatory standards.
- Supplier Agreements: Incorporating clauses in supplier agreements that mandate adherence to the company's policy on sustainability, labor rights, and ethical conduct.

- Investment Screening: Stringent screening of investment agreements to align with company's strategic and ethical criteria.
- Continuous Monitoring: Regular audits and evaluations to ensure ongoing compliance with company's standards.

By integrating these policies into every stage of its supply chain and business relationships, the company reinforces its commitment to sustainability, ethical practices, and responsible growth. This strategic approach not only mitigates risks but also fosters strong, trust-based relationships with its partners, contributing to the company's overall success and reputation.

### Grievance/Feedback System

The Company believes in protecting interest of its investors and shareholders. The shareholders give their feedback in General Meetings and are encouraged to do so. It allows the Company to have a good understanding of their views on operations and decisions. Accordingly, a "Grievance/ Feedback System" has been established that provides an avenue for reporting and resolution of all complaints/queries on timely basis.

A designated e-mail address has been created which is investor.relations@atlashonda.com.pk to facilitate investors for submission of queries/grievances and feedbacks. In addition, complaints and suggestions can also be received in writing, duly addressed to Company Secretary. All grievances/queries are resolved and communicated to the investors on timely basis after due verification procedures.

The Company is committed to provide for or cooperate in the remediation of negative impacts that are identified for which it has a grievance reporting system at its plants and other offices where communities and stakeholders can ask questions, provide suggestions, or submit complaints. Plant management and the administrative departments at underlying locations investigate these grievances with assistance from the relevant departments. The findings are then shared with the stakeholders and management for resolution and appropriate action. The matters that are highlighted through communication with the stakeholders, reported to the Company through the grievance reporting mechanisms, raised by the suppliers

and customers through B2B communication platforms and raised by the members in the general meetings of the Company are evaluated on regular basis to assess whether any revision in Company's policies and its commitments is required for managing the impact of its operations. Such matters are reported to the members of highest governance body through CSR Committee. Throughout the year, there were no complaints from interest groups or institutions at the relevant locations concerning public or social issues.

### Sustainability Strategy Framework

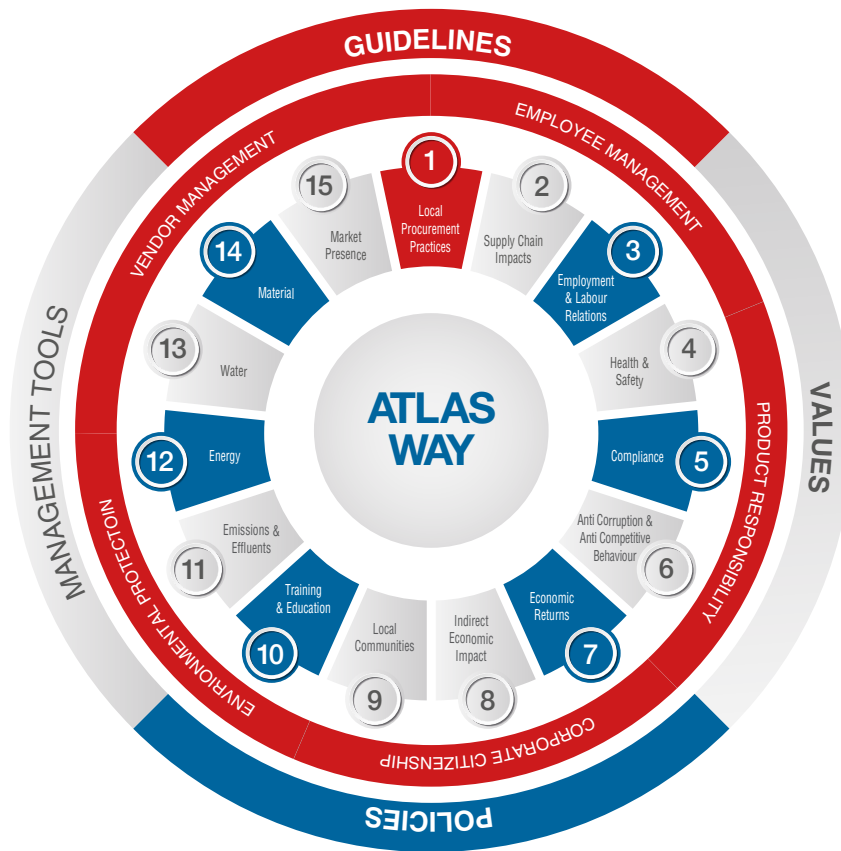
The Company's sustainability strategy focuses on crafting long-term value and providing a level playing field for future generations to meet their needs. This goal can only be attained through the efficient use of available resources, commitment to creating sustainable products and solutions and treating the environment and people equitably and with respect. The commitment of doing business in a sustainable way sets the Company apart from its competitors, leading to customer satisfaction, appreciation, brand recognition and increasing product demand. The Company's Sustainability Strategy Framework supports its business strategy and is aligned with the Company's purpose. The framework has five key areas of focus:

- Environmental Protection
- Product Responsibility
- Corporate Citizenship
- Employee Management
- Vendor Management

The Company is guided by its sustainability framework while making efforts for creating sustainable value for all its stakeholders. This framework is a product of Atlas Group's fundamental business doctrine - the "ATLAS WAY". It comprises of the principles of the "ATLAS CULTURE" and the "ATLAS SYSTEMS". The principles of the Atlas Way cover all departments, operations, activities and aspects of business and provide ideal guidelines for their progressive development. The ultimate goal is to obtain excellence in operations and quality in products without compromising on protection of environment and interest of society at large.

Atlas Way	
Atlas Systems	Atlas Culture
<ul style="list-style-type: none"> <li>• Management by Objectives (MBO) to align activities towards agreed company goals</li> <li>• Implementing 7S vision (Strategy, Structure, System, Style, Staff, Skills and Shared values) for the company</li> <li>• Inducting and retaining competent and skilled staff – right man for the right job</li> <li>• Using BCG model for strategic direction</li> <li>• Creating values through implementations of internal controls (SOPs and policy manuals)</li> <li>• Management development to produce performers, organization builders and strategists</li> <li>• Active participation in management meetings for continuous performance improvements</li> <li>• Ensuring accuracy and control of information / data through efficient MIS</li> <li>• Judicious sharing of profitability between employee bonuses, dividend payout and profit retention</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• The 3 Rs – Respect, Recognition and Reward</li> <li>• Value of time</li> <li>• Recruitment and career advancement based on integrity, merit, experience and skills</li> <li>• Education and training of staff and descendants</li> <li>• Self-reliance</li> <li>• Leading by example</li> <li>• Humility and Excellence</li> <li>• Living within one's means, saving for the future and donating for good cause</li> <li>• To be happy and healthy</li> </ul> <p style="text-align: center;">شاہین کا جہاں اور <b>We Look Beyond Horizons</b></p>

The following diagram summarizes the Company's framework and approach to sustainability:



### Stakeholder Engagement

The Company's manufacturing activities and its products have significant effect on the environment as well as on diverse groups of stakeholders. Simultaneously, the views, decisions and actions of these groups have an impact on the success of the Company's business. The Company, therefore, engages in an ongoing dialogue regarding sustainability topics with its stakeholders in relevant markets and at all locations. This allows the Company to understand the issues, formulate strategies and deliver according to stakeholders' expectations.

The engagement process starts with the identification of stakeholders. The Company defines stakeholders as those who are potentially affected by the Company's operations or who have

an interest in or influence on the Company's business. Stakeholders are identified and then prioritized on the basis of nature of relationship, influence, responsibility, dependency proximity and willingness & ability to engage. Consultation is then carried out with the identified stakeholders to gain input on topics which are of interest to stakeholders or which can significantly affect us. The results of the stakeholder engagement are quarterly communicated to the Board through CSR Committee for Board's consideration. List of stakeholders, processes, frequency of consultations with stakeholders, topics identified and the Company's responses to the same are as follows:

Stakeholders		Frequency and method of engagement	Topics identified	Strategy
Shareholders / Investors	Individuals, corporate and other organizations that have invested capital	<b>Ongoing</b> <ul style="list-style-type: none"> <li>Dedicated webpage for investors</li> <li>Notices, circulars, announcements and interim reports</li> </ul> <b>Annual</b> <ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Annual reports</li> </ul>	<ul style="list-style-type: none"> <li>Sustained good return on investment through strategic and organic growth</li> <li>Exemplary governance practices</li> <li>Sound risk management</li> </ul>	<ul style="list-style-type: none"> <li>Strong leadership, commitment to growth &amp; value creation</li> <li>Focus on good corporate governance and ethics</li> </ul>

Stakeholders		Frequency and method of engagement	Topics identified	Strategy
Employees	Core assets who implement all of management's decisions, strategic and operational	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>• Communication through immediate supervisors, management, intranet</li> <li>• Newsletters and other communications</li> <li>• Whistle blowing mechanism</li> <li>• Training and development programs</li> </ul> <p><b>Bi-Annual</b></p> <ul style="list-style-type: none"> <li>• Performance Appraisals</li> </ul>	<ul style="list-style-type: none"> <li>• Remuneration and benefits, personal development, training and health &amp; safety</li> <li>• Clearly defined roles, responsibilities &amp; goals, performance management and development</li> </ul>	<ul style="list-style-type: none"> <li>• Provision of competitive remuneration and benefit packages as per industry benchmarks</li> <li>• Enforcement of stringent safety measures, on-going training and education programs, open communication</li> </ul>
Customers	End-users of the Company's products	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>• Communication through sales service &amp; warranty centers, conferences, exhibitions, events and seminars</li> <li>• Dedicated customer care section on the Company's website and call center</li> </ul>	<ul style="list-style-type: none"> <li>• Product/service quality and availability</li> <li>• Safe product use</li> <li>• Correct product information</li> <li>• Transparent communication</li> </ul>	<ul style="list-style-type: none"> <li>• Production of high quality products</li> <li>• Efficient supply chain</li> <li>• Capacity expansion to meet demand</li> <li>• Focus on after-sale service</li> </ul>
Dealers	Distributors of the Company's products	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>• B2B links connecting us with dealers</li> <li>• Dealer training and education programs</li> </ul> <p><b>Annual</b></p> <ul style="list-style-type: none"> <li>• Dealer's convention</li> </ul>	Return on investment, equal business opportunities & transparent communication	Nurture and protect partnerships that result in mutually beneficial outcomes
Vendors	Businesses that provide raw materials and services which are key to the Company's manufacturing process	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>• Audits and visits for vendor development and compliance with quality standards</li> <li>• B2B links connecting us with vendors</li> </ul> <p><b>Annual</b></p> <ul style="list-style-type: none"> <li>• Vendor convention and Vendor Excellence Awards (ALAMAYAR)</li> </ul>	<ul style="list-style-type: none"> <li>• Shared development</li> <li>• Supply chain sustainability</li> <li>• Contract terms that are reasonable and as per market norms</li> <li>• Timely payment</li> <li>• Opportunity for discussion and negotiation</li> </ul>	<ul style="list-style-type: none"> <li>• Opportunity to compete for business on the basis of clear and transparent procedures &amp; evaluation criteria</li> <li>• Mutually beneficial relationships where all parties integrate talent, resources and efforts to exceed expectations</li> </ul>
Local community	Local society and neighborhood	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>• Seminars, rallies and other awareness campaigns on various issues including road safety, healthy livelihood, education and welfare</li> <li>• Internships, management trainee programs and factory visits of members including students from the local community</li> </ul>	Creation of employment and business opportunities, investment in infrastructure, environmental protection initiatives	<ul style="list-style-type: none"> <li>• Undertake community development programs</li> <li>• Support sports, cultural, art and other events and create opportunities for employment and business</li> <li>• Undertake environmental protection initiatives</li> </ul>
Government & regulators	Federal & provincial governments, Securities and Exchange Commission of Pakistan and Pakistan Stock Exchange	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>• Filing of statutory forms, documents, prescribed returns, assessments and other information as per applicable laws and regulations</li> <li>• Participation in government initiatives, regulation and policy working groups</li> </ul>	Compliance with legal and regulatory requirements and adherence to policies and guidelines	<ul style="list-style-type: none"> <li>• Ensure compliance with legal and regulatory requirements</li> <li>• Contribute to the economy through taxes and other payments</li> </ul>



Stakeholders		Frequency and method of engagement	Topics identified	Strategy
Industry associations & representative bodies	Auto sector specific association and various business councils	<b>Ongoing</b> <ul style="list-style-type: none"> <li>• Representations in activities of local trade and industry associations, meetings, visits and training programs etc.</li> <li>• Providing periodical operational data</li> </ul>	Compliance with regulations and protection of interest of members of associations and representative bodies	Ensure compliance and actively participate in key business and industry initiatives within the constraints of legal frameworks and requirements
Media	Representatives from print, online broadcast and social media	<b>Ongoing</b> <ul style="list-style-type: none"> <li>• Media releases, briefings, presentations, interviews and information on social media page</li> </ul>	Information on the operations, growth prospects and sustainability practices & economic contribution	Timely communication of information on relevant subjects

### Matters Raised in the last AGM of the Company

The Annual General Meeting of the Company was attended by shareholders of the Company including minority shareholders. The meeting was also attended by the Chairman of the Audit Committee to answer any queries and matters within the scope of the audit committee’s responsibilities. During the meeting, there were no significant matters / issues raised except for discussion on the agenda items.

### Efforts to Engage Minority Shareholders

The Company values all shareholders equally and consider them an integral part of the Company. Atlas Honda facilitates all shareholders including minority shareholders to attend and take part in Annual general meetings. Ever since the Company has made arrangements to participate annual general meeting through video conferencing, minority shareholders’ participation has further improved, as they can conveniently attend through video link. The notice of Annual General Meeting is sent to all shareholders at least 21 days before the date of meeting. During the meeting, input from all shareholders is encouraged and their concerns and suggestions are recorded as a part of continuous improvement process.

### Corporate Briefing Session of the Company

Corporate Briefing Session is held annually to brief investors regarding the performance of the Company and future outlook. This year, corporate briefing session was held on 19th July 2023. During the meeting the management briefed the following matters about the Company:

- Shareholding structure and geographical presence of the Company
- Macro-Economic environment
- Auto industry’s performance
- Annual performance of the Company along with six years analysis of key financial ratios
- Sustainability highlights
- Future outlook and challenges

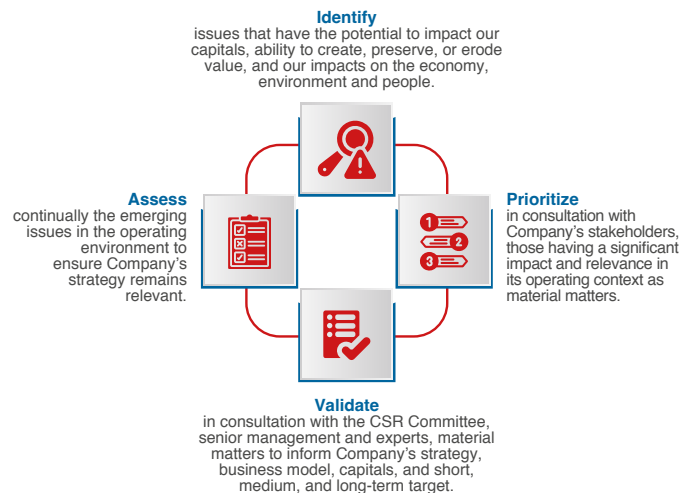
Thereafter a Question and Answer Session was held.

For more details on corporate briefing session, please refer the presentation delivered during the meeting, placed on our website link: <https://www.atlashonda.com.pk/wp-content/uploads/2023/07/CBS.pdf>

### Process to determine Material Topics

Company’s approach to assessing materiality offers a comprehensive perspective on the impacts both within and outside the organization. This report concentrates on the issues, opportunities, and risks that significantly affect its resources, its ability to conduct sustainable business, and its impact on the economy, environment, and people, including their human rights.

To identify these issues, the Company analyzes the risks and opportunities present in its operating environment, review industry-specific concerns, engage with stakeholders, and consider issues brought forth through our grievance mechanism system. Through the process of materiality analysis, the Company evaluates the significance of both negative and positive impacts, taking into account their severity, likelihood, scale, and scope. This assessment helps the Company in establishing relative levels of importance, guiding its efforts in mitigation and enhancement activities. Adherence to the Company’s laws, international standards, internal regulations, and its Code of Conduct forms the fundamental requirements for all its activities, as part of Company’s precautionary approach.



The material matters outlined in this report inform and shape Company's strategy, the evolution of its business model, and its short, medium, and long-term targets. We continuously assess the list of material matters to ensure that our strategy remains

relevant in the constantly changing external environment. The most recent evaluation, conducted in 2023-2024 with inputs from stakeholders, resulted in no changes to the list of material topics.

Material Topic	Why is the topic material?
Economic returns	Critical for economic contribution and ability to deliver value to stakeholders
Energy	Impact on depleting finite resources and environmental impact of use of non-renewable sources
Emissions	Environmental impact due to emissions
Materials	Depleting raw material resources affecting finite resources
Effluents & Waste	Environmental impact through incineration, dumping and discharge of waste
Water	Environmental impact due to depleting water reserves leading to water scarcity
Anti-corruption and anti-competitive behaviour	Impact on competition, negation of competition and equal opportunity rights as per applicable laws and regulations
Human rights	Impact on the basic rights of people defined in charters and conventions
Local communities	Impact of operational activities and developments around plant site for economic development
Indirect economic impacts	Impacts on the surrounding communities and socio-economic development
Health & Safety	Impacts on health of workforce affecting productivity and consumers concerns
Employment and labour relations	Diversified workforce for better productivity and compliance with applicable laws and regulations
Training & Education	Impact on workforce ability to effectively contribute to operational success affecting organization's ability to create value
Marketing & Labelling	Provision of customer centric product information and compliance with applicable laws and regulations
Supply chain impacts	Impact due to activities of supply chain partners
Market presence	Economic contribution and job opportunities for local community
Procurement practices	Economic contribution and creation of business opportunities through local sourcing



# Environmental Protection



## Management Approach

Environmental protection is fundamental to the Company's sustainability strategy. In view of challenges such as climate change, pollution and scarcity of resources, Atlas Honda aims to be the most resource-efficient mobility solution provider in Pakistan. The Company's focus lies on increasing the energy and resource efficiency of its production processes and on reducing emissions and waste. These measures allow the Company to minimize impacts on the environment, make a contribution towards achievement of Honda's environmental vision and reduce costs. Environment related issues arising from energy & resource consumption, emissions, effluents & waste and water are managed by the Company's Production & HSE departments in coordination with other departments. Necessary procedures are defined and implemented to achieve targets. The Company has a continuously evolving Environmental Management

System (EMS) in place which is supported by the Company's Environmental Policy to ensure effectiveness of processes, monitoring and continual improvement in the Company's environmental performance. The Company also engages with local communities on regular basis to assess environmental impact of its operations. Company also publishes its Annual sustainability at its website to make public disclosure of its environmental assessment. Green practices are being implemented at all locations of the Company and those of its business partners. Awareness is being raised by the Company through continuous training and development programs for its suppliers as well as employees. In recognition of its efforts for protection of environment, the Company has been presented with Awards by National Forum for Environment & Health (NFEH), for the year 2023, in the category of Environment & Waste Management.

## Environmental Policy

The Company's Environmental Policy covers every aspect of the Company's operations, whether they are directly or indirectly related to designing, engineering, manufacturing, distribution and service:

<b>Compliance</b>	Comply with requirements of environmental legislation and local regulations as a responsible corporate citizen.
<b>Energy and Resource Conservation</b>	Establish and implement management programs to encourage energy conservation and reduce consumption of resources.
<b>Prevention and Reduction</b>	Prevent, where possible, and reduce generation of emissions and waste throughout the production processes & ensure safe disposal.
<b>Knowledge and Education</b>	Promote relevant environmental protection knowledge and activities through education and training.
<b>Kaizen - Continuous Improvement</b>	Initiate and extend environmental protection activities from our own operations and to those of our business partners including parts manufactures, general suppliers and dealers.

## Environment Management System (EMS)

EMS is intended to formalize procedures for managing and reducing environmental footprint. It helps the Company organize and analyze, in a timely manner, the environmental impacts that result from its business operations. It also helps the Company in developing solutions to address those impacts. The Company's EMS is based on relevant legislation such as the Pakistan Environmental Protection Law, international standards and Honda's guidelines, as well as best practices. The management system is certified in accordance with ISO 14001:2015, ISO 45001:2018 and ISO 9001:2015.

The Company conducts internal and external audits of its EMS and strives for further improvement. During the year, the Company identified tasks as a result of in-house reviews and made improvements accordingly. Periodic visits by representatives from Environmental Protection Agency (EPA) are also facilitated to ensure compliance with regulatory requirements.

No non-compliances have been reported during the year. Further, no environment-related complaints were received through the Company's formal grievance mechanism during the reporting period.

### Life Cycle Assessment

The Company applies a product life cycle approach for management of environmental impacts, which considers the entire life cycle - from product development to purchasing, manufacturing, sales & service, use, recycling and administration. This approach makes it easier to identify opportunities, minimize or enhance impacts and understand

boundaries in every aspect of the Company's business. It also helps the Company understand how its actions and impacts are interrelated. The Company also applies the precautionary principle, whereby it acts responsibly despite not having the full scientific knowledge of negative impacts, to ensure the Company stays ahead of potential risks.

Life Cycle Stages	Major initiatives in each domain based on impacts identified
Development	<ul style="list-style-type: none"> <li>• Environment friendly product design</li> <li>• Efficient use of raw material, energy and other resources</li> <li>• Focus on reduced waste and emissions</li> <li>• Integrate future requirements into development plans</li> </ul>
Purchasing	<ul style="list-style-type: none"> <li>• Purchase of raw material from environmental friendly sources</li> <li>• Increased use of renewable raw materials and materials with sustainable characteristics</li> <li>• Implementation of environmental standards within the supply chain</li> <li>• Promotion of transparency and resource efficiency</li> <li>• Training and improvement programs</li> </ul>
Manufacturing	<ul style="list-style-type: none"> <li>• Environmental management system</li> <li>• Improved resource efficiency</li> <li>• Reduced wastewater and emissions initiatives</li> <li>• Reuse of water</li> </ul>
Sales and Service	<ul style="list-style-type: none"> <li>• Promotion "green dealers"</li> <li>• Dealers with 5S certification</li> <li>• Efficiencies in transportation</li> <li>• Efficient use of packaging</li> <li>• Use of returnable containers</li> </ul>
In-use	<ul style="list-style-type: none"> <li>• Fuel efficient products</li> </ul>
End-of-life	<ul style="list-style-type: none"> <li>• Increased parts collection, reuse and recycling</li> <li>• Eliminating harmful materials to enable higher quality recycled materials</li> <li>• Promoting proper recycling and providing technical support</li> </ul>
Administration	<ul style="list-style-type: none"> <li>• Environmental management</li> <li>• Energy and resource conservation</li> <li>• Promotion of "Green Building" design</li> </ul>

### Managing Climate Impacts

Atlas Honda provides a wide array of products and services across the two-wheeler segment. The Company also offers comprehensive after-sales services through its network of dealerships and service centers. Additionally, we manufacture and supply Original Equipment Manufacturer (OEM) parts, ensuring quality and compatibility for vehicle repairs and maintenance.

We acknowledge our significant impact on the climate due to our manufacturing processes, vehicle emissions, and supply chain operations. In response, we have made substantial commitments to reduce our carbon footprint and mitigate environmental impact.

### Role of the Governance Body

The Board provides direction on sustainability policy and

initiatives to enhance the positive impacts and reduce the negative impacts on the economy, environment and society. The board is responsible for developing, approving and updating organization's purpose, value or mission statements, strategies, policies, and goals related to sustainable development. The execution of the Board's directives and policies is carried out by CSR Committee and underlying the respective management teams and performance is reviewed by the Board. The Board also oversees operating & financial performance, risk management & internal controls and compliance with legal requirements.

CSR Committee is chaired by head of CSR. The committee is responsible for approval of the sustainability initiatives and activities covering Environmental, Social & Governance, tracking progress against sustainability targets, ensuring that these are in

line with guidelines of the highest governance body. The CSR committee approves the annual sustainability report and disclosure, including climate-related metrics.

The Committee oversees the framework to identify the risks and opportunities concerning climate change, energy and resources, and devises the short-medium- and long-term environmental strategies on the basis of risk assessment. The environment related risks, opportunities and underlying strategies are communicated to the Board of the Company.

CSR committee is also responsible for recommendation to Board, for the appointment of independent external reviewer for the review of the annual sustainability report. The current report was reviewed by Corporate Social Responsibility Center Pakistan (CSRCP). The assurance is conducted in accordance with the requirements of International Standard on Assurance Engagement (ISAE) 3000. CSR Committee is responsible to ensure that requirements of ISAE – 3000 are complied with.

### Risk Management

At Atlas Honda, “climate change-related risks” are positioned as one of the company-wide priority risks, which include the

environmental risk such as stricter environmental regulations, and natural disaster risk such as earthquakes, floods, etc. The response to climate change-related risks is being driven by the Board of the Company. The audit committee, on behalf of the Board, is responsible for organizing information on the progress of environmental measures.

We have defined multiple scenarios - including 1.5°C and 4°C, to anticipate future risks due posed by climatic changes. Our scenario analyses have identified various transition and physical risks and opportunities. We have assessed their impact on financial conditions over the short, medium, and long term. Failure to respond appropriately to these scenarios poses a risk to our business. However, we are advancing technologies, products, and services to generate new opportunities. To minimize damage from natural disasters, we promote a stable production structure through a robust value chain. For sustainable management, we are enhancing our response measures and improving strategy resilience, using these strategies to reduce risks and create opportunities while promoting resilient products and services.

1.5°C scenario	4°C Scenario
<ul style="list-style-type: none"> <li>As part of the 1.5°C scenario, we assume that measures to achieve carbon neutrality by 2050 will be promoted across the world, resulting in the widespread use of carbon-free products and renewable energy.</li> <li>In the automobile industry, we assume regulations on fuel efficiency and zero-emission vehicles. Additionally, the transition to a circular economy is assumed to accelerate.</li> <li>We assume shift in consumers’ demand, with an increasing number developing a preference for carbon-free products, such as EVs, and services too.</li> <li>As decarbonization approaches, we also assume advances in renewable energy and energy-saving clean technologies, as well as the growth of their widespread use.</li> </ul>	<ul style="list-style-type: none"> <li>In the 4°C scenario, we assume that irreversible environmental changes will occur, leading to more frequent and more severe natural disasters.</li> </ul>

### Risks, opportunities and the underlying response strategies

Driving Factor	Risk	Timeframe	Opportunity	Strategy
Policy and regulations	<ul style="list-style-type: none"> <li>Drop in unit sales of internal-combustion engine (ICE) vehicles.</li> </ul>	Short- / medium- / long-term	<ul style="list-style-type: none"> <li>Develop and promote sales of electrified products and services, including EVs.</li> </ul>	<ul style="list-style-type: none"> <li>Invest resources in the areas of electrification.</li> <li>Development &amp; production of electric models.</li> <li>Create energy services based on electric mobility.</li> <li>Promote disclosure of ESG related information.</li> </ul>
Changes in consumers’ demand	<ul style="list-style-type: none"> <li>Increased costs due to carbon tax.</li> </ul>			

Driving Factor	Risk	Timeframe	Opportunity	Strategy
Changes in technology	<ul style="list-style-type: none"> <li>Increased capital investments requirements following the introduction of renewable energy and energy-saving technologies</li> </ul>	Short- / medium-term	<ul style="list-style-type: none"> <li>Create environmental value with recycled resources</li> <li>Optimize cost with shift to renewable energy sources</li> </ul>	<ul style="list-style-type: none"> <li>Investment in carbon neutral technologies</li> <li>Establish strong partnerships with resource-recycling companies.</li> </ul>

### Metrics and targets CO<sub>2</sub>

As the nation's largest two-wheeler manufacturer, we have been working to develop power sources with reduced carbon impact, for a broad range of products and services.

In order to make steady progress toward carbon neutrality, Atlas Honda has defined corresponding targets and has been promoting efforts accordingly. For CO<sub>2</sub> emissions during product use, a target for CO<sub>2</sub> emissions intensity has been set for 2035, in addition to the current target, representing nationwide sales share of electrified products. In the area of corporate activities, we aim to reduce our total CO<sub>2</sub> emissions by 46% from year 2020. To

achieve this target, we will promote initiatives such as improving production efficiency, implementing energy-saving measures, shifting to low-carbon energy and the use of renewable energy.

Additionally, for water resources vulnerable to climate change, we are giving consideration to water supply risk that affects our businesses, together with depletion risk that impacts areas surrounding our production facilities. Hence, we will undertake initiatives to reduce our industrial water consumption.

