

HONDA
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ANNUAL REPORT 2026

**TRANSCEND TODAY
FOR A BETTER TOMORROW**



Honda Atlas Cars (Pakistan) Limited

COVER CONCEPT



TRANSCEND INTO FUTURE

Honda Atlas Cars (Pakistan) Limited embraces the spirit of progress by driving change in the present to shape what lies ahead. With a focus on evolving lifestyles and dynamic urban landscapes, each vehicle is designed to complement the pace of modern life – balancing needs, style, reliability, and everyday practicality. With cities rapidly developing, journeys become more connected, Honda continues to move in sync with tomorrow – creating mobility that feels intuitive, adaptive and ready for what's next!

COMPANY PROFILE



Ground Breaking Ceremony held on 17th April 1993



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



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

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, 1992, followed by the ground breaking ceremony on April 17, 1993.

The plant's construction and equipment installation were completed within just 11 months, leading to the inaugural car rolling 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., Japan, and the late Mr. Yusuf H. Shirazi, Founder of the 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 36 3S dealerships (Sales, Service, and Spare Parts), 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 581,721 vehicles have been manufactured and sold in Pakistan. In response to growing market demand, the Company significantly expanded its plant in 2006, doubling its annual production capacity to 50,000 units per year under a double-shift operational model. This expansion ensured the Company could meet the evolving demand of Pakistan's automotive market.

We adhere to the Government's policies regarding the percentage of parts localization by actively supporting local vendors in the 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.

Regular service campaigns are conducted to enhance customer satisfaction and strengthen brand loyalty. This market confidence is reflected in sustained sales growth, reinforcing the brand's strong position in the 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

Company Profile



Celebrated of 30th Anniversary on 27th November 2023



Export Ceremony Built in Pakistan 29th March, 2025



Launch of Pakistan's first e:HEV on July 28, 2025

technology features, while the locally assembled Honda HR-V, launched on October 21, 2022, is available in two variants and is equipped with enhanced technology, offering an 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, Asian Honda Co. Thailand, and the 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.

On March 29, 2025, the Company celebrated a historic milestone with

the 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.

On July 28, 2025, the Company ushered in a new chapter with the launch of Pakistan's first e:HEV, the Honda HR-V e:HEV, introduced under the theme "A New Era of e:HEV." The milestone was marked by a symbolic First Car Line-Off ceremony, signifying the commencement of localized production of Honda's most advanced hybrid SUV. The exclusive event was attended by senior representatives from Honda Motor Co., Japan, Asian Honda Co. Ltd., and the Atlas Group. Positioned as an all-in-one offering focused on package, performance, and design, the HR-V e:HEV features bold styling, LED lighting, 18-inch alloy

On July 28, 2025, the Company ushered in a new chapter with the launch of Pakistan's first e:HEV, the Honda HR-V e:HEV, introduced under the theme "A New Era of e:HEV."

wheels, and a premium yet practical interior with advanced infotainment. Safety is delivered as standard through Honda SENSING and an extensive suite of active and passive safety features, reinforcing Honda's commitment to innovation and customer confidence.

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 continue to place their trust in the Honda brand.

CONTENTS

01	MANAGEMENT / COMPANY'S STRUCTURE	04-23
	04-05 Vision Statement	
	06-07 Company Information	
	08 Geographical Presence	
	10-13 Board of Directors	
	14 Board Of Directors' Skills Matrix	
	15-18 Key Management	
	20-21 Organization Chart	
	22-23 Chronicle of Events	
02	INFORMATION & REVIEW REPORTS	24-115
	24-29 Chairman's Review	
	30 Key Highlights	
	32-39 Directors' Report	
	40-41 Pattern of Shareholding	
	42-104 HACPL's Sustainability Report	
	105-111 Corporate Governance	
	113-115 Statement of Compliance with Listed Companies	
03	FINANCIAL ANALYSIS	116-121
	116 Revenue Application	
	117 Value Added and its Distribution	
	118-119 Financial Highlights	
	120 Horizontal Analysis	
	121 Vertical Analysis	
04	AUDITOR'S REPORT & FINANCIAL STATEMENTS	122-186
	122 Independent Auditor's Review Report	
	124-127 Independent Auditor's Report	
	128-129 Statement of Financial Position	
	130 Statement of Profit or Loss	
	131 Statement of Comprehensive Income	
	132 Statement of Changes in Equity	
	133 Statement of Cash Flows	
	134-186 Notes to and Forming Part of the Financial Statements	
05	NOTICE OF MEETING AND REPORTS	187-197
	187 Notice of Annual General Meeting	
	192-188 Directors' Report (Urdu)	
	196-193 Chairman's Review (Urdu)	
	197 Form of Proxy	

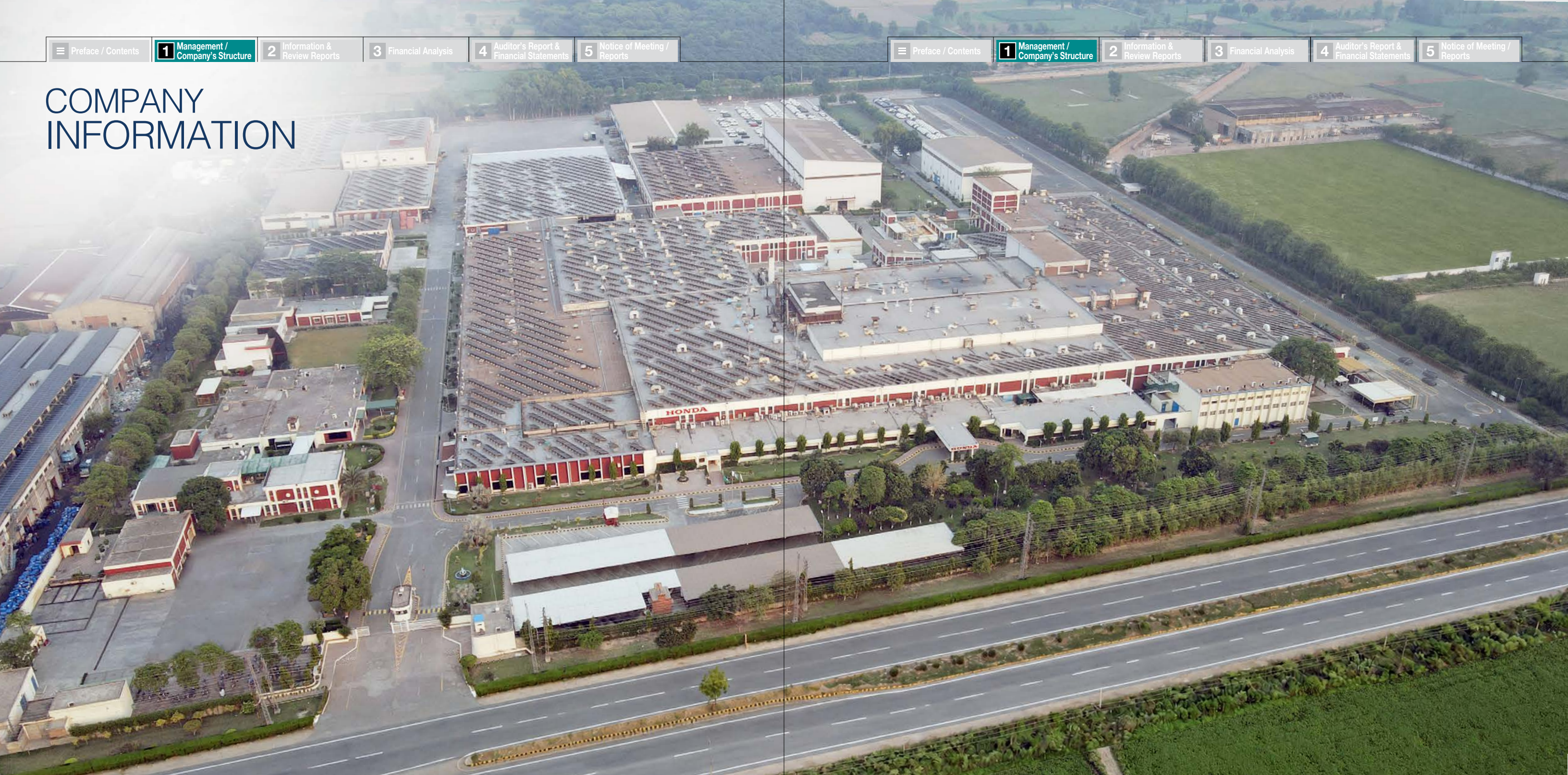
VISION STATEMENT

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. Akira Kitazawa	Director
Mr. Satoshi Suzuki	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. Akira Kitazawa	Member
Mr. Satoshi Suzuki	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. Akira Kitazawa	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

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

GEOGRAPHICAL PRESENCE



Authorized Sales, Service & Spare Parts Dealers



- 36 (3S Dealers)
- 19 (2S Dealers)
- 05 (1S Dealers)

REGISTERED OFFICE

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

FACTORY

Lahore
43 Km, Multan Road,
Manga Mandi.
Tel: +92 42 35384671-80

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

CLASS ABOVE ALL



BOARD OF DIRECTORS



MR. AAMIR H. SHIRAZI
Chairman

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

He is currently Chairman of Honda Atlas Cars, 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 Science. 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 23 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 a Senior Advisor and Director on the Board of Honda Atlas Cars.

He has previously served as Chairman of Pakistan Business Council (PBC) and Pakistan Auto Manufacturers' Association (PAMA). He was also president of 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. Ltd., 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. SATOSHI SUZUKI
Director

Mr. Suzuki has been with Honda Motor, Japan for over 36 years, with extensive experience in the automobile business and product planning across global strategic roles.

He has served as General Manager of Product Planning & Marketing at Honda Motor Europe Ltd., Director Sales at Honda Motor RUS LLC in Moscow, and Vice President of the Automobile Operations Division at American Honda Motor Co. Inc.

Since 2024, he has been Head of the Corporate Business Development Unit at Honda Motor Co. Ltd., and more recently Senior Vice President of Asian Honda Motor Co. Ltd., in Thailand. He has also been a member of the Board of Directors of Honda Atlas Cars (Pakistan) Limited since April 1, 2026.



MR. AKIRA KITAZAWA
Director

Mr. Akira Kitazawa has been associated with Honda Motor Co. Ltd., Japan, for the past 29 years and possesses extensive experience in Accounting, Finance, Human Resources, and Business Planning at a global level. He has served at Honda Motor Co. Ltd., Japan, as well as across various international subsidiaries. His first overseas assignment was in the Accounting & Finance division at Honda America Manufacturing, Inc. He has also held notable positions, including serving for nearly two years as AVP Business Administration at Honda Canada Inc., and for over four years as Vice President Accounting at Honda Development & Manufacturing of America. Currently, he has been serving as Vice President, Planning & Strategy, for the past two years within the same group of subsidiaries. Currently he is working as Vice President of Corporate Planning in Asian Honda Motor from April 01, 2026.

In addition, Mr. Kitazawa has been appointed as a director on the Board of Honda Atlas Cars (Pakistan) Limited also effective April 1, 2026.



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. 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., Sapphire Fibers Ltd and Prosperity Weaving Mills Ltd., and Chairman of the Audit Committee of Service Industries Ltd. 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 DIRECTORS' SKILLS MATRIX

Name	Position on the Board Member Sub Committee	Corporate Management	Industrial Experience	Human Resource	Finance	Logistic & Supply Chain	New Business Strategies	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 Committee	✓	✓	✓	✓	✓	✓	✓	-
Mr. Saquib H. Shirazi	Director & Senior Advisor Audit Committee & HR&R Committee	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Naoki Negi	Executive Director & Vice President Production Executive Committee and HR&R Committee	✓	✓	-	-	✓	✓	✓	-
Mr. Satoshi Suzuki	Director Audit Committee	✓	✓	-	-	✓	✓	✓	-
Mr. Akira Kitazawa	Director Audit Committee & HR&R Committee	✓	✓	✓	✓	-	✓	-	✓
Mr. Muhammad Naeem Khan	Independent Director Audit Committee & HR&R Committee	✓	✓	-	✓	✓	✓	-	-
Mr. Ariful Islam	Independent Director	✓	-	✓	✓	-	✓	✓	✓
Ms. Rie Mihara	Independent Director	✓	✓	✓	-	✓	✓	✓	-

KEY MANAGEMENT



MR. ASIF MAHMOOD
Assistant Vice President
Technical

Mr. Asif is a Mechanical Engineer from UET Lahore and holds an Executive MBA from LUMS. Since joining the Company in 1994, he has held diverse managerial roles across core functions including Material Services, Production Planning & Control, ISO, New Model Center, Specification Control, and Business Planning. He has further strengthened his expertise through prestigious international management and leadership programs at HIDA & AOTS, Japan and from ASH, Thailand.

In 2012, he assumed leadership of the Purchasing Division, a role he held until March 2023. In April 2023, he was appointed Senior GM Technical, overseeing Production, Model Planning, and Production Control. He currently serves as AVP Technical, with responsibility for Production, New Model, Production Planning & Control, Business Planning 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 34 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. From August 2017 to March 2025, he served as a Senior General Manager aftersales. Since April 2025, he has been working as Assistant Vice President Sales & Marketing and After Sales.



MR. MUHAMMAD AKMAL DAR
Senior General Manager
New Model

Mr. Dar began his career with the Atlas Group in 1995 at Atlas Honda Limited (AHL) in Production Planning & Control. He holds a Bachelor's in Mechanical Technology, a postgraduate diploma from LUMS, and an Executive MBA from the University of the Punjab. With extensive experience in production planning, supply chain, quality, and project management, he is recognized for optimizing resources and driving efficiency. He has also completed executive programs from HIDA Japan and LUMS.

In 2016, he became a Member of the Management Committee at AHL as General Manager. In 2018, he joined HACPL as GM Import, Purchase & Logistics, improving supplier coordination and logistics efficiency. He was promoted to Senior GM Purchasing in 2023 and currently serves as Senior GM New Model Division since April 2025.



MR. MUJAHID BUTT
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. He has also completed the Advanced Management Program (AMP) at INSEAD, France, along with executive training in Corporate Management and Environmental Management from AOTS, Japan, and MLD training from Asian Honda, Thailand, plus multiple other domestic and international learning exposures.

Since 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.



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). He has over 32 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



Key Management

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 31 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. MUHAMMAD AJMAL
Senior General Manager
Chief Engineer Quality (CEQ)

Mr. Ajmal has been associated with the Company for the past 32 years, making significant contributions across various departments, including Frame Assembly, Vehicle Quality, Market Quality, and the Quality Control Division. He completed a Management Course in

"Automobile – New Model Development" from AOTS, Japan in 1999, followed by a Production Management program at HIDA, Japan in 2017, and the Leadership Development Training Program from AOTS, Japan in 2026. Furthermore, he successfully completed a Senior Leadership Training Program in Thailand in 2018 and earned a Diploma in Business Management from FCCU in 2019. He has been serving as Chief Engineer of Quality (CEQ) since April 2018.



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 13 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 traveller.



MR. MUHAMMAD ALI
Senior General Manager
Information Technology

Mr. Ali is associated with the Company for last 11 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 HAIDER RATHORE
Senior General Manager
Legal, IPR & CRM

Mr. Rathore completed his LLB Hons in 1999 from the University of Punjab and LLM in Corporate & Commercial Law in 2018. He worked in a reputable Law Firm as Associate Lawyer before joining M/S MobiServe Pakistan Ltd (An Orascom Telecom Company).

Mr. Rathore joined HACPL in 2008 and remained part of Sales, After Sales and Admin & HR Division before appointed as Head of Legal, IPR & CRM. He has also attended a Management Training course from LUMS & AOTS Japan in addition to other Management / Leadership training programs.



MR. IMRAN FAROOQ
General Manager
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 has been associated with the Company for more than 31 years. He joined as Executive Shares and over the period, he has served in HR & Admin and Health, Safety & Corporate Governance Divisions. He has experience of 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. SYED WASEEM HASSAN
General Manager
Safety, Health & Export

Mr. Waseem has been associated with the Company for the last 26 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, Corporate Governance, 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 Returnable Cases and has been involved in dealings and necessary approvals from the Govt. He has also attended a Management Training course from AOTS Japan. In April 2021 & Feb 2026. From April 2026, he has been assigned the responsibilities of Safety, Health, and Export 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 qualified Management Training Programs from AOTS, Japan in Organizational Revitalization and Corporate Management for Customer Value Creation. He joined Atlas Honda Limited in 2004 and served in various Sales and Marketing positions.

He has more than 24 years of experience in Strategic Sales Management & Business Development, Product Planning, Network Optimization and New Customers Creation and 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 FCCU in 2017. Since joining the Company in 1993, he has held numerous managerial positions in Paint, Welding, Assembly Final, and Engine Assembly Depts. He has been assigned the responsibilities of Production as General Manager from April 2024.



MR. MUHAMMAD NAUMAN
General Manager
After Sales

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, In-House Manufacturing (Press and PO) and Quality control division. He has attended Advance Quality Training from AOTS, Japan. Since April 2026 he is working as General Manager of the After sales Division.



MR. FARRUKH NAVID UL HASSAN
General Manager
Purchasing

Mr. Farrukh holds an MSc in Manufacturing Engineering from UET Lahore and a PGD in Business Management from IBA Karachi. He joined Honda Atlas Cars (Pakistan) Limited in October 2005 and brings nearly 20 years

Key Management

of experience in purchasing operations. He has completed various leadership programs, including AOTS training in Japan on productivity improvement.

His expertise includes parts localization, cost optimization, supplier development, sourcing strategy, and new model cost planning. He also served as Project Leader at Honda Automobile (Thailand) Co., Ltd., coordinating with Honda R&D and global suppliers.

Since April 2025, he has been serving as General Manager, Purchasing Division, driving cost competitiveness, supply resilience, and sustainable value creation.



MR. FARHAN SALEEM
General Manager
Quality Control

Mr. Farhan has a comprehensive experience of over 22 years and is currently serving as General Manager Quality Control. 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.



MR. RANA USMAN ABID
General Manager
Production Control

Mr. Usman holds an MBA (Marketing), a Bachelor's degree in Mechanical Engineering, and a Postgraduate Diploma in Business Administration. He brings over 21 years of diverse experience across the automobile and banking sectors, with expertise in strategic planning, supply chain management, aftersales operations, and risk assessment.

He began his career with HACPL in 2005 and later worked with TOTAL Pakistan in industrial lubricants sales, followed by Allied Bank Limited, where he supported technical and risk evaluations for major industrial projects. He rejoined HACPL in 2017 and has since held key leadership roles across Aftersales and Import, Purchase & Logistics.

Since April 2025, he serves as General Manager – Production Control Division, overseeing production planning and local parts supply chain operations.



MR. MUJAHID YASIN
General Manager
Business Planning

Mr. Mujahid has been associated with the Company since 1994, with experience across Paint, Engine Assembly, and Production Control. He has strong expertise in ISO systems (9001, 14001, 45001) and serves as ECM, supporting ISO implementation across HACPL.

He has successfully accomplished a number of management courses offered by ILO Japan and Asian Honda Thailand, along with a Diploma in Business Management from FCCU. Since April 2026, he has been serving as General Manager – Business Planning, leading strategic planning for Production and allied functions to enhance operational alignment across the organization. In addition, he oversees the Company's Quality Circle and Kaizen initiatives, driving continuous improvement and operational excellence.



MR. MUHAMMAD NAUMAN ALI
General Manager
Corporate Affairs

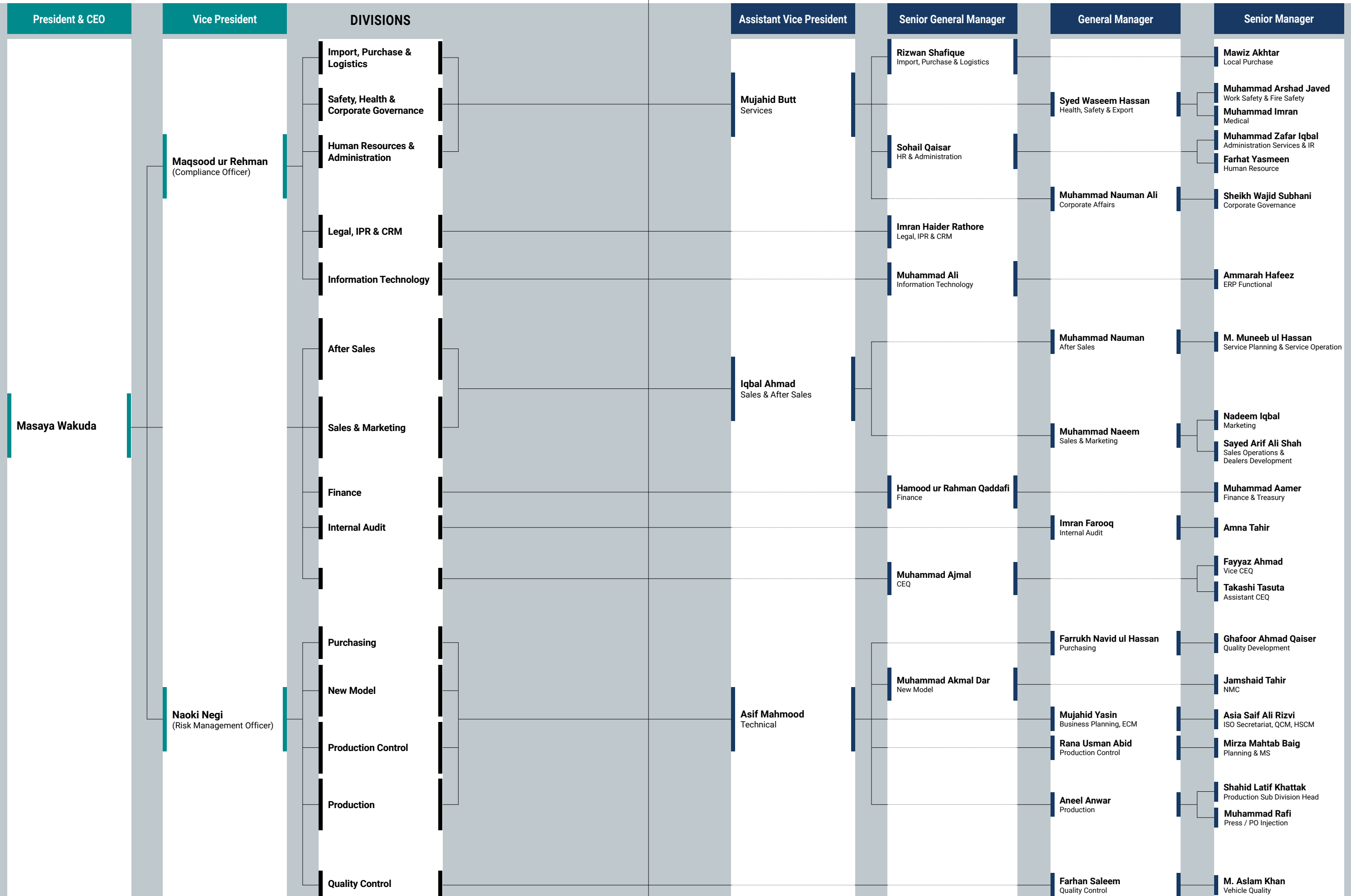
Mr. Nauman is a seasoned corporate affairs professional with over 20 years of progressive leadership experience across regulatory strategy, government relations, corporate governance, sustainability, legal, HR, and supply chain functions, primarily in automotive sector. He currently leads regulatory and policy engagement, ensuring robust compliance while representing the organization at key government and industry forums and contributing to broader policy dialogue.

He consistently brings a strategic and forward-looking perspective to evolving regulatory, trade, governance, and sustainability landscapes, interpreting key developments and evaluating their implications for business performance, competitiveness, and long-term resilience. He supports corporate decision-making through well-considered inputs aligned with strategic direction, governance priorities, and portfolio planning.

Academically, he holds postgraduate qualifications in Public Administration and Law, complemented by international trainings in corporate management, HR, and industrial relations.

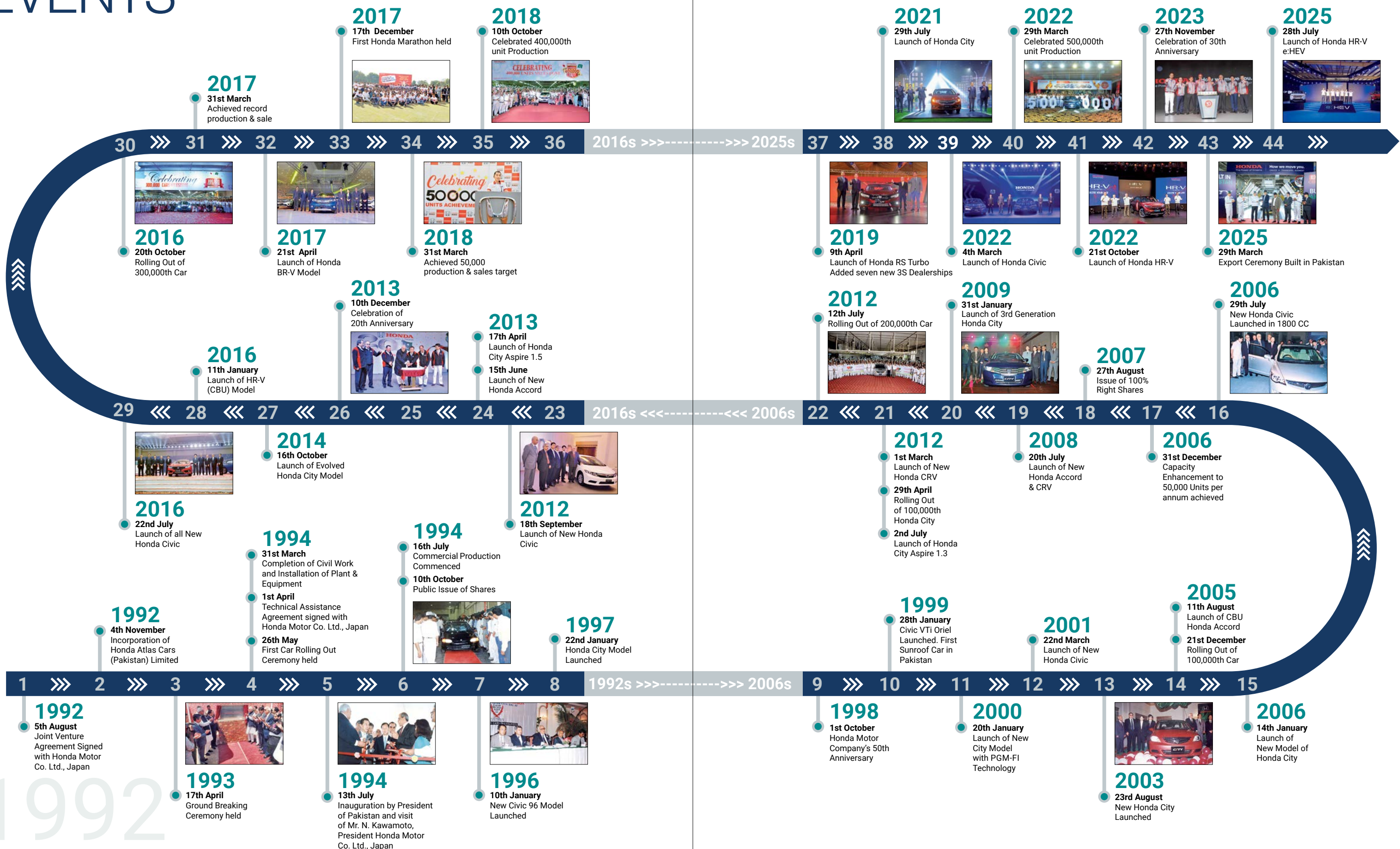


ORGANIZATION CHART



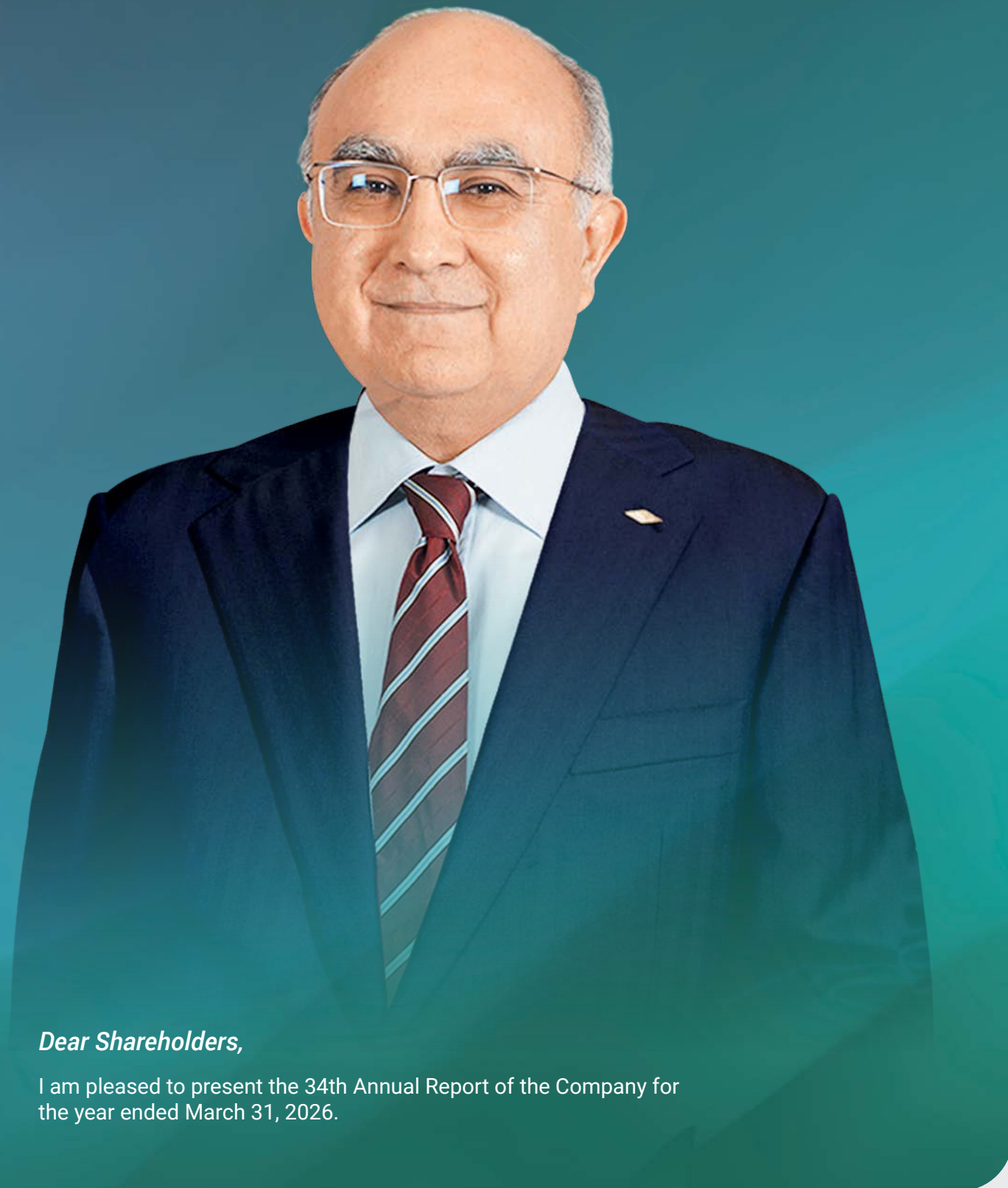
CHRONICLE OF EVENTS

2025



CHAIRMAN'S REVIEW

As on March 31, 2026



Dear Shareholders,

I am pleased to present the 34th Annual Report of the Company for the year ended March 31, 2026.



