

HONDA
The Power of Dreams

How we move you.

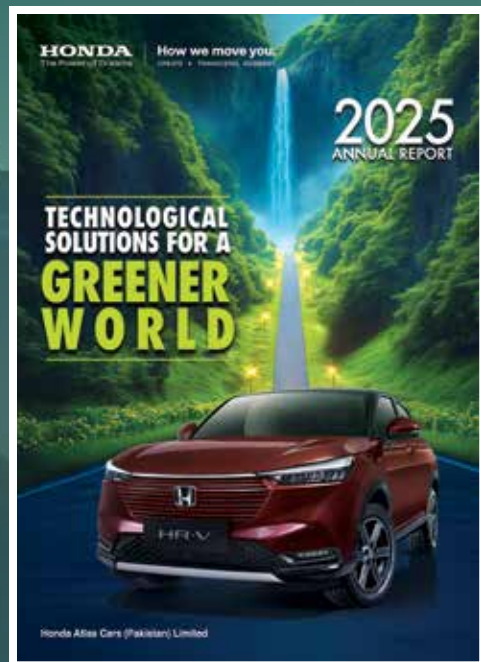
CREATE ► TRANSCEND, AUGMENT

2025
ANNUAL REPORT

**TECHNOLOGICAL
SOLUTIONS FOR A
GREENER
WORLD**



Honda Atlas Cars (Pakistan) Limited



Cover Concept

Technological Solutions for a Greener World

Honda is committed to creating a cleaner, more sustainable future through innovative technology. By designing smart and efficient mobility solutions, Honda reduces environmental impact while enhancing convenience. From energy-saving systems to eco-friendly manufacturing, every innovation is aimed at building a greener world. With a focus on sustainability and progress, Honda continues to shape the future of mobility while protecting the planet for generations to come. Honda is paving the way for a greener world—where progress and environmental responsibility are at the forefront.

CIVIC

A CLASS THAT SHINES THROUGH



Company Profile

Honda Atlas Cars (Pakistan) Limited (HACPL) is a joint venture between Honda Motor Co., Japan, and the Atlas Group, Pakistan. Incorporated as a public limited company on November 4, 1992, it is listed on the Pakistan Stock Exchange Limited. The joint venture agreement was formalized on August 5, 1993, followed by the groundbreaking ceremony on April 17, 1993.

The plant's construction and equipment installation were completed within just 11 months, leading to the Inaugural car roll off the assembly line on May 26, 1994. This milestone event was graced by the then President of Pakistan, the late Sardar Farooq Ahmad Khan Leghari, alongside Mr. Nobuhiko Kawamoto, President of Honda Motor Co., and the late Mr. Yusuf H. Shirazi, Founder of Atlas Group. Subsequently, the Company launched its Initial Public Offering (IPO) and was listed on the Karachi and Lahore Stock Exchanges in November 1994.

July 14, 1994, marked the beginning of car bookings, through six dealerships in Karachi, Lahore, and Islamabad. Over the years, the nationwide dealership network expanded to include 38 3S (Sales, Service, and Spare Parts) dealerships, 19 2S (Service and

Spare Parts) outlets, and 5 1S (Spare Parts) stores across major cities in Pakistan, all operating in accordance with global Honda standards ensuring consistency in Quality services.

Our Journey in Production commenced with the 5th generation Honda Civic in 1994. Since then, the lineup has expanded to include the Honda City (1997), BR-V (2017), and HR-V (2022). Cumulatively over 556,100 vehicles have been manufactured and sold in Pakistan.

In response to the growing market demand, the Company significantly expanded its plant in 2006, doubling its annual production capacity to 50,000 units per year on double-shift operational model. This expansion ensured that we meet the evolving demand of the automotive market in Pakistan.

We adhere to the government's policies regarding the percentage of parts localization by actively supporting local vendors in domestic market. To ensure international quality benchmarks we implement a rigorous quality control system, ensuring consistent quality and performance.

The Company is committed to delivering exceptional services and

products to its esteemed customers through a customer-first approach. We conduct regular service campaigns to enhance customer satisfaction and strengthen brand loyalty. This market confidence is reflected in the fueled sales growth reinforcing the brand's strong position in Pakistani market.

Currently, Honda Atlas offers six models, four locally assembled – Honda Civic, City, BR-V, and HR-V and two imported – Honda Accord and CR-V. The 6th generation Honda City (2021) offers CVT transmission, standard SRS airbags across all variants, improved performance, and enhanced fuel efficiency for a smoother urban driving experience.

In March 2022, the 11th generation Honda Civic was launched in Pakistan, featuring a turbocharged engine and advanced safety technologies. The Civic RS 2022 stands out with Honda Sensing a suite of safety features including Collision Mitigation Braking System, Adaptive Cruise Control, Lane Keep Assist, Road Departure Mitigation, Auto High Beam, Lead Car Departure Notification, and Walk-Away Auto Locking. The Civic 2022 is widely praised for its precise handling, refined ride quality, and robust performance.

The Honda BR-V offers a vibrant color palette and modern tech features, while the locally assembled Honda HR-V was launched on October 21, 2022 in two variants, equipped with an enhanced technology and elevated driving experience to customers seeking versatility and innovation.

In a major milestone, Honda Atlas Cars rolled out its 500,000th vehicle from the Manga Mandi Plant in Lahore, a testament to the enduring trust placed in the brand by Pakistani consumers.

On November 27, 2023, the Company marked its 30th anniversary with a grand celebration at the Lahore plant, attended by over 1,700 guests including dealerships, corporate partners, suppliers, vendors, associates and distinguished representatives from Honda Motor Co. Japan and Asian Honda Co. Thailand and Atlas Group. The celebration highlighted the three core joys of Honda: the Joy of Buying, the Joy of Selling, and the Joy of Creating. As Honda Atlas Cars (Pakistan) Limited continues its journey, it remains committed to innovation, customer satisfaction, and long-term investment in Pakistan's automotive future.



Export Ceremony Built in Pakistan 29th March, 2025

On March 29, 2025, the Company celebrated a Historic Milestone with Inaugural 'Built in Pakistan' Export Ceremony held at its state-of-the-art manufacturing facility. Reinforcing its position as a key player in the international automotive market, the Company successfully dispatched its inaugural batch of 38 Honda City 1.2L units to Japan. The event was attended by senior government officials, esteemed industry stakeholders, media representatives, and key members of HACPL and the ATLAS Group of Companies, marking a significant milestone in the Company's commitment to high-quality automotive manufacturing and global expansion.

Looking ahead, HACPL remains focused on innovation and sustainable mobility. The Company is

actively working to introduce Honda's cutting-edge e:HEV (Hybrid Electric Vehicle) technology to the Pakistani market. This next-generation hybrid system combines dynamic performance with exceptional fuel efficiency and reduced environmental impact. With this technology, HACPL is positioning itself at the forefront of eco-friendly mobility in alignment with global trends and evolving customer expectations.

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



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



Ground Breaking Ceremony held on 17th April 1993



Celebrated of 30th Anniversary on 27th November 2023



Celebrated 500,000th Production Unit Ceremony on 29th March 2022

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A new vision,
a new drive
for a better tomorrow



Vision Statement

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

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

Company Information

Board of Directors

Mr. Aamir H. Shirazi	Chairman
Mr. Masaya Wakuda	President & CEO
Mr. Saquib H. Shirazi	Director & Senior Advisor
Mr. Naoki Negi	Executive Director & VP (P)
Mr. Hidenori Ashikawa	Director
Mr. Gaku Nakanishi	Director
Mr. Muhammad Naeem Khan	Independent Director
Mr. Ariful Islam	Independent Director
Ms. Rie Mihara	Independent Director

Audit Committee

Mr. Muhammad Naeem Khan	Chairman
Mr. Saquib H. Shirazi	Member
Mr. Hidenori Ashikawa	Member
Mr. Gaku Nakanishi	Member

Human Resource and Remuneration Committee

Mr. Muhammad Naeem Khan	Chairman
Mr. Saquib H. Shirazi	Member
Mr. Masaya Wakuda	Member
Mr. Naoki Negi	Member
Mr. Hidenori Ashikawa	Member

Executive Committee

Mr. Masaya Wakuda
Mr. Maqsood-ur-Rehman Rehmani
Mr. Naoki Negi

Company Secretary & Vice President

Mr. Maqsood-ur-Rehman Rehmani

Chief Financial Officer

Mr. Hamood-ur-Rahman Qaddafi

Head of Internal Audit

Mr. Imran Farooq

Auditors

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

Legal Advisor

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

Registered Office

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

Factory

43 Km, Multan Road, Manga Mandi,
Lahore, Pakistan.
Tel: +92 42 35384671-80
E-mail: info@honda.com.pk

Regional Offices

Lahore

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

Karachi

5th Floor, Tower-A, Technology Park,
Shahrah-e-Faisal.
Tel: +92 21 32785411-1

Bankers

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

Board of Directors



Mr. Aamir H. Shirazi
Chairman

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

He is currently the Chairman of Honda Atlas Cars, Atlas Honda, and Atlas Engineering. He also serves on the Boards of Shirazi Investments (the Group's Holding Company), Murree Brewery Company Limited, and Tri-Pack Films Limited.

He is a member of the Board of Governors, Lahore University of Management Sciences. 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 as the Honorary Consul General of Japan in Lahore, since 2002 and is the Patron-in-Chief, Pakistan Japan Cultural Association, Lahore.



Mr. Masaya Wakuda
President & CEO

Mr. Masaya Wakuda has been with Honda Motor Co., Ltd., Japan for over 22 years. He joined the Company in 2003, beginning his career in the Parts Operation Division at Honda Motor Co., Ltd., Japan. Mr. Wakuda is a graduate of Osaka University, Japan, and has had an extensive and impressive career at Honda, holding significant roles in various divisions, including parts sales, procurement, logistics, and supply chain management. He joined Asian Honda Motor Co., Ltd. in January 2006, and later returned to Honda Motor Co., Ltd. In December 2010, where he worked for three years as an Assistant Manager in the Overseas Parts Sales and Automobile Service Engineering Departments. In March 2013, he was transferred to Honda Europe NV, where he served as Business Unit Staff Manager for four years. In April 2017, he returned to Honda Motor Co., Ltd. in Japan, working as Manager in the Supply Planning Department for four years and in the Strategic Logistics Department for two years. In his most recent role, he became President of Honda Motor Europe, Logistic NV in August 2023.

He joined on the Board of Honda Atlas Cars (Pakistan) Limited as an Executive Director and President & Chief Executive Officer from April 01, 2025.



Mr. Saquib H. Shirazi
Director & Senior Advisor

Saquib Shirazi is the President & Chief Executive Officer of Atlas Honda. He is also the Senior Advisor and Director on the Board of Honda Atlas Cars (Pakistan) Limited.

In the past, he has served as Chairman, Pakistan Business Council (PBC), Chairman, Pakistan Auto Manufacturers' Association (PAMA) as well as Chairman, Harvard Business School's Global Alumni Board. He is currently an advisor to British International Investment (BII), the National School of Public Policy and Prime Minister's Economic Council.

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



Mr. Naoki Negi
Executive Director & VP (Production)

Mr. Naoki Negi has been associated with Honda Motor Co., Ltd, Japan since 1989. He graduated from Kawagoe Commercial High School, in Japan. He started his career as an Engineer in the Welding Department in Honda Motor Co., Japan and he has vast experience in different managerial positions. From April 2017 he worked as Chief Engineer at Honda of Canada Manufacturing in Canada for four years. From April 2021 he worked as Chief Engineer in Honda Motor Co., Japan prior to his appointment at HACPL.

He was appointed on the Board of Honda Atlas Cars (Pakistan) Limited on October 01, 2024, as Executive Director & Vice President (Production).

Board of Directors



Mr. Gaku Nakanishi
Director

Mr. Gaku Nakanishi has been associated with Honda Motor Co., Japan for past 33 years, bringing vast experience in Automobile Business, Product Planning, and Marketing. He began his career as a Staff Member of Honda Motor Co., and has since worked in different Honda subsidiaries. He served as a Sales Director at Honda Mexico for 8 years, followed by another 3 years as the President at Honda Automobile Thailand. Subsequently, he held the position of the President of Honda Cars India for 4 years before his current appointment as a Director of Asian Honda Motor Company Limited, Thailand.

Mr. Nakanishi has been appointed to the Board of Honda Atlas Cars (Pakistan) Limited from May 2022.



Mr. Hidenori Ashikawa
Director

Mr. Hidenori Ashikawa has been associated with Honda Motor Co., Ltd., Japan, for last 22 years, with extensive expertise in the management of Accounting, Finance, and Business Planning. He has worked at Honda Motor, Japan, as well as in various overseas subsidiaries. Notably, he served for nearly 4 years at Honda Motor Europe as Accounting, Finance, and HR Assistant to the President, and for over 3 years at Honda Cars India as the CFO & Director. Recently, he assumed the role of Director of Asian Honda Motor Co., Ltd., Thailand.

Mr. Ashikawa has been appointed to the Board of Honda Atlas Cars (Pakistan) Limited, effective April 1, 2024.



Mr. Ariful Islam
Independent Director

Mr. Ariful Islam is a senior banker with over 37 years of experience with various banks in Bahrain and Pakistan. He qualified as a Chartered Accountant from the Institute of Chartered Accountants in England and Wales and is also a Fellow member of the Institute of Chartered Accountants of Pakistan. He worked with Peat, Marwick, Mitchell & Co. (now KPMG) in their main London Office before starting his banking career with Faysal Islamic Bank of Bahrain. He subsequently moved to MCB where his last position was SEVP & Head of Investment Banking. He joined Meezan Bank in April 1999 as the Bank's first Chief Operating Officer and retired from his position as the Deputy CEO of the Bank in 2024.

He has been on the Board of the Honda Atlas Cars (Pakistan) Limited since 2020 as an Independent Director. Beside this, he is also a Director on the Board of the M/s. Raqami Islamic Digital Bank Ltd, M/s. Lucky Core Industries Ltd, M/s. Lucky Landmark Ltd and M/s. Cherat Cement Ltd.



Mr. Muhammad Naeem Khan
Independent Director

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

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



Ms. Rie Mihara
Independent Director

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

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



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

Mr. Rehmani has done an MBA in Marketing, a Law Graduate from the University of Karachi, and an Advance Management Course from INSEAD, France. He has vast experience in Human Resources, Administration, Industrial Relations, Import, Purchase & Logistics and Supply Chain Operations, Vendor Development, and Corporate Affairs. He joined Atlas Honda Limited in 1989 and was transferred to Honda Atlas Cars (Pakistan) Limited in 2008 as General Manager of Logistics. Since November 2014, he is working as Company Secretary and Vice President.

Board of Director - Skills Matrix



Name	Position on the Board	Member Sub Committee	Corporate Management	Industrial Experience	Human Resource	Finance	Logistic & Supply Chain	Legal & Risk Management	ESG & Sustainability
Mr. Aamir H. Shirazi	Chairman of the Board		✓	✓	✓	✓	✓	✓	✓
Mr. Masaya Wakuda	Executive Director, President & CEO	Executive Committee and HR & R	✓	✓	✓	✓	✓	✓	-
Mr. Saquib H. Shirazi	Director & Senior Advisor	Audit & HR&R	✓	✓	✓	✓	✓	✓	✓
Mr. Naoki Negi	Executive Director & Vice President Production	Executive Committee and HR&R	✓	✓	-	-	✓	✓	-
Mr. Gaku Nakanishi	Director	Audit	✓	✓	✓	-	-	✓	✓
Mr. Hidenori Ashikawa	Director	Audit & HR&R	✓	✓	✓	✓	-	✓	✓
Mr. Muhammad Naeem Khan	Independent Director	Audit & HR&R	✓	✓	-	✓	✓	-	-
Mr. Ariful Islam	Independent Director		✓	-	✓	✓	-	✓	✓
Ms. Rie Mihara	Independent Director		✓	✓	✓	-	✓	✓	-

Key Management



Mr. Muhammad Ashraf
Assistant Vice President
Advisor

Mr. Ashraf has more than 43 years experience in automobile production operations and new model development. He started his career with Awami Autos Limited in 1982 and has also worked with Pak Suzuki Motor Co for nine years. He joined Honda Atlas Cars (Pakistan) Limited in 1993 and has qualified Management Courses from AOTS Japan. He has worked in different management roles and currently he is working as Assistant Vice President Advisor.



Mr. Asif Mahmood
Assistant Vice President
Technical

Mr. Asif is a Mechanical Engineer, having graduated from UET Lahore, and holds an Executive MBA from LUMS. Since joining the Company in 1994, Mr. Asif has held a wide range of managerial roles across key departments, including Material Services, Production Planning & Control, ISO, New Model Center, Specification Control & Business Planning. He completed various prestigious management programs, including those offered by HIDA Japan and ASH Thailand.

In 2012, he took on the responsibility of leading the Purchasing Division, a role which he performed until March 2023. In April 2023, Mr. Asif was assigned as Senior GM Technical, where he looked after the Production, Model Planning, and Production Control Divisions. Currently, he holds the position of AVP Technical, taking care of Production, New Model, Production Control and Purchasing Divisions.



Mr. Iqbal Ahmad
Assistant Vice President
Sales and After Sales

Mr. Iqbal has a BSc in Mechanical Engineering from UET, Lahore and an Executive MBA from LUMS. He has more than 33 years experience of Production, Quality, Manufacturing Operations, Stores and Project Management. He started his career as trainee engineer with Atlas Honda Limited and served in different management positions. He joined Honda Atlas Cars (Pakistan) Limited in November 2014 as Head of Import Purchase & Logistics Division. Since August 2017, he has been working as Assistant Vice President Sales and After Sales.



Mr. Mujahid ul Mulk
Assistant Vice President
Services

Mr. Mujahid joined Atlas Honda in 1998, and this association spans multiple functions including HR, Administration, Sales, Spare Parts and Marketing. He also worked for Atlas Autos and Atlas Engineering during his career trajectory.

He holds an Executive MBA degree from IBA-Karachi, MPA & law graduation from University of the Punjab and DBM from LUMS, Lahore. He has also attended executive training programs, including The Corporate Management for Pakistan from AOTS, Japan and MLD training from Asian Honda, Thailand along with multiple other training engagements.

As of April 2025, he has taken on the role of AVP at Honda Atlas Cars (Pakistan) Limited, building on his 28 years of experience with the Atlas Group.

Key Management



Mr. Muhammad Akmal Dar
Senior General Manager
New Model

Mr. Dar began his professional journey with the Atlas Group nearly three decades ago, joining Atlas Honda Limited (AHL) in Production Planning & Control Department in 1995. He holds a Bachelor's degree in Mechanical Technology, a Postgraduate Diploma from LUMS, and an Executive MBA from the University of the Punjab. With extensive experience across Production Planning, Supply Chain, Production, Quality, and Project Management, Mr. Dar possesses a proven ability to align and optimize business resources to achieve maximum efficiency and output. He has also completed a wide range of prestigious management programs from HIDA Japan, LUMS, and other renowned institutions.

In 2016, he was appointed as a Member of the Management Committee at AHL, serving as General Manager Production Planning & Control. After 23 years of dedicated service, he was transferred to HACPL in 2018 as General Manager Import, Purchase & Logistics Division. In April 2023, he was assigned the responsibilities of the Purchasing Division as Senior General Manager and in April 2025, he assumed his current role as Senior General Manager New Model Division.



Mr. Sohail Qaisar
Senior General Manager
HR & Administration

Mr. Sohail holds a Bachelor of Engineering (BE) in Mechanical Engineering from the University of Engineering and Technology (UET), as well as an Executive MBA and a DBM from the Lahore University of Management Sciences (LUMS), Lahore. He has over 31 years of experience across various domains, including Production, Project Management, Supply Chain, Production Planning and Control, as well as Human Resources and Administration. He began his career as a trainee engineer at Atlas Honda Limited and was transferred to Honda Atlas Cars (Pakistan) Limited in April 2019. Currently, he serves as the Senior General Manager of HR and Administration.



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

Mr. Rizwan has been associated with the Atlas Group for over 30 years, bringing extensive experience and a diverse skill set across multiple industries. Over the years, he has held various leadership roles within the Group's automobile and power business. He possesses extensive expertise in business management, supply chain operations, administration, corporate affairs, and contract management. He holds an MBA in Banking & Finance from Punjab University and has further enhanced his leadership capabilities through specialized executive trainings, including the Management Development Program at LUMS. Since 2023, Mr. Rizwan has been serving as Sr. GM Import, Purchase & Logistics Division.



Mr. Hamood Ur Rahman Qaddafi
Senior General Manager / CFO
Finance

Mr. Hamood is a Fellow Member of the Institute of Cost and Management Accountants of Pakistan and holds an Executive MBA from LUMS. He joined Honda in 2009 and played a key role in establishing and leading the Company's Internal Audit division for over 12 years. With extensive experience in costing and budgeting, business planning, financial management, and internal audit, he was appointed as Chief Financial Officer (CFO) of Honda in August 2020.

Mr. Hamood began his professional career in 2000 with Haleeb Foods Ltd, where he worked in the Finance and Budgeting & Planning departments for five years. He later served in the Finance Department of Beaconhouse National University for two years. Before joining Honda, he held the position of Manager Costing & Planning at Nimir Chemicals Pakistan Ltd. Outside of work, he is an avid reader and passionate traveler.



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

Mr. Ajmal has been associated with the Company for the last 31 years. He has contributed significantly across various departments, including Frame Assembly, Vehicle Quality, Market Quality and Quality Control Division. He has qualified Management courses from AOTS, Japan in "Automobile-New Model Development" in 1999 and from HIDA, Japan in Production Management in 2017. Additionally, he completed a Senior Leadership Training Program from Thailand in 2018 and also obtained a Diploma in Business Management from FCCU in 2019. Currently, he holds the position of Chief Engineer Quality (CEQ) since April 2018.



Mr. Muhammad Ali
Senior General Manager
Information Technology

Mr. Ali is associated with the Company for last 10 years. He has previously worked with IBM and other IT companies mainly in the field of SAP implementations, both local & abroad. He has a diverse experience of working in the industry like Chemical, Petrochemical, FMCG, Auto, Textile etc. He is SAP certified consultant and has attended course from AOTS Japan in addition to other Management / Leadership training programs. He has been involved in the transformation of ERP systems with SAP and integration of different business operations.



Mr. Imran Farooq
General Manager
Head of Internal Audit

Mr. Imran is Master of Commerce (M.Com) from Hailey College of Commerce and has a Post-Graduate Diploma in HR from Punjab University, Lahore. He joined as Executive Shares and has been associated with the Company for more than 30 years. He has also served in HR & Admin Division and Health, Safety & Corporate Governance Division. He has experience in planning & organizing Corporate matters, Corporate Governance, and compliances with Stock Exchanges, SECP, CDC, and other regulatory bodies. He has attended the Executive Program on Corporate Management from AOTS, Japan, and Management courses from Japan & Thailand. From August 2020, he has been assigned the responsibilities of Head of Internal Audit.



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

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

Key Management



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

Mr. Waseem has been associated with the Company for the last 25 years. He has done his MBA in Banking & Finance and started his career with Packages Ltd in the field of Import/Export. In 1999, he joined Honda Atlas Cars (Pakistan) Ltd., in Logistic Division. He has worked in Import, Sales Tax, Procurement, Supply Chain and Corporate Affairs (Regional Office Islamabad). He also has experience of handling Custom matters, Tariff Based System, Export of CBUs and Auto Parts and has been involved in dealings and necessary approvals from the Govt. He has also attended a Management Training course from AOTS Japan. From April 2021, he has been assigned the responsibilities of Safety, Health, and Corporate Governance Division.



Mr. Muhammad Naeem
General Manager
Sales & Marketing

Mr. Naeem did MBA in Marketing, and an Advance Business Management Program from IBA, Karachi. He also did a qualified Management Training Program from AOTS, Japan. He joined Atlas Honda Limited in 2004 and served in various positions. He has more than 23 years of experience in Strategic Sales Management & Business Development, Product Planning, Network Optimization and Customer Retention. At Present, he is working as General Manager of Sales & Marketing Division.



Mr. Aneel Anwar
General Manager
Production

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



Mr. Muhammad Nauman
General Manager
Quality Control

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



Mr. Farrukh Navid Ul Hassan
General Manager
Purchasing

Mr. Farrukh holds an MSc in Manufacturing Engineering from UET Lahore & PGD in Business Management from IBA Karachi. He joined HACPL in Oct 2005 and started his career in Purchasing Division. He has served in different positions including 2 years deputation as a Project Leader at Honda Automobile (Thailand) Co., Limited where he got an opportunity to work closely with Honda R&D and global suppliers. Leveraging that experience he contributed to enhancing the localization levels of each model. He has 20 years of experience in the areas of New Models planning & cost feasibilities, parts localization, parts sourcing & makers layout decisions and suppliers' development & management. He has also completed AOTS course from Japan on "Productivity Improvement utilizing creativity at Genba". Since April 2025, he has assumed responsibility of General Manager Purchasing Division.



Mr. Rana Usman Abid
General Manager
Production Control

Mr. Usman holds a Bachelor's degree in Mechanical Engineering, MBA with specialization in Marketing, and a Diploma in Business Administration. He brings over 20 years of extensive and diverse management experience across automobile and banking sectors. His core competencies include Supply Chain Management, Aftersales Service, Spare Parts Sales, Dealer Network Development, Risk Assessment & Technical Evaluations. He commenced his professional journey from HACPL in 2005. In 2010, he transitioned to TOTAL Pakistan, where he was responsible for sales of Industrial Lubricants. Subsequently, he joined Allied Bank Limited, where he was involved in technical evaluations of Automotive plants, Power plants, Refineries & Sugar mills for lending purposes. In 2017, he rejoined HACPL & has since served in various leadership roles within Aftersales Division and Import Purchase & Logistics Division. As of April 2025, he is overseeing Production Control Division in the capacity of General Manager.



Mr. Farhan Saleem
General Manager
After Sales

Mr. Farhan Saleem has a comprehensive experience of over 21 years and is currently serving as General Manager After Sales. He is a result-driven professional and his career spans a broad range of key functions including Sales, After Sales, Manufacturing, Product Development, and Supply Chain — making him a well-rounded leader with a holistic understanding of the business. Farhan brings a powerful combination of leadership, project management, and sales expertise to the table. His strategic approach and ability to lead cross-functional teams have consistently driven operational excellence and customer satisfaction across multiple departments. Holding an academic background in Engineering and MBA, Farhan bridges technical insight with business acumen, allowing him to deliver solutions that are both innovative and commercially sound. He is passionate about continuous improvement, fostering strong teams, and driving sustainable growth across the value chain.

President & CEO	Vice President	Divisions	Assistant Vice President	Senior General Manager	General Manager	Senior Manager	Manager	
Masaya Wakuda	Maqsood ur Rehman (Compliance Officer)	Import, Purchase & Logistics		Rizwan Shafique Import, Purchase & Logistics		Mawiz Akhtar Local Purchase	Hafiz Muhammad Sajid Naseem Import	
		Safety, Health & Corporate Governance	Mujahid ul Mulk Services		Syed Waseem Hassan Health, Safety & Corporate Governance	Muhammad Arshad Javed Work Safety & Fire Safety Muhammad Imran Medical	Sheikh Wajid Subhani Corporate Governance Javed Iqbal Road Safety	
		Human Resources & Administration		Sohail Qaisar HR & Administration		Muhammad Zafar Iqbal Administration Services & IR Farhat Yasmeen Human Resource Muhammad Nauman Ali Corporate Affairs (Islamabad)	Muhammad Shahbaz Hassan Admin, Utilities	
		Legal, IPR & CRM			Imran Haider Rathore Legal, IPR & CRM			
		Information Technology		Muhammad Ali Information Technology				Ammarah Hafeez ERP Functional M. Zaman Khan Abdali IT Infrastructure
		After Sales	Iqbal Ahmad Sales & After Sales		Farhan Saleem After Sales	Bushra Waseem Service Planning & Service Operation Muhammad Muneeb ul Hassan Training Technical & Warranty & NM	Muhammad Nauman Warehouse / PDI / CCM Javed Iqbal Khan Parts Sales Syed Mujahid Ali Shah Service Operation Karachi	
	Sales & Marketing			Muhammad Naeem Sales & Marketing	Sayed Arif Ali Shah Sales Operations & Dealers Development	Nadeem Iqbal Marketing Tomonori Doi Sales Coordinator Muhammad Zubair Maqbool Product Planning & Training Rizwan Haider Corporate Sales Nawazish Ali Sales & Sales Planning		
	Finance		Hamood ur Rahman Qaddafi Finance		Muhammad Aamer Finance & Treasury	Muhammad Javaid Budgeting Syed Awais Ahmed Shah Financial Reporting & Systems Muhammad Faraz Finance & Taxation		
	Internal Audit			Imran Farooq Internal Audit	Amna Tahir Fayyaz Ahmad Vice CEO Takashi Tasuta Assistant CEO			
		Muhammad Ashraf Advisor		Muhammad Ajmal CEO				
	Purchasing			Farrukh Navid ul Hassan Purchasing	Ghafoor Ahmad Qaiser Quality Development Sumio Nakasho Purchasing Jamshaid Tahir NMC	Muhammad Arshad Costing, NMC Riaz Ahmad Local Parts Development		
	New Model			Muhammad Akmal Dar New Model		Mujahid Yasin Business Planning, ECM Asia Saif Ali Rizvi ISO Secretariat, QCM, HSCM		
	Production Control	Asif Mahmood Technical			Rana Usman Abid Production Control	Mirza Mahtab Baig Planning & MS	Waseem Akhter Material Service Muhammad Kashif Shahzad Welding Khurram Manzoor Paint Majid Rashid PO Paint Zulfiqar Ali Engineering Shop Muhammad Mehboob Maintenance Abdul Quddos Abbasi Assembly Final Muhammad Khalid Engine Assembly	
	Production				Aneel Anwar Production			
	Quality Control					Muhammad Rafi Press / PO Injection M. Aslam Khan Vehicle Quality	Muhammad Idrees Press Shop Altaf Hussain Final Inspection Ayaz Liaqat Parts Quality	
		Naoki Negi (Risk Management Officer)				Muhammad Nauman Quality Control		

Chairman’s Review

As on March 31, 2025

Dear Shareholders,

I am pleased to present the 33rd Annual Report of the Company for the year ended March 31, 2025.



Macroeconomic Overview

During the year under review, the country's economic environment showed steady improvement. Progress was made as the Government stayed committed to a set of policies that raised the confidence of multilateral and bilateral partners. The ongoing IMF Extended Fund Facility (EFF) has provided critical support to help create a healthier reserve position. Significant improvement in the external account has enabled the economy to stabilize and raise investor confidence. As a result, GDP growth is projected to rise to 3.0% in FY25, compared to 2.5% in the previous year. The economy is now better positioned for sustained expansion and greater structural stability over the medium term.

On the external front, the current account posted a surplus of USD 1.86 billion during 9M FY25, compared to a deficit of USD 1.65 billion in the same period last year. This improvement was supported by an 8.7% year-on-year growth in exports and a sharp rise in worker remittances. Remittances reached a new high of USD 28.03 billion, up from USD 21.04 billion in the previous year. A gradual pickup in economic activity led to an 8.0% increase in imports. As a result, the trade deficit widened to USD 21.05 billion in 9M FY25, marking a rise of 14.7% compared to the same period last year. On the other hand, the State Bank of Pakistan's (SBP) foreign exchange reserves increased by 22.5%, reaching to USD 15.58 billion. Meanwhile, the Pak Rupee

remained broadly stable, closing at Rs. 280.

On the fiscal side, the FBR collected Rs. 8.46 trillion during 9M FY25, marking a 27% increase compared to Rs. 6.66 trillion collected in the same period last year. Stronger tax collection was supported by improved enforcement measures and higher economic activity. Inflation dropped sharply to 0.7% in March 2025, the lowest level in 59 years. This decline was mainly driven by falling food and energy prices, tight monetary policy, and a favorable base effect. As a result, the State Bank of Pakistan reduced the policy rate to 12% by March 2025, down from 22% a year earlier, while maintaining a cautious monetary stance.



Chairman's Review As on March 31, 2025



Participated in Pakistan International Auto Show 2024

Agriculture

The agriculture sector showed mixed performance. Major Kharif crops declined sharply. Cotton production dropped by 30.7%, and maize fell by 15.4%. The fall in output was mainly due to unfavorable weather conditions and a high base from the previous year. For the Rabi season 2024-25, wheat production is targeted at 27.9 million tons. Government support through input subsidies, high-yield seed distribution, and the Kissan Card scheme is helping farmers improve productivity. Agriculture credit rose by 33.7%, providing greater access to finance and supporting rural economic growth.

Large Scale Manufacturing (LSM)

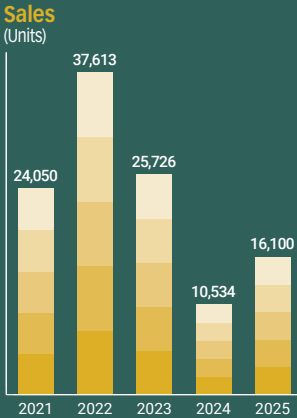
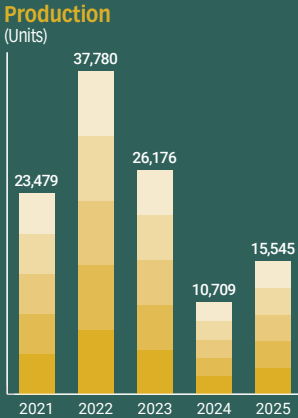
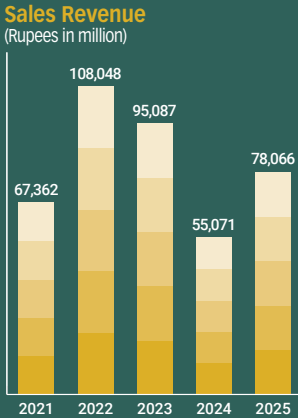
Large-Scale Manufacturing (LSM) showed signs of mixed recovery. The sector contracted by 1.8% during 7M FY25. However, 11 out of 22 sectors posted growth, including textiles and apparels, petroleum products, pharmaceuticals, and tobacco. The recent reduction in electricity tariffs is expected to support the manufacturing sector by lowering production costs and improving competitiveness in

international markets. Targeted actions by the Special Investment Facilitation Council (SIFC) are also underway to address ongoing challenges and promote industrial growth.

Automobile Industry

The automobile industry successfully navigated a year of transition, gradually moving toward recovery after a period of economic volatility. The fiscal year started amid challenging conditions, characterized by persistent inflation, historically highest interest rates, and subdued consumer demand. However, macroeconomic stabilization measures undertaken by the government played a pivotal role in restoring confidence,

enabling the industry to redefine operational and strategic direction for sustainable growth. These measures supported a gradual recovery in consumer demand for automobiles and facilitated the easing of import restrictions, enabling manufacturers to achieve stable production planning. As production scaled up, previously laid-off workers were gradually reinstated across assembly plants, parts factories, and dealership networks. Ancillary industries such as logistics, steel, glass, and rubber also experienced a modest increase in demand. The resulting multiplier effect benefited small and medium enterprises across the automotive supply chain. One of the key drivers of the auto industry's revival was a relatively stable foreign exchange



Media e:clusive – Reflecting on Past Year's Success & Embracing the Future with e:HEV Technology

regime, which allowed manufacturers to access imported kits and parts with greater predictability. Additionally, State Bank of Pakistan's consistent easing of monetary policy played a key role in reviving auto financing, particularly in the small and mid-sized car segments. However, higher prices of premium vehicle continued to constrain mass market growth. Despite this challenge, overall performance of the industry demonstrated a renewed momentum.

From a policy standpoint, the automobile sector benefited from the government's focus on industrial revival and import substitution. This included a renewed emphasis on localization, with technical assistance and credit schemes extended to local parts manufacturers to strengthen their production capabilities and reduce dependence on imported kits. However, presence of a thriving used-car import market continues to undermine the competitiveness of local assemblers.

A significant development in Pakistan's automotive landscape is the industry's increasing focus on sustainability. Driven by global climate shifts and the pressing need

to reduce carbon emissions, the industry is gradually adopting environmentally friendly technologies. This transition is visible from the growing presence of renewable energy vehicles across the country. While widespread adoption of electrical vehicles (EVs) remains limited due to infrastructure and affordability challenges, several manufacturers have started introducing hybrid and battery-electric models tailored to both private consumers and commercial fleets. This marks a significant milestone towards building a more sustainable, energy-efficient, and resilient automotive future of Pakistan.

Overall industry production rose to 132,800 units, marking a significant increase compared to 89,270 units recorded in the previous year. In

parallel, car sales also showed substantial improvement, reaching 135,448 units as opposed to 85,061 units in the prior period. Your Company produced 15,545 units against 10,709 units and sold 16,100 units as compared to 10,534 units in the preceding year.

The industry maintains a cautiously optimistic outlook, positioning itself for a more stable and growth-oriented trajectory over the next three to five years. However, this progress remains vulnerable to potential setbacks, such as macroeconomic instability driven by balance-of-payments pressures or resurgence of inflation. Achieving a successful transition from survival mode to sustainable growth will largely depend on policy continuity, industry collaboration, and consumer engagement.





The Company

Your Company continues to observe the ‘3 Joys’ philosophy through innovative and reliable products. Honda Pakistan, a world-class brand, has successfully sustained its presence even under challenging circumstances of the country and is a preferred brand of a growing customer base. The current fiscal year marked a pivotal milestone for the Company, as it successfully initiated first ever CBU exports. This represented a strategic advancement and a critical step toward aligning with the objectives of the national auto policy.

Historic Export Milestone

Your Company successfully initiated the export of fully assembled vehicles for the first time in its history—a major step forward in our commitment to excellence, innovation, and global integration. The inaugural shipment comprised 38 units of the Honda City 1.2L, dispatched to the most competitive and quality-conscious market in the world—Japan. This achievement not

only reflects the growing capabilities of the Company but also represents global confidence in Pakistan's automotive manufacturing standards.

The milestone was commemorated in a special ceremony attended by senior government representatives and industry leaders. Mr. Haroon Akhtar Khan, Special Assistant to the Prime Minister on Industries & Production, lauded the achievement as a “remarkable contribution to Pakistan's industrial progress,” reaffirming the government's support for exporters under the Auto Industry Development and Export Policy (AIDEP) 2021–26.

As the Company celebrates this historic accomplishment, it remains committed to driving excellence, investing in local capabilities, and pursuing new frontiers for growth.

Manufacturing Excellence

Your Company has always been keen to embrace clean energy and improve process efficiency. The

Company has taken a significant step forward on this front as illustrated below:

- 2.0 MW Solar Project**
In alignment with Honda Vision 2030 for clean energy, your Company is making substantial advancements in its renewable energy infrastructure. As part of this initiative, the Company is expanding its solar energy capacity from 1.5 MW to 3.5 MW through the installation of an additional 2.0 MW solar system. Energy generation is expected to commence in June 2025. This project is anticipated to significantly reduce CO₂ emissions and deliver operational cost savings by decreasing dependence on conventional energy sources.

Financial Performance

I am pleased to report that your Company achieved commendable financial results for the year ended March 31, 2025. Net sales revenue improved to PKR 78,066 million as compared to PKR 55,071 million in the corresponding last year. Gross profit increased to PKR 6,664 million compared to PKR 4,508 million last year, reflecting improved operational performance. Selling and administrative expenses increased to PKR 3,021 million compared to



PKR 2,394 million last year. Other income, however, declined to PKR 989 million from PKR 2,252 million. Favorable USD-PKR exchange rate stability helped the Company to avoid significant foreign exchange losses. Financial and other charges were contained at the level of PKR 1,356 million against PKR 1,613 million in the preceding year. As a result, the Company posted PKR 3,275 million as profit before tax and levy in comparison to PKR 2,753 million. After statutory tax adjustments, net profit for the year ended March 31, 2025 was recorded at PKR 2,709 million, an improvement over PKR 2,334 million in the corresponding period last year. Consequently, earnings per share improved to PKR 18.97 against PKR 16.34 for preceding year. The Company remains committed to delivering its long-term objectives of sustainable growth and value creation.

Future Outlook

Moving forward, Pakistan's economic outlook appears positive, supported by ongoing reforms and favorable external conditions. Rising geopolitical tensions and trade tariffs present challenges, particularly for the external sector. These risks, however, also create opportunities to strengthen export competitiveness and diversify trade



partnerships. The government's commitment to structural reforms under the IMF program will be critical for maintaining fiscal discipline and economic stability. With inflation easing and industrial activity gradually recovering, the economy is well positioned to regain strong growth, provided external and domestic challenges are addressed effectively.

The Company remains committed to staying ahead of the curve, overcoming challenges, and driving growth through improved operational efficiency and market leadership. Being socially responsible, financially strong, and operationally smart will continue to remain the Company's key objectives. By adhering to the principles of “Honda Philosophy”, the Company is well positioned to continue creating significant value addition for the stakeholders in the years ahead.

چشم واکردو جهان دیگرے پیدا شد
(Renewed efforts will bring renewed results)

Acknowledgment

I would like to acknowledge the continued support and cooperation of Honda Motor Company Limited in maintaining high standards of excellence. I extend gratitude to our valued customers for the trust they continue to place in us, the management team for its sincere efforts & the Board of Directors for their guidance. The outgoing CEO, Mr. Takafumi Kioke, and his team deserve strong appreciation for their endeavors in keeping the business afloat. On behalf of the board, I warmly welcome Mr. Masaya Wakuda as the new CEO of the Company. I wish the Company all the success in the coming years.


Aamir H. Shirazi
Chairman

Date: May 22, 2025
Karachi

Directors' Report

As on March 31, 2025

Dear Stakeholders,

The Directors of the Company are pleased to present their report together with the 33rd Annual Report of the Company along with Audited Financial Statements for the year ended March 31, 2025.

Masaya Wakuda
President & CEO



Financial Results

Key financial results for the year are as follows:

Rupees in million	Year ended March 31, 2025	Year ended March 31, 2024
Profit before levy and tax for the year	3,274.77	2,752.74
Levy and taxation	(565.63)	(418.85)
Other comprehensive income for the year	3.18	56.80
Un-appropriated profit	2,712.32	2,390.69
Opening retained earnings	342.82	380.32
Total balance available for appropriation	3,055.14	2,771.01
Appropriations:		
Transfer to general reserves	(1,500.00)	(1,500.00)
Proposed dividend 80% (2024: 65%)	(1,142.40)	(928.20)
	(2,642.40)	(2,428.20)
Earning per share - basic & diluted (Rs.)	18.97	16.34
* The Board of Directors has proposed these appropriations, which are not reflected in the financial statements in compliance with the Fourth Schedule of the Companies Act 2017.		

Earnings per Share

The basic and diluted earnings per share after tax was Rs.18.97 (2024: Rs.16.34).

Dividend

In line with the Company's strategy to pay dividends, keeping a balance between reasonable payout as well as to meet future business requirements, the Board of Directors has recommended a cash dividend of Rs. 8.00 per share (80%) for the year ended March 31, 2025, with dividend payout of 42%.



Election of Directors - April 25th 2024

Major Business

The Company's principal activities are assembling and progressive manufacturing and sales of Honda vehicles and spare parts.

Composition of the Board

The following is the composition of the Board of Directors:

Total Number of Directors:	9
i. Male	8
ii. Female	1

Composition of the Board:

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

Board of Directors and its Committees

The Board

The Board comprises of three independent Directors (including one female director), two executive and four non-executive Directors. The Directors of the Company were elected in Extraordinary General meeting of the Company held on April 26, 2024. All the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 related to the composition of the Board have been complied with.

Changes on the Board

On April 01, 2024 Mr. Nobuyoshi Noda, Non-Executive Director was replaced by Mr. Hidenori Ashikawa and on October 01, 2024 Mr. Shinobu Nakamura, Executive Director was replaced by Mr. Naoki Negi through regular annual rotation process by Honda Motor, Japan. The Board expressed gratitude for the valuable contributions of the outgoing Director and extended a warm welcome to the newly appointed Directors.

Human Resource and Remuneration (HR&R) Committee

The HR&R Committee primarily responsible for overseeing the organization's human capital and compensation strategies. The Committee advises the board on human resource policies, recommending selection, evaluation, compensation (including retirement benefits), and succession planning for key management personnel, and ensuring fair and consistent compensation practices. The Committee is composed of five Board members, whereas an independent director acts as its Chairman. The terms of reference of the Committee have been reviewed and approved by the Board. The Committee met once during FY 2024–25.

Following are the members of the Committee:

Sr. No.	Name of Committee Member	
1.	Mr. Muhammad Naeem Khan	Chairman
2.	Mr. Saquib H. Shirazi	Member
3.	Mr. Takafumi Koike	Member
4.	Mr. Naoki Negi	Member
5.	Mr. Hidenori Ashikawa	Member

Audit Committee

The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities, primarily by reviewing and reporting on financial and non-financial information to shareholders, overseeing systems of internal control & risk management, and monitoring the audit process, as mandated by its terms of reference. The audit Committee is composed of four directors, and an independent director heads as Chairman of the Committee. The Internal Audit Division regularly reports to the Audit Committee on audit policy, audit plans, and audit results, and when necessary, make additional reports on audit results at the request of the Audit Committee. In line with shareholder expectations, the Audit Committee reviews effectiveness and efficiency of business operations, internal control systems, and financial statements, while also carrying out other duties as applicable by law, to



32nd Annual General Meeting of Shareholders

ensure the sound and sustainable growth of the Company. As part of this process, internal auditors examine business activities to ensure compliance with policies, regulations, and Standard Operating Procedures (SOPs). The Internal Audit Division functionally reports directly to the Audit Committee.

The Chief Financial Officer (CFO) attends Audit Committee meetings by invitation to present the financial statements. Following each meeting, the Chairperson of the Committee provides a synopsis to the Board. During the year, Audit Committee convened four meetings.

Following are the members of the Committee:

Sr. No.	Name of Committee Member	
1.	Mr. Muhammad Naeem Khan	Chairman
2.	Mr. Saquib H. Shirazi	Member
3.	Mr. Hidenori Ashikawa	Member
4.	Mr. Gaku Nakanishi	Member

Meetings of the Board and its Committees

During the year, five meetings of Board of Directors (BOD), four meetings of Audit Committee, and one meeting of the HR&R Committees were held.

Name	Committee		Attendance		
	AC	HR&R	BOD	AC	HR&R
Mr. Aamir H. Shirazi	-	-	5/5	-	-
Mr. Takafumi Koike	-	✓	5/5	-	1/1
Mr. Saquib H. Shirazi	✓	✓	5/5	4/4	1/1
Mr. Shinobu Nakamura	-	✓	3/5	-	-
Mr. Naoki Negi	-	✓	2/5	-	1/1
Mr. Muhammad Naeem Khan	✓	✓	5/5	4/4	1/1
Mr. Hidenori Ashikawa	✓	✓	5/5	4/4	1/1
Mr. Gaku Nakanishi	✓	-	3/5	3/4	-
Mr. Ariful Islam	-	-	4/5	-	-
Ms. Rie Mihara	-	-	3/5	-	-
Mr. Maqsood ur Rehman Company Secretary & Vice President	-	-	5/5	-	-
Mr. Hamood ur Rehman CFO / Senior General Manager Finance	-	-	5/5	-	-

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

Performance Evaluation of the 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 through Google Links. 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 the Chairman and President & 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, providing strategic guidance and direction of the Board's proceedings, leading and ensuring that the Company operates according to its mission and governance



Directors' Report as on March 31, 2025

principles 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 oversees all operations and ensuring the Company's success. He is responsible for strategic decision-making, implementing business policies, Boards' guidance and managing daily operations.

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 developed a "Remuneration Policy for Executive & Non-Executive Directors," which governs the compensation to its Directors. This remuneration framework is structured to incentivize Directors towards achieving enhanced business performance, both in the short and long term, while fostering sustained growth in corporate value. Executive Directors receive monthly remuneration and benefits as determined and approved by the Board of Directors. Non-executive Directors, on the other hand, do not receive regular remuneration except for advisory fee or meeting fee. For detailed information regarding the remuneration and fee of Directors & CEO during the fiscal year 2024-25, please refer to the notes accompanying the Financial Statements.

For the fiscal year ending March 31, 2026, the Board has approved the following advisory fee & remunerations of the Directors:

- a. the advisory fee of the Chairman (Non-executive Director) at Rs. 66.00 million;
- b. the remuneration of the President/CEO at Rs.60.00 million; and
- c. the remuneration of one full-time director at Rs. 42.00 million.