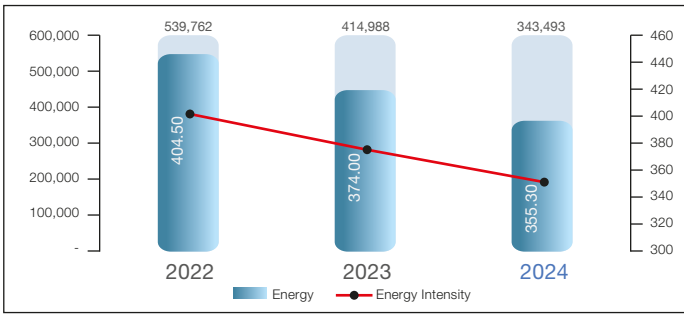
Metric	Target for 2030	Target for 2050
Reduction rate of total CO <sub>2</sub> emissions from corporate activities (compared to FY2020)	46%	Net zero CO <sub>2</sub> emissions
Sales ratio of electrified products	15%	
Reduction rate of total waste generation in corporate activities	14.5%	Insignificant industrial waste
Reduction rate of total water intake in corporate activities	14.5%	Insignificant industrial water intake
Product resource circulation	Internal milestones	Use of sustainable materials 100%

### Energy Consumption

The Company monitors energy consumption and emissions on regular basis to identify and incorporate best practices and to improve the Company's energy management. Both the Company's manufacturing plants are located away from protected areas to minimize the effects of CO<sub>2</sub> and other greenhouse gases on such areas. The Company's primary sources of energy are grid based electricity, natural gas and diesel. Other sources include solar energy. Currently only a small part of the total energy is being derived from solar panels. However, AHL endeavors to explore possibilities of renewable energy generation and increase the share of energy generated from renewable sources on an ongoing basis. Accurate data on energy consumption and emissions is obtained from management systems. The conversion factors are sourced from U.S. Energy Information Administration. The Company uses

previous year as base year to measure energy consumption and emissions. This enables the Company to address irregularities and implement necessary measures to ensure the Company's performance is on track. Collecting comprehensive data helps in understanding not only the energy savings, but also the economic benefits that can be achieved through specific measures.

The energy consumption during the year was 337,535 GJ of which 22,745 GJ has been generated from renewable sources. Compared to 2023, the total energy consumption during the year under review decreased by 19% primarily on account of decrease in production levels. However, energy consumption per motorcycle has been brought down to 355 KJ/Motorcycle 5% decrease from last year, owing to new energy initiatives and process optimizations adopted as part of our green practices.



The Company operates two manufacturing facilities. The energy consumption only includes the energy that is consumed by the Organization. Energy consumption data is recorded in relevant conventional unit, for instance, MMSCF for natural gas and kWh for electricity. These units are converted into consolidated unit, gigajoules (GJ), to obtain mean energy content and as a standard measure for representing energy consumption. The heating values are based upon standard values for natural gas. The energy consumption and sources in this report have been determined from data provided by production sites of Company and present a consolidated picture of AHL's energy consumption in manufacturing operations.

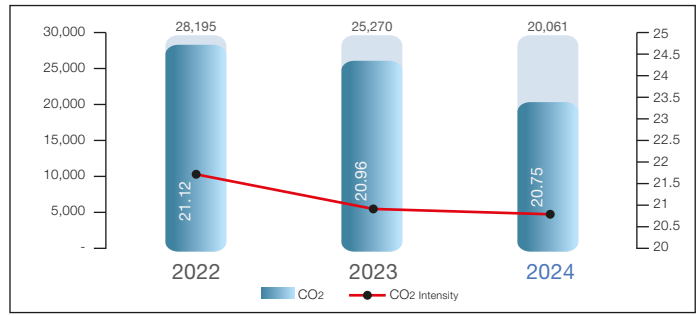
### GHG Emissions

The Company's products are in compliance with requirements of Pakistan Standards for Quality Control Authority (PSQCA) in respect of CO<sub>2</sub> emissions, noise levels and smoke. Further, all products of the Company comply with EURO II standards of carbon emission. The emissions of GHGs are subject to control limits laid down by Environmental Protection Agency and the company ensures compliance with these limits by determining total emissions for each plant site at regular intervals and is moving further to reduce the emissions up to maximum possible limit. The Company has set both short-term and long-term targets to reduce GHG emissions. Opportunities are being explored to expedite the shift to the low carbon economy.

The direct CO<sub>2</sub> emissions are the result of combustion processes for the generation of heat electricity and steam. Emissions of CO<sub>2</sub> and other GHG are measured at each production facility and integrated into consolidated calculation of GHG emissions. The GHG figures only include the emissions caused by the Company. The global warming potential of the respective gaseous emissions was sourced from United Nations Framework Convention on Climate change (UNFCCC).

The Company has no biogenic emission of CO<sub>2</sub> at its operations. All the emissions are within the prescribed NEQS limits and regularly reported to the EPA Department. Furthermore, AHL does not identifies and reports Scope-II and Scope-III emissions. Furthermore, AHL identified that scope-III emissions are insignificant in the overall context except the emissions resulting from products transportation and selling. AHL is working with the transporters to apprise them of the emissions, effects of climate change and encourage them to upgrade their fleets to reduce emissions. The emissions of other inorganic pollutants such as NOX are insignificant in comparison to the overall emissions reported by the Organization for the current year. The company uses the previous year's results for comparison as a general practice.

The emissions during the year were 20,061 tons mainly



comprising of CO<sub>2</sub>. Emissions per bike have been brought down to 20.75 kg/motorcycle: 1% reduction from 2023. There were no significant emissions of ozone-depleting substances during the year. The company is committed to the non-use of ozone-depleting substances as a part of its environmental management policy. The company is in process of replacing its old air conditioners with air conditioners which use R407c & R410a gas and do not harm the ozone layer.

### Energy Conservation and Emission Reduction Initiatives

Lack of access to energy supplies and transformation systems is a constraint to human and economic development. Increased use of fossil fuels without actions to mitigate greenhouse gases will have climate change implications. Energy efficiency and increasingly use of renewables contribute to climate change mitigation and disaster risk reduction. To reduce the Company's energy consumption and emissions, primarily CO<sub>2</sub>, investments have been made and energy efficiency measures have been implemented at the Company's production facilities and offices. During the year, energy conservation of 48,388 GJ and emission reduction of 2,687 tons were achieved through following initiatives:



### Solar Panels

The Company is determined to extend its use of renewable sources for energy. Installation of solar power systems is one of the major projects under the efforts in this area. This is aimed to derive clean & affordable energy to reduce greenhouse gas emissions and Atlas Honda's dependence on fossil fuel or

grid-based electricity. Installed solar system of company has helped in generation of 22,745 GJ of energy from renewable resources and reduce CO2 emissions by 2,495 tons every year.

### Cordless Gun Energy Saving at frame assembly

Previously at the assembly line pneumatic guns were utilized, which were prone to leakage, were less efficient, and had a limited lifespan. During the year an energy-saving initiative has been implemented by replacing these pneumatic guns with efficient cordless ones. These cordless guns are not prone to leakage and have led to reduction in energy consumption by 610 GJ and reduction in CO2 emissions by 73 tons annually.



Wired Pneumatic Guns



Cordless Pneumatic Guns

### Installation of Steam Traps in Phosphating & Buffing Shop

During the year steam traps were installed to filter and recycle condensate steam in the Buffing and Phosphating process. This initiative resulted in reduction in energy consumption by 32 GJ, reduction in CO2 emissions by 12.78 tons and reduction in water consumption by 153.3 cubic meters.

### Material, Effluents & Waste

To ensure sustainable consumption and production practices necessarily entails to respect the biophysical boundaries of the planet and to reduce current consumption rates in order to fit with the biophysical capacity to produce ecosystem services and benefits. At Atlas Honda, environmentally friendly use of raw materials is taken into account as early as the development phase through life cycle engineering. The Company's supply chain and material cycles have been shaped accordingly. Natural resources are being used in the most efficient manner with the objective to minimize depletion of the planet's resources. The Company is working to replace artificial materials with renewable materials wherever it makes technical, business and environmental sense and is socially viable. Consumption of raw materials, having substantial impact on the environment, is closely monitored and treated according to the Company's environment policy. The rejection percentage is less than 0.1% of the incoming parts, the rejected parts are reworked as per the quality standard to ensure minimum wastage of materials. The materials consumed in reclaimed products and their packaging is insignificant as compared to total material consumption by the Company. Consumption of the materials and waste generation reported by the Company only includes materials consumed and waste generated by the Company. Following table shows the materials used:

Renewable / Non-renewable	Material	Unit	2022	2023	2024
Non-renewable	Ferrous	Ton	92,001	67,825	59,278
Non-renewable	Non-Ferrous	Ton	10,130	7,337	6,092
Non-renewable	Oil paints	Ton	324	263	230
Non-renewable	Lubricants	KL	1,988	1,465	1,280
Both	Rubber	Ton	6,826	5,032	4,398
Non-renewable	Plastic	Ton	4,965	3,660	3,199

Waste resulting from the Company's production processes mainly includes waste water, metal, plastic & rubber scrap, packing & used oil. Waste-related impacts includes onsite waste generated by the Company. Onsite activities are monitored for waste generation and extend beyond waste streams generated solely from materials including engineering, warehousing, domestic waste from canteens, and office waste paper. The waste streams are quantified and categorized to facilitate standardized reporting to the HSE function. Unsuitable waste is appropriately stored at respective Company sites, in adherence to SOPs. Suitable waste and effluents are discharged through incineration, recycling, landfill and disposal to legitimate contractors at certified waste disposal facilities. The Company's waste management is aligned

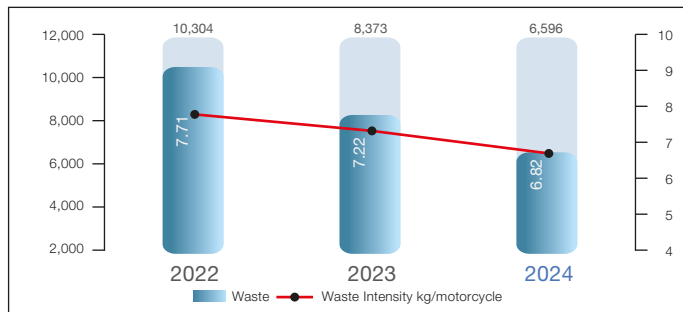
with the requirements of ISO 14001.

Considering water-related environmental impacts from our discharged water, wastewater is treated through Waste Water Treatment Plant before it is released in sewerage drains to control the negative impacts and promote a healthy environment.. There were no significant spills during the year by the Company nor were any reported by the external stakeholders through the grievance reporting mechanism in place.

During the year, 6,596 tons of waste was released with the reduced intensity of 5.5% per motorcycle. Furthermore, there were no significant spills during the year.



Hazardous / Non-Hazardous	Waste by disposal method	Unit	2022	2023	2024
Non-Hazardous <i>Directed from Disposal</i>	Recycling/Reuse (metal scrap, packing, plastic)	Ton	9,611	7,727	6,143
Non-Hazardous <i>Directed to Disposal</i>	Landfill (waste sludge)	Ton	319	264	88
Hazardous <i>Directed to Disposal</i>	Incineration - mass burn (sludge, oil contaminated waste)	Ton	124	132	115
Non-Hazardous <i>Directed to Disposal</i>	On-site storage (in-house scrap yard)	m <sup>3</sup>	250	250	250



### Recycling, Waste Control and Wastage Reduction Measures

During the year the Company took the following initiatives at its production facilities and to reduce its material consumption and water generations accordingly:

#### Reduction in Packaging Waste

The Company took following measures in the packaging requirement of its raw material and products which resulted in wastage reduction of approximately 24.42 tons:

- Using plastic box for steel packing instead of card board
- Reusing card box in carburetor packing
- Reusing corrugated sheet in crank shaft CD70 packing to avoid waste
- Reusing clutch CG-125 plastic tray for packing purpose
- Reusing bubble Sheet chain case polythene bag

#### Recycling of aluminum waste

During the year the Company recycled 443 tons of aluminum waste which is generated as part of its various production processes. The recycled material is 7.27% of total non-ferrous casting material consumed by the Company.

#### Water

The Company seeks to reduce its water footprint by promoting water-saving practices amongst employees and adopting water-efficient technologies and equipment wherever possible. Sustainable management of water resources and access to safe water and sanitation are essential for unlocking economic growth and productivity, and provide significant leverage for existing investments in health and education. The natural environment e.g. forests, soils and wetlands contribute to management and regulation of water availability and water quality. The Company

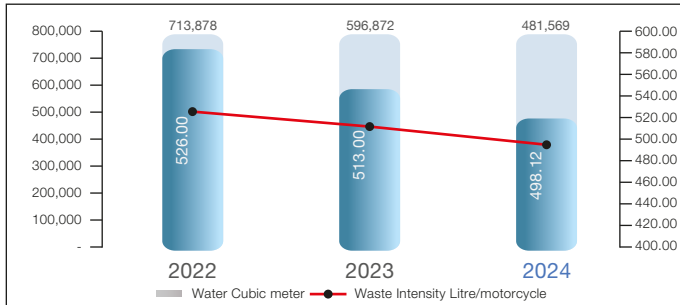
has special focus on this goal and clean drinking water and sanitation facilities are ensured at all the business offices. The majority of the Company's water use is attributable to its production processes, cooling and water consumed by employees. Main areas of action are thoughtful use and reuse of water and safe disposal of treated wastewater. Significant proportion of the water consumed is fresh water, drawn from earth which is not designated as a protected area and no protected species are affected by water extraction, whereas the size or volume of the water body cannot be estimated reliably.

Water consumption and discharge is recorded through flow meters installed at tube wells, water tanks and water treatment plant which are used to monitor the water consumption by the organization. During the year, 481,569 cubic meters of water was consumed with a reduced intensity of 2.9% as compared to the last year. More than 90% of the water used in the production processes, is extracted from ground water while remaining is obtained from sources of fresh water. Company assess its plant sites on regular basis for water-related risks and monitor water withdrawal, consumption, and discharges. Frequent studies are conducted to identify opportunities for reduced consumption and increased recycling to minimize requirements from freshwater sources. During the year, no non-compliance with the water withdrawal permit occurred.

The water is partially polluted during use in production processes and is treated to reduce the pollutants to acceptable limits, prescribed by National Environmental Quality Standards (NEQS), before using and discharging into the canal water. After proper treatment, water used in manufacturing process is discharged in sewerage system. Such treatment removes pollutants from the water that contains chemical contaminants, nutrient pollution, oil & grease, and suspended solids. This process makes the same suitable for safe drainage. No water

bodies or related habitats were significantly affected by water discharges of the Company as these areas are not designated as protected areas.

During the year, 86,682 cubic meters (18%) of the water was recycled.



### Waste Water Treatment Plant

Water is used throughout the Company's production processes which results in wastewater. To prevent the wastewater from being discharged as produced, waste water from all over the plant is collected and treated to remove the harmful pollutants, at two Waste Water Treatment Plants at manufacturing sites of the Company. The profile of the receiving waterbody is however, not considered due to safe drainage after treatment. The Company, as a responsible organization abides by the legal requirements of waste water treatment as well as meets "Punjab Environmental Quality Standards". This year, around 394,887 cubic meter of water was treated and safely drained into the sewerage.

### Water Conservation and Reuse

Previously the water used to regenerate the softening plant was drained. However, during the current year this water has been treated and recycled for use cooling tower. This has resulted a reduction in water consumption by 24,000 liters per annum.

### Biodiversity

The Company has clear vision from the onset of its business related to environment protection, therefore both of the manufacturing plants have been located away from protected areas to minimize the effects of CO2 and greenhouse gases on the protected areas.

With reference to the Environment statement, the Company considers biodiversity conservation initiatives as imperative part of our commitment to the preservation of the environment. The Company will work incessantly towards the harmony between the commitment and its activities. Following are the broad guidelines related to biodiversity:

- Company will continue to channelize efforts towards the development of technologies for fuel-efficient vehicles and other technologies for the reduction of environmental impacts;
- Environmental impacts will be minimized by the effective use of resources through efficiency improvements;
- Community-based activities will be implemented in cooperation with stakeholders; and
- Company will promote transparency of information related to the outcomes of its activities.

During the year the Company was awarded 1st in three different categories in prize for 165th Annual Spring Flower Show 2024 by Horticultural Society of Pakistan.



A view of award distribution ceremony



A view of award distribution ceremony

### Plantation of Trees

Over the years, the Company has been undertaking initiatives such as tree plantation to negate the impact of greenhouses gases. These activities cover in-house plantation of trees as well as those planted at schools, government institutes and reservoirs in collaboration with Environmental Protection Agency. During the year, 4,000 trees were planted and 7,500 trees were planted in collaboration with the Government departments.



A view of flower exhibition



# Product Responsibility



## Management Approach

The Company is steadfast in its dedication to delivering sustainable mobility solutions through a focus on product excellence, customer well-being, effective marketing strategies, and unparalleled after-sales support. The company is consistently broadening its reach and enriching its product offerings to cater to the diverse needs of its customers. Furthermore, its sales and service network is continually expanding across Pakistan. To uphold customer satisfaction, the Company proactively engages in dealer training programs and welcomes input from customers. Moreover, it conducts regular safety training sessions for customers, prioritizing their well-being and that of all road users. Adhering to Honda's vision, the Company meticulously considers the health and safety implications of its products to ensure the utmost safety for customers and others on the road. Rigorous monitoring and frequent reviews are conducted across all aspects of the business to uphold its steadfast commitment to delivering top-quality products.

## Product Quality

Atlas Honda strives to earn the trust of its customers through the delivery of superior-quality products. Quality is emphasized

throughout the entire lifecycle of the products, spanning from initial planning stages to development, manufacturing, distribution, sales, and after-sales service. Atlas Honda meticulously assesses the performance of its products, considering their effects on health and safety. Insights gleaned from these evaluations are leveraged to devise and execute effective solutions. Throughout the year, all company products consistently meet the standards regarding health and safety impacts.

## Honda's Quality Cycle

The Company's global partner, Honda Motor Company Limited follows a uniform quality strategy worldwide. In order to maintain its commitment to high-quality standards, quality assurance activities are overseen by a centralized entity across all departments. Through the application and integration of design and development knowledge during preparation and production phases, the Company enhances quality by creating manufacturing-oriented visuals and implementing control techniques to minimize process variations. Subsequent to sales, product quality enhancements are implemented based on analysis of customer feedback. These enhancements inform our expertise for next rounds of design and development.

## Honda Quality Cycle



### Design & Development

Implement quality assurance from the drawing stage by utilizing design and manufacturing expertise to facilitate manufacturing



### Production Conduct Rigorous

Conduct rigorous inspection of parts, completed vehicles and takes steps to ensure no damage occurs during transport



### Quality Information

Information from customers and markets throughout the country is collected and analysed with improvements quickly made to quality market quality improvement system)



### Production Preparation

Prepare quality assurance in production processes by building manufacturing controls that limit process variability



### Sales & Service

Market quality issues after sales are dealt with by dealerships, which collect quality information from customers in a timely manner

## Quality Improvement Programs

Program	Objective
Vendor Improvement Program (VIP)	To establish Quality Management System (QMS) at the vendor end to control process rejections and improve the quality management skills of suppliers.
Service Instructor Quality Program (SIQP)	To foster high quality, dedicated service staff and standardize training delivery across the company as per Honda standards. Future trainers are trained to achieve proficiency in training, communication skills and key instructional abilities.
Training of service and dealers Staff	A one-day training program to improve their skills of judging the problem pertaining to a claim to ensure timely and efficient rectification.
Quality Control (QC) Foreman course	A two-day program to understand how to put into practice the quality control techniques and approaches needed in quality assurance activities in manufacturing.

### Marketing & After-Sale Service Product & Service Labeling

The Company adheres not only to stringent local laws and regulations but also prioritizes safety, human rights, environmental concerns, and ethical standards in its product information and presentation. Product labeling is a pivotal aspect of the company's display strategy, aiding in marketing efforts and providing users with comprehensive instructions. To effectively communicate product details, each customer receives an Owner's Manual upon purchase, containing operational guidance, safety instructions, maintenance tips, and model-specific features. While auto parts sourcing and details are not mandated for disclosure, the company does not provide such information. During delivery, technical features are elucidated to customers through demonstrations. Additionally, there have been no instances of non-compliance with regulations or voluntary codes regarding product and service labeling, as all company products are compliant.



### Marketing Communication & Anti-Competitive Behaviour

The company supports its customers by providing information and assistance with purchases, while also maintaining connectivity through its website and various social media platforms such as Facebook, Twitter, and Instagram. The online presence allows the company to:

- Maintain continuous communication with customers,
- Aid customers in locating nearby dealerships,
- Furnish customers with comprehensive information on product features and pricing.

In all marketing communications across all channels, the company ensures that its advertising content does not contain any suggestion of anti-competitive behavior or intentions, and refrains from incorporating any content that may be deemed malicious, offensive, or anti-social. Throughout the year, there have been no reported instances of non-compliance with regulations or voluntary codes pertaining to the provision and use of product and marketing communications, including advertising, promotions, and sponsorships. Additionally, the company has not faced any legal actions related to allegations of anti-competitive behavior, anti-trust concerns, or monopolistic practices.

### Customer Confidentiality

The company has established a B2B system to manage, regulate, and centrally manage data, thereby enhancing the efficiency of its operations. Rigorous privacy protocols are enforced to protect customers' sensitive data. Furthermore, the company has formulated a comprehensive business continuity and disaster recovery strategy to guarantee seamless operations. As a result of these initiatives, there have been no reported instances of non-compliance, breaches of customer privacy, or data loss over the course of the year.

### Customer Feedback

The Company recognizes the significance of customer expectations and feedback in enhancing product quality and user-friendliness. It also monitors the duration taken to address complaints. Throughout the 2023-24 period, the customer contact center effectively handled a total of 78,563 calls/emails from customers regarding complaints, suggestions, and product inquiries. Additionally, an outbound survey conducted under the customer contact center's purview (DCSI) successfully engaged 7,800 respondents during the year.

### Dealers Convention

Dealerships serve as the forefront of the company, each playing a pivotal role in its ongoing success. Therefore, the company exclusively partners with dealers who demonstrate the ability to consistently uphold its brand standards. To further to enhance their skills, the company organizes various training sessions. Throughout the year, a total of 721 training camps were conducted, attended by 6,713 participants, including company staff, mechanics, and dealers.

The company ensures timely dissemination of information regarding mid and long-term strategies, products, and services to its dealers. It strives to build trust and improve communication among dealers and with the company through various sales, service, and parts dealer conventions.



Views of Dealer Convention

### Free Checkup, Oil Change & Test Rides

Throughout the fiscal year 2023-24, the Company organizes diverse customer relationship-building activities, such as complimentary checkup camps, test rides, and oil change events held at different venues. These initiatives serve to strengthen the company's relationship with its customer base and efficiently meet their needs and inquiries. Over the course of the year, more than 440,000 customers were attended to through 8 service campaigns. Furthermore, large-scale complimentary checkup camps were conducted across more than 770 dealerships, spanning over 305 cities, serving a wide range of customers.



Views of Free Checkup Campaigns

### Customer Safety

The company's commitment to safety mirrors Honda's Global Safety Slogan. Furthermore, its efforts to create a secure road environment for users are visible through its educational and awareness initiatives and campaigns. AHL believes in Don't be safety blinded, be safety minded.

### Safety Riding Training and Education

Atlas Honda is committed with its safety vision and contributing to develop road safety awareness by its Safety Riding Trainings and Education. This year, the company conducted training sessions for 558 safety advisors at dealerships across all regions. These trainings aimed to enhance users' riding skills, deepen their knowledge of road signs, and improve their proficiency in electrical and mechanical maintenance.

Additionally, follow-up sessions were conducted for all trained safety advisors within the network. Subsequently, these safety advisors passed on their knowledge to customers at the dealerships. The company is also initiating efforts to empower women by providing them with the necessary skill sets to enhance their mobility and ensure their independence. Safety lectures constitute a crucial aspect of the company's road safety program. Annually, the company collaborates with various institutes, universities, and colleges to host these lectures, which provide valuable information and contribute to reducing the likelihood of accidents. Below are the details of activities carried out throughout the year under the umbrella of safety education.

- Safety riding training & lectures to end customers at dealerships across nationwide (26,417 Participants)
- Safety lectures to students from various educational institutions (21,325 Students)
- Safety riding training & lectures to Government, Corporate, Traffic Police Officials (6,491 Participants)
- Safety riding training to females from Punjab & Sindh Police and general public (711 Participants)



Views of Training Camps

### Safety Riding Awareness Campaigns

To ensure riders safety, AHL is continuously conducting Safety Riding Awareness Campaigns to make riders more aware about ride safety. To raise awareness, AHL coordinates with Traffic Police Departments in various cities across Pakistan to create awareness about use of indicators, helmets and side mirrors. During the year, 10,989 customers served in safety awareness & Light /Brake Checking campaign.



Views of Safe Riding Awareness Campaigns

In addressing the safety concerns of bike riders and traffic issues in the country, AHL persists in its efforts to enhance the riding skills of motorcyclists. The target audience encompasses customers, students, government agencies, and corporate entities. AHL conducts bike riding and training sessions throughout the year via Road Training (RT) and digital riding simulators through which 4,827 participants were trained. This group comprises students, government and corporate organizations, dealership customers, and the general public.

### Market Trials for EV Motorcycle

As part of the company's commitment to sustainability and innovation, it has embarked on comprehensive market research to better understand customer preferences and requirements for electric vehicles (EVs). This research involves actively obtaining feedback from customers using an international variant of Honda's EV model. The company's goal is to gather valuable insights into their experiences, needs, and expectations.

Currently, the company is leveraging an international variant to gauge customer reactions and gather detailed feedback. However, recognizing the unique needs and preferences of the local market, the company plans to modify this model to better align with the specific demands of its local customers. This tailored approach will ensure that the company's EV model is not only environmentally friendly but also highly relevant and appealing to its target audience. This initiative underscores company's dedication to creating value for its customers and contributing to a greener future through innovative and locally adapted EV solutions.



### Extending Lifecycle: Our Commitment to Sustainable Mobility Through Bike Refurbishment

In our commitment to sustainability and environmental stewardship, we are proud to introduce a pioneering initiative aimed at extending the life cycle of our motorcycles through a comprehensive refurbishment program. This initiative not only underscores our dedication to quality and customer satisfaction but also significantly contributes to the principles of the circular economy by promoting reuse and reducing waste. By refurbishing pre-owned bikes, we ensure that high-quality, reliable motorcycles remain in service longer, thus minimizing the environmental impact associated with manufacturing new units. This program not only conserves valuable resources and reduces greenhouse gas emissions but also makes our bikes more accessible to a broader audience, fostering a more inclusive market. Our refurbished bikes meet the same stringent safety and performance standards as new models, providing customers with a sustainable and cost-effective transportation option. Through this initiative, we are taking concrete steps towards reducing our carbon footprint and promoting sustainable consumption practices.



# Corporate Citizenship

## Management Approach

The Company believes that its activities contribute in overcoming societal challenges while also creating added value for the Company. Atlas Honda is fulfilling its responsibilities as a good corporate citizen through ongoing involvement in socially beneficial activities tailored for well-being of local communities. The Company's approach is driven by the needs of communities at its locations identified through surveys, social media pages, focal groups and meetings. The Company has integrated this perspective in its development plans and overall strategy to garner the trust of and remain close to residents. The Company frequently carries out updates in its policies and procedures based on the inputs and share relevant stakeholders.

Implementation and monitoring of social activities at the Company's locations are routed through senior management of Admin & Corporate Affairs department who are also responsible for review and analysis of monthly progress of such initiatives. Progress is reported to the senior management on a continuous basis. The Company's commitments & initiatives for society mainly focus on health, education and other communal initiatives.

Sustainable value creation involves establishing operations that can be maintained independently, without dependence on subsidies or grants. During the year the AHL did not receive any direct or indirect financial assistance from the government, apart from the tax credits and rebates in accordance with relevant laws.

During the year following activities were undertaken:

## Education & Training

An educated and skilled nation is critical for socioeconomic development of a country. The Company believes that improving access to education & training is one of the most long-lasting investments it can make for the society. In this regard, following activities were carried out to support education & training:

### Paid Internships

The Company's internship program offers an opportunity to undergraduate students to help them in building their career foundations. Such programs give hands-on experience to interns which cannot be obtained in classrooms and is great way for them to acquaint themselves with the field of their interest. This also helps the Company to discover quality employees for future. During the year, 249 students from reputable universities including NED University, NUST, Quaid-e-Azam University, IOBM, SZABIST, Iqra University and LUMS completed their internships.