Participated in Pakistan Auto Show 2026

MACROECONOMIC OVERVIEW

The country's economy experienced encouraging progress across key indicators, supported by continued policy discipline and reform momentum amid a challenging global environment. This progress was reflected in improved external account indicators, easing inflationary pressures, and a stable exchange rate. The Government's continued commitment to the IMF Extended Fund Facility (EFF), supported by sustained multilateral inflows, has been instrumental in strengthening macroeconomic fundamentals and restoring investor confidence. Consequently, GDP growth is projected to improve to 3.6% in FY26, compared to 3.0% in the prior year, indicating a transition towards a phase of moderate, broad-based recovery. However, sustaining this recovery will require continued structural reforms. External conditions, particularly geopolitical tensions in the Middle East and related regional spillover risks, remain a source of uncertainty.

Pakistan's current account improved during FY2026, moving from a deficit of USD 700 million to a marginal surplus of USD 8 million. A surplus of USD 1.07 billion in March 2026 indicates relative stability in the

external position. Exports remained broadly stable, while imports increased moderately in line with economic activity. Workers' remittances rose by 10.5% to USD 26.5 billion and continued to support the external account. Remittances continued to play a significant role in easing the trade deficit, increasing by 10.5% to USD 26.5 billion. Inflation remained contained, averaging 5.7% during 9M FY26, enabling the State Bank of Pakistan (SBP) to maintain the policy rate at 10.5% as of March 2026. On the fiscal side, the Government maintained disciplined stance through tax reforms, digitization of revenue systems and curtailment of expenditure, leading to significant fiscal consolidation. During 9M FY26, the Federal Board of Revenue collected Rs. 9.3 trillion, reflecting a 10% increase over Rs. 8.4 trillion collected in the same period last year, supported by improved enforcement and broadening of the tax base.

AGRICULTURE

The agriculture sector exhibited a mixed performance during the year, as Kharif crops were impacted by adverse weather conditions and elevated input costs. Notwithstanding these challenges, the

sector continued to underpin rural income and remained a key contributor to overall economic activity, supporting demand in consumption-led segments. Improved availability of inputs and supportive policy measures have strengthened farming activity, as reflected in an 11.1% increase in agricultural credit to Rs. 1,649 billion and a 17.1% rise in agricultural machinery imports to USD 90.8 million. These factors are expected to enhance agricultural productivity and strengthen rural economic stability.

LARGE SCALE MANUFACTURING (LSM)

Large-Scale Manufacturing (LSM) recorded improvement during FY2026, with growth of 5.8% during 7M FY2026, compared to a contraction of 1.7% in the corresponding period last year. Growth was observed across key sectors, including automobiles, textiles, petroleum products, and food. Overall, 15 out of 22 sectors recorded growth, indicating a broad-based recovery in industrial activity. Policy support measures contributed to this improvement, including reductions in the cash reserve requirement, lower mark-up rates for exporters, and a downward

Chairman's Review As on March 31, 2026



Launch of HRV e:HEV at Factory

adjustment in energy tariffs for the industrial sector. However, the outlook remains subject to external demand conditions and volatility in energy prices, particularly considering geopolitical developments in the Middle East.

AUTOMOBILE INDUSTRY

The period from April 2025 to March 2026 marked a phase of structural stabilization for the automobile industry, characterized by gradual operational recovery, evolving consumer dynamics, and intensifying market competition. Following an extended period of contraction in preceding years, the industry began to demonstrate early signs of normalization, with volumes stabilizing and demand patterns becoming increasingly predictable, albeit remaining below historical peak levels.

During the year, market demand reflected a clear segmentation trend, with the SUV and crossover segment outperforming other vehicle segments. Demand from higher-income consumer groups remained comparatively robust, while manufacturers strategically expanded their SUV portfolios through the introduction of compact and mid-sized models tailored to changing customer preferences.

Consequently, a significant proportion of new product launches during the year were concentrated within the SUV and crossover segments, reinforcing their strategic importance to the industry. These products offer improved fuel efficiency, enhanced safety features, and modern infotainment systems. Furthermore, the introduction of hybrid variants represented an important initial step toward electrification within the market. Collectively, these developments enabled the SUV segment not only to sustain market demand but also to make a significant contribution to overall industry revenues.

In the mid-tier segment, new model launches played a significant role in strengthening value propositions, with manufacturers offering improved specifications, enhanced build quality, and greater technological integration at competitive price points. This reduced the gap between economy and premium vehicles, encouraging consumers to place greater emphasis on features and long-term value in addition to affordability. In contrast, the entry-level segment remained relatively cautious, with manufacturers focusing primarily on facelifts and incremental upgrades rather than introducing entirely new

platforms, reflecting both cost considerations and softer demand conditions.

Against this backdrop, overall industry production increased significantly to 193,143 units from 132,800 units in the previous year, while industry sales increased to 191,184 units compared to 135,448 units in the prior period. In line with the broader market recovery, Your Company recorded production of 26,430 units against 15,545 units last year, while sales increased to 25,621 units from 16,100 units in the preceding year

Looking ahead, sustainable growth will depend on the industry's ability to strengthen localization and technological capabilities. Consistent government policies, targeted incentives, and continued infrastructure development will remain critical to supporting this transition. With these measures, Pakistan's automobile industry has the potential to evolve from a predominantly assembly-based sector into a more competitive, resilient, and innovation-driven contributor to the national economy.

THE COMPANY

Your Company continues to observe the '3 Joys' philosophy through



Launch of HRV e:HEV

innovative and reliable products. Honda Pakistan, a world-class brand, has successfully sustained its presence even under challenging circumstances of the country and continues to remain a preferred brand among a growing customer base.

During the year, the Company achieved a significant milestone with the launch of HR-V e:HEV, its first hybrid electric vehicle, followed by the introduction of a premium variant of City and the facelift of Civic. These developments reflect the Company's continued commitment to innovation, product enhancement, and strategic alignment with evolving market trends.

● **Launch of HRV e:HEV**

On July 28, 2025 the Company launched the Honda HR-V e:HEV, marking Pakistan's first locally introduced Honda hybrid SUV. The event represented a major milestone in the Company's shift toward sustainable and intelligent mobility, aligned with Honda's global goals of carbon neutrality and zero traffic fatalities by 2050. The ceremony featured the symbolic First Car Line-Off, signalling the start of local production, and was attended by senior leadership from Honda



Motor Co., Ltd., Asian Honda, and the Atlas Group. Speakers highlighted Honda's commitment to innovation and environmental responsibility, with the HR-V e:HEV positioned as a strategic step toward electrified mobility, improved efficiency, and modern driving experiences in Pakistan.

The HR-V e:HEV was presented as a complete package of performance, design, and safety, featuring a two-motor hybrid system that delivers smooth acceleration, strong fuel efficiency, and refined driving dynamics. Its exterior includes bold styling with LED headlamps, 18-inch alloy wheels, and a power tailgate, while the interior offers premium leather seating, a 9-inch infotainment system, wireless charging, and a digital driver display. Safety was a key focus, with Honda SENSING included as

standard across all variants, offering advanced driver-assistance features such as collision mitigation braking, adaptive cruise control, lane keeping assist, and road departure mitigation, along with multiple airbags and advanced stability systems.

● **Launch of City Aspire S**

The Company strengthened its portfolio with the digital launch of the Honda City Aspire S, a refreshed and more premium variant of the City lineup. The launch was supported by an energetic online campaign designed to engage urban customers seeking style-driven mobility. Through its tagline "It's Simply Sensational", the campaign positioned the Aspire S as a more aspirational and contemporary offering within the Honda City range, generating strong customer interest and renewed momentum in bookings.

The City Aspire S introduced a series of visual and feature upgrades, including a bold new front grille, sleek alloy wheels, LED lighting, a rear spoiler, and an exclusive Aspire S badge that enhanced its road presence. The interior was also refined to offer

Chairman's Review As on March 31, 2026



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:

• **Transformation to Hybrid Technology**

The Company undertook a focused transformation of its manufacturing facilities to support hybrid vehicle production, representing a significant step toward future-ready operations. Key initiatives included the integration of specialized equipment for hybrid components and the establishment of in-house assembly capabilities for critical systems, including the IPU battery pack.

In parallel, the Company emphasized workforce upskilling, enhanced quality controls, and strict adherence to global safety and environmental standards to ensure the seamless production of hybrid vehicles. These initiatives strengthened operational efficiency and technical capabilities while positioning the manufacturing ecosystem to support advanced mobility solutions in line with evolving industry trends.

FINANCIAL PERFORMANCE

I am pleased to report that your Company achieved commendable financial results for the year ended March 31, 2026. Net sales revenue improved to PKR 122,283 million as compared to PKR 78,066 million in the corresponding last year. Gross profit increased to PKR 9,483 million compared to PKR 6,664 million last year, reflecting improved operational performance. Selling and administrative expenses increased to

greater comfort, sophistication, and everyday practicality, aligning with its premium positioning. The model further gained credibility through third-party endorsements, which highlighted its strong fuel efficiency, spacious cabin, and practical features such as cruise control, economy mode, multiple airbags, and integrated navigation. These validations reinforced its value-driven appeal, strengthening its market perception as a well-rounded and attractive option in its segment.



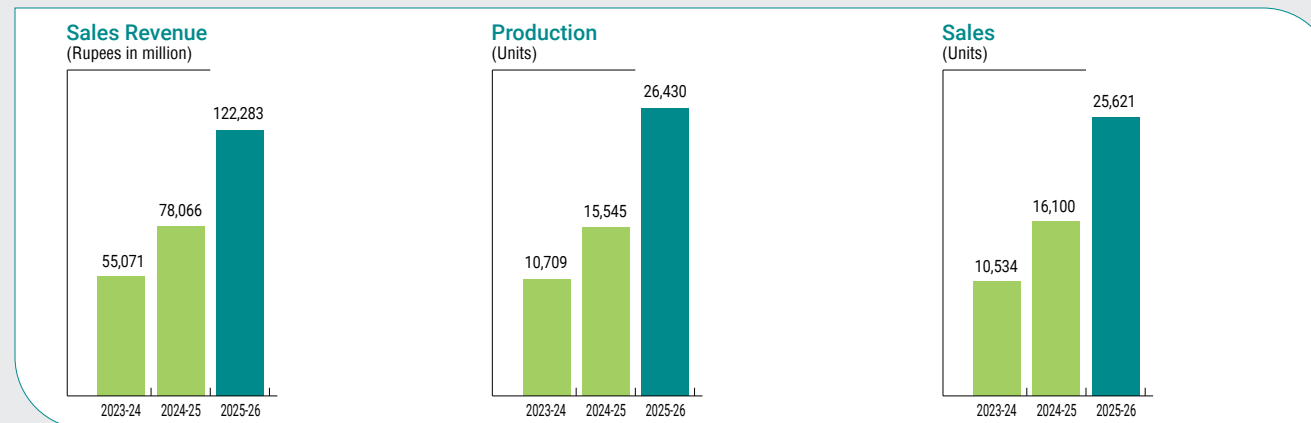
Honda SENSING across all variants, reinforcing Honda's commitment to advanced safety. This suite includes features such as Collision Mitigation Braking System, Adaptive Cruise Control, Lane Keeping Assist, Road Departure Mitigation, Auto High Beam, and Lead Car Departure Notification, ensuring a safer driving experience. The Civic RS continues as the performance-oriented variant with sporty styling, wireless charging, and upgraded navigation, while the Civic Oriel focuses on balanced comfort and practicality with features like rain sensors, auto headlights, and rear USB-C ports. Together, the lineup reinforces Civic's position as a benchmark in its segment by blending comfort, technology, and performance for a wide range of customers.

• **Civic Facelift**

The Company further strengthened its premium sedan portfolio with the facelift of Honda Civic. Introduced under the tagline "Where Class Meets Thrill," the Civic builds on its established legacy with Civic RS and Civic Oriel, bringing a refreshed design, improved driving dynamics, and enhanced safety technologies. The exterior featured a redesigned grille and front bumper, giving it a more commanding presence, along with new color options-Canyon River Blue and Ignite Red that enhance its sporty yet premium identity.

A major highlight of the updated Civic is the standard inclusion of

As the Company celebrates these accomplishments, it remains



PKR 4,182 million compared to PKR 3,021 million last year. Other income increased to PKR 2,311 million from PKR 989 million. Favorable USD-PKR exchange rate stability helped the Company to avoid foreign exchange losses. Financial and other charges were recorded at PKR 2,523 million against PKR 1,357 million in the preceding year. As a result, the Company posted PKR 5,088 million as profit before tax in comparison to PKR 3,275 million. After statutory tax adjustments, net profit for the year ended March 31, 2026 was recorded at PKR 3,234 million against PKR 2,709 million in the corresponding period last year. Consequently, earnings per share improved to PKR 22.64 against PKR 18.97 for preceding year.

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

FUTURE OUTLOOK

Looking ahead, Pakistan's economic outlook remains cautiously optimistic, supported by continued macroeconomic stabilization, easing inflation, a stable exchange rate, and the Government's commitment to IMF-backed reforms. Gradual recovery in industrial activity, improving external account indicators, and a more predictable monetary environment are expected

to support business confidence and investment activity. At the same time, the outlook remains subject to external risks, including rising geopolitical tensions, evolving trade dynamics, volatility in global commodity and energy prices, and potential supply chain disruptions. Domestic challenges, particularly the need for sustained fiscal consolidation and structural reforms, also remain critical to long-term stability. Going forward, strengthening export competitiveness, enhancing productivity, and maintaining policy discipline will be key to sustaining growth momentum.

The Company remains committed to staying ahead of the curve, anticipating industry developments, addressing challenges, and driving growth through enhanced operational efficiency and strong market positioning. Upholding social responsibility, financial strength, and operational excellence 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.

جوئندہ یا بندہ
(One who seeks, gets it)

ACKNOWLEDGMENT

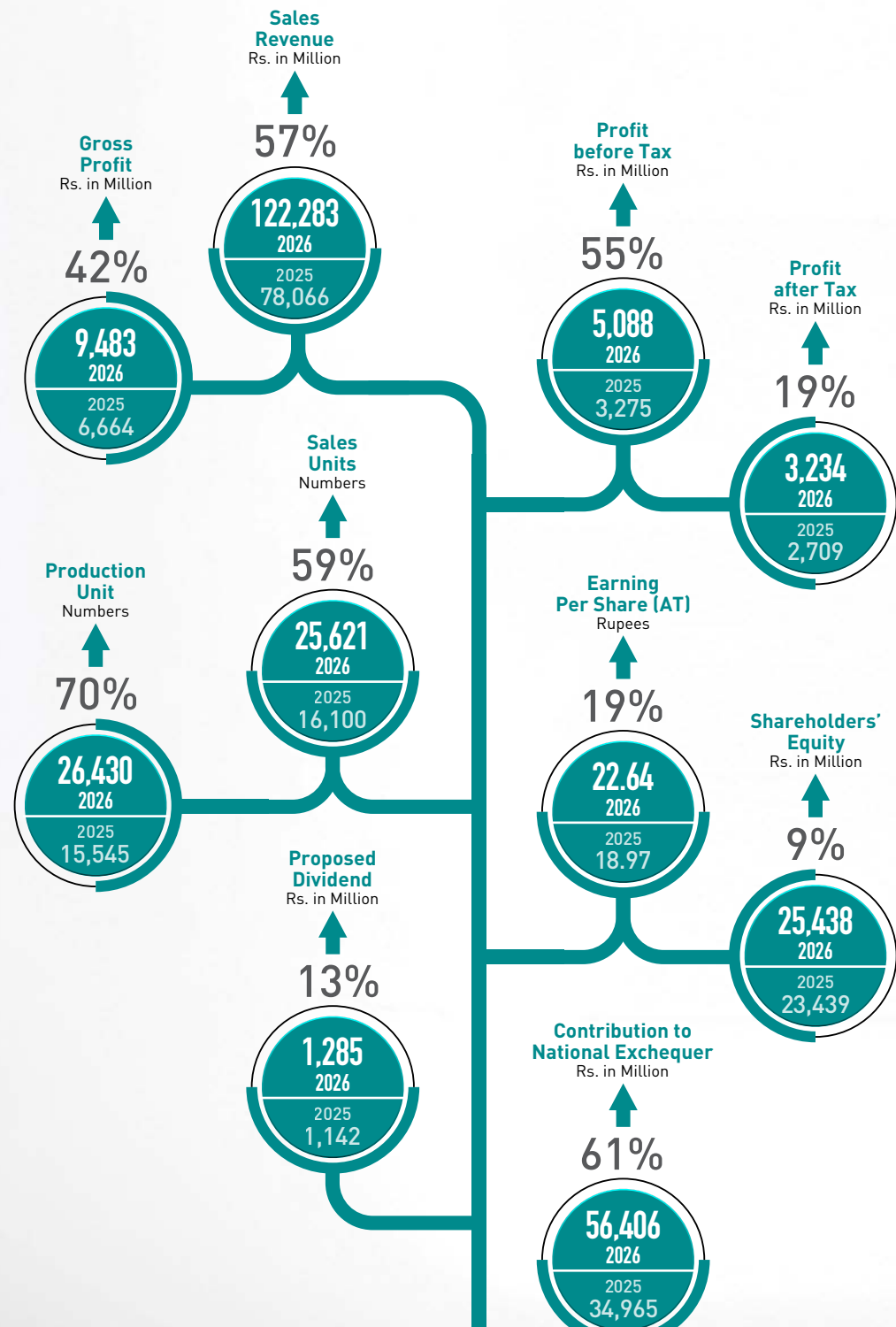
I would like to acknowledge the continued support and cooperation of Honda Motor Company Limited in maintaining high standards of excellence. I extend gratitude to our valued customers for the trust they continue to place in us, the management team for its sincere efforts & the Board of Directors for their guidance. Mr. Masaya Wakuda and his team deserve strong appreciation for their hard work and commitment. I am also thankful to the dealers, bankers, vendors, and shareholders for helping build Honda Atlas (Pakistan) Limited a unique company.

Aamir H. Shirazi
Chairman

Date: May 19, 2026
Karachi

KEY HIGHLIGHTS

During 2025-26



HR-V e:HEV THE NEW ERA OF e:HEV

Honda e:Drive Campaign:

During the pre-launch phase, Zain Afzal unveiled the Honda HR-V e:HEV, while industry experts shared positive evaluations following exclusive test drives showcasing EV, Hybrid, Engine, and regenerative braking modes.

ENVIRONMENT
Realized by a highly-efficient hybrid-electric system
Excellent fuel economy

FUN
Realized with sporty acceleration and responsiveness realized by the high-output motor
Fun of driving

Honda hybrid system that maximizes the "fun of driving"

Two-Motor Hybrid System
With Honda's intelligent 1-MMD

EV Mode	Hybrid Mode	Engine Mode	Regenerative Braking

HR-V e:HEV Launch:

Honda officially launched the HR-V e:HEV on 28 July 2025 through a grand event attended by Mr. Toshio Kuwahara, over 250 guests, and leading media representatives, receiving widespread appreciation and positive acclaim.

Pre Launch	Launch	Post Launch

Post Launch:

Following the launch, Honda HR-V e:HEV sustained strong market buzz through digital feature campaigns, expert reviews, customer testimonials, and extensive magazine coverage.

Celebrity	Family	Media

DIRECTORS' REPORT

As on March 31, 2026

Dear Shareholders,

The Directors of the Company are pleased to present their report together with the 34th Annual Report of the Company along with Audited Financial Statements for the year ended March 31, 2026.

MASAYA WAKUDA
President & CEO

FINANCIAL RESULTS

Key Financial Results for the year are as follows:

Rupees in million	Year ended March 31, 2026	Year ended March 31, 2025
Profit before tax for the year	5,088.23	3,274.77
Taxation	(1,854.53)	(565.63)
Other comprehensive (loss)/income for the year	(92.39)	3.18
Un-appropriated profit	3,141.31	2,712.32
Opening retained earnings	412.74	342.82
Total balance available for appropriation	3,554.05	3,055.14
Appropriations:*		
Transfer to general reserves	(2,000.00)	(1,500.00)
Proposed dividend 90% (2025: 80%)	(1,285.20)	(1,142.40)
	(3,285.20)	(2,642.40)
Earning per share - basic & diluted (Rs.)	22.64	18.97

* 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. 22.64 (2025: Rs. 18.97).

DIVIDEND

In line with the Company's strategy to pay dividends, keeping a balance between reasonable payout as well as to meet future business requirements,

the Board of Directors has recommended Rs. 9.0 (90%) dividend per share for the year ended March 31, 2026. The Company maintained the Dividend payout of 40% for the year.

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



33rd Annual General Meeting of Shareholders

Directors' Report as on March 31, 2026

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, 2025, Mr. Takafumi Koike President & CEO was replaced by Mr. Masaya Wakuda 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 Director.

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 2025-26.

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. Masaya Wakuda	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

L to R - Sitting: Mr. Muhammad Ajmal, Mr. Muhammad Akmal Dar, Mr. Rizwan Shafique, Mr. Iqbal Ahmed, Mr. Mujahid Butt, Mr. Asif Mahmood, Mr. Sohail Qaiser, Mr. Imran Haider Rathore, Mr. Muhammad Ali and Mr. Hamood ur Rahman Qaddafi
 L to R - Standing: Mr. Muhammad Nauman Ali, Mr. Farrukh Navid ul Hassan, Mr. Muhammad Nauman, Mr. Mujahid Yasin, Mr. Imran Farooq, Mr. Farhan Saleem, Mr. Muhammad Naeem, Mr. Rana Usman Abid, Mr. Aneel Anwar, Mr. Syed Waseem Hassan and Mr. Takashi Tasuta



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 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, six meetings of Board of Directors (BOD), four meetings of the Audit Committee, and one meeting of the HR&R Committees were held. All the meetings were held in Pakistan.

Name	Committee		Attendance		
	AC	HR&R	BOD	AC	HR&R
Mr. Aamir H. Shirazi Chairman	-	-	6/6	-	-
Mr. Masaya Wakuda President & CEO	-	✓	6/6	-	1/1
Mr. Saquib H. Shirazi Director & Senior Advisor	✓	✓	6/6	4/4	1/1
Mr. Naoki Negi Director & Vice President Production	-	✓	6/6	-	1/1
Mr. Muhammad Naeem Khan Independent Director	✓	✓	6/6	4/4	1/1
Mr. Hidenori Ashikawa Director	✓	✓	4/6	2/4	1/1
Mr. Gaku Nakanishi Director	✓	-	4/6	2/4	-
Mr. Ariful Islam Independent Director	-	-	5/6	-	-
Ms. Rie Mihara Independent Director	-	-	5/6	-	-
Mr. Maqsood ur Rehman Company Secretary & Vice President	-	-	6/6	-	-
Mr. Hamood ur Rehman CFO / Senior General Manager Finance	-	-	6/6	-	-

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



PERFORMANCE EVALUATION OF BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD

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

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

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

Directors' Report as on March 31, 2026



ROLES AND RESPONSIBILITIES OF 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 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 2025-26, please refer to the notes accompanying the Financial Statements.

For the fiscal year ending March 31, 2027, the Board has approved the following advisory fee & remunerations of the Directors:

- a) the advisory fee of the Chairman (Non-executive Director) at Rs. 75.00 million,
- b) the remuneration of the President/CEO at Rs. 65.00 million; and

- c) the remuneration of one full-time director at Rs. 45.00 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 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, 2026, present fairly its state of affairs, the results of its operations, cash flow, and changes in equity;
- b. The Company has maintained Proper books of accounts;
- c. Appropriate accounting policies have been consistently applied in the preparation of financial statements for the year ended March 31, 2026, 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, 2026, are as follows (PKR in millions):

Fund Name	March 31, 2026	March 31, 2025
Provident Fund	826.94	661.32
Gratuity Fund	1,920.88	1,653.52

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

STATEMENT OF VALUE ADDITION

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



MATERIAL CHANGES

There have been no material changes since March 31, 2026 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



Senior Managers

Directors' Report as on March 31, 2026

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 website at <http://honda.com.pk/investorRelations> 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. Masaya Wakuda, the newly

appointed director nominated by M/s Honda Motor, Japan, replacing Mr. Takafumi Koike on the Board. 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, 2026 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 2026-27. The Board of directors endorses recommendation of the Audit Committee for their re-appointment as auditors of the Company for the financial year 2026-27, to the shareholders for approval

For and on behalf of
The Board of Directors



Aamir H. Shirazi
Chairman



Masaya Wakuda
President & CEO

Karachi, May 19, 2026



PATTERN OF SHAREHOLDING

As on March 31, 2026

Number of Shareholders	Shareholdings		Total Number of Shares Held	Percentage of Total Capital
	From	To		
6,013	1	100	236,487	0.17
3,528	101	500	1,057,705	0.74
2,017	501	1,000	1,676,754	1.17
2,283	1,001	5,000	5,246,380	3.67
355	5,001	10,000	2,594,924	1.82
102	10,001	15,000	1,261,773	0.88
57	15,001	20,000	1,023,591	0.72
24	20,001	25,000	552,463	0.39
21	25,001	30,000	575,301	0.40
15	30,001	35,000	483,919	0.34
11	35,001	40,000	413,489	0.29
11	40,001	45,000	464,367	0.33
8	45,001	50,000	388,972	0.27
3	50,001	55,000	154,364	0.11
4	55,001	60,000	229,149	0.16
3	60,001	65,000	187,526	0.13
3	65,001	70,000	201,933	0.14
2	70,001	75,000	142,634	0.10
4	75,001	80,000	314,517	0.22
2	90,001	95,000	181,991	0.13
1	95,001	100,000	95,650	0.07
1	100,001	105,000	101,359	0.07
1	105,001	110,000	110,000	0.08
2	110,001	115,000	224,491	0.16
2	120,001	125,000	248,184	0.17
1	125,001	130,000	125,700	0.09
1	130,001	135,000	131,275	0.09
1	150,001	155,000	151,300	0.11
1	160,001	165,000	165,000	0.12
1	180,001	185,000	182,771	0.13
1	200,001	205,000	203,735	0.14
1	220,001	225,000	225,000	0.16
1	255,001	260,000	258,990	0.18
1	295,001	300,000	298,980	0.21
1	310,001	315,000	313,300	0.22
1	395,001	400,000	400,000	0.28
1	660,001	665,000	664,058	0.47
1	695,001	700,000	700,000	0.49
1	845,001	850,000	850,000	0.60
1	1,960,001	1,965,000	1,961,500	1.37
1	2,050,001	2,055,000	2,052,818	1.44
1	43,115,001	43,120,000	43,119,650	30.20
1	72,825,001	72,830,000	72,828,000	51.00
14,491			142,800,000	100.00

CATEGORIES OF SHAREHOLDERS

As on March 31, 2026

Sr. No	Description	Number of Shareholders	Shares Held	Percentage of Total Capital
1	Individuals	14,354	17,912,745	12.54
2	Foreign Company	1	72,828,000	51.00
3	Associated Undertakings/Companies	1	43,119,650	30.20
4	Joint Stock Companies	51	1,426,164	1.00
5	Financial Institutions	7	2,126,648	1.49
6	Insurance Companies	2	1,514,058	1.06
7	Investment Companies	6	171,111	0.12
8	Mutual Funds	9	670,925	0.47
9	Funds	32	560,937	0.39
10	Others	28	2,469,762	1.73
		14,491	142,800,000	100.00

SHAREHOLDING INFORMATION

As on March 31, 2026

Categories	Number of Shareholders	Shares Held
Associated Companies		
+ M/s. Honda Motor Co., 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 AKD INDEX TRACKER FUND	1	9,690
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	50,350
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	298,980
CDC - TRUSTEE GOLDEN ARROW STOCK FUND	1	10,000
CDC - TRUSTEE FAYSAL ISLAMIC STOCK FUND	1	90,500
CDC - TRUSTEE FAYSAL ISLAMIC ASSET ALLOCATION FUND - II	1	203,735
Directors, CEO, Their Spouse and Minor Children		
Mr. Aamir H. Shirazi	1	#
Mr. Saquib H. Shirazi	1	#
Mr. Masaya Wakuda	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	7	1,055
Public Sector Companies & Corporations (Joint Stock Companies)	51	1,426,164
Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension/Other Funds	71	5,996,671
Others, Individuals	14,343	17,912,878
TOTAL:	14,491	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. Masaya Wakuda, Mr. Naoki Negi, Mr. Hidenori Ashikawa and Mr. Gaku Nakanishi in the capacity of its nominee directors. The ultimate ownership remains with Honda Motor Co., Limited, Japan.
** Ms. Rie Mihara, Mr. Ariful Islam and Mr. Muhammad Naeem Khan hold qualification shares. These shares are held in their own name.

SUSTAINABILITY REPORT 2026



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.

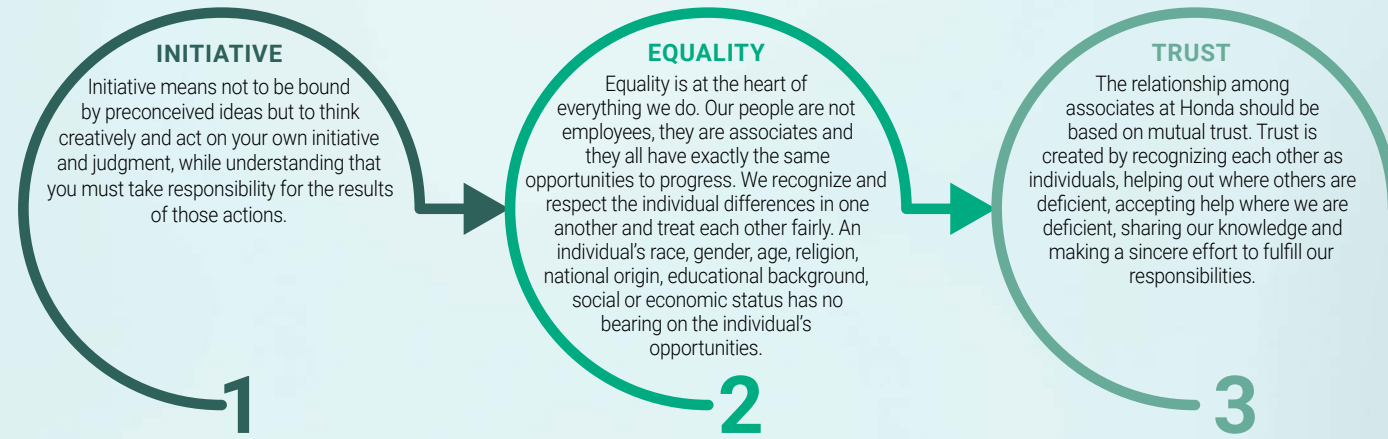
Honda's corporate management and business activities that move people, inspire people, and spread dreams throughout the world contribute to sustainability, and the Company aims to continue "to be a company people and society want to exist".