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



L to R - Sitting: Mr. Muhammad Akmal Dar, Mr. Asif Mahmood, Mr. Mujahid ul Mulk and Mr. Iqbal Ahmed
L to R - Standing: Mr. Muhammad Nauman, Mr. Muhammad Ali, Mr. Farhan Saleem, Mr. Muhammad Naeem and Mr. Muhammad Ajmal

the Code of Corporate Governance as required by the Securities and Exchange Commission of Pakistan and forms a part of the Listing Regulations of the Pakistan Stock Exchange. It is also stated:

- a. The financial statements for the year ended March 31, 2025, present fairly its state of affairs, the results of its operations, cash flow, and changes in equity;
- b. The Company has maintained proper books of accounts;
- c. Appropriate accounting policies have been consistently applied in preparation of financial statements for the year ended March 31, 2025, and accounting estimates are based on reasonable and prudent judgment;
- d. International Financial Reporting Standards, as applicable in



- Pakistan, have been followed in the preparation of financial statements;
- e. The systems of internal control are sound in design and have been effectively implemented and monitored;
- f. There are no doubts about the Company's ability to continue as a going concern;

- g. There has been no material departure from the best practices of corporate governance, as detailed in listing regulations;
- h. The book value of investments held by the Employees Provident Fund and Employees Gratuity Fund as on March 31, 2025, are as follows (PKR in millions):

Fund Name	March 31, 2025	March 31, 2024
Provident Fund	671.22	540.72
Gratuity Fund	1,653.52	1,206.24

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

Statement of Value Addition

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



L to R - Sitting: Mr. Muhammad Ashraf, Mr. Rizwan Shafique, Mr. Sohail Qaiser and Mr. Hamood ur Rahman Qaddafi
L to R - Standing: Mr. Farruk Navid ul Hassan, Mr. Rana Usman Abid, Mr. Imran Farooq, Mr. Aneel Anwar, Mr. Syed Waseem Hassan and Mr. Imran Haider Rathore



Material Changes

There have been no material changes since March 31, 2025 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 Company operates in a dynamic environment and is exposed to a range of risks and uncertainties that may have an impact on its strategic objectives, operational performance, and financial results. The principal risks and uncertainties identified include the following:

- Intense competition within the automobile industry;

- Evolving regulatory and compliance requirements;
- Economic and political conditions;
- Prevailing law and order situation in the country;
- Protection and enforcement of Intellectual Property (IP) rights;
- Data protection and information governance; and
- Financial risks, as detailed in the notes to the financial statements.

The Company adopts a proactive risk management approach and engages closely with both internal and external stakeholders to mitigate the potential impact of these risks to an acceptable level. Through continuous monitoring of the external environment and timely strategic responses, the Company strives to manage these risks in a manner that safeguards its long-term sustainability and stakeholder value.

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.honda.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 an 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.

Impact of Company's Business on the Environment and 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. Moreover, 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 Company's business on

the environment and 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.

Shares Transfer

During the year, 525 qualification shares were transferred to Mr. Hidenori Ashikawa, the newly appointed director nominated by M/s. Honda Motor, Japan, replacing Mr. Nobuyoshi Noda on the Board. Similarly, 525 qualification shares were transferred to Mr. Naoki Negi, also nominated by M/s. Honda Motor, Japan, replacing Mr. Shinobu Nakamura on the Board. Additionally, Mr. Muhammad Naeem Khan purchased 300 shares during the year. Apart from these transactions, there were no other purchases or sales of the Company's shares by the Directors, Company Secretary, Chief Financial Officer, or their spouses or minor children during the period under review.

Chairman's Review

The Chairman's review included in the Annual Report deals inter alia with the nature of the 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.

Statement of Compliance with Code of Corporate Governance

The Company has fully complied with the requirements of the Listed Companies (Code of Corporate



Governance) Regulations, 2019. A statement to this effect is annexed with this report.

Holding Company

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

Pattern of Shareholding

The pattern of shareholding as on March 31, 2025 and its disclosure is annexed with this report.

External Auditors

The retiring auditors M/s A. F. Ferguson & 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 2025-26. The Board of directors endorses recommendation of the Audit Committee for their re-appointment as auditors of the Company for the financial year 2025-26, to the shareholders for approval.

For and on behalf of
The Board of Directors


Aamir H. Shirazi
Chairman

Karachi, May 22, 2025


Masaya Wakuda
President & CEO

Pattern of Shareholding

As on March 31, 2025

Number of Shareholders	Shareholdings		Total Number of Shares Held	Percentage of Total Capital
	From	To		
5,295	1	100	223,764	0.16
3,224	101	500	993,424	0.70
1,853	501	1000	1,564,244	1.10
1,850	1001	5000	4,266,616	2.99
241	5001	10000	1,825,112	1.28
85	10001	15000	1,073,099	0.75
45	15001	20000	829,443	0.58
28	20001	25000	643,785	0.45
16	25001	30000	446,106	0.31
10	30001	35000	328,665	0.23
9	35001	40000	336,878	0.24
1	40001	45000	43,360	0.03
6	45001	50000	284,590	0.20
2	50001	55000	104,183	0.07
7	55001	60000	412,200	0.29
3	60001	65000	187,759	0.13
2	65001	70000	132,385	0.09
2	70001	75000	147,200	0.10
1	75001	80000	80,000	0.06
1	80001	85000	82,000	0.06
1	85001	90000	89,326	0.06
1	90001	95000	91,572	0.06
3	95001	100000	300,000	0.21
2	110001	115000	226,947	0.16
3	120001	125000	373,450	0.26
3	125001	130000	379,400	0.27
1	145001	150000	147,900	0.10
1	150001	155000	151,300	0.11
2	160001	165000	327,753	0.23
1	165001	170000	166,000	0.12
1	175001	180000	179,915	0.13
1	190001	195000	191,712	0.13
1	295001	300000	300,000	0.21
1	310001	315000	313,300	0.22
1	360001	365000	364,705	0.26
1	390001	395000	392,603	0.27
1	445001	450000	449,285	0.31
1	505001	510000	508,980	0.36
1	695001	700000	700,000	0.49
1	845001	850000	850,000	0.60
1	1960001	1965000	1,961,500	1.37
1	2050001	2055000	2,052,818	1.44
1	2325001	2330000	2,329,071	1.63
1	43115001	43120000	43,119,650	30.20
1	72825001	72830000	72,828,000	51.00
12,714			142,800,000	100.00

Categories of Shareholders

As on March 31, 2025

Sr. No	Description	Number of Shareholders	Shares Held	Percentage of Total Capital
1	Individuals	12,587	14,973,636	10.49
2	Foreign Company	1	72,828,000	51.00
3	Associated Undertakings/Companies	1	43,119,650	30.20
4	Joint Stock Companies	62	4,131,765	2.89
5	Financial Institutions	6	2,195,544	1.54
6	Insurance Companies	5	1,090,312	0.76
7	Investment Companies	9	962,587	0.67
8	Mutual Funds	11	798,116	0.56
9	Funds	13	581,730	0.41
10	Others	19	2,118,660	1.48
		12,714	142,800,000	100.00

Shareholding Information

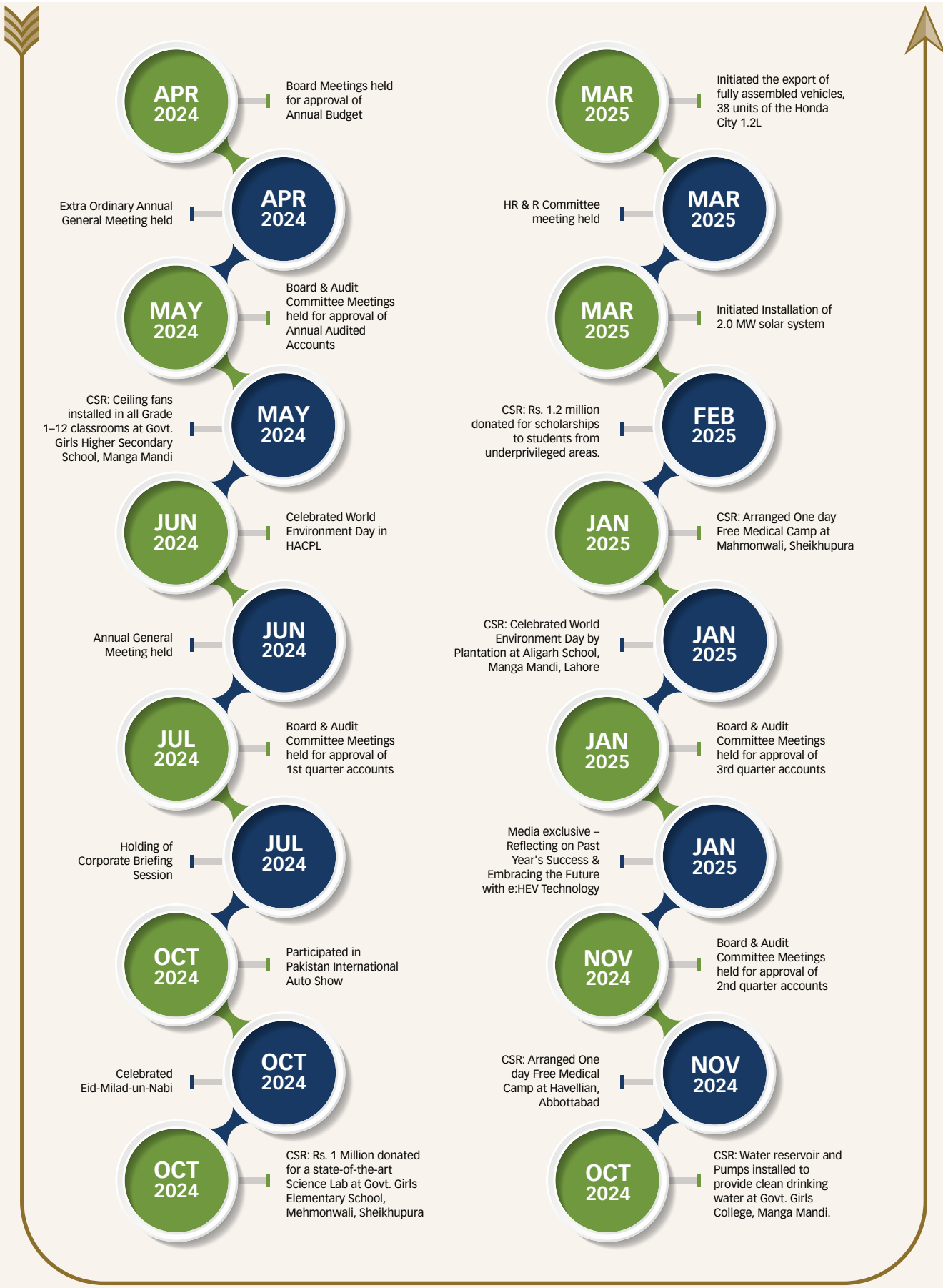
As on March 31, 2024

Categories	Number of Shareholders	Shares Held
Associated Companies		
+ M/s. Honda Motor Company Ltd.	1	72,828,000
+ M/s. Shirazi Investments (Pvt) Limited	1	43,119,650
M/s. Atlas Insurance Limited	1	850,000
Mutual Funds		
M/S FIRST CAPITAL MUTUAL FUND	1	170
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	508,980
CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND	1	5,000
ABA ALI HABIB SECURITIES (PVT) LIMITED - MF	1	900
MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	1	3,700
CDC - TRUSTEE AKD INDEX TRACKER FUND	1	9,690
PAKISTAN MOBILE COMMUNICATIONS LIMITED PROVIDENT FUND	1	100,000
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	50,350
CDC - TRUSTEE KSE MEEZAN INDEX FUND	1	89,326
MCBFSL - TRUSTEE PAK OMAN ADVANTAGE ASSET ALLOCATION FUND	1	15,000
MCBFSL - TRUSTEE PAK OMAN ISLAMIC ASSET ALLOCATION FUND	1	15,000
Directors, CEO, their Spouse and Minor Children		
Mr. Aamir H. Shirazi	1	#
Mr. Saquib H. Shirazi	1	#
Mr. Takafumi Koike	1	*
Mr. Naoki Negi	1	*
Mr. Hidenori Ashikawa	1	*
Mr. Gaku Nakanishi	1	*
Ms. Rie Mihara	1	500
Mr. Ariful Islam	1	500
Mr. Muhammad Naeem	1	1,157
Executives	5	985
Public Sector Companies & Corporations (Joint Stock Companies)	62	4,131,765
Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension/Other Funds	51	6,098,833
Others, Individuals	12,573	14,970,494
TOTAL	12,714	142,800,000

Note: + The above mentioned associated companies have 5% or more voting rights.
Mr. Aamir H. Shirazi and Mr. Saquib H. Shirazi holding 500 qualification shares each. The ultimate ownership remains with M/s. Shirazi Investments (Pvt) Limited.
* The shareholding of Honda Motor Co. Limited, Japan include 3 directors holding 525 shares each and 1 director holding 500 shares (Total 2,075) in the name Mr. Takafumi Koike, Mr. Shinobu Nakamura, Mr. Nobuyoshi Noda and Mr. Gaku Nakanishi in the capacity of its nominee directors. The ultimate ownership remains with Honda Motor Co., Limited, Japan.

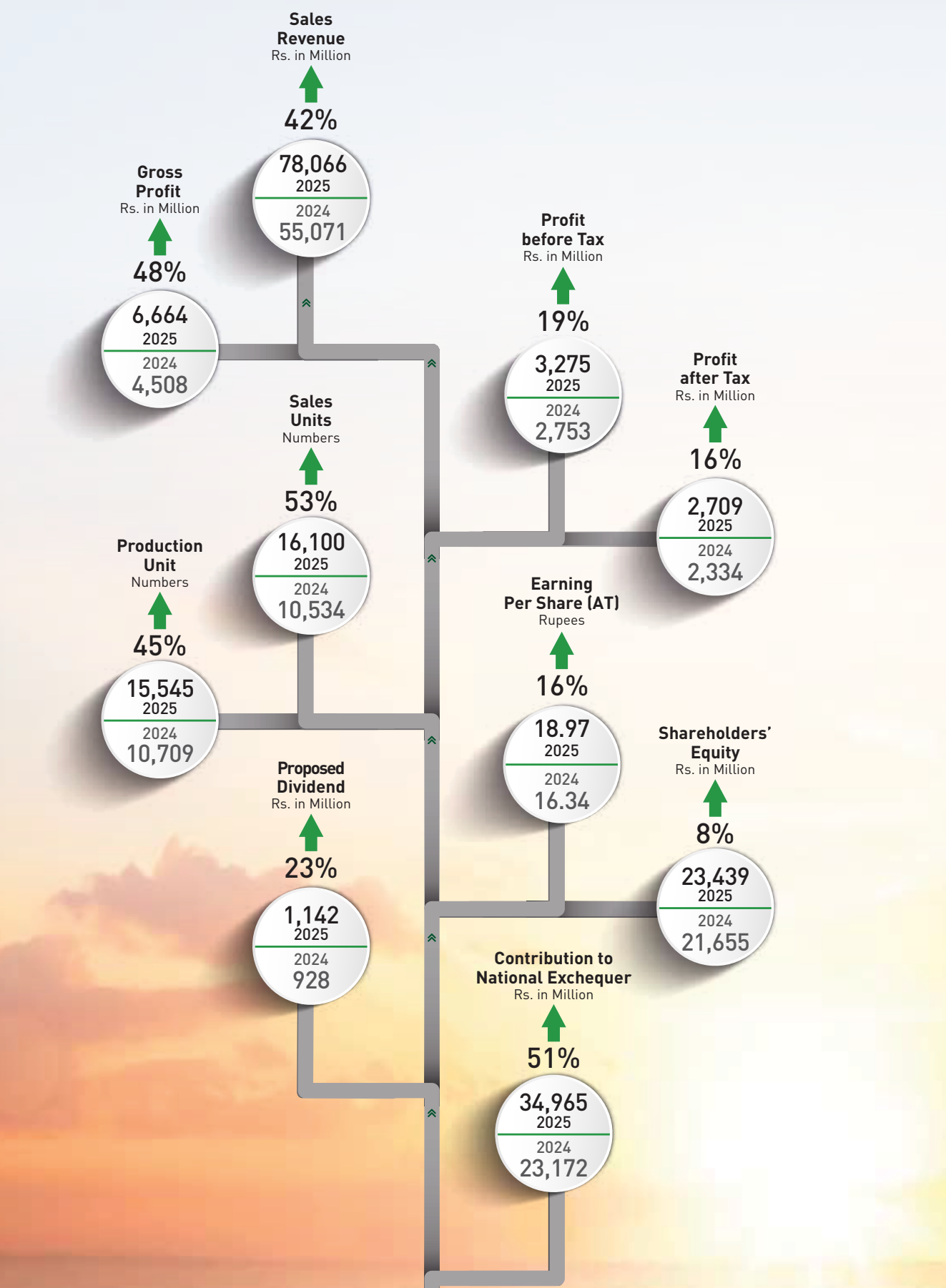
Significant Events

During 2024-25



Key Highlights

During 2024-25





Sustainability Report 2025

Honda Philosophy

The Honda Philosophy consists of Fundamental Beliefs (including “Respect for the Individual” and “The Three Joys”), the Company Principle, and Management Policies. It forms the values shared by all Honda Group companies and all of their associates and serves as the basis for corporate management and business activities as well as associates’ behavior and decision-making.

Honda recognizes that the world is facing serious global concerns related to the environment, the depletion of non-renewable energy resources and food supplying shortages. The Company conducts its corporate management and business activities based on the idea of contributing to the challenge of solving these serious problems on a global scale through the continued development and evolution of our business activities.

Honda Global Brand Slogan – The Power of Dreams – expresses that the dreams of each and every one of us working together at Honda have always been the driving force of Honda. Our creative power fueled by our dreams will generate the value which we provide customers. Such value we offer will move people, inspire people and become the “power” to support people who take one step closer to their dreams. As the “power” of people who embarked on their dream-filled journeys gains momentum and spreads to the people around them, it will create new connections and realize an expanse of dreams throughout our society.

Honda always believes in the power of such infinite dreams that people pursue all around the world, and we want to be the “power” to help people realize their dreams. With these aspirations for the future, we have added a new tagline – How we move you. – which follows the “The Power of Dreams” in our Global Brand Slogan.

In specific corporate management and business activities, it is important to meet stakeholders’ expectations and needs by providing value through its products and services. Equally important is to fulfill its corporate social responsibility, including consideration of the impact on the environment and society, and to contribute to social sustainability by solving social issues.

To put these ideas into practice, Honda must consciously sidestep any notion of trade-off with our pursuit of economic value. Instead, we are committed to intensifying our endeavors guided by the principle of trade-on, aiming to enhance economic value through the pursuit of social value. This strategy paves the way for a fresh path of growth for the Company.

Honda’s corporate management and business activities that move people, inspire people, and spread dreams throughout the world contribute to sustainability, and the Company aims to continue “to be a company people and society want to exist”.

HONDA
The Power of Dreams

How we move you.
CREATE ► TRANSCEND, AUGMENT

Sustainability Policy

Honda Atlas Cars (Pakistan) Limited (HACPL) is committed to sustainable business practices that integrate Environmental, Social and Governance (ESG) principles. This ESG Policy establishes a framework for HACPL's commitment to environmental stewardship, social responsibility, and corporate governance. The policy addresses the growing challenges of climate change, resource scarcity, community well-being, and corporate integrity, and ensures long-term value creation for all stakeholders. This policy aligns with Honda's philosophy and its vision for the 21st century: 'striving to be a company society wants to exist,' which emphasizes 'Creating the Joys,' 'Expanding the Joys,' and 'Ensuring the Joys for the Next Generations.' The 'Honda 2030 Vision' serves as a key milestone, providing clear guidance for HACPL to achieve its objectives.



In order to achieve these objectives, HACPL shall focus on the following core principles.

Environment

- Reducing our environmental impact and greenhouse gases (GHG) emissions by improving energy efficiency, utilizing renewable energy sources and promoting environmentally innovative technologies, including electrification of products.
- Making efforts to recycle materials and conserve resources and energy at each phase of our corporate activities, following the 3R principle (reduce, reuse, recycle).
- Complying with all applicable legal, regulatory and other requirements.
- Implementing ISO 14001 standard to monitor environmental performance and identify areas for improvement, driving towards sustainable development.

Social

- We prioritize fostering a strong health and safety culture for our entire workforce, aiming to enhance and sustain safety performance while achieving our established safety targets. Our Health, Safety, and Environment policy, supported by a robust management system, ensures consistent and safe work practices.
- Our integrated strategy focuses on associates' well-being, culture, Diversity, Equity & Inclusion which enriches the employee experience and capabilities to ensure effective business performance. We are committed to attracting top talent, promoting skill development, succession planning, and offering rewards and benefits that encourage long-term engagement and drive productivity.
- We are committed to adhering to anti-harassment and human rights policies in line with Honda's Philosophy.
- We view community engagement as a strategic endeavor, working alongside key groups to cultivate an environment where business, nature, and humanity coexist in productive harmony, ensuring sustainable, long-term success.
- We embrace the triple bottom line approach through our diverse CSR initiatives, striving to create meaningful impact, promote sustainable development, and generate shared value by tackling key social, economic, and environmental challenges.
- We implement best-in-class practices in our supply chain operations, placing significant emphasis on transparency, agility, and sustainability. We collaborate with our service providers and contractors to embrace and integrate these principles into our business objectives.

Governance

- Our top priority is conducting business in strict accordance with all applicable laws, regulations, policies, and procedures. We uphold a robust governance framework, guided by the Board of Directors with diverse expertise and independence, which provides strategic direction and diligent oversight.
- We are committed to transparency in our sustainability reporting and hold ourselves accountable to our stakeholders. Our business is conducted with integrity and openness, promoting responsible decision-making and accountability. To maintain the highest ethical and moral standards, we have established a Business Ethics Proposal Line Policy.
- We actively cultivate strong collaboration with associates, communities, shareholders, supply chain partners, and regulators.
- We are committed to implementing a transparent accounting and taxation system that ensures full compliance with all applicable regulations.
- We place a strong emphasis on confidentiality and data security in all our business operations.
- We are committed to complying with an anti-bribery / corruption policy. We are committed to identifying and assessing sustainability related risks and developing and implementing effective strategies for risk management.

Sustainability Management Structure

HACPL promotes corporate activities based on Honda Philosophy, which consists of three core components:

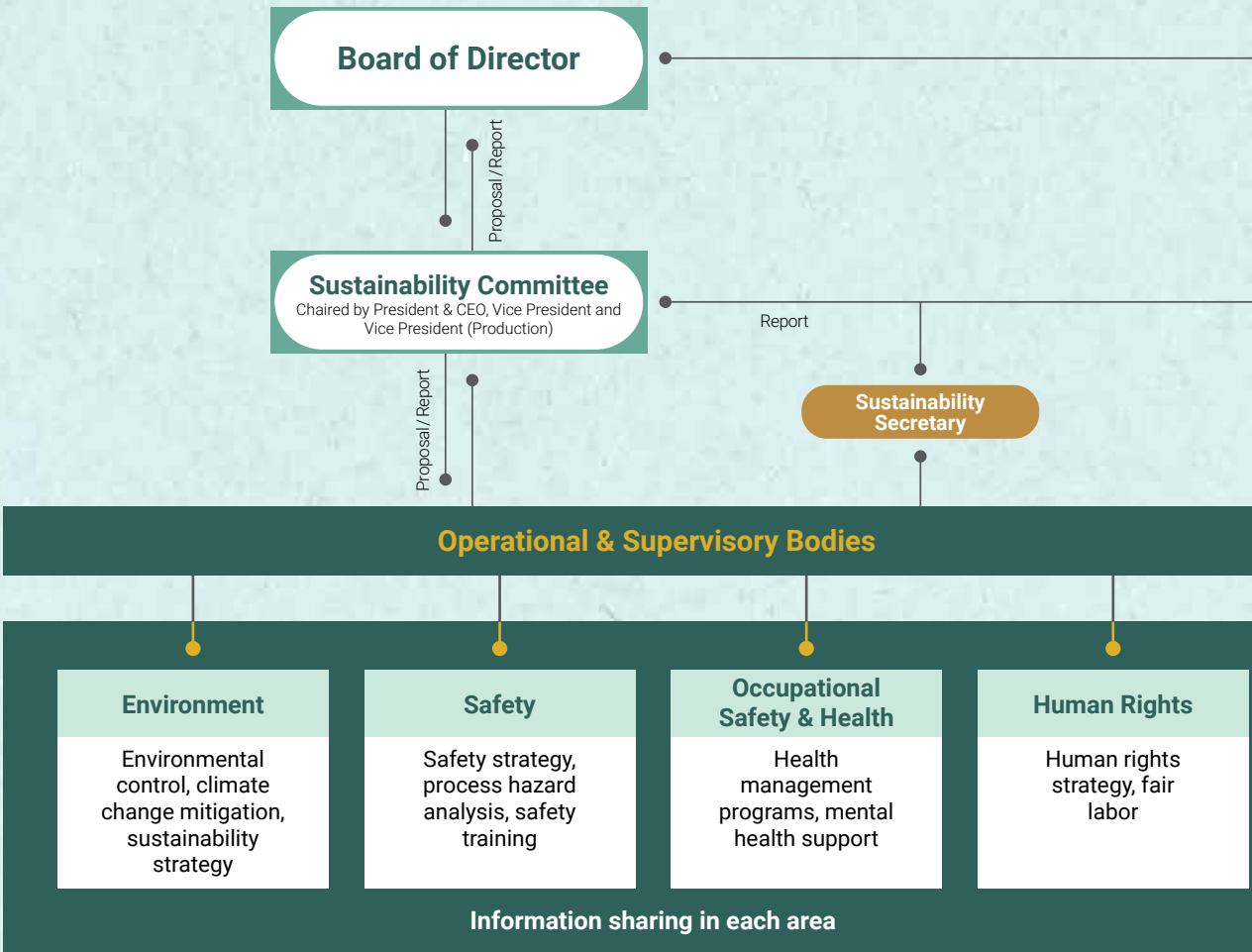
- The Fundamental Beliefs
- The Company Principle
- The Management Policies

The responsibilities of the Sustainability Committee are currently overseen by the Executive Committee, chaired by the CEO. The CEO regularly updates the Board of Directors on all relevant matters including environmental management, safety, human rights, supply chain management, human resources, quality control, social responsibility, and corporate governance affairs. The Committee receives regular updates from all supervisory body and consistently

works to mitigate risks associated with business operations, promoting sustainable development for both the Company and society. The Internal Audit Division conducts risk-based independent audits of each division, and the Audit Committee receives audit and compliance-related reports, particularly those concerning sustainability, from the Internal Audit Division. The HR & Remuneration Committee ensures that sustainability goals are aligned with "associate-related policies." The Compliance Officer ensures legal and ethical compliances and ensures that all divisions operate effectively, moreover the Risk Management Officer manages broad-based risk management, including risk related to sustainability.

The Board of Directors serves as the highest governing body, responsible for the oversight of all sustainability-related activities, including climate change initiatives. It plays a pivotal role in the approval and supervision of major sustainability policies. To further enhance governance, the Sustainability Committee has appointed a dedicated Secretary who convenes regular meetings with both operational and supervisory bodies. These meetings facilitate the discussion of critical management matters within the Committee's delegated authority, ensure the systematic collection of relevant data, and provide timely updates to the Committee on key developments.

Each operational and supervisory bodies dedicated to key areas, including environment, safety,



human rights, human resources, social responsibility, occupational health and safety, quality, supply chain and Governance. These bodies develop and implement action plans and initiatives that align with the Company's mid-term and long-term management strategies. Major matters are reported to the Sustainability Committee for review and approval, as required.

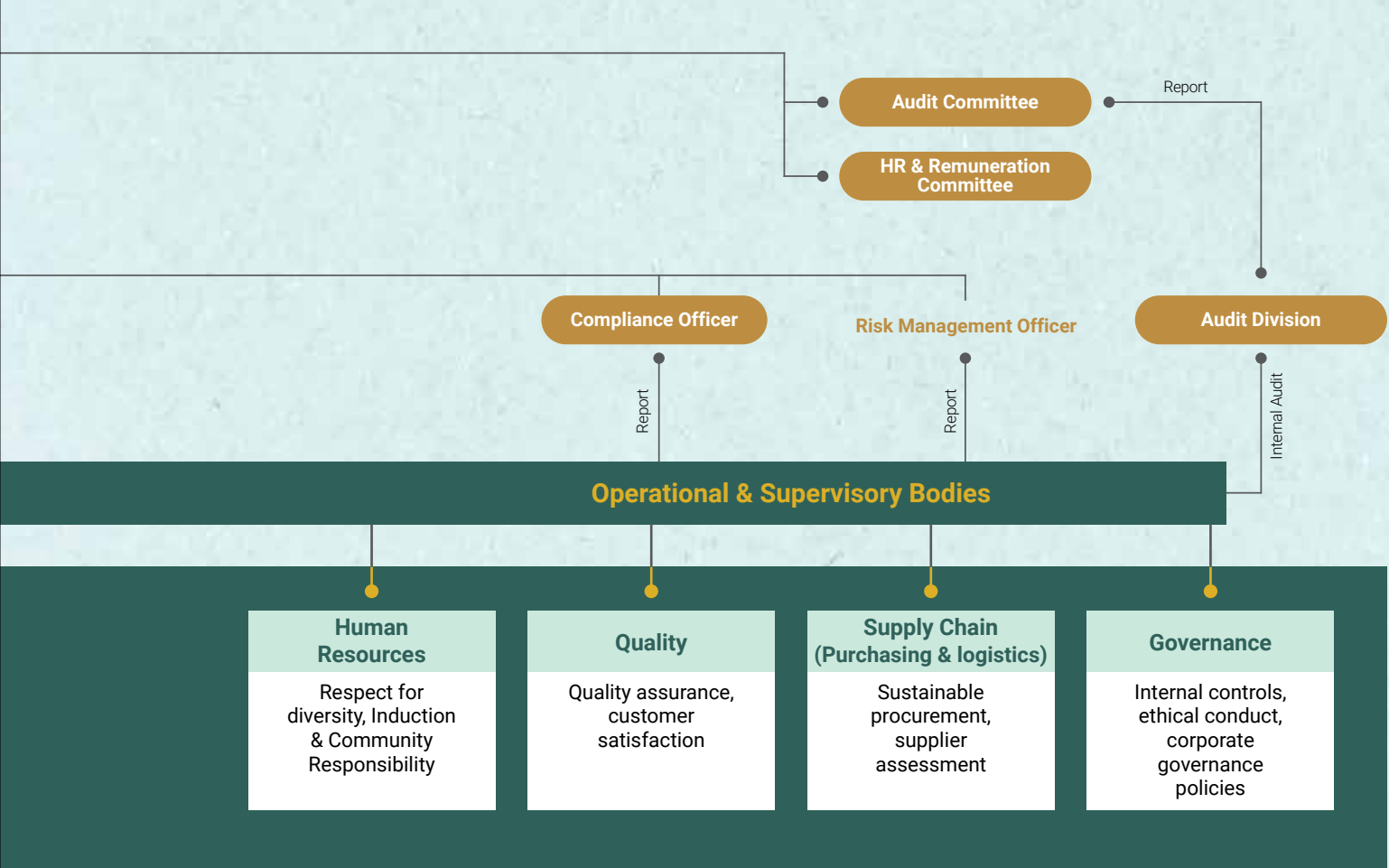
The Company has established the Environment Control Committee, dedicated to implementing appropriate measures as needed, including addressing critical cross-departmental issues and tackling climate change challenges. The committee fosters effective global management through cross-functional discussions and information sharing. All significant matters are reported to and

approved by the Sustainability Committee.

In FY2024-25, the Company refined its company-wide Key Performance Indicators (KPIs) and strengthened its management structure to more effectively align operations with its long-term value creation goals. Under the guidance of the Sustainability Committee, Company's operational and supervisory bodies, in collaboration with the Environment Control Committee, actively propose and implement strategic initiatives and report key developments to the Committee. As part of its strengthened governance framework, the Company also remain engaged in the Corporate Integration Strategy Meeting and A&O regional activities, which include participation in the Global

Environment meeting, Safety Strategy Committee meeting and other Social Responsibility events.

To strengthen overall governance, the Board of Directors and the Sustainability Committee are responsible for monitoring the progress of these KPIs and ensuring continuous improvement in sustainability performance.



Fundamental Beliefs

Respect for the Individual

1

Initiative

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

2

Equality

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

3

Trust

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

The Joy of Buying

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

The Joy of Selling

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

The Joy of Creating

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

The Three Joys



HACPL's Senior Managers

Stakeholders' Engagement

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

them and finally listen to stakeholders' evaluations of its activities.

Especially in recent years, the growing scale of the companies in Pakistan, along with the proliferation of IT, have heightened the impact of companies on society, and vice-versa. As this process continues to accelerate, Honda considers that stakeholder dialogue is a beneficial

tool that leads to a proper understanding of stakeholders regarding the Company's initiatives while also giving the Company an understanding of changes and risks in the social environment.

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

07.

Policy Makers

Participation in the council bodies of government and industrial groups such as PAMA, PAPAAM, EDB, etc.

06.

Experts and local governments

Dialogues concerning policies and technology, feasibility studies, etc.

03.

Local Communities

CSR activities for communities, employment creation, factory study tours for children and students.

02.

Associates

Associate satisfaction surveys, education and trainings, direct communication between executives and associates.

01.

Customers

Customer satisfaction surveys, new model launching events, parts exhibitions, safe driving activities, etc.

04.

Suppliers

Supplier conference/ briefings, technical & management support, supplier quality audits, etc.

05.

Media

Journalist meetings, new model / launch events, corporate events, press releases, etc.

08.

Shareholders and Investors

General shareholders' meetings, corporate briefing session, dividends, factory visits.

Technological Solutions for a Greener World

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Stakeholders' Engagement

Initiatives in FY2024-25

Stakeholder	Key means of dialogue	Overview	Frequency	Point of contact
Customers	Customer satisfaction Index	To ensure nationwide customer satisfaction, we conduct two key surveys—Customer Satisfaction Index (CSI) and Dealer Customer Satisfaction Index (DCSI)—through an independent agency. These initiatives help enhance service quality, build customer trust, and improve dealership performance.	Annually	After Sales Division
Shareholders and investors	Annual General Meeting	We hold an Annual General Meeting (AGM) with our shareholders to discuss the meeting agenda, which includes approvals such as the previous year's AGM minutes, audited financial statements, cash dividend (if declared), appointment of external auditors for the upcoming year, and any other business with the Chairman's permission. The minutes are recorded and submitted to the Pakistan Stock Exchange.	Annually	Corporate Governance/ Finance Division
	Dialogue through Investors & financial institutes in Corporate Briefing Sessions	We organize information sessions and opinion exchange meetings to share insights on our financial performance, production, R&D, and business strategies. The feedback gathered from these engagements helps us identify improvement opportunities and enhance our corporate value.	Annually	
Suppliers	Suppliers Conferences	We hold Vendors Conference annually where we invite all local vendors to participate and discuss areas of mutual interest. In the conference, we also share the future direction of the Company related to sales volumes, localization planning & developments, and express our commitment to increase self-reliance in partnership with our vendors.	Annually	Purchasing Division
		In October 2024, the Company held its Annual Vendors Conference in Lahore. Acknowledging the impacts of globalization and a rapidly evolving business environment, the conference emphasized the importance of robust collaboration between the Company and its vendors. All vendors were encouraged to pursue continuous improvements in key areas, including cost efficiency, quality assurance, timely delivery, development, and safety standards. The event also served as a platform to share the Company's environmental initiatives, particularly strategies aimed at reducing CO ₂ emissions through energy conservation. To recognize outstanding performance, commemorative shields were awarded to distinguished vendors in the categories of Quality, Cost, Development, Delivery, Safety, and Environment.		
	ESG Audits for Key Suppliers	We conduct comprehensive ESG (Environmental, Social, and Governance) audits for key suppliers to evaluate their compliance with the Honda Supplier Sustainability Guidelines. These audits aim to ensure adherence to human rights standards, prevent compliance violations, and minimize environmental impact. If potential risks or issues are identified during the audit, we proactively engage with suppliers to implement corrective measures and drive continuous improvement.	Annually	
Government & industry Organizations	Liaison with key government and sectoral entities	We engage with government bodies and industrial associations through various forums, cultivating strategic relationships and fostering collaboration to promote a sustainable business environment that drives local development and strengthens the broader socio-economic landscape.	Year round	Corporate Affairs Division

Stakeholder	Key means of dialogue	Overview	Frequency	Point of contact
International CSR Meetings	Participation in international initiatives	We actively participate in CSR (Corporate Social Responsibility) meetings hosted by Asian Honda, where Honda subsidiaries share their initiatives, discuss societal contributions, and explore emerging expectations and needs. These engagements help us strengthen our positive impact and support the development of a sustainable society.	Year round	Corporate Governance
Local communities	Driving safety promotion activities	HACPL upholds the global safety slogan “Safety for Everyone” by promoting traffic safety across all age groups. Since 2019, HACPL has educated over 6,000 individuals through programs conducted at schools, corporations, and dealerships, in collaboration with the National Highways & Motorways Police, City Traffic Police, and AHL training teams.	Year round	Traffic Safety Promotion Operations
	Emergency Response Squad	Our 12-member Emergency Response Squad participated in the International Volunteer CERTs Challenge 2024, organized by Punjab Rescue 1122. The training focused on disaster preparedness, first aid, mass casualty management, fire safety, and crisis command and control.	Year round	HSCG Division
	Enhance learning through industry practices	HACPL supports experiential learning through industrial visits, offering students and visitors firsthand insight into real-world operations. In the past year, we hosted 12 sessions, welcoming nearly 360 participants from various academic and government institutions.	Year round	Human Resources Division
	Supporting Education	HACPL collaborates with NGOs like Tahzeeb-UI-Akhlaq Trust and Moawin Foundation to support youth education and empower future success.	Year round	HSCG Division
Associates	Providing Medical Assistance	HACPL partners with local NGOs and social workers to organize medical camps in remote areas. Last year, two free camps provided treatment and medicines to over 1,351 patients, delivering essential healthcare to underserved communities.	Year round	HSCG Division
	Measurement of associates' engagement	We measure the level of associates' engagement and take initiatives according to the results for creating a more comfortable and conducive work environment	Annually	Human Resources Division

Cooperation with External Organizations

To fulfill its responsibilities as a leading mobility Company in the local market, Honda Atlas Cars (Pakistan) Limited proactively engages with government bodies, business entities, and industry stakeholders. In Pakistan, its executives hold key positions within the Pakistan Automotive Manufacturers Association (PAMA) and in committees and working groups formed by the government

on industry affairs, while also participating in various forums to drive sector growth. The Company collaborates closely with local regulatory authorities and industry groups to advocate for policies that foster sustainable growth and enhance the competitive landscape of Pakistan's automotive industry

Appropriate Advertising and Publicity

Honda is committed to conducting all advertising, publicity, and

promotional activities with integrity and professionalism. All communications are clear and based on factual information, ensuring that product features and benefits are presented transparently.

The Company strictly avoids any form of misleading or exaggerated content, and all promotional efforts are carried out in compliance with applicable laws, regulations, and ethical "standards."

HACPL's Initiatives and the SDGs

HACPL identified and selected the materials for the following activities through a structured and inclusive process involving stakeholder consultations and expert reviews. The selection of these topics was based on:

- Stakeholder interests;
- Key sustainability areas relevant to the global and national automobile industry;
- Risks and opportunities in the external environment;
- Significant environmental, economic, and social impacts on HACPL's operations.

The final list of material was validated through expert assessments and stakeholder feedback and its analysis is updated annually or earlier if significant changes occur in the external environment that could impact the industry or the company.

















HACPL believes that its corporate management activities create value for a sustainable society, contributing significantly to achieving its SDG (Sustainable Development Goals) objectives.


























The materials identified based on ESG (Environmental, Social, and Governance) activities serve as a

tool to focus sustainability issues across two main dimensions:

- Business Impact**
Assessing the extent to which ESG factors influence financial performance, risk management, and business operations.
- Stakeholder Concern**
Determining priority issues and initiatives based on the satisfaction index of investors, regulators, customers, employees, and the community regarding HACPL's ESG activities.

Initiatives by Priority Issue

Priority issues		HACPL's initiatives	SDGs
ENVIRONMENT	Responding to climate change and energy issues	Initiatives for carbon neutrality, Clean energy initiatives, Logistics initiatives to achieve carbon neutrality with suppliers	    
	Preservation of clean air	Initiatives for Preservation of clean air	 
	Utilizing resources efficiently and waste management	Resource circulation initiatives, Waste management initiatives	 
	Conserving water resources	Water Conservation Initiatives	  
	Biodiversity conservation	Biodiversity conservation initiatives	 
	Managing chemical substances and preventing pollution	Management and reduction of chemical substances	 

Priority issues			HACPL's initiatives	SDGs
SOCIAL	Safety	Significantly reducing traffic fatalities	Under global safety slogan, "Safety for Everyone," HACPL is committed to achieving a society with zero traffic collision. This goal is pursued through both hardware and software innovations, including the development and widespread adoption of advanced safety technologies such as Honda SENSING – a comprehensive driver-assistance system. Additionally, HACPL actively engages in global initiatives to educate both car and motorcycle users on traffic safety.	 
	Occupational Safety	Ensuring Occupational Safety and Health	Under the safety principle "No safety, no production," Honda is dedicated to creating a work environment where everyone can experience the joy of working with a genuine sense of security. To ensure the safety and well-being of all employees across the Company, Honda follows a comprehensive Health, Safety, and Environment (HSE) policy.	
	Human Rights	Respecting human rights	Honda upholds the principle of "Respect for the Individual" as part of its core philosophy and reinforces "Respect for Human Rights" in its Code of Conduct. This reflects the Company's commitment to fairness, clarity, sincerity, and ethical business practices. As part of its risk management framework, Honda recognizes human rights as a critical issue and actively manages related risks across all operations.	  
	Human Resources	Developing and securing excellent human resources, expanding diversity	HACPL values individual differences and promotes their integration, recognizing workforce diversity as a key company-wide priority. The Company is actively working to enhance women's participation in the workplace, increased opportunities for experienced professionals, and broaden employment. HACPL also emphasizes personnel development through on-the-job training (OJT) and ensures that associates are placed in roles best suited to their skills and potential.	    
	Contribution towards Society	Contribution to the development of society and its people	HACPL has established core principles and global guidelines that reflect its commitment to social responsibility through contributing to society actively such as in education, environmental sustainability, and traffic safety. HACPL strives to help build a future society where everyone can pursue their dreams.	   
	Customers	Improving product quality	"We have to aim for 120% product quality, since even a 1% rejection is unacceptable." These words by founder Soichiro Honda reflect the brand's core philosophy—an uncompromising commitment to quality. Guided by this belief, Honda consistently delivers products that exceed expectations, ensuring safety, excellence, and customer trust.	
Product Cyber Security		HACPL has implemented a robust and secure control system to enhance the customer's Joy of Buying. From manufacturing to installing critical components like ECU, BCM, and TCM, these systems protect against external threats and unauthorized software alterations.		
GOVERNANCE	Deploying Total Supply Chain Sustainability	Honda works with local suppliers to promote sustainability across the supply chain, focusing on the environment, safety, human rights, compliance, and social responsibility. It follows the Honda Green Purchasing and Supplier Sustainability Guidelines and has begun ESG surveys for key suppliers, with plans to expand them locally.	   	
	Strengthening Corporate Governance	We are committed to conducting business in full compliance with all relevant laws, regulations, and internal policies. Our strong governance structure is led by a diverse Board of Directors which ensures effective strategic oversight.	 	
	Financial Performance & Reporting	We maintain a transparent accounting and taxation system by adhering to all relevant regulations. Our reporting emphasizes material issues that matter most to our stakeholders.		
	Ethics & Transparency	We conduct our business ethically and transparently to promoting accountability and responsible decision-making. Our framework includes a Code of Conduct, Business Ethics Proposal Line, and a Policy on the Prevention of Corruption and Bribery.		

Environment

HACPL Approach

In 1992, Honda Motor Co., established the Honda Environment Statement, serving as the Company's guideline for all environmental initiatives. The statement articulates the basic stance towards reducing the environmental impact at every stage in the life cycle of its products, from product procurement to the design, development, production, transportation, sale, use and disposal stages.

In addition, for Honda to further promote the above-mentioned environmental initiatives and continue to be a company society wants to exist, the Honda Environmental and Safety Vision was established in 2011. Aimed at the realization of “the Joy and Freedom of Mobility” and “a Sustainable Society Where People Can Enjoy Life”, as is declared in this vision, each of Honda's global business sites is engaging in the reduction of an array of environmental impacts. Such initiatives include the reduction of greenhouse gas (GHG) emissions, which are considered to be a cause of climate change, as well as energy use; the efficient use of resources, including water and minerals; and the appropriate treatment and reduction of waste, with the aim of conserving the global environment and biodiversity.

Honda will realize this vision by conducting these activities while sharing Honda's Environment Statement with everyone associated with Honda, including suppliers and distributors in addition to Honda Group companies.

Honda Vision 2030

Serve people worldwide with the
“joy of expanding their life's potential”
Lead the advancement of mobility and enable people everywhere
in the world to improve their daily lives

Honda's Environment Statement

As a responsible member of society whose task lies in the preservation of the global environment, the Company will make every effort to contribute to human health and the preservation of the global environment in each phase of its corporate activities. Only in this way will we be able to count on a successful future, not only for our Company, but also for the world. We should pursue our daily business under the following principles:

1.

We will make efforts to recycle materials and conserve resources and energy at every stage of our products' life cycle—from research, design, production and sales to service and disposal.
2.

We will make every effort to minimize and properly dispose of the waste and contaminants generated at every stage of a product's life cycle.
3.

As a member of both the company and society, each
4.

We will consider the influence that our corporate activities have on the local people's health, environment and society, and endeavor to improve the social standing of the Company.
- associate will focus on the importance of making efforts to preserve human health and the global environment, and will do his or her part to ensure that the Company as a whole acts responsibly.

Health, Safety & Environment Policy

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

In order to achieve this, the Company shall:

- provide safe and healthy workplace to all stakeholders, affected by its operations, for the prevention of injury and ill health.
- assign responsibilities for effective implementation of HSE management systems.
- comply all HSE applicable legal, regulatory, and other requirements.
- create awareness and understanding about health, safety and environmental issues amongst our associates.
- empower workers for their participation and consultation on health and safety related matters.
- identify and evaluate risks & opportunities to eliminate, reduce or manage risks related to company's operations proactively to ensure that health & safety hazards and environmental impacts are prevented.
- formulate objectives and targets to eliminate workplace hazards, prevent environmental pollution and continually improve HSE management systems, as much as possible.
- keep public and other interested parties informed on our HSE performance, wherever required.

H. Wakuda

President & CEO



Environmental Management Structure



meetings to promote the PDCA (Plan-Do-Check-Act) cycle in-line with the Company Operations.

The Committee is responsible for:

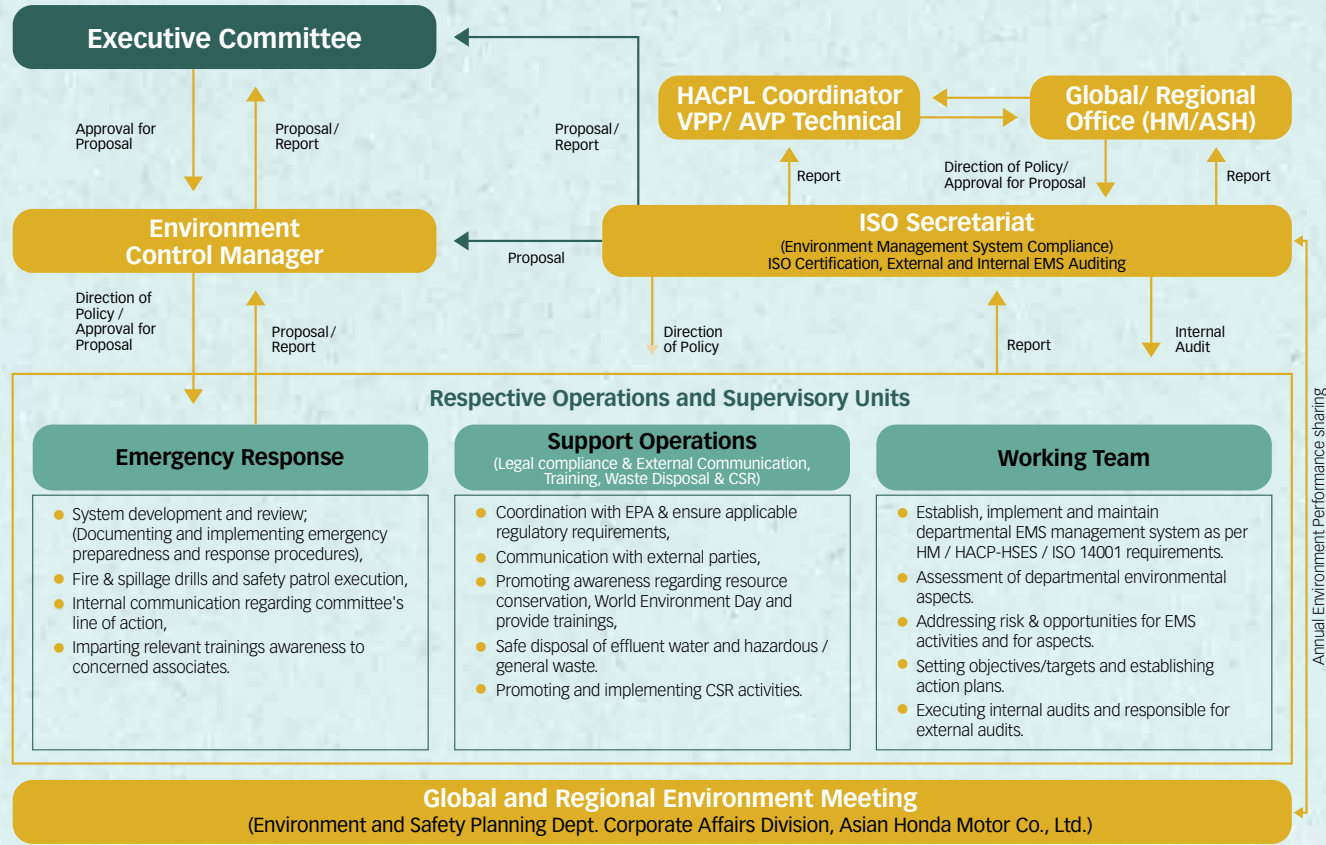
- Reviewing and monitoring of environmental issues.
- Considering revisions to medium-to long-term environmental objectives and targets.
- Proposing action plans related to environmental matters.
- Taking appropriate measures as and where necessary, including:
 - i. Addressing important cross-departmental issues.
 - ii. Responding to climate change-related concerns.