Internships at SKP Plant



Internships at KHI Plant

## SOS Training Institute

The SOS Technical Training Institute trains deserving boys and girls every year to help them break the cycle of poverty, earn decent and dignified living and develop themselves to become productive members of the society. Demand driven technical education and vocational training in the field of automobile and electrical engineering is provided by experienced instructors. To support the Institute's efforts, the Company sponsors training the students every year. Further, equipment/hardware support is also provided.



## Industrial Visits

The Company facilitates students and officials from various institutes and organizations to visit its Karachi and Sheikhpura plants. This year officials from Punjab Labor and Human Resource Department, State Department of Horticulture, OSH team and students from various universities visited the plants and observed the process of production of motorcycles and parts. Visitors took keen interest in the assembly line and appreciated the precision exhibited by the workers.



A view of industrial visit of students from LUMS

## Communal Initiatives

The Company acknowledges that the community initiatives are an investment that works hand-in-glove with its overall business strategy and values. Therefore, the Company collaborates with various stakeholders to address social issues and carry out initiatives that matter to local people.

## Women In-Charge

The Company has been undertaking initiatives to empower women and help them to be more independent and be able to contribute more effectively to the society. Such initiatives included training and distribution of motorcycles under project of Women on Wheels. The project was initiated by Government of Punjab in various districts. Bike riding trainings have been provided to a total of 711 females from rapid response force and general public.



Views of Female Bike Riding Camps

## Hiring Disabled Persons at Dealerships

The Company believes that to reduce inequalities, policies should be made while keeping in view the needs of disadvantaged and marginalized populations. Over the last two years, the Company has added hiring of special persons in the business score cards for dealers. In this regard 245 special persons have been employed at dealerships. Furthermore, the Company also organizes visits of such persons at its plants.

## Hiring Female Staff at Dealerships

Contributing towards sustainable development goal of gender equality and women empowerment, Atlas Honda Limited inspired its dealers to hire female staff. As a result, 147 female employees are hired to date at various dealerships nationwide. To spur motivation and encouragement, these employees are offered opportunity to visit Company plants, where they are given orientation regarding Atlas culture.

## Donation

The Company supports Atlas Foundation, a welfare and charitable organization formed with a mission of betterment of society with particular emphasis on health and education. It provides assistance to the needy and deserving without discrimination, directly and/or through organizations of repute in the field of health, education and general welfare.

The Company recognizes the Foundation's role annually in improving quality of life of local communities and donates at least one percent of its profits to it. In 2023-24, the Company has made a contribution of Rs. 131.03 Million. The company does not make any contributions to any political party or for any political purpose to any individual or body.

## Driving Social Impact: EVs Donations to Universities

The Company is proud to announce its contribution to sustainability initiatives by donating two cutting-edge EVs (Benly e) to universities. These electric vehicles represent our commitment to reducing carbon emissions and promoting cleaner transportation alternatives. By supporting academic institutions, we aim to foster research and education in the field of sustainable mobility while also providing practical solutions for campus transportation needs. These donations underscore our dedication to environmental stewardship and our ongoing efforts to drive positive change within our communities.



Glimpses of ceremonies held at NUST & LUMS





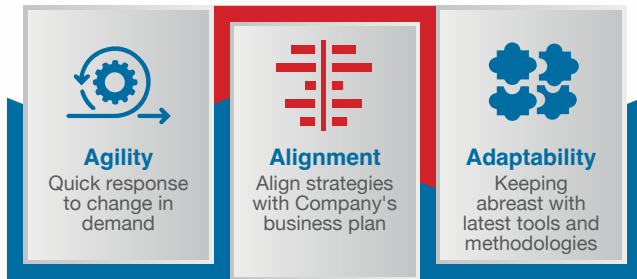
# Vendor Management



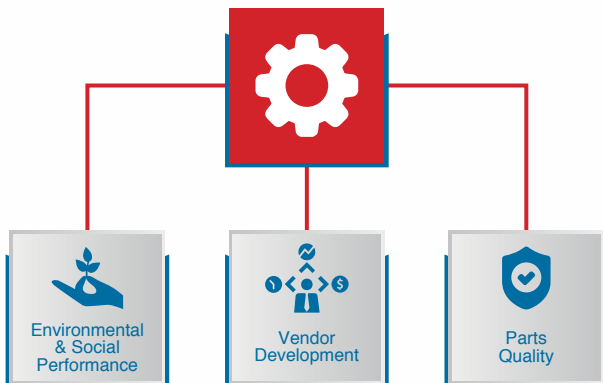
## Management Approach

Vendor interaction is a significant source of value development for the company. As a result, collaborating closely with them on matters such as sustainability is critical to achieving the Company's long-term objectives. The Company's supply chain comprises a large number of vendors, and it understands how difficult it is to meet sustainability requirements. Simultaneously, the Company sees tremendous potential in utilizing its knowledge and know-how to assist vendors in improving their performance.

The Company's supply chain is based on the philosophy of 3As which are:



We strive for sustainable growth based on mutual trust with our vendors. We work openly and transparently as an equal partner with our vendors to build and maintain collaborative and competitive relationships that enable the implementation of best practices. Vendor-related policies are continually reviewed and analyzed in the light of industry best practices to ensure that vendor's meet the Company's core focus areas i.e. parts quality, vendor development & social and environmental health and safety.



The Company's relevant divisions, including Coordination & Planning, Procurement, Quality Assurance, and Logistics, are jointly responsible for guaranteeing long-term supply chain management. In order to maintain sustainability and ongoing progress, the Company focuses on controlling and mitigating vendor risks and maximizing vendor potential. To guarantee that the Company and its business partners are aware of local environmental, health, safety, and Labour laws, as well as legal obligations and worldwide sustainability principles, a variety of company-specific rules and policies have been established. These policies and guidelines allow the Company to go forward with its sustainability goals and ensure that they are met. Company frequently updates its policies and procedures based on inputs and shares the same with relevant stakeholders.

As far as it is qualitatively compatible, technically viable, and economically justified, the Company procures most of its essential materials from Pakistan, where its working facilities are located. Except for certain raw materials and parts that are not readily available in Pakistan, all raw materials and parts are sourced locally. However, it is ensured that all materials and parts are strictly aligned with Honda quality standards and are cost effective.

## Vendor Induction and Communication

### Vendor Selection

The Company's vendor selection and approval procedure is based on a set of criteria that includes not only their capacity to deliver high-quality parts at reasonable rates, but also their commitment to environmental values. Decisions on sourcing are made in consultation with appropriate departments. The Company also seeks out and collaborates with businesses who have procurement and production standards that are similar to or identical to its own. All company's vendors must recognize and sign the company's Vendor Policy and Vendor CSR Guidelines.

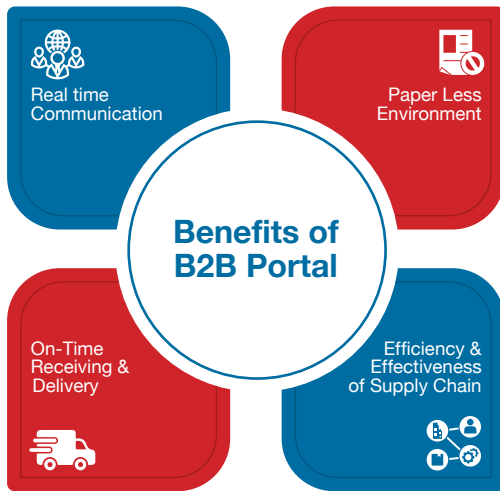
In line with the Company's selection criteria, all new vendors are screened and inducted only if they comply with sustainability principles detailed in 'environmental and social performance' section.

### Vendor Diversity

A varied vendor base is an important aspect of the Company's growth and success. It is crucial to deliver the promise of providing the best mobility solutions. The Company is dedicated to partnering with and growing businesses by providing opportunities and initiatives that help a wide range of vendors become viable and long-term businesses. To meet the demands and expectations of its consumers, the Company continues to cultivate beneficial ties with entrepreneurs from various backgrounds.

## Business to Business Communication Portal

Establishing good and lasting relationships with the Company's vendors requires open and transparent communication as well as fair and consistent behavior. The Company has made available various forums for engagement at different levels, including regional vendor meetings, business unit reviews, quarterly business update calls and participation in events organized by vendors and industry associations. Furthermore, a Business to Business link has been established, allowing the Company's supply chain department and vendors to communicate with each other without delay. It has helped to achieve:



## Parts Quality

The Company aims to keep its customers' trust by emphasizing the importance of quality throughout its supply chain. To accomplish this, the Company requires its vendors to set up and operate a quality assurance system. In addition to the Company's goal of sourcing inspection-free components, its vendors ensure that parts delivered through their manufacturing processes properly match the drawings and meet the 653 ppm rejection thresholds for incoming parts. To attain these quality goals, the following steps were taken:

## Vendor Improvement Program (VIP)

Through numerous efforts, including the Company's VIP program, which was introduced a few years ago, the Company aids its vendors in enhancing quality and operations. This program focuses on the six core areas listed below:



Certificates are awarded to vendors at the time of completion of the program. Further, they are reviewed and audited each year for recertification. Continuous follow up is carried out by VIP designated team which comprises of the Company's employees from Supply Chain and Quality Assurance department. This year, 16 vendors were analyzed and assessed under this Program.

## Vendor Development

The Company encourages its vendors to invest in their facilities, including boosting manufacturing capacity and implementing new technology. The goal is to keep the Company's vendors well-equipped to satisfy business demands while also generating a good return on their investment.

On-site visits to our vendors assist in the identification of production bottlenecks and the formulation of process improvement strategies. We assure timely implementation of recommended actions through formal feedback and follow-up visits, resulting in improved engineering skills and job possibilities.

## Environmental and Social Performance

The Company applies the same level of scrutiny to its vendors with regards to labor rights, human rights, and health, social and environmental requirements as it does to its own operations. The Company's goal is to follow best practices and enable its vendors to replicate the same and be accountable for their sustainability performance.

## Guidelines to Vendors

Corporate Social Responsibility is clearly and practically integrated into the Company's day-to-day activities. All products and services are regularly assessed for their social and environmental impact. Given the rising demand for sustainability, the Company realizes the importance of sharing its sustainability strategy with its vendors. Vendors have been given the following guidelines in this regard. The Company believes that these guidelines help its vendors in maintaining a shared understanding of sustainability, to carry out initiatives proactively and to continue growing together.

- Create and maintain a social management system for the entire firm;
- Reduce GHG emissions to prevent climate change;
- Reduce waste disposal and transportation emissions by optimizing packaging and establishing efficient logistics operations.
- Prevent pollution and contamination of air, water, soil, etc;
- Reduce water consumption in manufacturing processes;
- Enforce proper disposal of waste and implement optimum recycling of waste and disposals etc; and
- Compliance with laws and regulations along with commitment to protect human rights.

All vendors are monitored and evaluated against these principles on a continuous basis. During the year 38 vendors were evaluated for compliance and the Company has not found any major actual or potential negative impact of its supply chain or vendors on labour practices, human rights, or society that requires relationship termination.

## Emission Reduction Caravan

In 2014, the Company launched an effort for its vendors called "Emissions Reduction Caravan." Since then, the Company's supply chain associates have been working closely with significant vendors to reduce their environmental footprint as part of this

strategy. Process innovations that focus on production efficiency, energy conservation, material recycling, reuse, and CO<sub>2</sub> emission reduction are given technical assistance. 38 vendors from both plants participated, contributing for 78% of total purchases, and the goal of reducing CO<sub>2</sub> emissions by 1% was met.



1 "Pakistan Springs & Engineering Co." was awarded Best Performance award in CO<sub>2</sub> Reduction activity

### Logistics Operations

The Company's supply chain operations oversee the delivery of parts and components from vendors to manufacturing facilities ("inbound"), while logistics operations oversee the transfer of finished motorcycles from the Company's factories to dealerships ("outbound" freight). Designing and operating the transportation network, as well as creating high-quality and efficient packaging to safeguard products in transit, are all duties that are coordinated regionally. Freight emissions are influenced by a wide and complex range of inter-related factors, including the mode of transportation, the efficiency of the equipment used and the design of the freight network. The Company finds the most effective ways of achieving reductions through:

- Improving the design and operation of transportation networks
- Increasing vehicle utilization
- Increasing the use of more environmentally friendly means of transportation, such as the rail network

### Environmental Impact Assessment Survey

Every year, the Company takes part in a Honda Motor Japan-developed environmental impact assessment survey. The following criteria were used to evaluate 35 vendors this year:

- Direct & Indirect GHG Emissions
- Green Purchasing Guideline
- Chemical Substance Management
- Environmental Management System
- Energy Conservation Guidelines
- Water Resources Guidelines
- Pollution Prevention Guidelines

- Biodiversity Guidelines
  - Waste reduction and waste management guidelines
- None of the selected vendors were identified as having any significant actual and potential negative environmental impacts.

### Human Rights & Working Conditions

Respecting and protecting human rights - the fundamental and inalienable rights and freedoms to which all people are entitled - is at the core of the Company's Labour practices. The Company strives to guarantee that everything it creates or has made for it complies with local laws and the Company's commitment to human rights protection. To preserve employee rights, the Company has adopted strict requirements inside its operations and for vendors, as described in the following guidelines:

- Eliminate discrimination and ensure zero harassment at workplace in any aspect of employment based on race, ethnicity, nationality, religion, gender, or other characteristics;
- Avoid employment of workers who do not meet the legal minimum working age of each country and region;
- Avoid using forced Labour. Ensure that all Labour is voluntary and that employees have the freedom to leave their jobs;
- To comply with the laws & regulations regarding minimum wages, overtime, wage deductions, performance-based pay and other remuneration;
- To comply with the laws & regulations regarding the setting of employees' working hours (including overtime) and granting of scheduled days off and paid annual vacation time etc; and
- Ensure a safe and healthy working environment for all associates.

### Responsible Sourcing of Minerals

In procurement of certain raw materials, the Company has to comply with Dodd-Frank Act of United States which obligates companies to disclose the origin of certain raw materials to ensure that "conflict minerals", such as tin, tungsten, tantalum and gold from the Democratic Republic of Congo or neighboring states, do not enter their products through their supply chain. The Company, therefore, monitors all vendors to make sure they do not source raw materials from the affected regions. Using a structured survey process and by working closely with vendors for increased supply chain transparency, the Company obtains confirmation that its vendors and their upstream vendors are obtaining material free from conflict minerals. Furthermore, the Company provides clear guidelines for vendors and raises awareness on conflict mineral related issues through education and support. The Company also collaborates with a cross-industry group called Conflict-Free Sourcing Initiative (CFSI) in this regard. In order to be confirmed as conflict free, the smelters and refiners are required to pass an independent third-party audit. The results from this year's survey confirmed that our supply chain is based on conflict free sourcing.



# Employee Management



## Management Approach

The Company ensures long-term employee development by seeking out the right employees, making the most of their talents, developing potential and ensuring employability. The Company strives to unlock the potential of human resources management and resultantly, add value to its business. A corporate culture guided by the principles of the Atlas Way (as described in the Sustainability Strategy) forms the basis of the Company's efforts in this area.

The Company has policies in place covering all aspects of employment, including employee relations, training, equal opportunity, and health & safety of its workforce. The Company fully complies with applicable labour and health & safety laws and regulations that prohibit forced, compulsory and child labour. The Company is committed to the observance of fair working conditions and human rights. Gender equality and respect for diversity is deep rooted in the Company's culture to encourage talented individuals with diverse backgrounds to demonstrate their full potential and evolve into leaders. The Company is continuously working to upgrade its human resources expertise, practices, systems, and service quality. As part of the Company's talent management, performance appraisals are carried out, which help in the identification of career development and training needs. This also helps the Company in ensuring a fair reward system. Further, the Company's performance is constantly evaluated through surveys and awards. The updates in the policies and procedures are carried out based on the inputs and shared with relevant stakeholders.

## Recruitment and Retention

To sustain its market leadership, the Company aims to attract, recruit, and retain the best talent. The Company's ability to offer unique opportunities, such as a diverse and supportive work environment, helps differentiate Atlas Honda from other

employers and attracts high-performing professionals who are competent and highly skilled. Recruitment and retention of appropriate workforce becomes more crucial with the changing skillset requirements for which a uniform policy for hiring, job placement and development of existing human resources is implemented by the human resource department. A comprehensive "Employee Orientation Training Program / Onboarding Program" has been designed to provide an overview of the Company's culture and processes to all new joiners.



A view of recruitment drive



A view of recruitment drive



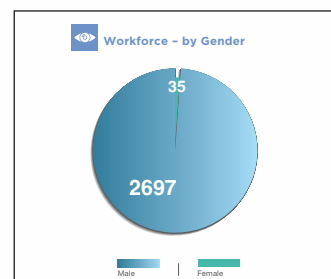
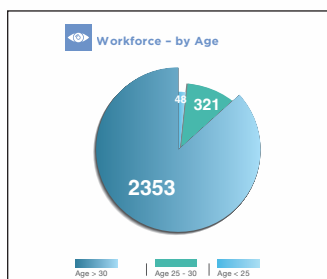
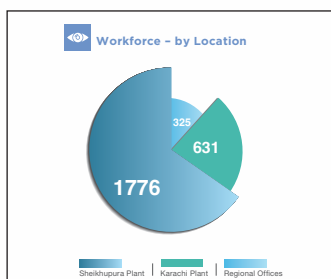
Management Trainee Officer hired at KHI Offices.

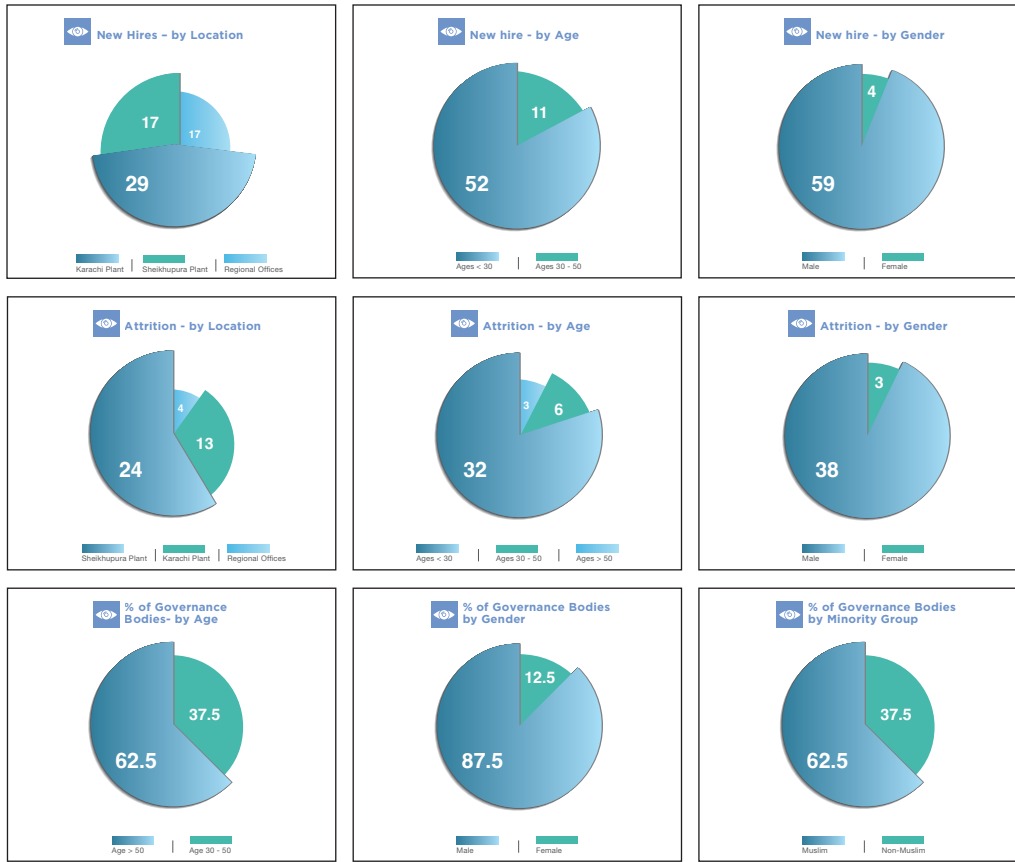


Management Trainee Officer hired at SKP Offices.

## Employee Composition

The Company's employees' composition is as follows. No major variations have been reported. Further, the data has been compiled by the Company's human resource department as per actual and no assumptions have been made. During the year, the hiring rate was 2% while the turnover rate was 1.2%.





## Diversity and Inclusion

The Company values equality, diversity, and inclusion. Gender equality and empowering women lies at the heart of the agenda for sustainable development, which asserts gender equality as both a fundamental human right and a necessary foundation for a peaceful, prosperous, and sustainable world. In this regard the Company has been pursuing a non-discriminative hiring mechanism. During the year, 24% of the new hires were females. Merit-based recruitment practices have been adopted and equal employment opportunities for all regardless of race, religion, gender, marital status and age or disability are being made available by the Company. During the year, no incidents of discrimination were reported. For hiring workers, equal weightage is given to candidates from across the country. The Company also focuses on recruitment and qualification of local personnel as a way of developing the local communities and regions in which it operates. No senior management employee at locations of significant operation is hired based on location or domicile and no specific quotas for women, specific nationalities, ethnic minorities, or special age groups exist for senior management and Executive Committee. The ratio of basic salary and remuneration of men to women is 1:1.

The Company hires males and females with vast experiences, from different industry backgrounds, cultures, beliefs, and ethnicities. This ensures that the Company can adapt to the changing needs of business. However, it is currently a challenge for the entire auto industry in Pakistan to attract enough female employees. Various initiatives are being undertaken to enhance the participation of women. During the year, 04 female executives were hired. Female and male staff are entitled to four-month and five-day maternal leaves respectively. During the year under review, 2 female associates availed maternal leaves and 82 male staff availed

paternal leaves. All the associates who availed paternal leaves returned to work and are still working with the Company.

The Company also supports the creation of job opportunities for persons with disabilities through the provision of additional facilities and appropriate training. Currently, 36 individuals, who are differently abled, are working for the Company.

## Career Development and Training

The Company believes in the principle of “Organization Development through Self-Development” and places great emphasis on capacity and skill building. Life-long learning is promoted through the 70:20:10 formula, where 70% learning comes from an individual’s performance at their current job, 20% from coaching and 10% from formal training. Accordingly, the Company provides a broad range of opportunities to its employees in the form of on-the-job learning, mentoring programs, trainings, and courses. Such programs include various in-house, national, and international programs. We support development at all levels – starting from career training through to further development of top management. The Company also provides support to its employees for higher education and management courses at renowned business schools such as Harvard Business School and INSEAD. The company also provides its employees with transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement. Several rotational programs are strategically and systematically implemented to give employees the experience needed to serve at management positions. The Company’s efforts, during the year under review, for training and development of its employees are presented in the following table:

Internal Training Programs	27
No. of Persons trained in internal training	2,584 (Female: 12)
External Training Programs	29
No. of Persons trained in external trainings	126 (Female: 9)
Trainings days	2,745 (Female: 21)
Training hours	21,960 (Female: 170)
Average training hours per year per employee	8.5 (Female: 4.8), Management 5.8
Average training days per employee	1.4 (Female: 1.3)



Views of people management training program



Views of financial management training program

### Performance Appraisal and Reward System

The Company adheres to all laws and regulations with regards to employee benefits, including minimum wages and separation benefits. Basic salaries and packages are set based on education and experience of the employees and are not based upon gender discrimination. The ratio of basic salary and remuneration of women to men is one to one at AHL. Compensation packages offered are competitive and equitable and are in line with the industry benchmarks. These include salaries, bonus, health care benefits, transportation allowances, company provided vehicles, fuel allowances and retirement benefits. An employee's salary is adjusted based on the results of performance evaluations. The remuneration policy is approved by the Board of Directors which is reviewed from time to time to ensure that compensation packages are competitive and in line with the industry practice. This review of Compensation policy is carried out internally by the Human Resource and Remuneration committee in liaison with the relevant Heads of departments. AHL pays its employees significantly higher salaries than the minimum wages at all of its locations. The ratio of standard entry level wage paid by AHL to minimum wage, is greater than 1.35 at all significant locations of the Company. The Company only provides full-time employment and does not offer part-time jobs.

All employees undergo performance appraisals twice a year which is conducted by their respective line managers. The Annual Performance Appraisal is used as a basis for positioning of personnel within the Company and determination of annual increment. High performing individuals are promoted to higher grades and are awarded higher increments. The Company's performance management policy, under the Individual Development Program for management cadre employees, requires determination of areas of focus for internal and external

trainings necessary for creation of future leaders.

AHL acknowledges and celebrates the unwavering commitment and exceptional contributions of its long-serving employees and firmly believes in recognizing and appreciating the dedication and loyalty displayed by its team members throughout their tenure with the organization. The Company recognizes their efforts through Gold Coin Appreciation Program, a heartfelt gesture designed to commemorate their invaluable services. In this regard, gold coins along with a letter of appreciation were awarded to 21 retiring employees who have served the Company. The ceremony was held at KHI/SKP plant of the Company.



Views of Farewell ceremony for appreciation of retired employees

### Employee Engagement and Connectivity

The Company supports the creation of a high performing work environment by ensuring a balance between personal and professional lives of its employees. The Company believes in a culture of inclusion and well-being that inspires employee engagement for better productivity. For this, the Company organizes various activities such as family day, picnics, sports and other activities which provide employees an opportunity for leisure.



A view of recreational activities program arranged for employees

### Human Rights and Relations with CBA

The Company is responsible for creation of an environment free of discrimination and harassment, in which all individuals are treated with respect, equality and dignity and have equal opportunities. Human rights violations of any sort are not tolerated. Key management practices including: a guarantee of voluntary labour, observance of working hours, respect for diversity and workplace health and safety are continuously reinforced at the Company. Company carries out regular reviews of all its operations for violation of human rights. For this company has also established efficient grievances reporting system. During the year, no such violation of human rights policies and procedures has been identified or reported, resultantly no formal training for human rights policies and procedures was carried out. The Company makes every effort to engage in sincere discussions with its employees about any issues that exist or might arise. This helps in maintaining a relationship of mutual trust. Moreover, the Company complies with all local statutory and operational requirements with regard to the provision of information to employee representatives and employees.

Investment agreements include human rights clauses and undergo human rights screening. The Board of Directors approves all major investments and decision of the board is based upon financial, strategic and sustainability criteria, the last of which also includes human rights aspects. During the year, all the major investment agreements and contracts were subject to human rights screening.

One month notification period is allowed before implementation of any change that can have an impact on employees. For employees that are covered under CBA, such clauses are part of CBA agreements. The Company recognizes the rights of employees to set up their representation and carry out collective bargaining to regulate working conditions. Constructive dialogue, negotiations and consultations are carried out with labor unions, when needed, at both plants of the Company. All non-management employees are covered under CBA, which cover more than 9.2% of total permanent employees.

The Company strongly discourages any form of child labor and firmly complies with local regulations concerning legal minimum age requirement for work permits. The Company has a mechanism of periodical evaluation of its vendors for any possible violation of human rights. The Company does not have any child/forced/compulsory labor within its operations nor is it aware of any such cases at its suppliers. There were no complaints reported during the year related to violation of human rights. For the employees that are not covered under collective bargaining agreements, their working conditions and their roles and responsibilities are guided by internally developed Human Resource policies and procedures.

## Health and Safety

The Company is committed to ensure the health and safety of its employees, contractors and visitors. The risks of injury, death or ill-health of Company's employees and those who work with the Company is a fundamental concern and have a significant impact on its operations. The Company is striving to create a dynamic working environment that is conducive to the mental and physical well-being of its employees. Issues relating to employee safety and health are managed in accordance with the Health, Safety & Environment policy of the Company at all its sites.

In this regard, health and safety management system has been implemented. Aspects related to this area are documented in contracts and agreements with the trade union. All workers are represented by the health and safety committee, Workers Council Committee established under Industrial Relationship Act and operates at facility level. Workers have appropriate representation in the committee. The committee is involved in development, implementation and evaluation of the health system. Monthly meetings of committees are conducted for monitoring and evaluation purposes. Health and safety committees are operational at each plant as per applicable laws and best available practices. Health and safety committees are responsible for identification and evaluation of Work-related hazards and the risks of ill health on a regular periodic basis and take counter measures adopted to minimize the risk and promote safe working environment. The meetings of the committee are conducted on monthly basis.

The formal agreements with the CBA cover health and safety related provisions and all the employees of the company come under the umbrella of extensive medical policy that has been

formulated in the light of health and safety requirements of the Factories Act, 1934.

The responsibility for health and safety impacts rests with the General Manager Human Resource. Quality of health services is ensured through competent staff providing the services and regular periodic monitoring and evaluation of the services provided. The management approach comprises of health and safety policy, procedures and guidance which are established under the guidelines of ISO14001:2015 and ISO 45001:2018. These health and safety management system cover all the employees of the Company working at its premises. Incident reporting mechanism is defined in the work procedures of HSE and is followed rigorously. Workers are encouraged to report any risks and safety incidents and no reprisal action is taken against workers reporting any such incidents. The Company carefully tracks incidents and complaints received from stakeholders and take prompt actions for resolution. During the year, no work-related ill health fatalities, or any other cases of significant injuries have been reported.