HONDA
The Power of Dreams

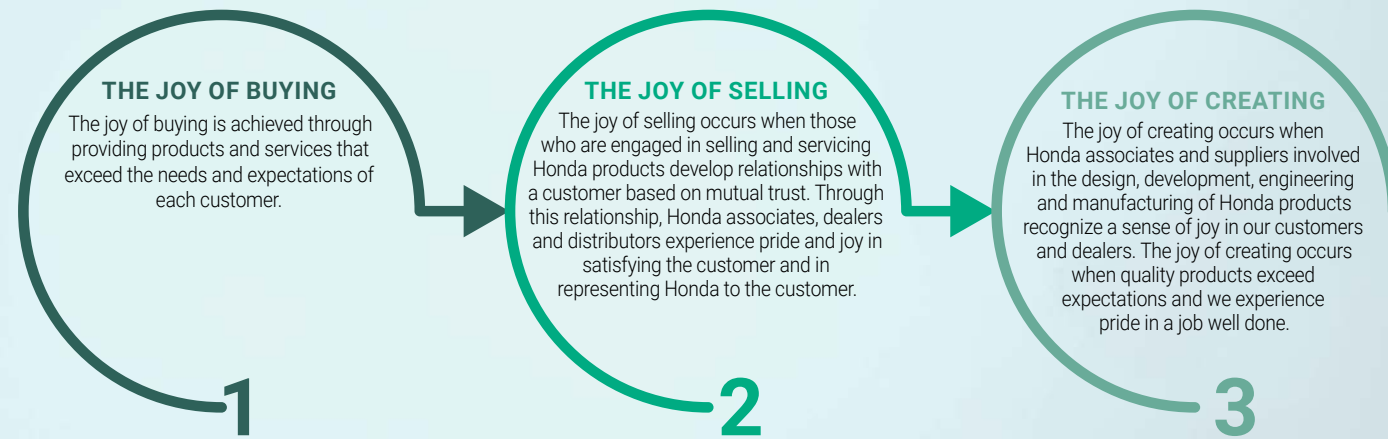
How we move you.
CREATE ► TRANSCEND, AUGMENT

FUNDAMENTAL BELIEFS

RESPECT FOR THE INDIVIDUAL



THE THREE JOYS



STAKEHOLDERS' ENGAGEMENT

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

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

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



Stakeholders' Engagement

INITIATIVES IN FY2025-26

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 2025, 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 Honda 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 educational institutes, corporate sector, (supplier, dealerships & group companies), in collaboration with the National Highways & Motorways Police, City Traffic Police, and AHL training teams. The objective is to achieve zero traffic collision fatalities by 2050.	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-ul-Akhlaq Trust and Moawin Foundation to support youth education and empower future success.	Year round	HSCG Division
Associates	Free Medical Camps	HACPL partners with local NGOs and social workers to organize medical camps in remote areas. Last year, three free camps provided treatment and medicines to over 2,192 patients, delivering essential healthcare to underserved communities.	Year round	HSCG Division
	Engagement Survey	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."

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.

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
Responding to climate change and energy issues	Initiatives for carbon neutrality, Clean energy initiatives, Logistics initiatives to achieve carbon neutrality with suppliers	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION
Preservation of clean air	Initiatives for Preservation of clean air	3 GOOD HEALTH AND WELL-BEING, 13 CLIMATE ACTION
Utilizing resources efficiently and waste management	Resource circulation initiatives, Waste management initiatives	11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Conserving water resources	Water Conservation Initiatives	6 CLEAN WATER AND SANITATION, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Biodiversity conservation	Biodiversity conservation initiatives	13 CLIMATE ACTION, 15 LIFE ON LAND
Managing chemical substances and preventing pollution	Management and reduction of chemical substances	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

ENVIRONMENT

Priority issues	HACPL's initiatives	SDGs
Safety	Significantly reducing traffic fatalities	11 SUSTAINABLE CITIES AND COMMUNITIES
Occupational Safety	Ensuring Occupational Safety and Health	8 DECENT WORK AND ECONOMIC GROWTH
Human Rights	Respecting human rights	8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES
Human Resources	Developing and securing excellent human resources, expanding diversity	5 GENDER EQUALITY
Contribution towards Society	Contribution to the development of society and its people	3 GOOD HEALTH AND WELL-BEING, 4 QUALITY EDUCATION
Customers	Improving product quality	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	Product Cyber Security	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
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.	8 DECENT WORK AND ECONOMIC GROWTH
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.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
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.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
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.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

GOVERNANCE

ENVIRONMENT

HONDA 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 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.

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.

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).

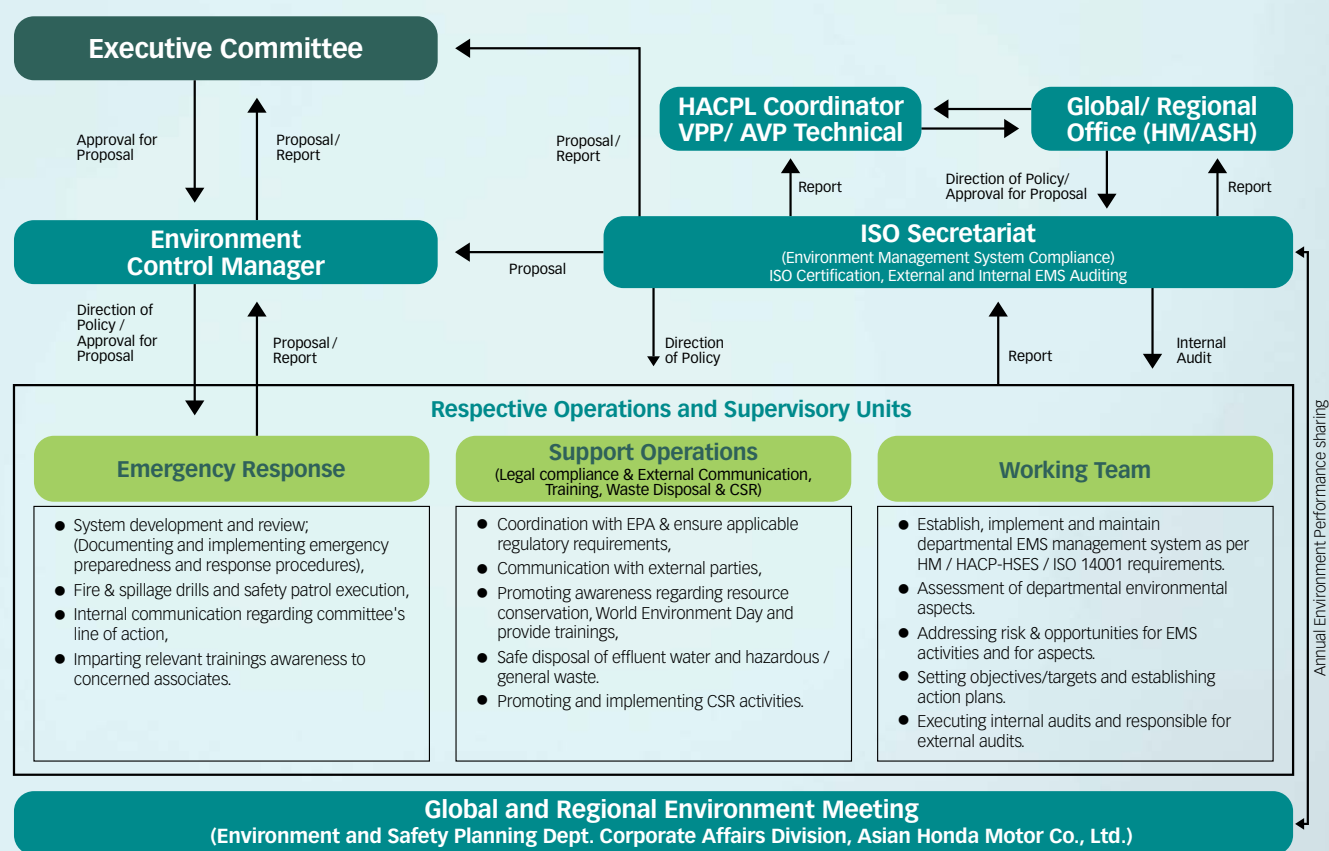
In order to achieve this, the Company shall:

- 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.

M. Wakuda
President & CEO



ENVIRONMENTAL MANAGEMENT STRUCTURE



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 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:
 - Addressing important cross-departmental issues.
 - Responding to climate change-related concerns.



HACPL's Management with ISO External Auditor

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

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

ENVIRONMENT CERTIFICATION

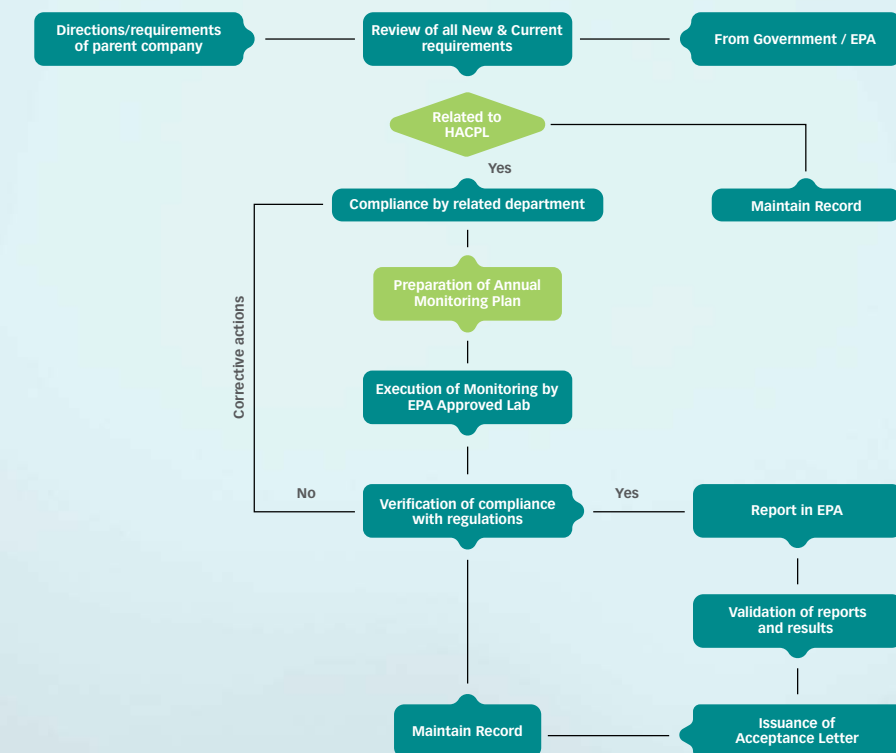
Honda Atlas Cars (Pakistan) Limited, a leading automobile manufacturer, has obtained ISO 14001 certification, an internationally recognized standard for environmental management systems, since 2003. This achievement reflects that the Company's environmental management system now covers virtually 100% 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

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.

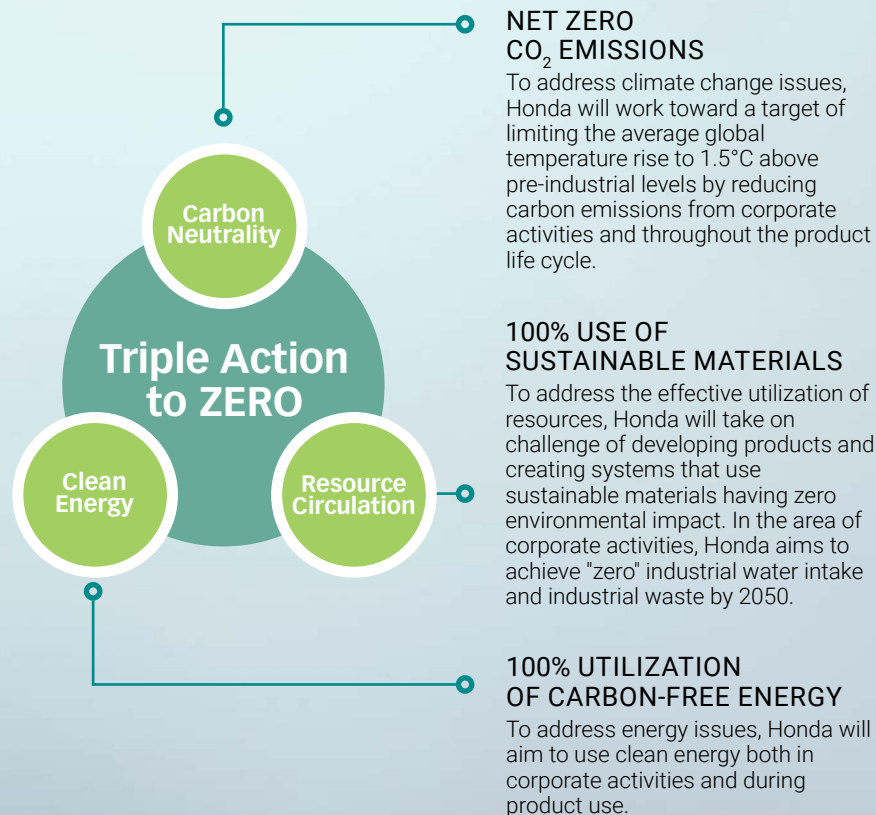


M. Wakuda
President & CEO

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.



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

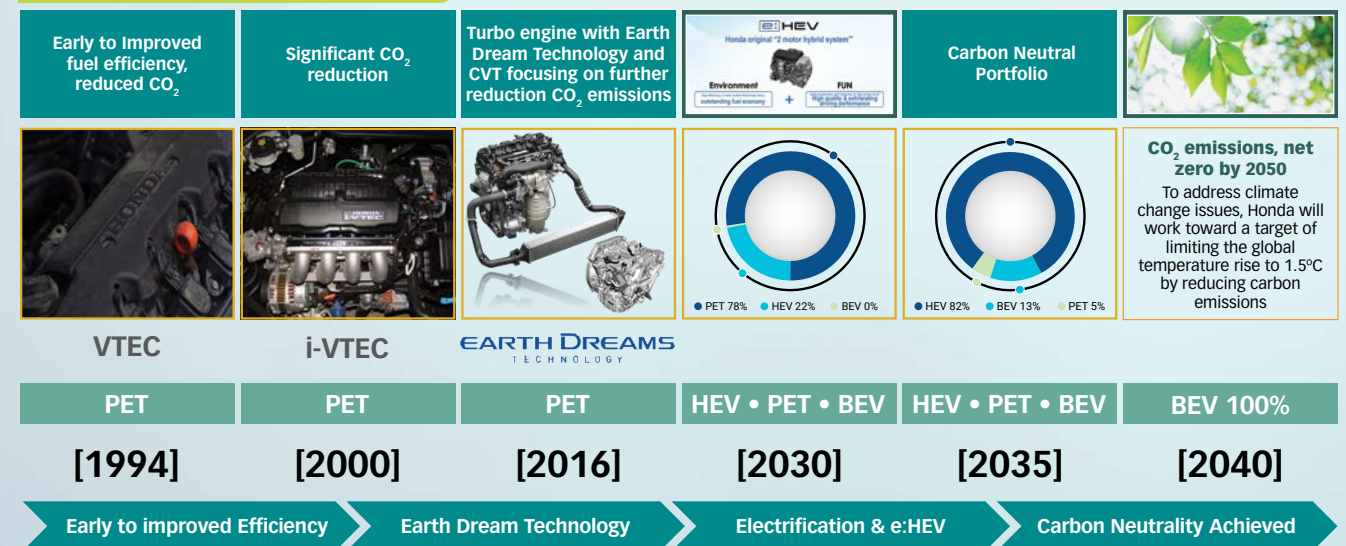
contributing to cleaner combustion processes. The journey continued with Turbo engines featuring Earth Dreams Technology, a cutting-edge system designed to deliver both enhanced driving performance and significant reductions in CO₂ emissions, along with CVT transmissions for smoother and more efficient operation.

To strengthen its portfolio of environmentally friendly automobiles, Honda Atlas Cars (Pakistan) Limited (HACPL) is expanding its hybrid vehicle offerings.

In July 2025, the company introduced its first Hybrid Electric Vehicle (HEV) with advanced hybrid technology, known as e:HEV, through the launch of the hybrid HR-V. The e:HEV system is an intelligent hybrid technology that delivers enhanced environmental performance while maintaining an engaging and enjoyable driving experience.

Looking ahead, Honda plans to introduce additional hybrid models in the coming years as part of its mid-term and long-term commitment to sustainability and reduced emissions.

HACPL PLANNING AND ROAD MAP



ZERO ENVIRONMENTAL IMPACT SOCIETY

Management Indicators	Category	Target	
		March 31, 2026	March 31, 2030
HEV Sales Ratio	Automobile	5%	22%

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

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 (SOLAR SYSTEM ENHANCEMENT)

HACPL continues to prioritize approaches that directly contribute to reducing CO₂ emissions within local communities. Building on its commitment to renewable energy, the Company has successfully completed the installation of an additional 2.0 MW solar power system, raising the total on-site solar generation capacity to 3.5 MW. This achievement not only maximizes renewable energy utilization in HACPL but also aligns with Honda Motor's global sustainability vision. The expansion demonstrates HACPL's strong and ongoing commitment to promoting clean energy solutions and advancing environmental stewardship in Pakistan.



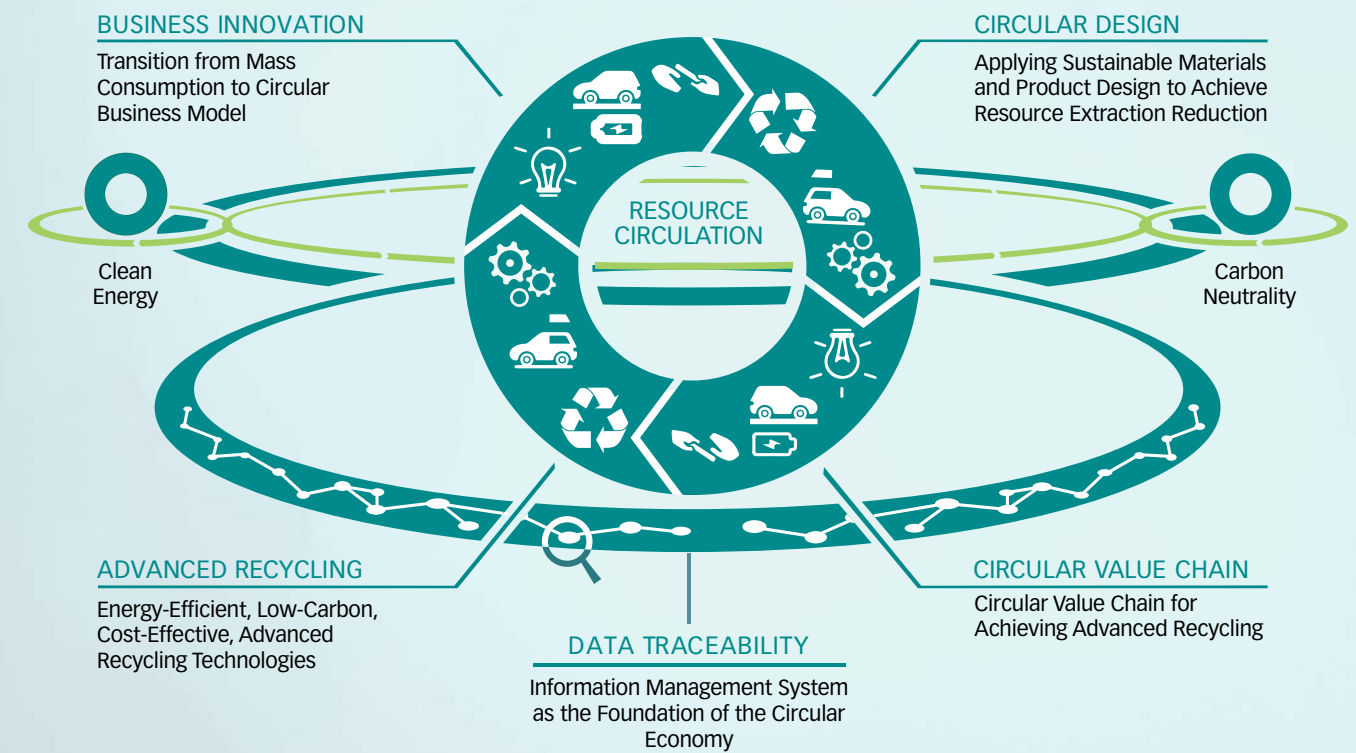
RESOURCE CIRCULATION INITIATIVES

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.

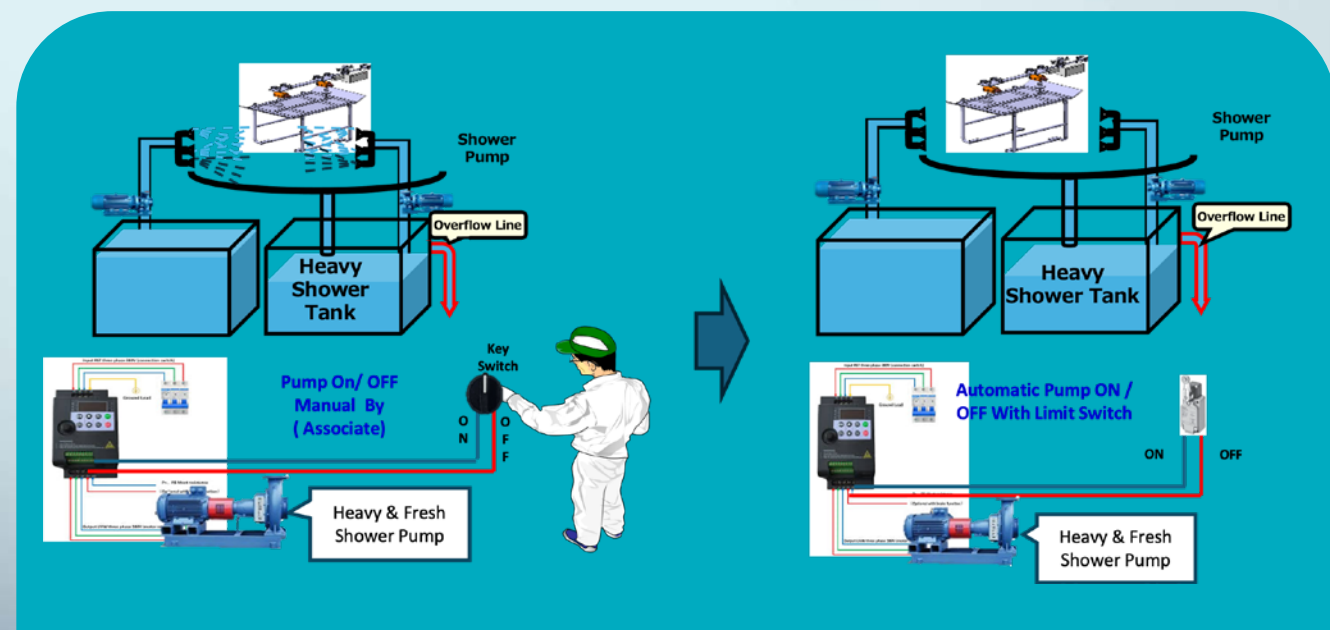
WATER RESOURCES INITIATIVES

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 THROUGH SHOWERING OPTIMIZATION

To optimize resource usage and improve operational efficiency, a manual system was initially implemented for showering pumps on empty hangars before and after production. By installing limit switch, the process now ensures that when an empty hangar passes through, the heavy and fresh shower pump does not automatically turn on. This modification eliminates unnecessary pump operation, reduces water and energy consumption, and minimizes equipment wear. As a direct result, the initiative achieved a significant saving of 0.8% (1,010 m³) of water annually, supporting sustainability goals while contributing to cost savings and improved process reliability.



ENVIRONMENTAL INITIATIVES AND ASSOCIATE ENGAGEMENT

In 2025, HACPL organized its 3rd in-house environmental competition, engaging all departments to participate through innovative reduction themes focusing on water, waste, and CO₂ emissions areas. Associates played an essential role in this initiative by actively analyzing their daily operations, identifying

opportunities for improvement, and proposing practical, implementable solutions. Their collaborative approach through brainstorming sessions and cross departmental teamwork ensured that sustainability was embraced as a shared responsibility across all levels of the organization.

This collective participation led to significant, measurable achievements:

Domain	CO ₂	Water	Waste
No. of Themes	13	03	05
Total Reduction	56.9 Ton	1552 m ³	61.12 ton

POLLUTION

AIR POLLUTION

Honda recognizes that efforts for preservation of clean air have been a critical issue since the 1960s when the pollution problem became serious. The Company, therefore, has been working to protect the clean air through the development of technologies that reduce the gases emitted from its products:

Honda automobiles comply with Pakistan's emission regulations, which require a minimum standard of Euro 2. All Honda petrol models available in Pakistan meet the more stringent Euro 4 emission standards, while the HR-V e:HEV hybrid model complies with Euro 6B, demonstrating Honda's commitment to exceeding regulatory requirements and reducing environmental impact.



BIODIVERSITY CONSERVATION INITIATIVES

HACPL'S APPROACH

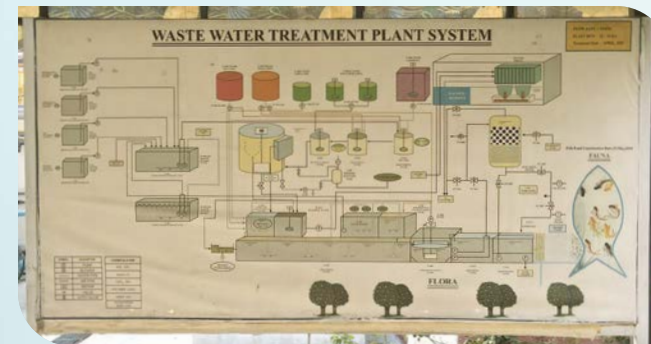
In alignment with the Honda Biodiversity Guidelines (established in 2011), HACPL is actively engaged in initiatives to avoid and minimize the impacts to restore the natural ecosystems, including air, water, and biodiversity. As part of its environmental commitment, HACPL has designated "Biodiversity 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.

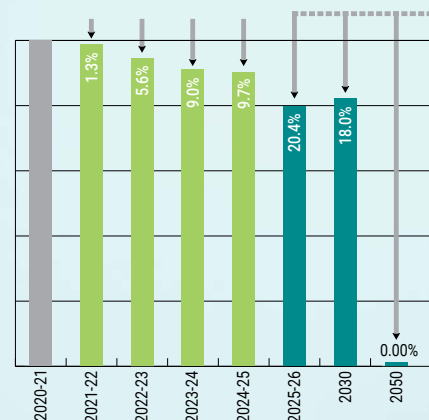
Period Covered

FY2025-26 (April 1, 2025 – March 31, 2026)

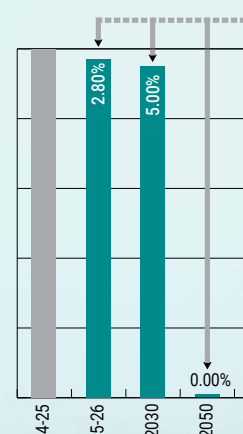
List of Targets

Target Items	Target for 2030	Target for 2050
Reduction rate for CO ₂ emissions	18% (Compared to FY2019)	NET Zero CO ₂ Emissions
Reduction rate of water intake	5% from base year (2024)	Zero industrial water intake
Reduction rate of waste generation	9% from base year (2024)	Zero Industrial waste

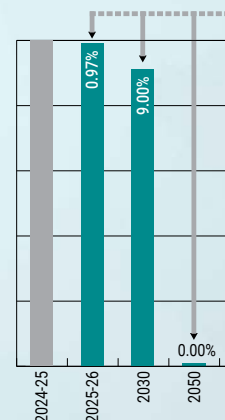
Reduction Rate for CO₂ Emissions (Compared to FY2020)



Reduction Rate of Water Intake (Percentage)



Reduction Rate of Waste Generation (Percentage)



HACPL GHG EMISSIONS IN FY2025-26

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.

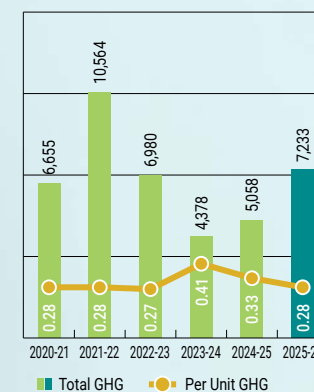
Scope 2: Indirect emissions from the generation of purchased energy.

In FY2025-26, HACPL's GHG emissions from corporate activities (Scope 1 & Scope 2) were calculated

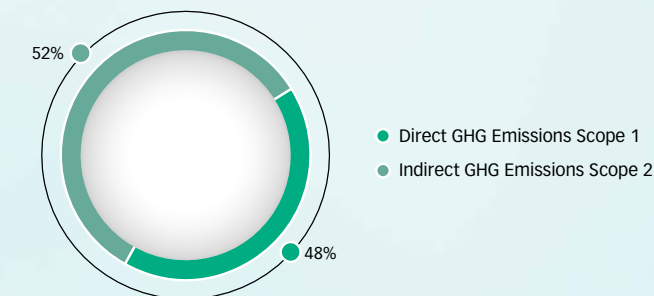
to be 7,233 t-CO₂e (metric tons of carbon dioxide equivalent).

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)



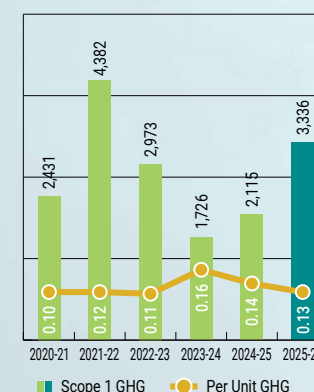
Breakdown of Total FY2025 GHG Emissions (Percentage)



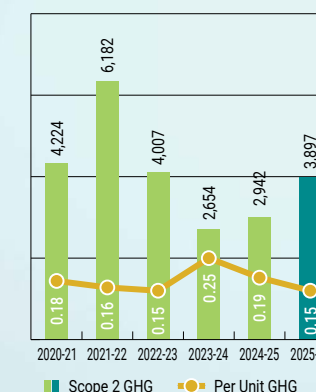
Comparing with 2024, Scope 2 GHG emissions are decreased due to installation of additional 2MW solar system in the Plant.

Total GHG Emissions	Area	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
Direct emissions from HACPL (t-CO ₂ e)	Scope 1	2,431	4,382	2,973	1,726	2,115	3,336
In-direct emissions from energy use (t-CO ₂ e)	Scope 2	4,224	6,182	4,007	2,654	2,942	3,897
GHG emission from the HACPL (t-CO ₂ e)	Scope 1&2	6,655	10,564	6,980	4,378	5,058	7,233

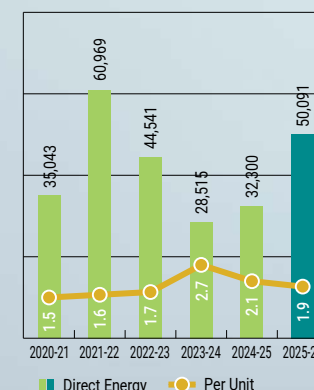
Total Scope-1 (T-CO₂e)



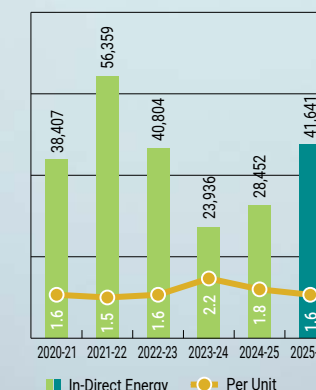
Total Scope-2 (T-CO₂e)



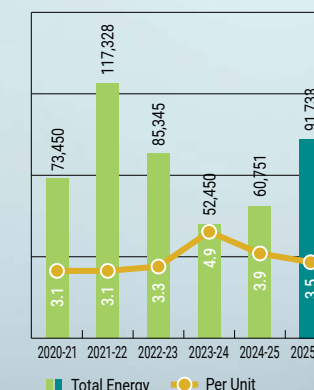
Direct Energy (GJ)



In-Direct Energy (GJ)



Total Energy (GJ)



CITY ASPIRE

IT'S SIMPLY **S** SENSATIONAL

Pre Launch Phase:

city aspire -Honda introduced the new City Aspire S variant through a strategic teaser campaign, positioning it as the sportier, sophisticated and more refined addition to the City lineup.