All matters are reported and approved by the Executive Committee through Environmental Control Committee.

HACPL's long-term management policies and medium-term management plans are approved by the Executive Committee (Comprising of President, Vice President, and Vice President Production). In recognition of the growing need to address a range of business risks and to ensure sustainable societal development, HACPL has integrated ESG and sustainability expertise, including the capacity to address climate change, into its governance framework. Each operational and

supervisory unit develops and implements action plans and initiatives aligned with the Company's long-term strategies. These efforts ensure that sustainability is embedded in all levels of the organization and contribute meaningfully to Honda's overall vision for sustainable growth.

In HACPL an Environmental Control Committee is in place to establish, implement and maintain Environmental Management System. This committee holds regular



Environment Certification

Honda Atlas Cars (Pakistan) Limited, a leading automobile manufacturer, has obtained ISO 14001 certification, an internationally recognized standard for environmental management systems, since 2003. This achievement reflects that the Company's environmental management system now covers virtually 100% of its operations. HACPL remains committed to continuously promoting initiatives to maintain and enhance this certification.

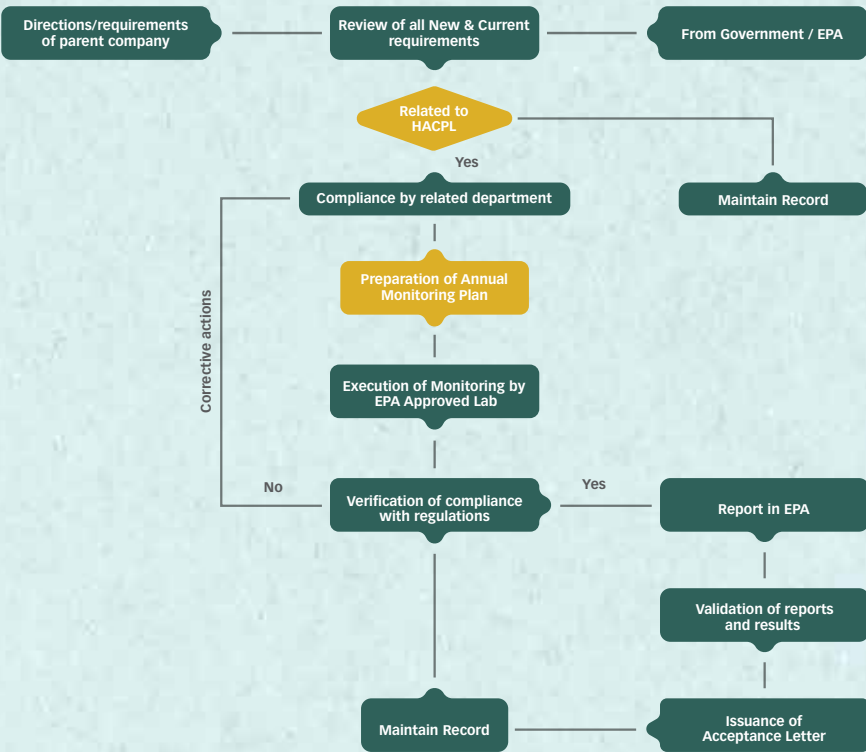
Compliance with Environmental Regulations

In line with the Honda Environment Statement, the Company has established environmental management systems across all divisions. In addition to pursuing continuous improvements in environmental performance, HACPL adheres to its own voluntary environmental standards, which are more stringent than applicable local regulations.

HACPL has not recorded any serious non-compliance incidents with environmental laws or regulations, nor has it incurred any significant

finances, sanctions, or major chemical releases. Furthermore, no environment-related complaints have been received from government authorities or the community.

Environment Legal Compliance Monitoring Flow



Environmental Accounting

To support effective environmental management, HACPL tracks environmental conservation costs alongside the tangible benefits in terms of profit and cost reduction. This approach enables the Company to assess the economic impact of its environmental initiatives. Looking ahead, HACPL aims to further enhance the scope of this data, recognizing it as both an indicator of corporate value and a vital tool for environment-related decision-making.

Energy Management Policy

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

- Identify and evaluate all energy-related activities and their environmental impacts to eliminate wastages and conserve energy.
- Establishing objectives and targets aligned with Global Honda's long-term vision of realizing 100% carbon-free energy usage.
- Compliance with energy related and other requirements.
- Create awareness of associates on energy management.
- Introduce and increase the usage of renewable energy.
- Continuously monitor and improve system performance based on PDCA.

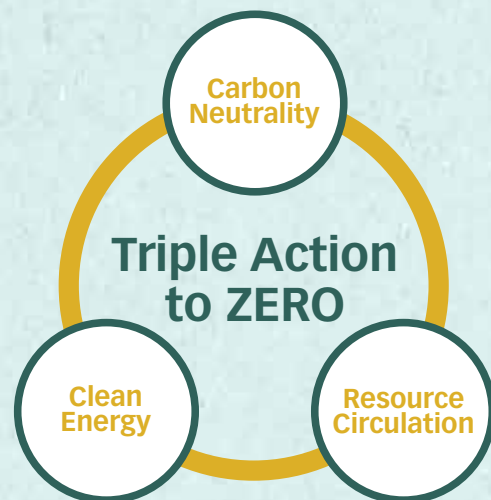


President & CEO



Net zero CO₂ emissions

To address climate change issues, Honda will work toward a target of limiting the average global temperature rise to 1.5°C above pre-industrial levels by reducing carbon emissions from corporate activities and throughout the product life cycle.



100% utilization of carbon-free energy

To address energy issues, Honda will aim to use clean energy both in corporate activities and during product use.

Global Directions

Initiatives to Achieve Zero Environmental Impact

For people to live on Earth in a sustainable manner, Honda seeks to realize a society with zero environmental impact. Efforts will be centered around the Triple Action to ZERO program, which integrates three elements— carbon neutrality, clean energy and resource circulation—within a single initiative. The three elements are closely related. As such, rather than promoting them

100% use of sustainable materials

To address the effective utilization of resources, Honda will take on challenge of developing products and creating systems that use sustainable materials having zero environmental impact. In the area of corporate activities, Honda aims to achieve "zero" industrial water intake and industrial waste by 2050.

Initiatives for Carbon Neutrality

HACPL's Approach

In promoting initiatives for carbon neutrality, HACPL has set “addressing climate change issues” as a materiality. The Company is actively working to reduce CO₂ emissions and environmental impact through its corporate activities and initiatives in product areas, mainly by promoting the introduction of environmentally innovative technologies towards carbon neutrality, including the electrification of its products.

Automotive Road Map by Carbon Neutrality

Honda Automotive Electrification Plan towards Zero CO₂ Emission

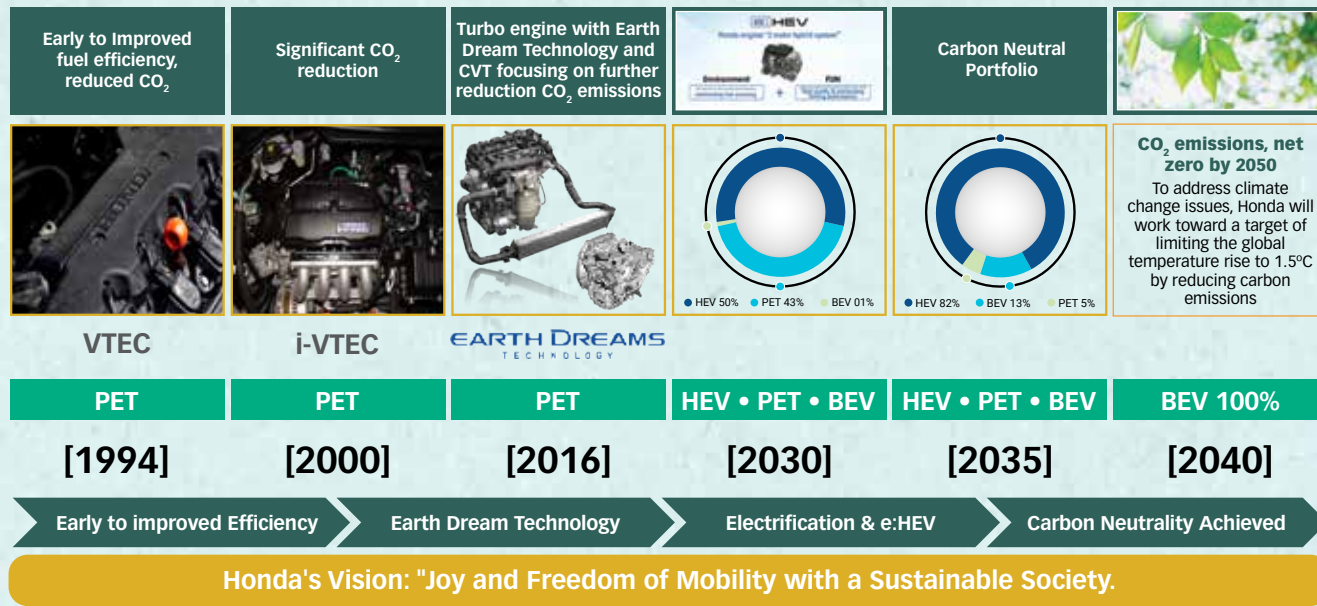
Honda has always been ahead of the curve in adopting electrification technologies to reduce CO₂ emissions, which is a key focus for a mobility manufacturer committed to sustainability.

It started with VTEC engines, designed for better fuel efficiency and optimized performance. Later, Honda introduced i-VTEC engines with Euro 4 Compliance, further advancing emissions control and contributing to cleaner combustion processes. The journey continued with Turbo engines featuring Earth Dreams Technology, a cutting-edge system designed to deliver both enhanced driving performance and

significant reductions in CO₂ emissions, along with CVT transmissions for smoother and more efficient operation.

Now, Honda is moving forward with e:HEVs (hybrid systems) that integrate both electric and traditional powertrain technologies, further reducing emissions without compromising versatility. Honda’s ultimate goal is to achieve 100% vehicle electrification by 2040, paving the way for zero CO₂ emissions and a carbon-neutral future.

HACPL Planning and Road MAP



Initiatives for Carbon Neutrality

Collaboration with External Organizations on Climate Change

The Paris Agreement sets forth the concept of reducing CO₂ emissions with the aim of achieving the goal of limiting the increase in average global temperature to 1.5°C compared to pre-industrial levels. In line with this concept, in April 2021, the Company announced its vision to “realize carbon neutrality for all products and corporate activities Honda is involved in by 2050” in order to achieve a circular society

with zero environmental impact. As the world's largest manufacturer of power units, with a combined annual production volume of 30 million units of motorcycles, automobiles, power products, outboard motors, and aircraft, Honda is committed to carbon neutrality for the power sources of its wide range of products.

Following the above Honda’s direction, HACPL has set and is promoting targets in each of its product areas and corporate activities to steadily achieve carbon

neutrality by 2050. The Company also promotes dialogue with government and other economic and industry groups, as well as collaborating with external organizations. We have reviewed the stances on climate change to which we belong and confirmed that we are consistent with Honda’s approach. It was also confirmed that HACPL is in agreement with the direction that Honda is aiming for, and the Company will continue to work together to take on the challenge of achieving carbon neutrality.

Clean Energy Initiatives

HACPL’s Approach

In promoting clean energy initiatives, HACPL is actively advancing clean energy initiatives. These efforts aim to reduce CO₂ emissions and minimize environmental impact across both corporate operations and product development. Key actions include:

- Enhancing production efficiency;
- Introducing environmentally innovative technologies;
- Implementing energy-saving measures;
- Transitioning to low-carbon energy sources;
- Promoting the use of renewable energy.

Through these initiatives, HACPL is contributing to a more sustainable future while aligning with its environmental and corporate responsibility goals.

Corporate Activities Initiatives

To support its goal of achieving carbon neutrality by 2050, HACPL is actively promoting the use of renewable energy. The Company has introduced solar energy systems and implemented related technologies at its manufacturing facility. Additionally, HACPL has established a framework to facilitate information sharing across all business operations, enhancing coordination and accelerating progress towards sustainability goals.

Renewable Energy Initiatives

HACPL prioritizes approaches that directly contribute to reducing CO₂ emissions within local communities. As a part of this initiative, the Company focuses on the installation of alternate power generation facilities, particularly solar energy generation to maximize on-site renewable energy use. HACPL currently operates a 1.5 MW solar power system and is in the final stage of installing an additional 2.0 MW system. This expansion will raise the total solar generation capacity to 3.5 MW, which is aligned with Honda Motor’s global sustainability direction. Further it demonstrates HACPL’s strong commitment to promotion of renewable energy.



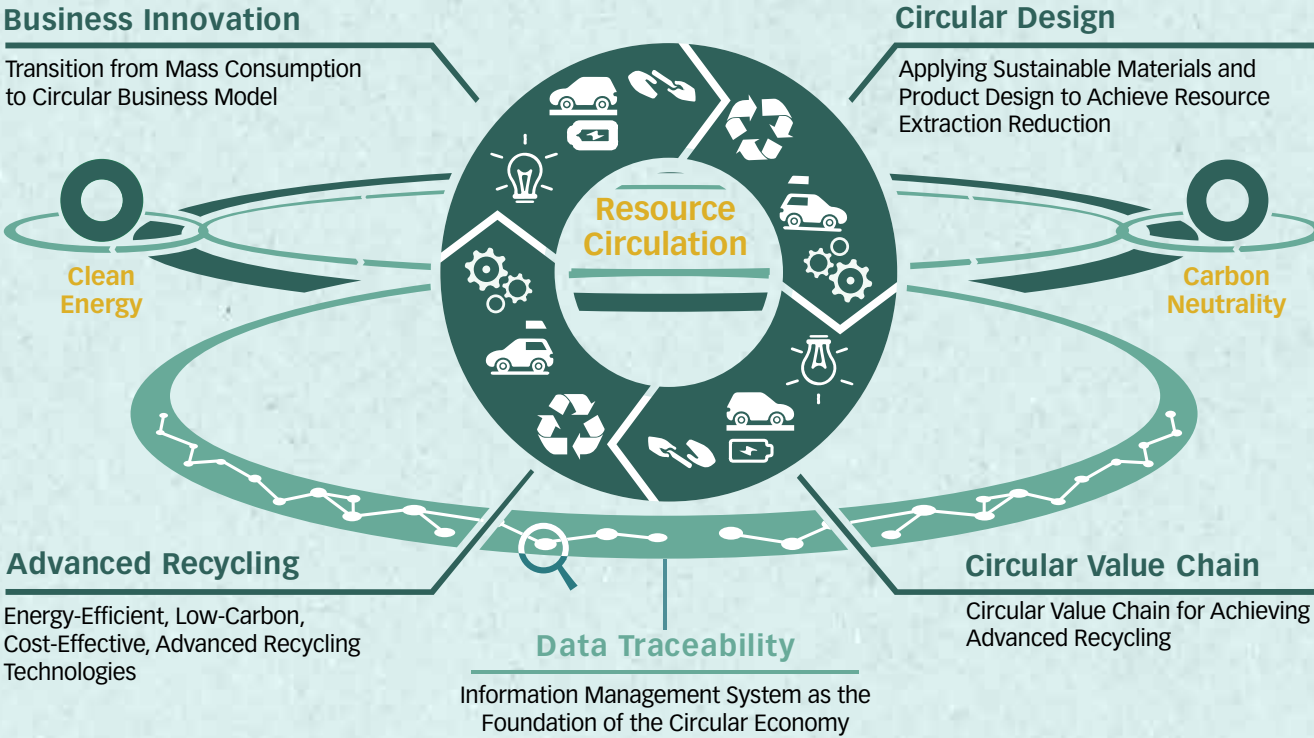
Resource Circulation Initiatives

Honda’s Global Direction

Honda is taking on the challenge of realizing a society with zero environmental impact so that we can permanently provide “the Joy and Freedom of Mobility” through mobility. Honda believes that resource procurement and price hikes pose a major risk to the

continuation of its business and has set efficient use of resources as a materiality to accelerate its resource circulation efforts. The Company aims to coexist in harmony with the Earth and is taking on the challenge of shifting to a recycling-oriented business that creates economic value while reducing consumption

(mining and disposal) of the Earth’s limited resources. Honda has established the five essentials of resource circulation and will work together with internal and external stakeholders in conjunction with conventional 3R (reduce/reuse/recycle) activities.



Five Essentials of Resource Circulation Business Innovation

Honda is committed to shifting to a recycling-oriented business that uses up products and parts throughout their entire life cycle and recycles them with high efficiency.

Circular Design

Honda is committed to creating a system premised on recycling, which includes the election of materials suitable for recycling, easy disassembly and separation design that enables the removal of

high-quality scrap, and stable procurement of recycled materials

Circular Value Chain

Honda will work to build a recycling-oriented value chain that maximizes economic rationality by optimizing specifications throughout the entire supply chain involved in resource circulation, including material manufacturers and the dismantling and crushing industry.

Advanced Recycling

Honda is committed to the research and development of advanced technologies that enable energy-

saving, low-carbon, and low-cost recycling.

Data Traceability

Honda will work on visualization of social values such as lifecycle CO₂ emissions and recycling rate to prove compliance with laws and regulations and to promote appropriate trade and use of recycled materials. The Company is committed to proving maintenance history and improving resource recovery rates using a wide range of digital technologies.

Resource Circulation Initiatives



HACPL's Corporate Activities Initiatives

Waste Management Initiatives

HACPL is actively working to reduce the volume of waste generated across its business operations. The Company is strengthening its commitment to the 3Rs (Reduce, Reuse, and Recycle) by implementing resource reduction strategies and minimizing by-products. In alignment with Honda's global sustainability efforts, HACPL continuously seeks to collect, recover, recycle, and properly dispose-off waste to minimize its environmental impact and support a circular economy.

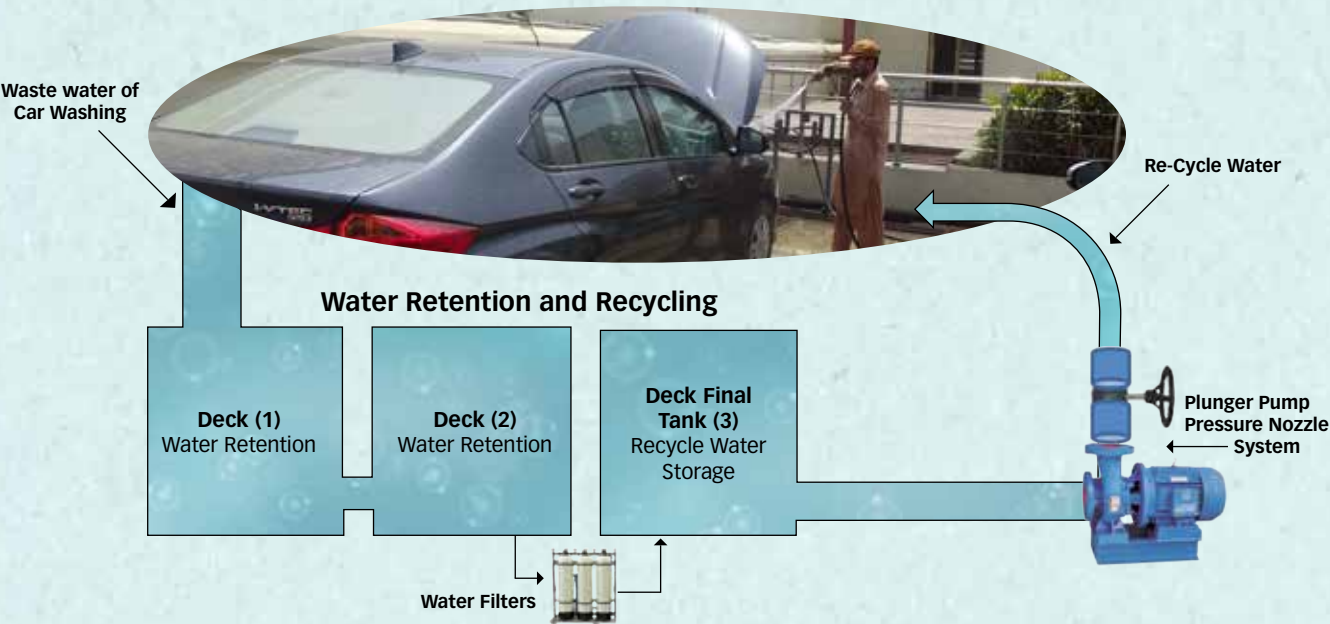
Water Resources Initiatives

To minimize water consumption, the Company implements initiatives tailored to regional conditions, including the use of recycled water and various water conservation measures.

HACPL is committed to expanding the use of its water recycling systems, with ongoing efforts to reduce environmental impact through measures such as treatment of production effluent and recycled water usage in car washing facilities. These initiatives reflect the Company's dedication to sustainable water management and environmental stewardship.

Reducing Water Consumption by Recycling Wastewater from the Car Washing Process

Previously, all wastewater from the car washing process, approximately 40 m³ per day was discharged directly into the drainage system. Following the installation of a wastewater recycling system, HACPL now recycles approximately 33 m³ of water per day, significantly reducing water consumption. The treated water is reused in the car washing process, contributing to sustainable water management conservation.



Biodiversity Conservation Initiatives

HACPL's Approach

In alignment with the Honda Biodiversity Guidelines (established in 2011), HACPL is actively engaged in initiatives to avoid and minimize the impacts to restore the natural ecosystems, including air, water, and biodiversity. As part of its environmental commitment, HACPL has designated "Biodiversity Conservation" as a key materiality issue and is advancing nature symbiosis initiatives with the goal of achieving Nature Positive outcomes. Recognizing that Honda's operations benefit from natural and mineral resources, HACPL strives to protect and sustain these resources by embedding biodiversity considerations in all aspects of its business activities.

HACPL's tree plantation program is a vital environmental initiative that contributes to improve air quality, supporting biodiversity, and mitigating climate change. A key component of this effort is the establishment of an in-house plant nursery, which plays a crucial role in cultivating a wide variety of saplings for transplantation across various locations. This initiative not only promotes greenery and environmental sustainability within and beyond HACPL premises but also fosters a culture of ecological responsibility. The nursery further serves as an educational platform, raising awareness among employees and the community about the significance of environmental conservation and a greener future.

Conserving Water Resources

Recognizing the potential impact of its operations on biodiversity and water systems, HACPL is fully committed to the conservation and responsible use of water resources. The Company has strategically selected plant location based on the principle of harmonious coexistence with nearby water sources and ensures full compliance with Pakistan's environmental assessment laws and regulations.

HACPL ensures that no local water sources are significantly impacted by its operations. Wastewater generated by the facility is treated using robust systems and is discharged only after meeting all applicable legal standards. The Company maintains strict water usage management protocols, ensuring accurate monitoring and control of water intake and discharge.

Furthermore, HACPL emphasizes transparency by regularly conducting water quality testing. Through these initiatives, the Company aims to uphold high environmental standards while promoting long-term sustainability of freshwater resources.



Performance Data

Environmental Data

Scope of Coverage

Honda Atlas Cars (Pakistan) Limited corporate activities.

Period Covered

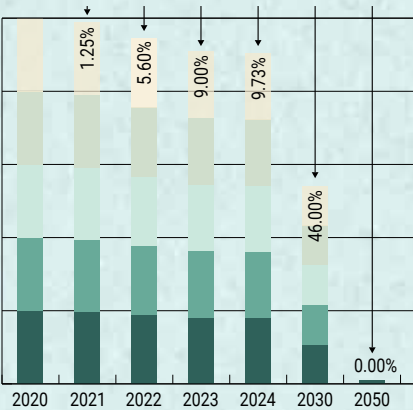
FY2024-25 (April 1, 2024 – March 31, 2025)

List of Targets

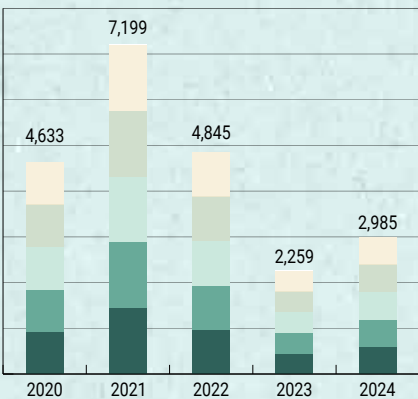
Target Items	Target for 2030	Target for 2050
Reduction rate for CO ₂ emissions from corporate activities (Compared to FY2020)	46%	CO ₂ Emissions, Net Zero
Reduction rate of total water intake (Considering BAU)	11%	Zero industrial water intake
Reduction rate of total waste generation (Considering BAU)	13.5%	Zero Industrial waste



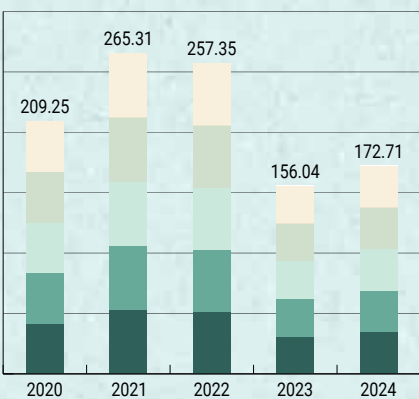
Reduction Rate of Total CO₂ Emissions from Corporate Activities (Compared to FY2020)



Amount of Waste Generation (Ton)



Amount of Water Intake (1000m³)



HACPL GHG Emissions in FY2024-25

As a sustainability-focused Company in the mobility industry, HACPL recognizes the critical importance of calculating, disclosing, and actively reducing greenhouse gas (GHG) emissions to contribute to global climate action.

HACPL began this journey in August 2012, when it first estimated GHG emissions across its entire value chain in accordance with the GHG Protocol, the world's most widely adopted

emissions accounting framework. This includes:

Scope 1: Direct emissions from Company-owned and controlled sources.

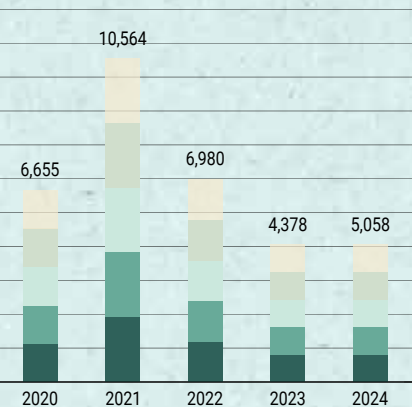
Scope 2: Indirect emissions from the generation of purchased energy.

In FY2024-25, HACPL's GHG emissions from corporate activities (Scope 1 & Scope 2) were calculated

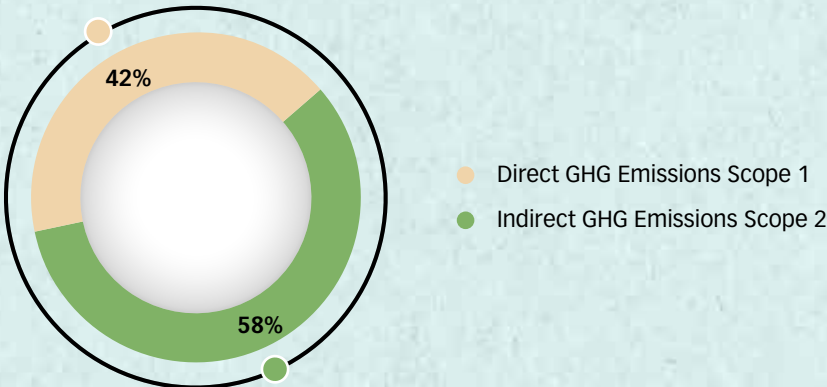
to be 5,058 t-CO₂e (metric tons of carbon dioxide equivalent).

The Company continues to enhance its emissions tracking systems to ensure greater accuracy and transparency. This data not only supports internal environmental targets but also informs the implementation of tangible reduction strategies aligned with HACPL's commitment to carbon neutrality.

Total GHG Emissions (t-CO₂e)

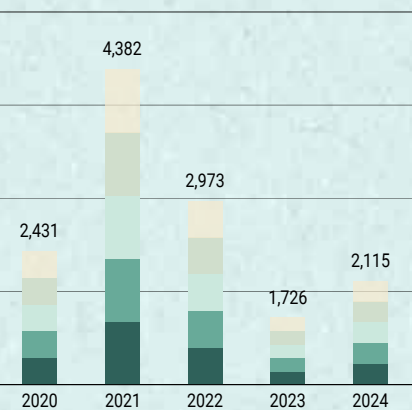


Breakdown of Total FY2024 GHG Emissions

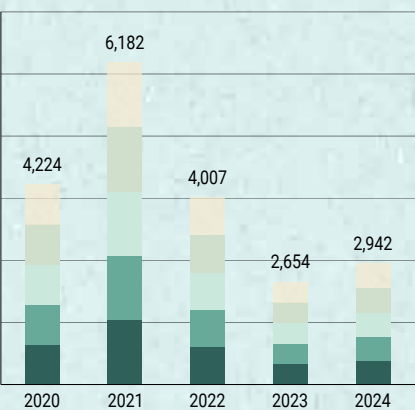


Total GHG Emissions	Area	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
Direct emissions from HACPL (t-CO ₂ e)	Scope 1	2,431	4,382	2,973	1,726	2,115
IN Direct emissions from energy use (t-CO ₂ e)	Scope 2	4,224	6,182	4,007	2,654	2,942
GHG Emission From the HACPL (t-CO ₂ e)	Scope 1&2	6,655	10,564	6,980	4,378	5,058

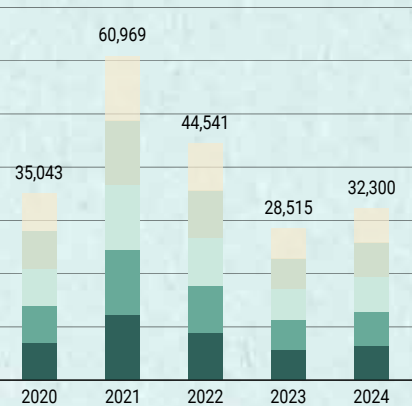
Scope 1: GHG Emissions (T-CO₂e)



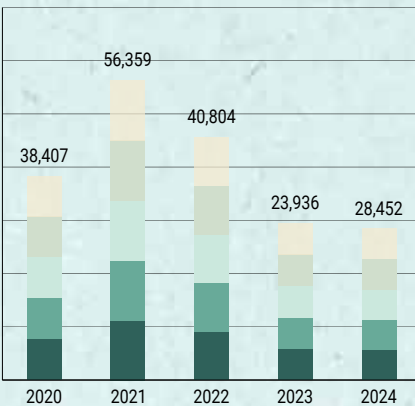
Scope 2: GHG Emissions (T-CO₂e)



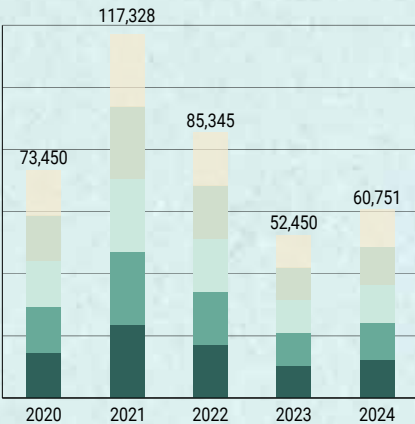
Direct Energy Consumption GJ



Indirect Energy Consumption GJ



Direct & Indirect Energy Consumption GJ



BR-V

Every Plan with Friends Becomes an

Adventure



Safety for Everyone

To Realize a Zero Traffic Collision Society

Guided by the global vision of “Safety for Everyone,” Honda is dedicated to eliminating traffic collision fatalities involving its motorcycles and automobiles worldwide by 2050. As a key milestone toward this goal, the Company aims to reduce global traffic-related fatalities involving Honda vehicles by 50% by 2030. This objective encompasses not only newly developed models but also Honda vehicles currently in operation.

To effectively address the various causes of traffic accidents, Honda is advancing and integrating efforts across three strategic areas:

Human capability, through comprehensive awareness and educational initiatives,

Mobility performance, through ongoing technological advancements, and

Traffic ecosystem, through collaboration with stakeholders and the development of supportive infrastructure, systems, and services.

A significant challenge in achieving the 2030 milestone is reducing fatal automobile accidents in emerging economies. Honda Atlas Cars (Pakistan) Limited (HACPL) acknowledges its social responsibility in addressing this issue and is actively implementing targeted educational programs for diverse population groups. Additionally, HACPL is enhancing vehicle safety by equipping automobiles with advanced technologies such as Anti-lock Braking Systems (ABS), Combined Braking Systems (CBS), and high-visibility lighting to ensure greater safety for both drivers and other road users.

Global Safety Slogan

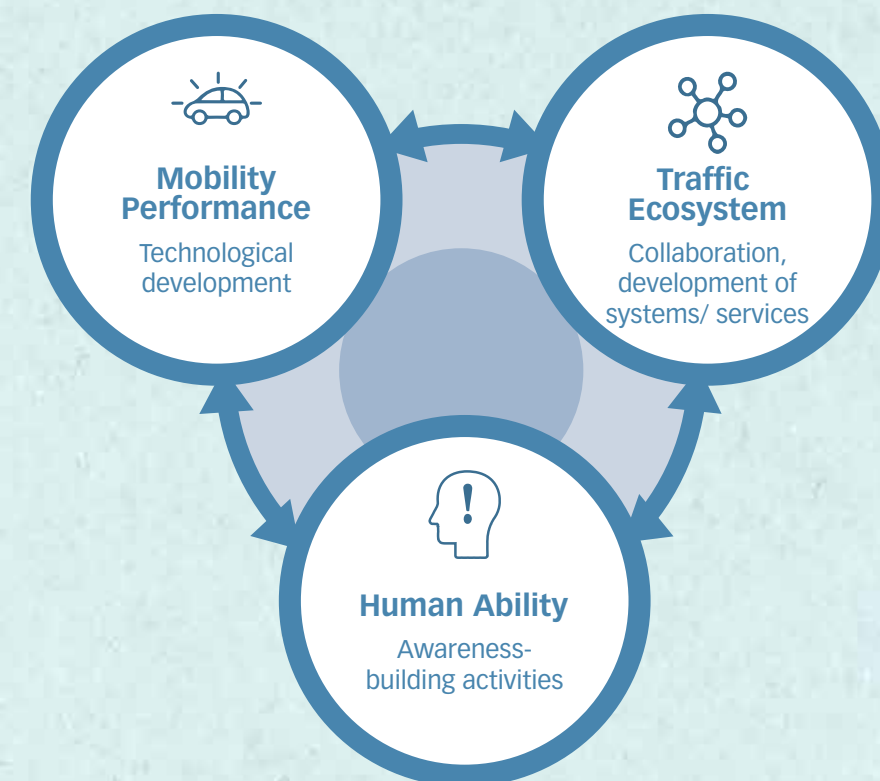
Safety for Everyone

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

Three elements of safety

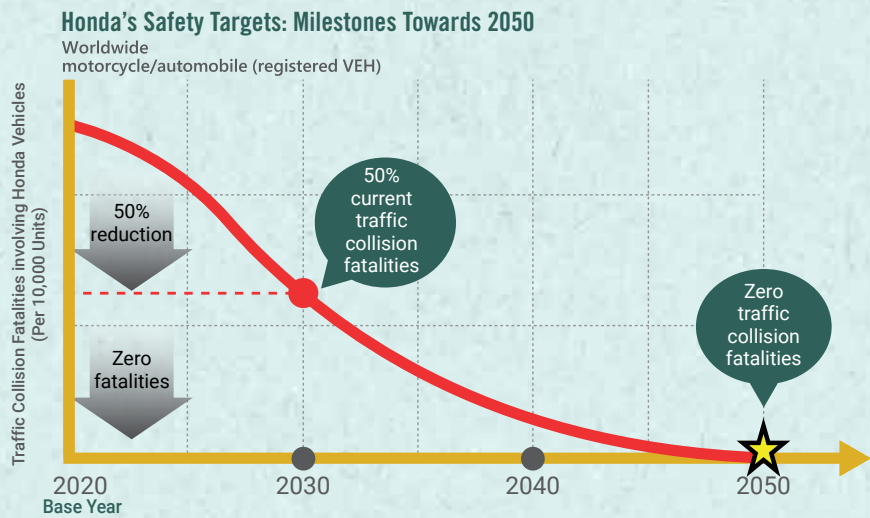
Development of technology to capture human intention and complement/enhance sensory abilities and/or skills

Contribution to creating environment and systems to bring people and mobility into harmony



Support for the enhancement of knowledge, awareness and experience of everyone involved in traffic society

Safety Initiatives



Honda remains steadfast in its commitment to the safety of its customers and pedestrians who interact with its products. Guided by its safety vision, “Safety for Everyone,” Honda aims to reduce collision fatalities involving its vehicles by 50% by 2030 and to achieve zero traffic collision fatalities by 2050.

To achieve these ambitious goals, Honda is focused on developing products that prioritize the safety of both passengers and pedestrians. Key safety features include the standardization of seat belts, ABS (Anti-lock Braking System), TCS (Traction Control System), VSA (Vehicle Stability Assist), and a minimum of two airbags across all models. Enhancing occupant protection further, all Honda vehicles are equipped with proprietary safety technologies such as G-CON

(G-Force Control) and ACE (Advanced Compatibility Engineering).

Honda actively promotes its safety vision through Safety Seminars held at authorized dealerships for customers and staff, as well as at educational institutions. These seminars cover:

- Safety features of Honda vehicles
- Causes of road accidents
- Safe driving guidelines
- Importance of traffic signs, signals, and road markings

The sessions also highlight Honda Sensing—an advanced suite of safety and driver-assist technologies. This includes features like Collision Mitigation Braking System, Lane Keeping Assist System, Adaptive Cruise Control,

Auto High Beam, Lead Car Departure Notification, and Road Departure Mitigation.

To enhance engagement and understanding, the seminars incorporate Virtual Reality (VR) sessions that demonstrate the capabilities of Honda Sensing and explain the functionality of each feature.

Pre-Delivery Safety Activity (PDSA)

As part of its pre-delivery process, every Honda vehicle is delivered with a Safety Tag placed on the turn signal lever. This tag highlights key safety guidelines that drivers must follow. These visual cues serve as constant reminders to stay alert and prepared, helping to reduce the risk of accidents.

Road Safety Awareness

Based on the global concept of “Safety for Everyone” and Honda’s dream of a “collision-free mobile society,” Honda Atlas Cars (Pakistan) Limited has been continuously organizing road safety educational programs in collaboration with the National Highways & Motorways Police, City Traffic Police, and Atlas Honda since 2022.

The target audience includes HACPL associates, authorised dealership staff, new car customers, the corporate sector (including group companies and suppliers), and educational institutions. Seminar contents include:

- Understanding road safety signs, signals, and road markings
- Importance of following road safety laws and regulations
- Benefits of wearing seatbelts and safety helmets

The Company has achieved all set targets and educated 7,276 individuals since 2022, with plans to continue these efforts in the future.

Year	HACPL Dealers Staff, Customers	Corporate Sector	Educational Institutes	Total
2022-23	112	1,297	388	1,797
2023-24	275	1,226	1,125	2,626
2024-25	647	797	1,409	2,853

Plant Safety Initiative

The Company ensure plant safety, prioritizes the well-being of its associates, equipment protection, and consistent production quality. In response to growing industrialization, Company has implemented comprehensive safety protocols including the proper use of personal protective equipment (PPE), regular machinery maintenance, robust fire safety systems, adherence to regulatory standards, and continuous training for associates.

The Company Safety Committee also conducts monthly safety patrols to identify potential hazards and recommend appropriate countermeasures, thereby ensuring a safe and healthy work environment. In FY2024–25, Company enhanced its fire safety by upgrading from a manual fire alarm system to a networked, cloud-based system for improved responsiveness and reliability.



Safety Initiatives

Health and Safety Awareness Trainings

The department responsible for Company-wide Health and Safety training plays a key role in delivering educational programs that help all associates understand how to create a safe workplace and practice safe driving. Each year, associates receive training tailored to their roles. Recently, the Company has focused on Fire Safety, Workplace Safety, and Road Safety areas closely related to serious accidents. These trainings help associates identify and manage risks effectively. Each department also provides process-specific training programs for its members.

Training title	Trainees	Number of training days	Number of participants	Purpose of Training	Outline of Training
Road Safety	Motorcycle drivers & riders	8 days	171	Promote Road Safety awareness of Motorcycle users for reduction in road crashes	Precautionary measures before driving, Behaviors of Driver and Driving techniques in special conditions
	Car drivers	4 days	76	Promote Road Safety awareness of Car users for reduction in road crashes	
Work Safety	Section In-charges	1 day	118	Promote work safety awareness to ensure health and safety work environment.	Using PPEs by associates at workplace as per job requirement and understanding of different types of safety signs e.g. chemical, electrical, fire, environment etc.
Fire Safety	Firefighting squad and other associates	1 day	212	Promote fire safety awareness among associates for prevention and how to respond fire if arises.	Contents of fire, reason of fire, responding to initial fire and Safe evacuation in case of emergency situation and how to inspect, maintain and use of fire extinguisher and fire hydrant in case of fire.
Stress & Anger Management	Section In-charges & above	4 day	80	Promote mental health awareness to ensure health and safety work environment.	Types of Stress & Anger, Causes, Management Tips, Body changes during Anger and advantages / disadvantages of Anger
First Aid	Associates designated as first aiders	2 days	50	Train the associates as first aiders to provide first aid case of emergency.	Definition, Management of wounds, Burns, How to handle unconscious person, practical demonstration & CPR
Life Rescue	Associates designated as life rescuers	1 day	31	Train the associates as life rescuers to handle the injured persons in case of emergency.	Conditions of Rescue, Basis principle of Rescue, Rescue method selection criteria and Methods of rescue by a single or two persons etc.



Road Safety Training



Firefighting Training

Clean and Health Drinking Water for Associates

The Company has installed a Reverse Osmosis (RO) plant to provide clean and healthy drinking water. The system filters out harmful elements from raw water and adds essential minerals for human health. The Health and Safety Division ensures RO plant operations comply with the Punjab Environmental Quality Standards 35 parameters by conducting quarterly third-party lab tests.

Emergency Response Squad

Our Emergency Response Squad, comprising 12 trained associates, participated in the International Volunteer CERTs (Community Emergency Response Teams) Challenge 2024, organized by the Punjab Rescue Emergency Services Academy 1122.

The training focused on disaster preparedness and emergency response skills such as first aid, mass casualty response, fire management, earthquake and flood readiness, and command and control during crises. A total of 63 teams from across Pakistan, including one international team from the Republic of China, participated. Team HACPL proudly secured the 11th position among all competitors.



HACPL's Participated in International Volunteer Day - CERTS 2024



HACPL's Emergency Response Squad

Emergency Response Squad Mega Drill

In May 2024, HACPL conducted a comprehensive Firefighting Mega Drill at its plant to enhance preparedness for potential emergency situations. A total of 1,157 associates actively participated in the exercise, which involved fire alarm activation, orderly evacuation from work areas, and assembly at designated safety points.

The drill concluded with a closing ceremony, during which senior management observed the proceedings and commended the effective execution and high level of associate engagement.



Evacuation



Demo Fire Fighting



Demo Incident command



Occupational Safety and Health

HACPL Approach

Honda's commitment to a safe and secure work environment stem from the Company Principle established in 1956, grounded in the Fundamental Beliefs of "Respect for the Individual" and "The Three Joys." Upholding the long-standing safety principle, "No safety, no production," Honda aims to create a workplace where all individuals can work with genuine peace of mind. In alignment with this philosophy, Honda Atlas Cars (Pakistan) Limited (HACPL) has established occupational safety and health policies tailored to the needs and conditions of its associates. To prevent serious industrial accidents and ensure the well-being of all employees, the company actively promotes initiatives to prevent incidents and eliminate their recurrence. By fostering a culture of safety and health, HACPL is dedicated to maintaining a workplace that supports both the physical and mental well-being of its associates, encouraging each individual to contribute to the prevention and minimization of workplace risks.

HACPL Health Structure

Dedicated Medical Section

HACPL has a dedicated medical section on-site, supervised by a full-time qualified and experienced physician. It provides walk-in consultations, medication, emergency first aid, IV fluids, ECG, oxygen, nebulization, blood sugar and pressure monitoring. An on-site ambulance is available for hospital transfers when needed. The medical team also educates associates on common health issues such as dengue, mosquito bite prevention, smog effects, and other environmental health concerns through display media and emails.

Liaisons with hospitals

HACPL has direct contracts with 12 reputable and well-equipped tertiary care hospitals in Lahore, where most associates and their families reside. Additional hospitals are on the panel in remote cities like Sheikhupura, Okara, and Sahiwal. These hospitals bill HACPL directly, and payments are made following verification and approval processes.

Associate's Care

HACPL is deeply committed to the health and safety of its associates and their families, allocating substantial resources for their medical care. HACPL's medical

policy covers not only the associate but also their spouse and children, underlining our belief that a healthy family contributes to the associate's well-being and performance.

Annual and Job-Specific Medical Tests

Associates undergo regular health screenings, which include routine blood and urine tests.

Job-specific tests include:

To check the associate's health in relation to department different job specific tests were conducted by Health Section that include.

1. Hearing tests (audiometry) for associates working in noisy areas
2. Lung function tests for those in smoky environments, such as painting and welding sections
3. Vision checks for associates
These helps detect early signs of occupational health problems.

These tests can detect early problems and greatly help to avoid occupational medical problems.

Age Specific Medical tests

As age of associate increases there is an increased risk of getting sick,

Some problems which are very common in our society. These are heart diseases and diabetes. Medical section added some tests to check the risk of these medical problems. Associates of age 40 years and above are tested for risk of these problems.

Mental and Physical Health

HACPL cares not only for physical health but also mental well-being. Regular stress and anger management sessions are organized by the medical team to promote mental resilience. Exercises and coping strategies are taught based on Training Needs Assessment (TNA).

In terms of physical health, associates receive basic first aid training including how to manage cuts, burns, bleeding, unconsciousness and CPR training using realistic manikins.

Mental Health

We at HACPL are greatly concerned abouts mental health of all individuals and provide basic knowledge to everyone in handling their mental health issues like stress and anger by arranging training sessions by a certified medical teacher (doctor).

Human Rights



HACPL Approach

HACPL is firmly committed to upholding and respecting internationally recognized human rights. This commitment is grounded in the principles outlined in the following frameworks:

- The International Bill of Human Rights
- The ILO's Core Conventions as embodied in the Declaration on Fundamental Principles and Rights at Work

At HACPL, we uphold the core principle of "Respect for the Individual", which is central to

the Honda Philosophy. This commitment is reflected in our Code of Conduct through the inclusion of "Respect for Human Rights", emphasizing our stance to act with fairness, sincerity, and integrity in all business practices.

As part of this commitment, all associates are expected to:

- Treat fellow associates with respect.
- Engage in sincere and appropriate interactions.
- Refrain from all forms of harassment, unjust treatment, or discriminatory behavior in the workplace.

In alignment with these values, HACPL has established the Honda Human Rights Policy, aimed at ensuring the respect and protection of human rights for all stakeholders impacted by our business activities.

In alignment with this policy, HACPL respects the rights of all individuals involved in or impacted by its business operations. To ensure the practical implementation of this commitment, the Company has identified key human rights priorities that require proactive attention and action:

Prohibition of Forced Labor and Child Labor

HACPL actively ensures that all forms of forced or involuntary labor and the exploitation of children are strictly prohibited within its operations and supply chain.

Elimination of Discrimination and Harassment; Promotion of Diversity

The Company fosters an inclusive

environment by eliminating any form of discrimination or harassment and by promoting respect for diversity and individual differences.

Fostering a Culture of Open Dialogue

HACPL encourages open communication and supports a workplace culture where employees feel free and safe to express their ideas, concerns, and feedback by

using various forums provided by the Company.

Ensuring a Safe and Healthy Work Environment

The Company is committed to maintain a working environment that prioritizes the health, safety, and well-being of all employees.

Honda Human Rights Policy

Since Honda Motor founding in 1948,

Human Rights



Honda has continuously worked to provide value to help people and create a better society through our technologies, ideas, and designs. The starting point of such efforts is our desire to “help people and society” and “expand the potential of people’s lives”.

The underlying basis of these efforts is the concept of “Respect for the Individual,” which constitutes Honda’s Fundamental Beliefs.

Honda believes that human beings are born as free and unique individuals with the capacity to think, reason, and create – and the ability to dream.

Our wish is to nurture and promote these characteristics in Honda by respecting individual differences, trusting each other as equal partners, exercising abilities to the fullest, and sharing joy.

From this standpoint, we adopt Respect for the Individual, consisting of the three elements of initiative, equality, and trust, as one of our Fundamental Beliefs.

We believe this spirit should permeate all our relationships with everyone. Based on the concept of Respect for the Individual, Honda has formulated the Honda Human Rights Policy (“the Policy”) to fulfill our responsibility to respect the human rights of stakeholders who may be affected by our business activities.

By putting the Policy into practice, we will cooperate with our stakeholders to undertake business activities in a sustainable manner to continue to be “a company that society wants to exist.”

1 Commitment to the "respect for human rights"

Honda recognizes that our business activities may impact the human rights of internal and external stakeholders. We are committed to respecting human rights that are set out in the International Bill of Human Rights and the ILO core conventions as set out in the Declaration on Fundamental Principles and Rights at Work. In addition, We endorse the United Nations Guiding Principles on Business and Human Rights and endeavor to practice these principles in business activities. We also comply with applicable laws and regulations of each of the countries and regions in which our business activities are conducted.