Company has established Job Hazard Analysis (JHA) which is essentially the assessment of routine or specific work activities and the workplace to establish whether adequate precautions are in place. In other words, it is the systematic identification of potential hazards in the workplace as a step to controlling the possible risks involved.

Job Hazard Analysis is an ongoing process. Based on the analysis of job processes carried out during the current year, employees of the Company do not face any major risk of occupational diseases nor did any such diseases occur related to the manufacturing processes of the Company.

Important guidelines derived from the HSE policy have been displayed at prominent places within the Company's premises to manage safe working environment. Workers' training on occupational health & safety has been the key factor in promoting safe working environment. Generic safety trainings, various fire training, basic first aid and specific work related hazards trainings are provided to workers on regular basis by competent and trained staff in local language which is easily understood by all the workers. Trainings are provided free of charge and during paid working hours. Effectiveness of training sessions is evaluated through post sessions feedback and mock exercises. Further, the Company undertook following steps to promote healthy mindset and evaluate the risks to health and safety of its safety amongst employees.

- To address various health, safety and environment related issues regular, HSE Flyers are disseminated. To date, topics covered include updates on Covid-19 prevention, Dengue prevention, rain emergency, earthquake and road safety.
- During the year 1-month Medical Examination activity performed for hazardous areas to ensure good health of associates and prevent them from disease in which 1,502 associates were tested through 9-step verifications: Blood test, Eye test, Urine test, Physical Examination, Chest X-ray, Heart ECG, Weight Measurement, Height index, Audiometry and Spirometry.
- During the year a 2-day training session with Rescue 1122 Professional was organized with an objective to train associates for emergency situations. The content of the training covered wide scope of areas including CPR (Cardio Pulmonary



Resuscitation), FBAO( Foreign Body Airway Obstruction), Bleeding Control, Fracture Management, Patient Shifting techniques, Poisoning Emergencies, Snake Bite, Burn Emergencies, Fire Triangle, Fire Extinguishing Process, Classes of Fire and Method of Fire-fighting through Fire Hydrant.

- During the year, training session was organized for associates for safe handling of hazardous chemicals in which 700 associates participated



- During the year certifications for ISO 9001, 14001 & 45001 were renewed by an independent reviewer. The review engagement was carried out at both the manufacturing facilities of the Company



- “Stop for Safety Talk Program” was conducted by HSE department to create awareness. During the year, 84 training sessions were conducted by HSE department creating awareness about machine guarding, ergonomics, chemical safety, hazard identification HSE policy, lock out/tag out, general electric safety, fire prevention & emergency response planning, use of personal protective equipment, forklift safety and confined space safety. 1,290 associates participated in the training sessions.
- During the year, 17 training sessions on firefighting training and emergency evacuation conducted in which 1,632 associates participated.





# Definition, Methodology and Scope

The Sustainability Report is issued by us to disseminate information about our economic, environmental and social impacts to our stakeholders, enabling them to make informed decisions.

This section provides definitions, methodology guide and information on scope of the report. Unless otherwise specified or required by the context in which they are used, the terms “Atlas Honda” or “the company” or “we” refer to the Atlas Honda Limited and do not include its Associated Companies.

The information and data contained in this report relates to financial year 2024 (April 1, 2023 to March 31, 2024). The data presented in the report includes all plants and offices of Atlas Honda and does not include data on its Associated Companies.

The quality of the information contained in the report is in compliance with principles for defining report content and quality of the report as per GRI Standards.

The compilation of data has been done on the basic scientific measurement and mathematical calculus methods on actual basis, but in some cases where actual data is unavailable due to some reasons; different logical methodologies are used for calculations. The usage of any such method is mentioned at respective places in the report, where applicable. The data measurement techniques are same as used for previous year.

There has been no change in the reporting period, scope, boundary or measurement methods applied in the report. There are no changes that can significantly affect the comparability of data from period to period. Previous years' figures have been regrouped / rearranged wherever found necessary to conform to this year's classification. Preparation of the sustainability report is part of annual reporting process subject to independent review, analysis and approval of relevant authorities. We make every effort to ensure the accuracy of the sustainability information contained in this report. From time to time, however, figures may be updated. The online pdf version of the sustainability report will be considered the most current version and takes precedence over any previously printed version.

## The Sustainability Report is:

- prepared by the sustainability reporting team that coordinates and engages relevant functions;
- approved by the Board of Directors;
- subject to an independent review by Corporate Social Responsibility Centre Pakistan, an independent reviewer, in compliance with GRI Sustainability Reporting Standards and ISAE 3000 (2003);
- published and freely available for download from the publication section of the company website ([www.atlashed.com.pk](http://www.atlashed.com.pk)).

## Independent Assurance Statement for the Atlas Honda Limited Sustainability Report 2024

### Scope

We have been engaged by Atlas Honda Limited to perform an 'assurance engagement', as defined by International Standard on Assurance Engagements ISAE 3000 (Revised), "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information", hereafter referred to as the engagement, on the information included in the Sustainability Report 2024 ("the subject matter") referring to the period from April 01, 2023, through March 31, 2024. The report was co-reviewed by Muhammad Imran & Co., Cost & Management Accountants.

Assurance scope	Level of assurance	Assurance criteria
1. Atlas Honda Limited's declared adherence to the GRI's Standards 2021 – In accordance	Limited assurance	Global Reporting Initiative's (GRI) Standards 2021
2. Review of the policies, initiatives, practices, and performance (qualitative and quantitative information) reported and referenced in the report.	Limited assurance	Completeness and accuracy of selected reported policies, initiatives, and performance data
3. Atlas Honda Limited's application of AccountAbility Principles of Inclusivity, Materiality, Responsiveness, and Impact.	Limited assurance	The criteria set out in AA1000AP (2018) for the principles of Inclusivity, Materiality, Responsiveness, and Impact

### Atlas Honda Limited's Responsibilities

Atlas Honda Limited's management is responsible for selecting the criteria and presenting the Sustainability Report in accordance with that criterion in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates relevant to the preparation of the subject matter so that it is free from material misstatement, whether due to fraud or error.

### Corporate Social Responsibility Centre Pakistan's (CSRCP) Responsibilities

Our responsibility is to express a conclusion on the subject matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ISAE 3000 (Revised), and the terms of reference for this engagement as agreed with Atlas Honda Limited. Those standards require that we plan and perform our engagement to obtain assurance in line with the assurance levels mentioned in the scope and to issue a report. The nature, timing, and extent of the selected procedures depend on our judgment, including assessing the risk of material misstatement, whether due to fraud or error.

We believe the evidence obtained is sufficient and appropriate to provide a basis for our assurance conclusions.

## Statement of Independence, Impartiality, and Competence

CSRCP operates a strict conflict of interest check, confirming our independence to work on this assurance engagement. The review team has not provided consulting services and was not involved in preparing any part of the report. CSRCP is a specialized sustainability consulting firm. The review team has the required combination of education, experience, training, and skills for this assurance engagement.

### Description of Procedures Performed

Our procedures were designed to obtain the required level of assurance on which to base our conclusion. Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on the effectiveness of internal controls.

We carried out a desk review of the final draft report. We communicated with Atlas Honda Limited to determine the accuracy and authenticity of the report content, data points, methodologies, and policies regarding the organization's social, environmental, and economic data and activities.

Our procedures for this engagement included:

- Review adherence to the requirement of GRI Standards 2021;
- Review of the policies, initiatives, practices, and standard disclosures regarding the company's material sustainability topics contained in the report;
- Review of consistency of data/information within the report;
- Analysis of the report content against AccountAbility principles of Inclusivity, Materiality, Responsiveness, and Impact;
- Elaboration of the adjustment report; and
- Final review of the report content.

### Use of GRI Standards 2021

Atlas Honda Limited declares the report to be in accordance with the GRI Standards 2021. CSRCP reviewed the use of the GRI Universal and Topic Standards, considering those standards linked to the material topics. In case of a lack of response, Atlas Honda Limited provides omission statements in line with the requirements of GRI 1 Foundation 2021.

### Adherence to AccountAbility Principles of Inclusivity, Materiality, Responsiveness, and Impact

CSRCP reviewed the report to analyze adherence to AccountAbility Principles of Inclusivity, Materiality, Responsiveness, and Impact. The main considerations of this analysis for this report were the following:

- The report addresses how the company identifies and engages with different stakeholders, including concerns raised

by stakeholders and the company's response. The report also addresses how the issues emerging from stakeholders' engagement inform risk management strategy and procedure.

- The material topics were identified and prioritized, considering the requirement of GRI 3 Material Topics 2021, addressed in different sections of the report, and supported with information on management systems and data sets that provide performance details for material topics.
- Atlas Honda Limited has appropriate policies and external management systems certification, which involve a high-level analysis of risks, non-compliance with applicable laws and regulations, and corrective actions.
- The report demonstrates decreased environmental impact due to reduced production volumes during 2024. Atlas Honda Limited achieved sustainability targets for this year except for energy and water-related targets. The training hours to upgrade employee skills increased per employee, with steady performance on the health and safety front.

### Limitations and exclusions

Excluded from the scope of our work is any verification of information relating to:

- Verification of financial figures and sustainability performance data;
- Positional statements (expression of opinion, belief, aim, or future intention of Atlas Honda Limited and statements of future commitment).

### Statement of conclusion

Assurance Scope I - Atlas Honda Limited's declared adherence to the GRI's Standards 2021 – In accordance

Nothing has come to our attention that causes us to believe that Atlas Honda Limited's Sustainability Report 2024 does not meet the "in accordance criteria" of the GRI Standards 2021. The compliance with GRI Standards has been disclosed in more detail in the GRI Content Index, which provides omission statements in cases where information was not provided.

Assurance Scope 2- Review of the policies, initiatives, practices, and performance (qualitative and quantitative information)



Muhammad Arfan Nazir,

Director,

Corporate Social Responsibility Centre Pakistan.

reported and referenced in the report

Nothing has come to our attention that causes us to believe that the information in Atlas Honda Limited's Sustainability Report 2024 is not fairly stated in all material aspects.

Assurance Scope 3 – Atlas Honda Limited's application of AccountAbility Principles of Inclusivity, Materiality, Responsiveness, and Impact.

Nothing has come to our attention that leads us to believe that the report's content and elaboration do not fairly state all four AA1000 AccountAbility Principles.

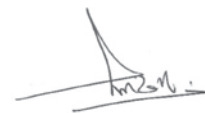
However, we can appoint areas of improvement for the next reporting cycle:

- The report acknowledges Atlas Honda Limited's exposure to climate-related risks and opportunities. However, it does not provide information about how these risks and opportunities are expected to impact Atlas Honda Limited's financial performance in the short, medium, and long term. We recommend sharing the financial implications of these risks and opportunities in future reports.
- We recommend calculating the complete energy and emissions footprint and aligning the targets with climate science to reduce impacts and effectively contribute to the global challenge.
- AHL discussed the practices of the "Emission Reduction Caravan" to reduce the environmental footprint of supply chain partners. However, it only provides information about reduced GHG emissions. We recommend providing complete environmental footprint reduction covering materials, energy, water, and waste impacts.

### Restricted use

This report is intended solely for Atlas Honda Limited and is not intended to be and should not be used by anyone other than Atlas Honda Limited. Any reliance on the report by any third party is entirely at its own risk.

Islamabad, June 04, 2024



Muhammad Imran,

Muhammad Imran & Co.,

Cost & Management Accountants Pakistan.

ICMAP Membership # 1382

# GRI Content Index

Statement of use	Atlas Honda Limited has reported in accordance with the GRI Standards for the period 01 April 2023 to 31 March 2024
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	No sector standard is available for our sector.

Omission					
GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted	Reason	Explanation
<b>General Disclosures</b>					
GRI 2: General Disclosures 2021	2-1 Organizational details	84			
	2-2 Entities included in the organization's sustainability reporting	120			
	2-3 Reporting period, frequency and contact point	82			
	2-4 Restatements of information	120			
	2-5 External assurance	121-122			
	2-6 Activities, value chain and other business relationships	24-25, 84, 110			
	2-7 Employees	115-116			
	2-8 Workers who are not employees	84			
	2-9 Governance structure and composition	20-23, 88-89			
	2-10 Nomination and selection of the highest governance body	88			
	2-11 Chair of the highest governance body	88			
	2-12 Role of the highest governance body in overseeing the management of impacts	88-89, 91-93, 99			
	2-13 Delegation of responsibility for managing impacts	90-91, 99-100			
	2-14 Role of the highest governance body in sustainability reporting	99-100			
	2-15 Conflicts of interest	92, 171-173			
	2-16 Communication of critical concerns	93			
	2-17 Collective knowledge of the highest governance body	89			
	2-18 Evaluation of the performance of the highest governance body	89-90			
	2-19 Remuneration policies	89-90, 171			
	2-20 Process to determine remuneration	89, 117			
	2-21 Annual total compensation ratio		a, b, c	Information unavailable	Due to confidentiality reasons, this information is not available for disclosure
	2-22 Statement on sustainable development strategy	85			
	2-23 Policy commitments	91-93			
	2-24 Embedding policy commitments	91-93			
	2-25 Processes to remediate negative impacts	93			
	2-26 Mechanisms for seeking advice and raising concerns	93			
	2-27 Compliance with laws and regulations	88, 98, 104, 107			
	2-28 Membership associations	84			
	2-29 Approach to stakeholder engagement	94-96			
	2-30 Collective bargaining agreements	117-118			

Omission					
GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted	Reason	Explanation
<b>Material Topics</b>					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	96-97			
	3-2 List of material topics	97			
<b>Economic Performance</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	84, 88-91			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	78			
	201-2 Financial implications and other risks and opportunities due to climate change	100-101	a iii-v	Information unavailable / incomplete	System to estimate financial implications does not exist at the time of preparation of this report
	201-3 Defined benefit plan obligations and other retirement plans	161, 163-165			
	201-4 Financial assistance received from government	110			
<b>Market Presence</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	78, 115			
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	116			
	202-2 Proportion of senior management hired from the local community	116			
<b>Indirect Economic Impacts</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	110			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	110-111			
	203-2 Significant indirect economic impacts	110-111			
<b>Procurement Practices</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	112			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	112	A	Information unavailable / incomplete	This information is not available at the time of preparation of this report
<b>Anti-corruption</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	92			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	54, 92			
	205-2 Communication and training about anti-corruption policies and procedures	92			
	205-3 Confirmed incidents of corruption and actions taken	92			
<b>Emissions</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	98-99			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	102			
	305-2 Energy indirect (Scope 2) GHG emissions	102	a - g	Information unavailable / incomplete	AHL does not calculate the Scope 2 emissions
	305-3 Other indirect (Scope 3) GHG emissions	102	a - g	Information unavailable / incomplete	AHL does not calculate the Scope 3 emission upstream and downstream in its supply chain
	305-4 GHG emissions intensity	102			
	305-5 Reduction of GHG emissions	102			

Omission					
GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted	Reason	Explanation
	305-6 Emissions of ozone-depleting substances (ODS)	102			
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	102			
<b>Energy</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	98			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	101-102			
	302-2 Energy consumption outside of the organization	101-102	a, b, c	Information unavailable / incomplete	AHL does not calculate the energy consumption outside the organization as AHL identified that such information is not significant in the overall context.
	302-3 Energy intensity	101-102			
	302-4 Reduction of energy consumption	101-102			
	302-5 Reduction in energy requirements of products and services	101-102	a, b, c	Information unavailable / incomplete	AHL does not calculate the energy consumption outside the organization as AHL identified that the such information is not significant in the overall context.
<b>Materials</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	98, 103-104			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	103			
	301-2 Recycled input materials used	104			
	301-3 Reclaimed products and their packaging materials	103			
<b>Water</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	98, 104-105			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	104-105			
	303-2 Management of water discharge-related impacts	104-105			
	303-3 Water withdrawal	104-105	b, c	Information unavailable / incomplete	This information is not available at the time of preparation of this report
	303-4 Water discharge	104-105	b, c	Information unavailable / incomplete	This information is not available at the time of preparation of this report
	303-5 Water consumption	104-105	b, c	Information unavailable / incomplete	This information is not available at the time of preparation of this report
<b>Waste</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	98, 103-104			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	103-104	A II	Information unavailable	AHL does not calculate the waste generated outside the organization as AHL identified that such information is not significant in the overall context
	306-2 Management of significant waste-related impacts	31-33	a	Information unavailable	
	306-3 Waste generated	32-33	a	Information unavailable	
	306-4 Waste diverted from disposal	32-33	d	Information unavailable	
	306-5 Waste directed to disposal	32-33	d	Information unavailable	
<b>Supply Chain Impacts</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	112-113			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	113			
	308-2 Negative environmental impacts in the supply chain and actions taken	114			

Omission					
GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted	Reason	Explanation
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	113			
	414-2 Negative social impacts in the supply chain and actions taken	114			
Employment and Labor Relations					
GRI 3: Material Topics 2021	3-3 Management of material topics	115			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	115-116			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	117			
	401-3 Parental leave	116			
GRI 402: Labor Management Relations 2016	402-1 Minimum notice periods regarding operational changes	118			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	88, 116			
	405-2 Ratio of basic salary and remuneration of women to men	116			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	116			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	114, 117-118			
Health and Safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	118			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	118			
	403-2 Hazard identification, risk assessment, and incident investigation	118			
	403-3 Occupational health services	118			
	403-4 Worker participation, consultation, and communication on occupational health and safety	118			
	403-5 Worker training on occupational health and safety	118-119			
	403-6 Promotion of worker health	119			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	114			
	403-8 Workers covered by an occupational health and safety management system	118-119			
	403-9 Work-related injuries	118			
	403-10 Work-related ill health	118			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	106			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	106			
Training					
GRI 3: Material Topics 2021	3-3 Management of material topics	116-117			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	117			
	404-2 Programs for upgrading employee skills and transition assistance programs	116-117			
	404-3 Percentage of employees receiving regular performance and career development reviews	117			

Omission					
GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted	Reason	Explanation
Human Rights					
GRI 3: Material Topics 2021	3-3 Management of material topics	117-118			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	114, 118			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	114, 118			
Local Communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	110			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	110-111			
	413-2 Operations with significant actual and potential negative impacts on local communities	93			
Marketing and Labeling					
GRI 3: Material Topics 2021	3-3 Management of material topics	107			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	107			
	417-2 Incidents of non-compliance concerning product and service information and labeling	107			
	417-3 Incidents of non-compliance concerning marketing communications	107			



SDGs	Page Number	GRI Standard Disclosure
 <p>1 NO POVERTY</p>	119	202-1, 203-2
 <p>2 ZERO HUNGER</p>	111,	201-1, 203-1, 203-2
 <p>3 GOOD HEALTH AND WELL-BEING</p>	105, 111, 119	203-2, 305-1, 305-2, 305-6, 305-7, 306-1, 306-2, 306-3, 403-8, 403-9, 403-10
 <p>4 QUALITY EDUCATION</p>	97, 119	2-17, 404-1
 <p>5 GENDER EQUALITY</p>	97, 111, 119	2-9, 2-10, 201-1, 202-1, 203-1, 401-1, 404-1, 404-3, 405-1, 406-1
 <p>6 CLEAN WATER AND SANITATION</p>	105,	303-3, 303-4, 303-5, 306-1, 306-2, 306-3
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	105, 111	201-1, 203-1, 302-1, 302-3, 302-4
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	97, 105, 109, 111, 114, 119	2-7, 2-30, 201-1, 202-1, 202-2, 203-2, 302-1, 302-3, 302-4, 303-5, 401-1, 401-2, 402-1, 403-8, 403-9, 403-10, 404-1, 404-2, 404-3, 405-1, 407-1, 408-1
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	111, 114,	201-1, 203-1

SDGs	Page Number	GRI Standard Disclosure
	111,	203-2
	109, 111	203-1
	105, 109, 114	204-1, 302-1, 302-3, 302-4, 305-1, 305-2, 305-3, 305-6, 305-7, 306-1, 306-2, 306-3
	105, 109	302-1, 302-3, 302-4, 305-1, 305-2, 305-4
	105,	305-1, 305-2, 305-4, 305-5, 305-7, 306-1, 306-3
	105	305-1, 305-2, 305-4, 305-5, 305-7, 306-3
	97, 109, 114, 119	2-9, 2-10, ,2-11, 2-12, 2-15, 2-20, 2-23, 2-26, 2-27, 406-1, 408-1
	111	



# Financial Statements

- Statement of Compliance with Code of Corporate Governance
- Review Report to the Members on Code of Corporate Governance
- Auditor's Report to the Members
- Statement of Profit or Loss & Other Comprehensive Income
- Statement of Cash Flows
- Statement of Changes in Equity
- Notes to the Financial Statement

# Statement Of Compliance With Listed Companies (Code Of Corporate Governance) Regulations, 2019

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

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, ("Regulations") in the following manner:

- Total Number of Directors is eight (8) as per following:

a.	Male	Seven
b.	Female	One

- The composition of Board of Directors is as follows:

Category	Number	Names
Independent Director (excluding Female Director)	1	Mr. Azam Faruque
Female Director (Independent Director)	1	Ms. Mashmooma Zehra Majeed
Executive Directors	3	Mr. Saquib H. Shirazi Mr. Masanori Kito Mr. Kazushi Yamanaka
Non-Executive Directors	3	Mr. Aamir H. Shirazi Mr. Tetsuya Komine Mr. Abid Naqvi

- The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including Atlas Honda Limited.
- 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. Further certain significant policies as required under non-mandatory regulation no. 35 "Disclosure of significant policies on website" are published in annual report which is available on Company's website.
- 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 significant policies along with the dates of approval or updating is maintained by the Company.
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
- 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 Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
- The Board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- Following 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.

Category	Number	Names
Independent Director	2	Mr. Azam Faruque Ms. Mashmooma Zehra Majeed
Executive Directors	1	Mr. Saquib H. Shirazi
Non-Executive Directors	2	Mr. Aamir H. Shirazi Mr. Abid Naqvi

Further, the Company will take adequate measures for the Directors' Training Program (DTP) for the remaining Directors, female executive and head of department.

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief Financial Officer and 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**

Ms. Mashmooma Zehra Majeed	Chairperson
Mr. Abid Naqvi	Member
Mr. Azam Faruque	Member

b) **HR and Remuneration Committee**

Ms. Mashmooma Zehra Majeed	Chairperson
Mr. Abid Naqvi	Member
Mr. Saquib H. Shirazi	Member

Separate Nomination Committee and Risk Management Committee, as required under non-mandatory regulation no. 29 & 30, are not constituted as the functions of Nomination Committee are being dealt by Human Resource and Remuneration Committee and the functions of Risk Management Committee are being dealt by the Executive Committee which is headed by the CEO who apprises the Board, accordingly.

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 of the committees were as per following:

Audit Committee	Quarterly
HR and Remuneration Committee	Once in a year

15. The Board has set up an effective internal audit function who are considered suitably qualified, experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the regulations have been complied with. However, fractional requirement for Independent Directors have not been rounded up as one and that of Executive Directors is rounded up to one keeping in view the understanding with the Japanese Joint Venture Partner.

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 (non-mandatory requirements) are mentioned in note no. 4, 9 and 12 above.

AAMIR H. SHIRAZI  
CHAIRMAN

Karachi: April 30, 2024

# 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 Atlas Honda Limited (the Company) 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 requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, 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.

*Shin Hameed Chaudhri*  
SHINEWING HAMEED CHAUDHRI & CO.  
CHARTERED ACCOUNTANTS  
KARACHI;

DATE: MAY 1, 2024

UDIN: CR202410104V6UCq9GI

a member firm of *ShineWing* International

# Report on the Audit of the Financial Statements

## Opinion

We have audited the annexed financial statements of Atlas Honda Limited (the Company), which comprise the statement of financial position as at March 31, 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, comprising 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, statement of profit or loss and other 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 Matter

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

#### 1. Revenue recognition

Refer notes 4.17 and note 27 to the financial statements. The Company is engaged in manufacturing and sale of motorcycles and related spare parts. The Company recognized revenue from the sale aggregating to Rs. 159,292,229 thousand for the year ended March 31, 2024, as compared to Rs 135,485,652 thousand for the year ended March 31, 2023. We identified recognition of revenue as a key audit matter as it includes a large number of transactions involving a large number of customers spread in various geographical locations. Further, revenue is one of the key performance indicators of the Company.

We performed following audit procedures in respect of this area:

Understood the Company's processes and related internal controls for revenue recognition and on a sample basis, tested the operating effectiveness of those controls;

Assessed the appropriateness of the Company's revenue accounting policies and their compliance with applicable financial reporting standard;

Compared a sample of revenue transactions recorded during the year with sales orders, applicable sale value, sales invoices, receipt vouchers, delivery orders and other relevant underlying documents;

Performed cut-off procedures on near year end sales to ensure revenue has been recorded in the correct period;

Assessed that sales prices are approved by appropriate authority;

Verified, on a test basis, discounts and commission with supporting documentation; and

Considered the adequacy of the related disclosures and assessed these are in accordance with the applicable financial reporting standards and the Companies Act, 2017.



## 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 Company's Annual Report for 2024, but does not include the financial statements and our auditors' report thereon.

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

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

## Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

## 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 judgment 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:

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

The engagement partner on the audit resulting in this independent auditor's report is Osman Hameed Chaudhri.

*Osman Hameed Chaudhri*

SHINEWING HAMEED CHAUDHRI & CO.  
CHARTERED ACCOUNTANTS  
KARACHI;

DATE: APRIL 30, 2024


UDIN : AR202410104yQD3KYifx

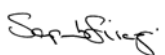
# Statement of Financial Position

## As at March 31, 2024

ASSETS	Note	2024 ---- Rupees in '000 ----	2023
<b>Non current assets</b>			
Property, plant and equipment	6	12,445,718	12,158,765
Intangible assets	7	7,826	35,311
Long term investments	8	350,593	340,816
Long term loans and advances	9	106,531	75,469
Long term deposits	10	41,672	41,662
		12,952,340	12,652,023
<b>Current assets</b>			
Stores, spares and loose tools	11	1,027,714	1,083,666
Stock-in-trade	12	9,621,651	8,005,452
Trade debts	13	1,021,954	797,382
Loans and advances	14	89,211	94,502
Trade deposits and prepayments	15	229,118	2,242,128
Accrued mark-up / interest		656,355	343,803
Other receivables		16,137	1,874
Short term investments	16	13,959,667	10,114,241
Bank balances	17	36,369,606	34,702,516
		62,991,413	57,385,564
		75,943,753	70,037,587
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	18	1,240,879	1,240,879
Reserves	19	27,526,690	21,539,063
		28,767,569	22,779,942
<b>LIABILITIES</b>			
<b>Non current liabilities</b>			
Lease liabilities	20	289,306	148,102
Staff retirement benefits	21	663,559	559,591
Deferred taxation	22	877,658	633,022
		1,830,523	1,340,715
<b>Current liabilities</b>			
Trade and other payables	23	43,151,951	44,545,823
Taxation - net		1,237,690	50,005
Unclaimed dividend		215,084	222,975
Dividend payable	24	682,949	1,044,510
Current portion of lease liabilities	20	57,987	53,617
		45,345,661	45,916,930
		47,176,184	47,257,645
<b>Contingencies and commitments</b>	26	75,943,753	70,037,587

The annexed notes 1 to 48 form an integral part of these financial statements.

  
Aamir H. Shirazi  
Chairman


  
Saquib H. Shirazi  
Chief Executive Officer

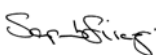
  
Daniyal Ahmed Rasheed  
Chief Financial Officer

# Statement of Profit or Loss and Other Comprehensive Income For the Year Ended March 31, 2024

	Note	2024 --- Rupees in '000 ---	2023
Sales	27	159,292,229	135,485,652
Cost of sales	28	(147,065,100)	(125,813,871)
<b>Gross profit</b>		<b>12,227,129</b>	<b>9,671,781</b>
Sales and marketing expenses	29	(3,651,933)	(3,032,096)
Administrative expenses	30	(1,073,333)	(860,548)
Other income	31	9,061,152	4,555,670
Other operating expenses	32	(735,293)	(2,156,059)
Share of net profit of an Associate		12,475	322
<b>Operating profit</b>		<b>15,840,197</b>	<b>8,179,070</b>
Finance costs	33	(102,099)	(76,027)
<b>Profit before taxation</b>		<b>15,738,098</b>	<b>8,103,043</b>
Income tax expense	34	(6,030,053)	(3,098,888)
<b>Profit for the year</b>		<b>9,708,045</b>	<b>5,004,155</b>
<b>Other comprehensive income / (loss):</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurements of staff retirement benefit obligation		3,571	(35,714)
Income tax relating to the re-measurements		(1,351)	10,149
<b>Other comprehensive income / (loss) for the year - net of tax</b>		<b>2,220</b>	<b>(25,565)</b>
<b>Total comprehensive income for the year</b>		<b>9,710,265</b>	<b>4,978,590</b>
		<b>----- Rupees -----</b>	
<b>Earnings per share - basic and diluted</b>	35	<b>78.24</b>	<b>40.33</b>

The annexed notes 1 to 48 form an integral part of these financial statements.