Launch Phase:

Honda officially launched the new City Aspire S through an integrated nationwide campaign, supported by radio announcements, digital communication, dealership executions, SMS marketing, and third-party promotions.



Post Launch:

Honda sustained the momentum of City Aspire S post-launch through campaigns highlighting optional feature packages, celebrity endorsements featuring Danyal Zafar, and influencer-led testimonials.



SAFETY FOR EVERYONE

A SOCIETY WHERE EVERYONE CAN ENJOY FREEDOM OF MOBILITY WITH TOTAL PEACE OF MIND

For many people, mobility is essential for a better quality of life. Mobility, including motorcycles and automobiles, plays an important role in people's lives as tools for work and as social infrastructure. Meanwhile, recent technological advancements in online services make life without physical movement increasingly feasible.

However, Honda believes people's desire for mobility remains unchanged under these circumstances. This is because the joy of expanding one's range of activities, guided by curiosity and experiencing the real world with all five senses, is a natural part of life from childhood. A secure society for all people is always essential for this joy to flourish, and "Safety" a crucial element in achieving this.

Honda's slogan, "Safety for Everyone", reflects our commitment to pursuing safety personalized to each individual and the idea that improving the safety of each member of society will ultimately enhance overall social safety.

Historically, Honda has pioneered new technologies in the world regardless of whether society demands it or not, setting higher targets beyond regulatory requirements and creating what did not exist.

While restricting people's mobility could enhance their safety, it is not the kind of society Honda envisions. To promote the joy and freedom of mobility for all people, Honda will continue to actively pursue safety measures, as part of its social responsibility.

GLOBAL SAFETY SLOGAN

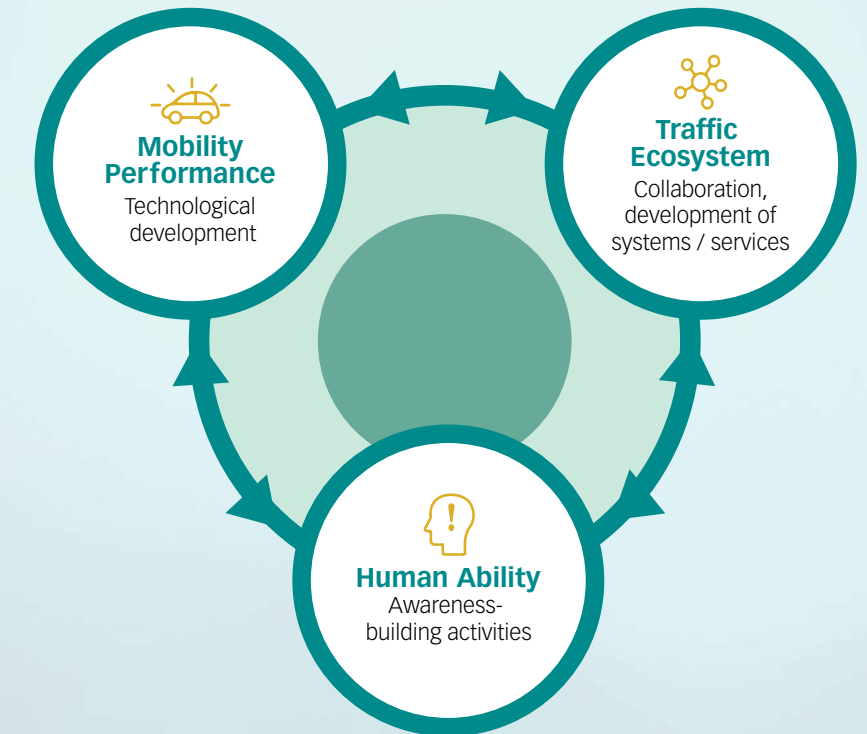
SAFETY FOR EVERYONE

Zero traffic collision fatalities involving Honda motorcycles and automobiles

HONDA'S 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 for Everyone



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

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

Mobility performance, through ongoing technological advancements, and 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) and high-visibility lighting to ensure greater safety for both drivers and other road users.

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 traffic 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), 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).

ACE BODY STRUCTURE

Honda places a strong emphasis on the safety of both vehicle occupants and pedestrians. Honda applies the Advanced Compatibility Engineering™ (ACE™) body structure, which helps absorb and disperse impact energy during a frontal collision, thereby enhancing protection for passengers and helping reduce injury to people outside the vehicle.

HONDA SENSING

Honda Atlas Cars (Pakistan) Limited (HACPL) has introduced Honda Sensing as a standard feature across all variants of the Civic and HR-V. Honda Sensing is an advanced driver-assistance safety suite designed to help prevent accidents or mitigate the impact of a collision. The system comprises six key features: Collision Mitigation Braking System (CMBS), Auto High-Beam (AHB), Lane Keeping Assist System (LKAS), Road

Departure Mitigation System (RDM), Lead Car Departure Notification System (LCDN), and Adaptive Cruise Control (ACC). Together, these technologies support safer driving and enhance overall road safety.



HONDA SENSING 360

In the future, HACPL plans to introduce Honda Sensing 360°, which will offer additional advanced safety features such as Traffic Jam Assist, Exit Warning, and Cross Traffic Monitoring. These enhancements are designed to further strengthen vehicle safety and support accident prevention in complex driving environments.

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.



In line with human resource development, structured training programs are conducted to strengthen dealership and sales capabilities through focused learning on e:HEV technology, and Honda Sensing. These initiatives were targeted to enhance product knowledge, selling skills, and customer engagement, enabling teams to deliver informed, confident, and value-driven sales experiences.

Period	Total Session	Participants	Nos. of Dealers
July 25 ~ March 26	5	157	37

Human capability, through comprehensive awareness and educational initiatives, HACPL 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.



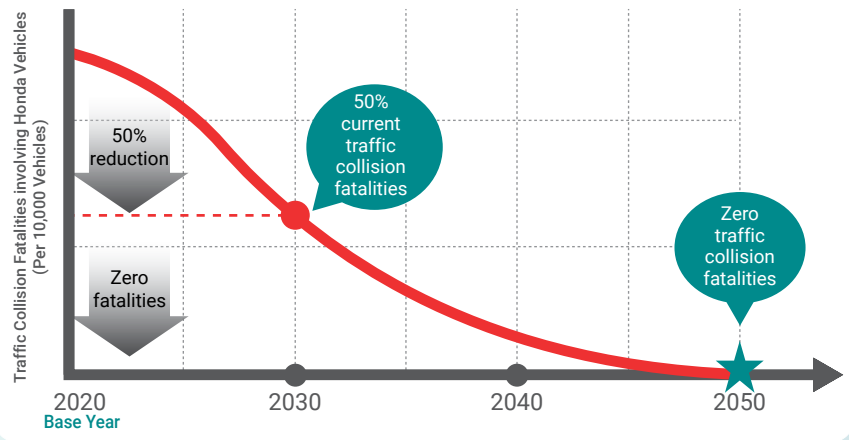
SAFETY INITIATIVES

TO REALIZE A ZERO TRAFFIC COLLISION FATALITIES INVOLVING HONDA VEHICLES (MOTORCYCLES AND AUTOMOBILES) BY 2050

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.



Honda Safety Goals Scenario toward the Realization of "Zero Traffic Collision Fatalities" by 2050



ROAD SAFETY AWARENESS SEMINARS:

Based on the global goal of a 50% reduction in traffic collision fatalities and Honda's vision of "Safety for Everyone," Honda Atlas Cars (Pakistan) Limited, a subsidiary of Honda Motor Co., has been continuously conducting road safety awareness seminars in collaboration with the National Highways & Motorways Police, City Traffic Police, and Atlas Honda Limited since 2022.

The target audience includes customers, HACPL and group company associates, authorized dealership and supplier staff, 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
2025-26	665	560	2,316	3,541



Asian Honda conducted a two-day meeting for traffic safety representatives from Asia & Oceania countries in Bangkok on August 5 & 6, 2025. Safety representatives from each participating country shared their initiatives and progress. Two representatives from HACPL also attended the meeting.

The discussions focused on addressing key challenges faced by each country in achieving the global target of a 50% reduction in traffic collision fatalities by 2030. Emphasis was placed on improving helmet and seatbelt usage rates, as well as initiating children's education programs to develop safer drivers in the future.

HACPL plans to initiate children's road safety education and danger prediction training programs for current drivers during 2026-27, in addition to continuing its existing road safety initiatives

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. Company enhanced its fire alarm system to a networked, cloud-based system.

EMERGENCY RESPONSE SQUAD MEGA DRILL

In March 2026, HACPL conducted a comprehensive Firefighting Mega Drill at its plant to enhance preparedness for potential emergency situations. A total of 955 associates actively participated in the exercise, which involved fire alarm activation, orderly evacuation from work areas, and assembly at designated safety points. Then a event of live demonstration of CERTs

experts presents and top management presents the certificate of CERTS team. 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.

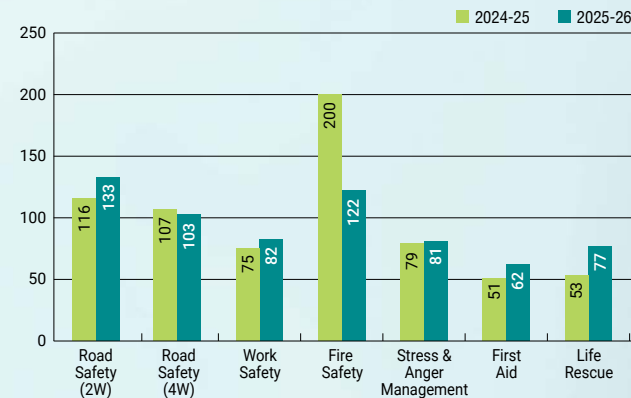


OCCUPATIONAL SAFETY AND HEALTH

HACPL APPROACH

Honda's commitment to a safe and secure work environment is rooted in its 1956 Company Principles, guided by the core beliefs of "Respect for the Individual" and "The Three Joys." Upholding the principle of "No safety, no production," Honda Atlas Cars (Pakistan) Limited (HACPL) has implemented occupational safety and health policies tailored to its workforce. The company proactively works to prevent industrial accidents, avoid recurrence, and promote a strong safety culture—ensuring the physical and mental well-being of all associates while encouraging active participation in minimizing workplace risks.

Health and Safety Awareness
(Number of Participants)



HEALTH AND SAFETY AWARENESS TRAININGS

The Health and Safety awareness 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 awareness tailored to their roles. Recently, the Company has focused on Fire Safety, Workplace Safety, and Road Safety areas closely related to serious accidents. This awareness help associates to identify and manage risks effectively. Each department also provides process-specific trainings for its associates.

Awareness Title	Participants	Purpose of Awareness	Outline of Awareness
Road Safety	Motorcycle drivers & riders (2W)	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 (4W)	Promote Road Safety awareness of Car users for reduction in road crashes	
Work Safety	Section In-charges	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	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	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	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	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.

OUR HEALTH STRUCTURE

DEDICATED MEDICAL SECTION

HACPL operates a fully equipped, on-site medical unit led by a qualified full-time physician. The facility provides:

- Walk-in consultations and essential medications
- Emergency first aid, IV therapy, and oxygen support
- ECG, nebulization, and vital monitoring (BP, blood sugar)
- On-site ambulance for timely hospital transfers

In addition, the medical team actively promotes health awareness through digital displays and communication campaigns covering dengue prevention, smog-related risks, and other environmental health concerns.

From "Protecting" to "Creating" Health:

HACPL's health vision goes beyond illness management. It emphasizes achieving a balanced state of physical and mental well-being, enabling individuals to perform at their full potential.

To support this:

- A full-time workplace clinic ensures continuous medical access
- Annual health screenings have been enhanced to include:
 - Job-specific risk assessments
 - Screening for rapidly spreading diseases in Pakistan

Workplace-Centered Health Approach:

- HACPL recognizes health not just as a personal responsibility, but as a workplace priority.
- Regular awareness sessions and trainings are conducted
- Strong two-way communication ensures employee engagement
- Focus areas include stress management and overall well-being .
- HACPL is committed to building a healthier workforce by integrating preventive care, early detection, and continuous health education into the workplace ecosystem.

LIAISONS WITH HOSPITALS

The Company's healthcare network spans twelve hospitals across Lahore for medical care of associates & their families. To ensure comprehensive coverage, the panel also includes hospitals in the surrounding districts of Sheikhpura, Okara, and Sahiwal for associates' convenience.

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 .

Addition of HbA1C test to detect the diabetes or pre diabetes condition among associates.

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 HEALTH

The company proactively takes initiative for associates wellbeing. By addressing the challenges of stress & anger, mental & physical health training sessions provide a safer, more supportive, and healthier workplace for our associates.



HUMAN RIGHTS

OUR 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, 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.



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.



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

HUMAN RESOURCE

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 associates 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.

MEASUREMENT OF ASSOCIATE ENGAGEMENT

HACPL conducts an annual assessment of associate engagement to gather valuable feedback aimed at fostering a healthier and more comfortable working environment. This assessment is carried out using standardized criteria established by Honda Motor Company, Japan, with the objective of achieving a very high level of engagement among Honda associates.

To maintain transparency and objectivity, an internationally recognized survey firm is engaged every three years by Asian Honda Motor Company.

This year the employee engagement score for HACPL stands at 4.14, outperforming the A&O regional benchmark of 3.95. This reflects that HACPL's engagement level is approximately 4.8% higher than the regional average, indicating stronger employee commitment, alignment, and overall workplace satisfaction compared to the broader A&O region.

Our human capital strategy focuses on building a resilient and future-ready workforce aligned with our strategic business objectives. Through an integrated approach to employee development, engagement, and leadership advancement, we are

cultivating a high-performing, innovative, and inclusive organization.

ENGAGEMENT INITIATIVES

At HACPL, we honor commitment and celebrate excellence. Believing in associates to be our greatest strength, and we take pride in celebrating their dedication and achievements.

Continuing our tradition, we conducted employee appreciation activities to recognize dedication, innovation, and teamwork across the organization.

KAIZEN ACTIVITY RECOGNITION

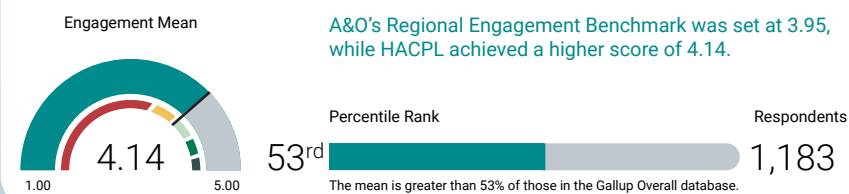
Driving a culture of continuous improvement, our Kaizen initiative encourages associates to share innovative ideas that enhance efficiency and value. We proudly recognize and celebrate the winners of 102Ki whose impactful contributions reflected creativity, commitment, and excellence.

HACPL CIRCLE – PROCESS IMPROVEMENT

Following the discontinuation of NH Circle at the regional level, HACPL Circle was introduced as a self-driven initiative to encourage associates to collaborate, share ideas, and drive innovation. This platform recognizes and rewards associates who demonstrate exceptional creativity and teamwork, strengthening a culture of collective growth and continuous improvement. This year, once again, this activity was conducted in full spirit with strong participation across teams.



ENGAGEMENT STATISTICS FOR HONDA ATLAS CARS (PAKISTAN) LTD



LONG SERVICE AWARD CEREMONY

With great pride, we celebrated associates who achieved significant service milestones – 10, 20, and 30 years. Their long-standing dedication is a true reflection of their commitment and invaluable contribution to HACPL's success.



FESTIVE ENGAGEMENT: EID MILAN AT HACPL

Honda Atlas Cars (Pakistan) Limited (HACPL) organized an Eid Milan gathering, reflecting the core values of unity, compassion, and togetherness. The event fostered a spirit of harmony as associates shared greetings and strengthened workplace relationships. The celebration also reinforced the values of patience, generosity, and gratitude associated with Ramadan, encouraging their continued practice in professional and personal life. It further promoted team cohesion and a renewed sense of commitment, inspiring associates to carry forward these principles with dedication and excellence.



INTER DEPARTMENT CRICKET TOURNAMENT

Demonstrating strong commitment to associates' well-being, mental and physical fitness, engagement, and inclusion, HACPL organized an inter-division cricket tournament at the EME Cricket Ground on 14th December 2025.

The pulsating event brought together teams from various divisions, fostering teamwork, healthy competition, and cross-functional collaboration beyond the workplace. More than just a sporting activity, the tournament served as a platform to relieve stress, promote physical activity, and strengthen interpersonal bonds among colleagues.



Associates enthusiastically participated and supported their teams, creating an atmosphere of unity, sportsmanship, and shared pride. By combining fitness with engagement and inclusivity, the initiative reinforced the company's belief that a healthy and connected workforce is fundamental to sustained organizational success.

Human Resource



EID MILAD UN NABI CELEBRATION

On 19 September 2025, HACPL Management commemorated Eid Milad-un-Nabi, marking the birth of Prophet Muhammad and reaffirming the organization's commitment to values of compassion, humility, integrity, and unity. The occasion served as a platform to reflect on the Prophet's teachings, emphasizing ethical conduct, mutual respect, and service to humanity. It also reinforced the importance of fostering inclusivity and togetherness within the workplace. Through this commemoration, HACPL aimed to strengthen spiritual awareness among associates and inspire the integration of these timeless values into both personal and professional life, promoting a culture of respect, sincerity, and shared purpose.

HAJJ SPONSORSHIP PROGRAM FOR ASSOCIATES

Honda Atlas Cars (Pakistan) Limited (HACPL) organized a Hajj lucky draw, providing associates with the opportunity to perform Hajj in 2026. Through a transparent process, four associates were selected for this sacred journey. The initiative, with Management covering all related expenses, reflects HACPL's commitment to employee welfare and respect for Islamic values. It further strengthens organizational bonds while promoting a culture of care, exclusivity, and shared values.



BY SUSTAINING ASSOCIATES' SPIRIT, WE CULTIVATE TALENT THROUGH DIVERSE INITIATIVES

LEADERSHIP DEVELOPMENT THROUGH EDUCATIONAL ADVANCEMENT

To strengthen leadership capability across the organization, we complement our in-house and international training with targeted education enhancement programs for middle and senior management.

These programs are designed to build contemporary management

and leadership competencies, especially for employees with strong technical backgrounds, enabling them to transition effectively into strategic and people-focused roles.

As part of this initiative, HACPL has established strategic partnerships with renowned academic institutions, including Forman Christian College University (FCCU) and Lahore University of Management Sciences (LUMS).

Through these collaborations, employees gain access to executive education, leadership development initiatives, and advanced business management programs that foster strategic thinking and broaden organizational perspective.

This approach underscores our commitment to developing a robust leadership pipeline that blends technical excellence with sound managerial and strategic capabilities.



LEADERSHIP DEVELOPMENT & LOCAL & INTERNATIONAL TRAINING

We are dedicated to building a robust leadership pipeline through targeted local and international learning initiatives that align with both current and future business needs.

Our leadership programs support development across all levels, from emerging leadership roles to senior management.

With a forward-looking approach to talent development, we empower employees to grow into future

leaders by enrolling them in leadership programs tailored to different stages of their careers. Our training initiatives guide strategic learning investments to ensure sustainable capability building.

Key highlights include:

- Local and international training programs
- Specialized learning initiatives in Thailand and Japan, providing exposure to global best practices
- Partnerships with leading training institutions in Pakistan and abroad.



TALENT GROWTH & SUCCESSION PLANNING

To ensure long-term organizational continuity and sustainable leadership, we focus on:

- Job rotations to provide exposure across key business functions
- Structured succession planning for critical roles
- Development of individual development profiles to identify potential, address skill gaps, and support targeted growth
- Internal promotions to recognize performance and enable clear career progression.



ADVANCED LEADERSHIP PROGRAM AT INSEAD

HACPL is dedicated to building a robust leadership pipeline in alignment with Honda's global standards by systematically developing high-potential talent for executive roles. As part of this commitment, during the year, Assistant Vice President, Mr. Mujahid Butt, was nominated to

participate in the Advanced Leadership Program at INSEAD.

This prestigious program not only strengthened his strategic outlook but also enhanced his global business perspective and refined his transformational leadership capabilities, equipping him to effectively take on senior executive responsibilities within Honda. Through sustained investment in such premier development initiatives, HACPL ensures that its future leaders are well-prepared to drive sustainable growth, foster innovation, and uphold organizational excellence at the highest levels.

Human Resource



REGIONAL TALENT DEPLOYMENT AND KNOWLEDGE SHARING INITIATIVES

The expatriate assignment to Thailand has been a longstanding practice at Honda Atlas Cars (Pakistan) Limited (HACPL), reflecting the organization's commitment to regional talent development and

cross-border utilization of capabilities within the Asia-Oceania region.

As part of this continued initiative, during the year 2025–2026, six associates from HACPL were

assigned to Asian Honda Motor, Thailand.

These associates represented various divisions, including Production, New Model Development, Quality, and Human Resources. Through their engagement, they contributed to regional operations supporting 13 countries across the Asia-Oceania region, gaining exposure not only to advanced technical functions but also to broader organizational and people-management domains.

This ongoing practice enables structured knowledge sharing, strengthens regional integration, and ensures that returning associates are equipped to apply regional best practices and enhanced capabilities in support of HACPL's long-term organizational objectives.

FOSTERING WORKFORCE DIVERSITY VIA INCLUSIVE WORKPLACE INITIATIVES

Honda Atlas Cars (Pakistan) Limited (HACPL) is committed to fostering workforce diversity by adopting inclusive workplace initiatives that addresses the evolving needs of its employees.

This initiative enables employees to balance professional and personal responsibilities more effectively, contributing to enhanced engagement and wellbeing. By embedding such inclusive practices into its people policies, HACPL reinforces its focus on diversity, equity, and inclusion as key drivers of a sustainable and progressive workplace culture.

DAY CARE FACILITY

As part of this commitment, the Company provides childcare support to facilitate greater participation and continuity of working mothers within the organization.



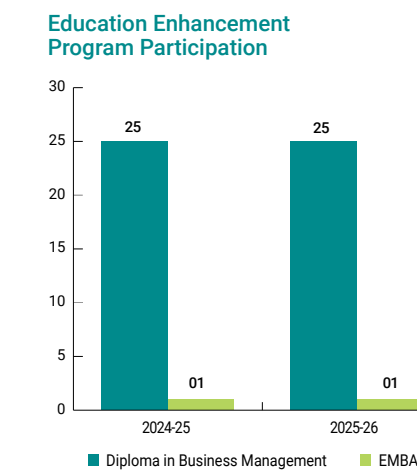
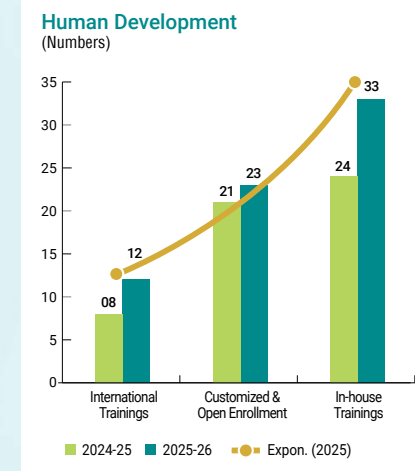
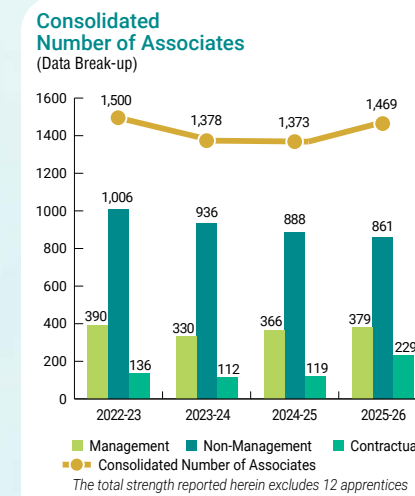
LADIES ENGAGEMENT PROGRAM

As part of its diversity, inclusion, and employee engagement initiatives, Honda Atlas Cars (Pakistan) Limited (HACPL) facilitated a Ladies Umrah Trip as a one-time welfare activity for female employees. This initiative reflects the Company's inclusive approach to employee support by recognizing the varied personal needs and aspirations of its workforce. By offering such initiatives, HACPL continues to strengthen an environment of respect, care, and engagement, reinforcing its commitment to diversity and inclusion within the organization.



INCLUSIVE ENGAGEMENT FOR DIVERSE ASSOCIATES

As part of its commitment to diversity and inclusion, Honda Atlas Cars (Pakistan) Limited (HACPL) provides paid leave for minority (Non-Muslim) associates as an additional benefit beyond regular leave entitlements. Alongside this, associates are offered a cash prize through a lucky draw. This initiative reflects HACPL's respect for individual diversity and reinforces an inclusive workplace where all associates feel valued, supported, and engaged.

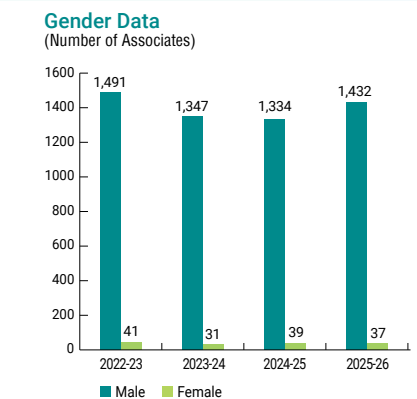


GENDER PAY GAP

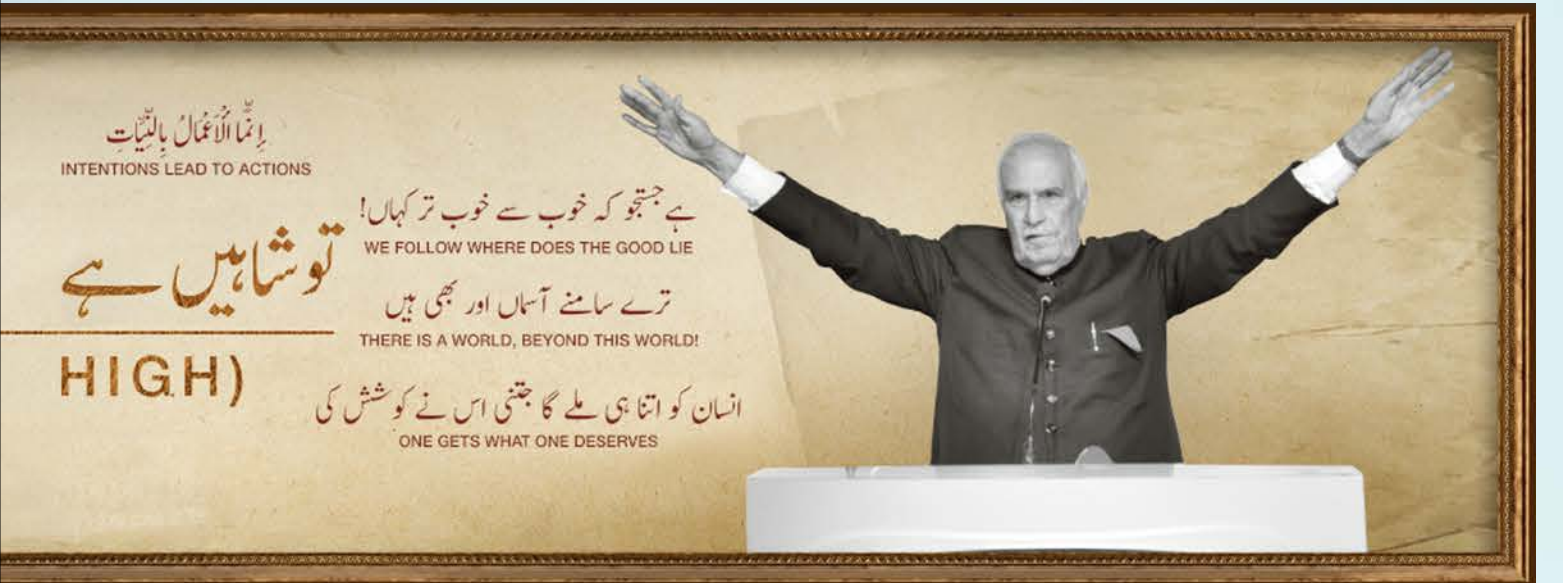
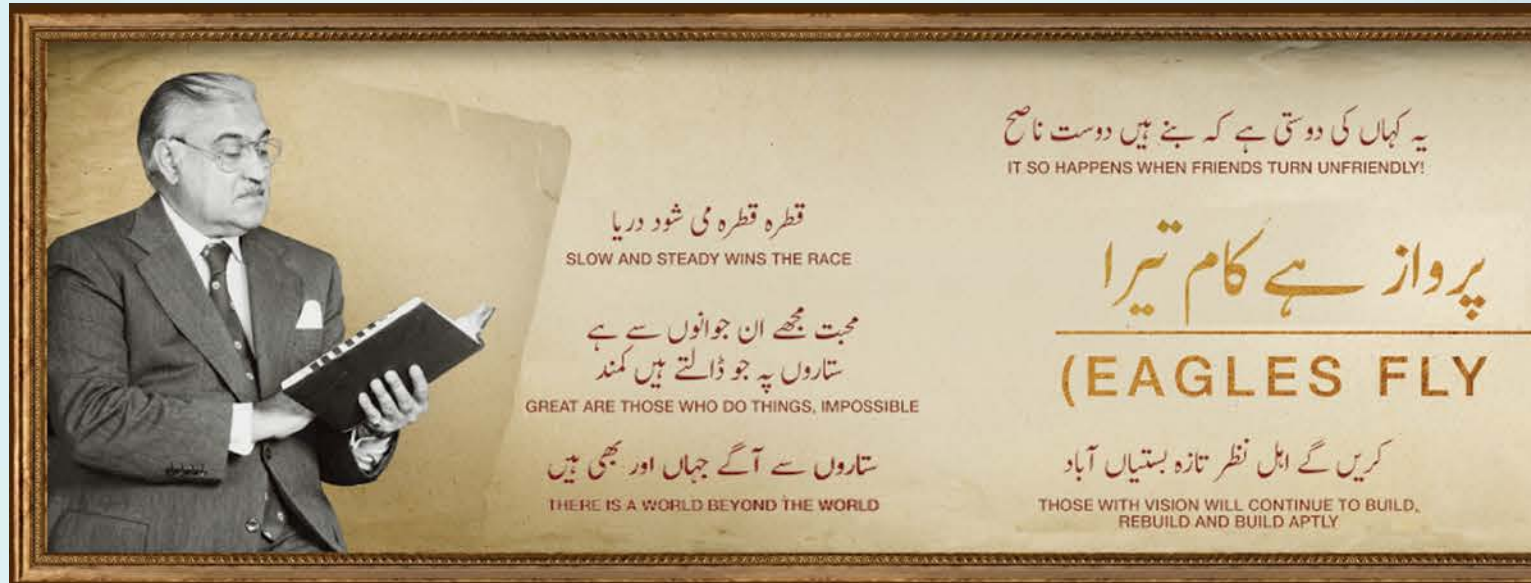
Following is gender pay gap calculation:

Categories	2024-25	2025-26
Mean Gender Pay Gap:	(34%)	(39%)
Median Gender Pay Gap:	(63%)	(74%)

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



ASSOCIATE ENGAGEMENT



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.