2 Scope of responsibility

The Policy applies to all executives and associates of the Honda Group (Honda Motor Co., Ltd. and its subsidiaries). In addition, we expect all our business partners to understand the Policy.

3 Governance

Honda positions respect for human rights as one of our key management issues, and we will also establish an adequate internal structure to reflect

the Policy in necessary business policies and procedures while clearly specifying the Director responsible for the formulation and execution of the Policy.

4 Human rights due diligence

Honda will establish and continuously implement a system of human rights due diligence, which will identify adverse impacts on human rights and prevent or mitigate such impacts.

5 Remedy

We commit to take appropriate measures to remediate any adverse impact on human rights which Honda clearly caused or contributed to. In addition, we will work to establish a practical grievance mechanism to enable appropriate remedies.

6 Engagement with stakeholders

In enhancing and improving its efforts to respect human rights, Honda will leverage external knowledge and engage with relevant stakeholders.

7 Education

Honda will undertake appropriate education and awareness-raising activities to facilitate an understanding of the Policy and put it into practice.

8 Information disclosure

Honda will make disclosure of its efforts to respect human rights through our corporate website and other means on a regular basis.

* The Policy has been approved by the Executive Council and Board of Directors of Honda Motor Co., Ltd., and the same has been adopted By Honda Atlas Cars (Pakistan) Limited.

Human Resources



Our People: The Core of Our Success

At Honda Atlas Cars (Pakistan) Limited, our people remain at the heart of everything we do. We consider our employees to be our most valuable asset, and we continue to invest in their growth, well-being, and engagement. With a strong emphasis on nurturing talent, we strive to cultivate a work culture that is transparent, inclusive, and performance-driven.

Employee Engagement and Motivation

We are committed to building an engaging work environment where employees are motivated through both career advancement and financial recognition. Our focus remains on:

- Performance-based appraisals
- Transparent career pathways
- Talent -motivation Incentive programs and bonuses
- Regular recognition and engagement initiatives

Recognition and Engagement Initiatives

One Unit- Team Building Workshops aligned with modern engagement trends Demonstrating its commitment to employee well-being, Honda Atlas Cars (Pakistan) Limited (HACPL) has introduced the "Workplace Happiness Training Program" as part of its broader focus on mental health and work-life balance. This initiative is designed to equip associates with practical tools to manage stress, enhance emotional resilience, and cultivate a positive work environment. By fostering a culture of psychological safety and personal growth, HACPL aims to improve overall job satisfaction and productivity across all levels of the organization.



Health & Wellness at Defence Raya Golf & Country Club

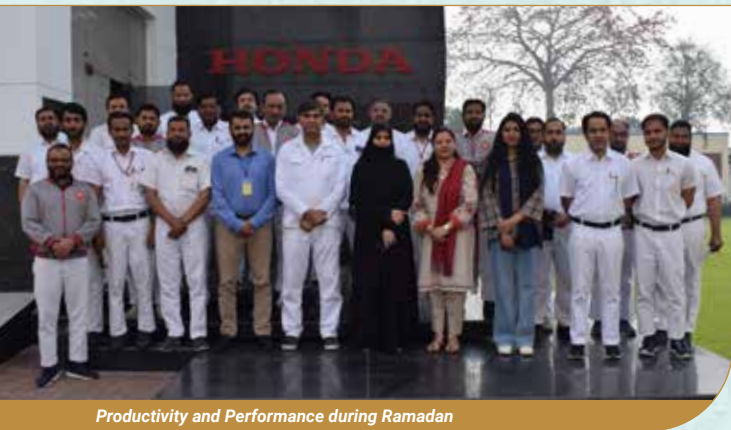


Team Building at Country Club Bahria on December 21, 2024

Human Resources



Work Place Happiness at Defence Raya Golf & Country Club



Productivity and Performance during Ramadan



Celebrated Women Day in Factory on 8th March



Celebrated Women Day in City Office on 8th March

Honda Atlas Cars (Pakistan) Limited (HACPL) recognizes the unique needs of its associates during the holy month of Ramadan and takes proactive measures to support their well-being and productivity. Adjusted working hours, a respectful work environment, and thoughtful management practices ensure that employees can maintain high performance while observing their religious obligations. These measures not only uphold cultural sensitivity but also foster a motivated and focused workforce, contributing to sustained operational efficiency throughout the month.

Demonstrating its commitment to the health, motivation, and overall development of its associates, HACPL organizes an annual ‘cricket league’ for male associates in collaboration with local Industry partners. This sporting event not only encourages physical fitness and healthy competition but also strengthens inter-company relationships and team spirit. Through such initiatives, the Company fosters a culture of camaraderie, stress relief, and engagement beyond the workplace, reinforcing its dedication to creating a well-rounded and dynamic employee experience.

Diversity-related Initiatives

As part of diversity initiatives, Honda Atlas Cars (Pakistan) Limited (HACPL) has actively promoted the inclusion and empowerment of women in the workplace—an area that remains a significant challenge in Pakistan. Currently, 38 women are contributing to the Company's progress by serving in key management roles.

In line with its commitment to fostering an inclusive and supportive work environment, Honda Atlas Cars (Pakistan) Limited (HACPL) organizes an annual recreational trip exclusively for female associates to the scenic northern areas of Pakistan. This initiative not only promotes team bonding and well-being but also recognizes the valuable contributions of women in the organization.

Additionally, HACPL provides an outsourced daycare facility to support working mothers, enabling them to maintain a healthy work-life balance and continue their professional growth with confidence.

This thoughtful gesture reflects the Company's dedication to creating a supportive and enriching environment for its female workforce.



Females Associated Recreational Trip



Graduation Ceremony of FCCU College

Talent Growth & Succession Planning

To ensure organizational continuity and leadership sustainability, we emphasize:

- Job rotation for exposure to key business areas
- Structured succession plans for critical roles
- Internal promotions to reward performance and retain knowledge

Leadership Development and Global Training

We are actively developing future leaders through local and international learning initiatives, tailored to current and future business needs. Our Training Needs Analysis (TNA) informs strategic learning investments. Key highlights include:

- Domestic and international training sessions
- Focused programs in Thailand and Japan, with exposure to global best practices
- Collaboration with top training institutes in Pakistan and abroad

Education Enhancement for Leadership Development

In addition to in-house and international training, strategic education enhancement programs are in place for our middle and top management. These initiatives aim to equip employees—particularly those from technical backgrounds—with modern, management-focused knowledge and practices.



Participated in Japan Training Program



Celebrated Independence Day

To achieve this, HACPL has partnered with leading academic institutions such as Forman Christian College University (FCCU) and Lahore University of Management Sciences (LUMS). These collaborations provide our employees access to executive education, leadership development programs, and business management courses that broaden their perspective and enhance strategic thinking capabilities.

This effort reflects our commitment to building a well-rounded leadership pipeline that integrates technical expertise with strong managerial acumen.

Trainings Programs	No. of Trainings	No. of Participants
International Trainings	8	8
Customized & Open Enrollments	21	102
Diploma in Business Management	10 modules	25
E- MBA	-	1
In-house Trainings	24	540
Total	53	676

Annual training hours and cost per associate

Training Hours	Cost per Associate
22,966	100,000



Lifecycle-Driven People Strategy

We have implemented a comprehensive Hire-to-Retire Model that guides employees throughout their professional journey:

- Structured onboarding
- Continuous learning and development
- Succession planning
- Financial and career motivation
- Meaningful retirement planning

Measurement of Associate Engagement

HACPL annually measures associate engagement to obtain associate feedback for building a healthier and more comfortable work environment. The measurement is conducted based on the common criteria set by the Honda Motor Company Japan, with the target of achieving a very good engagement level of associates working at Honda. To ensure transparency, an international survey firm is being involved after every three years by Asian Honda Motor Company and the measurement results are used for activities to create a better work environment.

Our human capital strategy is designed to build a resilient, future-ready workforce that supports our strategic business goals. With an integrated approach toward employee development, engagement, and leadership growth, we are paving the way for a high-performing, innovative, and inclusive organization.

Gender Pay Gap

Following is gender pay gap calculated for the year ended March 31, 2025.

Mean Gender Pay Gap: (34%)
Median Gender Pay Gap: (63%)

The above percentages reflects the gender pay gap of relevant male versus female employees across the organization.

Consolidated number of associates

Categories	2022-23	2023-24	2024-25
Management	390	330	366
Non-Management	1,006	936	888
Contractual	136	112	119
Total	1,532	1,378	1,373

Number of associates by gender

Categories	2022-23	2023-24	2024-25
Male	1,491	1,347	1,334
Female	41	31	39
Total	1,532	1,378	1,373

Number of new associates (Hiring)

Categories	2022-23	2023-24	2024-25
Management	9	17	34
Non-Management	62	4	19
Contractual	4	41	2
Total	75	62	55

Corporate Social Responsibility

Basic Approach

Since its inception, Honda has brought joy to society and its customers by delivering high-quality products and innovative technologies. In the 1960s, during its early growth phase, the Company initiated philanthropic efforts to build strong relationships with local communities, guided by the belief that a business should be deeply rooted in and connected to the community it serves.

In line with this vision, Honda Atlas Cars (Pakistan) Limited (HACPL) actively engages in various social contribution initiatives aimed at sharing joy and becoming a company that society values and supports. HACPL is committed to supporting programs that reflect the specific needs of local communities and integrates these efforts into its corporate activities. The Company will continue to pursue meaningful social contributions while maintaining open communication with customers and community members.

Activity Policy

- Honda will earn social acceptance by creating empathy and trust through active community engagement and by being a good corporate citizen.
- Honda will use its resources and workforce to contribute to society from a global point of view, while maintaining the importance of each region.
- Honda will promote and facilitate maximum associate participation in, and passion for, social contribution activities.

Field of Activities

- Supporting Our Youth for the Future
- Protecting the Global Environment
- Promoting Traffic Safety
- Addressing Local Community Needs



Corporate Social Responsibility

Celebrates World Environment Day with Tree Plantation Drive



Honda Atlas Cars (Pakistan) Limited reinforced its commitment to sustainability by participating in the global World Environment Day campaign, **Our Land. Our Future. We are #GenerationRestoration**. As part of this initiative, the Company donated trees to Aligarh School in Manga Mandi, Lahore, and distributed plants to promote eco-friendly practices among students and staff.

This effort aimed to raise awareness about environmental conservation, emphasizing the importance of tree planting in fighting climate change and improving air quality. HACPL remains committed to corporate social responsibility, supporting conservation efforts, and contributing to a cleaner, greener Pakistan for future generations.

Free Medical Camps

The first free medical camp was arranged in 2014 in Manga Mandi village and since then, it has been a hallmark of the Company's CSR activities. During the year, the Company organized two free medical camps in remote areas, and more than 1,351 patients were given free medical treatment and medicines. Since start of this initiative, the Company has arranged 49 medical camps, wherein more than 29,351 patients have been provided free medical assistance.



Creating Better Classrooms: HACPL Installs Fans to Improve Student Comfort



Honda Atlas Cars (Pakistan) Limited has supported education by installing ceiling fans in all classrooms from grades 1 to 12 at Government Girls Higher Secondary School, Manga Mandi. This initiative, part of the Company's Corporate Social Responsibility (CSR) program, aims to create a more comfortable and conducive learning environment.

By improving ventilation and classroom conditions, HACPL helps students stay focused and perform better, reinforcing its commitment to educational development and community support.

Promoting Education: HACPL Donates to Tahzeeb-Ul-Akhlaq for Underprivileged Students

Honda Atlas Cars (Pakistan) Limited reaffirmed its commitment to education by hosting a ceremony at Aligarh School, run by the Tahzeeb-Ul-Akhlaq Trust. Mr. Maqsood-Ur-Rehman Rehmani, Vice President and Company Secretary, presented a cheque of PKR 1.2 million to support the school's educational initiatives.

This contribution aims to enhance learning opportunities for underprivileged students and reflects HACPL's continued dedication to community development and social responsibility.



Supporting Science Education: HACPL's Contribution to Mehmonwali School



To support education in remote areas, Honda Atlas Cars (Pakistan) Limited (HACPL) donated Rs. 1 million to the Moawin Foundation for the establishment of a modern Science Laboratory at Government

Girls Elementary School in Mehmonwali, Sheikhpura. The donation ceremony was held on October 3, 2024, at the school.

Mr. Maqsood ur Rehman Rehmani, Vice President and Company Secretary of HACPL, presented the cheque to Rear Admiral Mirza Foad Amin Baig, CEO of the Moawin Foundation. Mr. Rehmani reaffirmed HACPL's commitment to quality education, emphasizing the importance of empowering underprivileged students to contribute positively to their communities. The new science lab marks a significant step toward enhancing hands-on learning and scientific exploration for students in the region.

Ensures Access to Clean Drinking Water at Government Girls College, Manga Mandi, Lahore

Access to clean drinking water remains a major challenge in rural areas due to contamination of local sources. Recognizing this critical need, Honda Atlas Cars (Pakistan) Limited took proactive measures to improve water access.

The Company installed deep-bore water pumps and reservoirs at Government Girls College, Manga Mandi, Lahore, providing a reliable supply of clean drinking water. This initiative aims to reduce waterborne diseases and promote the health and safety of students and staff.



This project highlights HACPL's commitment to corporate social responsibility and its dedication to making a positive impact in the communities it serves.

Corporate Social Responsibility

Industrial Visits



Industrial visits provide significant value to participants by offering direct exposure to real-world work environments. They serve as a vital link between academic learning and industry practices. Key benefits include:

Practical Insight: Participants gain a deeper understanding of how theoretical concepts are implemented in real-world industrial settings, enhancing their comprehension beyond textbooks and classroom instruction.

Skill Enhancement: Observing operational processes, interacting with industry professionals, and experiencing the use of advanced technologies contribute to the development of critical thinking, analytical abilities, and problem-solving skills.

Networking Opportunities: Industrial visits facilitate meaningful engagement with industry experts, potentially leading to opportunities such as internships, mentorships, and future career prospects.

Last year HACPL arranged 12 industrial visits sessions of almost 360 visitors.

Promoting Fire Safety: Training Sessions for Authorized Dealers and Vendors

The Company conducted firefighting training sessions for its authorized dealers and vendors at their respective locations. This year, 13 authorized dealerships and 12 vendors participated, with over 404 employees trained. Each session included a theoretical overview of fire fundamentals and practical demonstrations of fire control techniques. These trainings have greatly improved fire safety awareness among our business partners.



HACPL Advances Road Safety Awareness Under Vision 2030



Under the "Asia & Oceania Safety Strategy Vision 2030," Honda Atlas Cars (Pakistan) Limited is dedicated to promoting road safety awareness through seminars held in corporate sectors and educational institutions. These initiatives are conducted in collaboration with Atlas Honda Limited and the National Highway & Motorway Police.

The program emphasizes the importance of following safety precautions, particularly adhering to road safety signs and consistently wearing seat belts, to ensure safe journeys and achieve zero traffic collisions. In 2024-25, a total of 2,853 participants attended these seminars.

Quality

Honda's Approach
Vision for Customer's Satisfaction through Quality and Innovation

Aiming to Bring Satisfaction to our Customers "We have to aim for 120% product quality, since even a 1% rejection is unacceptable." These words of founder Soichiro Honda define the company's fundamental approach to quality, or more specifically, what it means to strive to be a company society wants to exist. It is also the identity of Honda, which has always strived to create products that exceed the expectations of customers. Adhering to these objectives, Honda's commitment is to strengthen customer trust by offering products founded on safety and a new level of outstanding quality.

To this end, Honda has created the Honda Quality Cycle , which works continuously on quality enhancement and improvement, encompassing every stage in the process – from planning, development, production, and sales to after-sales service. In order to realize the basic principles of "Respect for the Individual" and "The Three Joys" (The joy of Buying, The Joy of Selling, The Joy of Creating), Honda has confirmed being number one in customer satisfaction in all points of contact as a primary objective. Honda works in collaboration with dealers to satisfy customers at every stage, from sales to after-market service, so that customers can continue using and enjoying its products and services.

Quality Policy

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

- smart teamwork and dedicated individuals
- complying all applicable legal and regulatory requirements.
- continually improving our strategies and goals

M. Wakuda
President & CEO

Offering a New Level of
Outstanding Quality

Over the years, HACPL has implemented a variety of dynamic activities aimed at realizing products that achieve a new level of outstanding quality. Meanwhile, HACPL "has accelerated" powertrain electrification to achieve carbon neutrality as well as "introduced" driver-assistance technologies for the realization of a collision-free mobility society. Furthermore, HACPL is now working to create new value through open innovation by teaming up with "its" valuable vendors.

Moving ahead, HACPL aims to reduce problems at all points of customer contact in step with innovations in mobility and living, in addition to ensuring the highest quality levels among the products and services that customers rely on. Through this pursuit of quality in each domain, HACPL has initiated its activities to evolve and "set" new standards along the way.



Quality

HACPL Quality Management System

By Implementing the Global Honda Quality Standard (G-HQS) HACPL aimed at Increasing Quality of Honda Brand Products and Services

By implementing the Global Honda Quality Standard (G-HQS), HACPL "aims" at increasing the quality of Honda brand products and services.

As Honda's production expands globally, alongside its parts and materials sourcing, maintaining a globally shared quality management system is essential to ensure that all facilities continue to remain consistent in generating 120% product quality. Established in April 2005, G-HQS serves as the foundation of this system. Based on the Honda Quality Cycle, G-HQS is a set of fundamental standards supporting quality assurance and improvement activities in all sections. The aim is to achieve the sustainable quality of Honda brand products manufactured and sold around the world as well as the services offered globally.

Based on G-HQS, HACPL developed and implemented the Quality Management System. In part, QMS is "utilized" as a means to reliably implement and certify process-based quality assurance focusing on rules, which have recently grown in importance following changes in laws, regulations, and the business environment. In accordance with the Honda Quality Cycle, to enhance and improve quality, HACPL clearly defines the roles and responsibilities between global and regional functions in such areas as planning/development, production, sales/service, and quality. With G-HQS, the goals and requirements integral to quality assurance activities for each function are stipulated by the Global



Management Division. In line with local characteristics, the means for achieving these goals and requirements are specified by each operation base. This approach enhances awareness of quality improvement and leads to the personal growth of local associates.

The operational status of G-HQS within HACPL is confirmed by the global function on a regular basis to enhance quality improvement activities as a concerted effort alongside facilities. Based on ISO 9001* criteria to which HACPL is certified, G-HQS represents the accumulation of knowledge that Honda has gathered independently to improve quality and prevent issues from recurring.

HACPL Meeting Structure

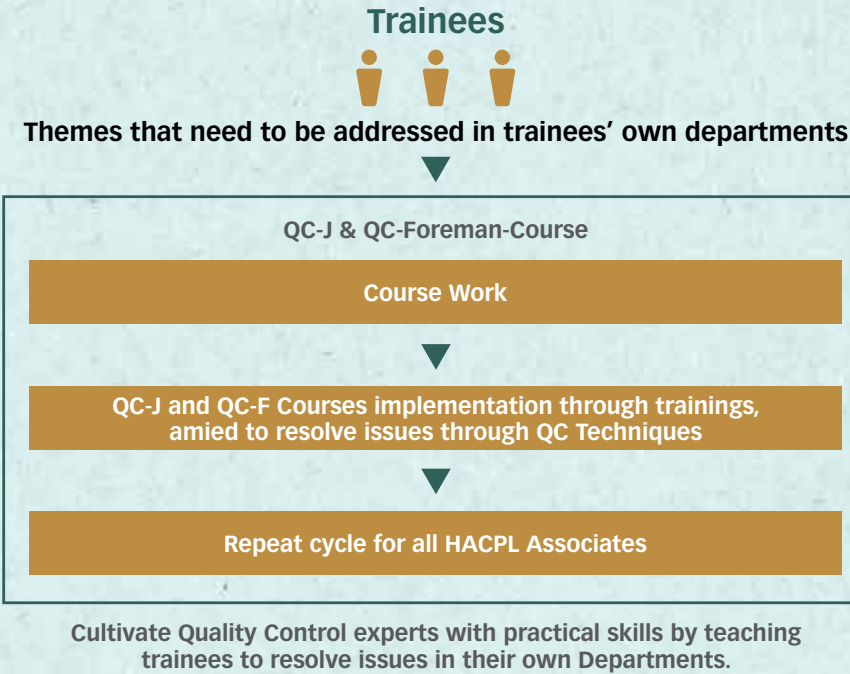
In order to ensure the strengthening of quality under this quality management system, HACPL sets challenges based on quality targets established in "company-wide" policy. Regular quality-related meetings allow for this initiative to be managed and for information sharing to take place. Any productive measures and initiatives established within these meetings are set as benchmark levels to enable the provision of "higher-quality" to be produced for our "valuable" customers. Furthermore, to strengthen communication and as a way forward towards outstanding quality, these meetings are held on a "daily, weekly, monthly, and quarterly" basis. These meetings are attended by HACPL EC members, CEQ, GM QC, and GM Production.

Sr.No.	Meeting Title	Frequency	Participants
1	Q-Corner	Daily	GMs, CEQ & Related Departments
2	Quality Meeting	Weekly	
3	QIM (Quality Improvement Meeting)	Monthly	
4	PDCA Report (Plan, Do, Check Action)	Quarterly	EC, GMs, CEQ & Related Departments

Quality Control Training

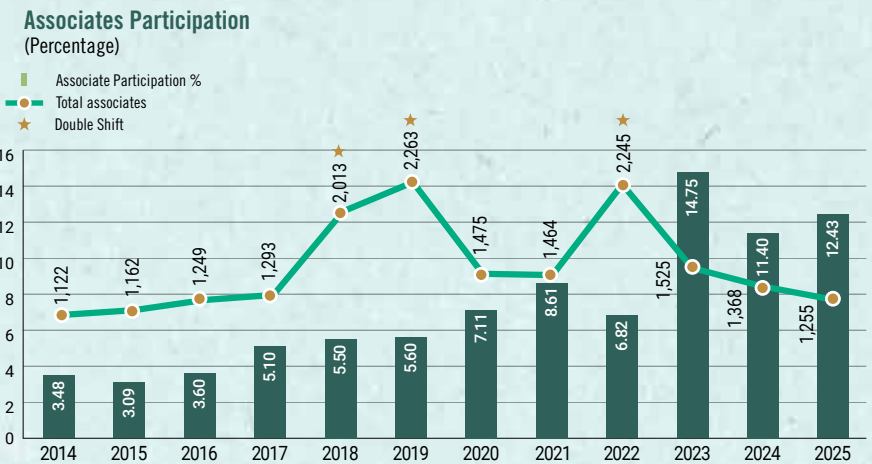
With the aim of improving associates' quality assurance skills, HACPL offers quality control training based on in-house qualifications and quality control responsibility levels. HACPL "continues to" arrange a training curriculum that consists of the Honda QC Basic Course (HBC), which focuses on training experts in all aspects of Honda quality control and is open not only to Honda associates but also to suppliers. These are named the QC Junior (QC J) Course and the QC Foreman (QC F) Course.

Quality Control Training



Training Curriculum Contents			
Category	Course Name	Courses Participants	Period
HBC Honda Basic Course	QC Junior (QC J) Course	Course has been designed for newly joined associates, aiming to provide them knowledge about basics of Quality Control Techniques	1-day
	QC Foreman (QC F) Course	Course has been designed for associates who are already indulged in Quality Control duties for an enhancement in their Quality Assurance Skills	2-days

HACPL BQ themes participation history

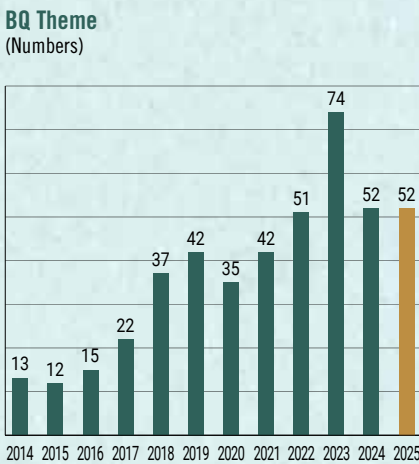


HACPL is promoting Best Quality Award

By analyzing quality-related measures based on policy management with the aim of elevating quality awareness, the head of the Quality Innovation Supervisory Unit presents awards for themes that generate outstanding results. Divisions eligible for recognition include development, production, and Quality Control.

HACPL is promoting BQ award activities since 2012 based on following key points.

- Themes that worked successfully to improve quality and can be a model theme for others.
- Themes that are linked to quality measures and targets for overall process quality improvement, enhancement of customer satisfaction, prevention of market outflow, innovation of quality structure, and support for the elimination of defects within the process.
- To motivate associates to think of improvement ideas and to enhance recognition of quality, all participants are awarded with souvenirs. After the competition, final BQ themes are submitted to the Global office.



Quality



Quality Initiatives

HACPL Quality Cycles

HACPL follows the Honda Quality Cycle, “which was” created by Honda as a continuous focus point on quality enhancement and improvement at every stage, encompassing planning, development, production, sales, and after-sales service. The aim of this initiative is to apply and reflect design and development expertise at the production preparation and mass production stages. Ultimately, the goal is to achieve and maintain the highest quality by developing manufacturing control techniques that limit process variability.

Production (Mass Production)

To ensure high quality, HACPL conducts comprehensive quality assurance activities from the perspectives of “quality” and manufacturing. For example, drawings for objects, Process Quality control tables (PQCT) and Operation standards (OPS) are prepared and provided well before time, which includes finished dimensions, Process parameters and Standard way to perform any process. However, when the same

worker uses the same materials, equipment, and procedures to produce an item according to the dimensions specified on the relevant drawings as part of a given production process, small variations “occur.” Departments consider not only function and performance but also the ease of manufacture and minimization of variations. For their part, production departments implement manufacturing controls, based on the drawings, to keep variability within applicable standards and also develop production processes so that all workers can continue to achieve consistent quality levels.

Activities to maintain build (Mass Production) Quality

HACPL “is continuously working” on improvement activities to reduce quality-related issues. This involves investigating any cause in the event of “a” quality issue and introducing measures for recurrence prevention. Furthermore, to avoid “the recurrence” of past quality issues, HACPL has taken “concrete” measures “within” the process. In addition, improvement measures are being confirmed through keen interest by focusing on dispatch

quality, “known as the” “Initial Quality Survey” (IQS). In this survey, the Production, After Sales, Sales, and QC staff gather to evaluate the dispatch units from the customer’s point of view before dispatching to dealers.

Planning/Development
Assuring Quality through Drawings

Honda’s R&D departments create and provide drawings to all its subsidiaries to standardize, limit process variability, and prevent human error during “the” manufacturing process. These drawings serve as the basis of HACPL’s quality assurance efforts. HACPL receives drawings from the Honda Regional Office, “utilizing” the design and manufacturing expertise of their Suppliers to create drawings designed to facilitate manufacturing.

Establishment of Development Procedures with Suppliers

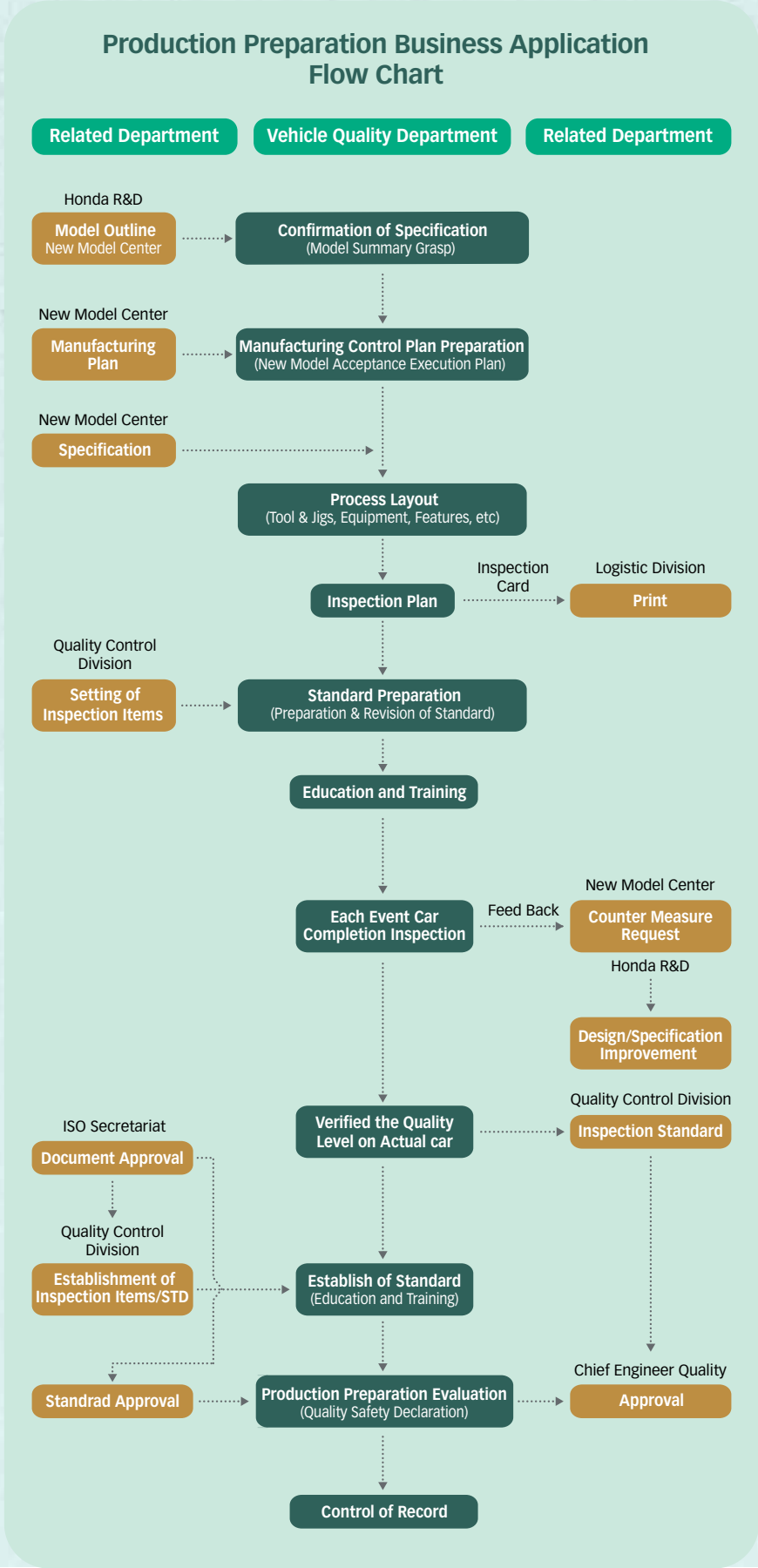
For many years, Honda has been committed to development based on “the concept of purchasing components with guaranteed performance,” whereby the Company

presents its requirements to suppliers, who design and test components for Honda products and also supply the components. In addition, quality assurance roles and responsibilities are clarified among HACPL’s departments and suppliers, based on logistics, distribution channels, and contractual agreements at the time of mass production. Areas requiring quality control in development, production preparation, and mass production are then conveyed to the relevant departments. However, before entering the mass production stage, strict evaluation is conducted in 5 steps known as QAVs, and finally, HACPL’s Chief Engineer of Quality “approves” the supplier for mass production during the Anzen Sengen (Safety Declaration) Report.

Production Preparation
Assuring Quality through Production Processes
To prevent product quality issues, HACPL’s production departments establish PQCT and OPS for each part and process. HACPL then uses these PQCT and OPS to verify manufacturing variability.

Furthermore, by incorporating suggestions for quality enhancement from associates conducting actual operations and determining manufacturing control methods for each process, HACPL develops processes that limit variability.

Assuring Parts Quality through Supplier Audits
Assuring the quality of procured parts is an important factor in delivering high-quality products. HACPL QC visits its suppliers’ manufacturing facilities to conduct quality audits based on the “Three



Quality

Reality Principle,” which emphasizes ‘going to the actual place,’ ‘knowing the actual situation,’ and ‘actual facts.’ These audit activities are conducted for both the production preparation and mass production stages of supplier operations. Experts in the development and production of individual parts visit manufacturing facilities to conduct audits of suppliers’ quality assurance systems and their “implementation.” HACPL then works to improve part quality through activities emphasizing communication with suppliers – for example, by sharing audit results and cooperating to identify quality improvement measures.

Assuring Reliability through Durability Testing

For new or redesigned models, HM and HACPL conducts rigorous durability testing on different types of roads and test benches before beginning mass production to verify that no quality issues are present. By accumulating data on issues discovered via these test drives and detailed inspections, as well as associated countermeasures, HACPL ensures a high level of quality and reliability by “focusing on” the customer’s satisfaction.

Production (Mass Production)

Inspection of Electronic Control Systems

In recent years, the installation of electronic control systems in vehicles has increased dramatically in order to improve environmental friendliness, together with convenience and comfort. Inevitably, the implementation of efficient inspection “has become essential” to assure the quality of these systems. To this end, HACPL has installed a Line End Tester (LET) – an inspection and diagnostic system



Line end Tester use for Electronics Control System Inspection

developed and supplied by Honda Motor Japan.

In response to the recent evolution of electronic control systems, Honda Motor Japan extended the device’s capabilities, allowing its use in the shipping quality inspection of all electronic control systems – from switches and instruments to air conditioners, audio systems, engine, and transmission operations. Doing so HACPL has enabled qualitative inspections through communication with electronically controlled components, which improves the accuracy and efficiency of inspections when compared to conventional methods dependent on human senses, such as touching, sight, and hearing. To further enhance the precision and efficiency of sensory inspections, Honda is continuing to promote the quantification of shipping quality assurance for electronic control systems.

Product Cybersecurity

Considering the ongoing innovations and advancements in information technology, HACPL places great importance on our valued customers and our high-quality products. To ensure the security of our products, HACPL has implemented a robust control system “that is” designed to enhance customer satisfaction and

impart our core value of catering “to” our customers with “the ‘Joy of Buying’.” For the said purpose, HACPL employs highly efficient and secure systems throughout the entire process, from manufacturing to the installation of critical components such as ECU, BCM, and TCM. These key measures ensure strict Lot control and provide “protection” against any external and malicious intrusions. The systems deployed by HACPL “safeguard” the ECU and related electronic systems from any attempted alteration in the software through Honda’s Global MAC (“Message” Authentication Code) Key system.

IV Sales & Service (Market Quality)

Detection of market problems and feedback

We strive to manage warranty claims consistently and efficiently to enhance customer satisfaction and uphold product quality. When a customer reports a malfunction (Under warranty), dealer evaluates the warranty conditions, diagnoses the issue, prepares the necessary documentation, and completes the repair. For new complaints from dealers, an SQ (Service Quality) meeting is convened to determine the next steps. If needed, QIC (Quality Information Correspondence) is



generated in the GiQ (Global Quality Information System), and malfunctioning parts are sent to the source via MQ for analysis. After receiving the source’s findings and countermeasures, After Sales distributes a Service Bulletin to dealers for market action.

Warranty Extension

Customers have the option to extend the standard warranty on their new car to cover up to 100,000 kilometers or 4 years by paying an additional fee at the time of purchase. This extended warranty provides added peace of mind by covering potential repairs and maintenance beyond the standard warranty period, ensuring that customers can enjoy their vehicle with reduced concerns about unexpected costs. Loyal customers can receive the same extended warranty at no additional cost if they consistently maintain their vehicles at Honda dealers for three consecutive years.

Recalls / PUD

Asian Honda, Thailand “distributes” Recall/PUD information via Honda Technical Information (HTI) through the Global Quality Information System. PUD parts are pre-arranged from the source, and the campaign is announced to dealers via a Service Bulletin. If necessary, the campaign is also advertised to customers

through various media channels “such as” websites, FM radio, and newspapers. Roadside campaigns are also conducted at malls and other prominent public places to “replace” the parts free of charge in customers’ cars. The results are closely monitored and regularly shared with management.

V Market Quality Information Collection/Analysis and Quality Improvement

To enhance the functions of “preventing quality issues” and “quickly detecting and resolving quality issues” when they occur, HACPL has established “procedures” to bring together the various departments concerned with product market quality information. The After Sales “department” gathers quality-related information from dealers and “communicates” with the Market Quality department.

Market Quality takes appropriate “measures” to prevent quality issues based on the issues identified by After Sales. Moreover, the Market Quality department “works” to increase collaboration between after-sales services and quality assurance activities, “aiming” to strengthen product quality and maximize customer satisfaction. When a quality issue does occur, HACPL moves quickly to resolve it

– for example, by working closely with related departments to investigate and address the cause, and by taking action to prevent recurrence.

Market Quality Improvement Process

Quality enhancement operations at HACPL consist of pulling together market quality data and sharing information about collected parts and market quality issues. The personnel of the Market Quality department analyze collected parts, investigate causes, and develop countermeasures and improvements in a timely manner. Specialized teams with extensive product knowledge are able to obtain detailed data using a range of analytical equipment. The operational process is configured to facilitate objective and appropriate decision-making based on gathered data.



After Sales Initiatives

Customer Experience & Satisfaction Surveys

We conduct two types of surveys—Customer Satisfaction Index (CSI) and Dealer Customer Satisfaction Index (DCSI)—through a third-party agency to gauge customer feedback on dealership services. The collected data is analyzed, and appropriate countermeasures and improvement plans are implemented to enhance service quality, customer trust, and dealership performance. The survey methodology is based on face-to-face interviews conducted both at dealership premises and off-site locations such as shopping malls, using a detailed questionnaire.

IV Campaigns and Activities

HACPL conducts quarterly campaigns at dealerships specifically targeting non-active customers. These initiatives aim to increase service intake and reconnect with these customers through targeted promotions. Key activities include:

- Free A/C Checkup Campaign: 25% off on A/C service labor.
- Winter Service Campaign: Free inspections of defrosters, fluid levels, fog lights, heater, and safety systems.
- Tyre and Battery Checkup: Conducted in partnership with General Tyre, AGS Battery, and SANPAK Engineering.

VII Service Trainings

Service Training is focused on enhancing the knowledge, skills, and behavior of dealership staff. We provide specialized training facilities for mechanical, body, and paint work, utilizing the latest tools such as training vehicles, special service equipment, visual aids, and cut-view models. Strict safety protocols are observed at both HACPL and dealership facilities.

Technical training includes Individualized Skills Training, categorized into Bronze, Silver, and Gold levels. Non-technical training includes H-SMART management, seminars, and online sessions. Training programs involve needs analysis, technician selection, curriculum development, and evaluation. An annual National Technician Contest is also held, with top performers advancing to the Asia Oceania Technician Contest, fostering a culture of excellence.

Standard Service Transaction (SST)

Standard Service Transaction (SST) Evaluations are designed to strengthen dealer operations by periodically assessing adherence to Standard Service Procedures. These evaluations focus on five key attributes:

- Service Reception: Assessing how well customers are welcomed and guided.
- Job Performance: Evaluating the quality and efficiency of service work.
- Work Control: Measuring how effectively service tasks are managed and executed.
- Final Inspection: Ensuring that vehicles meet quality standards before delivery.
- Body & Paint: Assessing the quality of repairs and paintwork.

Dealers are evaluated quarterly based on these criteria to maintain and improve service standards.

V Live View Camera

The Live View Camera system enhances customer convenience by providing real-time updates on their mobile devices while their vehicle is being serviced. This fosters trust and transparency, as customers can monitor their vehicle remotely. It also allows service managers to efficiently oversee PM bays, ensuring smooth operations and quality control. The system promotes social distancing by reducing the need for physical presence and encourages technicians to perform their duties with greater responsibility, ultimately improving service quality and customer satisfaction.

PM Reminder and Post-Service Follow-up

The PM Reminder Activity is conducted to proactively remind customers about their upcoming Periodic Maintenance (PM) service, helping ensure vehicles remain in optimal condition. This initiative enhances customer engagement and service retention by keeping customers informed about necessary maintenance schedules.

Additionally, the Post-Service Follow-up (PSF) gathers customer feedback regarding the service experience. This follow-up ensures satisfaction, identifies areas for improvement, and strengthens the relationship between the dealership and the customer.

VI Mobile Workshop / Sunday Open

The Mobile Workshop and Car Towing Service aims to increase customer convenience by delivering maintenance and repair services directly to the customer's location. This also includes roadside assistance and towing services to boost customer satisfaction and retention within the Honda network.

Additionally, the Sunday Open Service provides after-sales support on Sundays, making services more accessible for customers who may be unavailable on weekdays. It includes special offers such as free checkups and discounted labor charges, further encouraging customers to utilize Honda's service facilities.



Supply Chain

Basic Approach Strengthening Supply Chain to Sustainability

To provide customers with a timely and stable supply of high-quality products and services, it is essential to invest in the development and optimization of supply chains, while also addressing environmental and human rights concerns. The automotive industry, a wide-reaching sector supported by numerous suppliers, must work to reduce environmental impacts not only within its own operations but throughout the entire supply chain. With increasing global awareness of compliance and human rights issues, companies are expected to verify working conditions and legal compliance not only internally but also among suppliers, and to take corrective action when necessary. Honda has issued the “Honda Supplier Sustainability Guidelines” to communicate its approach to sustainability and promote it in collaboration with suppliers worldwide. Based on these guidelines, Honda actively promotes sustainable initiatives across its development and manufacturing facilities in cooperation with suppliers. In doing so, Honda aims to build a supply chain that coexists and prospers alongside local communities—becoming a company that society values. As part of this initiative, HACPL, with the support of Asian Honda Purchasing conducted an audit to assess ESG (Environment, Social & Governance) at one local supplier.

Vendors Conference

In October 2024, the Company held its Annual Vendors Conference in Lahore. Acknowledging the impacts of globalization and a rapidly evolving business environment, the conference emphasized the importance of robust collaboration between the Company and its vendors. All vendors were encouraged to pursue continuous improvements in key areas, including cost efficiency, quality assurance, timely delivery, development, and safety standards. The event also served as a platform to share the Company's environmental initiatives,

particularly strategies aimed at reducing CO₂ emissions through energy conservation. To recognize outstanding performance, commemorative shields were awarded to distinguished vendors in the categories of Quality, Cost, Development, Delivery, Safety, and Environment

Key Agenda of the Supplier Conference:

- Share future business strategies including volume forecasts & localization planning;
- Share cost-reduction themes

across suppliers and encourage the creation of similar initiatives;

- Recognize supplier efforts through awards in categories such as cost, quality, development, delivery, environment and safety;
- HACPL shares mid-term and long-term plans for ESG audits at local suppliers, and seek their support;
- Identify and discuss potential future challenges and strategic responses.



Vendor Conference held on October 2024

Basic Approach to Purchasing



Purchasing Belief, Three Purchasing Principles, and Code of Conduct for Purchasing Associates

Honda strives to achieve a sustainable supply chain by partnering with suppliers to promote initiatives that prioritize the environment, safety, human rights, compliance, and social responsibility. Guided by the Honda Philosophy, the Company has established its Purchasing Belief and Three Purchasing Principles, ensuring business is conducted fairly, equitably, and transparently.

In addition, Honda has developed a Code of Conduct for Purchasing Associates to guide the actions of all associates involved in procurement. By adhering to these rules, Honda fosters internal and external trust and builds strong, ethical relationships with suppliers.

Purchasing Belief

We sustain the procurement of quality products at reasonable prices and in a timely manner.

Three Purchasing Principles

We conduct fair, equitable, and transparent business based on the "Purchasing Belief" and uphold high standards of integrity in all procurement activities.



Fair and Open Trade

Based on open competition we do business with suppliers who can satisfy the requirements of quality, quantity, price and timing and who can share the concept of sustainability with us.

Equal Partnership

We conduct business on an equal footing regardless of the business size of the supplier or their nationality and other factors.

Respect for Suppliers

We respect suppliers' management and dignity.

Engagement with Suppliers

In its parts procurement activities, Honda has outlined a Sustainability Vision to promote joint sustainability initiatives with local suppliers, aiming to develop a supply chain that coexists and prospers with local communities. To support this vision, HACPL has issued the Honda Supplier Sustainability Guidelines to communicate its sustainability policies and prevent issues such as compliance violations and human rights risks, while reducing environmental impact. HACPL monitors implementation of these guidelines across the supply chain by assessing suppliers' initiatives. When selecting suppliers, HACPL evaluates their performance in Quality, Cost, Delivery, Development, and Environment (QCDDE), along with human rights, labor practices, safety, compliance, risk management, and data protection, to ensure the most sustainable partners are chosen. In response to increasing global sustainability demands, Honda has also initiated regular information-sharing meetings with suppliers.

Changes in purchasing operations

	2011	2015	2018
Sustainability	-	-	Issued the Honda Suppliers Sustainability Guidelines ('18) Integrated CSR into Sustainability Guidelines and publicized the guidelines globally
	-	Conflict Minerals data collections ('16)	-
	-	-	Revised ('22) Integrated into Honda Green Purchasing Guidelines
Launched full-scale environment initiatives	Issued Honda Green Purchasing Guidelines ('11)	-	Revised ('19) Added environmental initiatives as an evaluation category
	-	CO ₂ data collections from targeted suppliers ('13)	-
	-	-	Revised ('21) Added environmental initiatives as an evaluation category
Environment	-	-	-

Initiatives to Achieve Carbon Neutrality with Suppliers

Honda is committed to achieving carbon neutrality (net zero CO₂ emissions) for all its products and corporate activities by 2050. As part of this commitment, Honda shares its Supplier Sustainability Guidelines with all suppliers and secures their agreement to support this goal. In 2013, HACPL encouraged suppliers to implement measures for CO₂ reduction and provided guidance on how to contribute to the 2050 carbon neutrality goal. In March 2022, Honda communicated an interim target for 2030—a 46% reduction in emissions compared to FY2013—to accelerate progress. HACPL continues to work closely with suppliers to ensure shared success in achieving this target.

Management of CO₂ Data

To enhance the effectiveness of its environmental impact reduction efforts, Honda established a centralized system for managing supplier CO₂ emissions data in FY2013. This system is used to set goals, monitor progress, and implement the PDCA (Plan-Do-Check-Act) cycle with suppliers.

As of 2024, approximately seven suppliers, representing over 75% of purchasing value, are actively working on CO₂ reduction efforts. HACPL is now analyzing this data comprehensively to support suppliers in meeting total emissions control targets.

Year	2020~21	2021~22	2022~23	2023~24	2024~25	Till 2030	Till 2050
CO ₂ Reduction % (Yearly)	-13.1%	-2.3%	-10.6%	-9.4%	-4.8%	1% every Year (Min.)	1% every Year (Min.)
CO ₂ Reduction % (Accumulated)	-	-15.4%	-26.0%	-35.4%	-40.2%	-46.10%	-100.00%

Purchasing Initiatives

Responsible Mineral Sourcing

Honda recognizes the human rights and environmental issues associated with the demand for rare minerals, including Tin, Tungsten, Tantalum, and Gold (3TG). To avoid contributing to such violations, Honda adheres to responsible sourcing practices. In Pakistan, the Company uses templates from the Responsible Minerals Initiative (RMI) to identify 3TG refiners, working in cooperation with suppliers to ensure responsible sourcing.

ESG Surveys for Suppliers

To align with global expectations for corporate social responsibility, Honda communicates its sustainability policies and monitors suppliers' efforts. New suppliers must agree to the Honda Supplier Sustainability Guidelines and undergo screening based on QCDDC criteria. After onboarding, policy briefings and ESG surveys are regularly conducted for high-impact suppliers (e.g., those with large business volumes). HACPL evaluates 2–3 suppliers per year, identifying those at high risk based on potential problem occurrence and impact, and takes action to support improvements. To date, ESG surveys have been conducted for five suppliers, accounting for over 50% of the total purchase value.

Sustainability Monitoring Flow

The check sheet encompasses all aspects of human rights and labor matters, including eliminating race, ethnicity, nationality, religion, gender and other discrimination, as well as banning child labor, forced labor and human trafficking and guaranteeing minimum wages. The check sheet verifies supplier activities in a broad range of fields as it also covers such

evaluation categories as the environment, compliance, and information disclosure. Based on the results of this survey, risks are identified, and according to the degree of risks, interviews with suppliers, on-site inspections, etc. are conducted. The following checks and verifications are performed, and for issues identified in the improvement activities, suppliers are requested to make improvements.

Check relevant records, actual production processes and related facilities:

- Verify the progress through a report on the improvement plan and result
- Conduct a follow-up investigation (including an on-site check as necessary).

Starting a New Business	Target: Five Local Suppliers Self-assessment	Target: Major Suppliers Risk Identification	Target: High-Risk Suppliers Improvement Activities
<div><Screening></div> <ul style="list-style-type: none">Agreement on the GuidelinesQCDDCRisk assessment (on geography, supply, finance, etc.)	<div><Check sheet items></div> <ul style="list-style-type: none">Human rights and laborSafetyEnvironmentComplianceInformation disclosure, etc.	<div><Risk identification></div> <ul style="list-style-type: none">Transaction amountTransaction historyPercentage of salesCapital relationshipCompliance with laws/regulations and policiesAssessment resultsDegree of impact when a problem occurs	<div><Improvement details></div> <ul style="list-style-type: none">Improvement activities for high-risk suppliers (interviews with suppliers/site inspections)Feedback on improvements

Instruction and Training for Associates

To ensure that all purchasing associates uphold Honda's principles of fairness, transparency, and equity, the Company provides manuals and training programs, including on-the-job training (OJT).