  
Aamir H. Shirazi  
Chairman


  
Saquib H. Shirazi  
Chief Executive Officer

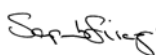
  
Daniyal Ahmed Rasheed  
Chief Financial Officer

# Statement of Changes in Equity For the Year Ended March 31, 2024

	Capital reserves			Revenue reserves		Total
	Share capital	Share premium	Gain on sale of land	General reserve	Unappropriated profit	
	----- Rupees in '000 -----					
Balance as at April 1, 2022	1,240,879	39,953	165	9,492,000	10,254,641	21,027,638
Transaction with owners in their capacity as owners						
Final dividend for the year ended March 31, 2022 at the rate of Rs.15 per share	-	-	-	-	(1,861,319)	(1,861,319)
Interim dividend for the half year ended September 30, 2022 at the rate of Rs.11 per share	-	-	-	-	(1,364,967)	(1,364,967)
Total comprehensive income for the year ended March 31, 2023						
Profit for the year	-	-	-	-	5,004,155	5,004,155
Other comprehensive loss	-	-	-	-	(25,565)	(25,565)
	-	-	-	-	4,978,590	4,978,590
Balance as at March 31, 2023	1,240,879	39,953	165	9,492,000	12,006,945	22,779,942
Transaction with owners in their capacity as owners						
Final dividend for the year ended March 31, 2023 at the rate of Rs.13 per share	-	-	-	-	(1,613,143)	(1,613,143)
Interim dividend for the half year ended September 30, 2023 at the rate of Rs.17 per share	-	-	-	-	(2,109,495)	(2,109,495)
Total comprehensive income for the year ended March 31, 2024						
Profit for the year	-	-	-	-	9,708,045	9,708,045
Other comprehensive income	-	-	-	-	2,220	2,220
	-	-	-	-	9,710,265	9,710,265
Balance as at March 31, 2024	1,240,879	39,953	165	9,492,000	17,994,572	28,767,569

The annexed notes 1 to 48 form an integral part of these financial statements.

  
Aamir H. Shirazi  
Chairman

  
Saquib H. Shirazi  
Chief Executive Officer

  
Daniyal Ahmed Rasheed  
Chief Financial Officer

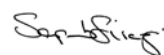
# Statement of Cash Flows


## For the Year Ended March 31, 2024

	Note	2024 --- Rupees in '000 ---	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	36	12,839,899	25,185,138
Mark-up / interest paid		-	(1,747)
Income taxes paid		(4,599,083)	(2,730,187)
Contribution made to gratuity funds		(61,911)	(43,927)
Compensated absences paid		(33,960)	(28,851)
Mark-up / interest received		655,089	651,779
Workers' profit participation fund paid		(271,661)	(424,050)
Workers' welfare fund paid		(135,782)	(130,944)
Long term loans and advances - net		(31,062)	(11,310)
Long term deposits - net		(10)	(27,585)
<b>Net cash generated from operating activities</b>		<b>8,361,519</b>	<b>22,438,316</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(1,852,316)	(3,327,421)
Proceeds from sale of property, plant and equipment		96,734	109,996
Payments for intangible assets		(4,942)	(19,250)
Payments for investments		(14,099,371)	(15,152,666)
Proceeds from sale of investments		11,000,000	14,168,714
Dividend received		2,365,844	1,402,524
<b>Net cash used in investing activities</b>		<b>(2,494,051)</b>	<b>(2,818,103)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Lease rentals paid		(108,288)	(68,862)
Long term borrowings - repaid		-	(187,500)
Dividend paid		(4,092,090)	(2,085,992)
<b>Net cash used in financing activities</b>		<b>(4,200,378)</b>	<b>(2,342,354)</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,667,090</b>	<b>17,277,859</b>
Cash and cash equivalents at beginning of the year		34,702,516	17,424,657
<b>Cash and cash equivalents at end of the year</b>	17	<b>36,369,606</b>	<b>34,702,516</b>

The annexed notes 1 to 48 form an integral part of these financial statements.

  
Aamir H. Shirazi  
Chairman

  
Saquib H. Shirazi  
Chief Executive Officer

  
Daniyal Ahmed Rasheed  
Chief Financial Officer

# Notes to the Financial Statements For the Year Ended March 31, 2024

## 1. LEGAL STATUS AND OPERATIONS

Atlas Honda Limited (the Company) was incorporated as a public limited company on October 16, 1962 under the Companies Act, 1913 (now the Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Limited. The registered office is located at 1-McLeod Road, Lahore. The Company is principally engaged in progressive manufacturing and marketing of motorcycles and spare parts.

The Company is a subsidiary of Shirazi Investments (Private) Limited, which holds 52.43% of issued, subscribed and paid-up capital of the Company as at March 31, 2024.

The geographical location and addresses of the Company's business units including plants are as follows:

<b>Business unit</b>	<b>Geographical location and address</b>
<b>Registered office</b>	1 - McLeod Road, Lahore
<b>Manufacturing plant</b>	
Karachi	F-36, Estate Avenue, S.I.T.E., Karachi
Sheikhupura	26-27 Km, Lahore-Sheikhupura Road, Sheikhupura
<b>Branch offices</b>	
Lahore	1st Floor, 28-Mozang Road, Lahore
Islamabad	Plot No. 784/785, Golra Road, Islamabad
Faisalabad	1st Floor, Meezan Executive Tower, Liaquat Road, Faisalabad
Multan	Azmat Wasti Road, Multan
Hyderabad	2nd Floor, Dawood Centre, Autobhan Road, Hyderabad
Rahimyar Khan	Makhdoom Altaf Road, West Sadiq Canal Bank, Near City School, Rahimyar Khan

## 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:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Act; and
- Provision of and directives issued under the Act.

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

### 2.2 Basis of measurement

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

### 2.3 Functional and presentation currency

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

## 2.4 Critical accounting estimates and judgements

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

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

- (i) Estimated useful life of property, plant and equipment and intangible assets [notes 4.1(a) and 4.2];
- (ii) Lease term and discount rate for calculation of lease liabilities [notes 4.1(b)];
- (iii) Provision for slow moving inventories [notes 4.8 and 4.9];
- (iv) Estimate of payables and receivables in respect of staff retirement benefit schemes [notes 4.12 and 23.6];
- (v) Estimate of provision for warranty [note 4.15]; and
- (vi) Estimation of current and deferred tax [note 4.16].

## 3. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

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

New and amended standards and interpretations mandatory for the first time for the financial year beginning April 1, 2023:

**(a) IAS 1 Disclosure of accounting policies**

**Effective date:  
January 1, 2023**

Amendments to IAS 1, 'Presentation of Financial Statements' includes requiring companies to disclose their material accounting policies rather than their significant accounting policies, clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed and also clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

**(b) IAS 8 Definition of accounting estimates**

**Effective date:  
January 1, 2023**

The International Accounting Standards Board (the Board) has issued these amendments to end diversity in treatment of accounting estimates and clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and – choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

**(b) IAS 12 Deferred tax**

**Effective date:  
January 1, 2023**

The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on April 1, 2023 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

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

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on April 1, 2023 and have not been early adopted by the Company:



(a) **IAS 1 Classification of liabilities as current or non current** **Effective date:**  
**January 1, 2024**

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period. This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. At October 31, 2022, after reconsidering certain aspects of the amendments, the IASB reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

(b) **IAS 8 Definition of accounting estimates** **Effective date:**  
**January 1, 2023**

The International Accounting Standards Board (the Board) has issued these amendments to end diversity in treatment of accounting estimates and clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and – choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

(c) **IAS 12 Deferred tax** **Effective date:**  
**January 1, 2024**

The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

(d) **IFRS 16 Sale and leaseback transaction** **Effective date:**  
**January 1, 2024**

Amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered.

(e) **IAS 21 Lack of exchangeability** **Effective date:**  
**January 1, 2025**

Amendments to IAS 21 'The effects of Changes in Foreign Exchange Rates' address situations where a currency may lack exchangeability, often due to government-imposed controls. In such cases, companies must estimate a spot exchange rate reflecting orderly transactions at the measurement date. The amendments provide flexibility, allowing the use of observable rates without adjustment or other estimation techniques, provided they meet the estimation objective. The assessment considers factors like the availability of multiple rates, purpose, nature, and update frequency. The amendments requires new disclosures, including the nature and financial impact of non-exchangeability, the spot exchange rate used, the estimation process, and associated risks.

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures. There are a number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Company and, therefore, have not been presented here.

#### 4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies set out below have been applied consistently to all years presented in these financial statements, unless otherwise stated.

##### 4.1 Property, plant and equipment

###### a) Owned assets

The Company has adopted cost model for its property, plant and equipment. Property, plant and equipment except for freehold land and capital work-in-progress are stated at cost less accumulated depreciation and impairment loss, if any. Freehold land is stated at cost less impairment loss, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset, including any borrowing cost (note 5.2). The cost of a self constructed asset includes cost of materials, labour and other overheads that are directly attributable to bringing the asset to a working condition for its intended use, costs of dismantling / removing the asset and restoring the site on which it is located. Items of property, plant and equipment individually costing Rs.25,000 or less are charged to the statement of profit or loss as and when purchased.

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

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

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

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

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

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

#### **b) Right of use assets and related liabilities**

The Company generally leases ware houses, show rooms and related properties. At the 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. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

Leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Company.

The lease liabilities are initially measured at the present value of the remaining lease payments 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. Generally, the Company uses its incremental borrowing rate as the discount rate. Lease payment includes fixed payments with annual increments. The lease liabilities are subsequently measured at amortised cost using the effective interest rate.

Right of use assets are initially measured based on the initial amount of the lease liabilities 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 assets are 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. The carrying amount of the right of use asset is reduced by impairment losses, if any. At transition, the Company recognised right of use assets equal to the present value of lease payments.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

## **4.2 Intangible assets**

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

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

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

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

#### 4.3 Impairment of non-financial assets

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

#### 4.4 Investments in equity instruments of an Associate

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

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

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

#### 4.5 Financial assets

The details of accounting policies after the application of IFRS 9 is as follows.

##### 4.5.1 Classification

The Company has classified its financial assets into following categories: financial assets at amortised cost, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. The financial assets are classified at initial recognition based on the business model used for managing the financial assets and contractual terms of the cash flows.

##### (a) Financial assets at amortised cost

A financial asset shall be classified as financial asset at amortised cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### (b) Financial assets at fair value through other comprehensive income

Debt instruments where contractual cash flows are solely payments of principal and interest and the objective of the Company is achieved by both collecting cash flows and selling the financial assets.

Equity investment that are not held for trading and the Company made an irrevocable election at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit or loss.

##### (c) Financial assets at fair value through profit or loss

All equity instruments are to be classified as financial assets at fair value through profit or loss, except for those equity instruments for which the Company has elected to present value changes in other comprehensive income.

A debt instrument can be classified as a financial asset at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different basis.

#### 4.5.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

After initial recognition, financial assets are measured at fair value or amortised cost.

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

Gains or losses arising from changes in fair value of the 'financial assets at fair value through other comprehensive income' category are recognised in other comprehensive income with only dividend income recognised in the statement of profit or loss.

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the statement of profit or loss. Impairment losses recognised in the statement of profit or loss on equity instruments are not reversed through the statement of profit or loss. Impairment testing of other receivables is described in note 4.10.

#### 4.6 Financial liabilities

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

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

#### 4.7 Off setting financial instruments

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

#### 4.8 Stores, spares and loose tools

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

#### 4.9 Stock-in-trade

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

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

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

#### 4.10 Trade debts and other receivables

Trade debts and other receivables are classified as financial assets at amortised cost.

Trade debts are initially recognised at original invoice amount which is the fair value of the consideration to be received in future and subsequently measured at cost less provision for doubtful debts. The Company uses simplified approach for measuring the expected credit losses for all trade and other receivables including contract assets based on lifetime expected credit losses. The Company has estimated the credit losses using a provision matrix where trade receivables are grouped based on different customer attributes along with historical, current and forward looking assumptions. Debts considered irrecoverable are written off.

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

#### 4.11 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents represent balances with banks and investment in term deposits, treasury bills and Pakistan investment bonds.

#### 4.12 Retirement and other service benefit obligations

##### 4.12.1 Defined contribution plans

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

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

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

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

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

##### 4.12.2 Defined benefit plans

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

The Company has established separate funded gratuity schemes for its management and non-management staff who completes qualifying period of service. Contributions under the schemes are made on the basis of actuarial valuation using Projected Unit Credit Method, related details of which are given in note 23.6 to the financial statements.

The amount arising as a result of re-measurements are recognised in the statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which they occur. Past-service cost are recognised immediately in the statement of profit or loss.

##### 4.12.3 Compensated absences

Employees' entitlement to annual leaves is recognised when they accrue to the employees. A provision, based on actuarial valuations, is made for the estimated liability for annual leaves as a result of services rendered by employees up to the reporting date. Current Service cost, actuarial gains or losses and past service cost are recognised immediately in the statement of profit or loss.

#### 4.13 Trade and other payables

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

#### 4.14 Provisions

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

#### 4.15 Warranty

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

#### 4.16 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of 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.

##### Current

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

##### Deferred

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

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

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

#### 4.17 Revenue recognition

The Company recognises revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those good and services. The Company recognises revenue in accordance with that core principle by applying the following steps:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when the entity satisfies a performance obligation

The Company manufactures and sells motorcycles and related spare parts. Revenue from sale of goods is recognised when the Company satisfies a performance obligation (at a point of time) by transferring promised goods to customer being when the goods are dispatched to customers. Revenue is measured at fair value of the consideration received or receivable and is reduced for allowances such as taxes, duties, commission, sales returns and discounts. Income from different sources other than above is recognised on the following basis:

- Interest income on deposits with banks and other financial assets is recognised on accrual basis.
- Dividend income is recognised when the right to receive payment is established.

### 5. SUMMARY OF OTHER ACCOUNTING POLICIES

#### 5.1 Share capital

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

## 5.2 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in 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 12 months after the reporting period.

## 5.3 Ijarah

Ijarah in which a significant portion of the risks and rewards of ownership are retained by the Muj'ir (lessor) are classified as operating Ijarah. Payments made during the year are charged to the statement of profit or loss on a straight-line basis over the period of the Ijarah in accordance with Islamic Financial Accounting Standard-2.

## 5.4 Foreign currency transactions and translation

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

## 5.5 Borrowing costs

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

## 5.6 Research and development costs

Research and development costs are recognised in the statement of profit or loss as and when incurred.

## 5.7 Earnings per share

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

## 5.8 Segment reporting

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

## 5.9 Dividend and appropriation to reserves

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

## 6. PROPERTY, PLANT AND EQUIPMENT

	Note	2024 --- Rupees in '000 ---	2023
Operating fixed assets	6.1	12,062,500	11,931,412
Capital work-in-progress	6.5	86,621	66,930
Right of use assets	6.6	296,597	160,423
		<u>12,445,718</u>	<u>12,158,765</u>

## 6.1 Operating fixed assets

	Freehold lands	Leasehold lands	Buildings on freehold land	Buildings on leasehold land	Plant and machinery	Dies and jigs	Factory equipment	Office equipment	Computers and accessories	Furniture and fixtures	Electric and gas fittings	Vehicles	Total
	----- Rupees in '000 -----												
At April 1, 2022													
Cost	1,408,917	34,132	1,959,952	446,863	10,994,999	1,836,887	676,788	81,760	315,768	125,956	722,077	740,032	19,344,131
Accumulated depreciation	-	(14,118)	(893,885)	(218,072)	(5,590,638)	(1,407,658)	(319,295)	(67,183)	(230,628)	(116,490)	(361,018)	(303,700)	(9,522,685)
Net book amount	<u>1,408,917</u>	<u>20,014</u>	<u>1,066,067</u>	<u>228,791</u>	<u>5,404,361</u>	<u>429,229</u>	<u>357,493</u>	<u>14,577</u>	<u>85,140</u>	<u>9,466</u>	<u>361,059</u>	<u>436,332</u>	<u>9,821,446</u>
Year ended March 31, 2023													
Opening net book amount	1,408,917	20,014	1,066,067	228,791	5,404,361	429,229	357,493	14,577	85,140	9,466	361,059	436,332	9,821,446
Additions	-	-	284,646	173,411	1,778,907	374,123	193,354	2,032	92,565	11,883	362,808	277,791	3,551,520
Disposals													
Cost	-	-	-	-	(173,594)	(163,282)	(3,568)	-	(13,271)	-	(1,021)	(185,016)	(539,752)
Accumulated depreciation	-	-	-	-	153,702	140,806	2,295	-	11,321	-	960	86,392	395,476
Depreciation charge	-	(513)	(125,795)	(27,562)	(641,448)	(250,499)	(45,238)	(6,938)	(43,119)	(5,887)	(43,583)	(106,696)	(1,297,278)
Closing net book amount	<u>1,408,917</u>	<u>19,501</u>	<u>1,224,918</u>	<u>374,640</u>	<u>6,521,928</u>	<u>530,377</u>	<u>504,336</u>	<u>9,671</u>	<u>132,636</u>	<u>15,462</u>	<u>680,223</u>	<u>508,803</u>	<u>11,931,412</u>
At March 31, 2023													
Cost	1,408,917	34,132	2,244,598	620,274	12,600,312	2,047,728	866,574	83,792	395,062	137,839	1,083,864	832,807	22,355,899
Accumulated depreciation	-	(14,631)	(1,019,680)	(245,634)	(6,078,384)	(1,517,351)	(362,238)	(74,121)	(262,426)	(122,377)	(403,641)	(324,004)	(10,424,487)
Net book amount	<u>1,408,917</u>	<u>19,501</u>	<u>1,224,918</u>	<u>374,640</u>	<u>6,521,928</u>	<u>530,377</u>	<u>504,336</u>	<u>9,671</u>	<u>132,636</u>	<u>15,462</u>	<u>680,223</u>	<u>508,803</u>	<u>11,931,412</u>
Year ended March 31, 2024													
Opening net book amount	1,408,917	19,501	1,224,918	374,640	6,521,928	530,377	504,336	9,671	132,636	15,462	680,223	508,803	11,931,412
Additions	-	-	-	51,533	712,525	632,374	54,326	3,398	47,791	2,580	5,481	322,617	1,832,625
Disposals (note 6.4)													
Cost	-	-	(17,087)	-	(233,867)	(215,588)	(51,010)	-	(2,403)	(1,550)	(17,178)	(147,534)	(686,217)
Accumulated depreciation	-	-	15,108	-	124,347	158,566	39,676	-	957	1,550	15,123	69,738	425,065
Depreciation charge (note 6.3)	-	(513)	(122,474)	(40,777)	(691,248)	(259,221)	(53,302)	(4,023)	(55,948)	(5,179)	(68,320)	(139,380)	(1,440,385)
Closing net book amount	<u>1,408,917</u>	<u>18,988</u>	<u>1,100,465</u>	<u>385,396</u>	<u>6,433,685</u>	<u>846,508</u>	<u>494,026</u>	<u>9,046</u>	<u>123,033</u>	<u>12,863</u>	<u>615,329</u>	<u>614,244</u>	<u>12,062,500</u>
At March 31, 2024													
Cost	1,408,917	34,132	2,227,511	671,807	13,078,970	2,464,514	869,890	87,190	440,450	138,869	1,072,167	1,007,890	23,502,307
Accumulated depreciation	-	(15,144)	(1,127,046)	(286,411)	(6,645,285)	(1,618,006)	(375,864)	(78,144)	(317,417)	(126,006)	(456,838)	(393,646)	(11,439,807)
Net book amount	<u>1,408,917</u>	<u>18,988</u>	<u>1,100,465</u>	<u>385,396</u>	<u>6,433,685</u>	<u>846,508</u>	<u>494,026</u>	<u>9,046</u>	<u>123,033</u>	<u>12,863</u>	<u>615,329</u>	<u>614,244</u>	<u>12,062,500</u>
Annual rate of depreciation (%)		1.79	10	10	10	25	10	20	25	20	10	20	

6.2 Free hold lands of the Company are located at Sheikhpura with an area of 528,224 square yards and leasehold lands of the Company are located at Karachi with an area of 27,543 square yards.

6.3 Depreciation charge has been allocated as follows:

	Note	2024 --- Rupees in '000 ---	2023
Cost of sales	28.1	1,239,223	1,139,473
Sales and marketing expenses	29	90,283	69,057
Administrative expenses	30	110,879	88,748
		<u>1,440,385</u>	<u>1,297,278</u>



6.4 Details of operating fixed assets disposed-off during the year:

Description	Cost	Accumulated depreciation	Net book amount	Sale proceeds	Loss	Method of disposal	Sold to:
----- Rupees in '000 -----							
Assets with individual net book amount exceeding Rs.500,000 each							
Plant and machinery							
30,813	(5,157)	25,656	3,702	(21,954)		Scrap	Munsha & Sons, 27 KM Sheikhpura Road, Roshan Canal Garden, Near Khanpur Canal, Lahore
29,218	(3,551)	25,667	4,084	(21,583)			
20,829	(14,942)	5,887	114	(5,773)			
15,896	(13,648)	2,248	112	(2,136)			
10,807	(1,809)	8,998	1,331	(7,667)			
9,977	(1,213)	8,764	1,767	(6,997)			
8,931	(1,934)	6,997	63	(6,934)			
7,613	(6,653)	960	54	(906)			
7,310	(6,238)	1,072	51	(1,021)			
7,128	(3,401)	3,727	50	(3,677)			
4,848	(1,665)	3,183	34	(3,149)			
4,430	(3,188)	1,242	31	(1,211)			
4,430	(3,188)	1,242	31	(1,211)			
3,990	(2,257)	1,733	28	(1,705)			
3,477	(2,440)	1,037	24	(1,013)			
3,236	(2,570)	666	23	(643)			
3,163	(2,220)	943	22	(921)			
2,927	(2,107)	820	21	(799)			
2,190	(1,391)	799	15	(784)			
1,105	(513)	592	8	(584)			
6,829	(6,233)	596	69	(527)			
3,088	(2,544)	544	31	(513)			
7,351	(6,831)	520	74	(446)			
5,846	(5,336)	510	59	(451)			
182,318	(80,085)	102,233	11,565	(90,668)			
Dies and Jigs							
25,141	(18,882)	6,259	-	(6,259)		Scrap	Munsha & Sons, 27KM Sheikhpura Road, Roshan Canal Garden, Near Khanpur Canal, Lahore
10,695	(7,375)	3,320	25	(3,295)			
7,642	(4,935)	2,707	-	(2,707)			
6,115	(3,057)	3,058	-	(3,058)			
5,254	(3,831)	1,423	-	(1,423)			
4,953	(3,096)	1,857	2	(1,855)			
4,122	(2,233)	1,889	-	(1,889)			
4,122	(2,233)	1,889	-	(1,889)			
4,122	(2,319)	1,803	29	(1,774)			
4,122	(2,319)	1,803	29	(1,774)			
3,696	(2,233)	1,463	26	(1,437)			
3,696	(2,233)	1,463	26	(1,437)			
3,569	(2,231)	1,338	25	(1,313)			
3,509	(2,632)	877	25	(852)			
3,456	(2,016)	1,440	24	(1,416)			
3,419	(2,066)	1,353	-	(1,353)			
3,394	(2,262)	1,132	-	(1,132)			
3,394	(2,262)	1,132	-	(1,132)			
3,366	(2,244)	1,122	-	(1,122)			
3,344	(2,438)	906	-	(906)			
3,344	(2,438)	906	-	(906)			
3,300	(2,338)	962	23	(939)			
3,300	(2,406)	894	-	(894)			
3,300	(2,475)	825	-	(825)			
3,250	(2,234)	1,016	-	(1,016)			
3,135	(2,155)	980	-	(980)			
3,100	(2,583)	517	-	(517)			
3,097	(2,322)	775	-	(775)			
2,964	(2,346)	618	-	(618)			
2,938	(2,387)	551	-	(551)			
2,850	(1,603)	1,247	20	(1,227)			
2,800	(2,042)	758	-	(758)			
2,475	(1,908)	567	17	(550)			
1,886	(1,139)	747	13	(734)			
1,796	(973)	823	13	(810)			
1,788	(1,155)	633	-	(633)			
1,587	(992)	595	11	(584)			
158,041	(106,393)	51,648	308	(51,340)			

Description	Cost	Accumulated depreciation	Net book amount	Sale proceeds	Gain / (loss)	Method of disposal	Sold to:
----- Rupees in '000 -----							
Factory Equipment	3,200	(780)	2,420	22	(2,398)	Negotiation	Munsha & Sons, 27KM Sheikhpura Road, Roshan Canal Garden, Near Khanpur Canal, Lahore
	2,783	(1,315)	1,468	20	(1,448)		
	1,850	(775)	1,075	13	(1,062)		
	1,712	(809)	903	12	(891)		
	1,541	(933)	608	11	(597)		
	11,086	(4,612)	6,474	78	(6,396)		
Vehicles	3,002	(2,048)	954	3,500	2,546	Negotiation	E-Waste Solutions, Bukhari Road Street no.3, Muhalla Khokhar Town, Sheikhpura
	2,592	(1,210)	1,382	1,382	-	Company Policy	Atlas Autos (Private) Limited, a related party
	6,628	(961)	5,667	5,667	-	Company Policy	Atlas Autos (Private) Limited, a related party
	3,632	(1,148)	2,484	2,484	-	Company Policy	Atlas Battery Limited, a related party
	1,105	(91)	1,014	1,014	-	Company Policy	<b>Employees of the Company</b> Mr. Muhammad Tahir Khan (Key Management Personnel)
	3,360	(2,002)	1,358	1,358	-	Company Policy	Mr. Mujahid Ul Mulk (Key Management Personnel)
	3,167	(1,865)	1,302	1,302	-	Company Policy	Mr. Hassan Mushtaq Cheema (Key Management Personnel)
	3,360	(2,025)	1,335	1,335	-	Company Policy	Mr. Muhammad Zafar Iqbal (Key Management Personnel)
	2,944	(1,487)	1,457	1,457	-	Company Policy	Mr. Tahir Nazir (Key Management Personnel)
	951	(254)	697	697	-	Company Policy	Mr. Faisal Mahmood (Key Management Personnel)
	2,507	(1,413)	1,094	1,094	-	Company Policy	Ms. Sara Ahmed
	2,507	(1,413)	1,094	1,094	-	Company Policy	Mr. Masood Shiraz
	2,507	(1,390)	1,117	1,117	-	Company Policy	Mr. Asad Talib
	1,308	(714)	594	594	-	Company Policy	Mr. Hamayoon Khan
	1,398	(661)	737	737	-	Company Policy	Mr. Owais Ali
	1,398	(660)	738	738	-	Company Policy	Mr. Rizwan Baig
	1,398	(660)	738	738	-	Company Policy	Mr. Saqib Ahmed
	1,398	(608)	790	790	-	Company Policy	Mr. Noman Siddiqui
	1,398	(674)	724	724	-	Company Policy	Mr. Muhammad Saqib
	1,780	(840)	940	940	-	Company Policy	Mr. Imran Talpur
	1,780	(840)	940	940	-	Company Policy	Mr. Bilal Ahmed
	1,730	(609)	1,121	1,121	-	Company Policy	Mr. Waseem Ahmed Siddiqui
	1,395	(426)	969	969	-	Company Policy	Mr. Syed Muddassir Raza Naqvi
	1,733	(196)	1,537	1,537	-	Company Policy	Mr. Muhammad Saad Alam
	1,308	(714)	594	594	-	Company Policy	Mr. Maaz Ahmed Siddiqui
	1,335	(405)	930	930	-	Company Policy	Mr. Zahid Ghafoor
	1,476	(897)	579	579	-	Company Policy	Mr. Aziz Ullah Soomroo
	1,780	(874)	906	906	-	Company Policy	Mr. Naeem uddin
	2,467	(1,463)	1,004	1,004	-	Company Policy	Mr. Moazzam Ali Gondal
	1,483	(869)	614	614	-	Company Policy	Mr. Asif Ikram Ghauri
	1,483	(880)	603	603	-	Company Policy	Mr. Talal Ahmed
	3,220	(1,734)	1,486	1,486	-	Company Policy	Mr. Wajahat
	1,375	(741)	634	634	-	Company Policy	Mr. Aqeel Sheraz
	1,780	(805)	975	975	-	Company Policy	Mr. Fahad Mazhar Ali
	1,308	(735)	573	573	-	Company Policy	Mr. Romais Fisa
	3,167	(1,909)	1,258	1,258	-	Company Policy	Mr. Saeed Anwer
	2,467	(1,390)	1,077	1,077	-	Company Policy	Mr. Munawwar Badshah
	1,483	(858)	625	625	-	Company Policy	Mr. Muhammad Irfan
	1,155	(590)	565	565	-	Company Policy	Mr. Muhammad Hammad Numair
	1,155	(579)	576	576	-	Company Policy	Mr. Muhammad Ahmed
	1,780	(874)	906	906	-	Company Policy	Mr. Fahad Tanvir
	2,330	(350)	1,980	1,980	-	Company Policy	Mr. Umer Irfan
	603	(30)	573	573	-	Company Policy	Mr. Nauman Shakir