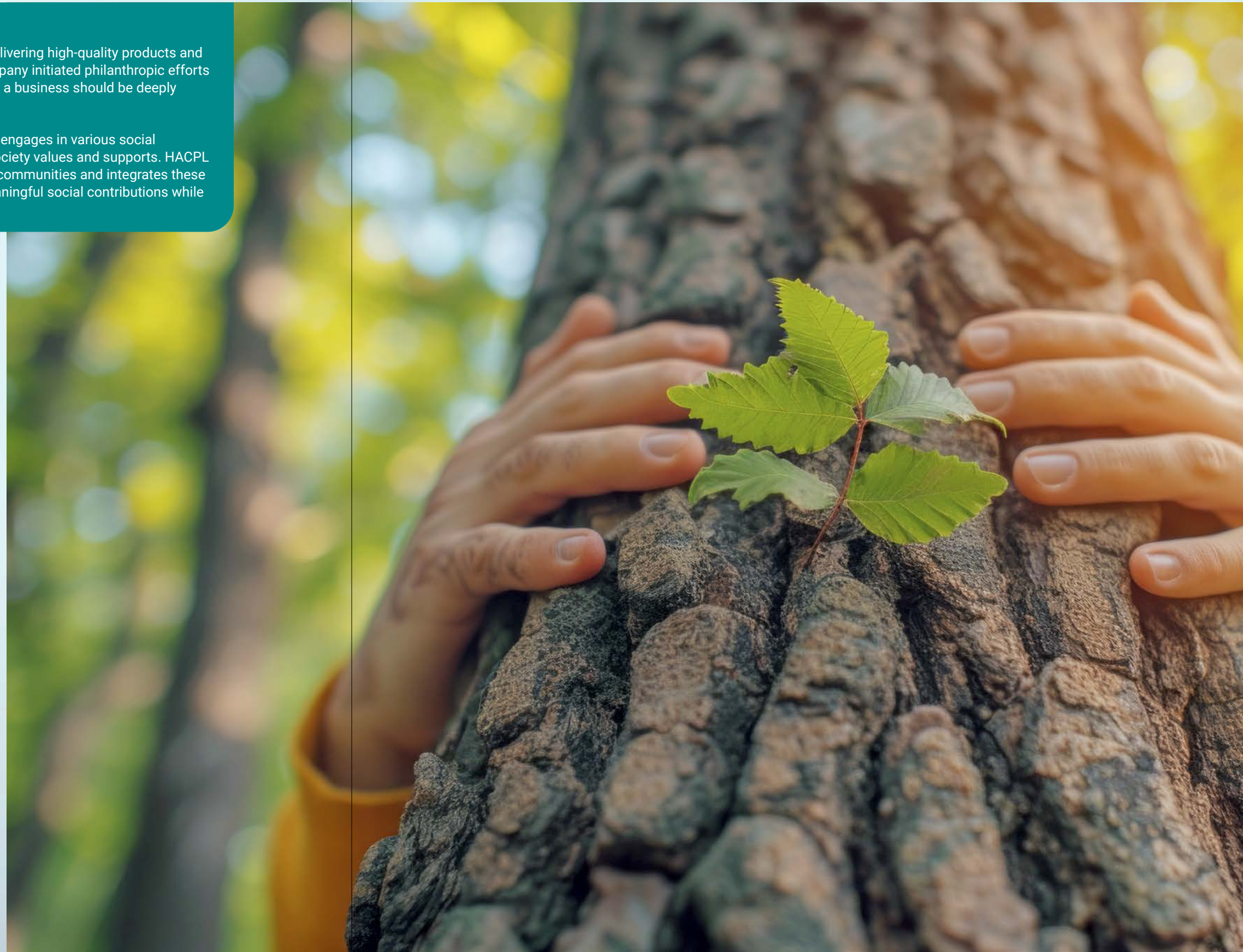
In line with this vision, Honda Atlas Cars (Pakistan) Limited (HACPL) actively engages in various social contribution initiatives aimed at sharing joy and becoming a company that society values and supports. HACPL is committed to supporting programs that reflect the specific needs of local communities 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



SUPPORTING IN EDUCATION BY UPGRADING INTERNAL COMBUSTION ENGINE LAB

Honda Atlas Cars (Pakistan) Limited supports industry-academia collaboration to develop skilled professionals. The company donated PKR 2.5 Lac to upgrade the internal combustion engine lab at University of Engineering & Technology, Lahore (Kala Shah Kaku campus). The cheque was presented by Rao Arshad Javed to Dr. Farhan Ahmed. This initiative enhances learning resources for students and reflects HACPL's commitment to building a skilled workforce.



PROMOTING EDUCATION AND CRISIS PREPAREDNESS THROUGH CSR INITIATIVES

Honda, a globally recognized Japanese automobile manufacturer, strives to be "a company that society wants to exist." In line with this vision, HACPL supports education, healthcare, and safety through its CSR initiatives. As part of these efforts, the company has introduced the publication "Reputation Management & Crisis Communication," distributing it to universities across Punjab for inclusion in their libraries. The aim is to provide students with essential knowledge on crisis management, communication, and preparedness, while promoting learning, informed decision-making, and skill development for future growth.



ONE DAY 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 three free medical camps in remote areas, and more than 2,192 patients were given free medical treatment and medicines. Since start of this initiative, the Company has arranged 52 medical camps, wherein more than 31,543 patients have been provided free medical assistance.



ONE DAY FREE EYE CHECK-UP CAMP

On February 10, 2026, the Company, in collaboration with the National Highway & Motorway Police and Mughal Eye Hospital, organized a one-day Free Eye Check-Up Camp at Maraka, Multan Road, Lahore. Over 350 drivers and local residents received free eye examinations, consultations, medicines, and optical glasses. The initiative also included awareness sessions highlighting the importance of regular eye check-ups for road safety. It reflects the Company's commitment to promoting community health, preventive care, and overall well-being.

ENSURES ACCESS TO CLEAN DRINKING WATER AT GOVERNMENT PRIMARY SCHOOL, QILA NAWAN, MANGA, LAHORE AND GOVERNMENT GIRLS SCHOOL RAIWIND PIND, LAHORE

Access to clean drinking water remains a challenge in many rural areas due to contamination. To address this, Honda Atlas Cars (Pakistan) Limited installed deep-bore water pumps and storage at both School, Government Primary School, Qila Nawan, Manga and Government Girls School Raiwind Pind, ensuring a reliable supply of safe water. This initiative helps reduce waterborne diseases and reflects the company's commitment to community health and sustainable impact.



PROMOTING EDUCATION: HACPL DONATES TO TAHZEEB-UL-AKHLAQ FOR UNDERPRIVILEGED STUDENTS

Honda Atlas Cars (Pakistan) Limited reaffirmed its commitment to education by donating PKR 1.2 million at a ceremony held on February 16, 2026, at Aligarh School, operated by the Tahzeeb-Ul-Akhlaq Trust. The cheque was presented by Mr. Maqsood-Ur-Rehman Rehmani, Vice President and Company Secretary. The contribution will support the annual educational expenses of four underprivileged students, covering boarding and lodging. This initiative reflects the Company's ongoing commitment to promoting education and contributing to community development.



Corporate Social Responsibility

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, 11 3S authorized dealerships, 6 2S authorized dealerships and 20 vendors participated, with over 1,166 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.



ROAD SAFETY INITIATIVE FOR FEMALE RIDERS: DISTRIBUTION OF PROTECTIVE HELMETS

On February 17, 2026, HACPL, in collaboration with Atlas Honda, conducted a road safety seminar at the Atlas Honda Lahore Office to promote safe riding practices, particularly among female motorcycle riders. The session included awareness on road safety measures and the importance of using protective gear, followed by the distribution of helmets to participants. The initiative was well received, with participants expressing appreciation for the informative session and safety support. It reflects HACPL's commitment to enhancing road safety awareness and supporting community well-being through meaningful initiatives.

HONDA ATLAS CARS SUPPORTS EDUCATION WITH RS. 1 MILLION DONATION TO MOAWIN FOUNDATION SHEIKHUPURA, FEBRUARY 17, 2026

HACPL contributed Rs. 1.0 million to Moawin Foundation for renovating the science laboratory at a government girls' school in Sheikhpura. The cheque was presented on February 17, 2026, by Mr. Maqsood ur Rehman Rehmani, Vice President and Company Secretary of HACPL, to Rear Admiral Mirza Foad Amin Baig, CEO of the Moawin Foundation. This initiative reflects HACPL's commitment to improving education in underserved communities by enhancing practical learning and encouraging students' interest in science.



HACPL ADVANCES ROAD SAFETY AWARENESS UNDER VISION 2030

Under the "Asia & Oceania Safety Strategy Vision 2030 i.e., 50% reduction in traffic collisions fatalities," 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 teams.

The program emphasizes the importance of following road safety rules & regulation, traffic signs & signals, road marking and emphasis on wearing seatbelt to ensure safe journey.

In 2025-26, a total of 3,541 participants attended these seminars.



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 11 industrial visits sessions of almost 290 visitor.

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:

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.

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. As such, conforming to G-HQS is compatible with confirming to ISO certification standards.

ACKNOWLEDGING QUALITY AUDITORS COMPETENCE THROUGH GLOBAL G-HQS COMPETENCY TEST

During the ATAI QS Committee Meeting at HMSB (Malaysia), ASH-APP conducted a competency test to evaluate the

proficiency of ATAI QS members in conducting G-HQS internal audits.

- 25 participants from 10 AO (Asia Ociana) Genpos took part in the assessment.
- From HACPL, three associates from the ISO Secretariat and two associates from the Production Division participated.
- All associates successfully passed the test according to ASH (Asian Honda) criteria.
- HACPL secured 1st position among all AO Genpos
- HACPL achieved all of the Top 3 positions across all participants, reflecting the Company's strong commitment to quality standards and excellence in internal auditing practices.

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

Quality

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	Daily	
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.

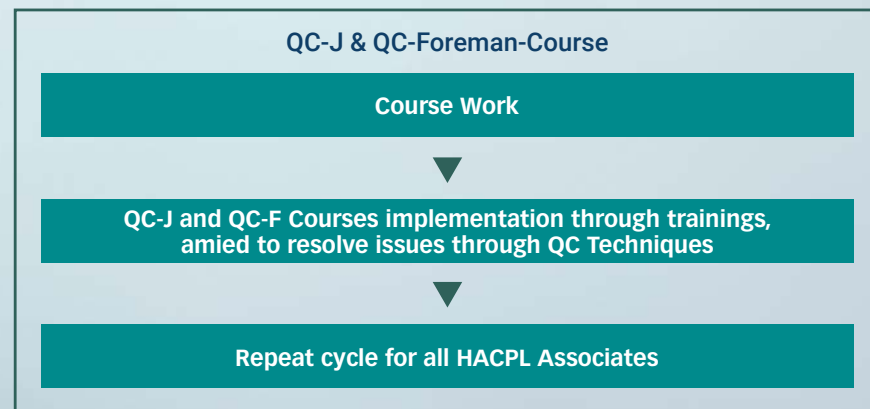
TRAINING CURRICULUM CONTENTS

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

Trainees



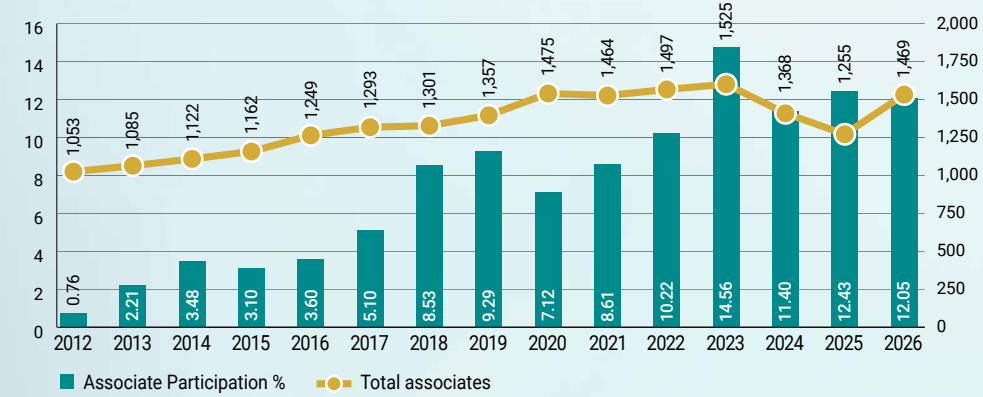
Themes that need to be addressed in trainees' own departments



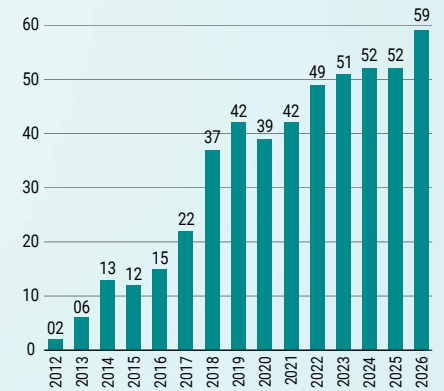
Cultivate Quality Control experts with practical skills by teaching trainees to resolve issues in their own Departments.



Associates Participation (Percentage)



BQ Themes (Numbers)

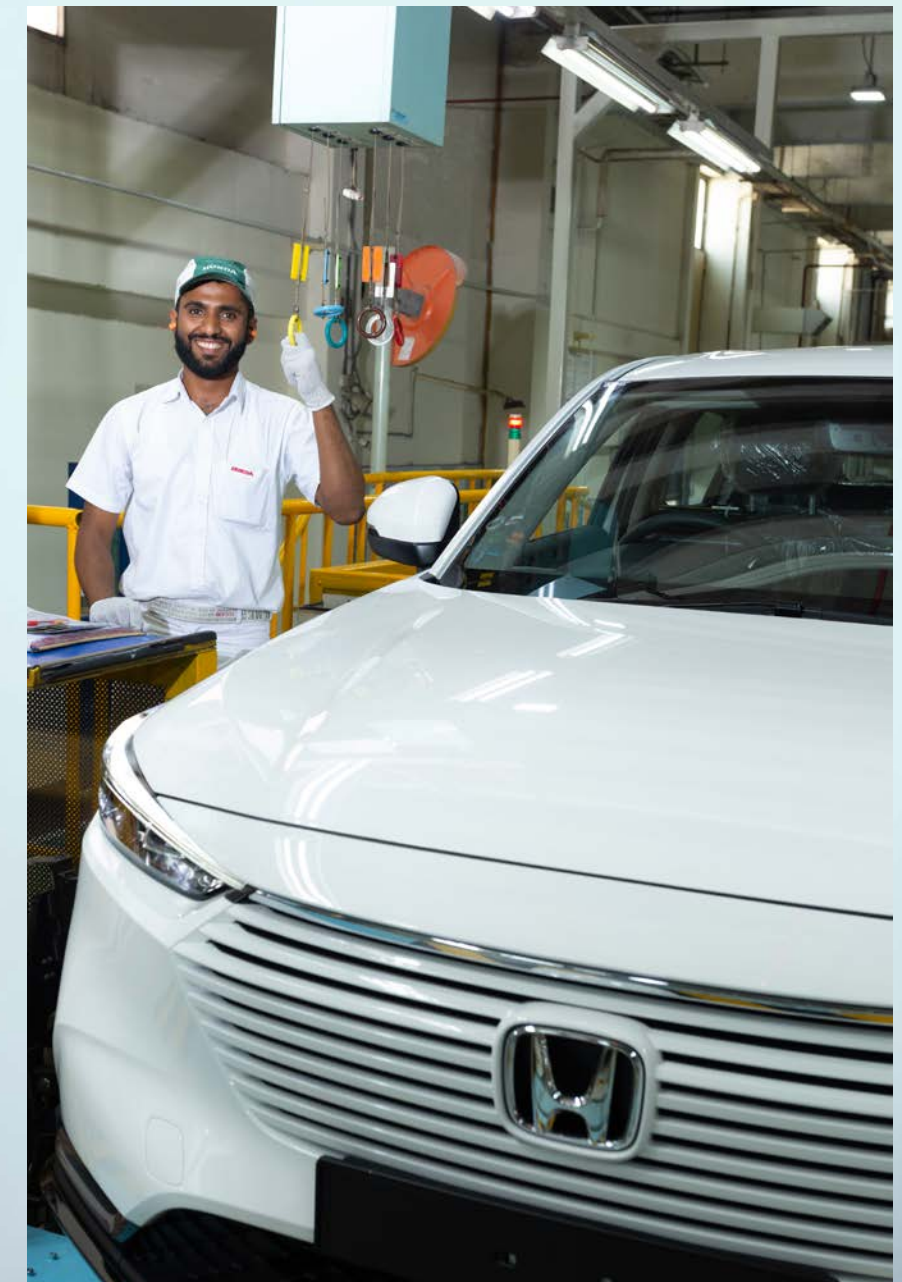


HACPL IS PROMOTING BEST QUALITY AWARD

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

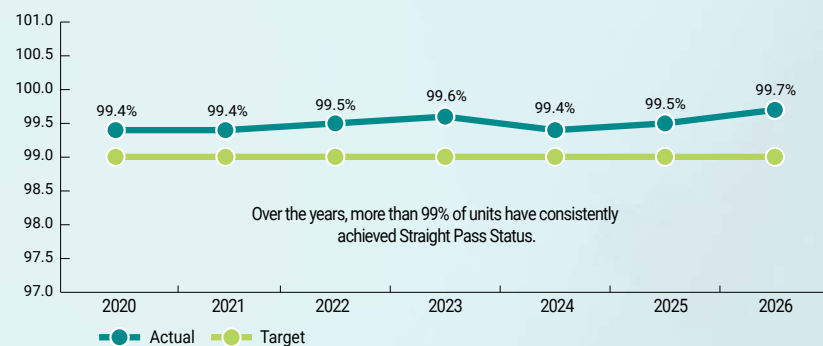
HACPL QUALITY CYCLES

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

PDI Straight Pass Ratio (Last 5 Years)



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.

PDI Straight pass results shows that by taking effective measures in production line and also by having Strict check during inspection, we can achieve this challenging target. Same can be witness in market initial claims results.

1. 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.

2. PRODUCTION PREPARATION

ASSURING QUALITY THROUGH PRODUCTION PROCESSES

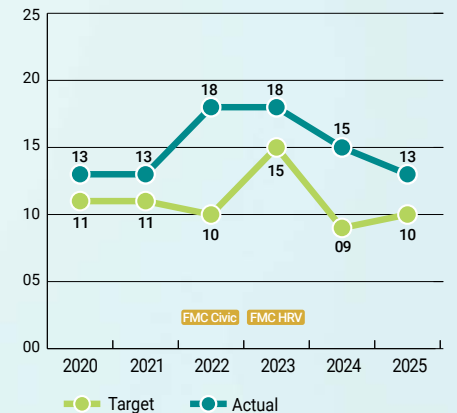
To prevent product quality issues, HACPL's production departments establish PQCT and OPS for each part and process. HACPL then uses these PQCT and OPS to verify manufacturing variability.

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.

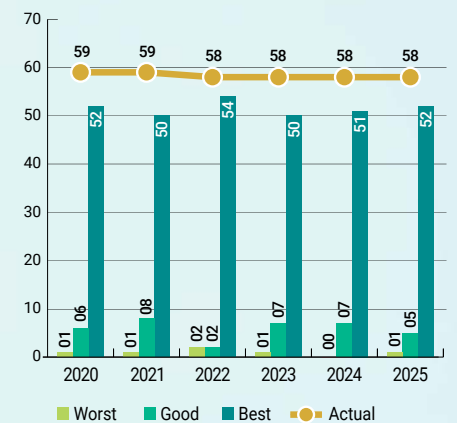
ASSURING PARTS QUALITY THROUGH SUPPLIER AUDITS

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 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

GQI Average Point Trends (Last 5 Years)



Suppliers Global Quality Index Evaluation (Last 5 Years)



quality through activities emphasizing communication with suppliers – for example, by sharing audit results and cooperating to identify quality improvement measures.

ASSURING PARTS QUALITY THROUGH SUPPLIER GQI EVALUATION

Supplier performance is evaluated using the globally recognized Global Quality Index (GQI) framework and classified as "Best," "Good," or "Worst" based on the quality of the parts supplied.

Quality

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.



3. 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 developed and supplied by Honda Motor Japan.

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.

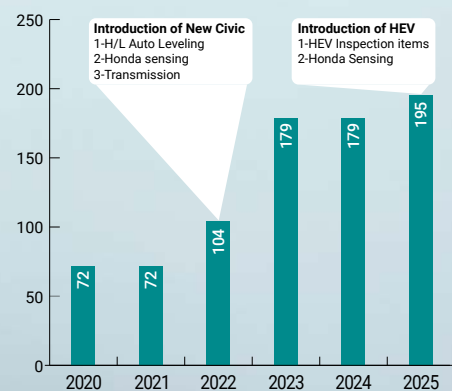
PRODUCT CYBERSECURITY

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.

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

Production (Inspection Item)



4. 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.

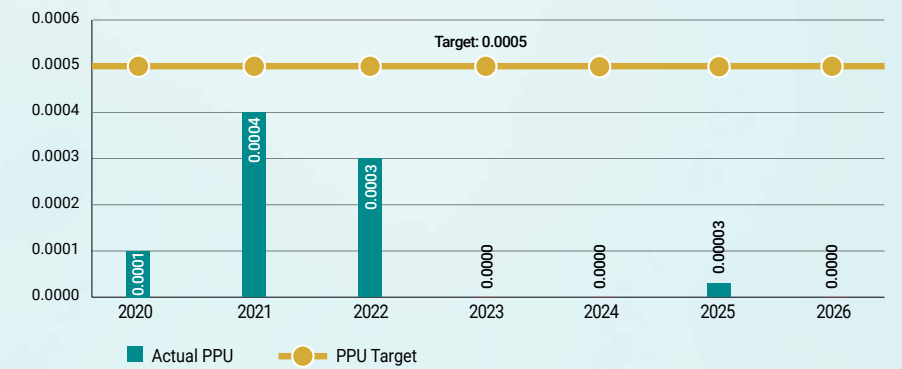
WARRANTY EXTENSION

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.

Initial Market Claims (Problem Per Unit)



5. 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.

"Over the past years, Problems Per Unit remains below the target, reflecting a strong level of quality performance and effective control across operations".

AFTER SALES INITIATIVES

Standard Service Transaction (SST) Evaluations

Standard Service Transaction (SST) evaluations are carried out to monitor and enhance dealer service operations by ensuring compliance with defined Standard Service Procedures. These evaluations support the consistent delivery of high-quality service and contribute to improved overall customer satisfaction. The SST assessment covers five key areas of service operations:

- Service Reception – Assesses the effectiveness of customer reception, assistance, and guidance throughout the service process.
- Job Performance – Evaluates the quality, accuracy, and efficiency of work performed by service technicians.
- Work Control – Reviews the supervision, coordination, and completion of service activities.
- Final Inspection – Verifies that vehicles undergo proper inspection and meet required quality standards prior to delivery.
- Body & Paint – Examines the quality and workmanship of body repair and paint operations.

Dealers are evaluated on a quarterly basis against these criteria to promote continuous improvement and ensure ongoing adherence to established service standards.

PM Reminder and Post-Service Follow-up

The PM Reminder activity is implemented to proactively notify customers of their upcoming Periodic Maintenance (PM) service. By providing timely reminders, this initiative supports proper vehicle upkeep and encourages customers to visit the dealership for scheduled servicing. As a result, vehicles are maintained in optimal operating condition while customer engagement and service retention are strengthened. In addition, Post-Service Follow-up (PSF) is conducted after completion of the service to obtain feedback on the customer's service experience. This follow-up process is used to confirm customer satisfaction, identify opportunities for improvement, and further enhance the relationship between the dealership and its customers.

Quarterly Customer Re-Engagement Campaigns

HACPL conducts quarterly promotional campaigns at dealership level with a specific focus on re-engaging non-active customers. These campaigns are designed to increase service intake by encouraging return visits through targeted offers and value-added services.

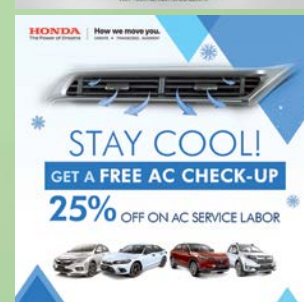
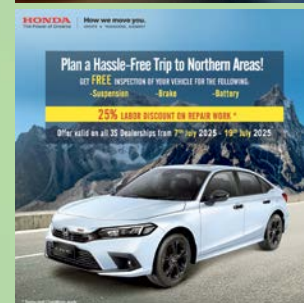
Key initiatives include:

- Honda Mobile App Campaign – Customers were offered a 10% labor discount on Periodic Maintenance services when booking service appointments through the Honda Mobile App.
- Summer Campaign ("Stay Cool") – HACPL organized the "Stay Cool" campaign in collaboration with SANPAK, offering a free A/C check-up along with a 25% discount on A/C service labor. The campaign aimed to attract non-active customers and increase dealership footfall.
- Independence Day Campaign – To commemorate Independence Day, HACPL provided a 14% labor discount on Periodic Maintenance services, along with a 14% discount on Oil Filter, Drain Washer, and Honda Genuine Engine Oil.
- Ready for North Campaign – Conducted from 7 July to 19 July 2025, this campaign offered free inspections of suspension, brake, and battery systems, along with a 25% labor discount on applicable repair work.

These initiatives support customer retention, enhance dealership traffic, and contribute to increased service utilization.

Customer Experience & Satisfaction Surveys

To assess customer perceptions of dealership services, two customer satisfaction surveys are conducted: the Customer Satisfaction Index (CSI) and the Dealer Customer Satisfaction Index (DCSI). These surveys are administered by an independent third-party agency to ensure objectivity and the reliability of the results. The survey methodology enables detailed measurement of customer satisfaction across different stages of the dealership service process. The findings are analyzed to identify strengths and areas requiring improvement and are used to establish guidelines for dealerships. Based on the survey results, corrective actions and improvement initiatives are implemented at dealership level to enhance service quality and reinforce customer trust. Through continuous monitoring and evaluation, dealerships promote consistent improvement by applying a plan-do-check-act (PDCA) cycle. The surveys are conducted through face-to-face interviews with customers at dealership locations as well as external venues such as shopping malls, using a structured questionnaire to obtain accurate and comprehensive feedback.



SUPPLY CHAIN

BASIC APPROACH

Strengthening Supply Chain to Sustainability

To ensure customers receive high quality products and services through a stable and timely supply, it is essential to continuously develop and optimize supply chains in close collaboration with suppliers, while giving due consideration to environmental protection and respect for human rights. Honda is committed to strengthening supply chain sustainability, with particular focus on the areas of Purchasing & Logistics.

- In the area of Purchasing, Honda communicates its sustainability expectations to suppliers in accordance with Honda Sustainability Guidelines and works collaboratively to address key priorities including product safety and quality, human rights and labor practices, protection of environment, responsible procurement, compliance, and transparent information disclosure.
- In the area of Logistics, Honda is striving to achieve carbon neutrality by enhancing logistics efficiency and reducing CO₂ emissions.

In addition, HACPL works closely with suppliers to promote initiatives that optimize logistics operations, improve productivity, and advance sustainable logistics practices throughout the supply chain. Through these ongoing initiatives and global collaboration with suppliers, Honda continues to strengthen sustainability across its entire supply chain.

SUPPLIERS CONFERENCE

In October 2025, HACPL organized annual Suppliers Conference in Lahore under the theme "Shaping the Future through Innovation and Partnership." The agenda of the Supplier Conference was to share future business strategies, including volume forecasts and localization plans, promote cost reduction initiatives particularly through low tooling concepts across the supplier network to drive continuous improvement. HACPL also shared long term ESG audit plans while seeking supplier's cooperation and support. Identified potential future challenges & discussed strategic approaches to address them.

The event brought together its suppliers to strengthen strategic collaboration and address the challenges of globalization and a rapidly evolving business environment. The conference emphasized the importance of robust partnerships between the Company and its vendors to drive sustainable growth and operational excellence.

Suppliers were encouraged to pursue continuous improvement across critical areas, including cost efficiency, quality assurance, timely delivery, product development, and safety standards. The conference also provided a platform to share the Company's environmental initiatives, particularly strategies for reducing CO₂ emissions through energy conservation and sustainable practices. To recognize outstanding performance, Awards were presented to distinguished vendors in recognition of their excellence in the categories of Quality, Cost, Development, Delivery, Safety, and Environment.



Supply Chain

Honda is committed to realizing a sustainable society across its entire supply chain by working in close partnership with suppliers. HACPL actively promotes initiatives focused on environmental protection, safety, human rights, compliance, and social responsibility.

Guided by the Honda Philosophy, Honda has established its Purchasing Belief and Three Purchasing Principles, ensuring that all business activities are conducted with fairness, equity, and the highest level of transparency. To further strengthen governance, Honda has defined a Code of Conduct for Purchasing Associates, outlining the standards to be followed by all personnel involved in procurement. Adherence to these principles fosters trust, integrity, and strong, long-term relationships with suppliers, both internally and externally.

PURCHASING BELIEF AND THREE PURCHASING PRINCIPLES

We do fair and equitable business with transparency based on the "Purchasing Belief" and the "Three Purchasing Principles."

PURCHASING BELIEF

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

THREE PURCHASING PRINCIPLES

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.

Positioning of Purchasing Belief, Three Purchasing Principles and Guiding the Code of Conduct for Purchasing Associates

01 Honda Philosophy

02 Honda Corporate Governance

03 Honda Code of Conduct

04 Purchasing Belief, Three Purchasing Principles and Guiding the Code of Conduct for Purchasing Associates



Vendor Conference held in October 2025

ESG SURVEY OF SUPPLIERS



To stay aligned with global expectations on corporate social responsibility, Honda actively shares its sustainability policies and closely monitors the ESG performance of its suppliers. All new suppliers are required to follow the Honda Supplier Sustainability Guidelines and are screened based on QCDDE criteria to ensure they meet required standards. After the induction of new suppliers, they receive structured policy briefings and undergo ESG assessments to ensure a clear understanding of expectations.

Each year, HACPL evaluates 2-3 suppliers, focusing on those with

higher risk based on potential impact, and works with them to implement improvement actions. In 2025, one supplier was selected for an ESG Genba Audit which was jointly conducted by ASH and HACPL Purchasing. The result was satisfactory (OK), confirming compliance with key ESG requirements.

In line with ASH guidelines, HACPL will continue to carry out annual Genba audits, closely track supplier ESG activities, and ensure timely follow-up on improvement actions. Looking ahead to 2026, HACPL plans to further strengthen its ESG

assessment process by introducing third-party evaluations through EcoVadis, enhancing transparency, objectivity, and overall governance in supplier sustainability management.