Education programs emphasize legal compliance, confidentiality, and the importance of positive supplier relationships. Honda also offers training to deepen understanding of QCDDC operations, including ESG-specific programs in the supply chain context. These initiatives are tailored to cultural and social backgrounds and aim to build the capacity of all purchasing personnel.

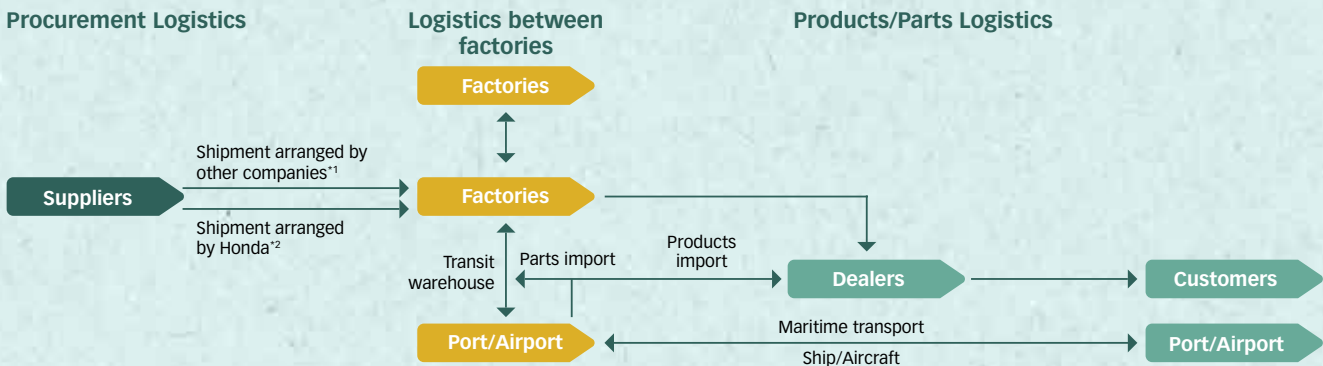


Logistics

Basic Approach to Logistics Strengthening Supply Chain to Sustainability

At Honda, many parts that are used in its products are transported from suppliers to its factory. Likewise, completely built units (CBUs), as well as parts for services and repairs, are sent from the factory to dealers. Honda, which transports large volumes of goods port to upcountry for manufacturing processes, considers the reduction of environmental burden and compliance risk management as important issues, as well as improving efficiency in logistics.

Overview of HACPL's Logistics

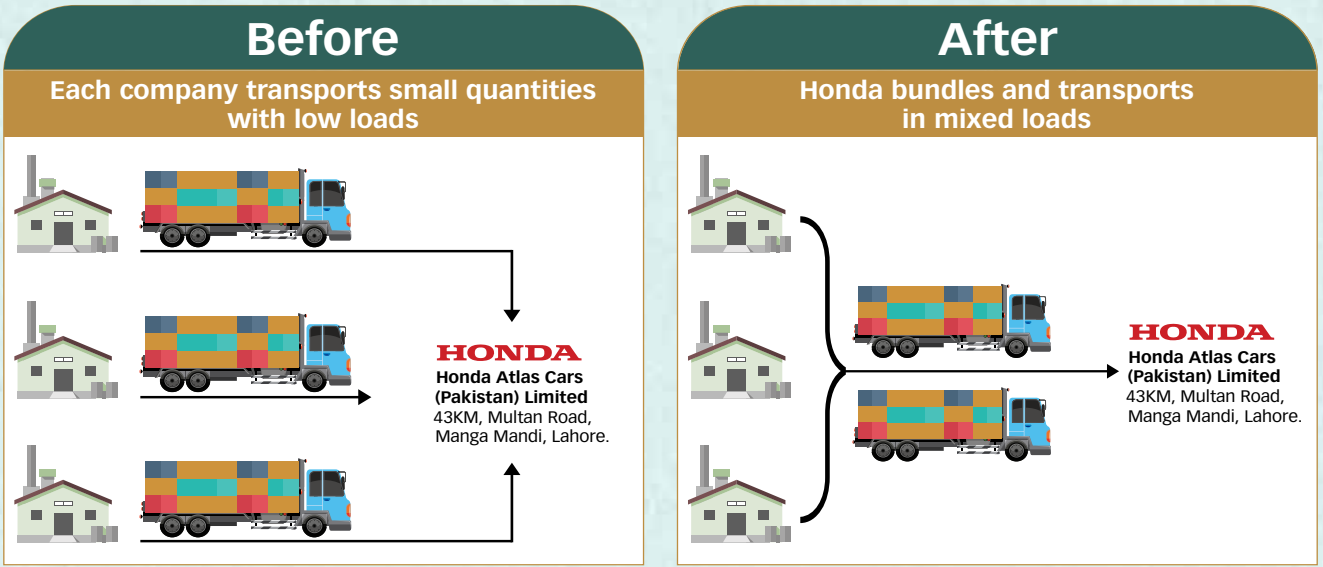


Logistics Initiatives

In the area of logistics, HACPL is taking the following three major initiatives with logistics companies:

a) Improving Transportation Efficiency via Co-Creation with Suppliers

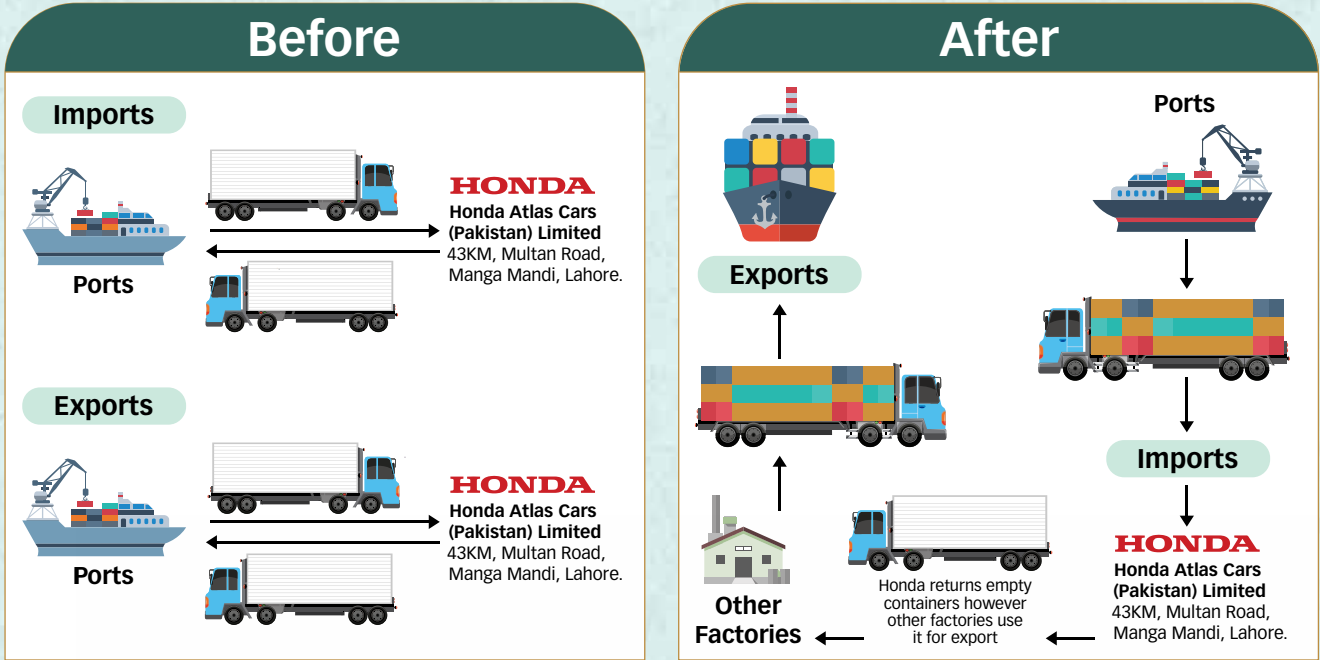
To minimize the logistics losses incurred by our suppliers, we have developed milk-run transportation system for our suppliers. In this system one truck combines the products within a multi-company consolidation to transport them efficiently. The effects of these measures have contributed to a reduction in the loads handled by distant suppliers and also a reduction in CO₂ emissions.



Logistics

b) Container Round Use

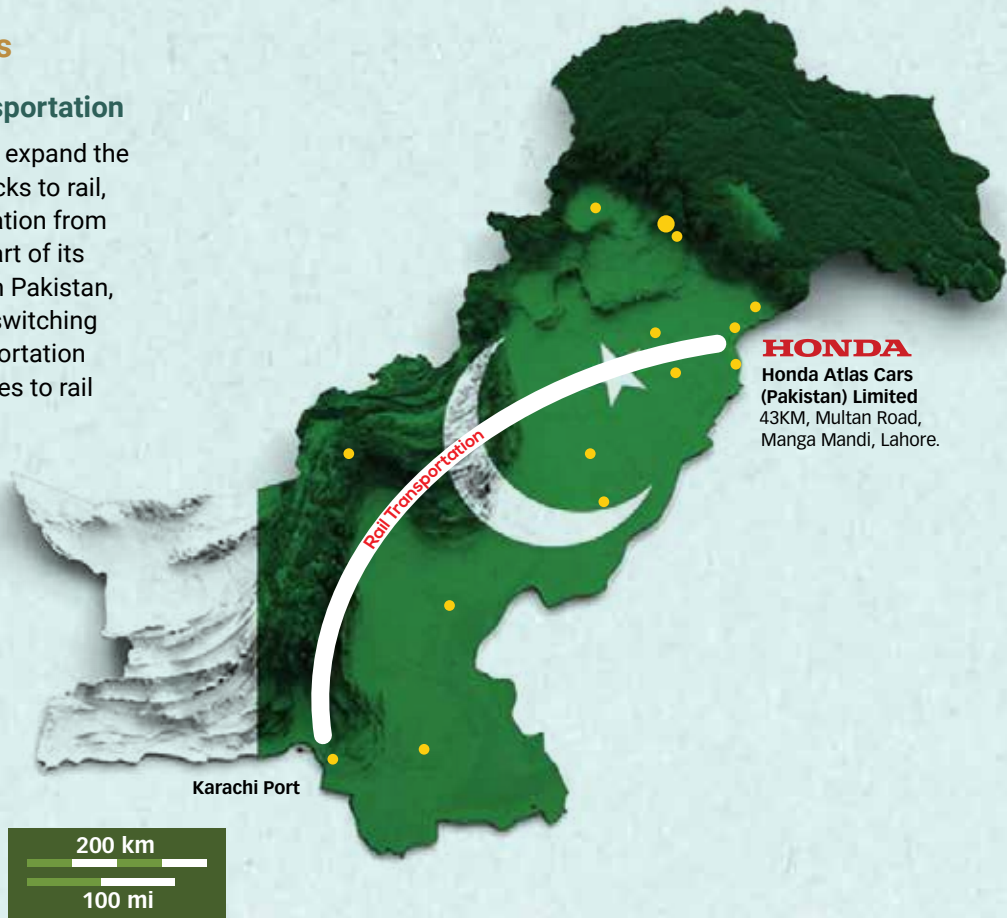
Since containers are rented from shipping companies, it is a common business practice to return them promptly at port city after cargo transportation. However, Honda Atlas Cars negotiated with the respective shipping companies to allow empty return near to factory premises to reduce the transportation emissions as these containers will be used by other exporters located in nearby areas.



Logistics Initiatives

c) Low-Carbon transportation

HACPL is working to expand the modal shift from trucks to rail, mainly for transportation from port to factory. As part of its modal shift efforts in Pakistan, HACPL is gradually switching long distance transportation routes for automobiles to rail transportation.



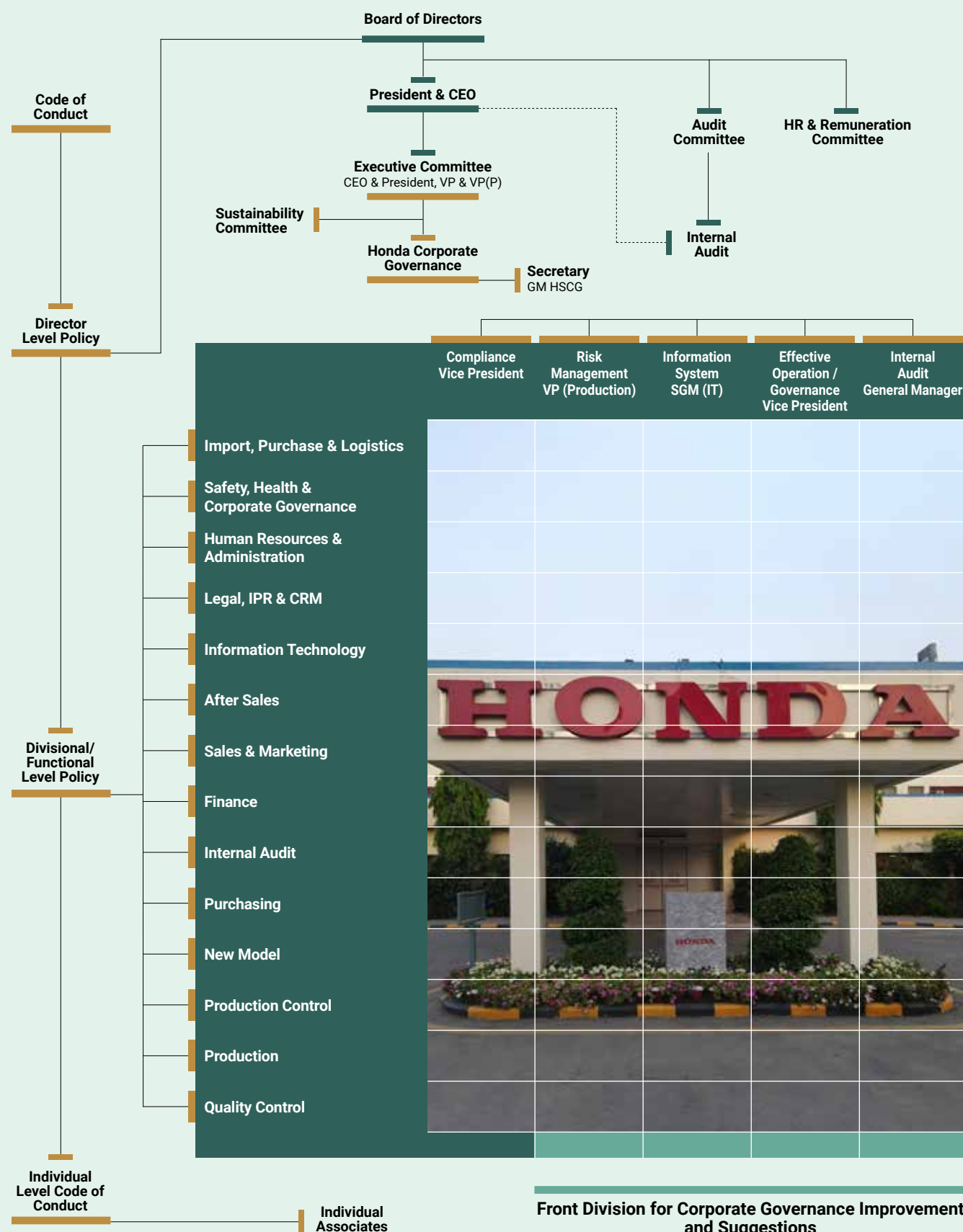
Governance

Corporate Governance

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



Organization Structure



Financial Authority

The Board of Directors has revised and approved a comprehensive policy governing the delegation of financial authority. This policy clearly defines the scope and limits of authority delegated to the Executive Committee and senior management, outlining their specific responsibilities. It specifies the types of transactions permitted and the maximum authority levels assigned. All transactions and commitments must be strictly authorized by the designated authorities, in accordance with the provisions of this policy.

Board of Directors

The Company is governed by a skilled and dynamic Board, comprising nine members with diverse expertise in business, finance, economics, engineering, and related fields. The current Board includes two executive directors, three independent directors, and four non-executive directors dedicated to safeguarding stakeholders' interests. The Chairman, a non-executive director, leads the Board while the roles of Chairman and CEO remain separate to ensure independent oversight.

The Board was elected by shareholders at the Extraordinary General Meeting held on April 25, 2024, for a three-year term commencing May 2, 2024.

In compliance with regulatory requirements of SECP and PSX, the Board has constituted an Audit Committee and a Human Resource & Remuneration Committee.

Representation of Female Director on the Board

In accordance with the requirements of the Code of Corporate Governance for listed companies, the Company has ensured female representation on its Board by electing a female director during the recent Board elections.

Roles and Responsibilities of the Board

The Board provides strategic leadership to ensure the Company's long-term success and value creation for stakeholders. It defines the Company's values, ethics, and business practices, and exercises its powers under the Companies Act, 2017, with diligence and in full compliance with legal requirements.

Key responsibilities include appointing senior management, approving annual budgets and capital expenditures, authorizing investments and related party transactions, and endorsing financial statements and dividend declarations. The Board also oversees the control environment by reviewing audit findings and ensuring the effectiveness of internal controls.

An independent Internal Audit department continuously monitors compliance and internal controls, reporting to the Audit Committee, which updates the Board quarterly.

Formal Orientation and Director Training

Upon appointment, Directors participate in an induction program to enhance their understanding of the Company's business and governance expectations. This orientation outlines their roles, responsibilities, and the expectations of key stakeholders. Directors are encouraged to attend relevant training programs to stay informed about their duties, powers, and potential liabilities.

Corporate Governance



The Chairman, in coordination with the Company Secretary, ensures that Directors have timely access to all necessary information. Additionally, the Company Secretary arranges Director Training Programs in compliance with the Code of Corporate Governance.

Committees of the Board and Terms of Reference

Each Board committee operates under formal Terms of Reference that clearly define its duties and responsibilities. The committees regularly report their activities and outcomes to the Board. All committees adhere to the Terms of Reference stipulated in the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Board's Performance Evaluation

The Company follows a structured policy for determining executive directors' remuneration, aligned with industry standards to attract qualified and experienced professionals. Remuneration is approved by the Board in compliance with applicable laws, ensuring no

director participates in decisions regarding its own compensation. Non-executive and independent directors receive only meeting attendance fees. Details of Directors' and CEO's remuneration for 2024–25 are disclosed in the Notes to the Financial Statements.

Board performance evaluation is a continuous process conducted internally. Key focus areas include alignment of corporate goals with the Company's vision, strategic planning for sustainability, Board independence, and the effectiveness of Board committees. The Human Resource and Remuneration Committee annually reviews the Company Executive's performance, including its economic, environmental, and social impact.

Based on this evaluation, recommendations are made to the Board. Directors, particularly executive members, possess expertise in ESG matters and are encouraged to participate in relevant trainings and conferences to stay current. Evaluation outcomes also inform remuneration decisions.

Chairman's Review on Board Performance

The Chairman's review highlights the Company's performance, underscoring the strategic direction and oversight provided by the Board of Directors to the management. Comprehensive details and further analysis are available throughout the Annual Report.

Compliance

To strengthen the culture of compliance, the Company has appointed a Compliance Officer, designated by the Board, with authority over key internal control measures. Responsibilities include

developing and updating compliance policies, managing internal control systems, overseeing the Business Ethics Proposal Line, and implementing preventive actions in case of breaches. Critical compliance matters are escalated to the Executive Committee as needed. No legal or regulatory violations were reported during the year.

Honda Code of Conduct

To ensure sustainable growth and earn the trust of customers and society, Honda commits to exceeding legal compliance through sincere and ethical conduct. The Honda Code of Conduct defines the principles guiding our global workforce. We embed this code across all associates through training, informational materials, newsletters, and intranet communications. During the year, over 96% of Company associates completed a comprehensive written test on the Code, achieving a 91% understanding rate. The results were shared with the ASH Secretariat.

Business Ethics Proposal Line

The Business Ethics Proposal Line (Whistle Blowing Policy) is a key mechanism to uphold corporate ethics by addressing breaches of laws or internal regulations. It provides associates with a confidential platform to report concerns, seek impartial advice, and resolve workplace issues. Operated neutrally, the hotline thoroughly investigates reported matters and handles inquiries about internal policies. To raise awareness, a dedicated booklet is distributed among associates. Proposals can be submitted



anonymously via email, letter, telephone, or drop box by associates and business partners, ensuring accessibility and protection for all whistleblowers.

Initiatives to Prevent Bribery and Corruption

The Company enforces a strict anti-bribery and corruption stance in line with the Honda Code of Conduct. Compliance with laws, especially in dealings with political and administrative entities, is paramount. Our Code prohibits offering or accepting gifts, entertainment, or benefits that violate legal or internal guidelines or exceed societal norms. We have implemented the Honda Guidelines on the Prevention of Bribery and Corruption, overseen by the ASH HCG Secretariat, which sets clear principles and compliance requirements. Divisional trainers are empowered to provide targeted guidance and training to associates, reinforced through sessions, policy updates

via email, and intranet communications.

Establishing an Effective Risk Management Structure

The Company has implemented comprehensive entity-wide risk management processes to identify, assess, and manage key risks. The Board oversees internal controls and risk management systems, reviewing their effectiveness annually.

Key features include:

- The Audit Committee evaluates internal control effectiveness, reviews audit reports, and updates the Board accordingly.
- Risk Management Officer supervises a structured framework where each Business and Functional Division conducts risk assessments using standardized criteria, identifying and prioritizing

risks. Divisions report progress on monitoring and mitigation through PDCA reports.

Additionally, the Company conducted a two-week emergency response training through the Ministry of Civil Defence Academy, with nine associates certified. Our 12-member Emergency Response Squad participated in the 2024 CERT Competition by Punjab Emergency Services 1122, focusing on disaster response and first aid for incidents such as fires, earthquakes, and floods.

Insider Trading

The Company enforces a strict insider trading policy requiring employees to maintain confidentiality of inside information at all times. The policy provides clear guidelines on trading securities while in possession of such information. Compliance with SECP regulations is ensured through a designated senior management officer who



maintains a timely and accurate register of individuals with access to inside information, including documented criteria for inclusion or exclusion.

Grievance and Feedback System

The Company is committed to protecting the interests of its investors and shareholders, encouraging feedback for better understand of their views. A dedicated Grievance and Feedback



System enables timely reporting and resolution of complaints and queries. stakeholders can submit concerns via the designated email, info@honda.com.pk, or in writing to the Company Secretary. All submissions are promptly addressed following thorough verification.

Corporate Briefing Session

The Company's annual Corporate Briefing Session was held on 25th July 2024 to update investors on performance and future outlook. The management covered: shareholding structure and geographical presence; macroeconomic environment; auto industry performance; annual results with six-year financial ratio analysis; sustainability highlights; and future challenges.

Commitment to Excellence in Corporate Reporting

The Company's financial statements are prepared in accordance with IFRS issued by

the IASB, as adopted under Pakistan's Companies Act, 2017, with statutory provisions prevailing in case of conflicts.

Demonstrating our dedication to best corporate governance and transparency, the Company has attained the following certifications for its Integrated Management System (Quality, Health, Safety, and Environment):

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

Additionally, the Annual Report follows the International Integrated Reporting Framework, providing stakeholders with clear, comprehensive insights into the Company's strategy, governance, performance, and sustainable value creation.

Information Management and Personal Data Protection

The Company prioritizes the protection of personal information as a key social responsibility. To ensure proper handling, the Company adheres to the Global Privacy Policy (GPP) applicable across Honda Group subsidiaries. Under this policy, each department appoints information managers responsible for safeguarding personal data and providing relevant training to associates.

The IT division promptly reports any data mishandling to the Confidentiality Committee, which regularly reviews information security across departments at least annually. Company also complies with Honda's Global IT Security Policy for customer information systems.

A Personal Information Protection Committee monitors security measures continuously, coordinating with Global and Regional Confidentiality Committees. To balance data utilization and risk, Company established Management Guidelines for Personal Data Utilization. The Company complied with all the data secrecy requirements during the year.

Protecting Intellectual Property Rights (IPR) Department Report

The Intellectual Property Rights (IPR) Department plays a pivotal role in safeguarding the Company's intellectual property rights and brand integrity. We have been vigorously protecting our intellectual property rights by proactively identifying and addressing infringements of our IP rights, creating customer

awareness regarding the risks of non genuine products, and promoting the use of authentic parts; fostering a culture of IPR awareness and respect among our associates, ensuring adherence to both our own and others' intellectual property rights.

Combating Counterfeiting and Infringement

A primary focus of our activities has been the proactive identification and elimination of counterfeit products through strategic raids and seizures, we have successfully disrupted the production of unauthorized parts, minimizing the risk to our customers, and preserving the Company's reputation.

Customer Awareness and Education

Recognizing the crucial role of informed consumers, we have made efforts to educate the public about the dangers of counterfeit products by launching social media campaigns that effectively highlights the risks associated with using non-genuine parts and emphasized the importance of choosing genuine products for safety, performance, and reliability. We aim to enable our customers to make wise choices by encouraging knowledgeable buying culture.

Internal IPR Awareness and Compliance

We are fostering a culture of respect for intellectual property rights throughout the organization. To this end, we have been conducting training sessions for relevant departments, ensuring that our associates are well-versed in IPR principles and practices. These initiatives promote a



proactive approach to IPR compliance, minimizing the possibility of accidental infringements and strengthening our dedication to honest business practices.

Looking Forward

The IPR Department remains dedicated to the continued protection of Honda's intellectual assets. We will continue to enhance our strategies for combating counterfeiting, "improving" our customer awareness campaigns, and strengthening internal IPR knowledge. By maintaining a vigilant and proactive approach, we strive to ensure that our customers and stakeholders can continue to trust in the quality and authenticity of our products.

Investor Relations Information

As on March 31, 2025

Company Information

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

Digital Mediums

- www.honda.com.pk
- www.facebook.com/hacpl
- https://www.linkedin.com/company/honda-pakistan-official/
- https://instagram.com/hondapakistanofficial?igshid=YmMyMTA2M2Y=
- https://twitter.com/HACPLOfficial?t=TUGRJlkxOTAHcE3fshpEQ&s=09

Stock Information

Exchange Listing	Honda Atlas Cars (Pakistan) Limited (the Company) is listed on Pakistan Stock Exchange Limited (PSX)	
Stock Symbol	HCAR	
Numbers of Shares Authorized	200,000,000	
Number of Shares Issued	142,800,000	
Number of Shareholders	12,714 (as on March 31, 2025)	
Statutory Compliance	During the year, the Company has complied with all applicable provisions, filed all returns/forms, and furnished all relevant particulars/information as required under the Companies Act, 2017 and allied rules, the listing requirements, and any other relevant laws, rules, and regulations prescribed by the Securities and Exchange Commission of Pakistan (SECP).	
Annual General Meeting	Date: June 24, 2025 Time: 12:00 P.M. Venue: Avari Hotel, Lahore.	
Dates of Book Closure	June 12, 2025, to June 24, 2025 (both days inclusive)	
Next Election of Directors	April-2027	
Financial Calendar (2025-26)	April:	Budget Meeting for the year (2025-26)
	May:	Audited Annual Results for the year ended March 31, 2025
	July:	Unaudited first-quarter financial results
	July:	Corporate Briefing Session
	November:	Unaudited half-year financial results
	January:	Unaudited third-quarter financial results
Dividend Announcement	The Board of Directors in its meeting held on May 22, 2025 is pleased to recommend a final cash dividend of Rs. 8.0 per share (80%) for the year ended March 31, 2025 subject to approval by shareholders of the Company at the forthcoming Annual General Meeting.	

Share Transfer System

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

E-Dividend Mandate (Mandatory)

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

Central Depository System (CDS) are advised to submit their bank mandate information directly to the relevant participant / CDC Investor Account Service.

Withholding of Tax & Zakat on Dividend

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

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



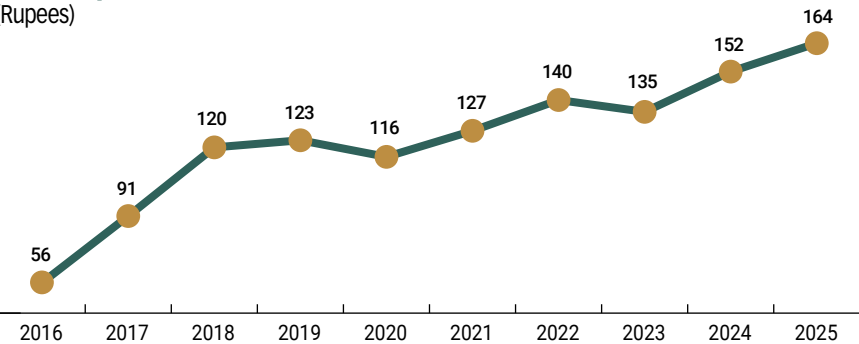
Copy of Computerized National Identification Number (CNIC) or National Tax Number (NTN)

The shareholders are informed that as per sub Clause 9(i) of Regulation 4 of Companies (Distribution of Dividends) Regulations 2017, the identification of the registered shareholder or its authorized person should be made available with the Company. Therefore, it is requested that shareholders must provide a copy of their Computerized National Identity Card (in case of an individual) or National Tax Number (in case of other than an individual) or Passport (in case of foreign individual) shareholder. The shareholders are requested to provide the above documents by mail to the Share Registrar unless it has already been provided. The members while sending the above documents must quote their respective folio numbers. Shareholders are also requested to immediately notify the change of address, if any.

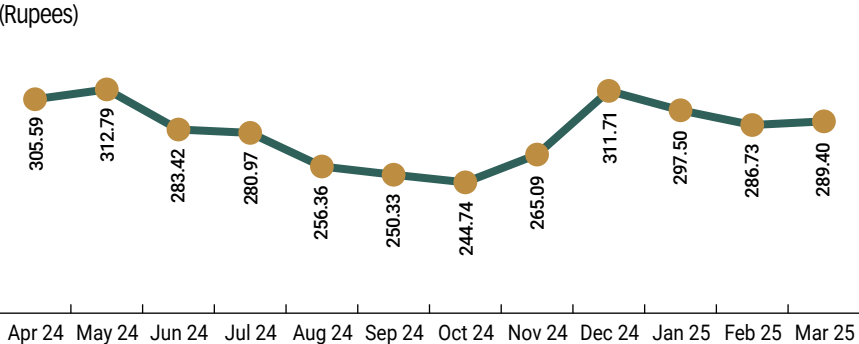
Website of the Company

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

Breakup Value Per Share



Share Price Movement



Statement of Compliance

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



Executive Committee (L to R): Mr. Maqsood-ur-Rehman, Mr. Masaya Wakuda and Mr. Naoki Negi

Name of Company: Honda Atlas Cars (Pakistan) Limited
Year ended: March 31, 2025

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors is nine (9) as per the following:

a. Male8

b. Female1
2. The composition of the Board of Directors (the Board) is as follows:

Category	Names
Independent Director (Female)	Ms. Rie Mihara
Independent Directors (Male)	Mr. Ariful Islam
	Mr. Muhammad Naeem Khan
Non-Executive Directors	Mr. Aamir H. Shirazi
	Mr. Saquib H. Shirazi
	Mr. Hidenori Ashikawa
	Mr. Gaku Nakanishi
Executive Directors	Mr. Takafumi Koike
	Mr. Naoki Negi



3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including Honda Atlas Cars (Pakistan) Limited.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures. 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.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

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

9. Out of the nine, five directors have either obtained certificate of Directors’ Training Program or are exempted from the requirement of Directors’ Training Program as per the Listed Companies (Code of Corporate Governance) Regulations, 2019. However, during the year, no Directors’ Training Program was arranged.

Category	Number	Names
Independent Directors	3	Ms. Rie Mihara Mr. Ariful Islam Mr. Muhammad Naeem Khan
Non-Executive Directors	2	Mr. Aamir H. Shirazi Mr. Saquib H. Shirazi

Further, the Company will take adequate measures for the Directors’ Training Program (DTP) for the remaining Directors, female executive and head of department.

10. There was no new appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit during the year.
11. The Chief Financial Officer and the Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

a) **Audit Committee**

1.	Mr. Muhammad Naeem Khan	Chairman
2.	Mr. Saquib H. Shirazi	Member
3.	Mr. Hidenori Ashikawa	Member
4.	Mr Gaku Nakanishi	Member

b) **HR and Remuneration Committee**

1.	Mr. Muhammad Naeem Khan	Chairman
2.	Mr. Saquib H. Shirazi	Member
3.	Mr. Takafumi Koike	Member
4.	Mr. Naoki Negi	Member
5.	Mr. Nobuyoshi Noda	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 (quarterly/yearly) of the committee were as per following:

a) **Audit Committee**

Four quarterly meetings were held during the financial year ended March 31, 2025

b) **HR & Remuneration Committee**


One meeting was held during the financial year ended March 31, 2025



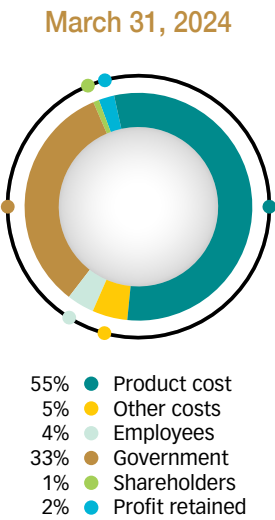
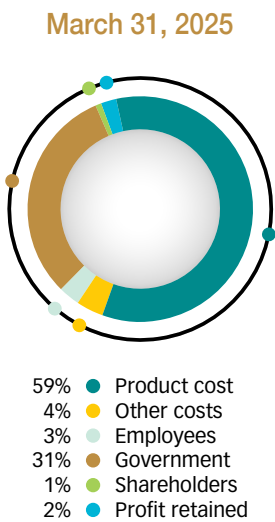
15. The Board has set up an effective internal audit function who is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or director of the company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 (non-mandatory requirements) are mentioned in regulations no. 4, 9 and 12 above

Date: May 22, 2025
Karachi


Aamir H. Shirazi
 (Chairman)

Revenue Application



Rupees in thousand	March 31, 2025	March 31, 2024
REVENUE		
Gross sales	100,349,404	71,641,076
Other income	988,734	2,252,115
Total	101,338,138	73,893,191
APPLICATION		
Product Cost		
Cost of sales	59,616,071	40,803,803
(excluding employees' remuneration and government levies)		
Other costs		
Operating expenses (excluding employees' remuneration)	1,907,286	1,468,587
Dealers' commission	1,235,292	974,281
Financial charges	1,041,813	1,218,996
	4,184,391	3,661,864
Employees		
Workers' profit participation fund	174,833	148,990
Employees' remuneration	3,218,552	2,780,664
	3,393,385	2,929,654
Government		
Workers' welfare fund	47,043	78,066
Sales tax & CVT	21,048,453	15,595,472
Custom duties	9,770,844	8,014,791
Income tax	565,632	418,848
	31,431,972	24,107,177
Shareholders		
Dividend	1,142,400	928,200
Retained in Business		
Profit retained	1,569,919	1,462,493
Total	101,338,138	73,893,191
Percentage	2025	2024
APPLICATION		
Product cost	59%	55%
Other costs	4%	5%
Employees	3%	4%
Government	31%	33%
Shareholders	1%	1%
Profit retained	2%	2%
	100%	100%

Value Added and its Distribution

Rupees in thousand	March 31, 2025	March 31, 2024
VALUE ADDED		
Net sales	78,065,659	55,071,323
Other income	988,734	2,252,115
Cost of sales (excluding employees' remuneration)	(69,386,915)	(48,818,594)
Operating expenses (excluding employees' remuneration)	(1,907,286)	(1,468,587)
Finance cost	(1,041,813)	(1,218,996)
Total	6,718,379	5,817,261
DISTRIBUTION		
To Government		
Workers' welfare fund	47,043	78,066
Income tax	565,632	418,848
	612,675	496,914
To Employees		
Workers' profit participation fund	174,833	148,990
Employees' remuneration	3,218,552	2,780,664
	3,393,385	2,929,654
To Shareholders		
Dividend	1,142,400	928,200
Retained In Business		
Profit retained	1,569,919	1,462,493
Total	6,718,379	5,817,261
Percentage	2025	2024
DISTRIBUTION		
Government	9%	9%
Employees	51%	50%
Shareholders	17%	16%
Retained in business	23%	25%
	100%	100%



Financial Highlights

		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
STATEMENT OF PROFIT OR LOSS											
Sales	Rs in million	78,066	55,071	95,087	108,048	67,362	55,046	95,128	91,523	62,803	40,086
Gross profit	Rs in million	6,664	4,508	7,161	5,533	3,776	4,091	7,304	10,449	9,122	6,047
Profit before levy & tax	Rs in million	3,275	2,753	1,983	4,275	2,781	1,547	5,594	9,479	8,636	5,179
Profit after tax	Rs in million	2,709	2,334	260	2,510	1,793	682	3,851	6,494	6,135	3,556
Proposed dividend	Rs in million	1,142	928	-	1,000	645	143	1,735	3,846	1,856	1,000
STATEMENT OF FINANCIAL POSITION											
Share capital	Rs in million	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428
Shareholders' equity	Rs in million	23,439	21,655	19,264	19,961	18,196	16,557	17,627	17,073	13,065	7,941
Capital expenditure	Rs in million	654	233	1,651	3,782	3,895	724	961	1,266	1,812	1,346
Fixed assets - at cost	Rs in million	19,376	18,894	19,356	18,431	16,613	13,129	12,621	11,961	11,454	9,844
Fixed assets - net	Rs in million	7,442	8,484	10,461	10,662	7,974	4,905	5,245	5,373	4,974	3,781
Non current liabilities	Rs in million	3,259	3,979	4,603	4,317	3,053	474	465	540	440	226
Total assets	Rs in million	49,121	49,830	62,688	70,263	45,155	31,842	32,101	58,809	51,497	16,205
Working capital	Rs in million	17,327	16,102	12,578	13,330	13,045	11,792	12,286	12,047	8,419	4,300
Capital employed	Rs in million	26,707	25,458	23,441	23,837	21,213	18,890	17,627	17,073	13,065	7,941
SIGNIFICANT RATIOS											
Profitability											
Gross profit margin	%	8.5	8.2	7.5	5.1	5.6	7.4	7.7	11.4	14.5	15.1
Profit before levy & tax	%	4.20	5.00	2.09	3.96	4.13	2.81	5.88	10.36	13.75	12.92
Profit after tax	%	3.5	4.2	0.3	2.3	2.7	1.2	4.0	7.1	9.8	8.9
Liquidity											
Current ratio	Times	1.8	1.7	1.3	1.3	1.5	1.8	1.9	1.3	1.2	1.5
Quick ratio	Times	1.1	0.8	1.0	0.8	1.1	1.0	1.2	1.1	1.0	1.0
Long term debt to equity	Times	0.1	0.2	0.2	0.2	0.2	-	-	-	-	-
Total liabilities to equity	Times	2.1	2.3	3.3	3.5	2.5	1.9	1.8	3.4	3.9	2.0
Activity											
Total assets turnover	Times	1.6	1.1	1.5	1.5	1.5	1.7	3.0	1.6	1.2	2.5
Fixed assets turnover	Times	10.5	6.5	9.1	10.1	8.4	11.2	18.1	17.0	12.6	10.6
Stock turnover ratio	Times	4.0	3.1	5.0	5.9	5.5	5.1	10.4	10.9	10.1	7.1
Interest cover (BLT)	Times	4.1	3.3	6.7	81.3	24.9	3.1	500.9	655.8	369.4	741.8
Interest cover (AT)	Times	3.6	2.9	1.8	48.1	16.4	1.9	345.2	449.6	262.7	509.6
Number of days stock	Days	91	118	73	62	66	72	35	33	36	51
Earning											
Return on capital employed	%	10.4	9.5	1.1	11.1	8.9	3.7	22.2	43.1	58.4	54.5
Return on equity (BLT)	%	14.5	13.2	10.1	22.4	16.0	9.1	32.2	62.9	82.2	79.3
Return on equity (AT)	%	12.0	11.2	1.3	13.2	10.3	4.0	22.2	43.1	58.4	54.5
Earning per share (BLT)	Rs	22.9	19.3	13.9	29.9	19.5	10.8	39.2	66.4	60.5	36.3
Earning per share (AT)	Rs	19.0	16.3	1.8	17.6	12.6	4.8	27.0	45.5	43.0	24.9
Price earning ratio (AT)	Times	15.2	13.7	65.6	11.8	21.7	27.7	8.9	10.5	17.5	10.1
Dividend per ordinary share	Rs	8.0	6.5	-	7.0	4.5	1.0	12.1	26.9	13.0	7.0
Dividend pay out ratio	%	42.2	39.8	-	39.8	36.0	21.0	45.1	59.2	30.3	28.1
OTHER INFORMATION											
Break up value per share	Rs	164	152	135	140	127	116	123	120	91	56
Market value per share	Rs	289	223	118	207	273	133	240	477	752	252
Contribution to national exchequer	Rs in million	34,965	23,172	40,704	43,708	28,236	23,407	32,227	33,913	25,130	12,488
Units produced	Units	15,545	10,709	26,176	37,780	23,479	22,729	48,608	50,177	34,560	25,939
Units sold	Units	16,100	10,534	25,726	37,613	24,050	22,418	48,648	50,100	35,381	25,800
Manpower (permanent+contractual)	Nos.	1,373	1,378	1,532	2,274	1,498	1,483	2,284	2,278	2,033	1,256
Exchange rates at year end date											
¥ to \$	¥	150.75	151.17	132.69	121.52	110.82	108.29	110.64	106.06	111.65	112.74
Rs to \$	Rs	280.39	278.16	283.96	183.68	152.79	166.59	140.51	115.60	104.95	104.85
Rs to ¥	Rs	1.86	1.84	2.14	1.51	1.38	1.54	1.27	1.09	0.94	0.93

Horizontal Analysis

	2025	2024	2023	2022	2021	2020	2025 vs 2024	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020	
		Rupees in thousand							Percentage			
STATEMENT OF FINANCIAL POSITION												
EQUITY AND LIABILITIES												
SHARE CAPITAL AND RESERVES												
Issued, subscribed and paid up capital	1,428,000	1,428,000	1,428,000	1,428,000	1,428,000	1,428,000	-	-	-	-	-	
Reserves	18,956,000	17,456,000	17,456,000	15,956,000	14,956,000	14,306,000	8.59	-	9.40	6.69	4.54	
Unappropriated profit	3,055,137	2,771,018	380,325	2,576,725	1,812,163	823,254	10.25	628.59	(85.24)	42.19	120.12	
NON-CURRENT LIABILITIES												
Long-term finances - secured	2,266,355	2,634,503	2,921,056	2,739,121	2,068,693	-	(13.97)	(9.81)	6.64	32.41	-	
Deferred grant	466,645	632,766	820,361	787,677	595,838	-	(26.25)	(22.87)	4.15	32.20	100.00	
Employee retirement benefits	29,910	68,928	136,539	250,977	173,374	187,484	(56.61)	(49.52)	(45.60)	44.76	(7.53)	
Deferred taxation	484,441	625,553	706,823	521,177	201,780	270,510	(22.56)	(11.50)	35.62	158.29	(25.41)	
Deferred revenue	11,725	17,242	18,547	18,197	13,535	16,438	(32.00)	(7.04)	1.92	34.44	(17.66)	
CURRENT LIABILITIES												
Current portion of non-current liabilities	542,694	542,829	442,008	357,011	361,713	20,498	(0.02)	22.81	23.81	(1.30)	1,664.63	
Short term borrowings - secured	-	5,515,661	-	-	-	-	-	-	-	-	-	
Short term loan from related party - Unsecured	-	-	-	-	-	2,332,246	-	-	-	-	-	
Accrued mark-up	17,684	304,713	19,504	37,293	6,120	75,547	(94.20)	1,462.31	(47.70)	509.36	(91.90)	
Trade, dividend and other payables and provisions	21,862,059	17,833,052	38,358,921	45,590,870	23,538,010	12,381,837	22.59	(53.51)	(15.86)	93.69	90.10	
	49,120,650	49,830,265	62,688,084	70,263,048	45,155,226	31,841,814	(1.42)	(20.51)	(10.78)	55.60	41.81	
ASSETS												
NON-CURRENT ASSETS												
Property, plant and equipment	6,273,524	7,579,533	9,364,933	7,549,924	4,000,261	4,518,634	(17.23)	(19.06)	24.04	88.74	(11.47)	
Intangible assets	687,607	881,480	1,089,005	747,295	186,188	289,015	(21.99)	(19.06)	45.73	301.37	(35.58)	
Capital work-in-progress	481,190	22,885	7,015	2,364,549	3,788,001	97,062	2,002.64	226.23	(99.70)	(37.58)	3,802.66	
Long term trade debts	1,638,527	776,274	481,267	27,216	56,157	117,080	111.08	61.30	1,668.32	(51.54)	(52.04)	
Long term loans and advances	215,854	218,788	343,759	254,558	170,209	213,814	(1.34)	(36.35)	35.04	49.56	(20.39)	
Long term deposits	74,397	52,805	4,042	4,042	4,042	4,042	40.89	1,206.41	-	-	-	
CURRENT ASSETS												
Stores and spares	235,729	210,018	235,060	290,262	185,370	194,479	12.24	(10.65)	(19.02)	56.59	(4.68)	
Stock-in-trade	15,012,173	20,468,774	12,602,074	22,866,173	11,648,838	11,268,644	(26.66)	62.42	(44.89)	96.30	3.37	
Trade debts	7,585,110	8,523,202	944,078	978,728	845,765	868,505	(11.01)	802.81	(3.54)	15.72	(2.62)	
Derivative financial instruments	-	-	-	-	-	42,205	-	-	-	-	(100.00)	
Advances, prepayments and other receivables	11,285,427	9,906,702	22,466,514	15,398,259	9,349,859	8,653,570	13.92	(55.90)	45.90	64.69	8.05	
Short term investments	4,942,359	-	14,251,272	6,795,538	-	4,053,057	100.00	(100.00)	109.72	-	(100.00)	
Cash and bank balances	688,753	1,189,804	899,065	12,986,504	14,920,536	1,521,707	(42.11)	32.34	(93.08)	(12.96)	880.51	
	49,120,650	49,830,265	62,688,084	70,263,048	45,155,226	31,841,814	(1.42)	(20.51)	(10.78)	55.60	41.81	
STATEMENT OF PROFIT OR LOSS												
Sales	78,065,659	55,071,323	95,087,251	108,047,850	67,362,307	55,046,264	41.75	(42.08)	(12.00)	60.40	22.37	
Cost of sales	(71,401,700)	(50,563,229)	(87,926,215)	(102,515,219)	(63,586,363)	(50,955,042)	41.21	(42.49)	(14.23)	61.22	24.79	
Gross profit	6,663,959	4,508,094	7,161,036	5,532,631	3,775,944	4,091,222	47.82	(37.05)	29.43	46.52	(7.71)	
Distribution and marketing costs	(1,131,643)	(914,883)	(902,374)	(1,145,187)	(736,974)	(667,901)	23.69	1.39	(21.20)	55.39	10.34	
Administrative expenses	(1,889,358)	(1,479,952)	(1,321,962)	(1,079,683)	(823,588)	(738,757)	27.66	11.95	22.44	31.10	11.48	
Other operating income	988,734	2,252,115	2,321,705	2,004,952	918,484	638,618	(56.10)	(3.00)	15.80	118.29	43.82	
Other operating expenses	(315,106)	(393,635)	(4,929,616)	(984,045)	(237,080)	(1,048,538)	(19.95)	(92.01)	400.95	315.07	(77.39)	
Finance cost	(1,041,813)	(1,218,996)	(346,141)	(53,263)	(116,159)	(727,444)	(14.54)	252.17	549.87	(54.15)	(84.03)	
Profit before levy and taxation	3,274,773	2,752,743	1,982,648	4,275,405	2,780,627	1,547,200	18.96	38.84	(53.63)	53.76	79.72	
Levy and taxation	(565,632)	(418,848)	(1,722,507)	(1,765,499)	(987,422)	(865,448)	35.04	(75.68)	(2.44)	78.80	14.09	
Profit after levy and taxation	2,709,141	2,333,895	260,141	2,509,906	1,793,205	681,752	16.08	797.17	(89.64)	39.97	163.03	