Description	Cost	Accumulated depreciation	Net book amount	Sale proceeds	Gain / (loss)	Method of disposal	Sold to:
----- Rupees in '000 -----							
	2,479	(248)	2,231	2,231	-	Company Policy	Mr. Shaheer Ahmed Zaidi
	3,167	(1,842)	1,325	1,325	-	Company Policy	Mr. Ghulam Jelani
	2,467	(1,372)	1,095	1,095	-	Company Policy	Mr. Rameez Baig
	1,483	(825)	658	658	-	Company Policy	Mr. Muhammad Kaleem Abbasi
	2,330	(482)	1,848	1,848	-	Company Policy	Mr. Ali Zia
	6,300	(1,292)	5,008	5,008	-	Company Policy	Mr. Zahid Saleem
	2,612	(131)	2,481	2,481	-	Company Policy	Mr. Syed Taqi Hassan
	108,971	(47,084)	61,887	64,433	2,546		
	460,416	(238,174)	222,242	76,384	(145,858)		
<b>Various assets having net book amount upto Rs. 500,000 each</b>	225,801	(186,891)	38,910	20,350	(18,560)		
<b>Year Ended: March 31, 2024</b>	686,217	(425,065)	261,152	96,734	(164,418)		
Year Ended: March 31, 2023	539,752	(395,476)	144,276	109,996	(34,280)		

## 6.5 Capital work-in-progress

	Note	2024 --- Rupees in '000 ---	2023
Civil works		-	536
Plant and machinery		58,187	6,381
Dies and jigs		27,779	37,941
Factory equipment		655	4,283
Computers and accessories		-	5,199
Vehicles		-	12,590
		86,621	66,930

### 6.5.1 Movement in capital work-in-progress

Balance at beginning of the year	66,930	291,029
Additions during the year	1,852,316	3,327,421
Transferred to operating fixed assets	(1,832,625)	(3,551,520)
Balance at end of the year	86,621	66,930

## 6.6 Right of use assets

Balance at beginning of the year	160,423	139,010
Additions during the year	202,045	71,529
Less: depreciation charged during the year	6.6.1 65,871	50,116
Net book value at end of the year	296,597	160,423

### 6.6.1 Depreciation charge relating to right of use assets has been allocated as follows:

Sales and marketing expenses	29	57,485	41,730
Administrative expenses	30	8,386	8,386
		65,871	50,116

## 7. INTANGIBLE ASSETS

At April 1, 2022

Cost  
Accumulated amortisation  
Net book amount

Year ended March 31, 2023

Opening net book amount  
Additions  
Amortisation charge  
Closing net book amount

At March 31, 2023

Cost  
Accumulated amortisation  
Net book amount

Year ended March 31, 2024

Opening net book amount  
Additions  
Amortisation charge (note 28.1)  
Closing net book amount

At March 31, 2024

Cost  
Accumulated amortisation  
Net book amount

Annual rate of amortisation (%)

	SAP			
	Software licenses	implemen- tation and support cost	License fee	Total
----- Rupees in '000 -----				
At April 1, 2022				
Cost	94,104	38,041	196,386	328,531
Accumulated amortisation	(87,277)	(38,041)	(146,958)	(272,276)
Net book amount	6,827	-	49,428	56,255
Year ended March 31, 2023				
Opening net book amount	6,827	-	49,428	56,255
Additions	19,250	-	-	19,250
Amortisation charge	(11,567)	-	(28,627)	(40,194)
Closing net book amount	14,510	-	20,801	35,311
At March 31, 2023				
Cost	113,354	38,041	196,386	347,781
Accumulated amortisation	(98,844)	(38,041)	(175,585)	(312,470)
Net book amount	14,510	-	20,801	35,311
Year ended March 31, 2024				
Opening net book amount	14,510	-	20,801	35,311
Additions	4,942	-	-	4,942
Amortisation charge (note 28.1)	(11,626)	-	(20,801)	(32,427)
Closing net book amount	7,826	-	-	7,826
At March 31, 2024				
Cost	118,296	38,041	196,386	352,723
Accumulated amortisation	(110,470)	(38,041)	(196,386)	(344,897)
Net book amount	7,826	-	-	7,826
Annual rate of amortisation (%)	50	20	20	

## 8. LONG TERM INVESTMENTS

### Unquoted

Associate - equity accounted investment  
Others - available for sale

	Note	2024	2023
--- Rupees in '000 ---			
Associate - equity accounted investment	8.1	350,593	340,816
Others - available for sale	8.2	-	-
		350,593	340,816

### 8.1 Equity accounted investment - Atlas Hitec (Private) Limited

Balance at beginning of the year  
Share of profit for the year - net of tax  
Dividend received during the year  
Balance at end of the year

Balance at beginning of the year	340,816	343,534
Share of profit for the year - net of tax	12,475	322
Dividend received during the year	(2,698)	(3,040)
Balance at end of the year	350,593	340,816

8.1.1 Investment in Atlas Hitec (Private) Limited (AHPL) represents 19,000,000 fully paid ordinary shares of Rs.10 each representing 29.23% (2023: 29.23%) of its issued, subscribed and paid-up capital as at March 31, 2024. AHPL was incorporated in Pakistan as a private limited company on September 13, 2012 and its principal activity is to manufacture and sale any kind of automobile parts and allied products.

8.1.2 The summary of financial information / reconciliation of AHPL as of March 31, 2024 is as follows:

	2024	2023
	--- Rupees in '000 ---	
<b>Summarised Statement of Financial Position</b>		
Non current assets	590,100	637,600
Current assets	1,219,302	1,445,902
	<u>1,809,402</u>	<u>2,083,502</u>
Non - current liabilities	23,700	39,700
Current liabilities	601,600	893,150
	<u>625,300</u>	<u>932,850</u>
<b>Net assets</b>	<u>1,184,102</u>	<u>1,150,652</u>
<b>Reconciliation of carrying amount</b>		
Opening net assets	1,150,652	1,159,952
Profit for the year	39,997	28,930
Other adjustments	2,683	(27,830)
Dividend paid during the year	(9,230)	(10,400)
Closing net assets	<u>1,184,102</u>	<u>1,150,652</u>
Company's share %	29.23%	29.23%
Company's share	346,122	336,345
Goodwill	4,471	4,471
Carrying amount of investment	<u>350,593</u>	<u>340,816</u>
<b>Summarised Statement of profit or loss</b>		
Revenue	3,771,600	3,689,700
Profit before tax	<u>92,500</u>	<u>75,000</u>
Profit after tax	<u>39,997</u>	<u>28,930</u>

8.1.3 The financial information of AHPL is based on unaudited financial statements for the year ended March 31, 2024.

8.2 **Others** - available for sale

	Note	2024	2023
		--- Rupees in '000 ---	
<b>Arabian Sea Country Club Limited</b>			
200,000 ordinary shares of Rs.10 each - cost		2,000	2,000
Less: Impairment in the value of investment		-	2,000
Less: investment written off during the year		<u>2,000</u>	<u>-</u>
		-	-
<b>Automotive Testing &amp; Training Centre (Private) Limited</b>			
50,000 ordinary shares of Rs.10 each - cost		500	500
Less: Impairment in the value of investment		500	500
Less: investment written off during the year		<u>-</u>	<u>-</u>
		-	-
		<u>-</u>	<u>-</u>

## 9. LONG TERM LOANS AND ADVANCES

### Considered good

Loans and advances to:

Related parties - Key Management Personnel  
Other employees

	5,141	2,193
	190,162	137,818
9.1	<u>195,303</u>	<u>140,011</u>

Less: amounts due within twelve months and shown under current assets:

Related parties - Key Management Personnel  
Other employees

	3,890	2,193
	84,882	62,349
14	<u>88,772</u>	<u>64,542</u>
	<u>106,531</u>	<u>75,469</u>

- 9.1 These represent interest free loans and advances provided to employees as per the terms of employment. Loans aggregating Rs.149,533 thousand (2023: Rs.104,045 thousand) are provided for purchase of motorcycles and are repayable in forty eight equal monthly instalments for management staff and forty equal monthly instalments for non-management staff. These loans are secured against respective motorcycles and employees' vested retirement benefits. Advances are unsecured and are repayable in twenty four equal monthly instalments.
- 9.2 The maximum amount of loans and advances to the key management personnel outstanding at the end of any month during the year ended March 31, 2024 was Rs. 14,934 thousand (2023: Rs.8,686 thousand).
- 9.3 The carrying values of these loans and advances are neither past due nor impaired. The credit quality of these financial assets can be assessed with reference to negligible defaults in recent history.
10. Includes deposit of Rs.28,000 thousand (2023: Rs.28,000 thousand) to Atlas Energy Limited, a related party.

## 11. STORES, SPARES AND LOOSE TOOLS

	Note	2024 --- Rupees in '000 ---	2023
Consumable stores			
- in hand		230,462	284,443
- held with vendors / in transit		12,301	4,001
Maintenance spares		536,669	504,342
Loose tools		397,699	403,479
		<u>1,177,131</u>	<u>1,196,265</u>
<b>Provision for slow moving inventories</b>	12.2	<u>(149,417)</u>	<u>(112,599)</u>
		<u>1,027,714</u>	<u>1,083,666</u>

## 12. STOCK-IN-TRADE

### Raw materials and components

- in hand		4,608,909	5,413,264
- held with vendors	12.1	458,889	801,377
		<u>5,067,798</u>	<u>6,214,641</u>

### Finished goods

- motorcycles		1,308,437	408,729
- spare parts		1,684,641	1,321,455
		<u>2,993,078</u>	<u>1,730,184</u>

### Items in transit

		1,661,639	144,286
		<u>9,722,515</u>	<u>8,089,111</u>
<b>Provision for slow moving inventories</b>	12.2	<u>(100,864)</u>	<u>(83,659)</u>
		<u>9,621,651</u>	<u>8,005,452</u>

- 12.1 Includes raw materials and consumables amounting Rs.Nil (2023: Rs.235,835 thousand) held with Atlas Autos (Private) Limited (a related party), Rs.Nil (2023: Rs.848 thousand) held with Atlas Engineering (Private) Limited (a related party) and Rs.Nil (2023: Rs.20,598 thousand) held with Atlas Hitec (Private) Limited (a related party) for further processing into parts to be supplied to the Company.

## 12.2 Movement of provision for slow moving inventories

	Stores, spares & loose tools		Stock-in-trade	
	2024	2023	2024	2023
	----- Rupees in '000 -----			
Balance at beginning of the year	112,599	104,096	83,659	78,145
Provision made during the year	47,830	34,364	63,833	16,545
Provision reversed due to disposal during the year	(11,012)	(25,861)	(46,628)	(11,031)
Balance at end of the year	149,417	112,599	100,864	83,659

12.3 Stock-in-trade and trade debts upto a maximum amount of Rs.15,193,445 thousand (2023: Rs.11,081,334 thousand) are under hypothecation of commercial banks as security for short term finance facilities (note 25).

## 13. TRADE DEBTS

	Note	2024 --- Rupees in '000 ---	2023
<b>Considered good</b>			
Export - secured	13.1	383	453
Local - unsecured		1,021,571	796,929
		1,021,954	797,382
<b>Considered doubtful</b>		4,220	3,891
Expected credit loss allowance		1,026,174	801,273
		(4,220)	(3,891)
		1,021,954	797,382

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

13.2 The maximum aggregate amount of trade receivable from related parties at the end of any month during the year was Rs.846,105 thousand (2023: Rs.593,330 thousand).

13.3 At March 31, 2024, trade debts aggregating to Rs.66,053 thousand (2023: Rs.47,185 thousand) were past due but not impaired. These relate to various customers for which there is no recent history of default. The ageing analysis of these trade debts is as follows:

	Note	2024 --- Rupees in '000 ---	2023
Past due within 30 days		64,910	44,985
Past due beyond 30 days		1,143	2,200
		66,053	47,185

## 14. LOANS AND ADVANCES

### Considered good

Current portion of long term loans and advances to key management personnel and other employees	9	88,772	64,542
Loans to employees	14.1	439	546
Advances to suppliers, contractors and others		-	29,414
		89,211	94,502

14.1 These represent interest free welfare and festival loans provided to employees in accordance with Company's policy and have maturities upto ten months.

14.2 The carrying values of loans and advances are neither past due nor impaired. The credit quality of these financial assets can be assessed with reference to negligible defaults in recent history.

## 15. TRADE DEPOSITS AND PREPAYMENTS

	Note	2024 --- Rupees in '000 ---	2023
Trade deposits - unsecured and considered good		18,619	15,890
Prepayments	15.1	188,108	124,531
Margin against letters of credit		22,391	2,101,707
		<u>229,118</u>	<u>2,242,128</u>

15.1 Includes prepayments of Rs.99,074 thousand (2023: Rs.82,759 thousand), Rs.8,615 thousand (2023: Rs.15,404 thousand) and Rs.268 thousand (2023: Rs.244 thousand) to Atlas Insurance Limited, Shirazi Investments (Private) Limited and Atlas Foundation, related parties respectively.

## 16. SHORT TERM INVESTMENTS

At fair value through profit or loss

2024 --- Number of units ---	2023	Related parties	Note	2024 --- Rupees in '000 ---	2023
3,082,890	8,657,236	Atlas Money Market Fund		1,576,477	4,430,639
330,967	330,967	Atlas Islamic Stock Fund		262,147	157,977
6,461,413	4,950,278	Atlas Income Fund		3,941,659	2,852,839
37,630,804	-	Atlas Sovereign Fund		4,445,218	-
509,846	474,642	Atlas Islamic Capital Preservation Plan II		330,797	250,062
3,382,145	3,649,647	Atlas Liquid Fund		1,691,073	1,824,824
		<b>Others</b>		<u>12,247,371</u>	<u>9,516,341</u>
3,253,541	1,114,731	Lakson Money Market Fund		337,409	114,892
2,083,429	-	UBL Government Securities Fund		254,653	-
				<u>12,839,433</u>	<u>9,631,233</u>
		At amortised cost - Treasury bills	16.1	1,120,234	483,008
				<u>13,959,667</u>	<u>10,114,241</u>

16.1 These have maturity upto 364 days (2023: 182 days) from respective date of acquisition and carries markup ranging from 20.6% to 22.96% (2023: 20.97% per annum).

## 17. BANK BALANCES

	Note	2024 --- Rupees in '000 ---	2023
Cash at banks in:			
- current accounts	17.1	1,466,056	1,700,997
- saving deposit accounts	17.2	2,276,313	2,129,436
- term deposit receipts	17.3	9,026,204	3,500,000
- treasury bills and Pakistan investment bonds	17.4	23,601,033	27,372,083
		<u>36,369,606</u>	<u>34,702,516</u>

17.1 Includes foreign currency accounts amounting to US\$ 2,351 thousand (2023: US \$ 1,204 thousand) and AED 797 thousand (2023: Nil).

17.2 Saving deposit accounts carry mark-up upto 20.51% (2023: 18.51%) per annum.

17.3 Term deposit receipt (TDR) have maturity upto 7 days (2023: 6 days) from respective date of acquisition and carries mark-up ranging from 21% to 23.5% (2023: 20.5%) per annum. Also include term deposit receipts valuing AED 346 thousand have maturity of 91 days from date of acquisition and carry mark-up at 4.8% per annum.



17.4 These have maturity of 3 to 182 days (2023: 7 to 182 days) from respective date of acquisition and carry mark-up at the rates ranging from 21.21% to 22.39% (2023: 15.68% to 21.06%) per annum.

## 18. SHARE CAPITAL

### 18.1 Authorised capital

2024	2023		2024	2023
--- Number of shares ---			--- Rupees in '000 ---	
150,000,000	150,000,000	Ordinary shares of Rs.10 each	1,500,000	1,500,000

### 18.2 Issued, subscribed and paid-up capital

2024	2023		2024	2023
--- Number of shares ---			--- Rupees in '000 ---	
6,352,748	6,352,748	Ordinary shares of Rs.10 each fully paid in cash	63,528	63,528
117,475,887	117,475,887	Ordinary shares of Rs.10 each issued as fully paid bonus shares	1,174,758	1,174,758
259,300	259,300	Ordinary shares of Rs.10 each issued as fully paid for consideration other than cash	2,593	2,593
124,087,935	124,087,935		1,240,879	1,240,879

### 18.3 Ordinary shares of the Company held by the holding company / associated companies as at March 31,

	2024	2023
	-- Number of shares --	
Shirazi Investments (Private) Limited	65,064,831	65,064,831
Honda Motor Company Limited, Japan	43,430,778	43,430,778
Atlas Insurance Limited	3,518,073	3,518,073
Atlas Foundation	1	1
	112,013,683	112,013,683

18.4 The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All shares rank equally with regard to Company's residual assets.

## 19. RESERVES

	2024	2023
	--- Rupees in '000 ---	
<b>Capital reserves</b>		
Share premium	39,953	39,953
Gain on sale of land	165	165
	40,118	40,118
<b>Revenue reserves</b>		
General reserve	9,492,000	9,492,000
Unappropriated profit	17,994,572	12,006,945
	27,486,572	21,498,945
	27,526,690	21,539,063

## 20. LEASE LIABILITIES

Balance at beginning of the year	201,719	175,007
Recognised during the year	202,045	71,529
Interest accrued	51,817	24,045
Repaid / adjusted during the year	(108,288)	(68,862)
	347,293	201,719
Current portion grouped under current liabilities	(57,987)	(53,617)
Balance at end of the year	289,306	148,102

- 20.1 These represents lease contracts for regional sales offices, warehouse and registered office used in its operations and had estimated lease terms between 3 to 10 years. These are discounted using incremental borrowing rate of the Company. These includes Rs.55,043 thousand (2023: Rs.77,120 thousand) due to Atlas Foundation and Rs 198,929 thousand (2023: Rs.Nil) due to Shirazi Investments Private Limited, a related party.

The future minimum lease payments to which the Company is committed under the agreements will be due as follows:

Particulars	Upto one year	From one to five years	Total 2024	Upto one year	From one to five years	Over five years	Total 2023
----- Rupees in '000 -----							
Minimum lease payments	114,688	288,669	284,129	687,486	73,992	171,018	245,010
Finance cost allocated to future periods	(56,701)	(190,603)	(92,889)	(340,193)	(20,375)	(22,916)	(43,291)
Present value of minimum lease payments	57,987	98,066	191,240	347,293	53,617	148,102	201,719

## 21. STAFF RETIREMENT BENEFITS

	Note	2024 --- Rupees in '000 ---	2023
Compensated absences	21.1	556,125	441,500
Provision for gratuity	23.6	107,434	118,091
		<u>663,559</u>	<u>559,591</u>

### 21.1 Compensated absences

Balance at beginning of the year		441,500	397,147
Provision for the year		148,585	73,204
		<u>590,085</u>	<u>470,351</u>
Encashed during the year		(33,960)	(28,851)
Balance at end of the year	21.1.1	<u>556,125</u>	<u>441,500</u>

- 21.1.1 Includes liability in respect of key management personnel aggregating to Rs.58,623 thousand (2023: Rs.32,442 thousand).

## 22. DEFERRED TAXATION - Net

	2024 --- Rupees in '000 ---	2023
The liability for deferred taxation comprises temporary differences relating to:		
Accelerated tax depreciation and long term investment	1,540,259	1,063,793
Provision for slow moving inventories & doubtful debts	(96,291)	(56,879)
Compensated absences	(210,410)	(125,466)
Warranty obligations and infrastructure cess	(266,354)	(147,203)
Staff retirement benefit - gratuity	(70,365)	(51,153)
Lease liabilities - net	(19,181)	(11,736)
Minimum tax recoupable	-	(38,334)
	<u>877,658</u>	<u>633,022</u>

## 22.1 Movement in deferred taxation

	Accelerated tax depreciation and investments	Provision for slow moving inventories and doubtful debts	Compensated absences	Warranty obligations and infrastructure cess	Staff retirement benefit - gratuity	Lease liabilities - net	Minimum tax recoupable	Total
----- Rupees in '000 -----								
At April 1, 2022	880,515	(53,018)	(113,293)	(22,524)	(37,551)	(10,269)	(110,838)	533,022
Charged / (credited) to:								
Statement of profit or loss	183,278	(3,861)	(12,173)	(124,679)	(3,453)	(1,467)	72,504	110,149
Other comprehensive loss	-	-	-	-	(10,149)	-	-	(10,149)
	183,278	(3,861)	(12,173)	(124,679)	(13,602)	(1,467)	72,504	100,000
At March 31, 2023	1,063,793	(56,879)	(125,466)	(147,203)	(51,153)	(11,736)	(38,334)	633,022
Charged / (credited) to:								
Statement of profit or loss	476,466	(39,412)	(84,944)	(119,151)	(20,563)	(7,445)	38,334	243,285
Other comprehensive income	-	-	-	-	1,351	-	-	1,351
	476,466	(39,412)	(84,944)	(119,151)	(19,212)	(7,445)	38,334	244,636
<b>At March 31, 2024</b>	<b>1,540,259</b>	<b>(96,291)</b>	<b>(210,410)</b>	<b>(266,354)</b>	<b>(70,365)</b>	<b>(19,181)</b>	<b>-</b>	<b>877,658</b>

## 23. TRADE AND OTHER PAYABLES

	Note	2024 --- Rupees in '000 ---	2023
Creditors		8,298,956	6,489,678
Accrued liabilities	23.1	4,482,280	3,202,099
Royalty payable	23.2	6,732,788	7,690,366
Warranty obligations		112,338	100,989
Contract liabilities - advances from customers	23.3	20,443,084	24,243,401
Retention money		2,095	2,095
Sales tax payable - net		150,686	371,932
Workers' profit participation fund	23.4	492,062	436,460
Workers' welfare fund	23.5	267,495	164,793
Payable to staff retirement benefit funds - gratuity	23.6	78,543	61,911
Provision for custom duty		917,735	917,735
Provision for Sindh government infrastructure fee	23.8	1,065,492	801,617
Others	23.9	108,397	62,747
		<b>43,151,951</b>	<b>44,545,823</b>

23.1 Includes Rs.12,630 thousand (2023: Rs.10,021 thousand) due to Honda Motor Company Limited, Japan - a related party.

23.2 Represents royalty due to Honda Motor Company Limited, Japan - a related party.

23.3 These represent advances from customers against sale of motorcycles & parts and carry no mark-up. It includes Rs.954 thousand (2023: Rs.3,417 thousand) due to related parties. Revenue aggregating Rs.21,065,494 thousand has been recognised for preceding year contract liabilities - advance from customers.

23.4 Workers' profit participation fund (the Fund)	Note	2024	2023
		--- Rupees in '000 ---	
Balance at beginning of the year		436,460	424,050
Allocation for the year		485,402	433,666
Adjustment for prior year		(162,005)	-
	32	323,397	433,666
Interest on funds utilised in the Company's business	33	3,866	2,794
		763,723	860,510
Paid to trustees of the Fund		(271,661)	(424,050)
Balance at end of the year		492,062	436,460
<b>23.5 Workers' welfare fund</b>			
Balance at beginning of the year		164,793	158,808
Charge for the year		267,495	164,793
Adjustment for prior year		(29,011)	(27,864)
	32	238,484	136,929
		403,277	295,737
Payment / adjustment made during the year		(135,782)	(130,944)
Balance at end of the year		267,495	164,793

### 23.6 Staff retirement benefit - gratuity

23.6.1 The Company has established two separate funded gratuity schemes for its management and non-management staff, who completes qualifying period of service.

23.6.2 These benefit plans are trustee-administered funds and are governed by local regulations which mainly includes Trust Act, 1882, the Act, Income Tax Rules, 2002 and Rules under the Trust deed of the Plans. Responsibility for governance of the Plans, including investment decisions and contributions schedules lies with the board of trustees. The Company appoints the trustees and all trustees are employees of the Company.

23.6.3 The latest actuarial valuations of the Funds as at March 31, 2024 were carried out using the 'Projected Unit Credit Method'. Details of the Funds as per the actuarial valuations are as follows:

	Management		Non-management		Total	
	2024	2023	2024	2023	2024	2023
----- Rupees in '000 -----						
Present value of defined benefit obligation at March 31 - note 23.6.5	702,728	601,855	57,291	35,662	760,019	637,517
Fair value of plan assets at March 31 - note 23.6.6	(461,310)	(345,235)	(109,878)	(91,396)	(571,188)	(436,631)
Receivable from related parties in respect of transferees	(2,854)	(20,884)	-	-	(2,854)	(20,884)
	238,564	235,736	(52,587)	(55,734)	185,977	180,002
Less: payable within next twelve months	78,543	61,911	-	-	78,543	61,911
	160,021	173,825	(52,587)	(55,734)	107,434	118,091

### 23.6.4 Reconciliation

	Management		Non-management		Total	
	2024	2023	2024	2023	2024	2023
----- Rupees in '000 -----						
<b>23.6.5 Movement in the present value of defined benefit obligation</b>						
Balance at beginning of the year	601,855	547,620	35,662	40,180	637,517	587,800
Benefits paid	(45,455)	(32,096)	(6,805)	(8,869)	(52,260)	(40,965)
Current service cost	42,448	37,532	1,072	1,183	43,520	38,715
Interest expense	94,117	67,124	5,342	4,552	99,459	71,676
Re-measurement on obligation	12,118	5,273	22,020	(1,384)	34,138	3,889
Receivable from related parties in respect of transferees	(2,355)	(23,598)	-	-	(2,355)	(23,598)
Balance at end of the year	<u>702,728</u>	<u>601,855</u>	<u>57,291</u>	<u>35,662</u>	<u>760,019</u>	<u>637,517</u>
<b>23.6.6 Movement in the fair value of plan assets</b>						
Balance at beginning of the year	345,235	315,171	91,396	96,512	436,631	411,683
Contributions	61,911	43,927	-	-	61,911	43,927
Benefits paid	(45,455)	(32,096)	(6,805)	(8,869)	(52,260)	(40,965)
Interest income	58,022	42,745	13,502	11,065	71,524	53,810
Re-measurement	25,921	(24,512)	11,785	(7,312)	37,706	(31,824)
Assets in respect of inter group transfer	15,676	-	-	-	15,676	-
Balance at end of the year	<u>461,310</u>	<u>345,235</u>	<u>109,878</u>	<u>91,396</u>	<u>571,188</u>	<u>436,631</u>
<b>23.6.7 Expense / (income) recognised in the statement of profit or loss</b>						
Current service costs	42,448	37,532	1,072	1,183	43,520	38,715
Net interest expense / (income)	36,095	24,379	(8,160)	(6,513)	27,935	17,866
	<u>78,543</u>	<u>61,911</u>	<u>(7,088)</u>	<u>(5,330)</u>	<u>71,455</u>	<u>56,581</u>
<b>23.6.8 Re-measurement recognised in other comprehensive income</b>						
Gain from change in financial assumptions	(21,809)	(14,567)	(1,227)	(931)	(23,036)	(15,498)
Experience loss / (gain)	33,927	19,840	23,244	(452)	57,171	19,388
(Gain) / loss on re-measurement of plan assets	(25,921)	24,512	(11,785)	7,312	(37,706)	31,824
Net re-measurements	<u>(13,803)</u>	<u>29,785</u>	<u>10,232</u>	<u>5,929</u>	<u>(3,571)</u>	<u>35,714</u>
<b>23.6.9 Net recognised liability</b>						
Net liability / (asset) at beginning of the year	235,735	187,966	(55,731)	(56,330)	180,004	131,636
Charge / (income) for the year	78,543	61,911	(7,088)	(5,330)	71,455	56,581
Contributions made during the year	(61,911)	(43,927)	-	-	(61,911)	(43,927)
Re-measurement recognised in other comprehensive income	(13,803)	29,785	10,232	5,929	(3,571)	35,714
Recognised liability / (asset) as at March 31	<u>238,564</u>	<u>235,735</u>	<u>(52,587)</u>	<u>(55,731)</u>	<u>185,977</u>	<u>180,004</u>
Less: payable within next twelve months	<u>78,543</u>	<u>61,911</u>	<u>-</u>	<u>-</u>	<u>78,543</u>	<u>61,911</u>
	<u>160,021</u>	<u>173,824</u>	<u>(52,587)</u>	<u>(55,731)</u>	<u>107,434</u>	<u>118,093</u>
<b>23.6.10 Actual return on plan assets</b>	<u>83,943</u>	<u>18,233</u>	<u>25,286</u>	<u>3,770</u>	<u>109,229</u>	<u>22,003</u>
<b>23.6.11 Plan assets comprise of:</b>						
Fixed income instruments	30,789	63,208	-	-	30,789	63,208
Mutual fund securities	424,417	268,860	69,748	52,659	494,165	321,519
Others	6,104	13,168	40,130	38,737	46,234	51,905
	<u>461,310</u>	<u>345,236</u>	<u>109,878</u>	<u>91,396</u>	<u>571,188</u>	<u>436,632</u>

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

23.6.13 Significant actuarial assumptions and sensitivity:

	Management		Non-management	
	2024 --- % per annum ---	2023	2024 --- % per annum ---	2023
Discount rate at March 31	15.00	15.75	15.00	15.75
Expected rate of increase in future salaries				
- first year	11.00	10.00	12.00	10.00
- long term	14.00	14.75	14.00	14.75
Demographic assumptions				
- Mortality rates (for death in service)	SLIC (2001-05)-1	SLIC (2001-05)-1	SLIC (2001-05)-1	SLIC (2001-05)-1
- Rates of employee turnover	Light	Light	Moderate	Moderate

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

	Impact on defined benefit obligation		
	Change in assumptions	Increase in assumptions	Decrease in assumptions
	---- Rupees in '000 ----		
Discount rate	1.00%	(63,184)	73,632
Future salary increase	1.00%	70,004	(61,152)
Withdrawal rates : moderate / light		10,459	
Withdrawal rates : heavy		17,801	

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

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

23.6.14 Expected charge and income to management and non-management gratuity plans for the year ending March 31, 2025 are Rs. 85,652 thousand and Rs. 5,578 thousand respectively.