PURCHASING INITIATIVES

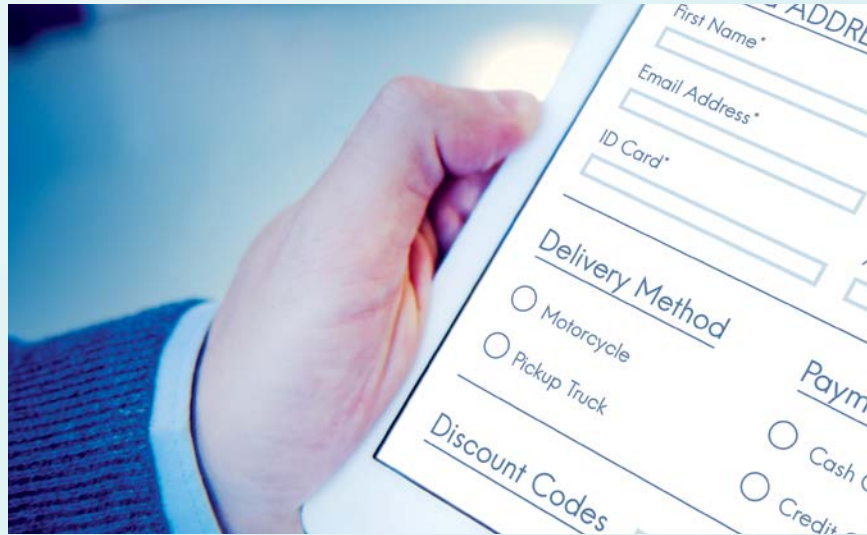
INITIATIVES TO ACHIEVE CARBON NEUTRALITY WITH SUPPLIERS

Honda is committed to achieving carbon neutrality (net-zero CO₂ emissions) across all products and corporate activities by 2050. As part of this commitment, Honda shares its Supplier Sustainability Guidelines with all suppliers and ensures their alignment with these principles.

Since 2013, Honda Pakistan has actively engaged suppliers to initiate CO₂ reduction measures, providing clear direction on actions required to support long-term carbon neutrality goals. To further accelerate progress, Honda communicated its interim target of a 46% reduction in CO₂ emissions by 2030 (compared to FY2013 levels). Through continuous engagement, collaboration, and alignment with suppliers, Honda is driving collective action to achieve its carbon neutrality vision.

MANAGEMENT OF CO₂ DATA

To strengthen environmental impact reduction across its supply chain, Honda established an integrated CO₂ data management system in FY2013. This system enables clear target setting, real-time progress tracking, and effective implementation of the PDCA cycle in collaboration with suppliers. As of 2025, approximately seven key suppliers—representing over 75% of total procurement value—are actively engaged in CO₂ reduction initiatives. Moving forward, Honda is leveraging comprehensive data analysis to further accelerate emission reduction efforts and support suppliers in achieving overall carbon management targets.



RESPONSIBLE MINERAL SOURCING

Honda is committed to responsible sourcing of minerals, recognizing the risks associated with 3TG (Tin, Tungsten, Tantalum, and Gold), particularly in relation to human rights violations such as child labor and environmental harm. To address these concerns, Honda actively works to eliminate the use of conflict-affected minerals. Honda utilizes Conflict Minerals Reporting template (CMRT) and collaborates closely with suppliers to ensure transparency and traceability by identifying certified 3TG smelters and refiners, reinforcing ethical and sustainable sourcing practices.

INSTRUCTION AND TRAINING FOR ASSOCIATES

Honda ensures that all purchasing associates follow fair, transparent, and ethical practices in line with its purchasing philosophy. To support this, Honda has developed

comprehensive manuals and training programs, along with on-the-job training (OJT), to strengthen employee capabilities. The company emphasizes education on its code of conduct, legal compliance, and confidentiality to foster strong and sustainable relationships with suppliers. Additionally, Honda conducts training programs to enhance understanding of QCDD operations, ESG & workplace Safety initiatives within the supply chain. These programs are designed with consideration for diverse cultural and social backgrounds, supporting continuous capacity building and development of purchasing associates.

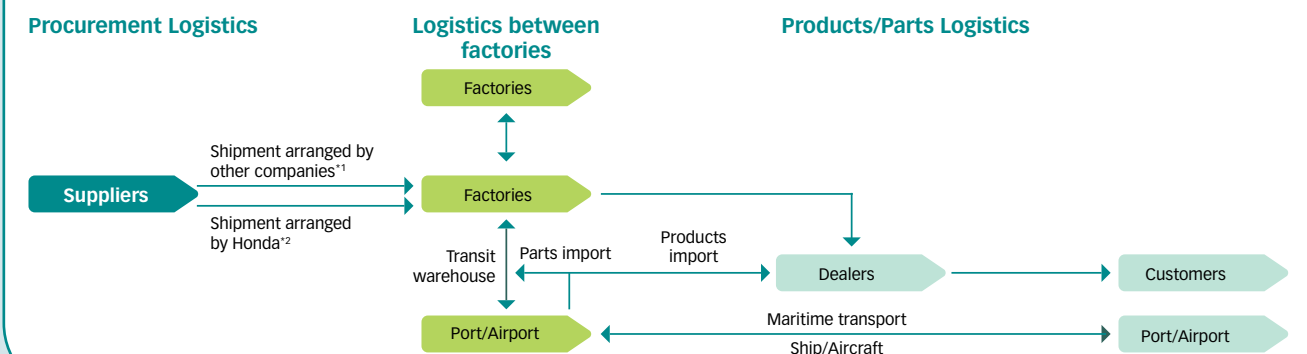
Year	2020~21	2021~22	2022~23	2023~24	2024~25	2025~26	Till 2030	Till 2050
CO ₂ Reduction % (Yearly)	-13.1%	-2.3%	-10.6%	-9.4%	-4.8%	-3.7%	1% every Year (Min.)	1% every Year (Min.)
CO ₂ Reduction % (Accumulated)	-	-15.4%	-26.0%	-35.4%	-40.2%	-43.9%	-46%	-100.00%

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

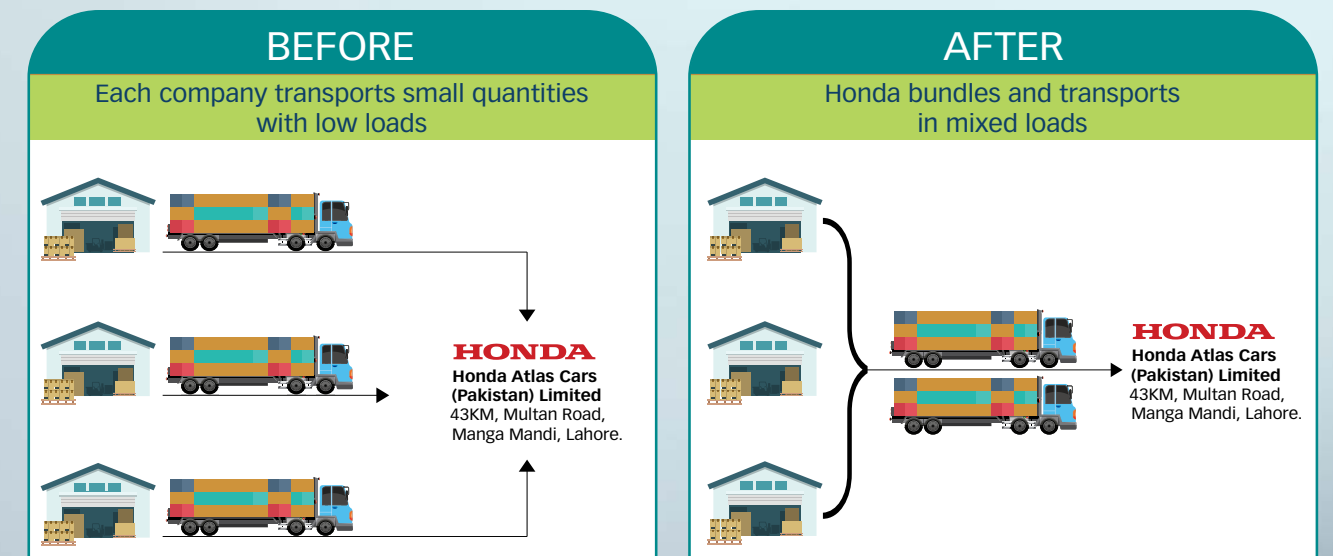


LOGISTICS INITIATIVES

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

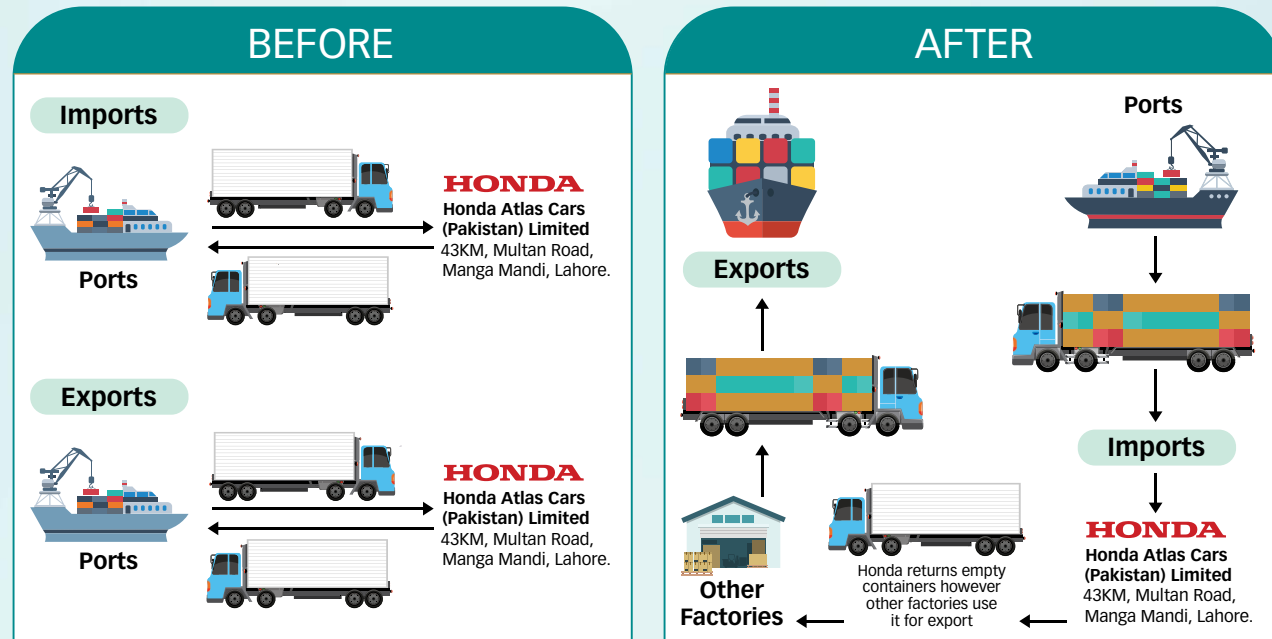
To minimize the logistics losses incurred by our suppliers, we have developed milk-run transportation system for our suppliers. In this system one truck combines the products within a multi-company consolidation to transport them efficiently. The effects of these measures have contributed to a reduction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



Logistics

b) Container Round Use

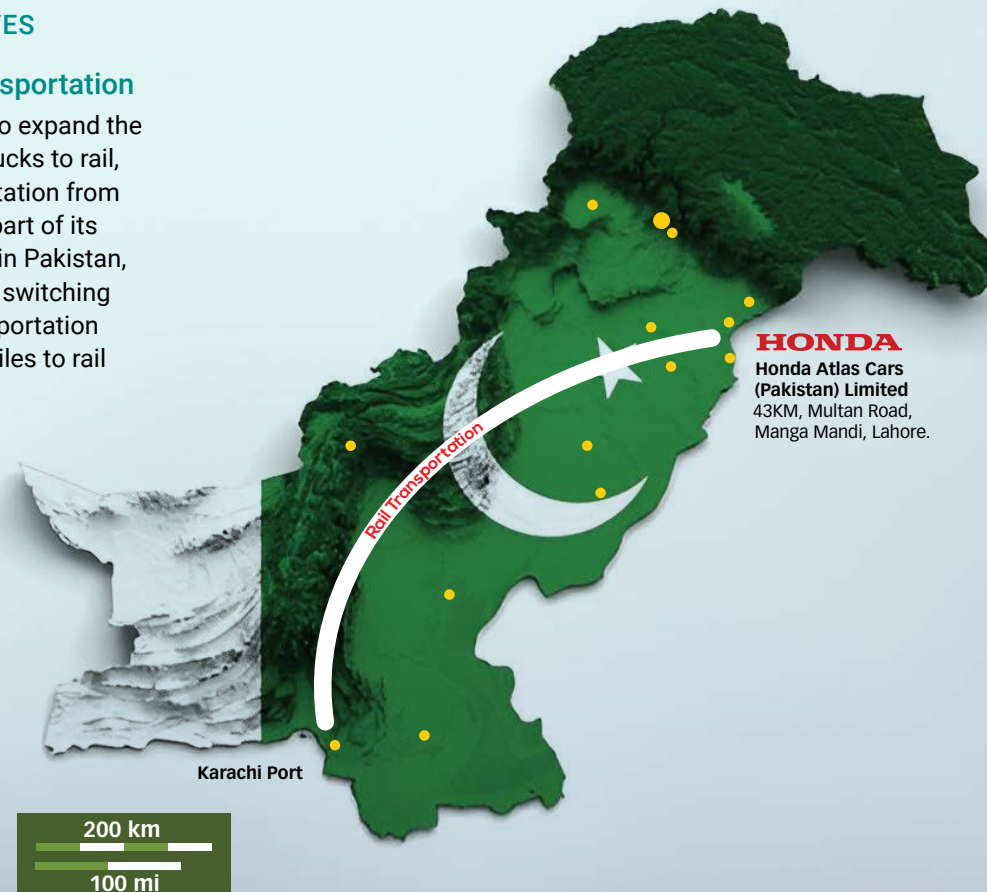
Since containers are rented from shipping companies, it is a common business practice to return them promptly at port city after cargo transportation. However, Honda Atlas Cars negotiated with the respective shipping companies to allow empty return near to factory premises to reduce the transportation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



LOGISTICS INITIATIVES

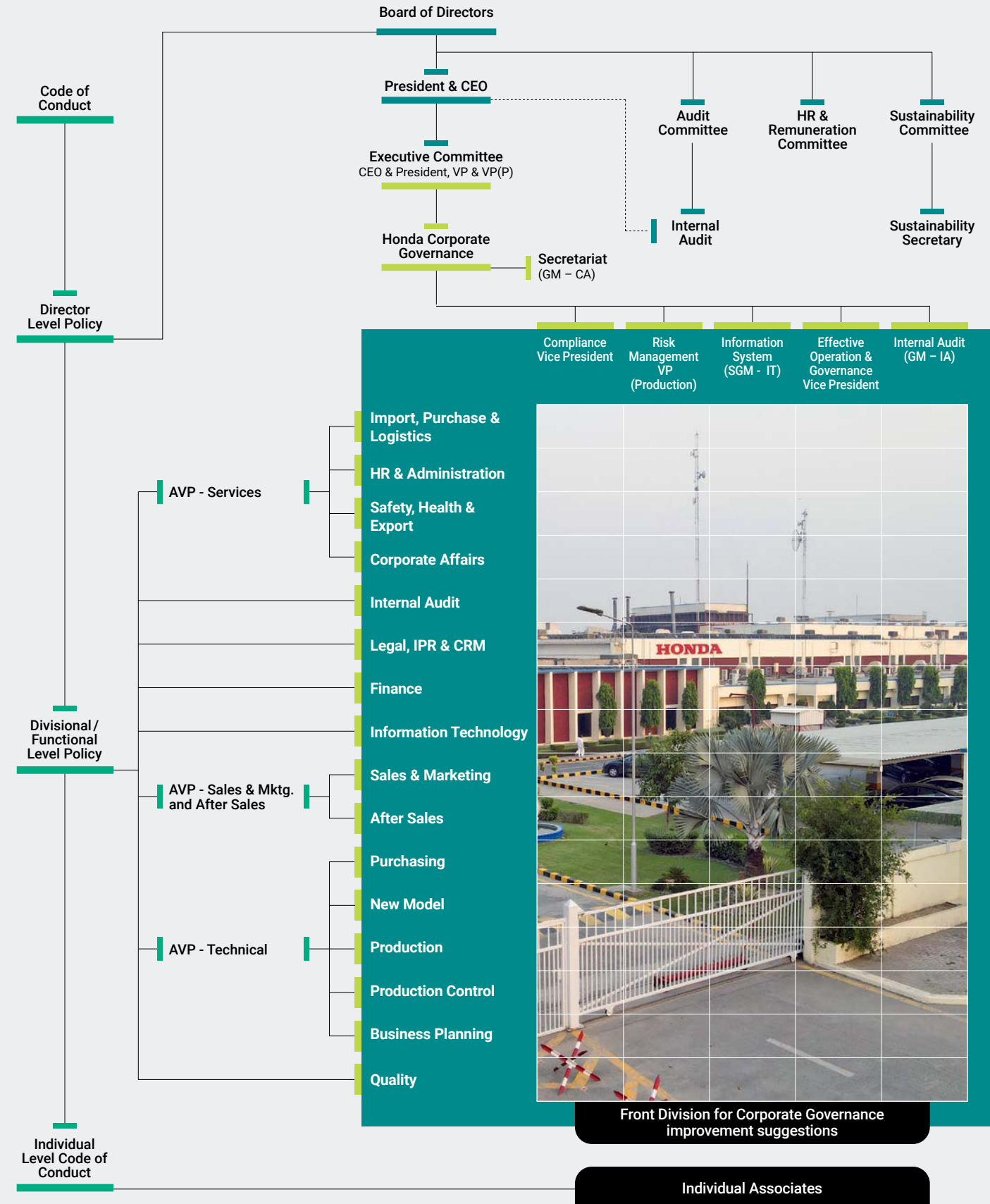
c) Low-Carbon transportation

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.



CORPORATE GOVERNANCE

ORGANIZATION STRUCTURE



Corporate Governance

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 years 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 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.



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 98% of Company associates completed a comprehensive written test on the Code, achieving a 94% 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

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.

only meeting attendance fees. Details of Directors' and CEO's remuneration for 2025-26 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.

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

CHAIRMAN'S REVIEW ON BOARD PERFORMANCE

The Chairman's review highlights the Company's performance, underscoring the strategic direction and oversight provided by the

Corporate Governance



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.

ANTI-BRIBERY COVENANT

Honda Atlas Cars (Pakistan) Limited (HACPL) signed an anti-bribery covenant with their business partners as well as its local suppliers ("the company") to assess adherence to ethical business practices and transparency. By the end of March 31, 2026 total 118 business partners signed Anti-Bribery Covenant with HACPL. This agreement states that:

- The Company and all related parties must comply with all applicable anti-bribery and anti-corruption laws.
- The Company must not engage in any activity that could cause HACPL to violate such laws.

- No payments, gifts, facilitation payments, or other benefits may be offered or given to government officials or any person for the purpose of obtaining improper business advantages or influencing decisions unlawfully.
- The Company must maintain effective compliance policies, monitoring systems, and preventive measures to ensure adherence to anti-bribery laws.
- HACPL has the right to audit the Company if it suspects any violation and may suspend payments or obligations during investigation.
- The Company must immediately inform HACPL if it becomes aware of any actual or potential breach.
- In case of any breach, HACPL may terminate the transaction immediately, and the Company will be responsible for any resulting claims, losses, or damages.
- The agreement also defines key terms such as "Anti-Bribery Laws," "Affiliate," "Control," and "Government Official."

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.

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 2025 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 considers the protection of personal information as an essential social responsibility and ensures its appropriate handling in accordance with the Global Privacy Policy (GPP) implemented across all Honda Group entities. Under this framework, each department designates responsible information managers to oversee the protection of personal data and to conduct regular awareness and training initiatives for associates.

Corporate Governance

The IT Division ensures prompt escalation of any data-related incidents to the Confidentiality Committee, which conducts periodic reviews of information security practices across departments. Furthermore, the Company complies with Honda's Global IT Security Policy (GITSP) for the protection of customer information systems. The Personal Information Protection Committee continuously oversees security measures in coordination with Global and Regional Confidentiality Committees, while established guidelines support a balanced approach between effective data utilization and risk management. The Company remained fully compliant with all data protection and secrecy requirements throughout the year.

Furthermore, the Company has initiated the controlled and responsible use of Artificial Intelligence (AI) to enhance operational efficiency, ensuring that personal data is processed securely, ethically, and in compliance with all applicable privacy and security standards.

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 are making efforts to disrupt the production and selling 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.

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.



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.

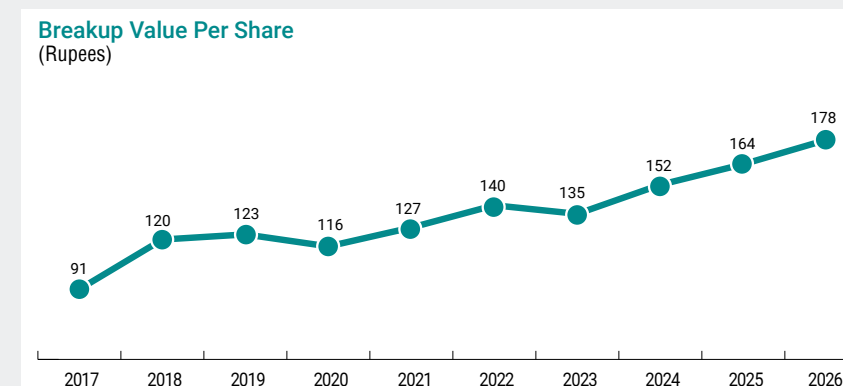
Zakat is also deductible at source from the dividend at the rate of 2.5% of the face value of the share, other than corporate holders or individuals who have provided an undertaking for non-deduction of zakat.

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.,



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, 2026**

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

1. The total number of directors are nine (9) as per the following:
 - a. Male 8
 - b. Female 1
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. Masaya Wakuda
	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.



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

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.



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.

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.

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. Masaya Wakuda	Member
4.	Mr. Naoki Negi	Member
5.	Mr. Hidenori Ashikawa	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 appraises the Board, accordingly.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. Out of the nine, five directors have either obtained certificate

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, 2026.

b) HR & REMUNERATION COMMITTEE

One meeting was held during the financial year ended March 31, 2026.

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; and

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



Date: May 19, 2026
Karachi

AAMIR H. SHIRAZI
(Chairman)

REVENUE APPLICATION

MARCH 31, 2026



58% Product cost
4% Other costs
3% Employees
33% Government
1% Shareholders
1% Profit retained

MARCH 31, 2025



59% Product cost
4% Other costs
3% Employees
31% Government
1% Shareholders
2% Profit retained

Rupees in thousand	March 31, 2026	March 31, 2025
REVENUE		
Gross sales	157,084,065	100,349,404
Other income	2,311,132	988,734
Total	159,395,197	101,338,138
APPLICATION		
Product Cost		
Cost of sales (excluding employees' remuneration and government levies)	91,427,647	59,616,071
Other costs		
Operating expenses (excluding employees' remuneration)	2,619,326	1,907,286
Dealers' commission	2,334,954	1,235,292
Financial charges	2,006,723	1,041,813
	6,961,003	4,184,391
Employees		
Workers' profit participation fund	275,804	174,833
Employees' remuneration	4,407,550	3,218,552
	4,683,354	3,393,385
Government		
Workers' welfare fund	152,050	47,043
Sales tax, CVT & NEV levy	32,465,938	21,048,453
Custom duties	18,709,366	9,770,844
Income tax	1,854,529	565,632
	53,181,883	31,431,972
Shareholders		
Dividend	1,285,200	1,142,400
Retained in Business		
Profit retained	1,856,110	1,569,919
Total	159,395,197	101,338,138
Percentage	2026	2025
APPLICATION		
Product cost	58	59
Other costs	4	4
Employees	3	3
Government	33	31
Shareholders	1	1
Profit retained	1	2
	100	100

VALUE ADDED AND ITS DISTRIBUTION

MARCH 31, 2026



20% Government
48% Employees
13% Shareholders
19% Retained in business

MARCH 31, 2025



9% Government
51% Employees
17% Shareholders
23% Retained in business

Rupees in thousand	March 31, 2026	March 31, 2025
VALUE ADDED		
Net sales	122,283,173	78,065,659
Other income	2,311,132	988,734
Cost of sales (excluding employees' remuneration)	(110,137,013)	(69,386,915)
Operating expenses (excluding employees' remuneration)	(2,619,326)	(1,907,286)
Finance cost	(2,006,723)	(1,041,813)
Total	9,831,243	6,718,379
DISTRIBUTION		
To Government		
Workers' welfare fund	152,050	47,043
Income tax	1,854,529	565,632
	2,006,579	612,675
To Employees		
Workers' profit participation fund	275,804	174,833
Employees' remuneration	4,407,550	3,218,552
	4,683,354	3,393,385
To Shareholders		
Dividend	1,285,200	1,142,400
Retained In Business		
Profit retained	1,856,110	1,569,919
Total	9,831,243	6,718,379
Percentage	2026	2025
DISTRIBUTION		
Government	20	9
Employees	48	51
Shareholders	13	17
Retained in business	19	23
	100	100

FINANCIAL HIGHLIGHTS

		2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
STATEMENT OF PROFIT OR LOSS											
Sales	Rs in million	122,283	78,066	55,071	95,087	108,048	67,362	55,046	95,128	91,523	62,803
Gross profit	Rs in million	9,483	6,664	4,508	7,161	5,533	3,776	4,091	7,304	10,449	9,122
Profit before tax	Rs in million	5,088	3,275	2,753	1,983	4,275	2,781	1,547	5,594	9,479	8,636
Profit after tax	Rs in million	3,234	2,709	2,334	260	2,510	1,793	682	3,851	6,494	6,135
Proposed dividend	Rs in million	1,285	1,142	928	-	1,000	645	143	1,735	3,846	1,856
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	25,438	23,439	21,655	19,264	19,961	18,196	16,557	17,627	17,073	13,065
Capital expenditure	Rs in million	1,417	654	233	1,651	3,782	3,895	724	961	1,266	1,812
Fixed assets - at cost	Rs in million	20,775	19,376	18,894	19,356	18,431	16,613	13,129	12,621	11,961	11,454
Fixed assets - net	Rs in million	7,177	7,442	8,484	10,461	10,662	7,974	4,905	5,245	5,373	4,974
Non current liabilities	Rs in million	2,350	3,259	3,979	4,603	4,317	3,053	474	465	540	440
Total assets	Rs in million	59,111	49,121	49,830	62,688	70,263	45,155	31,842	32,101	58,809	51,497
Working capital	Rs in million	18,678	17,327	16,102	12,578	13,330	13,045	11,792	12,286	12,047	8,419
Capital employed	Rs in million	28,177	26,707	25,458	23,441	23,837	21,213	18,890	17,627	17,073	13,065
SIGNIFICANT RATIOS											
Profitability											
Gross profit margin	%	7.8	8.5	8.2	7.5	5.1	5.6	7.4	7.7	11.4	14.5
Profit before tax	%	4.16	4.20	5.00	2.1	3.96	4.13	2.81	5.88	10.36	13.75
Profit after tax	%	2.6	3.5	4.2	0.3	2.3	2.7	1.2	4.0	7.1	9.8
Liquidity											
Current ratio	Times	1.6	1.8	1.7	1.3	1.3	1.5	1.8	1.9	1.3	1.2
Quick ratio	Times	0.7	1.1	0.8	1.0	0.8	1.1	1.0	1.2	1.1	1.0
Long term debt to equity	Times	0.1	0.1	0.2	0.2	0.2	0.2	-	-	-	-
Total liabilities to equity	Times	2.3	2.1	2.3	3.3	3.5	2.5	1.9	1.8	3.4	3.9
Activity											
Total assets turnover	Times	2.1	1.6	1.1	1.5	1.5	1.5	1.7	3.0	1.6	1.2
Fixed assets turnover	Times	17.0	10.5	6.5	9.1	10.1	8.4	11.2	18.1	17.0	12.6
Stock turnover ratio	Times	5.2	4.0	3.1	5.0	5.9	5.5	5.1	10.4	10.9	10.1
Interest cover (BT)	Times	3.5	4.1	3.3	6.7	81.3	24.9	3.1	500.9	655.8	369.4
Interest cover (AT)	Times	2.6	3.6	2.9	1.8	48.1	16.4	1.9	345.2	449.6	262.7
Number of days stock	Days	70	91	118	73	62	66	72	35	33	36
Earning											
Return on capital employed	%	11.8	10.4	9.5	1.1	11.1	8.9	3.7	22.2	43.1	58.4
Return on equity (BT)	%	20.8	14.5	13.2	10.1	22.4	16.0	9.1	32.2	62.9	82.2
Return on equity (AT)	%	13.2	12.0	11.2	1.3	13.2	10.3	4.0	22.2	43.1	58.4
Earning per share (BT)	Rs.	35.6	22.9	19.3	13.9	29.9	19.5	10.8	39.2	66.4	60.5
Earning per share (AT)	Rs.	22.6	19.0	16.3	1.8	17.6	12.6	4.8	27.0	45.5	43.0
Price earning ratio (AT)	Times	6.7	15.2	13.7	65.6	11.8	21.7	27.7	8.9	10.5	17.5
Dividend per ordinary share	Rs.	9.00	8.00	6.5	-	7.00	4.52	1.0	12.1	26.9	13.0
Dividend pay out ratio	%	39.7	42.2	39.8	-	39.8	36.0	21.0	45.1	59.2	30.3
OTHER INFORMATION											
Break up value per share	Rs.	178	164	152	135	140	127	116	123	120	91
Market value per share	Rs.	152	289	223	118	207	273	133	240	477	752
Contribution to national exchequer	Rs in million	56,406	34,965	23,172	40,704	43,708	28,236	23,407	32,227	33,913	25,130
Units produced	Units	26,430	15,545	10,709	26,176	37,780	23,479	22,729	48,608	50,177	34,560
Units sold	Units	25,621	16,100	10,534	25,726	37,613	24,050	22,418	48,648	50,100	35,381
Manpower (permanent+contractual)	Nos.	1,481	1,373	1,378	1,532	2,274	1,498	1,483	2,284	2,278	2,033
Exchange rates at year end date											
¥ to \$	¥	159.61	150.75	151.17	132.69	121.52	110.82	108.29	110.64	106.06	111.65
Rs to \$	Rs.	279.31	280.39	278.16	283.96	183.68	152.79	166.59	140.51	115.60	104.95
Rs to ¥	Rs.	1.75	1.86	1.84	2.14	1.51	1.38	1.54	1.27	1.09	0.94