Vertical Analysis

	2025	2024	2023	2022	2021	2025	2024	2023	2022	2021	
		Rupees in thousand						Percentage			
STATEMENT OF FINANCIAL POSITION											
EQUITY AND LIABILITIES											
SHARE CAPITAL AND RESERVES											
Issued, subscribed and paid up capital	1,428,000	1,428,000	1,428,000	1,428,000	1,428,000	2.91	2.87	2.28	2.03	3.16	
Reserves	18,956,000	17,456,000	17,456,000	15,956,000	14,956,000	38.59	35.03	27.85	22.71	33.12	
Unappropriated profit	3,055,137	2,771,018	380,325	2,576,725	1,812,163	6.22	5.56	0.61	3.67	4.01	
NON-CURRENT LIABILITIES											
Long-term finances - secured	2,266,355	2,634,503	2,921,056	2,739,121	2,068,693	4.61	5.29	4.66	3.90	4.58	
Deferred grant	466,645	632,766	820,361	787,677	595,838	0.95	1.27	1.31	1.12	1.32	
Employee retirement benefits	29,910	68,928	136,539	250,977	173,374	0.06	0.14	0.22	0.36	0.38	
Deferred taxation	484,441	625,553	706,823	521,177	201,780	0.99	1.26	1.13	0.74	0.45	
Deferred revenue	11,725	17,242	18,547	18,197	13,535	0.02	0.03	0.03	0.03	0.03	
CURRENT LIABILITIES											
Current portion of non-current liabilities	542,694	542,829	442,008	357,011	361,713	1.10	1.09	0.71	0.51	0.80	
Short term borrowings - secured	-	5,515,661	-	-	-	-	11.07	-	-	-	
Short term loan from related party - Unsecured	-	-	-	-	-	-	-	-	-	-	
Accrued mark- up	17,684	304,713	19,504	37,293	6,120	0.04	0.61	0.03	0.05	0.01	
Trade, dividend and other payables and provisions	21,862,059	17,833,052	38,358,921	45,590,870	23,538,010	44.51	35.79	61.19	64.89	52.13	
	49,120,650	49,830,265	62,688,084	70,263,048	45,155,226	100.00	100.00	100.00	100.00	100.00	
ASSETS											
NON-CURRENT ASSETS											
Property, plant and equipment	6,273,524	7,579,533	9,364,933	7,549,924	4,000,261	12.77	15.21	14.94	10.75	8.86	
Intangible assets	687,607	881,480	1,089,005	747,295	186,188	1.40	1.77	1.74	1.06	0.41	
Capital work-in-progress	481,190	22,885	7,015	2,364,549	3,788,001	0.98	0.05	0.01	3.37	8.39	
Long term trade debts	1,638,527	776,274	481,267	27,216	56,157	3.34	1.56	0.77	0.04	0.12	
Long term loans and advances	215,854	218,788	343,759	254,558	170,209	0.44	0.44	0.55	0.36	0.38	
Long term deposits	74,397	52,805	4,042	4,042	4,042	0.15	0.11	0.01	0.01	0.01	
CURRENT ASSETS											
Stores and spares	235,729	210,018	235,060	290,262	185,370	0.48	0.42	0.37	0.41	0.41	
Stock-in-trade	15,012,173	20,468,774	12,602,074	22,866,173	11,648,838	30.56	41.08	20.10	32.54	25.80	
Trade debts	7,585,110	8,523,202	944,078	978,728	845,765	15.44	17.10	1.51	1.39	1.87	
Advances, prepayments and other receivables	11,285,427	9,906,702	22,466,514	15,398,259	9,349,859	22.98	19.88	35.84	21.92	20.71	
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	
Short term investments	4,942,359	-	14,251,272	6,795,538	-	10.06	-	22.73	9.67	-	
Cash and bank balances	688,753	1,189,804	899,065	12,986,504	14,920,536	1.40	2.39	1.43	18.48	33.04	
	49,120,650	49,830,265	62,688,084	70,263,048	45,155,226	100.00	100.00	100.00	100.00	100.00	
STATEMENT OF PROFIT OR LOSS											
Sales	78,065,659	55,071,323	95,087,251	108,047,850	67,362,307	100.00	100.00	100.00	100.00	100.00	
Cost of sales	(71,401,700)	(50,563,229)	(87,926,215)	(102,515,219)	(63,586,363)	(91.46)	(91.81)	(92.47)	(94.88)	(94.39)	
Gross profit	6,663,959	4,508,094	7,161,036	5,532,631	3,775,944	8.54	8.19	7.53	5.12	5.61	
Distribution and marketing costs	(1,131,643)	(914,883)	(902,374)	(1,145,187)	(736,974)	(1.45)	(1.66)	(0.95)	(1.06)	(1.09)	
Administrative expenses	(1,889,358)	(1,479,952)	(1,321,962)	(1,079,683)	(823,588)	(2.42)	(2.69)	(1.39)	(1.00)	(1.22)	
Other operating income	988,734	2,252,115	2,321,705	2,004,952	918,484	1.27	4.09	2.44	1.86	1.36	
Other operating expenses	(315,106)	(393,635)	(4,929,616)	(984,045)	(237,080)	(0.40)	(0.71)	(5.18)	(0.91)	(0.35)	
Finance cost	(1,041,813)	(1,218,996)	(346,141)	(53,263)	(116,159)	(1.33)	(2.21)	(0.36)	(0.05)	(0.17)	
Profit before levy and taxation	3,274,773	2,752,743	1,982,648	4,275,405	2,780,627	4.19	5.00	2.09	3.96	4.13	
Levy and taxation	(565,632)	(418,848)	(1,722,507)	(1,765,499)	(987,422)	(0.72)	(0.76)	(1.81)	(1.63)	(1.47)	
Profit after levy and taxation	2,709,141	2,333,895	260,141	2,509,906	1,793,205	3.47	4.24	0.27	2.32	2.66	

Independent Auditor's Review Report

To the members of Honda Atlas Cars (Pakistan) Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Honda Atlas Cars (Pakistan) Limited (the Company) for the year ended March 31, 2025, in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

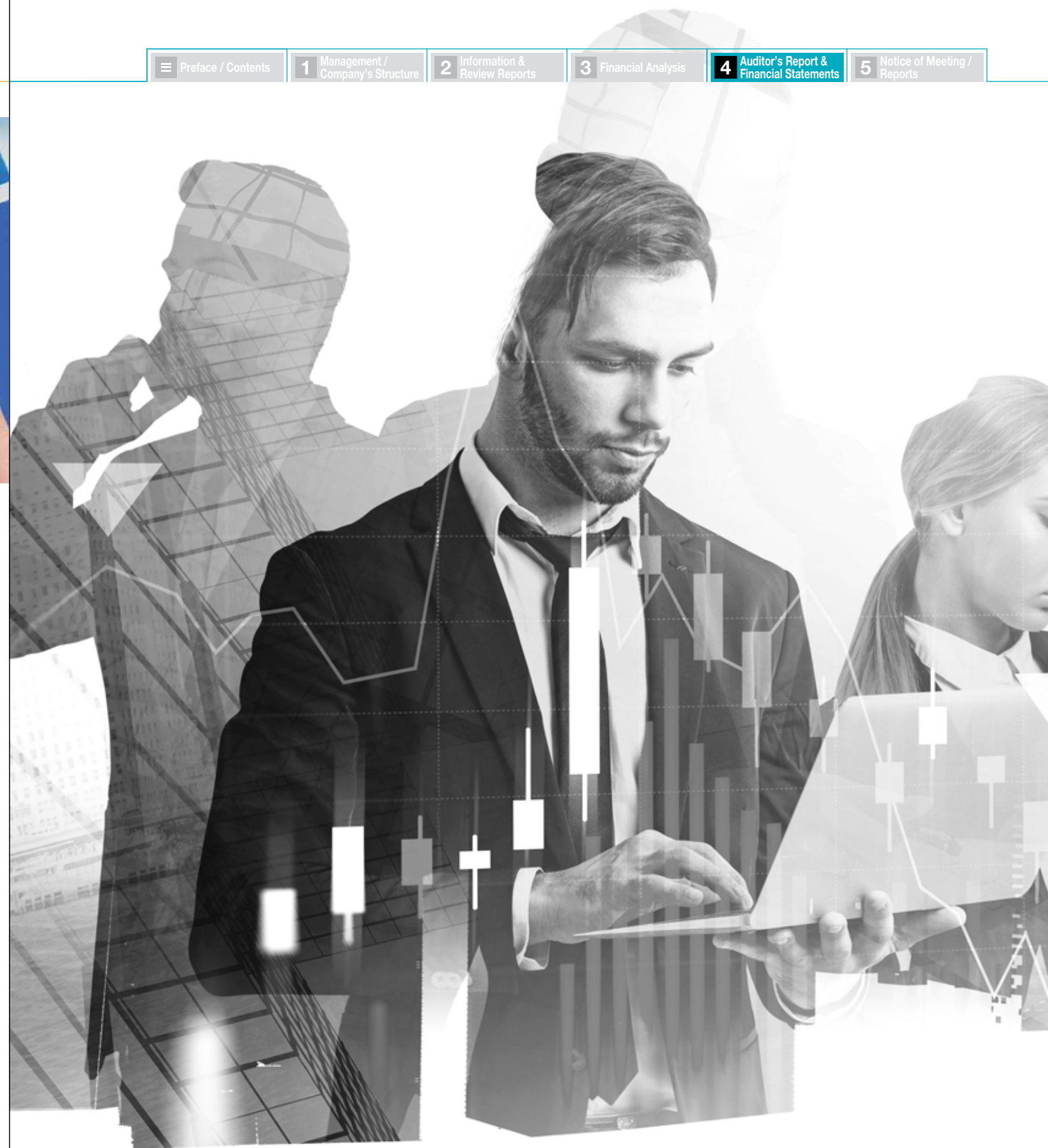
The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended March 31, 2025.



A. F. Ferguson & Co.
Chartered Accountants

Lahore
Date: May 30, 2025
UDIN: CR202510071KPaeiCIL8



Financial Statements

For the year ended March 31, 2025

Independent Auditor's Report

To the members of Honda Atlas Cars (Pakistan) Limited

Report on the Audit of the Financial Statements

OPINION

We have audited the annexed financial statements of Honda Atlas Cars (Pakistan) Limited (the Company), which comprise the statement of financial position as at March 31, 2025, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at March 31, 2025 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

Following is the Key audit matter:

S.No.	Key audit matter	How the matter was addressed in our audit
(i)	<p>Revenue recognition <i>(refer notes 4.11 and 28 to the annexed financial statements).</i></p> <p>Revenue is recognized when control of the underlying products has been transferred to the customers. The Company is engaged in the assembling and progressive manufacturing and sale of Honda vehicles and spare parts. The Company recognized revenue from the sales of own manufactured goods measured net of discounts and commissions.</p> <p>We consider revenue recognition as a key audit matter due to it being a significant audit risk and due to the fact that revenue increased significantly compared to last year.</p>	<p>We performed, amongst others, the following audit procedures:</p> <ul style="list-style-type: none">Assessed the design, implementation and operating effectiveness of the key internal controls over revenue recognition;Understood and evaluated the accounting policy with respect to revenue recognition;Performed testing of revenue transactions on a sample basis with underlying documentation including dispatch documents and sales invoices;Tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue was recognized in the correct period;Performed recalculation of discounts and commissions as per the Company's policy on sample basis;Performed audit procedures to analyze variation in the price and quantity sold during the year; andAssessed the adequacy of disclosures made in the financial statements related to revenue.

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

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

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

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

Independent Auditor's Report

To the members of Honda Atlas Cars (Pakistan) Limited

RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Masood.



A. F. Ferguson & Co.
 Chartered Accountants

Lahore
 Date: May 30, 2025
 UDIN: AR2025100716ZyaWz0Hu

Independent Auditor's Report

Statement of Financial Position

As at March 31, 2025

Rupees in thousand	Note	2025	2024
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
200,000,000 (2024: 200,000,000)			
ordinary shares of Rs 10 each		2,000,000	2,000,000
Issued, subscribed and paid-up share capital			
142,800,000 (2024: 142,800,000)			
ordinary shares of Rs 10 each	6	1,428,000	1,428,000
Reserves	7	18,956,000	17,456,000
Revenue reserve: Un-appropriated profits		3,055,137	2,771,018
		23,439,137	21,655,018
NON-CURRENT LIABILITIES			
Long term finances - secured	8	2,266,355	2,634,503
Deferred government grant	9	466,645	632,766
Employee retirement benefits	10	29,910	68,928
Deferred taxation	11	484,441	625,553
Deferred revenue		11,725	17,242
		3,259,076	3,978,992
CURRENT LIABILITIES			
Current portion of non-current liabilities	12	542,694	542,829
Short term borrowings - secured	13	-	5,515,661
Accrued markup	14	17,684	304,713
Unclaimed dividend		54,298	50,420
Trade and other payables and provisions	15	21,807,761	17,782,632
		22,422,437	24,196,255
CONTINGENCIES AND COMMITMENTS			
	16		
		49,120,650	49,830,265

The annexed notes 1 to 49 form an integral part of these financial statements.



Aamir H. Shirazi
Chairman



Masaya Wakuda
President / CEO



Hamood ur Rahman Qaddafi
Chief Financial Officer

Rupees in thousand	Note	2025	2024
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	17	6,273,524	7,579,533
Intangible assets	18	687,607	881,480
Capital work-in-progress	19	481,190	22,885
Long term trade debts	20	1,638,527	776,274
Long term loans to employees	21	215,854	218,788
Long term deposits		74,397	52,805
		9,371,099	9,531,765
CURRENT ASSETS			
Stores and spares	22	235,729	210,018
Stock-in-trade	23	15,012,173	20,468,774
Trade debts	24	7,585,110	8,523,202
Loans, advances, deposits, prepayments and other receivables	25	3,059,194	2,810,756
Income tax recoverable		8,226,233	7,095,946
Short term investments	26	4,942,359	-
Cash and bank balances	27	688,753	1,189,804
		39,749,551	40,298,500
		49,120,650	49,830,265



Aamir H. Shirazi
Chairman



Masaya Wakuda
President / CEO



Hamood ur Rahman Qaddafi
Chief Financial Officer

Statement of Profit or Loss

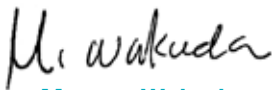
For the year ended March 31, 2025

Rupees in thousand	Note	2025	Restated 2024
Revenue from contracts with customers	28	78,065,659	55,071,323
Cost of sales	29	(71,401,700)	(50,563,229)
Gross profit		6,663,959	4,508,094
Distribution and marketing costs	30	(1,131,643)	(914,883)
Administrative expenses	31	(1,889,358)	(1,479,952)
Other income	32	988,734	2,252,115
Other expenses	33	(315,106)	(393,635)
Finance cost	34	(1,041,813)	(1,218,996)
Profit before levy and taxation		3,274,773	2,752,743
Levy	35	-	(127)
Profit before taxation		3,274,773	2,752,616
Taxation	35	(565,632)	(418,721)
Profit for the year		2,709,141	2,333,895
Earnings per share - basic and diluted (in Rupees)	39	18.97	16.34

The annexed notes 1 to 49 form an integral part of these financial statements.



Aamir H. Shirazi
Chairman



Masaya Wakuda
President / CEO



Hamood ur Rahman Qaddafi
Chief Financial Officer

Statement of Comprehensive Income

For the year ended March 31, 2025

Rupees in thousand	2025	2024
Profit for the year	2,709,141	2,333,895
Other comprehensive income for the year:		
Items that may be reclassified subsequently to profit or loss (net of tax)	-	-
Items that will not be subsequently reclassified to profit or loss (net of tax):		
- Remeasurement gain of post retirement benefits obligation	3,178	56,798
	3,178	56,798
Total comprehensive income for the year	2,712,319	2,390,693

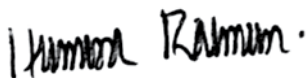
The annexed notes 1 to 49 form an integral part of these financial statements.



Aamir H. Shirazi
Chairman



Masaya Wakuda
President / CEO



Hamood ur Rahman Qaddafi
Chief Financial Officer

Statement of Changes in Equity

For the year ended March 31, 2025

Rupees in thousand	Share Capital	Capital Reserve	Revenue Reserves		Total Equity
	Issued, subscribed and paid-up share capital	Share premium	General reserve	Un-appropriated profits	
Balance as on April 1, 2023	1,428,000	76,000	17,380,000	380,325	19,264,325
Total comprehensive income for the year					
Profit for the year	-	-	-	2,333,895	2,333,895
Other comprehensive income for the year	-	-	-	56,798	56,798
	-	-	-	2,390,693	2,390,693
Balance as on March 31, 2024	1,428,000	76,000	17,380,000	2,771,018	21,655,018
Appropriation of reserves					
Transfer to general reserve	-	-	1,500,000	(1,500,000)	-
Total comprehensive income for the year					
Profit for the year	-	-	-	2,709,141	2,709,141
Other comprehensive income for the year	-	-	-	3,178	3,178
	-	-	-	2,712,319	2,712,319
Transactions with owners in their capacity as owners recognised directly in equity					
Final dividend for the year ended March 31, 2024 @ Rupees 6.50 per share	-	-	-	(928,200)	(928,200)
Balance as on March 31, 2025	1,428,000	76,000	18,880,000	3,055,137	23,439,137

The annexed notes 1 to 49 form an integral part of these financial statements.



Aamir H. Shirazi
Chairman



Masaya Wakuda
President / CEO



Hamood ur Rahman Qaddafi
Chief Financial Officer

Statement of Cash Flows

For the year ended March 31, 2025

Rupees in thousand	Note	2025	2024
Cash flows from operating activities			
Cash generated from / (utilized in) operations	36	17,106,039	(15,623,050)
Finance cost paid		(653,211)	(533,530)
Employees' retirement benefits and other obligations paid		(269,553)	(243,073)
Net decrease in loans to employees		117,984	139,201
Net increase in long term deposits		(21,592)	(49,450)
Income tax paid		(1,837,031)	(1,566,663)
Royalty paid		(2,690,326)	(1,581,339)
Net increase in deferred revenue		2,326	2,135
Net cash inflow / (outflow) from operating activities		11,754,636	(19,455,769)
Cash flows from investing activities			
Purchase of property, plant and equipment		(549,554)	(227,568)
Purchase of intangible assets		(37,199)	(23,977)
Proceeds from disposal of property, plant and equipment		42,618	480,035
Interest received		205,059	635,397
Net cash (outflow) / inflow from investing activities		(339,076)	863,887
Cash flows from financing activities			
Long term finances repaid		(534,269)	(374,270)
Dividends paid		(924,322)	(510,042)
Net cash outflow from financing activities		(1,458,591)	(884,312)
Net increase / (decrease) in cash and cash equivalents		9,956,969	(19,476,194)
Cash and cash equivalents at the beginning of the year		(4,325,857)	15,150,337
Cash and cash equivalents at the end of the year	37	5,631,112	(4,325,857)

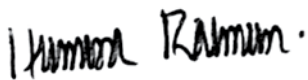
The annexed notes 1 to 49 form an integral part of these financial statements.



Aamir H. Shirazi
Chairman



Masaya Wakuda
President / CEO



Hamood ur Rahman Qaddafi
Chief Financial Officer

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2025

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- i)

International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- ii)

Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- iii)

Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 New and amended standards and interpretations

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

	Effective date (period beginning on or after)
IAS 21 The Effects of Changes in Foreign Exchange Rates (Amendments)	January 1, 2025
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	July 1, 2025
IFRS S2 Climate-related Disclosures	July 1, 2025
IFRS 7 Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 9 Financial Instruments (Amendments)	January 1, 2026

2.2.2 Other than the aforementioned standards, interpretations and amendments, IASB has also issued the following standards, which have not been notified locally, in relation to the Company, by the Securities and Exchange Commission of Pakistan (SECP) as at March 31, 2025:

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 18	Presentation and Disclosure in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

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

2.2.4 There are certain amendments to the accounting and reporting standards which became applicable to the Company on April 1, 2024. However, these amendments do not have any significant impact on the Company’s financial statements, except as disclosed in notes 2.3 and 4 to the financial statements.

2.3 During the year, the Institute of Chartered Accountants of Pakistan (‘ICAP’) has withdrawn Technical Release 27 ‘IAS 12, Income Taxes (Revised 2012)’ and issued the ‘IAS 12, Application Guidance on Accounting for Minimum Taxes and Final Taxes’ (‘the Guidance’). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to designate the amount calculated on taxable income using the notified tax rate as an income tax expense. Any excess over the amount designated as income tax, is then recognised as a ‘Levy’ under ‘IAS 37, Provisions, Contingent Liabilities and Contingent Assets’, which were previously being recognised as ‘income tax’.

The Company has accounted for the effects of this change in accounting policy retrospectively under ‘IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors’ and the corresponding figures have been restated in these financial statements. The effects of restatement is as follows:

Rupees in thousand	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
--------------------	-----------------------------------------------------	---------------------------------------------	------------------------------------------------------------------

Effect on the statement of profit or loss

For the year ended March 31, 2025

Levy	-	-	-
Profit before taxation	3,274,773	-	3,274,773
Taxation	(565,632)	-	(565,632)
Profit for the year	2,709,141	-	2,709,141

For the year ended March 31, 2024

Levy	-	127	127
Profit before taxation	2,752,743	(127)	2,752,616
Taxation	(418,848)	127	(418,721)
Profit for the year	2,333,895	-	2,333,895

The related changes to the statement of cash flows with respect to the amount of profit before taxation have been made as well. There has been no effect on the statement of financial position and statement of changes in equity as a result of this change.

3. BASIS OF MEASUREMENT

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

3.2 Critical accounting estimates and judgements

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

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

- a)

Employees’ retirement benefits - gratuity - notes 4.14.2 (a) and 10
- b)

Provision for taxation - notes 4.13 and 35
- c)

Useful lives and residual values of property, plant and equipment and intangible assets - notes 4.1, 4.15, 17 and 18

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2025

- d) Impairment of financial assets - note 4.4.4
- e) Provision for warranty claims - notes 4.8 and 15.12
- f) Contingent liabilities - notes 4.12 and 16

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

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Property, plant and equipment

4.1.1 Operating fixed assets

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

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

	Rate
Buildings on freehold land	5%
Plant and machinery	16% to 46%
Furniture and office equipment	20%
Vehicles	20%
Tools and equipment	20%
Computers	35%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The effect of any changes in estimate is accounted for on a prospective basis.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit or loss during the period in which they are incurred.

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

4.1.2 Major spare parts and stand-by equipment

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

4.2 Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to property, plant and equipment or intangible assets as and when these are available for use.

4.3 Leases

The Company is a lessee.

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

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

4.4 Financial assets

4.4.1 Classification

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

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

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

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

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

4.4.2 Recognition and derecognition

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

4.4.3 Measurement

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

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

Debt instruments

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

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2025

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

Equity instruments

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

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

4.4.4 Impairment of financial assets other than investment in equity instruments

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

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

- Long term deposits
- Trade debts
- Loans, deposits and other receivables
- Bank balances

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

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

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

The following indicators are considered while assessing credit risk:

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

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

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

Irrespective of the above analysis, in case of trade debts, the Company considers that default has occurred when a debt is more than 360 days past due, unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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

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

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

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

Receivables are grouped and assessed collectively based on shared credit risk characteristics and the days past due. The expected credit losses on these financial assets are estimated using a provision matrix approach based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic

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For the year ended March 31, 2025

conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

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

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

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

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

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

4.5 Financial liabilities

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

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

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the statement of profit or loss.

4.6 Stock-in-trade

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

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

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting

date on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines.

4.7 Provisions

Provisions for legal claims and make good obligations are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

4.8 Provision for warranty claims

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

4.9 Trade debts

Trade debts are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade debts are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortised cost using the effective interest rate method.

4.10 Trade and other payables

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

4.11 Revenue recognition

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

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

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

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

4.12 Contingent liabilities

Contingent liability is disclosed when:

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

4.13 Taxation - Levy and income tax

4.13.1 Levy

In accordance with the Income Tax Ordinance, 2001, computation of final and minimum tax are not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the ICAP, these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these financial statements.

4.13.2 Income tax

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

Current

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

Deferred

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

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

Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

4.14 Employee benefits

4.14.1 Short term obligations

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

4.14.2 Accumulating compensated absences

The Company provides annually for the expected cost of accumulating compensated absences on the basis of internal calculations.

Permanent employees of the Company are entitled to accumulate the unutilized leaves in the following manner:

	Annual Entitlement	Maximum Accumulation
- Medical leave	10 days	15 days
- Annual leave	15 to 21 days	15 to 21 days

4.14.3 Post employment benefits

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

(a) Defined benefit plan - Gratuity

The Company operates a funded defined benefit gratuity scheme for all its local permanent employees having a service period of more than 5 years. Gratuity is payable based on last drawn basic salary multiplied by length of years of service and gratuity factors which increase with completed service. Provisions are made in the financial statements to cover obligations on the basis of actuarial valuations carried out annually. The most recent valuation was carried out as at March 31, 2025 using the Projected Unit Credit Method. Under the scheme, gratuity is payable on the basis of last drawn basic salary at the following rates:

Service in the Company	Gratuity factor per completed year of service
0 - 4 years and 364 days	0.0
5 - 9 years and 364 days	0.5
10 years or more	1.0

Contributions under the scheme are made to this fund on the basis of actuarial recommendation at the rate of 8.60% (2024: 8.32%) per annum of basic salary.

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

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

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

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

	2025	2024
	(Per annum)	
Discount rate	12.25%	15.50%
Expected increase in eligible pay	12.25% to 19%	15.00 to 18.00%
Expected rate of return on plan assets	12.25%	15.50%

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

The Company is expected to contribute Rs 111.88 million to the gratuity fund in the next year.

(b) Defined contribution plan

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

4.15 Intangible assets

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

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

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

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

Amortisation is charged to profit or loss on a straight line basis so as to write off the cost of an asset over its estimated useful life. Amortisation is charged at the annual rates given below:

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

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

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

4.16 Borrowings

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

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

4.17 Borrowing costs

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

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

4.18 Cash and cash equivalents

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

4.19 Ijarah contracts

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

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

4.20 Contract asset and contract liability

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

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

4.21 Segment reporting

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

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2025

4.22 Government grants

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

4.23 Impairment of non-financial assets

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

5. SUMMARY OF OTHER ACCOUNTING POLICIES

5.1 Stores and spares

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

5.2 Investments

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

5.3 Dividend and other appropriations

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

5.4 Share capital

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

5.5 Earnings per share

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

5.6 Foreign currency transactions and translation

a) Functional and presentation currency

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

b) Transactions and balances

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

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

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

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

5.7 Rounding of amounts

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

5.8 Offsetting of financial assets and financial liabilities

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

6. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2025		2024	
Number of shares		Rupees in thousand	
111,400,000	111,400,000	Ordinary shares of Rs 10 each fully paid in cash	1,114,000
31,400,000	31,400,000	Ordinary shares of Rs 10 each allotted as bonus shares	314,000
142,800,000	142,800,000		1,428,000

6.1 72,828,000 (2024: 72,828,000) ordinary shares of the Company which represent 51% (2024: 51%) of the issued, subscribed and paid up share capital of the Company are held by Honda Motor Co., Ltd., Japan, the holding company, which is incorporated in Japan. The registered address of the holding company is 1-1, Minami-Aoyama, 2-Chome, Minato-ku, Tokyo, 107-8556, Japan.

6.2 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2025

6.3 Ordinary shares of the Company held by related parties (other than the holding company) as at year end are as follows:

Number of shares	Note	2025	2024
Directors			
Mr. Ariful Islam		500	500
Mr. Muhammad Naeem Khan		1,157	710
Ms. Rie Mihara		500	500
	6.3.1	2,157	1,710
Other related parties			
Atlas Insurance Limited		850,000	850,000
Shirazi Investments (Private) Limited		43,119,650	43,119,650
		43,971,807	43,971,360

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

Rupees in thousand	Note	2025	2024
7. RESERVES			
Composition of reserves is as follows:			
Capital			
Share premium	7.1	76,000	76,000
Revenue			
General reserve	7.2		
- At the beginning of the year		17,380,000	17,380,000
- Transferred from un-appropriated profit		1,500,000	-
		18,880,000	17,380,000
		18,956,000	17,456,000

7.1 This reserve can be utilised by the Company only for the purposes specified in section 81 of the Companies Act, 2017.

7.2 This reserve has been maintained for general purposes.

Rupees in thousand	Note	2025	2024
8. LONG TERM FINANCES - SECURED			
Loan under refinance scheme - Islamic mode of financing	8.1	2,635,098	2,981,772
Current portion shown under current liabilities	12	(368,743)	(347,269)
		2,266,355	2,634,503

8.1 This represents long term Islamic financing facility (Diminishing Musharakah) obtained from Faysal Bank Limited under State Bank of Pakistan's (SBP) Refinance Scheme for Temporary Economic Refinance Facility ('TERF'), recognised initially at fair value. The total facility available amounted to Rs 5,000 million. The balance is repayable in 32 equal quarterly instalments after a grace period of two years from the date of each disbursement. The facility is secured against a first hypothecation charge over all present and future movable fixed assets of the Company excluding land and buildings, amounting to Rs 6,667 million. The markup on the facility is payable quarterly and the base rate applicable during the year was 1.60% per annum. The effective interest rate during the year ranges from 7.50% to 14.25% (2024: 7.50% to 14.25%) per annum. The reconciliation of the carrying amount is as follows:

Rupees in thousand	Note	2025	2024
Balance as at beginning of the year		2,981,772	3,154,228
Repayments during the year		(534,269)	(374,270)
		2,447,503	2,779,958
Unwinding of discount on liability		187,595	201,814
Balance as at end of the year		2,635,098	2,981,772
Current portion shown under current liabilities	12	(368,743)	(347,269)
		2,266,355	2,634,503

9. DEFERRED GOVERNMENT GRANT

This represents deferred government grant recognised in respect of the benefit of below-market interest rate on long term finances as referred to in note 8. The benefit has been measured as the difference between the fair value of the loan and the proceeds received. The Company has used the prevailing market rate of mark-up for similar instruments to calculate fair values of respective loans. The discount rate used is 7.50% to 14.25% (2024: 7.50% to 14.25%) per annum.

9.1 The reconciliation of the carrying amount is as follows:

Rupees in thousand	Note	2025	2024
Balance as at beginning of the year		820,361	1,022,175
Credited to profit or loss - amortised during the year		(187,595)	(201,814)
		632,766	820,361
Current portion shown under current liabilities	12	(166,121)	(187,595)
Balance as at end of the year		466,645	632,766

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2025

10. EMPLOYEE RETIREMENT BENEFITS

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

Rupees in thousand	Note	2025	2024
Present value of defined benefit obligation	10.2	1,683,430	1,275,165
Fair value of plan assets	10.3	(1,653,520)	(1,206,237)
Liability as at March 31		29,910	68,928
10.1 Movement in net liability of defined benefit obligation			
Net liability as at beginning of the year		68,928	136,539
Charged to statement of profit or loss	10.5	99,513	102,136
Total remeasurement gain for the year recognised in OCI	10.6	(3,531)	(63,109)
Contributions made by the Company during the year		(135,000)	(106,638)
Net liability as at end of the year		29,910	68,928
10.2 Movement in the present value of defined benefit obligation			
Present value of defined benefit obligation as at beginning of the year		1,275,165	1,119,914
Current service cost		88,829	81,104
Interest cost		195,508	166,049
Benefits paid during the year		(25,986)	(125,261)
Benefits due but not paid		(1,666)	(6,002)
Remeasurements on obligation recognised in OCI			
- Actuarial losses from changes in financial assumptions		88,141	26,279
- Experience adjustments		63,439	13,082
Present value of defined benefit obligation as at end of the year		1,683,430	1,275,165
10.3 Movement in the fair value of plan assets			
Fair value of plan assets as at beginning of the year		1,206,237	983,375
Interest income on plan assets		184,824	145,017
Contributions made during the year		135,000	106,638
Benefits paid during the year		(25,986)	(125,261)
Benefits due but not paid		(1,666)	(6,002)
Remeasurements on fair value of plan assets recognised in OCI		155,111	102,470
Fair value of plan assets as at end of the year		1,653,520	1,206,237
10.4 Plan assets are comprised as follows:			
Mutual funds - unquoted		1,509,880	1,079,995
Cash		143,640	126,242
		1,653,520	1,206,237

Rupees in thousand	2025	2024
10.5 Amounts recognised in the statement of profit or loss		
Current service cost	88,829	81,104
Interest cost	195,508	166,049
Interest income on plan assets	(184,824)	(145,017)
Net expense charged in the statement of profit or loss	99,513	102,136
10.6 Remeasurements recognised in other comprehensive income ('OCI')		
Actuarial losses from changes in financial assumptions	88,141	26,279
Experience adjustments	63,439	13,082
Remeasurements on fair value of plan assets recognised in OCI	(155,111)	(102,470)
Total remeasurements recognised in OCI	(3,531)	(63,109)

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

Rupees in thousand	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	1,546,414	1,841,150
Salary growth rate	1.00%	1,840,662	1,544,326

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

10.8 Risks faced by the Company on account of gratuity obligation

- **Final salary risks** - The risk that the final salary at the time of cessation of service is greater than what the Company has assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount would also increase proportionately.
- **Asset volatility** - Most investments of the Company's fund are in various mutual funds of different institutions. Investments in equity instruments are subject to adverse fluctuations as a result of change in the market price.
- **Discount rate fluctuation** - The plan liabilities are calculated using a discount rate set with reference to corporate bond yields, since the long term private sector market is not deep enough in Pakistan. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plan's bond holdings.
- **Investment risks** - The risk of the investments underperforming and not being sufficient to meet the liabilities. This risk is mitigated by closely monitoring the performance of investments.
- **Risk of insufficiency of assets** - This is managed by making regular contribution to the fund as advised by the actuary.
- **Demographic risks:**
 - **Mortality risk** - The risk that the actual mortality experience is different than the assumed mortality. The effect is more pronounced in schemes where age and service distribution is on the higher side.
 - **Withdrawal risk** - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with age, service and the entitled benefits of the beneficiary.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2025

11. DEFERRED TAXATION

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

Rupees in thousand	Note	2025	2024
Opening deferred tax liability		625,553	706,823
Recognised in statement of profit or loss	35	(141,112)	(81,270)
Closing deferred tax liability		484,441	625,553
The liability for deferred taxation comprises of taxable / (deductible) temporary differences relating to:			
Accelerated tax depreciation		472,932	638,099
Unrealized gain on short term investments		24,055	-
Provision for custom duties		(12,546)	(12,546)
		484,441	625,553

12. CURRENT PORTION OF NON-CURRENT LIABILITIES

Current portion of long term finances - secured	8	368,743	347,269
Current portion of deferred government grant	9	166,121	187,595
Current portion of deferred revenue		7,830	7,965
		542,694	542,829

13. SHORT TERM BORROWINGS - SECURED

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

13.1 Running finances - secured

Short term borrowings available from commercial banks under mark up arrangements amount to Rs 27,500 million (2024: Rs 28,500 million). These arrangements carry mark up ranging from 12.23% to 22.93% (2024: 21.22% to 23.48%) per annum. The aggregate short term borrowings amounting to Rs 24,500 million are secured by first joint pari passu hypothecation charge over current assets of the Company.

13.2 Short term finances - secured

During the year, the Company availed a maximum of Rs 4,000 million (2024: Rs 5,900 million) out of the aggregate facility of Rs 9,000 million (2024: Rs 10,000 million), a sub-limit of the above mentioned short term borrowings facilities. The effective rate applicable during the year on these loans ranges from 12.29% to 22.33% (2024: 21.33% to 22.34%).

The loans outstanding as at March 31, 2025 amounting to Nil (2024: Rs 2,900 million) are repayable within one month from the date of disbursement. These loans are secured by first joint pari passu charge over the current assets of the Company.

13.3 Letters of credit and guarantees

Of the aggregate facility of Rs 21,684 million (2024: Rs 11,571 million) for opening letters of credit, the amount utilized as at March 31, 2025 was Rs 7,015 million (2024: Rs 1,508 million). The aggregate facility for opening letters of credit is secured by lien over import documents of the Company.

Of the aggregate facility of Rs 6,500 million (2024: Rs 7,200 million) for bank guarantees, out of which Rs 4,000 million is available as a sub-limit of the above mentioned facilities for short term borrowings, the amount utilized as at March 31, 2025 was Rs 5,602 million (2024: Rs 4,428 million).

Rupees in thousand	Note	2025	2024
14. ACCRUED MARKUP			
Accrued mark up on:			
- Long term finances - secured		15,920	18,170
- Short term borrowings - secured		1,764	286,543
		17,684	304,713

15. TRADE AND OTHER PAYABLES AND PROVISIONS

Creditors	15.1	1,045,218	1,385,081
Accrued liabilities		1,430,235	1,545,040
Bills payable	15.2	2,542,851	905,531
Deposits against display cars	15.3	2,466,120	2,447,870
Accumulating compensated absences	15.4	130,654	107,259
Contract liabilities	28.2	6,624,832	1,160,115
Cash discount payable against delayed delivery of vehicles	15.5	964,844	986,247
License fee, technical fee and royalties	15.6	591,633	1,844,164
Provision for custom duties	16.1	32,169	32,169
Punjab sales tax payable		504,322	864,996
Withholding income tax payable		107,747	97,485
Punjab infrastructure development cess payable	15.7	631,276	631,276
Sindh development and maintenance of infrastructure cess payable	15.8	3,589,875	2,950,420
Workers' Welfare Fund	15.9	77,928	79,178
Workers' Profit Participation Fund	15.10	14,833	19,091
Custom duty payable		596,047	335,303
Payable to employees' provident fund		23,310	25,101
Security deposits	15.11	235,776	218,576
Provision for warranty claims	15.12	38,000	68,000
Sales tax payable		-	1,924,681
Others		160,091	155,049
		21,807,761	17,782,632

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2025

15.1 This includes amounts due to the following related parties:

Rupees in thousand	2025	2024
Holding company	-	44
Other related parties	63,329	83,595
	63,329	83,639

15.2 This includes amounts due to the following related parties:

Holding company	492,825	43,585
Other related parties	2,032,558	855,101
	2,525,383	898,686

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

Rupees in thousand	2025	2024
15.4 Accumulating compensated absences		
Balance as at beginning of the year	107,259	106,712
Provision for the year	157,595	130,671
	264,854	237,383
Payments made during the year	(134,200)	(130,124)
Balance as at end of the year	130,654	107,259

15.5 This represents contract liabilities of the Company towards customers against the sale of vehicles. Customers who have given these advances, are entitled to discount at the rate of Karachi Inter Bank Offered Rate ('KIBOR') plus 3% per annum, from the date of advance payment to the date of delivery in case the delivery is delayed over two months from the date of advance payment, subject to certain other conditions. The outstanding balance mainly pertains to markup arising from delays in vehicle deliveries caused by import quota restrictions. Subsequent to the year-end, the Company has initiated the process of settling these payments.

15.6 This includes amounts due to the following related parties:

Rupees in thousand	2025	2024
Holding company	552,922	1,791,453
Other related parties	8,001	33,410
	560,923	1,824,863

15.7 This represents amount payable in respect of Punjab Infrastructure Development Cess under The Punjab Infrastructure Development Cess Act, 2015 (the 'Act'). As per the Act, cess shall be levied and collected on the goods manufactured, produced or consumed in the Punjab, goods imported into or goods exported out of the Punjab at a fixed rate of 0.90% of custom assessed value of goods as assessed for customs purposes. In 2017, the Lahore High Court (LHC) granted interim relief through its order, restraining the Punjab government from collecting the Punjab Infrastructure Development Cess until further orders. Accordingly the Company has recorded a provision in the financial statements, however no payment has been made in this regard.

15.8 Sindh Infrastructure Development Cess (SIDC) was levied in the province of Sindh in 1994 vide section 9 of the Sindh Finance Act on the goods entering or leaving the province from or for outside the country, ostensibly for services rendered in respect of development and maintenance of infrastructure. Levy is applicable on imported goods and it is charged at the time of custom clearance. Group of importers challenged the levy on the grounds that imposing levy on 'import and export' does not fall within legislative competence of the provincial legislature. In 2011, Sindh High Court (SHC) through its order granted an interim relief to all the petitioners directing that the future imports of the petitioners will be cleared on payment of 50% of the disputed Cess while for remaining 50% bank guarantee is to be submitted till the final decision by the Court. On June 4, 2021 SHC through its judgment upheld the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 (the Cess) promulgated retrospectively with effect from July 1, 1994 as valid and declaring it within the competence of provincial legislature. The Company filed petition in Supreme Court of Pakistan (SCP), challenging the order of SHC. SCP suspended the operation of the SHC's judgment on September 1, 2021 and instructed the petitioners to provide the bank guarantee equivalent to the amount of levy claimed by the respondents against release of all future imported consignments.

Rupees in thousand	Note	2025	2024
15.9 Workers' Welfare Fund			
Balance as at beginning of the year		79,178	19,074
Net provision for the year	33	47,043	78,066
		126,221	97,140
Payments during the year		(48,293)	(17,962)
Balance as at end of the year		77,928	79,178

15.10 Workers' Profit Participation Fund

Balance payable as at beginning of the year		19,091	25,310
Provision for the year	33	174,833	148,990
Interest for the year		1,972	101
		195,896	174,401
Payments during the year		(181,063)	(155,310)
Balance payable as at end of the year		14,833	19,091

15.11 These represent interest free deposits from dealers and contractors amounting to Rs 224.73 million (2024: Rs 207.23 million) and Rs 11.05 million (2024: Rs 11.35 million) against spare parts sales and scrap sales respectively. These are repayable on demand and cannot be utilised for the purpose of business in accordance with the terms of written agreements with these parties. These have been kept in a separate bank account in accordance with the requirements of section 217 of the Companies Act, 2017.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2025

Rupees in thousand	2025	2024
15.12 Provision for warranty claims		
Balance as at beginning of the year	68,000	102,500
Charge for the year	7,000	6,000
Reversed during the year	(37,000)	(40,500)
Balance as at end of the year	38,000	68,000

16. CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

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

The Company approached custom authorities on the grounds that the components specified in the above mentioned notices included certain components which were duly appearing in the indigenization program of the Company for the relevant period. Hence, CBU rate of duty was not applicable on import of these components. However, the Customs Appellate Tribunal, Lahore ('CAT'), vide its order dated November 30, 2007, decided the matter against the Company against which references were filed in the Honourable Lahore High Court. The Honourable Lahore High Court remanded back the cases to CAT on December 16, 2016 and restrained the department to take any coercive measures for recovery of amount from the Company. In 2017, the CAT ruled in the Company's favour, setting aside previously raised demands. However, the Customs Department challenged this order by filing a reference before the LHC, which is currently pending adjudication.

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

- (ii) The Collector of Customs (Appeals) had endorsed demands aggregating to Rs 5,401.37 million raised against the Company by the Customs Department in respect of imports affected during the period from April 2011 to December 2016, April 2017 to December 2017 and April 2018 to March 2022, on account of custom duty, sales tax and income tax on the grounds that 'license fee' and 'royalty' paid to M/s Honda Motor Co., Ltd., Japan was includable in the 'import value' of 'Completely Knocked Down' kits of vehicles assembled by the Company and parts thereof. The Company has filed an appeal against the decision of Collector of Customs (Adjudication) before the Customs Appellate Tribunal which is pending adjudication.

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

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

- (iv) Bank guarantees of Rs 5,602.46 million (2024: Rs 4,428.14 million) have been issued in favour of third parties.

16.2 Commitments in respect of

- (i) Letters of credit and purchase orders for capital expenditure aggregating Rs 94.13 million (2024: Rs 41.24 million).
- (ii) Letters of credit and purchase orders for other than capital expenditure aggregating Rs 7,016.52 million (2024: Rs 2,145.50 million).
- (iii) The future aggregate payments under Ijarah arrangements are as follows:

Rupees in thousand	Note	2025	2024
Not later than 1 year		537,745	129,507
Later than 1 year and not later than 5 years		636,288	258,017
		1,174,033	387,524
17. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	17.1	6,224,589	7,463,718
Major stores and spares	17.2	48,935	115,815
		6,273,524	7,579,533

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2025

Rupees in thousand		2024				
Particulars of assets	Sold to	Cost	Net book value	Sale price	Gain /(loss) on sale	Mode of disposal
Vehicles	Employees					
	Rana Usman Abid	4,808	3,141	3,560	419	As per Company policy
	Muhammad Mumtaz Ahmed	4,808	3,141	3,560	419	-do-
	Farrukh Navid UI Hassan	4,806	3,140	3,560	420	-do-
	Mujahid Yasin	4,790	3,130	3,478	348	-do-
	Mirza Mahtab Baig	4,790	3,130	3,478	348	-do-
	Farhan Saleem	4,790	3,130	3,478	348	-do-
	Muhammad Arshad Javed	4,780	3,123	3,478	355	-do-
	Ghafoor Ahmad Qaiser	4,780	3,123	3,478	355	-do-
	Muhammad Rafi	4,782	3,124	3,478	354	-do-
	Mawiz Akhtar	4,782	3,124	3,478	354	-do-
	Muhammad Aamer	4,782	3,124	3,478	354	-do-
	Muhammad Nauman Ali	4,796	3,133	3,478	345	-do-
	Jamshaid Tahir	4,782	3,124	3,478	354	-do-
	Muhammad Javaid	4,705	3,074	3,386	312	-do-
	Nadeem Iqbal	4,705	3,074	3,386	312	-do-
	Muhammad Arshad	4,697	3,069	3,386	317	-do-
	Javed Iqbal	4,639	3,031	3,386	355	-do-
	Muhammad Mehboob	4,699	3,070	3,386	316	-do-
	Syed Mujahid Ali Shah	4,713	3,079	3,386	307	-do-
	Altaf Hussain	4,699	3,070	3,386	316	-do-
	Ammarah Hafeez	4,699	3,070	3,386	316	-do-
	Muhammad Idrees	4,699	3,070	3,386	316	-do-
	Bushra Waseem	4,675	3,054	3,288	234	-do-
	Farhat Yasmeen	4,675	3,054	3,288	234	-do-
	Majid Rashid	4,675	3,054	3,288	234	-do-
	Muhammad Shahid	4,609	3,012	3,288	276	-do-
	Muhammad Shahbaz Hassan	4,613	3,014	3,288	274	-do-
	Syed Arif Ali Shah	4,675	3,054	3,288	234	-do-
	Waseem Akhter	4,675	3,054	3,288	234	-do-
	Ayaz Liaquat	4,675	3,054	3,288	234	-do-
	Asia Saif Ali Rizvi	4,669	3,050	3,288	238	-do-
	Sh.Wajid Subhani	4,604	3,008	3,288	280	-do-
	Shahid Latif	4,669	3,050	3,288	238	-do-
	Abdul Quddos Abbasi	4,669	3,050	3,288	238	-do-
	Zulfiqar Ali	4,669	3,050	3,288	238	-do-
	Muhammad Nauman	4,670	3,051	3,288	237	-do-
	Muhammad Imran	4,669	3,050	3,288	238	-do-
	Muhammad Khalid	4,666	3,049	3,288	239	-do-
	Javed Iqbal Khan	4,666	3,048	3,288	240	-do-
	Riaz Ahmad	4,666	3,049	3,288	239	-do-
	Muhammad Aslam Khan	4,670	3,051	3,288	237	-do-
	M.Zaman Khan Abdali	4,666	3,049	3,288	239	-do-
	Muhammad Muneeb UI Hassan	4,669	3,050	3,288	238	-do-
	Syed Awais Ahmed Shah	2,012	673	842	169	-do-
	Muhammad Fahad	2,011	673	842	169	-do-
	Ahmad Butt	1,872	626	702	76	-do-
	Muhammad Aleem	2,011	673	842	169	-do-
	Imran Naseem	2,363	856	1,065	209	-do-
	Shakeel Ahmad	2,776	1,122	1,176	54	-do-
	Muhammad Sattar Anjum	2,986	1,691	1,770	79	-do-
	Zeeshan Ashraf	2,980	1,687	1,770	83	-do-
	Khurram Manzoor	2,980	1,687	1,770	83	-do-
	Subah Sadiq	2,980	1,687	1,770	83	-do-
	Rizwan Haider	2,980	1,687	1,770	83	-do-
	Sami Ullah Athar	2,982	1,689	1,770	81	-do-
	Nawazish Ali	2,982	1,689	1,770	81	-do-

Rupees in thousand		2024				
Particulars of assets	Sold to	Cost	Net book value	Sale price	Gain /(loss) on sale	Mode of disposal
Vehicles	Employees					
	Ahsan Saleem	2,982	1,689	1,770	81	As per Company policy
	Imtiaz Hussain Khan	2,982	1,689	1,770	81	-do-
	Muhammad Zubair Maqbool	2,982	1,689	1,770	81	-do-
	Muhammad Kashif Shahzad	2,986	1,691	1,770	79	-do-
	Sajid Hameed	2,986	1,691	1,770	79	-do-
	Hafiz M. Sajid Naseem	2,910	1,743	1,871	128	-do-
	Amna Farrukh	3,332	2,177	2,324	147	-do-
	Mubashar Ahmed	3,332	2,177	2,324	147	-do-
	Naseem Maqsood	3,332	2,177	2,324	147	-do-
	Muhammad Amjad	3,332	2,177	2,324	147	-do-
	Ejaz Ahmad	3,332	2,177	2,324	147	-do-
	Muhammad Faisal Ijaz	3,332	2,177	2,324	147	-do-
	Chaudry Usman Liaquat	3,332	2,177	2,324	147	-do-
	Azeem Sattar	3,332	2,177	2,324	147	-do-
	Salman Gul	3,332	2,177	2,324	147	-do-
	Kashif Mushtaq	3,306	2,160	2,324	164	-do-
	Nadeem Bashir	3,306	2,160	2,324	164	-do-
	Waqar Ahmad Khan	3,309	2,162	2,324	162	-do-
	Amna Riyaset	3,308	2,161	2,324	163	-do-
	Sadaf Saqib	3,309	2,162	2,324	162	-do-
	Imran Khan	3,309	2,162	2,324	162	-do-
	Shamas Din	3,309	2,162	2,324	162	-do-
	Muhammad Afzal	3,308	2,161	2,324	163	-do-
	Khurram Shamim	3,462	2,356	2,638	282	-do-
	Muhammad Ijaz Anjum	4,825	3,809	3,737	(72)	-do-
	Nisar Abbas	1,899	635	772	137	-do-
	Awais Akbar	1,901	636	772	136	-do-
	Rana Ali Ahmad	1,905	637	772	135	-do-
	Saad Bin Khalid	1,899	635	772	137	-do-
	Waqas Riaz	1,905	637	772	135	-do-
	Mian Jamshaid Ali	1,905	637	772	135	-do-
	Zeshan Haider	1,899	635	772	137	-do-
	Muhammad Javed	1,899	635	772	137	-do-
	Muhammad Amer Khan	1,907	638	772	134	-do-
	Muhammad Sagheer Imran	1,899	635	772	137	-do-
	Maqbool Ahmad	2,157	782	1,003	221	-do-
	Sher Dil Khan	2,185	792	1,003	211	-do-
	Muhammad Tanveer	2,183	791	1,003	212	-do-
	Tariq Mehmood	2,516	1,096	1,210	114	-do-
	Naveed Ahmad	2,517	1,096	1,210	114	-do-
	Rizwan Majeed	2,503	1,090	1,210	120	-do-
	Rizwan Ahmad Jamil	2,505	1,091	1,210	119	-do-
	Muhammad Ajmel Ali	2,503	1,090	1,210	120	-do-
	Syed Hasham Ali	2,505	1,091	1,210	119	-do-
	Momina Raza	2,521	1,098	1,210	112	-do-
	Mohsin Kalim	2,516	1,096	1,210	114	-do-
	Asad Ullah Toor	2,521	1,098	1,210	112	-do-
	Sufian Mukhtar	2,514	1,095	1,210	115	-do-
	Ayesha Azeem	2,462	1,072	1,210	138	-do-
	Muhammad Munir Malik	2,500	1,111	1,230	119	-do-
	Tuba Kareem	2,799	1,585	1,561	(24)	-do-
	Muhammad Ansar Qadri	2,848	1,612	1,561	(51)	-do-
	Tariq Gulzar	2,844	1,610	1,561	(49)	-do-
	Mustafa Saeed	2,841	1,609	1,561	(48)	-do-
	Aurang Zeb Khan	2,841	1,609	1,561	(48)	-do-
	Sarmad Afzaal	2,844	1,610	1,561	(49)	-do-