23.6.15 The weighted average duration of defined benefit obligation for management and non-management plans is 8.74 years and 3.29 years respectively. The expected maturity analysis of undiscounted retirement benefits is as follows:

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 - 10 years	Total
March 31, 2024	----- Rupees in '000 -----				
Management staff	38,902	120,147	188,200	476,886	824,135
Non-management staff	15,111	13,618	33,134	32,351	94,214
<b>Total</b>	<b>54,013</b>	<b>133,765</b>	<b>221,334</b>	<b>509,237</b>	<b>918,349</b>

23.6.16 Historical information

	2024	2023	2022	2021	2020
	----- Rupees in '000 -----				
Present value of defined benefit obligation	760,019	637,517	587,800	489,320	427,221
Fair value of plan assets	571,188	436,631	411,683	396,872	329,879
<b>Deficit provided in financial statements</b>	<b>188,831</b>	<b>200,886</b>	<b>176,117</b>	<b>92,448</b>	<b>97,342</b>

23.7 Payable to staff retirement benefit funds - gratuity includes liability in respect of key management personnel aggregating to Rs.107,847 thousand (2023: Rs. 87,273 thousand).

**23.8** This represents provision against infrastructure fee levied by the Government of Sindh through Sindh Finance (Amendment) Ordinance, 2001. The levy of infrastructure fee is disputed and various companies have filed appeals before the High Court of Sindh (SHC). During the pendency of these appeals, an interim arrangement has been agreed whereby bank guarantees furnished for consignments cleared upto December 27, 2006 have been returned and bank guarantees have been furnished for 50% of the levy for consignment released subsequent to December 27, 2006 while payment is made against the balance amount.

The Company in preceding years also filed an appeal in the SHC and became a party to subject controversy raised through various appeals. The SHC, through its interim order dated March 26, 2014 has granted the above mentioned interim relief to the Company and directed to take up the petition along with identical petitions. The SHC on June 4, 2021, validated the levy of infrastructure fee and ordered encashment of bank guarantees after 90 days from the date of order. The Company has filed a review in the Supreme Court of Pakistan (SCP), challenging the order of SHC. On September 1, 2021, SCP suspended the operation of the SHC's judgment and directed the petitioners to provide the bank guarantee equivalent to the amount of levy claimed by the respondents against release of all future imported consignments.

As at March 31, 2024, the Company has provided bank guarantees amounting Rs.1,118,000 thousand in favour of The Director Excise and Taxation, Government of Sindh for releasing the consignments imported from time to time and for the purpose of carriage of such goods by road within the province of Sindh.

**23.9** Other liabilities include vehicle deposits under Company's vehicle policy aggregating Rs.46,820 thousand (2023: Rs.34,475 thousand).

**24** This includes amounts payable to Honda Motor Company Limited, Japan a related party.

## **25. SHORT TERM BORROWINGS - Secured**

Short term finance facilities available from various commercial and islamic banks under mark-up arrangements aggregate to Rs.7,090,000 thousand (2023: Rs.7,240,000 thousand) and are secured against pari passu hypothecation charge over the Company's stock-in-trade and trade debts to extent of Rs15,193,445 thousand (2023: Rs.11,081,334 thousand). The rates of mark-up of these facilities during the year ranged from 21.56% to 23.91% (2023: 11.44% to 19.97%) per annum. These facilities are expiring on various dates by March 31, 2025.

Ijarah facilities aggregating Rs.1,389,557 thousand (including Rs.1,000,000 thousand under Islamic Temporary Economic Relief Facility (ITERF)) are also available to the Company from various banks. These facilities carry profit margin at the rates ranging from SBP rate + 0.5% to KIBOR plus 0.25% to 0.65% per annum.

The facilities for opening letters of credit as at March 31, 2024 aggregated to Rs.14,630,000 thousand (2023: Rs.7,300,000 thousand) of which the amount remained unutilised at year end was Rs.10,654,175 thousand (2023: Rs.3,605,467 thousand). These finance facilities are also secured against pari passu joint hypothecation charge on stocks-in-trade and trade debts of the Company.

## **26.1 Contingencies**

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

**26.1.2** Guarantees aggregating to Rs.2,120,312 thousand (2023: Rs.1,742,427 thousand) have been issued by commercial banks to government and semi government institutions for import of raw materials and supply of goods.

## **26.2 Commitments**

**26.2.1** Commitments outstanding for letters of credit relating to capital expenditure, raw materials and components as at March 31, 2024 aggregated to Rs.3,975,827 thousand (2023 : Rs.3,325,464 thousand).

**26.2.2** Commitments outstanding for capital expenditure other than through letters of credit as at March 31, 2024 aggregated to Rs.41,641 thousand (2023: Rs.172,736 thousand).

**26.2.3** The Company has entered into Ijarah arrangements for vehicles and plant machinery with various banks. Aggregate commitments for these Ijarah arrangements as at March 31, are as follows:

	<b>Note</b>	<b>2024</b>	2023
		<b>--- Rupees in '000 ---</b>	
Not later than one year		452,800	423,630
Later than one year and not later than five years		1,256,230	1,153,668
More than five years		287,046	388,849
		<u>1,996,076</u>	<u>1,966,147</u>

27. SALES - Net	Note	2024	2023
--- Rupees in '000 ---			
Gross sales			
- local		184,975,695	159,218,338
- export		5,811,924	2,314,533
		<u>190,787,619</u>	<u>161,532,871</u>
Less:			
- trade discount and commission		850,268	598,572
- sales tax		30,645,122	25,448,647
		<u>31,495,390</u>	<u>26,047,219</u>
		<u>159,292,229</u>	<u>135,485,652</u>
<b>28. COST OF SALES</b>			
Opening stock of finished goods		1,730,184	1,699,558
Cost of goods manufactured	28.1	133,720,773	114,870,551
Purchases during the year		14,607,221	10,973,946
		<u>148,327,994</u>	<u>125,844,497</u>
Closing stock of finished goods		(2,993,078)	(1,730,184)
		<u>147,065,100</u>	<u>125,813,871</u>
<b>28.1 Cost of goods manufactured</b>			
Raw materials and components consumed	28.2	113,865,439	97,380,142
Staff salaries, wages and other benefits including direct labour	28.3	5,906,105	4,782,782
Technical directors' remuneration		5,766	4,534
Stores consumed		1,312,450	1,062,072
Fuel and power		2,509,216	2,349,045
Insurance		229,721	197,374
Rent, rates and taxes including ljarah rentals	28.4	582,599	409,331
Repair and maintenance		891,170	714,101
Royalty including provincial taxes	28.5	6,273,622	6,118,412
Technical assistance fee		60,901	70,459
Travelling, conveyance and entertainment		113,228	49,441
Postage and telephone		12,366	10,713
Printing and stationery		58,409	61,522
Vehicle running expenses		133,951	102,460
Depreciation on operating fixed asset	6.3	1,239,223	1,139,473
Canteen		259,857	237,412
Newspapers, magazines and subscriptions		18,496	5,137
Amortisation	7	32,427	40,194
Provision for slow moving inventories - net	12.2	54,023	14,017
Marking fee		147,934	121,929
Staff training		13,590	-
Other manufacturing expenses		280	1
		<u>133,720,773</u>	<u>114,870,551</u>
<b>28.2 Raw materials and components consumed</b>		<b>2024</b>	2023
--- Rupees in '000 ---			
Opening stock		6,214,641	4,747,267
Purchases during the year		112,718,596	98,847,516
		<u>118,933,237</u>	<u>103,594,783</u>
Closing stock		(5,067,798)	(6,214,641)
		<u>113,865,439</u>	<u>97,380,142</u>



- 28.3** Direct labour and staff salaries, wages & other benefits include Rs.226,800 thousand (2023: Rs.157,402 thousand) in respect of staff retirement benefits.
- 28.4** Include expense related to short term leases aggregating to Rs.19,589 thousand (2023: Rs. Nil).
- 28.5** Royalty charged in these financial statement pertains to Honda Motor Company Limited having registered office at 1-1, Minami-Aoyama 2-Chome, Minato-ku, Tokyo 107-8556, Japan.

## 29. SALES AND MARKETING EXPENSES

	Note	2024 --- Rupees in '000 ---	2023
Directors' remuneration		80,828	57,616
Staff salaries and other benefits	29.1	870,268	686,534
Travelling, conveyance and entertainment		237,041	158,022
Vehicle running expenses	29.2	94,540	71,446
Rent, rates and taxes		55,278	40,749
Advertisement and sales promotion		788,730	653,340
Repairs and maintenance		25,019	15,996
Gas and electricity		48,173	34,663
Freight outward		948,682	887,954
Printing and stationery		4,957	5,277
Postage and telephone		27,387	24,348
First free service charges		250,197	240,415
Depreciation on operating fixed asset	6.3	90,283	69,057
Depreciation on right of use assets	6.6.1	57,485	41,730
Insurance		67,768	41,369
Newspapers, magazines and subscriptions		4,982	3,509
Others		315	71
		3,651,933	3,032,096

- 29.1** Staff salaries and other benefits include Rs.92,785 thousand (2023: Rs.54,547 thousand) in respect of staff retirement benefits.
- 29.2** Include expense related to short term leases aggregating to Rs.13,386 thousand.

## 30. ADMINISTRATIVE EXPENSES

	Note	2024 --- Rupees in '000 ---	2023
Non executive directors' fee		4,450	2,900
Staff salaries and other benefits	30.1	573,919	502,368
Travelling, conveyance and entertainment		32,425	25,496
Rent, rates and taxes		8,994	6,741
Insurance		17,825	12,122
Repairs and maintenance		22,776	13,084
Legal and professional charges		44,746	35,774
Gas and electricity		5,907	4,838
Newspapers, magazines, fees and subscriptions		13,623	9,803
Postage and telephone		3,339	2,719
Printing and stationery		15,509	10,273
Vehicle running expenses		46,726	37,603
Staff training		30,400	20,114
Depreciation on operating fixed asset	6.3	110,879	88,748
Depreciation on right of use assets	6.6.1	8,386	8,386
Donation	30.2	131,426	79,565
Others		2,003	14
		1,073,333	860,548

- 30.1** Staff salaries and other benefits include Rs.41,710 thousand (2023: Rs.36,945 thousand) in respect of staff retirement benefits.
- 30.2** Donation of Rs. 131,030 thousand (2023: Rs.78,196 thousand) charged in these financial statements is paid to Atlas Foundation, 2nd Floor, Federation House, Shara-e-Firdousi, Clifton, Karachi.

31. OTHER INCOME	Note	2024 --- Rupees in '000 ---	2023
<b>Income from financial assets</b>			
Mark-up / interest on savings deposit accounts and term deposit receipts	31.1	660,707	555,670
Mark-up / interest on Government securities		306,934	420,372
Gain on trade of investment in treasury bills and Pakistan investment bonds		4,573,583	1,799,467
Gain on sale of investments at fair value through profit or loss		-	17,486
Fair value gain on investments at fair value through profit or loss		6,193	1,460
Dividend income		24,618	86,405
Net foreign exchange gains	31.2	335,351	-
<b>Income from investments in related parties</b>			
Gain on sale of investments at fair value through profit or loss		41,339	92,611
Fair value gain on investments at fair value through profit or loss		698,521	199,649
Dividend income		2,338,528	1,313,079
<b>Income from assets other than financial assets</b>			
Gain on disposal of fixed assets		-	-
Commission income		116	650
Scrap sales		74,979	67,661
Others		283	1,160
		<u>9,061,152</u>	<u>4,555,670</u>

**31.1** Mark-up / interest at the rates ranged from 17.75% to 23.51% (2023: 10.14% to 20.85%) per annum has been earned during the year on savings deposit accounts, term deposit receipts, treasury bills and Pakistan investment bonds.

**31.2** Includes exchange gain of Rs.348,598 thousand (2023: exchange loss of Rs.1,594,665 thousand) on account of exchange difference arising on royalty payable.

32. OTHER OPERATING EXPENSES	Note	2024 --- Rupees in '000 ---	2022
Workers' profit participation fund	23.4	323,397	433,666
Workers' welfare fund	23.5	238,484	136,929
Auditors' remuneration	32.1	8,665	6,648
Expected credit loss allowance on trade debts		329	280
Net foreign exchange loss	31.2	-	1,544,256
Loss on disposal of operating fixed assets		164,418	34,280
		<u>735,293</u>	<u>2,156,059</u>

### 32.1 Auditors' remuneration

Fee for:

- audit of annual financial statements	4,000	3,500
- review of half yearly financial information	462	312
- review of Code of Corporate Governance	197	133
- audits of retirement funds and workers' profit participation fund	571	385
- certifications for payment of royalty, technical fee, dividend etc.	1,998	1,348
- out of pocket expenses	708	478
Provincial taxes on fee	729	492
	<u>8,665</u>	<u>6,648</u>

### 33. FINANCE COSTS

Mark-up / interest on borrowings	23.4	-	469
Interest on workers' profit participation fund		3,866	2,794
Bank and other financial charges		46,416	48,719
Interest on lease liabilities		51,817	24,045
		<u>102,099</u>	<u>76,027</u>

### 34. INCOME TAX EXPENSE

	2024	2023
	--- Rupees in '000 ---	
<b>Current tax</b>		
Current tax on profits for the year	5,308,410	2,283,923
Adjustments for current tax of prior years	478,358	704,816
	<u>5,786,768</u>	<u>2,988,739</u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	243,285	110,149
	<u>6,030,053</u>	<u>3,098,888</u>

#### 34.1 Numeric tax rate reconciliation for the current year is given below:

Profit before income tax expense	15,738,098	8,103,043
Tax at the applicable rate 29%	4,564,048	2,349,882
Tax effect of:		
- amounts not deductible for tax purposes	621,500	487,453
- amounts deductible for tax purposes but not taken to the statement of profit or loss	(552,537)	(611,554)
- income not subject to tax / income subject to final tax regime / tax credits	(614,340)	(250,615)
- associate's result reported net of tax	(3,213)	363
Adjustments for current tax of prior years and super taxes	1,771,310	1,013,210
Deferred tax	243,285	110,149
	<u>6,030,053</u>	<u>3,098,888</u>

### 35. EARNINGS PER SHARE

#### 35.1 Basic earnings per share

	2024	2023
	--- Rupees in '000 ---	
Net profit for the year	9,708,045	5,004,155
	--- Number of shares ---	
Weighted average ordinary shares in issue	124,087,935	124,087,935
	----- Rupees -----	
Earnings per share	78.24	40.33

#### 35.2 Diluted earnings per share

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

### 36. CASH GENERATED FROM OPERATIONS

	2024	2023
	--- Rupees in '000 ---	
Profit before taxation	15,738,098	8,103,043
<b>Adjustments for:</b>		
Depreciation	1,506,256	1,347,394
Amortisation	32,427	40,194
Provision for compensated absences	148,585	73,204
Provision for gratuity	71,455	56,581
Provision for slow moving inventories - net	54,023	14,017
Mark-up / interest on saving deposit accounts, term deposit receipts and others	(967,641)	(976,042)
Gain on sale of investments at fair value through profit or loss	(41,339)	(110,097)
Fair value gain on investments at fair value through profit or loss	(704,714)	(201,109)
Net foreign exchange losses / (gains)	(335,351)	1,544,256
Dividend income	(2,363,146)	(1,399,484)
Workers' profit participation fund	327,263	436,460
Workers' welfare fund	238,484	136,929
Loss on disposal of operating fixed assets	164,418	34,280
Mark-up / interest on borrowings	-	469
Share of net profit of an Associate	(12,475)	(322)
Interest on lease liabilities	51,817	24,045
Changes in working capital	(1,068,261)	16,061,320
	<u>12,839,899</u>	<u>25,185,138</u>

36.1 Changes in working capital	2024	2023
	--- Rupees in '000 ---	
<b>(Increase) / decrease in current assets</b>		
- Stores, spares and loose tools	19,134	(93,557)
- Stock-in-trade	(1,633,404)	(1,469,255)
- Trade debts	(224,572)	329,426
- Loans and advances	5,291	(34,613)
- Trade deposits and prepayments	2,013,010	(750,372)
- Other receivables	(14,263)	709
	165,196	(2,017,662)
<b>Increase in current liabilities:</b>		
- Trade and other payables	(1,233,457)	18,078,982
	(1,068,261)	16,061,320
<b>36.2 Cash flows from operating activities - Direct method</b>		
Receipts from customers	155,267,340	148,732,444
Mark-up / interest received	655,089	651,779
Payments to trade suppliers, service providers and employees	(142,458,513)	(123,586,201)
Mark-up / interest paid	-	(1,747)
Income taxes paid	(4,599,083)	(2,730,187)
Contributions made to gratuity funds	(61,911)	(43,927)
Compensated absences paid	(33,960)	(28,851)
Workers' profit participation fund paid	(271,661)	(424,050)
Workers' welfare fund paid	(135,782)	(130,944)
	8,361,519	22,438,316

### 37. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

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

	----- Directors -----				Executives	
	Chief Executive Officer		Others		2024	2023
	2024	2023	2024	2023		
----- Rupees in '000 -----						
Managerial remuneration and fee	34,094	28,031	10,216	6,034	437,907	364,653
Rent and utilities	16,306	13,406	-	-	209,434	174,399
Bonus	26,400	12,600	-	-	323,671	156,842
Retirement benefits	3,261	2,681	-	-	41,669	33,430
Medical and other reimbursable expenses	767	898	-	-	14,386	11,231
	80,828	57,616	10,216	6,034	1,027,067	740,555
Number of persons	1	1	5	5	160	138

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

### 38. RELATED PARTIES

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

### 38.1 Name and nature of relationship

#### a) The Holding Company

Shirazi Investments (Private) Limited - 52.43% shares held in the Company

#### b) Associated Companies due to significant influence based on holding

Honda Motor Company Limited, Japan - 35.00% shares held in the Company

Atlas Hitec (Private) Limited - 29.23% shares held by the Company

#### c) Associated Companies due to common directorship

Atlas Engineering Limited	Atlas Power Limited
Atlas Autos (Private) Limited	Honda Atlas Cars Pakistan Limited
Atlas Battery Limited	Atlas DID (Private) Limited
Atlas Energy Limited	Atlas Global, FZE, Jebel Ali, UAE
Shirazi Trading Company (Private) Limited	Atlas GCI (Private) Limited

#### d) Associated companies under common management / group companies

Atlas Insurance Limited	Atlas World Wide General Trading LLC
Atlas Solar Limited	Atlas Asset Management Limited
Integration Xperts (Private) Limited	Atlas Foundation
Honda Atlas Power Products (Private) Limited	

#### e) Directors

Mr. Aamir H. Shirazi	Mr. Saquib H. Shirazi
Mr. Azam Faruque (Joined w.e.f. April 1, 2024)	Mr. Abid Naqvi
Ms. Mashmooma Zehra	Mr. Kazushi Yamanaka
Mr. Tetsuya Komine (Joined w.e.f. April 1, 2024)	Mr. Masanori Kito
Mr. Shunsuke Miyazaki (Resigned w.e.f. April 1, 2024)	
Mr. Nurul Hoda (Resigned w.e.f. April 1, 2024)	

#### f) Key management personnel

Mr. Afaq Ahmed	Mr. Rashid Ahmed
Mr. Sadullah Ejaz	Mr. Danyal Ahmed
Mr. Mujahid-ul-Mulk Butt	Mr. Muhammad Zafar Iqbal
Mr. Tahir Nazir	Mr. Zia Ul Hassan Khan
Mr. Muhammad Rashad Rashid	Mr. Faisal Mahmud
Mr. Muhammad Tahir Khan	Mr. Hassan Mushtaq Cheema
Mr. Muhammad Ammar	

## 38.2 Transactions with related parties

2024 2023  
--- Rupees in '000 ---

### The Holding Company

Sales of:

- goods and services
- operating fixed assets

Purchase of:

- operating fixed assets
- goods

Rent

Dividend paid

Reimbursement of expenses

### Associated companies

Sales of:

- goods and services
- operating fixed assets

Purchases of:

- goods and services
- operating fixed assets

Sale of units in mutual funds

Purchase of units in mutual funds

Royalty paid

Technical assistance fee

Commission income

Lease rentals paid

Insurance premium paid

Insurance claims received

Reimbursement of expenses - net

Dividend paid

Donation paid

Dividend received

### Other related parties

Contributions paid to:

- gratuity funds
- provident funds / pension schemes

Key Management Personnel

- salaries and other employment benefits
- sale of operating fixed asset

	1,615	1,621
	101	6,213
	5,443	7,665
	64,862	45,185
	51,447	18,241
	1,951,945	1,691,686
	-	20
	2,046,554	1,571,253
	17,024	26,974
	42,189,475	32,893,439
	484,616	443,646
	11,000,000	11,975,346
	11,000,000	11,980,097
	6,902,567	1,681,926
	62,769	69,089
	33,453	30,412
	33,453	30,412
	800,389	592,868
	19,789	16,059
	29,406	41,873
	105,542	91,470
	131,030	78,196
	2,341,166	1,119,157
	61,911	43,927
	141,255	117,027
	262,824	204,399
	6,465	9,687

The related party status of outstanding balances as at March 31, 2024 is included in 'Long term investment - note 8', 'Long term loans and advances - note 9', 'Long term deposits - note 10', 'Trade deposit and prepayments - note 15', 'Short term investments - note 16', 'Staff retirement benefits - note 21', 'Trade and other payables - note 23' and 'Dividend payable - note 24' respectively. These are settled in ordinary course of business.

## 39. FINANCIAL RISK MANAGEMENT

### 39.1 Financial risk factors

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

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

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

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

(a) **Market risk**

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

**Foreign exchange risk**

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

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

	2024			2023			
	Japanese Yen	U.S. Dollars	AED	Japanese Yen	U.S. Dollars	Thai Baht	Chinese Yuan
	----- in '000 -----			----- in '000 -----			
Cash at bank / trade debts	-	3,728	797	-	1,204	-	-
Trade and other payables	(2,591,975)	(845)	-	(3,609,827)	(594)	(622)	(792)
<b>Net exposure</b>	<b>(2,591,975)</b>	<b>2,883</b>	<b>797</b>	<b>(3,609,827)</b>	<b>610</b>	<b>(622)</b>	<b>(792)</b>

The following significant exchange rates have been applied:

	2024	2023	2024	2023
	Average rate		reporting date rate	
	----- Rupees -----			
Pakistani Rupee to Japanese Yen	1.98	1.67	1.84	2.13
Pakistani Rupee to U.S. Dollar	285.08	225.72	277.94	283.79
Pakistani Rupee to Thai Baht	8.11	6.39	7.64	8.32
Pakistani Rupee to Chinese Yuan	39.73	32.77	38.31	41.33
Pakistani Rupee to AED	77.50	61.10	75.73	77.27

At March 31, 2024, if the Pakistani Rupee had strengthened / weakened by 5% against Japanese Yen, U.S. Dollar, AED, Thai Baht and Chinese Yuan with all other variables held constant, profit before tax for the year would have been higher / (lower) by the amount shown below mainly as a result of net foreign exchange gains / (losses) on translation of foreign denominated financial assets and liabilities.

<b>Effect on profit for the year:</b>	2024	2023
	--- Rupees in '000 ---	
Pakistani Rupee to Japanese Yen	238,462	384,447
Pakistani Rupee to U.S. Dollar	(40,065)	(8,656)
Pakistani Rupee to AED	(3,018)	-
Pakistani Rupee to Thai Baht	-	259
Pakistani Rupee to Chinese Yuan	-	1,637
	<u>195,379</u>	<u>377,687</u>

**Interest rate risk**

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

The Company is exposed to interest rate risk on balances with banks in saving deposit accounts and term deposit receipts and long term borrowings. Borrowings / deposit issued at variable rates expose the Company to cash flow risk and borrowing / deposit issued at fixed rate expose the Company to fair value interest rate risk. Significant interest rate risk exposures are primarily managed by a suitable mix of deposits. At March 31, 2024, the Company's interest bearing financial assets amounted to Rs.37,473,141 thousand (2023: Rs.33,484,527 thousand) and interest bearing financial liabilities amounting to Rs.215,650 thousand (2023: Rs.201,719 thousand).

At March 31, 2024, if the interest rate on the Company's deposits had been 1% higher / lower with other variables held constant, profit before tax for the year would have been higher / (lower) by Rs.37,257 thousand (2023: Rs.21,294 thousand) mainly as a result of higher / (lower) interest income.

## Price risk

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

The Company is exposed to price risk because of investments in mutual fund securities aggregating to Rs.12,839,433 thousand (2023: Rs.9,631,233 thousand) as changes in Net Asset Value (NAV) of mutual funds affects the Company. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolios.

At March 31, 2024, if fair value (NAV) had been 5% higher / lower with all other variables held constant profit before tax for the year would have higher / (lower) by Rs.641,972 thousand (2023: Rs.481,562 thousand).

## (b) Credit risk

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

The carrying amounts of financial assets represent the maximum credit exposure. The financial assets exposed to credit risk amounted to Rs.52,279,752 thousand (2023: Rs.46,157,925 thousand) as at March 31, 2024 and are as follows:

	2024	2023
	--- Rupees in '000 ---	
Long term loans and advances	106,531	75,469
Long term deposits	41,672	41,662
Trade debts	1,021,954	797,382
Loans and advances	89,211	65,088
Trade deposits	18,619	15,890
Accrued mark-up / interest	656,355	343,803
Other receivables	16,137	1,874
Short term investments	13,959,667	10,114,241
Bank balances	36,369,606	34,702,516
	<u>52,279,752</u>	<u>46,157,925</u>

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

	2024	2023
	--- Rupees in '000 ---	
Pakistan	1,025,791	800,820
Bangladesh	65	453
Japan	318	-
	<u>1,026,174</u>	<u>801,273</u>

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

	2024	2023
	--- Rupees in '000 ---	
Government departments	745	14,350
Defence institutions	794,533	665,552
Others (including exports)	230,896	121,371
	<u>1,026,174</u>	<u>801,273</u>

Out of the total financial assets credit risk is concentrated in trade debts, investments in mutual funds securities and deposits with banks as they constitute 98% (2023: 99%) of the total financial assets. Significant part of sales of the Company occurs against advance payments, therefore, trade debts mainly arise from export sales and local sales that were made to Government and Defence Institutions. The Company believes that it is not exposed to any specific credit risk in respect of those trade debts.