HORIZONTAL ANALYSIS

	2026	2025	2024	2023	2022	2021	2026 vs 2025	2025 vs 2024	2024 vs 2023	2023 vs 2022	2022 vs 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	1,428,000	-	-	-	-	-
Reserves	20,456,000	18,956,000	17,456,000	17,456,000	15,956,000	14,956,000	7.91	8.59	-	9.40	6.69
Unappropriated profit	3,554,047	3,055,137	2,771,018	380,325	2,576,725	1,812,163	16.33	10.25	628.59	(85.24)	42.19
NON-CURRENT LIABILITIES											
Long-term finances - secured	1,880,138	2,266,355	2,634,503	2,921,056	2,739,121	2,068,693	(17.04)	(13.97)	(9.81)	6.64	32.41
Deferred government grant	323,978	466,645	632,766	820,361	787,677	595,838	(30.57)	(26.25)	(22.87)	4.15	32.20
Employee retirement benefits	132,535	29,910	68,928	136,539	250,977	173,374	343.11	(56.61)	(49.52)	(45.60)	44.76
Deferred taxation	-	484,441	625,553	706,823	521,177	201,780	(100.00)	(22.56)	(11.50)	35.62	158.29
Deferred revenue	13,700	11,725	17,242	18,547	18,197	13,535	16.84	(32.00)	(7.04)	1.92	34.44
CURRENT LIABILITIES											
Current portion of deferred revenue	559,413	542,694	542,829	442,008	357,011	361,713	3.08	(0.02)	22.81	23.81	(1.30)
Short term borrowings - secured	-	-	5,515,661	-	-	-	-	(100.00)	100.00	-	-
Accrued mark-up	58,955	17,684	304,713	19,504	37,293	6,120	233.38	(94.20)	1,462.31	(47.70)	509.36
Trade, dividend, other payables and provisions	30,704,077	21,862,059	17,833,052	38,358,921	45,590,870	23,538,010	40.44	22.59	(53.51)	(15.86)	93.69
	59,110,843	49,120,650	49,830,265	62,688,084	70,263,048	45,155,226	20.34	(1.42)	(20.51)	(10.78)	55.60
ASSETS											
NON-CURRENT ASSETS											
Property, plant and equipment	6,075,202	6,273,524	7,579,533	9,364,933	7,549,924	4,000,261	(3.16)	(17.23)	(19.06)	24.04	88.74
Intangible assets	1,101,557	687,607	881,480	1,089,005	747,295	186,188	60.20	(21.99)	(19.06)	45.73	301.37
Capital work-in-progress	-	481,190	22,885	7,015	2,364,549	3,788,001	(100.00)	2,002.64	226.23	(99.70)	(37.58)
Long term trade debts	874,323	1,638,527	776,274	481,267	27,216	56,157	(46.64)	111.08	61.30	1,668.32	(51.54)
Long term loans	205,799	215,854	218,788	343,759	254,558	170,209	(4.66)	(1.34)	(36.35)	35.04	49.56
Long term deposits	178,750	74,397	52,805	4,042	4,042	4,042	140.27	40.89	1,206.41	-	-
Deferred taxation	675,061	-	-	-	-	-	100.00	-	-	-	-
CURRENT ASSETS											
Stores and spares	260,417	235,729	210,018	235,060	290,262	185,370	10.47	12.24	(10.65)	(19.02)	56.59
Stock-in-trade	28,205,453	15,012,173	20,468,774	12,602,074	22,866,173	11,648,838	87.88	(26.66)	62.42	(44.89)	96.30
Trade debts	7,598,965	7,585,110	8,523,202	944,078	978,728	845,765	0.18	(11.01)	802.81	(3.54)	15.72
Advances, prepayments and other receivables	13,177,642	11,285,427	9,906,702	22,466,514	15,398,259	9,349,859	16.77	13.92	(55.90)	45.90	64.69
Short term investments	-	4,942,359	-	14,251,272	6,795,538	-	(100.00)	100.00	(100.00)	109.72	100.00
Cash and bank balances	757,674	688,753	1,189,804	899,065	12,986,504	14,920,536	10.01	(42.11)	32.34	(93.08)	(12.96)
	59,110,843	49,120,650	49,830,265	62,688,084	70,263,048	45,155,226	20.34	(1.42)	(20.51)	(10.78)	55.60

STATEMENT OF PROFIT OR LOSS											
Sales	122,283,173	78,065,659	55,071,323	95,087,251	108,047,850	67,362,307	56.64	41.75	(42.08)	(12.00)	60.40
Cost of sales	(112,800,463)	(71,401,700)	(50,563,229)	(87,926,215)	(102,515,219)	(63,586,363)	57.98	41.21	(42.49)	(14.23)	61.22
Gross profit	9,482,710	6,663,959	4,508,094	7,161,036	5,532,631	3,775,944	42.30	47.82	(37.05)	29.43	46.52
Distribution and marketing costs	(1,672,221)	(1,131,643)	(914,883)	(902,374)	(1,145,187)	(736,974)	47.77	23.69	1.39	(21.20)	55.39
Administrative expenses	(2,510,236)	(1,889,358)	(1,479,952)	(1,321,962)	(1,079,683)	(823,588)	32.86	27.66	11.95	22.44	31.10
Other operating income	2,311,132	988,734	2,252,115	2,321,705	2,004,952	918,484	133.75	(56.10)	(3.00)	15.80	118.29
Other operating expenses	(516,430)	(315,106)	(393,635)	(4,929,616)	(984,045)	(237,080)	63.89	(19.95)	(92.01)	400.95	315.07
Finance cost	(2,006,723)	(1,041,813)	(1,218,996)	(346,141)	(53,263)	(116,159)	92.62	(14.54)	252.17	549.87	(54.15)
Profit before taxation	5,088,232	3,274,773	2,752,743	1,982,648	4,275,405	2,780,627	55.38	18.96	38.84	(53.63)	53.76
Taxation	(1,854,529)	(565,632)	(418,848)	(1,722,507)	(1,765,499)	(987,422)	227.87	35.04	(75.68)	(2.44)	78.80
Profit after taxation	3,233,703	2,709,141	2,333,895	260,141	2,509,906	1,793,205	19.36	16.08	797.17	(89.64)	39.97

VERTICAL ANALYSIS

	2026	2025	2024	2023	2022	2026	2025	2024	2023	2022
	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	2.42	2.91	2.87	2.28	2.03
Reserves	20,456,000	18,956,000	17,456,000	17,456,000	15,956,000	34.61	38.59	35.03	27.85	22.71
Unappropriated profit	3,554,047	3,055,137	2,771,018	380,325	2,576,725	6.01	6.22	5.56	0.61	3.67
NON-CURRENT LIABILITIES										
Long-term finances - secured	1,880,138	2,266,355	2,634,503	2,921,056	2,739,121	3.18	4.61	5.29	4.66	3.90
Deferred government grant	323,978	466,645	632,766	820,361	787,677	0.55	0.95	1.27	1.31	1.12
Employee retirement benefits	132,535	29,910	68,928	136,539	250,977	0.22	0.06	0.14	0.22	0.36
Deferred taxation	-	484,441	625,553	706,823	521,177	-	0.99	1.26	1.13	0.74
Deferred revenue	13,700	11,725	17,242	18,547	18,197	0.02	0.02	0.03	0.03	0.03
CURRENT LIABILITIES										
Current portion of deferred revenue	559,413	542,694	542,829	442,008	357,011	0.95	1.10	1.09	0.71	0.51
Short term borrowings - secured	-	-	5,515,661	-	-	-	-	11.07	-	-
Accrued mark-up	58,955	17,684	304,713	19,504	37,293	0.10	0.04	0.61	0.03	0.05
Trade, dividend, other payables and provisions	30,704,077	21,862,059	17,833,052	38,358,921	45,590,870	51.94	44.51	35.79	61.19	64.89
	59,110,843	49,120,650	49,830,265	62,688,084	70,263,048	100.00	100.00	100.00	100.00	100.00
ASSETS										
NON-CURRENT ASSETS										
Property, plant and equipment	6,075,202	6,273,524	7,579,533	9,364,933	7,549,924	10.28	12.77	15.21	14.94	10.75
Intangible assets	1,101,557	687,607	881,480	1,089,005	747,295	1.86	1.40	1.77	1.74	1.06
Capital work-in-progress	-	481,190	22,885	7,015	2,364,549	-	0.98	0.05	0.01	3.37
Long term trade debts	874,323	1,638,527	776,274	481,267	27,216	1.48	3.34	1.56	0.77	0.04
Long term loans	205,799	215,854	218,788	343,759	254,558	0.35	0.44	0.44	0.55	0.36
Long term deposits	178,750	74,397	52,805	4,042	4,042	0.30	0.15	0.11	0.01	0.01
Deferred taxation	675,061	-	-	-	-	1.14	-	-	-	-
CURRENT ASSETS										
Stores and spares	260,417	235,729	210,018	235,060	290,262	0.44	0.48	0.42	0.37	0.41
Stock-in-trade	28,205,453	15,012,173	20,468,774	12,602,074	22,866,173	47.72	30.56	41.08	20.10	32.54
Trade debts	7,598,965	7,585,110	8,523,202	944,078	978,728	12.86	15.44	17.10	1.51	1.39
Advances, prepayments and other receivables	13,177,642	11,285,427	9,906,702	22,466,514	15,398,259	22.29	22.98	19.88	35.84	21.92
Short term investments	-	4,942,359	-	14,251,272	6,795,538	-	10.06	-	22.73	9.67
Cash and bank balances	757,674	688,753	1,189,804	899,065	12,986,504	1.28	1.40	2.39	1.43	18.48
	59,110,843	49,120,650	49,830,265	62,688,084	70,263,048	100.00	100.00	100.00	100.00	100.00

STATEMENT OF PROFIT OR LOSS										
Sales	122,283,173	78,065,659	55,071,323	95,087,251	108,047,850	100.00	100.00	100.00	100.00	100.00
Cost of sales	(112,800,463)	(71,401,700)	(50,563,229)	(87,926,215)	(102,515,219)	(92.25)	(91.46)	(91.81)	(92.47)	(94.88)
Gross profit	9,482,710	6,663,959	4,508,094	7,161,036	5,532,631	7.75	8.54	8.19	7.53	5.12
Distribution and marketing costs	(1,672,221)	(1,131,643)	(914,883)	(902,374)	(1,145,187)	(1.37)	(1.45)	(1.66)	(0.95)	(1.06)
Administrative expenses	(2,510,236)	(1,889,358)	(1,479,952)	(1,321,962)	(1,079,683)	(2.05)	(2.42)	(2.69)	(1.39)	(1.00)
Other operating income	2,311,132	988,734	2,252,115	2,321,705	2,004,952	1.89	1.27	4.09	2.44	1.86
Other operating expenses	(516,430)	(315,106)	(393,635)	(4,929,616)	(984,045)	(0.42)	(0.40)	(0.71)	(5.18)	(0.91)
Finance cost	(2,006,723)	(1,041,813)	(1,218,996)	(346,141)	(53,263)	(1.64)	(1.33)	(2.21)	(0.36)	(0.05)
Profit before taxation	5,088,232	3,274,773	2,752,743	1,982,648	4,275,405	4.16	4.19	5.00	2.09	3.96
Taxation	(1,854,529)	(565,632)	(418,848)	(1,722,507)	(1,765,499)	(1.52)	(0.72)	(0.76)	(1.81)	(1.63)
Profit after taxation	3,233,703	2,709,141	2,333,895	260,141	2,509,906	2.64	3.47	4.24	0.27	2.32

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, 2026, 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, 2026.

A. F. FERGUSON & CO.
Chartered Accountants

June 08, 2026
Lahore

UDIN: CR202610071g8fN26XZm



FINANCIAL STATEMENTS

For the year ended March 31, 2026

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, 2026, 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, 2026 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional 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 (refer notes 4.11 and 28 to the annexed financial statements).</p> <p>Revenue is recognized when control of the underlying products have been transferred to the customers. The Company is engaged in the assembling and progressive manufacturing and selling Honda vehicles and spare parts. The Company recognized revenue from the sales of own manufactured goods measured in the 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; and Assessed the adequacy of disclosures made in the financial statements related to revenue.

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

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

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

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

Independent Auditor's Report

To the members of Honda Atlas Cars (Pakistan) Limited

RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

June 08, 2026
Lahore

UDIN: AR202610071ky7d9B23K

Independent Auditor's Report

Statement of Financial Position

As at March 31, 2026

Rupees in thousand	Note	2026	2025
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
200,000,000 (2025: 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 (2025: 142,800,000)			
ordinary shares of Rs 10 each	6	1,428,000	1,428,000
Reserves	7	20,456,000	18,956,000
Revenue reserve: Un-appropriated profits		3,554,047	3,055,137
		25,438,047	23,439,137
NON-CURRENT LIABILITIES			
Long term finances - secured	8	1,880,138	2,266,355
Deferred government grant	9	323,978	466,645
Employee retirement benefits	10	132,535	29,910
Deferred taxation	11	-	484,441
Deferred revenue		13,700	11,725
		2,350,351	3,259,076
CURRENT LIABILITIES			
Current portion of non-current liabilities	12	559,413	542,694
Short term borrowings - secured	13	-	-
Accrued markup	14	58,955	17,684
Unclaimed dividend		57,144	54,298
Trade and other payables and provisions	15	30,646,933	21,807,761
		31,322,445	22,422,437
CONTINGENCIES AND COMMITMENTS			
	16		
		59,110,843	49,120,650

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	2026	2025
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	17	6,075,202	6,273,524
Intangible assets	18	1,101,557	687,607
Capital work-in-progress	19	-	481,190
Long term trade debts	20	874,323	1,638,527
Long term loans to employees	21	205,799	215,854
Long term deposits		178,750	74,397
Deferred taxation	11	675,061	-
		9,110,692	9,371,099
CURRENT ASSETS			
Stores and spares	22	260,417	235,729
Stock-in-trade	23	28,205,453	15,012,173
Trade debts	24	7,598,965	7,585,110
Loans, advances, deposits, prepayments and other receivables	25	8,916,615	3,059,194
Income tax recoverable		4,261,027	8,226,233
Short term investments	26	-	4,942,359
Cash and bank balances	27	757,674	688,753
		50,000,151	39,749,551
		59,110,843	49,120,650

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, 2026

Rupees in thousand	Note	2026	2025
Revenue from contracts with customers	28	122,283,173	78,065,659
Cost of sales	29	(112,800,463)	(71,401,700)
Gross profit		9,482,710	6,663,959
Distribution and marketing costs	30	(1,672,221)	(1,131,643)
Administrative expenses	31	(2,510,236)	(1,889,358)
Other income	32	2,311,132	988,734
Other expenses	33	(516,430)	(315,106)
Finance cost	34	(2,006,723)	(1,041,813)
Profit before taxation		5,088,232	3,274,773
Taxation	35	(1,854,529)	(565,632)
Profit for the year		3,233,703	2,709,141
Earnings per share - basic and diluted (in Rupees)	39	22.64	18.97

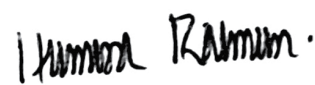
The annexed notes 1 to 49 form an integral part of these financial statements.



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, 2026

Rupees in thousand	2026	2025
Profit for the year	3,233,703	2,709,141
Other comprehensive income for the year:		
<i>Items that will not be subsequently reclassified to profit or loss (net of tax):</i>		
- Remeasurement (loss) / gain on post retirement benefits obligation	(92,393)	3,178
	(92,393)	3,178
Total comprehensive income for the year	3,141,310	2,712,319


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, 2026

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, 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)	-
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)
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
Balance as on March 31, 2025	1,428,000	76,000	18,880,000	3,055,137	23,439,137
Appropriation of reserves					
Transfer to general reserve	-	-	1,500,000	(1,500,000)	-
Transactions with owners in their capacity as owners recognised directly in equity					
Final dividend for the year ended March 31, 2025 @ Rupees 8.00 per share	-	-	-	(1,142,400)	(1,142,400)
Total comprehensive income for the year					
Profit for the year	-	-	-	3,233,703	3,233,703
Other comprehensive loss for the year	-	-	-	(92,393)	(92,393)
	-	-	-	3,141,310	3,141,310
Balance as on March 31, 2026	1,428,000	76,000	20,380,000	3,554,047	25,438,047

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, 2026

Rupees in thousand	Note	2026	2025
Cash flows from operating activities			
Cash (utilized in) / generated from operations	36	(631,620)	16,939,947
Finance cost paid		(424,481)	(653,211)
Employees' retirement benefits and other obligations paid		(271,657)	(269,553)
Net decrease in loans to employees		35,163	117,984
Net increase in long term deposits		(104,353)	(21,592)
Net income tax refund / (paid)		961,441	(1,837,031)
Royalty paid		(1,534,664)	(2,449,960)
Net increase in deferred revenue		40,648	2,326
Net cash (outflow) / inflow from operating activities		(1,929,523)	11,828,910
Cash flows from investing activities			
Purchase of property, plant and equipment		(710,245)	(622,862)
Purchase of intangible assets		(726,990)	(38,165)
Proceeds from disposal of property, plant and equipment		5,029	42,618
Interest received		156,729	205,059
Net cash outflow from investing activities		(1,275,477)	(413,350)
Cash flows from financing activities			
Long term finances repaid		(528,884)	(534,269)
Dividends paid		(1,139,554)	(924,322)
Net cash outflow from financing activities		(1,668,438)	(1,458,591)
Net (decrease) / increase in cash and cash equivalents		(4,873,438)	9,956,969
Cash and cash equivalents at the beginning of the year		5,631,112	(4,325,857)
Cash and cash equivalents at the end of the year	37	757,674	5,631,112

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, 2026

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. Accounting and reporting standards applicable in Pakistan comprise of:

- i) IFRS Accounting 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, directives and notifications issued under the Companies Act, 2017.

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

2.2 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

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

There were certain amendments and interpretations to published accounting and reporting standards that are applicable for the financial year beginning on April 1, 2025 but does not have any significant impact on the Company's financial reporting and therefore, have not been disclosed in these financial statements.

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

There are standards and certain amendments to accounting and reporting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on April 1, 2025. The standards and amendments are not expected to have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

3. BASIS OF MEASUREMENT

3.1 These financial statements have been prepared under the historical cost convention except for 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 4.14.3 and 10
- b) Provision for taxation - notes 4.13 and 35
- c) Useful lives and residual values of property, plant and equipment and intangible assets - notes 4.1, 4.15, 17 and 18
- d) Impairment of financial assets - note 4.4.4
- e) Provision for warranty claims - notes 4.8 and 15.12
- f) Contingent liabilities - notes 4.12 and 16
- g) Provision for impairment of inventories - note 4.6

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

During the year, as a result of the assessment of the remaining useful lives of the Company's plant and equipment, and license fees and drawings, an upward revision was required. Hence, the remaining useful lives of such plant and equipment and license fees and drawings have been adjusted accordingly. Such change has been accounted for as a change in accounting estimate in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Had there been no change in accounting estimate, the profit before tax for the year ended March 31, 2026 would have been lower by Rs 159.35 million and carrying amount of property, plant and equipment and intangible assets as at that date would have been lower by Rs 143.43 million and Rs 15.92 million respectively. Consequently due to above changes in accounting estimates, the future profit before tax would decrease by Rs 159.35 million.

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%

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2026

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:

- 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.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2026

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 trade debts
- Long term loans to employees
- Long term deposits
- Trade debts
- Loans, deposits and other receivables
- Bank balances

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

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

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

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 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

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2026

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.

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.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2026

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, 2026 using the Projected Unit Credit Method. Under the scheme, gratuity is payable on the basis of last drawn basic salary at the following rates:

Service in the Company	Gratuity factor per completed year of service
0 - 4 years and 364 days	Nil
5 - 9 years and 364 days	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 8.54% (2025: 8.60%) per annum of basic salary.

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

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

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

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

	2026	2025
	(Per annum)	
Discount rate	12.00%	12.25%
Expected increase in eligible pay	12.00% to 17.32%	12.25% to 19.00%
Expected rate of return on plan assets	12.00%	12.25%

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

The Company is expected to contribute Rs 142.67 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.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2026

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 into 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.

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.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2026

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

2026		2025	
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 (2025: 72,828,000) ordinary shares of the Company which represent 51% (2025: 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.

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	2026	2025
Directors			
Mr. Ariful Islam		500	500
Mr. Muhammad Naeem Khan		1,157	1,157
Ms. Rie Mihara		500	500
	6.3.1	2,157	2,157
Other related parties			
Atlas Insurance Limited		850,000	850,000
Shirazi Investments (Private) Limited		43,119,650	43,119,650
		43,971,807	43,971,807

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

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2026

Rupees in thousand	Note	2026	2025
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		18,880,000	17,380,000
- Transferred from un-appropriated profit		1,500,000	1,500,000
		20,380,000	18,880,000
		20,456,000	18,956,000

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	2026	2025
8. LONG TERM FINANCES - SECURED			
Loan under refinance scheme - Islamic mode of financing	8.1	2,272,338	2,635,098
		2,272,338	2,635,098
Current portion shown under current liabilities	12	(392,200)	(368,743)
		1,880,138	2,266,355

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% (2025: 7.50% to 14.25%) per annum. The reconciliation of the carrying amount is as follows:

Rupees in thousand	Note	2026	2025
Balance as at beginning of the year		2,635,098	2,981,772
Repayments during the year		(528,884)	(534,269)
		2,106,214	2,447,503
Unwinding of discount on liability		166,124	187,595
Balance as at end of the year		2,272,338	2,635,098
Current portion shown under current liabilities	12	(392,200)	(368,743)
		1,880,138	2,266,355

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% (2025: 7.50% to 14.25%) per annum.

9.1 The reconciliation of the carrying amount is as follows:

Rupees in thousand	Note	2026	2025
Balance as at beginning of the year		632,766	820,361
Credited to profit or loss - amortised during the year		(166,124)	(187,595)
		466,642	632,766
Current portion shown under current liabilities	12	(142,664)	(166,121)
Balance as at end of the year		323,978	466,645

10. EMPLOYEE RETIREMENT BENEFITS

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

Rupees in thousand	Note	2026	2025
Present value of defined benefit obligation	10.2	2,053,412	1,683,430
Fair value of plan assets	10.3	(1,920,877)	(1,653,520)
Liability as at March 31		132,535	29,910

10.1 Movement in net liability of defined benefit obligation

Net liability as at beginning of the year		29,910	68,928
Charged to statement of profit or loss	10.5	111,848	99,513
Total remeasurement loss / (gain) for the year recognised in OCI	10.6	102,659	(3,531)
Contributions made by the Company during the year		(111,882)	(135,000)
Net liability as at end of the year		132,535	29,910

10.2 Movement in the present value of defined benefit obligation

Present value of defined benefit obligation as at beginning of the year		1,683,430	1,275,165
Current service cost		108,218	88,829
Interest cost		204,587	195,508
Benefits paid during the year		(26,105)	(25,986)
Benefits due but not paid		(554)	(1,666)
Remeasurements on obligation recognised in OCI			
- Actuarial losses from changes in financial assumptions		90,908	88,141
- Experience adjustments		(7,072)	63,439
Present value of defined benefit obligation as at end of the year		2,053,412	1,683,430

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2026

Rupees in thousand	2026	2025
10.3 Movement in the fair value of plan assets		
Fair value of plan assets as at beginning of the year	1,653,520	1,206,237
Interest income on plan assets	200,957	184,824
Contributions made during the year	111,882	135,000
Benefits paid during the year	(26,105)	(25,986)
Benefits due but not paid	(554)	(1,666)
Remeasurements on fair value of plan assets (charged to) / recognised in OCI	(18,823)	155,111
Fair value of plan assets as at end of the year	1,920,877	1,653,520
10.4 Plan assets are comprised as follows:		
Mutual funds - unquoted	1,795,324	1,509,880
Cash	125,553	143,640
	1,920,877	1,653,520
10.5 Amounts recognised in the statement of profit or loss		
Current service cost	108,218	88,829
Interest cost	204,587	195,508
Interest income on plan assets	(200,957)	(184,824)
Net expense charged in the statement of profit or loss	111,848	99,513
10.6 Remeasurements charged to / (recognised in) other comprehensive income ('OCI')		
Actuarial losses from changes in financial assumptions	90,908	88,141
Experience adjustments	(7,072)	63,439
Remeasurements on fair value of plan assets charged to / (recognised in) OCI	18,823	(155,111)
Total remeasurements charged to (recognised in) OCI	102,659	(3,531)

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%	1,894,184	2,236,360
Salary growth rate	1.00%	2,235,924	1,891,648

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.

11. DEFERRED TAXATION

The gross movement in net deferred tax (asset) / liability during the year is as follows:

Rupees in thousand	Note	2026	2025
Opening deferred tax liability		484,441	625,553
Recognised in statement of profit or loss	35	(1,159,502)	(141,112)
Closing deferred tax (asset) / liability		(675,061)	484,441

The deferred tax (asset) / liability comprises of (deductible) / taxable temporary differences relating to:

Accelerated tax depreciation		371,639	472,932
Unrealized gain on short term investments		-	24,055
Provision for Punjab and Sindh infrastructure development cess		(1,034,154)	-
Provision for customs duties		(12,546)	(12,546)
		(675,061)	484,441

12. CURRENT PORTION OF NON-CURRENT LIABILITIES

Current portion of long term finances - secured	8	392,200	368,743
Current portion of deferred government grant	9	142,664	166,121
Current portion of deferred revenue		24,549	7,830
		559,413	542,694

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2026

Rupees in thousand	Note	2026	2025
13. SHORT TERM BORROWINGS - SECURED			
Running finances - secured	13.1	-	-
Short term finances - secured	13.2	-	-
Letters of credit and bank guarantees	13.3	-	-
		-	-

13.1 Running finances - secured

Short term borrowings available from commercial banks under mark up arrangements amount to Rs 27,500 million (2025: Rs 27,500 million). These arrangements carry mark up ranging from 10.73% to 12.91% (2025: 12.23% to 22.93%) 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. The Company fully repaid the outstanding loan during the year.

13.2 Short term finances - secured

During the year, the Company availed a maximum of Rs 8,300 million (2025: Rs 4,000 million) out of the aggregate facility of Rs 14,500 million (2025: Rs 9,000 million), a sub-limit of the above mentioned short term borrowings facilities. The effective rate applicable during the year on these loans ranges from 10.36% to 11.18% (2025: 12.29% to 22.33%). These loans are secured by first joint pari passu charge over the current assets of the Company. The Company fully repaid the outstanding loan during the year.

13.3 Letters of credit and guarantees

Of the aggregate facility of Rs 31,877 million (2025: Rs 21,684 million) for opening letters of credit, the amount utilized as at March 31, 2026 was Rs 10,497 million (2025: Rs 7,015 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 8,000 million (2025: Rs 6,500 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, 2026 was Rs 7,254 million (2025: Rs 5,602 million).

Rupees in thousand	2026	2025
14. ACCRUED MARKUP		
Accrued mark up on:		
- Long term finances - secured	13,810	15,920
- Short term borrowings - secured	45,145	1,764
	58,955	17,684

Rupees in thousand	Note	2026	2025
15. TRADE AND OTHER PAYABLES AND PROVISIONS			
Creditors	15.1	2,380,069	1,045,218
Accrued liabilities		2,166,183	1,430,235
Bills payable	15.2	4,944,291	2,542,851
Deposits against display cars	15.3	2,287,479	2,466,120
Accumulating compensated absences	15.4	152,159	130,654
Contract liabilities	28.2	8,026,998	6,624,832
Cash discount payable against delayed delivery of vehicles	15.5	41,423	964,844
License fee, technical fee and royalties	15.6	2,087,085	591,633
Provision for customs duties	16.1	32,169	32,169
Punjab sales tax payable		966,803	504,322
Withholding income tax payable		238,540	107,747
Punjab infrastructure development cess payable	15.7	631,276	631,276
Sindh development and maintenance of infrastructure cess payable	15.8	4,888,736	3,589,875
Workers' Welfare Fund	15.9	151,231	77,928
Workers' Profit Participation Fund	15.10	804	14,833
Customs duty payable		1,147,953	596,047
Payable to Employees' Provident Fund		27,940	23,310
Security deposits	15.11	221,242	235,776
Provision for warranty claims	15.12	19,900	38,000
Others		234,652	160,091
		30,646,933	21,807,761

15.1 This includes amounts due to the following related parties:

Rupees in thousand	2026	2025
Atlas Insurance Limited	46,237	53,576
Atlas Battery Limited	17,933	4,890
Atlas Honda Limited	20,679	86
Atlas Energy Limited	2,088	2,088
Atlas Autos (Private) Limited	-	179
Atlas Engineering (Private) Limited	7,642	2,510
	94,579	63,329

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2026

15.2 This includes amounts due to the following related parties:

Rupees in thousand	2026	2025
Holding company	663,961	492,825
Other related parties		
Honda Automobile (Thailand) Co. Ltd	48,526	55,323
Asian Honda Motor Co Ltd Thailand	3,410,337	1,786,143
American Honda Motor Co.	91,058	44,392
Honda Trading Corporation Japan	94,420	58,825
Honda Trading Asia Co. Ltd Thailand	261,442	48,685
Honda Trading (South China) Co. Ltd	14,579	10,937
Honda Trading America Corp	523	933
Shanghai Honda Trading Co. Ltd	15,741	411
Honda Trading Vietnam Co. Ltd	17,232	11,769
Honda Trading (China) Co. Ltd	74,985	14,312
Honda Logistics Inc	-	828
Honda Motor China Co. Ltd	1,652	-
Honda Trading Brazil Ltd	4,936	-
Honda Trading Philippines Ecozone Corp	107,549	-
Honda Trading Europe Ltd	1,674	-
	4,808,615	2,525,383

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	2026	2025
15.4 Accumulating compensated absences		
Balance as at beginning of the year	130,654	107,259
Provision for the year	181,280	157,595
	311,934	264,854
Payments made during the year	(159,775)	(134,200)
Balance as at end of the year	152,159	130,654

15.5 This represents contract liabilities of the Company towards customers against the sale of vehicles. Customers who have given these advances, are entitled to discount at the rate of Karachi Inter Bank Offered Rate ('KIBOR') plus 3% per annum, from the date of advance payment to the date of delivery in case the delivery is delayed over two months from the date of advance payment, subject to certain other conditions.

15.6 This includes amounts due to the following related parties:

Rupees in thousand	2026	2025
Holding company	1,965,290	552,922
Other related parties		
Asian Honda Motor Co. Ltd., Thailand	69,234	3,362
Honda Lock Mfg. Co Japan	1,877	1,247
Honda Access (Thailand) Co. Ltd	109	109
Yutaka Giken Co. Ltd	14,828	3,283
	2,051,338	560,923

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 customs 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 customs 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. Consequent to the Sindh Development and Maintenance of Infrastructure Cess (Amendment) Act, 2026 (hereinafter referred as the "Amended Act"), as at reporting date, the management of the Company is in negotiations with the Government of Sindh for the execution of a settlement agreement in line with the conditions set forth in the Amended Act.

Rupees in thousand	Note	2026	2025
15.9 Workers' Welfare Fund			
Balance as at beginning of the year		77,928	79,178
Provision for the year	33	152,050	47,043
		229,978	126,221
Payments during the year		(78,747)	(48,293)
Balance as at end of the year		151,231	77,928

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2026

Rupees in thousand	Note	2026	2025
15.10 Workers' Profit Participation Fund			
Balance payable as at beginning of the year		14,833	19,091
Provision for the year	33	275,804	174,833
Interest for the year		1,341	1,972
		291,978	195,896
Payments during the year		(291,174)	(181,063)
Balance payable as at end of the year		804	14,833

15.11 These represent interest free deposits from dealers and contractors amounting to Rs 209.24 million (2025: Rs 224.73 million) and Rs 12 million (2025: Rs 11.05 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.

Rupees in thousand	2026	2025
15.12 Provision for warranty claims		
Balance as at beginning of the year	38,000	68,000
Charge for the year	6,900	7,000
Reversed during the year	(25,000)	(37,000)
Balance as at end of the year	19,900	38,000

16. CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

- (i) 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 customs 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 on the basis of the advice of the legal counsel 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.

- (ii) 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. Based on the opinion of the Company's legal counsel, management believes that the Company has a good and reasonable case, and the matter will eventually be decided in favor of the Company. Accordingly, no provision has been recognised in respect of the above matter in these financial statements.