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Rupees in thousand		2024				
Particulars of assets	Sold to	Cost	Net book value	Sale price	Gain /(loss) on sale	Mode of disposal
Vehicles	Employees					
	Arif Hussain	2,844	1,610	1,561	(49)	As per Company policy
	Obbaid Ali	2,841	1,609	1,561	(48)	-do-
	Muhammad Faheem	2,841	1,609	1,561	(48)	-do-
	Qasim Naseer	2,844	1,610	1,561	(49)	-do-
	Muhammad Umar Ghauri	2,844	1,610	1,561	(49)	-do-
	Muzammil Mehmood	2,841	1,609	1,561	(48)	-do-
	Atif Khan	2,841	1,609	1,561	(48)	-do-
	Qazi Samie Saeed	2,841	1,609	1,561	(48)	-do-
	Nadeem Asghar	2,841	1,609	1,561	(48)	-do-
	Uzair Ahmed	2,844	1,610	1,561	(49)	-do-
	Umar Maqsood	2,715	1,567	1,590	23	-do-
	Muhammad Tahir Arif	3,047	1,991	1,999	8	-do-
	Asim Shafi	3,047	1,991	1,999	8	-do-
	Muhammad Nawaz Farooqi	3,047	1,991	1,999	8	-do-
	Muhammad Nawaz	3,047	1,991	1,999	8	-do-
	Usman Ali	3,047	1,991	1,999	8	-do-
	Wajid Ali	3,047	1,991	1,999	8	-do-
	Hamza Farooq	3,046	1,990	1,999	9	-do-
	Muhammad Saghir	3,023	1,975	1,999	24	-do-
	Zakir Mehmood	3,020	1,973	1,999	26	-do-
	Ghussan Ayoub Hashmi	2,988	1,952	1,999	47	-do-
	Ali Arslan	3,020	1,973	1,999	26	-do-
	Muhammad Israr	3,020	1,973	1,999	26	-do-
	Shahid Afzal	3,023	1,975	1,999	24	-do-
	Khalid Mahmood	3,023	1,975	1,999	24	-do-
	Arfan Faisal	3,020	1,973	1,999	26	-do-
	Mansoor Shafi	3,020	1,973	1,999	26	-do-
	Sohail Akhtar	3,020	1,973	1,999	26	-do-
	Muhammad Faheem Chishti	3,020	1,973	1,999	26	-do-
	Moazzam Waheed	3,033	1,981	1,999	18	-do-
	Muhammad Naveed Mazhar	3,034	1,982	1,999	17	-do-
	Muhammad Suhaib Bin Aziz	3,022	1,974	1,999	25	-do-
	Malik Muhammad Nawaz Sharif	3,020	1,973	1,999	26	-do-
	Hafiz Muhammad Sajid	3,019	1,972	1,999	27	-do-
	Muhammad Umair Aslam	3,023	1,975	1,999	24	-do-
	Muhammad Tahir Mahmood	3,023	1,975	1,999	24	-do-
	Waseem Shahid	3,033	1,981	1,999	18	-do-
	Hamza Khan	3,020	1,973	1,999	26	-do-
	Hira Jamshed	3,023	1,975	1,999	24	-do-
	Arif Hussain Awan	3,022	1,974	1,999	25	-do-
	Naeem Akhtar	3,020	1,973	1,999	26	-do-
	Muhammad Azhar Khan	3,020	1,973	1,999	26	-do-
	Ali Raza	3,023	1,975	1,999	24	-do-
	Muhammad Ahsin Naeem	2,984	1,950	1,999	49	-do-
	Qazi Umair	3,306	2,430	2,830	400	-do-
	Muhammad Rizwan Khan	4,336	3,482	3,761	279	-do-

Rupees in thousand		2024					
Particulars of assets	Sold to	Cost	Net book value	Sale price	Gain /(loss) on sale	Mode of disposal	
Vehicles	Employees						
	- Key management personnel						
	Rana Basharat (Ex-employee)	5,656	4,375	4,696	321	As per Company policy	
	Amir Nazir (Ex-employee)	5,731	3,757	4,048	291	-do-	
	Maqsood Ur Rehman	5,669	3,642	3,911	269	-do-	
	Maqsood Ur Rehman	5,632	4,139	4,491	352	-do-	
	Muhammad Ashraf	5,659	3,636	3,911	275	-do-	
	Muhammad Ashraf	5,632	4,139	4,491	352	-do-	
	Iqbal Ahmad	5,659	3,636	3,911	275	-do-	
	Asif Mahmood	5,659	3,636	3,911	275	-do-	
	Muhammad Nauman	4,788	3,128	3,478	350	-do-	
	Muhammad Naeem	4,782	3,124	3,478	354	-do-	
	Aneel Anwar	4,782	3,124	3,478	354	-do-	
	Muhammad Akmal Dar	5,659	3,636	3,911	275	-do-	
	Sohail Qaisar	5,664	3,639	3,911	272	-do-	
	Rizwan Shafique	8,370	7,115	8,624	1,509	-do-	
	Hamood Ur Rahman Qaddafi	5,659	3,636	3,886	250	-do-	
	Imran Farooq	5,722	3,676	3,886	210	-do-	
	Muhammad Ali	5,721	3,676	3,886	210	-do-	
	Muhammad Ajmal	5,661	3,637	3,886	249	-do-	
	Syed Waseem Hasan	5,659	3,636	3,886	250	-do-	
	Imran Haider Rathore	5,627	3,676	4,081	405	-do-	
		Outsiders					
		Honda Falcon (Pvt) Ltd	8,341	8,338	10,298	1,960	Sale of car
	Others	Various	1,667	256	69	(187)	Various
		713,627	448,692	480,035	31,343		

Rupees in thousand		2025	2024
17.2 Major stores and spares			
Balance at the beginning of the year		115,815	97,015
Additions during the year		1,141	18,800
Transfers to stores and spares		(32,589)	-
Issuance during the year		(35,432)	-
Balance at the end of the year		48,935	115,815

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18. INTANGIBLE ASSETS

Rupees in thousand		2025					
	Cost as at April 01, 2024	Additions	Cost as at March 31, 2025	Accumulated amortisation as at April 01, 2024	Amortisation charge for the year	Accumulated amortisation as at March 31, 2025	Book value as at March 31, 2025
License fees and drawings	1,306,646	11,463	1,318,109	574,619	180,822	755,441	562,668
Computer softwares	218,931	20,596	239,527	69,478	45,110	114,588	124,939
Total	1,525,577	32,059	1,557,636	644,097	225,932	870,029	687,607

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

Rupees in thousand		Note	2025	2024
18.1	The amortisation charge has been allocated as follows:			
	Cost of sales	29	180,822	189,076
	Administrative expenses	31	45,110	41,469
			225,932	230,545

19. CAPITAL WORK-IN-PROGRESS

Plant and machinery	19.1.1	474,127	17,850	
Intangible assets under development		7,063	1,923	
Others		-	3,112	
		481,190	22,885	

19.1

The reconciliation of the carrying amount is as follows:

Opening balance		22,885	7,015	
Additions during the year		661,027	232,745	
		683,912	239,760	
Transfers during the year		(202,722)	(216,875)	
Closing balance		481,190	22,885	

19.1.1

This includes rear drum brakes having book value of Rs Nil (2024: Rs 2.45 million) which are in possession of the holding company for testing purposes.

Rupees in thousand		Note	2025	2024
20. LONG TERM TRADE DEBTS				
Considered good			4,506,838	1,763,096
Unwinding of discount on long term trade debts	32		490,154	223,201
			4,996,992	1,986,297
Current portion shown under current assets	24		(3,358,465)	(1,210,023)
			1,638,527	776,274

20.1

These represent interest free receivables in respect of vehicles sold on monthly instalments in accordance with the Company's policy and are recoverable within a period of 1.5 to 5 years. Included in these receivables is an amount aggregating to Rs 194.78 million (2024: Rs 260.02 million) which is due from employees of related parties (on the basis of common directorship). Long term trade debts have been carried at amortised cost by discounting future cash flows ranging from 11.50% to 23.99% per annum (2024: 11.50% to 23.99% per annum).

Rupees in thousand		Note	2025	2024
21. LONG TERM LOANS TO EMPLOYEES				
Loans to employees - considered good				
- Key management personnel	21.2		20,992	28,234
- Others			404,159	514,902
			425,151	543,136
Discounting of long term loans			(161,318)	(211,497)
Unwinding of discount on long term loans to employees	32		73,115	73,403
			336,948	405,042
Current portion shown under current assets				
- Key management personnel			(7,277)	(10,523)
- Others			(113,817)	(175,731)
	25		(121,094)	(186,254)
			215,854	218,788

21.1

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

Staff welfare loans carry interest at the rate which ranges from 13.00% to 22.00% per annum (2024: 22.00% per annum) and are recoverable within a period of 7 years commencing from the date of disbursement through monthly deductions from salaries.

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

Car loans are interest free and are recoverable within a maximum period of 3 to 6 years commencing from the date of disbursement through monthly deductions from salaries.

House rent loans are interest free and are recoverable within a period of 3 years from the date of disbursement through monthly deduction from salaries.

Loans other than staff welfare loans, which are interest free have been carried at amortised cost by discounting future cash flows at the market rate prevailing on the date of disbursement of loan which ranges from 6.78% to 21.87% per annum (2024: 6.10% to 21.87% per annum).

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

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For the year ended March 31, 2025

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

Rupees in thousand	2025	2024
Opening balance	28,234	44,631
Disbursements during the year	9,476	4,638
Receipts during the year	(16,718)	(21,035)
Closing balance	20,992	28,234

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

The maximum amount of loan outstanding from the key management personnel at the end of any month during the year was Rs 32.06 million (2024: Rs 39.70 million).

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

22. STORES AND SPARES

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

Spares amounting to Rs 0.01 million (2024: Rs 0.01 million) are in the possession of various vendors which relate to the dies and moulds.

Rupees in thousand	Note	2025	2024
23. STOCK-IN-TRADE			
Raw materials [including in transit Rs 4,683.73 million (2024: Rs 5,478.92 million)]	23.1 & 23.3	11,884,071	14,557,958
Work-in-process		958,490	1,201,106
Finished goods			
- Own manufactured	23.2	1,307,151	3,805,878
- Trading stock [including in transit Rs 204.64 million (2024: Rs 100.28 million)]	23.4	862,461	903,832
		15,012,173	20,468,774

23.1 Raw materials amounting to Rs 260.14 million (2024: Rs 416.60 million) are in the possession of various vendors of the Company for further processing into parts to be supplied to the Company.

23.2 Own manufactured finished goods amounting to Rs 1,160.06 million (2024: Rs 1,138.00 million) are in the possession of various dealers as consignment stock for display at dealerships.

23.3 This represents the net amount of raw material after recording write offs amounting to Rs 28.46 million (2024: Rs 65.34 million).

23.4 This represents the net amount of spare parts after recording write offs amounting to Nil (2024: Rs 18.99 million).

Rupees in thousand	Note	2025	2024
24. TRADE DEBTS			
Considered good			
- Current portion of long term trade debts	20	3,358,465	1,210,023
- Others	24.1 & 24.2	4,226,645	7,313,179
		7,585,110	8,523,202
Considered doubtful			
Loss allowance		16,142	16,142
		(16,142)	(16,142)
		-	-
		7,585,110	8,523,202

24.1 This includes balance receivable from Honda R&D Asia Pacific Co. Ltd, a related party, amounting to Rs. 7.33 million (2024: Nil) in respect of export sales.

24.2 This includes balance receivable from Honda Trading Asia Co. Limited, a related party, amounting to Rs 0.50 million (2024: Rs 0.36 million).

The maximum amount receivable from the related parties at the end of any month during the year was Rs 7.83 million (2024: Rs 0.36 million).

Rupees in thousand	2025	2024
The aging analysis of trade debts due from related parties that are past due and not impaired is as follows:		
Neither past due nor impaired	7,335	-
Past due but not impaired:		
Up to 90 days	499	355
90 to 180 days	-	-
Greater than 180 days	-	-
	499	355
	7,834	355

The aging analysis of trade debts due from other than related parties that are past due and not impaired is as follows:		
Neither past due nor impaired	4,155,966	7,289,758
Past due but not impaired:		
Up to 90 days	-	-
90 to 180 days	-	-
Greater than 180 days	62,845	23,066
	62,845	23,066
	4,218,811	7,312,824

Notes to and Forming Part of the Financial Statements

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	Rupees in thousand	Note	2025	2024
25.	LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
	Current portion of loans to employees	21	121,094	186,254
	Advances to suppliers and contractors - considered good	25.1	1,475,278	1,776,576
	Due from related parties	25.2	57,425	24,463
	Recoverable from government authorities:			
	- Sales tax		937,464	-
	- Custom duty		39,152	39,152
			976,616	39,152
	Prepayments	25.3	345,100	326,755
	Margin held against imports		4,819	11,353
	Profit receivable on bank deposits		15,996	6,029
	Other receivables	25.4	62,866	440,174
			3,059,194	2,810,756

25.1 This includes interest bearing advances to suppliers and contractors aggregating to Rs 545.80 million (2024: Rs 872.52 million). Such advances carry markup at the rate of 3 months KIBOR plus 1.25%. Markup rate charged during the year on the outstanding balances ranged from 13.39% to 23.24% (2024: 22.50% to 25.25%) per annum.

	Rupees in thousand	Note	2025	2024
25.2	Due from related parties			
	Holding company			
	Honda Motor Co., Ltd., Japan		13,808	1,823
	Other related parties			
	Honda Automobile (Thailand) Co., Ltd.		41,750	19,343
	PT Honda Prospect Motor Indonesia		735	123
	PT Honda Precision Parts Mfg.		923	982
	Honda Trading Asia		209	2,192
		25.2.1	57,425	24,463

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

25.2.2 The maximum aggregate amount due from these related parties at the end of any month during the year was Rs 126 million (2024: Rs 234 million).

	Rupees in thousand	2025	2024
	The aging analysis of due from related parties that are past due and not impaired is as follows:		
	Neither past due nor impaired	57,425	24,463
		57,425	24,463
25.3	This includes the following related parties:		
	Holding company		
	Honda Motor Co. Ltd Japan	-	768
	Other related parties		
	Asian Honda Motor Co. Ltd., Thailand	5,510	5,677
	Atlas Insurance Limited	259,038	245,823
		264,548	252,268

25.4 Other receivables include an amount of Rs 1.68 million (2024: Rs 1.77 million) due from Atlas Insurance Limited, a related party. It is in the normal course of business and is interest free. The maximum aggregate amount due from the related party at the end of any month during the year was Rs 1.99 million (2024: Rs 1.77 million). It is neither past due nor impaired.

26. This represents investment in Government Treasury Bills which bear markup ranging from 11.55% to 11.82% (2024: 17.76% to 22.25%) per annum.

	Rupees in thousand	Note	2025	2024
27.	CASH AND BANK BALANCES			
	At banks on:			
	- Current accounts		26,167	19,150
	- Deposit accounts	27.1 & 27.2	648,137	1,159,599
			674,304	1,178,749
	Cash in hand		14,449	11,055
			688,753	1,189,804

27.1 Balances in deposit accounts bear mark up which ranges from 5.50% to 22.00% (2024: 8.25% to 22.00%) per annum.

27.2 This includes an amount of Rs 264.49 million (2024: Rs 226.94 million) in respect of security deposits received from dealers and contractors which are repayable on demand and cannot be utilised for the purpose of business in accordance with the terms of written agreements with these parties. These have been kept in a separate bank account in accordance with the requirements of section 217 of the Companies Act, 2017.

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	Rupees in thousand	Note	2025	2024
28. REVENUE FROM CONTRACTS WITH CUSTOMERS				
Sales - own manufactured goods	28.2, 28.3 & 28.5		95,642,821	67,477,282
Sales tax			(16,931,875)	(12,357,732)
Federal excise duty			(2,831,892)	(2,133,174)
Capital value tax			(476,978)	(342,332)
Commission to dealers			(1,235,292)	(974,081)
Discount to customers	28.4		(4,279)	(320,253)
			74,162,505	51,349,710
Sales - trading goods	28.5		4,710,862	4,484,047
Sales tax			(807,708)	(762,234)
Commission to dealers			-	(200)
			3,903,154	3,721,613
			78,065,659	55,071,323
28.1 Information by geographical area				
Pakistan			77,871,668	55,058,651
Thailand			9,664	12,672
Japan			184,327	-
			78,065,659	55,071,323
28.2	Contract liabilities as at the beginning of the year, aggregating to Rs 1.16 billion (2024: Rs 10.86 billion), have been recognized as sales upon dispatch of vehicles against such advances.			
28.3	This includes amortization of deferred revenue amounting to Rs 7.98 million (2024: Rs 2.50 million) that has been recognised in respect of deferred revenue outstanding as at the beginning of the year.			
28.4	This represents discount to customers as explained in note 15.5 to these financial statements.			
28.5	Sales for the year include export sales of own manufactured goods and trading goods amounting to Rs 191.66 million and 2.33 million respectively (2024: Nil and Rs 12.67 million).			

	Rupees in thousand	Note	2025	2024
29. COST OF SALES				
Raw material consumed			58,984,695	44,736,718
Stores and spares consumed			243,413	187,078
Salaries, wages and benefits	29.1		2,014,785	1,744,635
Fuel and power			333,001	286,557
Insurance			230,563	221,392
Travelling and vehicle running			301,322	267,970
Freight and handling			272,572	306,161
Repairs and maintenance			123,701	75,521
Technical assistance			33,962	25,268
Depreciation on property, plant and equipment	17.1.4		1,285,596	1,402,211
Amortisation on intangible assets	18.1		180,822	189,076
Royalty	29.2		1,743,789	1,211,137
Canteen subsidy			77,331	58,463
Rent, rate and taxes	29.3		280,133	2,331
Other expenses			19,393	11,196
			66,125,078	50,725,714
Opening stock of work-in-process			1,201,106	94,018
Closing stock of work-in-process			(958,490)	(1,201,106)
			242,616	(1,107,088)
Cost of goods manufactured			66,367,694	49,618,626
Own work capitalized			-	(16,823)
Cost of damaged cars			-	(3,360)
			66,367,694	49,598,443
Opening stock of finished goods			3,805,878	2,303,304
Closing stock of finished goods			(1,307,151)	(3,805,878)
			2,498,727	(1,502,574)
Cost of sales - Own manufactured goods			68,866,421	48,095,869
Cost of sales - Trading goods			2,535,279	2,467,360
			71,401,700	50,563,229
29.1	Salaries, wages and benefits include following amounts in respect of gratuity:			
Current service cost			61,922	56,698
Net interest on defined benefit obligation			7,447	14,703
			69,369	71,401
In addition to above, salaries, wages and benefits include Rs 72.53 million (2024: Rs 65.04 million) on account of provident fund contributions.				

Notes to and Forming Part of the Financial Statements

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

Company name	Address	Relationship with the Company	2025 Rupees in thousand	2024
Honda Motor Co., Ltd., Japan	1-1, Minami-Aoyama, 2-Chome, Minato-ku,Tokyo,107-8556, Japan	Holding company	1,475,827	1,029,642
Honda Lock Mfg. Co., Japan	3700, Shimonaka Sadowara-Cho Miyazaki City Miyazaki Pref, 880-0293 Japan	Group company	4,229	1,944
Yutaka Giken Co., Ltd.	508-1, Yutaka-cho, Higashi-ku Hamamatsu-Shi SZK 431-3194, Japan	Group company	12,868	7,714
Toyo Denso Co., Ltd.	2-104, Shinbashi, Minato-ku Tokyo, Japan	None	191	92
Yamada Manufacturing Co., Ltd.	1-2757, Hirosawa-cho, Kiryu-shi Gumma Pref, 379-8585, Japan	None	636	251
Hitachi Astemo, Ltd.	1-14-1, Fujiwara-cho, Gyoda, Saitama 361-8506, Japan	None	2,237	1,327
Sankei Giken Kogyo Co., Ltd.	2-5-1, Akabane-Minami, Kita-ku, Tokyo 115-8555, Japan	None	5,953	3,090
Kotobukiya Co., Ltd.	Kotobukiya Bldg., 4-5, Midori-cho, Tachikawa-shi, Tokyo 190-8542, Japan	None	-	24
Adient GK Co., Ltd.	1-2-7, Sachiura Kanazawa-ku, Yokohoma, Kanagawa 236-0003, Japan	None	1,482	-
			1,503,423	1,044,084

29.3 Includes expense in respect of short term leases as per IFRS 16 of Rs 1.88 million (2024: Rs 2.33 million).

Rupees in thousand	Note	2025	2024
30. DISTRIBUTION AND MARKETING COSTS			
Salaries, wages and benefits	30.1	366,852	327,058
Fuel and power		11,263	9,935
Insurance		18,893	25,691
Travelling and vehicle running		60,024	55,137
Freight and handling		25,105	29,099
Repairs and maintenance		13,528	4,319
Printing and stationery		7,692	7,195
Warranty costs - net of claims		4,637	598
Advertising and sales promotion		423,837	291,064
Depreciation on property, plant and equipment	17.1.4	15,490	34,557
Training expenses		5,704	4,828
Canteen subsidy		16,892	13,566
Free service claims		3,484	2,498
Rent, rates and taxes	30.2	124,226	31,368
Fees and subscriptions		21,537	68,410
Others		12,479	9,560
		1,131,643	914,883

Rupees in thousand		2025	2024
30.1 Salaries, wages and benefits include following amounts in respect of gratuity:			
Current service cost		9,201	8,724
Net interest on defined benefit obligation		1,107	2,262
		10,308	10,986
In addition to above, salaries, wages and benefits include Rs 13.69 million (2024: Rs 12.43 million) on account of provident fund contributions.			
30.2 Includes expense in respect of short term leases as per IFRS 16 of Rs 32.31 million (2024: Rs 31.37 million).			
Rupees in thousand	Note	2025	2024
31. ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	31.1 & 31.2	895,306	765,769
Fuel and power		21,305	22,090
Insurance		31,600	38,810
Travelling and vehicle running		175,411	151,903
Repairs and maintenance		65,569	75,242
Printing and stationery		10,764	9,299
Communications		37,175	32,164
Postage		1,920	1,033
Auditors' remuneration	31.3	19,910	13,992
Legal and professional charges		32,040	27,543
Depreciation on property, plant and equipment	17.1.4	82,272	112,595
Amortisation on intangible assets	18.1	45,110	41,469
Rent, rate and taxes	31.4	192,798	7,131
Fees and subscriptions		162,916	120,115
Canteen subsidy		26,827	21,765
Entertainment		23,783	13,405
Training expenses		33,697	10,595
Others		30,955	15,032
		1,889,358	1,479,952
31.1 Salaries, wages and benefits include following amounts in respect of gratuity:			
Current service cost		17,706	15,682
Net interest on defined benefit obligation		2,130	4,067
		19,836	19,749
In addition to above, salaries, wages and benefits include Rs 25.10 million (2024: Rs 21.04 million) on account of provident fund contributions.			
31.2 It also includes expense in respect of advisory fee of a non-executive Director aggregating Rs 53.51 million (2024: 47.15 million).			

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2025

31.3 Auditors’ remuneration

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

Rupees in thousand	2025	2024
Statutory audit	3,960	3,300
Half yearly review	1,200	1,000
Taxation services	6,075	4,692
Certifications and audits required by various regulations	4,079	1,930
Assistance in relation to statutory documentation	3,129	2,719
Out of pocket expenses	1,467	351
	19,910	13,992

31.4 Includes expense in respect of short term leases as per IFRS 16 of Rs 2.86 million (2024: Rs 7.13 million).

Rupees in thousand	Note	2025	2024
32. OTHER INCOME			
Profit on bank deposits		113,727	426,560
Interest on loans to employees		4,149	6,947
Unwinding of discount on long term trade debts	20	490,154	223,201
Unwinding of discount on long term loans to employees	21	73,115	73,403
Fair value gain on financial assets at fair value through profit or loss:			
- Realised		11,917	1,096,367
- Unrealised		61,680	-
		73,597	1,096,367
Net gain on disposal of property, plant and equipment		23,578	31,343
Markup on advances to suppliers		97,150	148,668
Exchange gain - net		-	213,685
Freight income - net		34,144	-
Ijarah car rental recovery from employees		44,550	-
Others		34,570	31,941
		988,734	2,252,115

33. OTHER EXPENSES

Default surcharge on sales tax on royalty		43,351	135,288
Workers’ Profit Participation Fund	15.1	174,833	148,990
Workers’ Welfare Fund	15.9	47,043	78,066
Exchange loss - net		47,679	-
Freight loss - net		-	29,941
Donations	33.1	2,200	1,350
		315,106	393,635

33.1 The Company made a donation of Rs 2.20 million (2024: Rs 1.35 million) to Aligarh Public School & College (Manga) and Moawin Foundation for the purposes of student scholarship and construction of classrooms respectively. No directors or their spouses had any interest in the donee during the year.

Rupees in thousand	Note	2025	2024
34. FINANCE COST			
Interest/mark up on:			
- Workers’ Profit Participation Fund		1,972	101
- Short term borrowings - secured		254,877	718,652
- Long term finances - secured		56,419	64,194
Discounting of long term trade debts		675,631	400,257
Bank and other markup charges		52,914	35,792
		1,041,813	1,218,996
35. LEVY AND TAXATION			
Levy	35.1	-	127
Taxation	35.2	565,632	418,721
		565,632	418,848
35.1 This represents final tax paid under sections 154 of the Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37 (as fully explained in note 2.3).			
Rupees in thousand	Note	2025	2024
35.2 Taxation			
Current			
- For the year	35.2.1	714,119	381,658
- Prior years (income) / charge		(7,375)	118,333
		706,744	499,991
Deferred	11	(141,112)	(81,270)
		565,632	418,721
35.2.1 During the year, the Company has adjusted brought forward minimum tax credits under section 113 of the Income Tax Ordinance, 2001 amounting to Rs 785.44 million (2024: Rs 1,125.11 million) against it’s current tax liability for the year.			
Percentage		2025	2024
35.3 Tax charge reconciliation			
Numerical reconciliation between the average effective tax rate and the applicable tax rate			
Applicable tax rate as per Income Tax Ordinance, 2001		29.00	29.00
Tax effect of:			
- prior year (income) / charge		(0.23)	4.30
- current year super tax		11.74	13.86
- permanent differences		0.77	0.08
- effect of change in tax rate for future periods		-	3.59
- deferred tax asset not recognised		-	1.09
- impact of capital gain u/s 37A and final tax regime		-	3.59
- minimum tax adjusted		(23.98)	(40.87)
- others		(0.03)	0.57
		(11.73)	(13.79)
Average effective tax rate charged to statement of profit or loss		17.27	15.21

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	Rupees in thousand	Note	2025	2024
36.	CASH GENERATED FROM / (UTILIZED IN) OPERATIONS			
	Profit before taxation		3,274,773	2,752,616
	Adjustments for:			
	Levy		-	127
	Depreciation on property, plant and equipment	17.1.4	1,383,358	1,549,363
	Net gain on disposal of property, plant and equipment	32	(23,578)	(31,343)
	Profit on bank deposits	32	(113,727)	(426,560)
	Markup on advances to suppliers	32	(97,150)	(148,668)
	Interest on loans to employees	32	(4,149)	(6,947)
	Net unwinding of long term loans to employees		(49,890)	(55,568)
	Net discounting of long term trade debts	32 & 34	185,477	400,257
	Finance cost		366,182	818,739
	Provision for employees' retirement benefits and other obligations		257,108	232,807
	Amortisation of long term deposits		-	687
	Amortisation of intangible assets	18.1	225,932	230,545
	Amortisation of deferred revenue		(7,978)	(2,497)
	Royalty	29	1,743,789	1,211,137
	Exchange loss / (gain) - net	32 & 33	47,679	(213,685)
	Working capital changes	36.1	9,918,213	(21,934,060)
			17,106,039	(15,623,050)
36.1	Working capital changes			
	Decrease / (increase) in current assets			
	- Stores and spares		(25,711)	25,042
	- Stock-in-trade		5,456,601	(7,866,700)
	- Trade debts		(109,638)	(8,274,388)
	- Loans, advances, deposits, prepayments and other receivables		(303,631)	13,614,473
			5,017,621	(2,501,573)
	Increase / (decrease) in current liabilities			
	- Trade and other payables and provisions		4,900,592	(19,432,487)
			9,918,213	(21,934,060)
37.	CASH AND CASH EQUIVALENTS			
	Cash and cash equivalents included in the statement of cash flows comprise of the following:			
	- Short term investments	26	4,942,359	-
	- Cash and bank balances	27	688,753	1,189,804
	- Short term borrowings	13	-	(5,515,661)
			5,631,112	(4,325,857)

38. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

Rupees in thousand	Chief Executive		Executive Director		Non Executive Directors		Executives	
	2025	2024	2025	2024	2025	2024	2025	2024
Short term employee benefits								
Managerial remuneration	2,663	2,137	1,960	1,115	-	-	556,766	379,195
House rent and utilities	1,461	6,694	1,075	4,937	-	-	305,451	208,342
Bonus	-	-	-	-	-	-	249,770	182,558
Reimbursement of medical expenses	102	433	175	604	-	-	15,822	10,808
Meeting fee - note 38.3	-	-	-	-	1,700	1,400	-	-
Advisory fee	-	-	-	-	53,513	47,148	-	-
Other allowances	45,915	34,832	33,786	19,743	-	-	142,248	102,491
Post employment benefits								
Contributions to Provident and Gratuity Funds	-	-	-	-	-	-	79,825	74,380
	50,141	44,096	36,996	26,399	55,213	48,548	1,349,882	957,774
Number of persons	1	1	2	1	4	4	214	155

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

38.2 Total number of directors of the Company (excluding Chief Executive) is 8 (2024: 8).

38.3 This represents remuneration for attending Board meetings as approved in Board of Directors meeting dated July 26, 2022.

39. EARNINGS PER SHARE (EPS)

39.1	Basic earnings per share			
			2025	2024
	Profit for the year	Rupees in thousand	2,709,141	2,333,895
	Weighted average number of ordinary shares	Number in thousand	142,800	142,800
	Basic EPS	Rupees	18.97	16.34

39.2 Diluted earnings per share

A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at March 31, 2025 and March 31, 2024 which would have any effect on the earnings per share if the option to convert is exercised.

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40. OPERATING SEGMENTS

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

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

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

(a) **Manufacturing**

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

(b) **Trading**

This segment relates to the trading of CBUs and parts.

Rupees in thousand	Manufacturing		Trading		Total	
	2025	2024	2025	2024	2025	2024
40.2 Segment information						
Segment revenue	74,162,505	51,349,710	3,903,154	3,721,613	78,065,659	55,071,323
Segment expenses						
- Cost of sales	(68,866,421)	(48,095,869)	(2,535,279)	(2,467,360)	(71,401,700)	(50,563,229)
Gross profit	5,296,084	3,253,841	1,367,875	1,254,253	6,663,959	4,508,094
Distribution and marketing costs					(1,131,643)	(914,883)
Administrative expenses					(1,889,358)	(1,479,952)
Other income					988,734	2,252,115
Other expenses					(315,106)	(393,635)
Finance cost					(1,041,813)	(1,218,996)
Profit before levy and taxation					3,274,773	2,752,743
Levy					-	(127)
Profit before taxation					3,274,773	2,752,616
Taxation					(565,632)	(418,721)
Profit for the year					2,709,141	2,333,895

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

41. FINANCIAL RISK MANAGEMENT

41.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's finance department under policies approved by the BOD. The Company's finance department evaluates and hedges financial risks based on principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity, provided by the BOD. All treasury related transactions are carried out within the parameters of these policies.

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

(a) **Market risk**

(i) **Currency risk**

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

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

In thousand	2025	2024
In USD		
Cash and bank balances	43	26
Trade debts	26	-
Advances and other receivables	18	4
Trade and other payables and provisions	(6,532)	(3,590)
Net exposure	(6,445)	(3,560)
In JPY		
Advances and other receivables	17,038	1,059
Trade and other payables and provisions	(296,404)	(53,424)
Net exposure	(279,366)	(52,365)
In THB		
Advances and other receivables	4,506	2,460
Trade and other payables and provisions	(19,088)	(19,285)
Net exposure	(14,582)	(16,825)

As at March 31, 2025, if the Rupee had weakened/strengthened by 5% against the USD with all other variables held constant, the impact on post tax profit for the year would have been Rs 55.06 million (2024: Rs 35.13 million) lower/higher, mainly as a result of exchange losses/gains on translation of USD denominated financial instruments.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2025

As at March 31, 2025, if the Rupee had weakened/strengthened by 5% against the JPY with all other variables held constant, the impact on post tax profit for the year would have been Rs 15.85 million (2024: Rs 3.42 million) lower/higher, mainly as a result of exchange losses/gains on translation of JPY denominated financial instruments.

As at March 31, 2025, if the Rupee had weakened/strengthened by 5% against the THB with all other variables held constant, the impact on post tax profit for the year would have been Rs 3.67 million (2024: Rs 4.56 million) lower/higher, mainly as a result of exchange losses/gains on translation of THB denominated financial instruments.

(ii) Other price risk

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

(iii) Interest rate risk

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

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

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

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

Rupees in thousand	Note	2025	2024
Fixed rate instruments:			
Financial assets			
Long term loans to employees		21,806	27,211
Short term investments - treasury bills	26	4,942,359	-
Bank balances - deposit accounts	27	648,137	1,159,599
		5,612,302	1,186,810
Financial liabilities			
Long term finances - secured	8	(2,635,098)	(2,981,772)
Net exposure		2,977,204	(1,794,962)

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

As at March 31, 2025, if interest rates on floating rate borrowings had been 1% higher / lower with all other variables held constant, profit before taxation for the year would have been Nil (2024: Rs 55.156 million) lower/ higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

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

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

(i) Exposure to credit risk

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

Rupees in thousand	Note	2025	2024
Long term loans to employees	21	215,854	218,788
Long term deposits		74,397	52,805
Long term trade debts	20	1,638,527	776,274
Trade debts	24	7,585,110	8,523,202
Loans, advances and other receivables		262,200	668,273
Balances with banks	27	674,304	1,178,749
		10,450,392	11,418,091

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

(ii) Impairment of financial assets

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

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

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

The expected loss rates are based on the payment profiles of sales over a period of 24 months before March 31, 2025 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the trade debts. The Company has identified the Gross Domestic Product and the Consumer Price Index of Pakistan i.e. where it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Security deposits pledged by the dealers to Company have been regarded as collateral against trade receivables. These security deposits are in liquid form.

On that basis, the loss allowance as at March 31, 2025 was determined to be immaterial and hence has not been accounted for.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2025

(iii) Credit quality of financial assets

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

	Rating		Rating Agency	2025	2024
	Short term	Long term		Rupees in thousand	
Banks					
Treasury bills	Not available			4,942,359	-
Citibank N.A.	P-1	AA3	Moody's	1,672	-
Deutsche Bank A.G.	P-1	A1	Moody's	1,166	167
Faysal Bank Limited	A-1+	AA	PACRA	7,134	2,871
Habib Bank Limited	A-1+	AAA	VIS	191,916	373,970
Bank Islami	A-1	AA-	PACRA	2,027	41
Habib Metropolitan Bank	A-1+	AA+	PACRA	2,813	3
MCB Bank Limited	A-1+	AAA	PACRA	38,152	20,399
National Bank of Pakistan	A-1+	AAA	PACRA	715	715
Meezan Bank Limited	A-1+	AAA	VIS	3,002	37
Bank Alfalah	A-1+	AA+	PACRA	628	3,630
Allied Bank Limited	A-1+	AAA	PACRA	1,644	-
Standard Chartered Bank (Pakistan) Limited	A-1+	AAA	PACRA	48,888	572,764
Soneri Bank Limited	A-1+	AA-	PACRA	369,773	197,824
United Bank Limited	A-1+	AAA	VIS	4,774	6,328
				5,616,663	1,178,749

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

(c) Liquidity risk

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

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the Company’s businesses, the Company’s finance department maintains flexibility in funding by maintaining availability under committed credit lines. At March 31, 2025, the Company had Rs 27,500 million available borrowing limits from financial institutions under mark up arrangements and Rs 688.75 million in cash and bank balances.

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

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

Rupees in thousand	Less than one year	One to five years	More than five years	Total contractual cashflows	Carrying amount
At March 31, 2025					
Accrued markup	17,684	-	-	17,684	17,684
Unclaimed dividend	54,298	-	-	54,298	54,298
Trade and other payables and provisions	8,625,888	-	-	8,625,888	8,625,888
Long term finances	541,818	2,571,809	154,241	3,267,868	2,635,098
	9,239,688	2,571,809	154,241	11,965,738	11,332,968
At March 31, 2024					
Accrued markup	304,713	-	-	304,713	304,713
Unclaimed dividend	50,420	-	-	50,420	50,420
Trade and other payables and provisions	8,633,671	-	-	8,633,671	8,633,671
Long term finances	541,220	2,680,677	586,594	3,808,491	2,981,772
	9,530,024	2,680,677	586,594	12,797,295	11,970,576

41.2 Fair value estimation

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

The different levels for fair value estimation used by the Company have been explained as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the financial assets and liabilities that are measured at fair value at March 31, 2025:

Rupees in thousand	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
At fair value through profit or loss				
Short term investments	4,942,359	-	-	4,942,359
	4,942,359	-	-	4,942,359
Liabilities				
	-	-	-	-

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2025

The following table presents the financial assets and liabilities that are measured at fair value at March 31, 2024:

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

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

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. The Company has no such type of financial instruments as on March 31, 2025.

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

41.3 Financial instruments by categories

Rupees in thousand	At fair value through profit or loss	At amortised cost	Total
As at March 31, 2025			
Assets as per statement of financial position			
Long term loans to employees	-	215,854	215,854
Long term deposits	-	74,397	74,397
Long term trade debts	-	1,638,527	1,638,527
Trade debts	-	7,585,110	7,585,110
Loans, advances and other receivables	-	262,200	262,200
Short term investments	4,942,359	-	4,942,359
Cash and bank balances	-	688,753	688,753
	4,942,359	10,464,841	15,407,200

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

Rupees in thousand	Financial liabilities at amortized cost	
	2025	2024
Liabilities as per statement of financial position		
Accrued markup	17,684	304,713
Short term borrowings - secured	-	5,515,661
Unclaimed dividend	54,298	50,420
Trade and other payables and provisions	8,625,888	8,633,671
Long term finances - secured	2,635,098	2,981,772
	11,332,968	17,486,237

41.4 Offsetting financial assets and financial liabilities

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

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2025

41.5 Capital management

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

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

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

Rupees in thousand	Note	2025	2024
Borrowings	8 & 13	2,635,098	8,497,433
Less: Cash and cash equivalents	37	5,631,112	(4,325,857)
Net debt		(2,996,014)	12,823,290
Total equity		23,439,137	21,655,018

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

42. TRANSACTIONS WITH RELATED PARTIES

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

Rupees in thousand	Holding company	Key management personnel	Entities with significant influence over the Company	Other related parties
For the year ended March 31, 2025				
Purchase of goods	3,852,608	-	-	28,955,450
Purchase of property, plant and equipment	21,270	-	-	296,728
Purchase of intangible assets	-	-	-	8,783
Sale of goods	184,327	-	17,387	506,357
Insurance premium	-	-	-	773,027
Insurance claims	-	-	-	31,500
Sales of property plant and equipment	-	40	-	-
Technical assistance and training charges	1,507,662	-	-	34,947
Dividend paid	473,382	12	280,278	5,525
Recovery booked against warranty claims	23,233	-	-	338,101
Short-term employment benefits - note 42.1.1	-	412,786	-	-
Post-employment benefits - note 42.1.1	-	17,689	-	-

Rupees in thousand	Holding company	Key management personnel	Entities with significant influence over the Company	Other related parties
For the year ended March 31, 2024				
Purchase of goods	3,742,033	-	-	28,418,513
Purchase of property, plant and equipment	-	-	-	97,666
Sale of goods	-	-	6,558	453,940
Insurance premium	-	-	-	603,135
Insurance claims	-	-	-	15,725
Sales of property plant and equipment	-	73,355	-	-
Technical assistance and training charges	1,029,642	-	-	31,658
Recovery booked against warranty claims	6,088	-	-	202,764
Short-term employment benefits - note 42.1.1	-	351,440	-	-
Post-employment benefits - note 42.1.1	-	17,437	-	-

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

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

Name	Country of Origin	Basis of relationship	Aggregate % of shareholding in the Company
Honda Motor Co. Ltd Japan	Japan	Holding Company	51%
Shirazi Investments (Private) Limited	Pakistan	Common directorship and Group Company	30%
Atlas Insurance Limited	Pakistan	Group Company	1%
American Honda Motor Co., Inc.	United States of America	Group Company	None
Asian Honda Motor Co. Ltd., Thailand	Thailand	Group Company	None
Atlas Asset Management Limited	Pakistan	Common directorship	None
Atlas Autos (Private) Limited	Pakistan	Common directorship	None
Atlas Battery Limited	Pakistan	Common directorship	None
Atlas Energy Solutions	Pakistan	Common directorship	None
Atlas Engineering (Private) Limited	Pakistan	Common directorship	None
Atlas Foundation	Pakistan	Group Company	None
Atlas Hitec (Private) Limited	Pakistan	Common directorship	None
Atlas Honda Limited	Pakistan	Common directorship	None
Atlas Power Limited	Pakistan	Common directorship	None
Honda Atlas Power Product (Private) Ltd	Pakistan	Group Company	None
Honda Access (Thailand) Co. Ltd	Thailand	Group Company	None
Honda Access Asia & Oceania Co., Ltd	Thailand	Group Company	None
Honda R&D Asia Pacific Co. Ltd	Thailand	Group Company	None
Honda Assembly (Malaysia) Sdn. Bhd.	Malaysia	Group Company	None
Honda Automobile Thailand Co. Ltd	Thailand	Group Company	None
Honda Autoparts Manufacturing M Sdn. Bhd - Malaysia	Malaysia	Group Company	None
Honda Cars Philippines, Inc.	Philippines	Group Company	None
Honda Lock Mfg. Co Japan	Japan	Group Company	None
Honda Malaysia Sdn Bhd	Malaysia	Group Company	None
Honda Motor (China) Co., Ltd.	China	Group Company	None

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2025

Name	Country of Origin	Basis of relationship	Aggregate % of shareholding in the Company
Honda Parts Manufacturing Co Ltd	Philippines	Group Company	None
Honda Trading (South China) Co., Ltd.	China	Group Company	None
Honda Trading America Corp.	America	Group Company	None
Honda Trading Asia Co. Ltd.	Thailand	Group Company	None
Honda Trading Brazil Ltd	Brazil	Group Company	None
Honda Trading China Co.,Ltd	China	Group Company	None
Honda Trading Corporation Japan	Japan	Group Company	None
Honda Logistics Inc.	Japan	Group Company	None
Honda Trading Europe Ltd	United Kingdom	Group Company	None
Honda Trading Malaysia	Malaysia	Group Company	None
Honda Trading Philippines Corp.	Philippines	Group Company	None
Honda Trading Viet Nam Co., Ltd.	Viet Nam	Group Company	None
P.T Honda Prospect Motor Indonesia	Indonesia	Group Company	None
P.T.Honda Precision Parts Mfg	Indonesia	Group Company	None
Pt. Honda Trading Indonesia	Indonesia	Group Company	None
Shanghai Honda Trading Co., Ltd.	China	Group Company	None
Shirazi Trading Company (Private) Limited	Pakistan	Common directorship	None
Taiwan Honda Trading Co., Ltd.	Taiwan	Group Company	None
Yutaka Giken Co. Ltd	Japan	Group Company	None
Maqsood Ur Rehman	N/A	Key Management Personnel	None
Muhammad Ashraf	N/A	Key Management Personnel	None
Iqbal Ahmad	N/A	Key Management Personnel	None
Asif Mahmood	N/A	Key Management Personnel	None
Muhammad Nauman	N/A	Key Management Personnel	None
Muhammad Naeem	N/A	Key Management Personnel	None
Aneel Anwar	N/A	Key Management Personnel	None
Hamood Ur Rahman Qaddafi	N/A	Key Management Personnel	None
Rizwan Shafique	N/A	Key Management Personnel	None
Muhammad Ajmal	N/A	Key Management Personnel	None
Muhammad Ali	N/A	Key Management Personnel	None
Syed Waseem Hasan	N/A	Key Management Personnel	None
Muhammad Akmal Dar	N/A	Key Management Personnel	None
Sohail Qaisar	N/A	Key Management Personnel	None
Imran Farooq	N/A	Key Management Personnel	None
Imran Haider Rathore	N/A	Key Management Personnel	None
Aamir H. Shirazi	N/A	Director	0.00004%
Takafumi Koike	N/A	Director	0.00004%
Saquib H. Shirazi	N/A	Director	0.00004%
Naoki Negi	N/A	Director	0.00004%
Shinobu Nakamura	N/A	Director	0.00004%
Hidenori Ashikawa	N/A	Director	0.00004%
Gaku Nakanishi	N/A	Director	0.00004%
Muhammad Naeem Khan	N/A	Director	0.00008%
Ariful Islam	N/A	Director	0.00004%
Rie Mihara	N/A	Director	0.00004%
Company's Employees Provident Fund	N/A	Post Employment Benefit Plan	None
Company's Employees Gratuity Fund	N/A	Post Employment Benefit Plan	None

43. PLANT CAPACITY AND ACTUAL PRODUCTION

Number	Capacity		Production	
	2025	2024	2025	2024
Motor vehicles	50,000	50,000	15,545	10,709

Capacity of plant is mentioned after accounting for double shift.

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

44. NUMBER OF EMPLOYEES

	2025	2024
Total number of employees (including contractual labour) as at March 31	1,373	1,378
Average number of employees during the year (including contractual labour)	1,372	1,455

45. SHARIAH COMPLIANCE DISCLOSURE

		2025			2024		
Rupees in thousand	Note	Conventional	Shariah Compliant	Total	Conventional	Shariah Compliant	Total
Turnover							
Revenue from contracts with customers	28	-	78,065,659	78,065,659	-	55,071,323	55,071,323
Other income							
Profit on bank deposits	32	113,332	395	113,727	425,842	718	426,560
Interest on loans to employees		4,149	-	4,149	6,947	-	6,947
Fair value gain on financial assets at fair value through profit or loss		73,597	-	73,597	1,096,367	-	1,096,367
Net gain on disposal of property, plant and equipment		-	23,578	23,578	-	31,343	31,343
Markup on advances to suppliers		97,150	-	97,150	148,668	-	148,668
Profit paid on Islamic mode of financing		-	58,750	58,750	-	65,502	65,502
Assets							
Short term investments	26	4,942,359	-	4,942,359	-	-	-
Bank balance	27	662,141	12,163	674,304	1,175,800	2,949	1,178,749
Liabilities							
Long term finances - secured	8	-	2,635,098	2,635,098	-	2,981,772	2,981,772
Short term borrowings - secured	13	-	-	-	5,515,661	-	5,515,661
Accrued markup	14	1,764	15,920	17,684	286,543	18,170	304,713

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2025

- Relationship with shariah compliant banks


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

As at reporting date, all investments out of provident fund have been made in the collective investment schemes, listed equity and listed debt securities in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.
47. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on May 22, 2025 by the Board of Directors of the Company.
48. EVENTS AFTER THE REPORTING PERIOD


The Board of Directors of the Company has proposed a final cash dividend for the year ended March 31, 2025 of Rs 8.00 per share amounting to Rs 1,142.40 million and transfer of Rs 1,500.00 million from 'Un-appropriated profit' to 'General reserve' at their meeting held on May 22, 2025 for approval of the members at the Annual General Meeting to be held on June 24, 2025. These financial statements do not include the effect of the above appropriations which will be accounted for in the period in which they are approved.
49. CORRESPONDING FIGURES

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



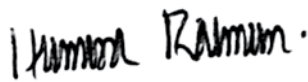
Aamir H. Shirazi

Chairman



Masaya Wakuda

President / CEO



Hamood ur Rahman Qaddafi

Chief Financial Officer

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Notice of Meeting / Reports

Notice of Annual General Meeting

Notice is hereby given that the 33rd Annual General Meeting of shareholders of Honda Atlas Cars (Pakistan) Limited will be held on Tuesday, June 24, 2025, at 12:00 p.m. at Avari Hotel, Mall Road, Lahore to transact the following business:

- To confirm the minutes of the Annual General Meeting held on Thursday, June 27th, 2024;
- To approve and adopt the annual audited financial statements for the year ended March 31, 2025, together with the Directors' and Auditors' thereon and Chairman's Review Report;
- To approve cash dividend @ 80% (Rs.8.0/- per share) for the year ended March 31, 2025 as recommended by the Board of Directors;
- To appoint Auditors for the next financial year and fix their remuneration;
- To transact any other business with the permission of the Chairman.