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



Banks	Rating		
	Short term	Long term	Agency
<b>Conventional</b>			
Allied Bank Limited	A1+	AAA	PACRA
Askari Bank Limited	A1+	AA+	PACRA
Bank Al Habib Limited	A1+	AAA	PACRA
Bank Alfalah Limited	A1+	AA+	PACRA
Deutsche Bank AG	A-1	A+	S & P
Habib Bank Limited	A-1+	AAA	JCR-VIS
Habib Metropolitan Bank Limited	A1+	AA+	PACRA
Khushhali Microfinance Bank Limited	A-2	A-	JCR-VIS
MCB Bank Limited	A1+	AAA	PACRA
National Bank of Pakistan	A1+	AAA	PACRA
Soneri Bank Limited	A1+	AA-	PACRA
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA
United Bank Limited	A-1+	AAA	JCR-VIS
Industrial Commercial Bank of China	P-1	A-2	Moody's
<b>Shariah Compliant</b>			
BankIslami Pakistan Limited	A1	AA-	PACRA
Meezan Bank Limited	A1+	AAA	JCR-VIS
Faysal Bank Limited	A1+	AA	PACRA
MCB Islamic Bank Limited	A1	A	PACRA
<b>Mutual Funds</b>		<b>Rating</b>	<b>Agency</b>
Atlas Income Fund		AA-(f)	PACRA
Atlas Money Market Fund		AA+(f)	PACRA
Atlas Sovereign Liquid Fund		AA-(f)	PACRA
Atlas Liquid Fund		AA+(f)	PACRA
Lakson Money Market Fund		AA+(f)	PACRA
UBL Government Securities Fund		AA(f)	PACRA

(c) **Liquidity risk**

Liquidity risk reflects the Company's inability in raising funds to meet commitments. The Company manages liquidity risk by maintaining sufficient balances with banks, marketable securities and the availability of funding through an adequate amount of committed credit facilities. At March 31, 2024, the Company had Rs.7,090,000 thousand available borrowings limits from banks / financial institutions, marketable securities of Rs.13,959,667 and bank balances of Rs.36,369,606 thousand.

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

	Carrying amount	Contractual cash flows	Maturity upto one year	Maturity more than one year
----- Rupees in '000 -----				
<b>March 31, 2024</b>				
Lease liabilities	347,293	687,486	114,688	572,798
Trade and other payables	43,151,951	43,151,951	43,151,951	-
Unclaimed dividend	215,084	215,084	215,084	-
Dividend payable	682,949	682,949	682,949	-
	<u>44,397,277</u>	<u>44,737,470</u>	<u>44,164,672</u>	<u>572,798</u>
----- Rupees in '000 -----				
<b>March 31, 2023</b>				
Lease liabilities	201,719	245,010	73,992	171,018
Trade and other payables	44,545,823	44,545,823	44,545,823	-
Unclaimed dividend	222,975	222,975	222,975	-
Dividend payable	1,044,510	1,044,510	1,044,510	-
	<u>46,015,027</u>	<u>46,058,318</u>	<u>45,887,300</u>	<u>171,018</u>

## 39.2 Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. The Board of Directors monitors the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders and / or issue new shares. There was no change to the Company's approach to capital management during the year.

## 39.3 Financial instruments by category

Financial assets as per statement of financial position	Amortised cost		At fair value through profit or loss	
	2024	2023	2024	2023
	--- Rupees in '000 ---		--- Rupees in '000 ---	
Long term loans and advances	106,531	75,469	-	-
Long term deposits	41,672	41,662	-	-
Trade debts	1,021,954	797,382	-	-
Loans and advances	89,211	65,088	-	-
Trade deposits	18,619	15,890	-	-
Accrued mark-up / interest	656,355	343,803	-	-
Other receivables	16,137	1,874	-	-
Short term investments	1,120,234	483,008	12,839,433	9,631,233
Bank balances	36,369,606	34,702,516	-	-
	<b>39,440,319</b>	<b>36,526,692</b>	<b>12,839,433</b>	<b>9,631,233</b>
			Financial liabilities measured at amortised cost	
			2024	2023
			--- Rupees in '000 ---	
Trade and other payables			21,098,902	19,122,527
Unclaimed dividend			215,084	222,975
Dividend payable			682,949	1,044,510

## 39.4 Fair value measurement of financial instruments

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

The carrying values of all financial assets and liabilities reflected in the financial statements are a reasonable approximation of their fair values.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

The following table presents the Company's financial assets that are measured at fair value at March 31, 2024 and March 31, 2023.

	March 31, 2024			Total
	Level 1	Level 2	Level 3	
----- Rupees in '000 -----				
<b>Assets - Recurring fair value measurement</b>				
<b>Financial assets at fair value through profit or loss</b>				
<b>Short term investments</b>	12,839,433	-	-	12,839,433
March 31, 2023				
	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----				
Assets - Recurring fair value measurement				
Financial assets at fair value through profit or loss				
Short term investments	9,631,233	-	-	9,631,233

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

#### Valuation techniques used to determine fair values

**Level 1:** The fair value of financial instruments traded in active markets is based on quoted market prices at the 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. These instruments are included in Level 1.

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

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

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

## 40. ENTITY-WIDE INFORMATION

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

	2024	2023
--- Rupees in '000 ---		
Motorcycles	141,198,565	121,684,913
Spare parts	18,093,664	13,800,739
	159,292,229	135,485,652

40.2 Export sales are made to Japan, Afghanistan, Bangladesh, Thailand, Nigeria and Kyrgyzstan. Result of the Company's revenue from external customers in Pakistan is Rs.153,480,305 thousand (2023: Rs.133,171,118 thousand) and total revenue from external customers from other countries is Rs.5,811,924 thousand (2023: Rs.2,314,534 thousand).

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

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

#### 41. PLANT CAPACITY AND ACTUAL PRODUCTION

	2024	2023
	--- Number of units ---	
Capacity - Motorcycles	1,500,000	1,500,000
Production	966,768	1,106,166

The capacity of the plants are determined based on a certain product mix and number of working days.

#### 42. NUMBER OF EMPLOYEES

	2024	2023
	--- Numbers ---	
Total number of employees	2,718	2,461
Average number of employees	2,716	2,478

#### 43. PROVIDENT FUND RELATED DISCLOSURE

The Company operates defined contribution provident fund (the Fund) maintained for its permanent employees. Equal monthly contributions at the rate of 11% of the basic salary are made to the Fund both by the Company and the employees. The following information is based on un-audited financial statements of the Fund for the year ended March 31, 2024:

	2024	2023
	--- Rupees in '000 ---	
Size of the Fund - Total assets	969,359	811,587
Fair value of investments	954,582	798,888
Cost of investments	920,294	761,086
Percentage of investments made	94.94%	93.78%

43.1 The investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act and conditions specified thereunder.

#### 44. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Lease liability	Unclaimed / unpaid dividend	Total
	----- Rupees in 000 -----		
Balance at beginning of the year	201,719	1,267,485	1,469,204
<b>Changes from financing cash flows</b>			
Payment of lease rental	(108,288)	-	(108,288)
Dividend paid	-	(4,092,090)	(4,092,090)
	(108,288)	(4,092,090)	(4,200,378)
<b>Liability - related to other changes</b>			
Interest on lease liability	51,817	-	51,817
Dividend declared	-	3,722,638	3,722,638
Recognised	202,045	-	202,045
	253,862	3,722,638	3,976,500
Balance at end of the year	347,293	898,033	1,245,326

#### 45. SHAHRIAH SCREENING DISCLOSURE

	2024		2023	
	Conventional	Shahriah Compliant	Conventional	Shahriah Compliant
	----- Rupees in '000 -----			
Short term investments	18,268,140	592,943	9,706,202	408,039
Bank balances	31,140,947	327,243	34,668,548	33,968
Revenue	-	159,292,229	-	135,485,652
Other income				
a) Mark-up / interest on saving deposit accounts, term deposit receipts and Government securities	875,289	92,352	976,042	-
b) Gain on trade of investment in treasury bills and Pakistan investment bonds	4,573,583	-	1,799,467	-
c) Gain on sale of investments at fair value through profit or loss	41,339	-	110,097	-
d) Fair value gain / (loss) on investments at fair value through profit or loss	537,412	167,302	215,265	(14,156)
e) Dividend income	2,342,437	20,709	1,396,603	2,881
f) Others	-	410,729	-	69,471
Mark-up paid	-	-	469	-

#### 46. CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary for the purposes of comparison and better presentation the effect of which is not material.

#### 47. EVENT AFTER REPORTING PERIOD

The Board of Directors, in their meeting held on April 30, 2024, proposed a final cash dividend of Rs.30 (2023: Rs.13) per share amounting to Rs.3,722,638 thousand (2023: Rs.1,613,143 thousand) for the year ended March 31, 2024 for approval of the members at the Annual General Meeting to be held on June 27, 2024.

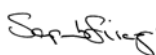
The financial statements for the year ended March 31, 2024 do not include the effect of the proposed appropriations, which will be accounted for in the financial statements for year ending March 31, 2025.

The financial statements for the year ended March 31, 2024 do not include the effect of the proposed appropriations, which will be accounted for in the financial statements for year ending March 31, 2025.

#### 48. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on April 30, 2024 by the Board of Directors of the Company.

  
Aamir H. Shirazi  
Chairman

  
Saquib H. Shirazi  
Chief Executive Officer

  
Daniyal Ahmed Rasheed  
Chief Financial Officer

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# IT Governance and Cyber Security

## Board Responsibility Statement on the Evaluation and Enforcement of Legal and Regulatory Implications of Cyber Risks:

Information Technology (IT) governance is an integral part of corporate governance framework to ensure the alignment of IT strategy with business strategy, optimization of resources, IT value delivery and performance measurement to achieve business objectives and effective IT risk management implementation.

The Board of Directors acknowledges its responsibility to evaluate and enforce the legal and regulatory implications of cyber risks. It actively monitors and deals with any changes in laws and regulations related to cyber security including Copyright Ordinance 1962 and Prevention of Electronic Crimes Act 2016.

In the event of any breaches or significant risks, the Board assumes the responsibility of ensuring appropriate actions are taken, in line with legal and regulatory requirements, to address and manage the situation effectively. During the year, there were no cyber security breaches.

## IT Governance and Cybersecurity Programs:

The Company maintains robust IT governance and cybersecurity programs, policies, and procedures which are approved by the Board, to safeguard its information assets and mitigate cyber threats. These programs are designed to align with industry-specific cybersecurity requirements and best practices. The Company regularly evaluates and updates these programs to address emerging risks and technological advancements. Our cybersecurity strategy encompasses proactive measures to anticipate, withstand, detect, and respond to cyber-attacks, adhering to international standards and industry best practices.

## Integration of Cybersecurity into the Board's Risk Oversight Function:

The Board recognizes the significance of cybersecurity as part of its overall risk oversight function. It actively engages with management to ensure that cybersecurity risks are effectively managed and aligned with the Company's risk appetite. The Board receives regular updates on the Company's cybersecurity posture, including threat landscape assessments, incident response plans, and progress in implementing cybersecurity initiatives. This ensures that cybersecurity remains a key consideration in the Board's decision-making processes.

## Oversight of IT Governance and Cybersecurity Matters by a Board-Level Committee:

The Board of Directors through the Audit Committee oversees the level of acceptable IT risks and relevant controls which management exercises to put risks below the specified thresholds. An IT Steering Committee has been formulated from management with members from different functions of the Company. The Committee meets quarterly and provides advice and assistance to management in implementing IT strategy of the Company which includes Cybersecurity Management. The Committee reports its findings to Audit Committee on regular intervals.

## Early Warning System for Cybersecurity Risks and Incidents:

The Company has implemented a robust early warning system that enables the identification, assessment, and timely communication of cybersecurity risks and incidents to the Board. This system facilitates preemptive monitoring and detection of potential threats, enabling prompt responses and appropriate disclosures. It includes mechanisms for continuous monitoring of IT infrastructure, regular security assessments, threat intelligence sharing, and incident reporting protocols.

## Independent Comprehensive Security Assessment and Third-Party Risks:

The Company has a policy in place that mandates independent comprehensive security reviews of our technology environment, including evaluations of third-party risks. These assessments such as penetration testing are conducted periodically by external experts to evaluate the effectiveness of the Company's security controls, identify vulnerabilities, and recommend improvements. This proactive approach helps to stay ahead of emerging threats and reinforces commitment to maintaining a secure digital environment.

## Business continuity and Disaster Recovery Plan:

A resilient Business Continuity and Disaster Recovery Plan has been maintained for uninterrupted business operations in the event of natural calamities, potential IT failures or cyber breaches. This plan outlines the strategies, processes, and resources required to mitigate the impact of disruptions and quickly restore critical systems and operations. With state-of-the-art backup systems, rigorous risk assessments, and regular drills, the Company is well-prepared to maintain supply chain integrity and meet business needs without delay.

## Advancement in Digital Transformation and Leveraging Industry 4.0 Technologies:

The Company has embraced digital transformation and leveraged Industry 4.0 technologies, such as Robotic Process Automation (RPA), business intelligence (BI) and Cloud Computing, to enhance transparency, reporting, and governance. These technologies have been strategically implemented to optimize operational efficiency, streamline processes, enhance data security, and enable data-driven decision-making. They have contributed to improved agility, scalability, and innovation across various aspects of the organization.

## Education and Trainings to Mitigate Cybersecurity Risks:

The Company recognizes the critical role of education and training in mitigating cybersecurity risks. It implements comprehensive programs to educate employees about cyber threats, promote cybersecurity awareness, and provide guidance on safe computing practices. Regular training sessions, workshops, and awareness campaigns are conducted to equip employees with the necessary knowledge and skills to identify and respond to cybersecurity risks. These efforts inculcate significance of cybersecurity throughout the organization.

# Enterprise Resource Planning

## Management and Integration of Core Business Processes

The Company uses SAP for its centralized data management needs. This helps the Company to better manage complex business processes by provision of easy and real-time access to information for making decisions. In addition to above, our B2B portals with vendors and dealers are also fully integrated with SAP.

## Effective Implementation and Continuous Updation

Management recognizes the importance of continuous updation of ERP system. The Company have taken significant strides to modernize IT infrastructure by adopting SAP S/4HANA. These steps towards integration of SAP S/4HANA is a cornerstone of company strategy to leverage technology for improved efficiency and competitiveness. A comprehensive system is in place for users to raise tickets for new updates into the system according to changing business needs. The requests from users are then being looked after by our in-house IT team. In case where external support is required, consultants are being engaged for developing the required solution.

## User Training of ERP Software

The Company organizes regular user trainings and focused sessions through power users to ensure the effective and efficient use of ERP system. Further, trainings are also provided to vendors and dealers of the company to ensure correct and complete use of B2B portals.



## Risk Factors on ERP Projects

Regular in-house and external third party audits of ERP system are being carried out. Any new configuration for business process is done through development servers. Appropriate testing is done before transporting any changes to live system which minimizes chances of errors.

## System Security and Access to Sensitive Data

User rights are assigned on need basis. Whenever new rights are being assigned to a user, the need is being first assessed by the concerned Department head. The request is then jointly reviewed by System Administrator and Functional Support Partner. Finally the request is approved by Head of IT.

An authority matrix is being designed for monitoring the rights and access given to various users. The authority matrix is being reviewed by Internal Audit function as well as external third party on a regular basis.





# Product Portfolio



CG  
125

Pridor

CG70  
Dream

CG70



Genuine Parts



# Pattern of Shareholding

## Additional information

### As at March 31, 2024

#### Shareholders Category

#### Associated Companies, Undertakings and related Parties:

Atlas Insurance Limited  
Honda Motor Company Limited  
Shirazi Investments (Pvt) Limited  
Atlas Foundation

Number of Shareholder	No. of Shares held	Percentage
1	3,518,073	2.84%
1	43,430,778	35.00%
1	65,064,831	52.43%
1	1	0.00%
4	112,013,683	90.27%

#### NIT and ICP:

National Bank Of Pakistan Trustee Department  
IDBP (ICP Unit)

1	31,705	0.03%
1	683	0.00%
2	32,388	0.03%

#### Directors, CEO and their Spouses and minor children and Associates:

Mr.Aamir H. Shirazi  
Mr.Saqib H. Shirazi (CEO)  
Mr. Nurul Hoda  
Mr. Kazushi Yamanaka  
Mr. Shunsuke Miyazaki  
Mr. Masanori Kito  
Mr. Abid Naqvi  
Ms. Mashmooma Zehra Majeed

1	1	0.00%
1	1	0.00%
1	500	0.00%
1	1	0.00%
1	1	0.00%
1	1	0.00%
1	601	0.00%
1	501	0.00%

8 1,607 0.00%

#### Executives

- 0.00%

#### Public Sector Companies and Corporations

- 0.00%

Banks, Development Finance Institutions,  
Non-Banking Finance Institutions, Insurance  
Companies, Modaraba and Mutual Funds.

20 395,200 0.32%

#### Individuals

1,641 11,469,229 9.24%

#### Others

19 175,828 0.14%

#### Total

1,694 124,087,935 100.00%

#### Shareholders holding 10% or more voting interest

Honda Motor Company Limited  
Shirazi Investments (Pvt) Limited

43,430,778 35.00  
65,064,831 52.43

There was no trading in the shares of the Company by Directors, their spouses, and minor children.

# Pattern of Shareholding As at March 31, 2024

No. of shareholders	Shareholdings		Total shares held	
708	From	-	To 100	21,720
355	From	101	To 500	94,353
148	From	501	To 1,000	108,885
276	From	1,001	To 5,000	665,594
107	From	5,001	To 15,000	1,003,580
15	From	15,001	To 20,000	259,042
9	From	20,001	To 25,000	198,949
7	From	25,001	To 30,000	184,986
11	From	30,001	To 40,000	362,930
2	From	40,001	To 45,000	86,178
2	From	45,001	To 50,000	92,214
8	From	50,001	To 55,000	423,099
1	From	55,001	To 60,000	56,253
2	From	60,001	To 65,000	125,588
2	From	65,001	To 80,000	155,593
1	From	80,001	To 90,000	85,874
3	From	90,001	To 95,000	274,713
4	From	95,001	To 100,000	392,769
3	From	100,001	To 110,000	313,821
4	From	110,001	To 120,000	469,403
2	From	120,001	To 140,000	273,235
2	From	140,001	To 150,000	293,637
5	From	150,001	To 180,000	758,138
1	From	180,001	To 190,000	182,058
1	From	190,001	To 195,000	194,413
2	From	195,001	To 210,000	393,465
1	From	210,001	To 235,000	212,209
1	From	235,001	To 260,000	239,350
2	From	260,001	To 290,000	539,279
2	From	290,001	To 380,000	589,146
1	From	380,001	To 695,000	382,350
1	From	695,001	To 700,000	696,700
1	From	700,001	To 720,000	711,240
1	From	720,001	To 1,235,000	1,233,489
1	From	1,235,001	To 3,520,000	3,518,073
1	From	3,520,001	To 43,435,000	43,430,778
1	From	43,435,001	To 65,065,000	65,064,831
1,694				124,087,935

# Pattern of Shareholding As at March 31, 2024

Categories of Shareholders	Number of shareholder	Share held	Percentage
Directors, CEO their spouse and minor children and Associates	8	1,607	0.00
* Associated Companies, undertakings and related parties	4	112,013,683	90.27
NIT and ICP	2	32,388	0.03
Banks, Development Finance Institutions, Non-Banking Finance Institutions Insurance Companies Modarabas and Mutual Funds	20	395,200	0.33
General Public			
Local	1641	11,469,229	9.25
Foreign			
Others			
Joint Stock Companies	17	174,662	0.14
Cooperative Society	1	1,165	0.00
Trustee of Iftikhar Shirazi Family Trust	1	1	0.00
	1694	124,087,935	100.00

\* Note : Included in Associated Companies

Name of Company	Number of share held
Atlas Insurance Ltd	3,518,073
Honda Motor Company Ltd	43,430,778
Shirazi Investments (Pvt) Ltd	65,064,831
	112,013,682

# Glossary of Terms

Acronym	Description
ACCA	Association of Chartered Certified Accountants
AGM	Annual General Meeting
AHL	Atlas Honda Limited
AHPL	Atlas Hitec (Private) Limited
AMP	Advance Management Program
ATL	Active Tax-payers List
B2B	Business to Business
BAC	Board Audit Committee
BCR	Best Corporate Report
BCG	Boston Consulting Group
BMR	Balancing Modernization and Replacement
BSR	Best Sustainability Report
BOD	Board of Director
CAGR	Cumulative Average Growth Rate
CBA	Collective Bargaining Agent
CCG	Code of Corporate Governance
CD	Compact Disk
CDC	Central Depository Company of Pakistan Limited
CDS	Central Depository System
CEO	Chief Executive Officer
CFA	Chartered Financial Analyst
CFO	Chief Financial Officer
CFSI	Conflict Free Sourcing Initiative
CKD	Completely Knocked Down
CNIC	Computerized National Identity Card
COMSATS	The Commission on Science and Technology for Sustainable Development in the South
COO	Chief Operating Officer
CPEC	China - Pakistan Economic Corridor
CSR	Corporate Social Responsibility
CSRCP	Corporate Social Responsibility Centre Pakistan
COVID-19	Coronavirus disease of 2019
CO <sub>2</sub>	Carbon di Oxide
DFI	Development Finance Institutions
DVD	Digital Versatile Disc

Acronym	Description
EBIT	Earning Before Interest and Tax
EOBI	Employee Old-Age Benefits Institution
EHS&S	Environmental, Health, Safety and Security
EPS	Earnings per Share
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning - software
EMS	Environment Management System
EPA	Environmental Protection Agency
E-Voting	Electronic Voting
FAST	Foundation for Advancement of Science and Technology
FBR	Federal Board of Revenue
FRM	Financial Risk Manager
FAQs	Frequently Asked Questions
GDC	Gravity Die Casting
GDP	Gross Domestic Product
GRI	Global Reporting Initiative
GHG	Green House Gases
GJ	Gigajoule
HMC	Honda Motor Company
HPDC	High Pressure Die Casting
HSE	Health Safety Environment
HR	Human Resource
HZ	Hertz
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IBA	Institute of Business Administration
ICAP	Institute of Chartered Accountants of Pakistan
ICMAP	Institute of Cost and Management Accountants of Pakistan
IFAC	International Federation of Accountants
IFC	International Finance Corporation
IFAS	Islamic Financial Accounting Standards
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IoBM	Institute of Business Management
IP	Intellectual Property

Acronym	Description
IRR	Internal Rate of Return
ISO	International Standardization Organization
ISAE	International Standard on Assurance Engagements
IT	Information Technology
KPI	Key Performance Indicators
KSE	Karachi Stock Exchange
KJ	Kilojoule
KW	Kilo Watt
LC	Letter of Credit
LLB	Bachelor of Law
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
LTD	Limited
LSM	Large Scale Manufacturing
LUMS	Lahore University of Management Sciences
m <sup>3</sup>	Cubic meter
MIS	Management Information System
MMC	Minor Model Change
MOU	Memorandum of Understanding
MSCI	Morgan Stanley Capital International
MTO	Management Trainee Officer
MUFAP	Mutual Funds Association of Pakistan
MUFG	Mitsubishi UFJ Financial Group
MW	Mega Watt
NAV	Net Asset Value
NBFI	Non-Banking Financial Institutions
NHC	New Honda Circle
NED	NED University of Engineering and Technology
NEQS	National Environmental Quality Standards
NFEH	National Forum for Health & Environment
NGO	Non-Governmental Organization
NPV	Net Present Value
NTN	National Tax Number
NUST	National University of Science and Technology
OGRA	Oil and Gas Regulatory Authority
OHSAS	Occupational Health & Safety Assessment Series
OPM	Owner/President Management

Acronym	Description
PAMA	Pakistan Automotive Manufacturers Association
PAT	Profit After Tax
PBT	Profit Before Taxation
PDCA	Plan-Do-Check-Act
PSQCA	Pakistan Standards and Quality Control Authority
PSX	Pakistan Stock Exchange
PAAPAM	Pakistan Association of Automotive Parts & Accessories Manufacturers
QA	Quality Assurance
QC	Quality Control
QMS	Quality Management System
RCSM	Risk and Counter Strategy Matrix
RMF	Risk Management Function
ROE	Return on Equity
SAFA	South Asian Federation of Accountants
SAP	Standard Application Protocol - ERP system
SDGs	Sustainable Development Goals
SECP	Securities and Exchange Commission of Pakistan
SIQP	Service Instructor Quality Program
SOPs	Standard Operating Procedures
SP	Spare Parts
SRO	Statutory Regulatory Order
SWOT	Strength Weaknesses Opportunities Threats
SSGC	Sui Southern Gas Company Limited
SNG	Synthetic Natural Gas
SZABIST	Syed Zulfikar Ali Bhutto Institute of Science & Technology
TDR	Term Deposit Receipt
UET	University of Engineering and Technology
UK	United Kingdom
UN	United Nations
USB	Universal Serial Bus
VIP	Vendor Improvement Program
VP	Vice President
WFH	Work From Home
WHO	World Health Organization
WWF	World Wildlife Fund

## Feedback Form

### Sustainability Report 2024

Details of information provided on issues covered in the report

Comprehensive  Adequate  Not adequate

Clarity of the information provided in the report

High  Medium  Low

The quality of design and layout of the report

Excellent  Good  Average

Your comments for adding value to the report

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Name : \_\_\_\_\_

Designation : \_\_\_\_\_

Organization : \_\_\_\_\_

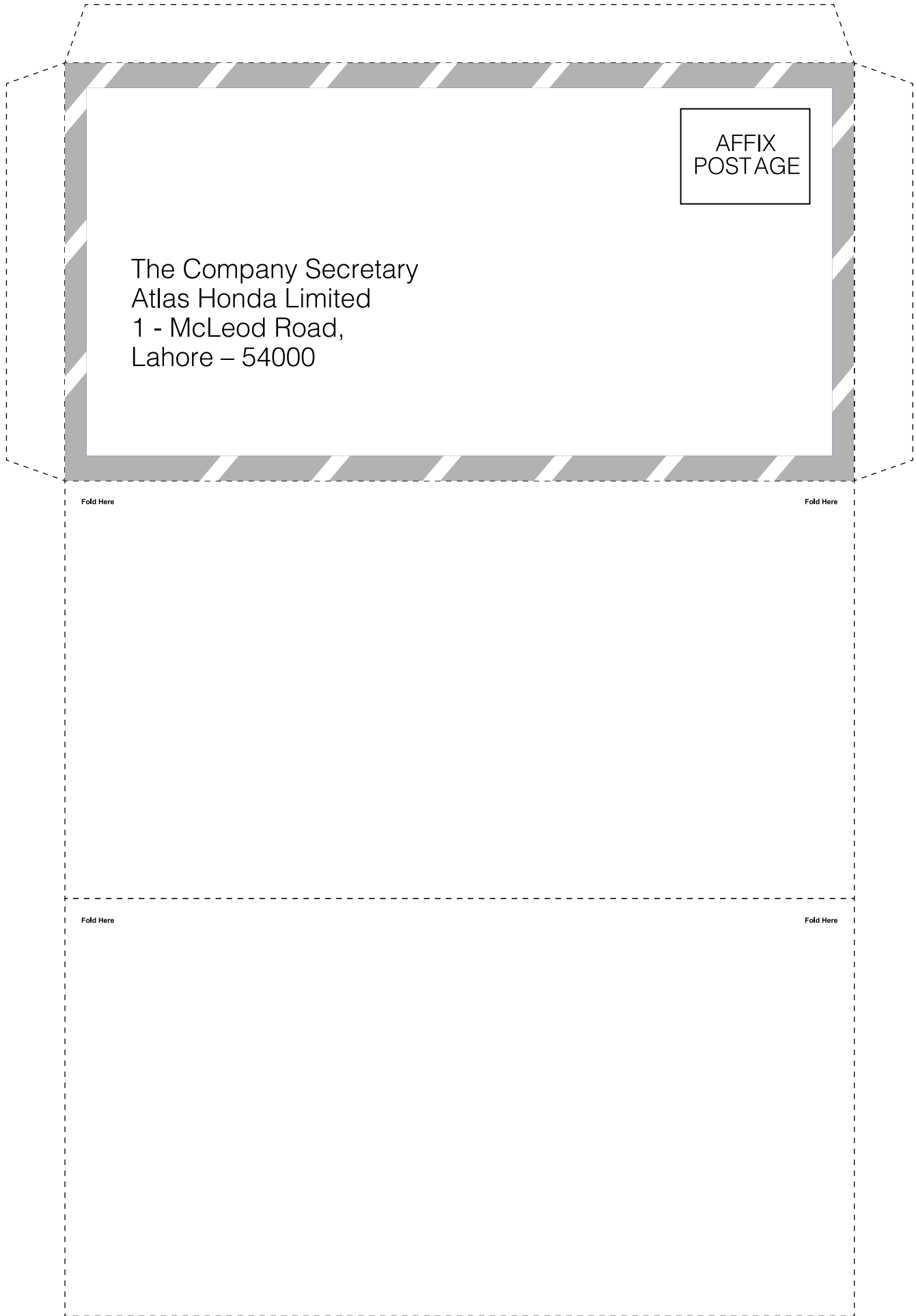
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Telephone : \_\_\_\_\_

Please mail your feedback to : \_\_\_\_\_

Email: [ah1.suggestions@atlashonda.com.pk](mailto:ah1.suggestions@atlashonda.com.pk)





AFFIX  
POSTAGE

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