By order of the Board



(Maqsood ur Rehman Rehmani)

Company Secretary & Vice President

Lahore: June 02, 2025

NOTES:

- The share transfer books of the company will remain closed from June 12, 2025, to June 24, 2025 (both days inclusive). The share transfer request should be received at the Company's Share Registrar, M/s Hameed Majeed Associates (Private) Limited, H.M House, 7-Bank Square, Lahore by the close of business on June 11, 2025.
- All shareholders entitled to attend, speak, and vote at this Annual General Meeting shall be entitled to appoint another member to attend and vote on his/her behalf as a proxy. The instrument appointing Proxy must be received at the Registered Office or Share Registrar of the Company not less than 48 hours before the time of the meeting.
- Any individual Beneficial Owner of Central Depository Company of Pakistan Ltd. (CDC), entitled to attend and vote at this meeting, must bring his/her CNIC or passport along with the CDC account number to prove his/her identity and in case of proxy must enclose attested copy of his/her CNIC or passport. Representatives of Corporate members should bring the usual documents required for such purposes. CDC Account Holders will also have to follow the guidelines as laid down in Circular 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan (SECP).
- Members are requested to immediately inform the company's share registrar of any change in their address/particulars and provide a copy of their CNIC or passport (in case of foreigner), unless it has been provided earlier, enabling the company to comply with the relevant laws.
- If the Company receives a request from members having 10% or more shareholding residing outside Lahore to participate in the meeting through video conference at least 10 (ten) days prior to the date of the meeting, the Company will arrange a video conference facility in that city subject to availability of such facility in that city. The Company will inform members regarding the venue of the video conference facility at least 5 (five) days before the date of the AGM along with complete information necessary to enable them to access such facility.
- Members are hereby informed the 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 2025 are being emailed to those members whose email addresses are available with the Company. Other members who wish to receive the Annual Report 2025 via email may file an application as per the form provided on the Company's website i.e, <https://honda.com.pk/investorRelations>. The Financial Statements of the Company for the year ended March 31, 2025 along with reports have been placed on the Website of the Company and can be viewed through the below link/QR Code.

<https://honda.com.pk/investorRelations>

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Honda Atlas Cars (Pakistan) Limited

Technological Solutions for a Greener World

Annual Report 2025

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Authorized Sales, Service & Spare Parts Dealers

3S DEALERS

KARACHI

- Honda Shahrah-e-Faisal
- Honda Defence
- Honda Site
- Honda South
- Honda Drive In
- Honda Quaideen
- Honda Port Qasim
- Honda Khair
- Honda United
- Honda Creek

HYDERABAD

- Honda Palace

ABBOTTABAD

- Honda Abbott

LAHORE

- Honda Fort
- Honda Point
- Honda Gateway
- Honda Township
- Honda Ring Road
- Honda Lahore

ISLAMABAD

- Honda Classic
- Honda Avenue

JHELUM

- Honda Express

RAWALPINDI

- Honda Downtown

MARDAN

- Honda Mardan

MULTAN

- Honda Breeze
- Honda Multan

FAISALABAD

- Honda Faisalabad
- Honda Chenab
- Honda Lyallpur

GUJRANWALA

- Honda Gujranwala

SIALKOT

- Honda Falcon

MIRPUR

- Honda Empire

PESHAWAR

- Honda North

DERA GHAZI KHAN

- Honda HiSun

RAHIM YAR KHAN

- Honda Rahim Yar Khan

SAHIWAL

- Honda Sahiwal

QUETTA

- Honda Carwan

BAHAWALPUR

- Honda Bahawalpur

SARGODHA

- Honda Ittefaq

1S DEALERS

LAHORE

- Sugoi Parts Center
- Sugoi Defence Parts Center

KARACHI

- Sugoi Parts Center
- Sugoi Sunset Parts Center

MULTAN

- Sugoi Multan Parts Center



For more detail, please visit <https://honda.com.pk/dealer-network>

ڈائریکٹرز رپورٹ

ہیومن ریسورس پالیسیوں کی تفصیلات “پائیداری رپورٹ” میں بیان کی گئی ہیں جو سالانہ رپورٹ ہذا کا لازمی جزو ہیں۔

کمپنی کے کاروبار کا ماحولیات پر اثر اور کاروباری و سماجی ذمہ داری

کمپنی مجموعی کاروباری ماحول کے تناظر میں معاشرتی، ماحولیاتی اور اخلاقی معاملات پر بھرپور توجہ دیتی ہے۔ کمپنی تمام اسٹیک ہولڈرز بشمول کمیونٹی جہاں ہم رہتے ہیں اور جہاں ہمارے صارفین موجود ہیں کے بہترین مفاد میں کام کرنے کے لئے پرعزم ہے۔ مزید برآں، ہم صحت، حفاظت اور ماحولیات (HSE) میں اعلیٰ معیار کو برقرار رکھنے پر پختہ یقین رکھتے ہیں تاکہ ہمارے ساتھ کام کرنے والے افراد اور دیگر کمیونٹی ممبران کی تندرستی کو یقینی بنایا جاسکے۔ کمپنی کے کاروبار کا ماحولیات پر اثر اور کاروباری و سماجی ذمہ داری، میں صحت اور حفاظت، ہیومن ریسورسز، سوشل، اینوائرنمنٹل اور دیگر متعلقہ معاملات کو “پائیداری رپورٹ” میں شامل کیا گیا ہے جو سالانہ رپورٹ ہذا کا لازمی جزو ہے۔

حصص کی منتقلی

رواں برس کے دوران، 525 کوالیفیکیشن شیئرز بورڈ میں مسٹر نوبو یوشی نوڈا کے متبادل کے طور پر میسرز ہنڈا موٹر جاپان سے نئے نامزد ڈائریکٹر مسٹر ہائیڈنوری کے نام منتقل کئے گئے تھے۔ اسی طرح سے 525 کوالیفیکیشن شیئرز بورڈ میں مسٹر شنوبو ناکامورا کے متبادل اور میسرز ہنڈا موٹر جاپان کے نامزد ڈائریکٹر مسٹر نوبو یوشی کے منتقل کئے گئے تھے۔ مزید برآں، جناب محمد نعیم خان نے رواں برس 300 شیئرز خرید کئے۔ ایسے لین دین کے علاوہ ڈائریکٹرز، کمپنی سیکریٹری، چیف فنانسینشل آفیسر اور ان کے اہلیان اور کم سن بچوں کی جانب سے زیر جائزہ مدت کے دوران حصص کی خرید و فروخت کی کوئی ٹرانزیکشن سامنے نہیں آئی ہے۔

چیئرمین کا تجزیہ

سالانہ رپورٹ میں شامل چیئرمین کا تجزیہ کاروبار کی نوعیت، کمپنی کی کارکردگی اور گزشتہ برس سے نمایاں انحراف کی وضاحت، مستقبل کے امکانات اور غیر یقینی کی صورت حال کا احاطہ کرتا ہے۔ ڈائریکٹرز نے چیئرمین تجزیہ کے متن کو تسلیم کیا ہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل سے متعلق بیان

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

ہولڈنگ کمپنی

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

پیئرن آف شیئرز ہولڈنگ

31 مارچ 2025ء کو پیئرن آف شیئرز ہولڈنگ اور اس کا اظہار رپورٹ ہذا کے ساتھ لف ہے۔

بیرونی آڈیٹرز

ریٹائر ہونے والے آڈیٹرز میسرز اے ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس اہلیت کی بنا پر اپنی دوبارہ تقرری کی پیشکش کرتے ہیں۔ آڈٹ کمیٹی نے سال-2025 2026 کے لئے بطور کمپنی آڈیٹرز ان کی دوبارہ تقرری اور معاوضہ کی سفارش کی ہے۔ بورڈ آف ڈائریکٹرز نے مالیاتی سال 2025-2026 کے لئے کمپنی کے آڈیٹرز کی حیثیت سے ان کی دوبارہ تقرری کی بابت آڈٹ کمیٹی کی سفارشات کو سراہا ہے جو شیئرز ہولڈرز کی منظوری سے مشروط ہے۔

منجانب / برائے

بورڈ آف ڈائریکٹرز

M. wakuda

مسایا واکوڈا

صدر / CEO

عامراتج شیرازی

چیئرمین

کراچی، 22 مئی 2025ء

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز اور بورڈ کمیٹیوں کی کارکردگی کا جائزہ

بورڈ کی نگرانی کی ذمہ داری اور اس کی موثر کارکردگی کا جائزہ ایک مسلسل عمل ہے۔ جسے بورڈ نے خود اپنایا ہے۔ توجہ کا مرکز اہم شعبے مندرجہ ذیل ہیں:

- کمپنی کے ویژن اور مشن کے مطابق کاروباری اہداف اور مقاصد کی ترتیب؛
- دائمی آپریشنز کے لئے حکمت عملی کی تشکیل؛
- بورڈ کی خود مختاری؛ اور
- متعلقہ شرائط و ضوابط میں درج ذمہ داریوں کی انجام دہی کی بابت بورڈ کمیٹیوں کی کارکردگی کا جائزہ۔

کوڈ آف کارپوریٹ گورننس اور عالمی بہترین عمل داری کی پیروی میں سالانہ جائزہ کا ایک سوانامہ مرتب کیا گیا ہے جو کہ GoggleLinks کے ذریعے کارکردگی کے جائزہ کے لئے ڈائریکٹرز کو بھیجا گیا ہے۔ پُر شدہ سوانامہ کی وصولی پر کمپنی سیکریٹری رازداری کے اعلیٰ معیار پر عمل کرتا ہے۔ بعد ازاں بہتری کے حامل شعبوں کے تعین کے لئے ان کا جائزہ لیا جاتا ہے اور رائے میں تضاد، اگر کوئی ہو، کی نشاندہی کی جاتی ہے۔

چیئرمین، صدر اور CEO کے فرائض و ذمہ داریاں

شفافیت اور بہتر گورننس کے کلچر کو فروغ دینے کے لئے بورڈ آف ڈائریکٹرز کے چیئرمین اور چیف ایگزیکٹو آفیسر کے عہدوں کے لئے علیحدہ علیحدہ افراد متعین ہوتے ہیں جن کے فرائض اور ذمہ داریوں کی واضح نشاندہی کی گئی ہے۔ چیئرمین بورڈ کے نان ایگزیکٹو ڈائریکٹرز کی نمائندگی کرتا ہے اور بورڈ کی کارروائی پر مجموعی نگرانی اور بورڈ کی کارروائی پر اسٹریٹجک معاونت اور سمت کی فراہمی اور مشن اور گورننس اصولوں کے مطابق کمپنی کے آپریشن کی روانی کو یقینی بنانے کے لئے باختیار ہے۔ اس کے اختیارات میں لہجہ امر تب کرنا، رہنمائی فراہم کرنا اور بورڈ اجلاس کی کارروائی پر دستخط کرنا شامل ہیں۔

ایگزیکٹو ڈائریکٹر ایک چیف ایگزیکٹو آفیسر ہوتا ہے جو تمام آپریشن کی نگرانی اور کمپنی کی کامیابی کے لئے ذمہ دار ہے۔ وہ اسٹریٹجک فیصلہ سازی، کاروباری پالیسیوں کے اطلاق، بورڈ کی رہنمائی اور روزمرہ کے آپریشنز کے انتظام کے لئے ذمہ دار ہوتا ہے۔

CEO کی کارکردگی کا جائزہ

عددی اور معیاری اقدار کی بنیاد پر قائم جائزہ کے نظام کے ذریعے CEO کی کارکردگی کو سراہا جاتا ہے۔ اس میں کاروباری کارکردگی، نفع، ادارے کی تنظیم، سلیکشن بلڈنگ اور کاروباری کامیابی کے لحاظ سے مقاصد کا حصول شامل ہیں۔

ڈائریکٹرز کا معاوضہ

اپنے ڈائریکٹرز کے معاوضہ پر نگرانی کے لئے بورڈ نے ”ریہوزیشن پالیسی برائے ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز“ کے عنوان سے ایک پالیسی مرتب کی ہے۔ کاروباری منافع میں دائمی نمو کے لئے معاوضہ کے اس فریم ورک کے قیام کا مقصد قلیل اور طویل المدتی بہتر کاروباری کارکردگی کے حصول پر ڈائریکٹرز کو مراعات دینا ہے۔ ایگزیکٹو ڈائریکٹرز بورڈ آف ڈائریکٹرز کی منظوری سے مشروط ماہانہ معاوضہ اور مراعات وصول کرتے ہیں۔ دوسری جانب، نان ایگزیکٹو ڈائریکٹرز مستقل معاوضہ وصول نہیں کرتے بلکہ انہیں اجلاس میں شرکت کی فیس یا ایڈوائزری فیس ادا کی جاتی ہے۔ مالیاتی سال کے دوران ڈائریکٹرز اور CEO کے معاوضہ اور فیس کی بابت تفصیلی معلومات کے لئے براہ کرم مالیاتی اسٹیٹمنٹس کے ساتھ منسلک نوٹس ملاحظہ کریں۔

31 مارچ 2026ء کو اختتام پذیر مالیاتی سال کے لئے بورڈ نے ڈائریکٹرز کی مندرجہ ذیل ایڈوائزری فیس اور معاوضہ منظور کیا ہے:

- چیئرمین (نان-ایگزیکٹو ڈائریکٹر) کی ایڈوائزری فیس مبلغ 66.00 ملین روپے مقرر کی گئی ہے؛
- صدر / CEO کا معاوضہ 60.0 ملین روپے منظور کیا گیا ہے؛ اور
- کل وقتی ڈائریکٹر کا معاوضہ 42.0 ملین روپے منظور کیا گیا ہے۔

کاروباری و مالیاتی رپورٹیں گ فریم ورک

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

- 31 مارچ 2025ء کو اختتام پذیر سال کے لئے مالیاتی اسٹیٹمنٹس کمپنی کے کاروباری امور، اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی کی بالکل درست پیش کی گئیں ہیں۔
- کھاتوں کی باقاعدہ کتابیں تیار کی گئی ہیں۔
- 31 مارچ 2025ء کو اختتام پذیر سال کے لئے مالیاتی اسٹیٹمنٹس کی تیاری میں معقول اکاؤنٹنگ پالیسیوں کا باقاعدگی سے اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینہ جات مناسب اور معقول فیصلوں کی بنیاد پر لگائے گئے ہیں۔

d. مالیاتی اسٹیٹمنٹس کی تیاری میں پاکستان میں رائج بین الاقوامی مالیاتی رپورٹنگ معیارات کا اطلاق کیا گیا ہے۔

e. داخلی نظم و ضبط کا ایک مربوط نظام تیار کیا گیا ہے اور اس کی موثر نگرانی کی جاتی ہے۔

f. کمپنی کی کاروباری جاری رکھنے کی صلاحیت میں کوئی ابہام نہیں ہے۔

g. لسٹنگ ریگولیشنز میں بیان کردہ کارپوریٹ گورننس کی بہترین عمل داری میں کوئی مواد قانون کے خلاف نہیں ہے۔

h. 31 مارچ 2025ء کو ملازمین کے پراویڈنٹ فنڈ اور گریجویٹ فنڈ میں سرمایے کی بک ویلو (ملین روپوں میں) حسب ذیل ہے۔

نام فنڈ	31 مارچ 2025ء	31 مارچ 2024ء
پراویڈنٹ فنڈ	671.22	540.72
گریجویٹ فنڈ	1,653.52	1,206.24

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

قدر میں اضافہ کا بیان

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

مادی تبدیلیاں

31 مارچ 2025ء سے رپورٹ کی تاریخ تک کوئی مادی تبدیلی واقع نہیں ہوئی ہے اور کمپنی اس دورانیے میں کسی معاہدے میں داخل نہیں ہوئی ہے جس کے کمپنی کی مالیاتی حالت پر منفی اثرات مرتب ہوں۔

بنیادی خطرات اور بے یقینی

کمپنی ایک متحرک ماحول میں کام کرتی ہے اور ایسے خطرات اور بے یقینی کی صورت حال سے دوچار ہو سکتی ہے جس کے کمپنی کے اسٹریٹجک مقاصد، آپریشنل کارکردگی اور مالیاتی نتائج پر اثرات مرتب ہو سکتے ہیں۔ سامنے آنے والے بنیادی خطرات اور بے یقینی کی حالتیں مندرجہ ذیل ہیں:

- آٹوموبائل انڈسٹری میں شدید مقابلہ سازی؛
- بدلتی ہوئے ریگولیٹری اور کپیلائنس تقاضے؛
- معاشی و سیاسی صورت حال؛

- ملک میں جاری لاینڈ آرڈر صورتحال؛
- شعوری پراپرٹی (IP) حقوق کی حفاظت اور اطلاق؛
- ڈیٹا کا تحفظ اور مواصلات کا نظم و ضبط؛ اور
- مالیاتی اسٹیٹمنٹس کے نوٹس میں درج مالیاتی خطرات،

کمپنی نے خطرات سے بچنے کے لئے قبل از وقت طریق عمل کو اپنا رکھا ہے اور اندرونی و بیرونی اسٹیک ہولڈرز کے ساتھ رابطے میں ہے تاکہ ان خطرات کے ممکنہ اثرات سے قابل قبول سطح تک پٹا جاسکے۔ بیرونی ماحول کی مسلسل نگرانی اور بروقت اسٹریٹجک رد عمل کے ذریعے کمپنی اس انداز میں ان خطرات کو منیج کرنے کے لئے کوشاں ہے جو طویل مدتی پائیداری اور اسٹیک ہولڈرز کے منافع کو محفوظ رکھ سکے۔

مواصلات

کمپنی اسٹیک ہولڈرز کے ساتھ رابطہ کی اہمیت پر بھرپور توجہ دیتی ہے۔ کمپنیز ایکٹ 2017ء کے مطابق مقررہ وقت کے دوران سالانہ، نصف سالہ اور سہ ماہی رپورٹیں انہیں تقسیم کی جاتی ہیں۔ کمپنی کی سرگرمیوں کو ویب پر کمپنی کی ویب سائٹ www.honda.com.pk پر بروقت اپ ڈیٹ کیا جاتا ہے۔ ڈائریکٹرز جائزہ کے مندرجات کو تسلیم کرتے ہیں۔

ریکارڈز کا تحفظ

کمپنی اپنے مالیاتی ریکارڈز کی سٹوریج اور محفوظ حوالگی کے لئے بہت زیادہ زور دیتی ہے۔ کمپنی اپنی مالیاتی معلومات کو ریکارڈ کرنے کے لئے SAP کا استعمال کرتی ہے۔ برقی دستاویزات تک رسائی کو SAP-ERP سسٹم میں پاس ورڈ سے محفوظ جامع لوثیقی میٹرکس کے نفاذ کے ذریعے محفوظ کیا گیا ہے۔

کاروباری تسلسل کا منصوبہ

کاروباری تسلسل کے منصوبہ کے طور پر بنیادی سرور میں مسئلہ کی صورت میں بیک اپ سرور اور ڈیٹا قائم کرنے کے لئے ریہوٹ ڈیزاسٹر ریکوری مراکز قائم کئے گئے ہیں۔

ہیومن ریسورس مینجمنٹ

ہیومن ریسورس پلاننگ اور مینجمنٹ اعلیٰ انتظامیہ کی اولین ترجیحات میں سے ایک ہے۔ کمپنی HR&R کمیٹی قائم کر رکھی ہے جو اہم انتظامی عملے کے انتخاب، جائزہ، معاوضے اور برقراری کے منصوبہ میں شامل ہوتی ہے۔ یہ ہیومن ریسورس پالیسیوں میں بہتری کی تجاویز اور ان کے وقتاً فوقتاً جائزہ کے لئے بھی ذمہ دار ہے۔

ڈائریکٹرز رپورٹ

31 مارچ 2025ء تک

کمپنی کے ڈائریکٹر 31 مارچ 2025ء کو اختتام پذیر سال کے لئے کمپنی کی پڑتال شدہ مالیاتی اسٹیٹمنٹس کے ہمراہ 32 ویں سالانہ رپورٹ ازراہ مسرت پیش کرتے ہیں۔

مالیاتی نتائج

سال کے لئے اہم مالیاتی نتائج حسب ذیل ہیں:

برائے اختتام سال 31 مارچ 2024ء	برائے اختتام سال 31 مارچ 2025ء	ملین روپے
2,752.74 (418.85) 56.80	3,274.77 (565.63) 3.18	سال کے لیے محصول اور ٹیکس سے پہلے منافع لیوی اور ٹیکسیشن سال کی دیگر جامع آمدنی
2,390.69 380.32	2,712.32 342.82	غیر مختص منافع اوپنٹک حاصل آمدنی
2,771.01	3,055.14	تخصیص کے لئے دستیاب کل رقم
(1,500.00) (928.20)	(1,500.00) (1,142.40)	تخصیصات عمومی ذخائر میں منتقلی مجوزہ منافع 80% (2024: 65%)
(2,428.20)	(2,642.40)	
16.34	18.97	فی حصص آمدنی بنیادی و تحلیلی (روپے)

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

فی حصص آمدنی

بنیادی و تحلیلی فی حصص آمدنی 18.97 روپے رہی (2024: 16.34 روپے)۔

منافع منقسمه

منافع منقسمہ کی ادائیگی کی بابت کمپنی کی حکمت عملی کے عین مطابق معقول ادائیگی میں توازن رکھنے اور مستقبل کی کاروباری ضروریات کو پورا کرنے کے لئے بورڈ آف ڈائریکٹرز نے 31 مارچ، 2025ء کو اختتام پذیر سال کے لئے 8.00 روپے (80%) فی حصص منافع منقسمہ تجویز کیا ہے۔ یہ منافع کل منافع کا 42 فیصد بنتا ہے۔

بنیادی کاروبار

کمپنی کی بنیادی کاروباری سرگرمی میں ہنڈا گاڑیوں اور پرزہ جات کی اسیمبلنگ ،
تاری اور فروخت شامل ہے۔

بورڈ کی ترکیب

بورڈ آف ڈائریکٹرز کی ترکیب حسب ذیل ہے:

9	کل تعداد ڈائریکٹرز	
8	i	مرد
1	ii	خاتون

بورڈ کی ترکیب

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

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

بورڈ آف ڈائریکٹرز

بورڈ
 بورڈ تین خود مختار ڈائریکٹرز (بشمول ایک خاتون ڈائریکٹر)، دو ایگزیکٹو اور چار نان
 ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔ کمپنی کے ڈائریکٹرز کا انتخاب 26 اپریل 2024ء
 کو منعقد ہونے والے کمپنی کے غیر معمولی اجلاس میں کیا گیا۔ بورڈ کی ترکیب کی
 بابت لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط 2019ء کے تمام تر
 تقاضوں پر عمل درآمد کیا گیا۔

بورڈ میں تبدیلیاں

یکم اپریل 2024ء کو جناب نوبو یوشی نوڈا، نان ایگزیکٹو ڈائریکٹر کو جناب ہڈنوری آشی کاوار سے تبدیل کیا گیا اور یکم اکتوبر 2024ء کو ہنڈا موٹر جاپان کے سالانہ تبادلے کے عین مطابق جناب شنوبو ناکاموا، ایگزیکٹو ڈائریکٹر کو جناب ناؤکی نیگی تھرو سے تبدیل کیا گیا۔ بورڈورخصت ہونے والے ڈائریکٹرز کی گراں قدر خدمات کو سراہتا ہے اور نئے ڈائریکٹرز کو خوش آمدید کہتا ہے۔

ہیومن ریسورس اینڈ ریمونریشن (HR&R) کمیٹی

R کمیٹی بنیادی طور پر ادارے کے انسانی سرمایہ اور معاوضہ کی حکمت عملی کی نگرانی

کے لئے ذمہ دار ہے۔ کمیٹی بیومن ریسورس پالیسیوں، انتخاب کی سفارشات، تجزیہ، معاوضہ (بشمول ریٹائرمنٹ کی مراعات) اور اہم انتظامی عملے کو برقرار رکھنے کی پلاننگ اور مصفاہ اور مستقل معاوضہ کے طریقہ ہائے کار پر بورڈ کو تجاویز دیتی ہے۔ کمیٹی پانچ ارکان پر مشتمل ہے جب کہ ایک خود مختار ڈائریکٹر اس کے چیئرمین کی حیثیت سے کام کرتا ہے۔ کمیٹی کی شرائط و ضوابط پر جائزہ لیا گیا اور بورڈ نے اس کی منظوری دی۔ مالیاتی سال 2024-2025 کے دوران کمیٹی کا ایک اجلاس منعقد ہوا۔

کمیٹی کے اراکین مندرجہ ذیل ہیں:

نمبر شمار	نام کمیٹی ممبر	عہدہ
1	جناب محمد نعیم خان	چیسر مین
2	جناب ثاقب اسحاق شیرازی	رکن
3	جناب تاکافومی کوئیکے	رکن
4	جناب ناؤ کی نیگی	رکن
5	جناب ہائیڈنوری آشیکاوا	رکن

آڈٹ کمیٹی

آؤٹ کمیٹی اپنی شرائط و ضوابط کے عین مطابق شیئر ہولڈرز کو مالیاتی و غیر مالیاتی معلومات کے جائزہ اور اطلاع کے ذریعے اپنی ذمہ داریوں کی انجام دہی اور انٹرسل کنٹرول اور سرک میئنجمنٹ کے نظاموں پر نظر رکھنے میں معاونت اور آؤٹ کے عمل کی نگرانی میں مدد کرتی ہے۔ آؤٹ کمیٹی چار ڈائریکٹرز پر مشتمل ہوتی ہے جب کہ ایک خود مختار ڈائریکٹر کمیٹی کے چیئرمین کی حیثیت سے کام کرتا ہے۔

انٹرنل آڈٹ ڈیویژن آڈٹ پالیسی، آڈٹ پلانز اور آڈٹ نتائج پر آڈٹ کمیٹی کو باقاعدگی سے رپورٹ کرتا ہے اور حسب ضرورت آڈٹ کمیٹی کے مطالبہ پر آڈٹ نتائج کی اضافی رپورٹس مرتب کرتا ہے۔ شیئر ہولڈر کی توقعات کے عین مطابق آڈٹ کمیٹی آڈٹ رپورٹس، انٹرنل کنٹرول سسٹمز اور مالیاتی اسٹیٹمنٹس کا باریک بینی سے جائزہ لیتی ہے اور مروجہ قوانین و ضوابط کے مطابق دیگر فرائض سرانجام دیتی ہے جس کا بنیادی مقصد کمپنی کی مربوط اور پائیدار نمو کو یقینی بنانا ہے۔ اس طریق عمل کے مطابق انٹرنل آڈیٹرز پالیسیوں، ضوابط اور SOPs کی تعمیل کو یقینی بناتے ہوئے کاروباری سرگرمیوں کا جائزہ لیتے ہیں۔ انٹرنل آڈٹ ڈیویژن عملی طور پر آڈٹ کمیٹی کے چیئرمین کو براہ راست رپورٹ کرتا ہے۔ چیف فنانسنگ آفیسر (CFO) مدعو کرنے پر باقاعدگی سے آڈٹ کمیٹی اجلاس میں شرکت کرتا ہے اور مالیاتی کھاتے پیش کرتا ہے۔ ہر اجلاس کے بعد، کمیٹی کا چیئرمین سر بورڈ کو رپورٹ دیتا ہے۔ رواں برس

کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے۔

کمپنی کے اراکین مندرجہ ذیل ہیں:

نمبر شمار	نام کمیٹی ممبر	عہدہ
1	جناب محمد نعیم خان	چیئر مین
2	جناب ثاقب ایچ شیرازی	رکن
3	جناب ہایدنوری آشیکاوا	رکن
4	جناب گاکونا کانشی	رکن

بورڈ اور اس کی کمیٹیوں کے اجلاس

بورڈ اور اس کی کمیٹیوں کے اجلاس رواں برس کے دوران بورڈ آف ڈائریکٹرز (BOD) کے چار، آڈٹ کمیٹی کے چار اور HR&R کمیٹی کا ایک اجلاس منعقد ہوئے۔

حاضری			کیٹی		نام
HR&R	IA	BOD	HR&R	IA	
-	-	5/5	-	-	جناب عامر ایف شیرازی
1/1	-	5/5	✓	-	جناب تاناکا نومی کوئیچیکے
1/1	4/4	5/5	✓	✓	جناب ثاقب ایف شیرازی
-	-	3/5	✓	-	جناب شنوبو تاکامورا
1/1	4/4	5/5	✓	✓	جناب محمد نعیم خان
1/1	3/4	5/5	✓	✓	جناب ہایدنوری آشیکاوا
-	-	3/5	-	-	جناب گاکو تاکانو شی
-	-	4/5	-	-	جناب عارف الاسلام
-	-	5/5	-	-	جناب مقصود الرحمن کمپنی سیکرٹری اور نائب صدر
-	-	5/5	-	-	جناب مقصود الرحمن CFO / سینئر جرنل میجر فائننس

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

مالیاتی کارکردگی

میں ازراہ مسرت رپورٹ کرتا ہوں کہ آپ کی کمپنی نے 31 مارچ 2025ء کو اختتام پذیر سال کے لئے شاندار مالیاتی نتائج حاصل کئے ہیں۔ خالص سیلرز یونیٹ 78,066 ملین روپے تک بہتر ہوا ہے جب کہ گزشتہ برس کی اسی مدت میں یہ یونیٹ 55,071 ملین روپے تھا۔ کل منافع گزشتہ برس کے دوران 4,508 ملین روپے کی نسبت 6,664 ملین روپے ریکارڈ ہوا جو کمپنی کی آپریشنل کارکردگی میں بہتری کی عکاسی کرتا ہے۔ سیلنگ اور انتظامی اخراجات میں گزشتہ برس کے دوران 2,394 ملین روپے کی نسبت 3,021 ملین روپے ریکارڈ ہوئے۔ البتہ، دیگر آمدنی 2,252 ملین روپے سے کم ہو کر 989 ملین روپے رہ گئی۔ امریکی ڈالر اور روپے میں سازگار استحکام نے کمپنی کو غیر ملکی مبادلہ کے نقصان سے بچایا۔ مالیاتی و دیگر اخراجات گزشتہ برس میں 1,613 ملین روپے کی نسبت 1,356 ملین روپے تک ریکارڈ ہوئے۔ اس کے نتیجے میں، کمپنی نے 2,753 ملین روپے کے مقابلے میں 3,275 ملین روپے منافع بمعہ ٹیکس درج کیا۔ لازمی ٹیکس ردوبدل کے بعد 31 مارچ 2025ء کو اختتام پذیر سال کے لئے خالص منافع 2,709 ملین روپے ریکارڈ ہوا جو گزشتہ برس کی اسی مدت میں 2,334 ملین روپے کے مقابلے میں بہتر ہے۔ نتیجتاً، فی حصص آمدنی میں گزشتہ برس کے دوران 16.34 روپے کے مقابلے میں 18.97 ملین روپے ریکارڈ ہوئی۔

چشم واکر دو جہان دیگر بے پیداشد

اظہار تشکر

میں عہدگی کے اعلیٰ معیار کو برقرار رکھنے میں ہنڈاموٹر کمپنی لمیٹڈ کی مسلسل سپورٹ اور تعاون کا تہہ دل سے شکر گزار ہوں۔ میں اپنے معزز صارفین کی جانب سے ہم پر کئے گئے اعتماد، مخلصانہ کاوشوں کے لئے انتظامی ٹیم اور رہنمائی کے لئے بورڈ آف ڈائریکٹرز کا بھی شکر گزار ہوں۔ رخصت ہونے والے CEO جناب تاناکا فومی کو نیکیے اور ان کی ٹیم کا روبرو کو متحرک رکھنے میں اپنی کاوشوں کے لئے خراج تحسین کے مستحق ہیں۔ بورڈ کی جانب سے میں جناب ماسایا واکوڈا کو کمپنی کے نئے CEO کی حیثیت سے خوش آمدید کہتا ہوں۔ میں آئندہ برسوں میں کمپنی کا مالیاتی کے لئے دعا گو ہوں۔

عامر ایچ شیرازی

چئیرمین

مؤرخہ 22 مئی 2025ء

کراچی

کمپنی اپنے اہداف سے اوپر رہنے، مسائل سے نبرد آزما ہونے اور بہتر آپریشنل کارکردگی اور مارکیٹ لیڈر شپ کے ذریعے نمو کی رفتار بڑھانے کے لئے پرعزم ہے۔ سماجی لحاظ سے ذمہ دار، مالیاتی لحاظ سے مضبوط اور مربوط آپریشنز کے حامل ادارہ بننا کمپنی

جائزہ چئیرمین

بلند قیمتوں نے ماس مارکیٹ کی نمو کو محدود کیا۔ اس مسئلے کے باوجود، انڈسٹری کی مجموعی کارکردگی نے ازسرنو مومینٹم میں اضافہ کیا۔

پالیسی کے لحاظ سے، آٹوموبائل کے شعبے نے صنعت کی بحالی کے لئے حکومتی توجہ اور درآمد کے متبادل سے کئی فوائد حاصل کئے۔ اس میں ملکی مصنوعات پر انحصار اور ملکی سطح پر پرواز کی تیاری کے لئے تکنیکی معاونت اور کریڈٹ سکیمیں شامل ہیں تاکہ پیداوار استعداد میں اضافہ کیا جاسکے اور درآمدی کشش پر انحصار کو کم کیا جاسکے۔ تاہم، استعمال شدہ گاڑیوں کی درآمدات کی مضبوط منڈی مقامی اسمبلرز کی مسابقت کو اب بھی متاثر کر رہی ہے۔

پاکستان کے آٹوموٹیو شعبہ میں نمایاں پیش رفت میں پائیداری پر صنعت کی بڑھتی ہوئی توجہ ہے۔ عالمی سطح پر موسمیاتی تبدیلیوں اور کاربن کے اخراج میں انتہائی ضروری کمی کے پیش نظر انڈسٹری بتدریج ماحول دوست ٹیکنالوجی کو اپنارہی ہے۔ یہ تبدیلی ملک میں توانائی میں رودوبدل کی حامل گاڑیوں کی بڑھتی ہوئی موجودگی سے عیاں ہے۔ بڑے پیمانے پر برقی گاڑیوں (EVs) کا استعمال انفراسٹرکچر اور موافقت کے مسائل کے باعث محدود رہا اور کئی مینوفیکچررز نے نجی اور کمرشل صارفین کے لئے ہائبرڈ اور ہائیڈریجن ٹیکنالوجی کی ترقی کرنا شروع کر دیئے ہیں۔ اس طرح پاکستان کی آٹو موبیلائزیشن کی مستقبل میں مزید پائیدار اور توانائی کی کم کچھت سے بھرپور نظر آ رہا ہے۔

مجموعی طور پر انڈسٹری کی پیداوار 132,800 یونٹس تک بڑھ گئی جو گزشتہ برس میں ریکارڈ 89,270 یونٹس کے مقابلے میں کہیں زیادہ ہے۔ علاوہ ازیں، کاروں کی فروخت میں نمایاں پیش رفت دیکھنے میں آئی جو گزشتہ مدت میں 85,061 یونٹس کی نسبت 135,448 یونٹس تک پہنچ گئی۔ آپ کی کمپنی نے گزشتہ برس میں 10,709 اور 10,534 یونٹس کے مقابلے میں 15,545 یونٹس تیار اور 16,100 یونٹس فروخت کئے۔

انڈسٹری نے منفی اثرات کو مد نظر رکھتے ہوئے محتاط نقطہ نظر کو برقرار رکھا ہے اور اگلے تین سے پانچ سالوں تک استحکام اور نمو پر مبنی حکمت عملی کو جاری رکھنے کے قابل بنایا ہے۔ البتہ، یہ ترقی ادائیگیوں کے توازن کے دباؤ کے باعث کئی اقتصادی عدم استحکام اور بڑھتی ہوئی مہنگائی جیسے ممکنہ خطرات کے باعث کمزور رہی۔ بحالی سے پائیدار نمو تک کامیاب تبدیلی حاصل کرنا پالیسی کے تسلسل، انڈسٹری کے تعاون اور صارفین کی شمولیت سے ممکن ہے۔

کمپنی

کمپنی جدید اور با اعتبار مصنوعات کے ذریعے، Joy3s 'فلاسٹی' پر مسلسل عمل پیرا ہے۔

ہنڈا پاکستان، جو عالمی سطح کا معیاری برینڈ ہے، ملک کو درپیش مشکل حالات کے باوجود اپنی موجودگی کو کامیابی سے برقرار رکھے ہوئے ہے اور بڑھتے ہوئے صارفین کے لئے یہ ایک ترجیحی برانڈ ہے۔ رواں مالیاتی سال میں کمپنی نے اہم سنگ میل عبور کئے جیسا کہ کمپنی نے پہلی مرتبہ CBU برآمدات کا آغاز کیا جو نیشنل آٹو پالیسی کے اہداف کے عین مطابق اسٹریٹجک پیش رفت کی عکاسی کرتا ہے۔

برآمدات کا تاریخی سنگ میل

آپ کی کمپنی نے اپنی تاریخ میں پہلی مرتبہ مکمل طور پر اسمبلی شدہ گاڑیوں کی برآمد کا کامیابی سے آغاز کیا جو عہدگی، جدت اور عالمی سطح پر شمولیت کے لئے ہمارے عزم کو مزید تقویت پہنچاتا ہے۔ ہنڈا اسٹی 1.2L کے 38 یونٹس پر مشتمل پہلی کھیپ دنیا کی انتہائی مسابقتی اور معیار پر انحصار کرنے والی مارکیٹ۔ جاپان میں بھیجی گئی۔ یہ کامیابی نہ صرف کمپنی کی بڑھتی ہوئی استعداد کی عکاسی کرتی ہے بلکہ پاکستان کے آٹو موبیلائزیشن کی بڑھتی ہوئی عالمی اعتماد کو ظاہر کرتی ہے۔

اس اہم سنگ میل کے حصول پر ایک خصوصی تقریب منعقد کی گئی جس میں حکومت کے سینئر نمائندوں اور انڈسٹری لیڈرز نے شرکت کی۔ انڈسٹریز اور پروڈکشن پر وزیراعظم کے معاون خصوصی جناب ہارون اختر خان نے اس کامیابی کو ”پاکستان کی انڈسٹریل ترقی میں قابل ذکر شراکت“ قرار دیا جو آٹو انڈسٹری ڈیولپمنٹ اور ایکسپورٹ پالیسی 2021-2026 (AIDEP) کے تحت برآمد کنندگان کے لئے حکومتی سپورٹ کی توثیق کرتا ہے۔

کمپنی اس تاریخی کامیابی کی خوشی مناتے ہوئے مزید نمو کے لئے عہدگی، مقامی استعداد میں سرمایہ کار اور نجی راہیں کھولنے کے لئے پرعزم ہے۔

مینوفیکچرنگ عہدگی

آپ کی کمپنی کلین انرجی اور پراسیس کارکردگی میں بہتری کے لئے ہمیشہ سے پرعزم ہے۔ کمپنی نے اس سمت میں نمایاں پیش رفت کی ہے جو کہ مندرجہ ذیل ہے:

2.0 میگاواٹ سولر پروجیکٹ

کلین انرجی کے لئے ہنڈا 2030 ویژن کے عین مطابق، آپ کی کمپنی اپنے تبدیلی کے قابل انرجی انفراسٹرکچر میں نمایاں کامیابیاں حاصل کر رہی ہے۔ اپنے اقدام کو تقویت دیتے ہوئے 2.0 میگاواٹ سولر سسٹم کی تنصیب کے ذریعے کمپنی اپنی سولر انرجی استعداد کو 1.5 میگاواٹ سے 3.5 میگاواٹ تک بڑھا رہی ہے۔ بجلی کی تیاری کا آغاز جون 2025ء میں متوقع ہے۔ اس پروجیکٹ کے ذریعے CO₂ کے اخراج میں نمایاں کمی ہو گی اور توانائی کی روایتی ذرائع پر انحصار کم کر کے آپریشنل لاگت میں کمی واقع ہوگی۔

جائزہ چیمپین

میں 31 مارچ، 2025ء کو اختتام پذیر سال کے لئے میں کمپنی کی 33 ویں سالانہ رپورٹ ازراہ مسرت پیش کرتا ہوں۔

کلی اقتصادی جائزہ

زیر جائزہ سال کے دوران، ملک کی معاشی صورت حال میں متواتر بہتری آئی۔ کثیر ودوجہتی شرکت داروں کے اعتماد کو بڑھانے کے لئے حکومت کے جاری عزم کے نتیجے میں یہ ترقی سامنے آئی۔ آئی ایم ایف کی جاری توسیعی فنڈ فیسلٹی (EFF) نے ذخائر کی حالت کو مضبوط کرنے انتہائی اہم کردار ادا کیا۔ بیرونی محاذ میں نمایاں پیش رفت نے معیشت کو مستحکم اور سرمایہ داروں کے اعتماد میں اضافہ کیا۔ مذکورہ بالا کے نتیجے میں گزشتہ برس کے دوران 2.5% کی نسبت مالیاتی سال 2025ء میں شرح نمو 3.0% رہنے کی توقع کی جا رہی ہے۔ اس وقت معیشت وسط مدت کے لئے پائیدار توسیع اور اہم سٹرکچرل استحکام کی جانب گامزن ہے۔

بیرونی سطح پر، مالیاتی سال 2025 کی نو ماہی میں 1.86 بلین ڈالر اضافی کرنٹ اکاؤنٹ درج ہوا جبکہ گزشتہ برس کی اسی مدت میں 1.65 بلین ڈالر کارنٹ اکاؤنٹ خسارہ درج ہوا تھا۔ اس پیش رفت سالانہ کی بنیاد پر برآمدات میں 8.7% کے اضافے اور ترسیلات زر کی آمد میں تیزی سے منسوب کیا گیا۔ ترسیلات زر گزشتہ برس کے دوران 21.04 بلین ڈالر کے مقابلہ میں 28.03 بلین ڈالر کی بلند ترین سطح پر پہنچ گئیں۔ معاشی سرگرمیوں میں بتدریج تیزی نے درآمدات میں 8.0% کا اضافہ کیا۔ جس کے نتیجے میں مالیاتی سال 2025ء میں تجارتی خسارہ گزشتہ برس کی نسبت 14.7% اضافے کے ساتھ 21.04 بلین ڈالر تک پہنچ گیا۔ دوسری جانب، اسٹیٹ بینک آف پاکستان (SBP) کے غیر ملکی زرمبادلہ کے ذخائر 22.5% اضافے کے ساتھ 15.58 بلین ڈالر تک پہنچ گئے۔ دریں اثناء، روپیہ 280 روپے پر زیادہ تر مستحکم رہا۔

ٹیکسوں کے تناظر میں، FBR نے مالیاتی سال 2025ء کی نو ماہی کے دوران 8.46 ٹریلین روپے اکٹھے کئے جب کہ گزشتہ برس کی اسی مدت میں 6.66 ٹریلین روپے اکٹھے کئے گئے تھے۔ بھاری ٹیکسوں کی وصولی بہتر اصلاحی اقدامات اور تیز رفتار معاشی سرگرمی کی بدولت ممکن ہوئی۔ مارچ 2025ء میں افراط زر کی شرح 0.7% تک تیزی سے کم ہوئی جو 59 برسوں میں سب سے کم سطح ہے۔ یہ تنزلی خوراک اور توانائی کی قیمتوں میں کمی، سخت مانیٹرنگ پالیسی اور سازگار بنیادی اثرات سے منسوب کی جا رہی ہے نتیجتاً اسٹیٹ بینک آف پاکستان پالیسی کی شرح کو گزشتہ برس کے 22% شرح سے کم کر کے 12% کر دیا۔ جبکہ ایک محتاط مانیٹرنگ موقف کو برقرار رکھا گیا۔

زراعت

زراعت شعبہ کی کارکردگی میں ملا جلا رجحان رہا۔ بڑی خریف فصلوں کی پیداوار میں

Form of Proxy

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

I/We _____being a member(s) of Honda Atlas Cars (Pakistan) Ltd.,
having folio No. / CDC participant I.D. No. _____ and having _____ number of shares, hereby
appoint Mr./Mrs. _____ of _____
CNIC No. _____ / Passport No. _____ who is also a member of
the company having folio No. / CDC Participant I.D No. _____ and _____ number of shares, as my/our
proxy in my/our absence to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company
to be held on Tuesday, June 24, 2025 at 12:00 p.m at Avari Hotel, The Mall, Lahore and at any adjournment thereof.

Signed on this _____ day of _____ 2025.

Signature of Proxy

(The signature of shareholder should match the specimen signature registered with the Company)

Witness 1:

Signed: _____

Name: _____

Address: _____

CNIC / Passport No. _____

Witness 2:

Signed: _____

Name: _____

Address: _____

CNIC / Passport No. _____

NOTES:

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

تیزی سے کمی واقع ہوئی اور کمپاس اور کمکی کی پیداوار میں بالترتیب 30.7% اور 15.4% تک کمی واقع ہوئی۔ پیداوار میں گراوٹ غیر سازگار موسم اور گزشتہ برس میں گراں لاگت سے منسوب کی جا رہی ہے۔ موسم ربیع 2025-2024 کے لئے گندم کلید اور اری ہدف 27.9 ملین ٹن رکھا گیا ہے۔ حکومت امدادی قیمتوں، زر خیز تہجوں کی تقسیم اور کسان کارڈ سکیم کے ذریعے پیداوار بڑھانے کے لئے کسانوں کی مدد کر رہی ہے۔ زرعی قرضہ 33.7% تک بڑھا جس نے قرضوں تک رسائی اور دیہی معاشیات کی نمو میں اہم کردار ادا کیا۔

بڑے پیمانے کی صنعت (LSM)

بڑے پیمانے کی صنعت (LSM) نے ملی جلی بحالی ظاہر کی۔ مالیاتی سال 2025ء کے سات ماہ میں یہ شعبہ 1.8% تک متاثر ہوا۔ البتہ، 22 میں سے 11 شعبوں نے نمو درج کی جس میں ٹیکسٹائل اور لیپرل، پٹرولیم مصنوعات، فارماسیوٹیکلز اور تمباکو شامل ہیں۔ بجلی کے نرخوں میں حالیہ کمی سے پیداواری لاگت کم ہونے کے باعث صنعتی شعبہ کو مزید سہارا ملنے اور بین الاقوامی منڈیوں میں مسابقتی برتری ملنے کی توقع ہے۔ جاری مشکلات سے نبرد آزما ہونے اور صنعتی ترقی کو فروغ دینے کے لئے پینشل انویسٹمنٹ فیسلٹیشن کونسل (SIFC) کے مربوط اقدامات بھی زیر غور ہیں۔

آٹوموبائل انڈسٹری

اس تبدیلی کے سال میں آٹوموبائل انڈسٹری نے کامیابی سے اپنا لوہا منوایا اور معاشی عدم استحکام کے دور کے بعد بتدریج بحالی کی جانب گامزن ہے۔ مشکل ترین حالات کے ساتھ مالیاتی سال شروع ہوا جس میں مسلسل مہنگائی کا دور، تاریخ کی بلند ترین شرح سود اور صارف کی گرتی ہوئی طلب شامل ہیں۔ البتہ، حکومت کی جانب سے کلی اقتصادی استحکام کے لئے اقدامات نے اعتماد کو بحال کرنے میں اہم کردار ادا کیا جس نے پائیدار نمو کے لئے صنعت کو اپنی آپریشنل اور اسٹریٹجک سمت از سر نو وضع کرنے میں مدد کی۔ ان اقدامات نے آٹوموبائلز کے لئے صارفین کی طلب میں جان ڈالی اور درآمدی پابندیوں میں نرمی کا باعث بنیں اور صنعتکار متوازن پیداواری منصوبہ بندی پر عمل کرنے کے قابل ہوئے۔ پیداوار بڑھنے کے باعث ماضی میں فارغ کئے گئے مزدوروں کو اسمبلی پلانٹس، پارٹس فیکٹری اور ڈیلرشپ نیٹ ورک میں بتدریج بحال کیا گیا۔ لاجسٹکس، اسٹیل، گلاس اور ربڑ جیسی ذیلی صنعتوں نے بھی طلب میں معقول اضافہ دیکھا۔ جس کے نتائج نے آٹوموٹیو سپلائی چین میں چھوٹی اور درمیانے درجے کے اداروں کو، بہت فائدہ پہنچایا۔ آٹو انڈسٹری کی بحالی کا بنیادی ذریعہ غیر ملکی زرمبادلہ کی شرح میں استحکام رہا جس سے صنعت کار اعتماد کے ساتھ درآمدی کمش اور پروزوں تک رسائی کے قابل ہوئے۔ مزید برآں، اسٹیٹ بینک آف پاکستان کی جانب سے مانیٹرنگ پالیسی میں بتدریج نرمی نے آٹو فائنانس خصوصاً چھوٹی اور درمیانے درجے کی گاڑیوں کے شعبہ کی بحالی میں اہم کردار ادا کیا۔ البتہ، پرمییم گاڑیوں کی

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