- (iii) The Federal Government of Pakistan, through SRO 2069(I)/2022 dated December 1, 2022, inserted mandatory year wise export targets for Original Equipment Manufacturers (OEMs) for availing the benefit of concessionary customs duty under SRO 656 dated June 22, 2006. Accordingly, an importer is required to export a certain percentage of its import quota under SRO 656 for availing the benefit of concessionary customs duty as per year wise target given in the SRO.

The Company has challenged the introduction of export conditions in the SRO 656 through a Writ Petition (WP) before the Honourable Lahore High Court (the 'Honourable Court'). The Honourable Court granted interim relief to the Company directing the Engineering Development Board to allow imports made by the Company at concessionary rates. The petition and the interim order granted therein remain in force as at March 31, 2026.

The Company has disputed the amendments made to SRO 656 for mandatory export targets based on the grounds that the purpose of the SRO 656 was to incentivise local vehicle assembling and products and not to impose any export restrictions. Further, companies in the automobile sector are also in negotiations with the Government on this matter in order to ensure that this matter is resolved without disrupting the operations of the automobile companies. The Company has carried out an assessment of the potential exposure to customs duty amounting to Rs 12.47 billion as at March 31, 2026. Based on the opinion of the Company's legal counsel, management believes that the Company has a good and reasonable case, and the matter will eventually be decided in favor of the Company. Accordingly, no provision has been recognised in respect of the above matter in these financial statements.

- (iv) Bank guarantees of Rs 7,253.84 million (2025: Rs 5,602.46 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 to Rs 1.22 million (2025: Rs 94.13 million).
- (ii) Letters of credit and purchase orders for other than capital expenditure aggregating Rs 10,984.41 million (2025: Rs 7,016.52 million).
- (iii) The future aggregate payments under Ijarah arrangements are as follows:

Rupees in thousand	Note	2026	2025
Not later than 1 year		662,064	537,745
Later than 1 year and not later than 5 years		309,145	636,288
		971,209	1,174,033

17. PROPERTY, PLANT AND EQUIPMENT

Rupees in thousand	Note	2026	2025
Operating fixed assets	17.1	6,027,395	6,224,589
Major stores and spares	17.2	47,807	48,935
		6,075,202	6,273,524

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2026

Rupees in thousand

2026

17.1 Operating fixed assets	Cost as at April 01, 2025	Additions / (deletions)	Cost as at March 31, 2026	Accumulated depreciation / impairment as at April 01, 2025	Depreciation charge / (deletions) for the year	Impairment charge for the year	Accumulated depreciation / impairment as at March 31, 2026	Book value as at March 31, 2026
Freehold land	417,319	-	417,319	-	-	-	-	417,319
Buildings on freehold land	2,548,420	-	2,548,420	1,465,539	54,144	-	1,519,683	1,028,737
Plant and machinery	12,756,008	814,208	13,570,216	8,548,154	1,033,543	99,861	9,681,558	3,888,658
Furniture and office equipment	344,350	38,756 (1,008)	382,098	248,708	24,152 (885)	-	271,975	110,123
Vehicles	449,813	223,553 (3,051)	670,315	252,393	68,821 (2,622)	-	318,592	351,723
Tools and equipment	256,906	18,495 (1,945)	273,456	195,048	14,508 (1,637)	-	207,919	65,537
Computers	515,739	78,318 (11,086)	582,971	354,124	73,444 (9,895)	-	417,673	165,298
Total	17,288,555	1,173,330 (17,090)	18,444,795	11,063,966	1,268,612 (15,039)	99,861	12,417,400	6,027,395

Rupees in thousand

2025

	Cost as at April 01, 2024	Additions / (deletions)	Cost as at March 31, 2025	Accumulated depreciation / impairment as at April 01, 2024	Depreciation charge / (deletions) for the year	Impairment charge for the year	Accumulated depreciation / impairment as at March 31, 2025	Book value as at March 31, 2025
Freehold land	417,319	-	417,319	-	-	-	-	417,319
Buildings on freehold land	2,544,663	3,757	2,548,420	1,408,660	56,879	-	1,465,539	1,082,881
Plant and machinery	12,749,926	33,363 (27,281)	12,756,008	7,387,774	1,185,804 (25,424)	-	8,548,154	4,207,854
Furniture and office equipment	347,751	11,955 (15,356)	344,350	239,600	22,877 (13,769)	-	248,708	95,642
Vehicles	494,105	217 (44,509)	449,813	233,118	49,904 (30,629)	-	252,393	197,420
Tools and equipment	242,791	14,367 (252)	256,906	182,777	12,510 (239)	-	195,048	61,858
Computers	433,321	99,610 (17,192)	515,739	314,229	55,384 (15,489)	-	354,124	161,615
Total	17,229,876	163,269 (104,590)	17,288,555	9,766,158	1,383,358 (85,550)	-	11,063,966	6,224,589

17.1.1 The cost of fully depreciated assets which are in use as at March 31, 2026 is Rs 2,778.11 million (2025: 1,572.71 million).

17.1.2 Plant and machinery includes dies and moulds having book value of Rs 198.72 million (2025: Rs 194.96 million) which are in possession of various vendors of the Company as these dies and moulds are used by the vendors for producing certain parts for supply to the Company.

17.1.3 Freehold land represents 184,000 square meters of land situated at 43 km, Multan Road, Manga Mandi, Lahore out of which approximately 86,000 square meters represents covered area.

17.1.4 The depreciation charge has been allocated as follows:

Rupees in thousand	Note	2026	2025
Cost of sales	29	1,152,000	1,285,596
Distribution and marketing costs	30	17,248	15,490
Administrative expenses	31	99,364	82,272
		1,268,612	1,383,358

17.1.5 Property, plant and equipment, excluding land and buildings, amounting to Rs 6,667 million is pledged as security against long term loan as referred to in note 8.1.

17.1.6 Sale of operating fixed assets

Rupees in thousand

2026

Particulars of assets	Sold to	Cost	Net book value	Sale price	Gain on sale	Mode of disposal
Others	Various	17,090	2,051	5,029	2,978	Various
		17,090	2,051	5,029	2,978	

Rupees in thousand

2025

Particulars of assets	Sold to	Cost	Net book value	Sale price	Gain / (loss) on sale	Mode of disposal
Vehicles	Employees					
	Waqas Tariq	4,675	2,992	3,220	228	As per Company policy
	Outsiders					
	Malik Ali Rafah	11,718	4,028	8,818	4,790	Auction
	Creative Electronics Pvt Ltd	8,979	2,199	4,600	2,401	-do-
	Aamer Hameed Butt	6,252	1,987	5,455	3,468	-do-
	Hassan Ali	2,740	671	4,564	3,893	-do-
	Muhammad Saeed	2,680	601	3,963	3,362	-do-
Furniture and Fixture	Write off	2,157	693	-	(693)	Write off
	Write off	1,446	532	-	(532)	-do-
Others	Various	63,943	5,337	11,998	6,661	Various
		104,590	19,040	42,618	23,578	

Rupees in thousand

2026

2025

17.2 Major stores and spares

Balance at the beginning of the year	48,935	115,815
Additions during the year	-	1,141
Transfers to stores and spares	-	(32,589)
Issuance during the year	(1,128)	(35,432)
Balance at the end of the year	47,807	48,935

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2026

Rupees in thousand		2026					
	Cost as at April 01, 2025	Additions	Cost as at March 31, 2026	Accumulated amortisation as at April 01, 2025	Amortisation charge for the year	Accumulated amortisation as at March 31, 2026	Book value as at March 31, 2026
18. INTANGIBLE ASSETS							
License fees and drawings	1,318,109	696,098	2,014,207	755,441	259,178	1,014,619	999,588
Computer softwares	239,527	29,018	268,545	114,588	51,988	166,576	101,969
Total	1,557,636	725,116	2,282,752	870,029	311,166	1,181,195	1,101,557

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		Note	2026	2025
18.1 The amortisation charge has been allocated as follows:				
Cost of sales	29		259,178	180,822
Administrative expenses	31		51,988	45,110
			311,166	225,932
19. CAPITAL WORK-IN-PROGRESS				
Plant and machinery			-	474,127
Intangible assets under development			-	7,063
			-	481,190
19.1 The reconciliation of the carrying amount is as follows:				
Opening balance			481,190	22,885
Additions during the year			1,437,235	661,027
			1,918,425	683,912
Transfers during the year			(1,898,446)	(195,329)
Expensed out during the year			(19,979)	(7,393)
Closing balance			-	481,190

Rupees in thousand		Note	2026	2025
20. LONG TERM TRADE DEBTS				
Considered good			2,742,730	4,506,838
Unwinding of discount on long term trade debts	32		1,299,975	490,154
			4,042,705	4,996,992
Current portion shown under current assets	24		(3,168,382)	(3,358,465)
			874,323	1,638,527

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 145.26 million (2025: Rs 194.78 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 11.34% to 23.99% per annum (2025: 11.50% to 23.99% per annum).

Rupees in thousand		Note	2026	2025
21. LONG TERM LOANS TO EMPLOYEES				
Loans to employees - considered good				
- Key management personnel	21.2		6,973	20,992
- Others			383,015	404,159
			389,988	425,151
Discounting of long term loans			(111,356)	(161,318)
Unwinding of discount on long term loans to employees	32		55,334	73,115
			333,966	336,948
Current portion shown under current assets				
- Key management personnel			(5,014)	(7,277)
- Others			(123,153)	(113,817)
	25		(128,167)	(121,094)
			205,799	215,854

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 11.40 to 13.00% per annum (2025: 13.00% to 22.00% per annum) and are recoverable within a period of 7 years commencing from the date of disbursement through monthly deductions from salaries.

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

Car loans are interest free and are recoverable within a maximum period of 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 7.71% to 21.87% per annum (2025: 6.78% 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.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2026

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

Rupees in thousand	2026	2025
Opening balance	20,992	28,234
Disbursements during the year	-	9,476
Receipts during the year	(14,021)	(16,718)
Closing balance	6,973	20,992

21.2.1 These comprise loans to the following key management personnel: Maqsood-Ur-Rehman Rehmani, Muhammad Ali, Iqbal Ahmed, Asif Mahmood, Sohail Qaisar, Imran Farooq, Rizwan Shafique and Muhammad Nauman.

The maximum amount of loan outstanding from the key management personnel at the end of any month during the year was Rs 20.69 million (2025: Rs 32.06 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 Nil (2025: Rs 0.01 million) are in the possession of various vendors which relate to the dies and moulds.

Rupees in thousand	Note	2026	2025
23. STOCK-IN-TRADE			
Raw materials [including in transit Rs 7,696.70 million (2025: Rs 4,683.73 million)]	23.1 & 23.3	19,674,140	11,884,071
Work-in-process		1,271,121	958,490
Finished goods			
- Own manufactured	23.2	6,320,627	1,307,151
- Trading stock [including in transit Rs 149.40 million (2025: Rs 204.64 million)]		939,565	862,461
		28,205,453	15,012,173

23.1 Raw materials amounting to Rs 482.07 million (2025: Rs 260.14 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 2,598.77 million (2025: Rs 1,160.06 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 77.03 million (2025: Rs 28.46 million).

Rupees in thousand	Note	2026	2025
24. TRADE DEBTS			
Considered good			
- Current portion of long term trade debts	20	3,168,382	3,358,465
- Others	24.1 & 24.2	4,430,583	4,226,645
		7,598,965	7,585,110
Considered doubtful			
Loss allowance		16,142	16,142
		(16,142)	(16,142)
		-	-
		7,598,965	7,585,110

24.1 This includes balance receivable from Honda R&D Asia Pacific Co. Ltd, a related party, amounting to Rs Nil (2025: Rs 7.33 million) in respect of export sales.

24.2 This includes balance receivable from Honda Trading Asia Co. Limited, a related party, amounting to Rs 0.77 million (2025: Rs 0.50 million).

24.3 The maximum amount receivable from the related parties at the end of any month during the year was Rs 7.86 million (2025: Rs 7.83 million).

Rupees in thousand	2026	2025
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	27	7,335
Past due but not impaired:		
Up to 90 days	16	499
90 to 180 days	123	-
Greater than 180 days	604	-
	743	499
	770	7,834

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	4,111,879	4,155,966
Past due but not impaired:		
Up to 90 days	133,035	-
90 to 180 days	149,523	-
Greater than 180 days	35,376	62,845
	317,934	62,845
	4,429,813	4,218,811

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2026

Rupees in thousand	Note	2026	2025
25. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Current portion of loans to employees	21	128,167	121,094
Advances to suppliers and contractors - considered good	25.1	2,125,998	1,475,278
Due from related parties	25.2	120,941	57,425
Recoverable from government authorities:			
- Sales tax		5,895,753	937,464
- Customs duty		39,152	39,152
		5,934,905	976,616
Prepayments	25.3	429,144	345,100
Margin held against imports		59,249	4,819
Profit receivable on bank deposits		3,197	15,996
Other receivables	25.4	115,014	62,866
		8,916,615	3,059,194

25.1 This includes interest bearing advances to suppliers and contractors aggregating to Rs 141.03 million (2025: Rs 545.80 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 11.88% to 13.43% (2025: 13.39% to 23.24%) per annum.

Rupees in thousand	Note	2026	2025
25.2 Due from related parties			
Holding company			
Honda Motor Co., Ltd., Japan		-	13,808
Other related parties			
Honda Automobile (Thailand) Co., Ltd.		118,073	41,750
PT Honda Prospect Motor Indonesia		-	735
PT Honda Precision Parts Mfg.		2,868	923
Honda Trading Asia		-	209
	25.2.1	120,941	57,425

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 126.02 million (2025: Rs 126.00 million).

Rupees in thousand	2026	2025
The aging analysis of due from related parties that are past due and not impaired is as follows:		
Neither past due nor impaired	120,941	57,425
	120,941	57,425
25.3 This includes the following related parties:		
Asian Honda Motor Co. Ltd., Thailand	-	5,510
Atlas Insurance Limited	324,586	259,038
	324,586	264,548
25.4 Other receivables include an amount of Rs 1.85 million (2025: Rs 1.68 million) due from Atlas Insurance Limited, a related party. It is in the normal course of business and is interest free. The maximum aggregate amount due from the related party at the end of any month during the year was Rs 2.95 million (2025: Rs 1.99 million). It is neither past due nor impaired.		
26. This represents investment in Government Treasury Bills bearing markup ranging from 9.54% to 12.10% (2025: 11.55% to 11.82%) per annum.		

Rupees in thousand	Note	2026	2025
27. CASH AND BANK BALANCES			
At banks on:			
- Current accounts		148,721	26,167
- Deposit accounts	27.1 & 27.2	593,481	648,137
		742,202	674,304
Cash in hand		15,472	14,449
		757,674	688,753

27.1 Balances in deposit accounts bear mark up which ranges from 3.00% to 10.50% (2025: 5.50% to 22.00%) per annum.

27.2 This includes an amount of Rs 221.24 million (2025: Rs 264.49 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.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2026

Rupees in thousand	Note	2026	2025
28. REVENUE FROM CONTRACTS WITH CUSTOMERS			
Sales - own manufactured goods	28.2, 28.3 & 28.5	151,786,786	95,642,821
Sales tax		(24,780,146)	(16,931,875)
Federal excise duty		(4,350,331)	(2,831,892)
Capital value tax		(704,551)	(476,978)
New energy vehicle levy		(1,707,000)	-
Commission to dealers		(2,334,938)	(1,235,292)
Discount to customers	28.4	(51,612)	(4,279)
		117,858,208	74,162,505
Sales - trading goods	28.5	5,348,891	4,710,862
Sales tax		(923,910)	(807,708)
Commission to dealers		(16)	-
		4,424,965	3,903,154
		122,283,173	78,065,659
28.1 Information by geographical area			
Pakistan		122,283,173	77,871,668
Thailand		-	9,664
Japan		-	184,327
		122,283,173	78,065,659

28.2 Contract liabilities as at the beginning of the year, aggregating to Rs 6.62 billion (2025: Rs 1.16 billion), have been recognized as sales upon dispatch of vehicles against such advances.

28.3 This includes amortization of deferred revenue amounting to Rs 21.95 million (2025: Rs 7.98 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 Nil (2025: Rs 191.66 and Rs 2.33 million respectively).

Rupees in thousand	Note	2026	2025
29. COST OF SALES			
Raw material consumed	29.4	105,630,817	58,984,695
Stores and spares consumed		387,214	243,413
Salaries, wages and benefits	29.1	2,663,450	2,014,785
Fuel and power		401,868	333,001
Insurance		232,527	230,563
Travelling and vehicle running		366,335	301,322
Freight and handling		501,448	272,572
Repairs and maintenance		137,555	123,701
Tooling payback and other charges		176,075	-
Depreciation on property, plant and equipment	17.1.4	1,152,000	1,285,596
Impairment on property, plant and equipment	17.1	99,861	-
Amortisation on intangible assets	18.1	259,178	180,822
Royalty	29.2	2,774,208	1,743,789
Technical assistance		51,765	33,962
Canteen subsidy		88,789	77,331
Rent, rate and taxes	29.3	286,987	280,133
Other expenses		51,028	19,393
		115,261,105	66,125,078
Opening stock of work-in-process		958,490	1,201,106
Closing stock of work-in-process		(1,271,121)	(958,490)
		(312,631)	242,616
Cost of goods manufactured		114,948,474	66,367,694
Opening stock of finished goods		1,307,151	3,805,878
Closing stock of finished goods		(6,320,627)	(1,307,151)
		(5,013,476)	2,498,727
Cost of sales - Own manufactured goods		109,934,998	68,866,421
Cost of sales - Trading goods		2,865,465	2,535,279
		112,800,463	71,401,700
29.1 Salaries, wages and benefits include following amounts in respect of gratuity:			
Current service cost		74,941	61,922
Net interest on defined benefit obligation		2,514	7,447
		77,455	69,369

In addition to above, salaries, wages and benefits include Rs 84.52 million (2025: Rs 72.53 million) on account of provident fund contributions.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2026

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

Company name	Address	Relationship with the Company	2026 Rupees in thousand	2025
Honda Motor Co., Ltd., Japan	1-1, Minami-Aoyama, 2-Chome, Minato-ku, Tokyo, 107-8556, Japan	Holding company	2,350,920	1,475,827
Honda Lock Mfg. Co., Japan	3700, Shimonaka Sadowara-Cho Miyazaki City Miyazaki Pref, 880-0293 Japan	Group company	6,613	4,229
Yutaka Giken Co., Ltd.	508-1, Yutaka-cho, Higashi-ku Hamamatsu-Shi SZK 431-3194, Japan	Group company	15,528	12,868
Toyo Denso Co., Ltd.	2-104, Shinbashi, Minato-ku Tokyo, Japan	None	422	191
Yamada Manufacturing Co., Ltd.	1-2757, Hirosawa-cho, Kiryu-shi Gumma Pref, 379-8585, Japan	None	748	636
Hitachi Astemo, Ltd.	1-14-1, Fujiwara-cho, Gyoda, Saitama 361-8506, Japan	None	4,309	2,237
Sankei Giken Kogyo Co., Ltd.	2-5-1, Akabane-Minami, Kita-ku, Tokyo 115-8555, Japan	None	9,877	5,953
Adient GK Co., Ltd.	1-2-7, Sachiura Kanazawa-ku, Yokohoma, Kanagawa 236-0003, Japan	None	3,088	1,482
Kotobukiya Co., Ltd.	Kotobukiya Bldg., 4-5, Midori-cho, Tachikawa-shi, Tokyo 190-8542, Japan	None	160	-
			2,391,665	1,503,423

29.3 Includes expense in respect of short term leases as per IFRS 16 of Nil (2025: Rs 1.88 million).

29.4 Cost of raw material consumed includes an amount of Rs 77.03 million (2025: Rs 28.46 million) for raw materials written off.

Rupees in thousand	Note	2026	2025
30. DISTRIBUTION AND MARKETING COSTS			
Salaries, wages and benefits	30.1	467,300	366,852
Fuel and power		14,706	11,263
Insurance		23,687	18,893
Travelling and vehicle running		80,727	60,024
Freight and handling		34,681	25,105
Repairs and maintenance		23,600	13,528
Printing and stationery		21,285	7,692
Warranty costs - net of claims		84,755	4,637
Advertising and sales promotion		675,621	423,837
Depreciation on property, plant and equipment	17.1.4	17,248	15,490
Training expenses		31,585	5,704
Canteen subsidy		18,163	16,892
Free service claims		5,899	3,484
Rent, rates and taxes	30.2	131,793	124,226
Fees and subscriptions		24,547	21,537
Others		16,624	12,479
		1,672,221	1,131,643

Rupees in thousand **2026** **2025**

30.1 Salaries, wages and benefits include following amounts in respect of gratuity:			
Current service cost		10,636	9,201
Net interest on defined benefit obligation		357	1,107
		10,993	10,308

In addition to above, salaries, wages and benefits include Rs 16.51 million (2025: Rs 13.69 million) on account of provident fund contributions.

30.2 Includes expense in respect of short term leases as per IFRS 16 of Rs 35.03 million (2025: Rs 32.31 million).

Rupees in thousand	Note	2026	2025
31. ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	31.1 & 31.2	1,184,407	895,306
Fuel and power		34,786	21,305
Insurance		40,200	31,600
Travelling and vehicle running		217,371	175,411
Repairs and maintenance		49,268	65,569
Printing and stationery		10,053	10,764
Communications		61,465	37,175
Postage		1,339	1,920
Auditors' remuneration	31.3	96,913	19,910
Legal and professional charges		46,809	32,040
Depreciation on property, plant and equipment	17.1.4	99,364	82,272
Amortisation on intangible assets	18.1	51,988	45,110
Rent, rate and taxes	31.4	233,540	192,798
Fees and subscriptions		222,699	162,916
Canteen subsidy		29,145	26,827
Entertainment		30,037	23,783
Training expenses		77,254	33,697
Others		23,598	30,955
		2,510,236	1,889,358

31.1 Salaries, wages and benefits include following amounts in respect of gratuity:			
Current service cost		22,641	17,706
Net interest on defined benefit obligation		759	2,130
		23,400	19,836

In addition to above, salaries, wages and benefits include Rs 31.55 million (2025: Rs 25.10 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 62.31 million (2025: Rs 53.51 million).

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2026

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	2026	2025
Statutory audit	4,435	3,960
Half yearly review	1,450	1,200
Taxation services	83,402	6,075
Certifications and audits required by various regulations	4,136	4,079
Assistance in relation to statutory documentation	1,695	3,129
Out of pocket expenses	1,795	1,467
	96,913	19,910

31.4 Includes expense in respect of short term leases as per IFRS 16 of Rs 4.32 million (2025: Rs 2.86 million).

Rupees in thousand	Note	2026	2025
Profit on bank deposits		105,905	113,727
Interest on loans to employees		6,616	4,149
Unwinding of discount on long term trade debts	20	1,299,975	490,154
Unwinding of discount on long term loans to employees	21	55,334	73,115

32. OTHER INCOME

Rupees in thousand	Note	2026	2025
Fair value gain on financial assets at fair value through profit or loss:			
- Realised		177,912	11,917
- Unrealised		-	61,680
		177,912	73,597
Net gain on disposal of property, plant and equipment		2,978	23,578
Markup on advances to suppliers		31,409	97,150
Freight income - net		252,174	34,144
Ijarah car rental recovery from employees		94,904	44,550
Liabilities no longer payable written back		197,483	20,495
Others		86,442	14,075
		2,311,132	988,734

33. OTHER EXPENSES

Rupees in thousand	Note	2026	2025
Default surcharge on sales tax on royalty		42,813	43,351
Workers' Profit Participation Fund	15.10	275,804	174,833
Workers' Welfare Fund	15.9	152,050	47,043
Exchange loss - net		43,313	47,679
Donations	33.1	2,450	2,200
		516,430	315,106

33.1 The Company made a donation of Rs 2.45 million (2025: Rs 2.20 million) to Aligarh Public School & College (Manga), Moawin Foundation and University of Engineering and Technology (Kala Shah Kaku) 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

34. FINANCE COST

	Note	2026	2025
Interest/mark up on:			
- Workers' Profit Participation Fund		1,341	1,972
- Short term borrowings - secured		371,536	254,877
- Long term finances - secured		47,861	56,419
Discounting of long term trade debts		1,027,909	675,631
Trade debts factoring charges		513,062	-
Bank and other markup charges		45,014	52,914
		2,006,723	1,041,813

35. TAXATION

Current

	Note	2026	2025
- For the year	35.1	3,008,612	714,119
- Prior years charge / (income)		5,419	(7,375)

	Note	2026	2025
Deferred	11	(1,159,502)	(141,112)
		1,854,529	565,632

35.1 During the year, the Company has adjusted brought forward minimum tax credits under section 113 of the Income Tax Ordinance, 2001 amounting to Rs Nil (2025: Rs 785.44 million) million against its current tax liability for the year.

Percentage

35.2 Tax charge reconciliation

	2026	2025
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 charge / (income)	0.11	(0.23)
- current year super tax	15.32	11.74
- permanent differences	12.60	0.77
- temporary differences	(20.54)	(0.03)
- minimum tax adjusted	-	(23.97)
- others	(0.04)	(0.01)
	7.45	(11.73)
Average effective tax rate charged to statement of profit or loss	36.45	17.27

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2026

Rupees in thousand	Note	2026	2025
36. CASH (UTILIZED IN) / GENERATED FROM OPERATIONS			
Profit before taxation		5,088,232	3,274,773
Adjustments for:			
Depreciation on property, plant and equipment	17.1.4	1,268,612	1,383,358
Impairment on property, plant and equipment	17.1	99,861	-
Net gain on disposal of property, plant and equipment	32	(2,978)	(23,578)
Profit on bank deposits	32	(105,905)	(113,727)
Markup on advances to suppliers	32	(31,409)	(97,150)
Interest on loans to employees	32	(6,616)	(4,149)
Net unwinding of long term loans to employees		(32,181)	(49,890)
Net (unwinding) / discounting of long term trade debts	32 & 34	(272,066)	185,477
Finance cost		465,752	366,182
Provision for employees' retirement benefits and other obligations		293,128	257,108
Amortisation of intangible assets	18.1	311,166	225,932
Amortisation of deferred revenue		(21,954)	(7,978)
Royalty	29	2,774,208	1,743,789
Exchange loss	33	43,313	47,679
Assets written off	19.1	19,979	7,393
Working capital changes	36.1	(10,522,762)	9,744,728
		(631,620)	16,939,947
36.1 Working capital changes			
(Increase) / decrease in current assets			
- Stores and spares		(23,560)	41,170
- Stock-in-trade		(13,193,280)	5,456,601
- Trade debts		1,022,415	(109,638)
- Loans, advances, deposits, prepayments and other receivables		(5,863,147)	(303,631)
		(18,057,572)	5,084,502
Increase in current liabilities			
- Trade and other payables and provisions		7,534,810	4,660,226
		(10,522,762)	9,744,728
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	757,674	688,753
		757,674	5,631,112

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	
	2026	2025	2026	2025	2026	2025	2026	2025
Short term employee benefits								
Managerial remuneration	1,774	2,663	2,625	1,960	-	-	721,730	556,766
House rent and utilities	5,912	1,461	5,484	1,075	-	-	404,872	305,451
Bonus	-	-	-	-	-	-	366,293	249,770
Reimbursement of medical expenses	947	102	-	175	-	-	23,286	15,822
Meeting fee - note 38.3	-	-	-	-	2,800	1,700	-	-
Advisory fee	-	-	-	-	62,311	53,513	-	-
Other allowances	30,349	45,915	24,222	33,786	-	-	132,163	142,248
Post employment benefits								
Contributions to Provident and Gratuity Funds	-	-	-	-	-	-	130,996	79,825
	38,982	50,141	32,331	36,996	65,111	55,213	1,779,340	1,349,882
Number of persons	1	1	1	2	7	7	268	214

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 (2025: 8).

38.3 This represents remuneration for attending Board meetings as approved in Board of Directors meeting dated May 22, 2025.

39. EARNINGS PER SHARE (EPS)

39.1 Basic earnings per share

		2026	2025
Profit for the year	Rupees in thousand	3,233,703	2,709,141
Weighted average number of ordinary shares	Number in thousand	142,800	142,800
Basic EPS	Rupees	22.64	18.97

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, 2026 and March 31, 2025 which would have any effect on the earnings per share if the option to convert is exercised.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2026

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	
	2026	2025	2026	2025	2026	2025
Segment revenue	117,858,208	74,162,505	4,424,965	3,903,154	122,283,173	78,065,659
Segment expenses						
- Cost of sales	(109,934,998)	(68,866,421)	(2,865,465)	(2,535,279)	(112,800,463)	(71,401,700)
Gross profit	7,923,210	5,296,084	1,559,500	1,367,875	9,482,710	6,663,959
Distribution and marketing costs					(1,672,221)	(1,131,643)
Administrative expenses					(2,510,236)	(1,889,358)
Other income					2,311,132	988,734
Other expenses					(516,430)	(315,106)
Finance cost					(2,006,723)	(1,041,813)
Profit before taxation					5,088,232	3,274,773
Taxation					(1,854,529)	(565,632)
Profit for the year					3,233,703	2,709,141

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

41. FINANCIAL RISK MANAGEMENT

41.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors ('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'), Thai Baht ('THB') and Chinese Yuan ('CNY'). 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	2026	2025
In USD		
Cash and bank balances	94	43
Trade debts	-	26
Advances and other receivables	15	18
Trade and other payables and provisions	(12,970)	(6,532)
Net exposure	(12,861)	(6,445)
In JPY		
Advances and other receivables	2,513	17,038
Trade and other payables and provisions	(425,109)	(296,404)
Net exposure	(422,596)	(279,366)
In THB		
Advances and other receivables	13,578	4,506
Trade and other payables and provisions	(57,180)	(19,088)
Net exposure	(43,602)	(14,582)
In CNY		
Advances and other receivables	13	-
Trade and other payables and provisions	(2,243)	-
Net exposure	(2,230)	-

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2026

As at March 31, 2026, 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 22.52 million (2025: Rs 15.85 million) lower/higher, mainly as a result of exchange losses/gains on translation of JPY denominated financial instruments.

As at March 31, 2026, 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 11.26 million (2025: Rs 3.67 million) lower/higher, mainly as a result of exchange losses/gains on translation of THB denominated financial instruments.

As at March 31, 2026, if the Rupee had weakened/strengthened by 5% against the CNY with all other variables held constant, the impact on post tax profit for the year would have been Rs 2.74 million (2025: Nil) lower/higher, mainly as a result of exchange losses/gains on translation of CNY 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	2026	2025
Fixed rate instruments:			
Financial assets			
Long term loans to employees		73,492	21,806
Short term investments - treasury bills	26	-	4,942,359
Bank balances - deposit accounts	27	593,481	648,137
		666,973	5,612,302
Financial liabilities			
Long term finances - secured	8	(2,272,338)	(2,635,098)
Net exposure		(1,605,365)	2,977,204

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, 2026, the Company had no floating-rate borrowings; accordingly, no sensitivity analysis has been presented.

(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	2026	2025
Long term loans to employees	21	205,799	215,854
Long term deposits		178,750	74,397
Long term trade debts	20	874,323	1,638,527
Trade debts	24	7,598,965	7,585,110
Loans, advances and other receivables		426,568	262,200
Balances with banks	27	742,202	674,304
		10,026,607	10,450,392

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 and other financial assets 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, 2026 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, 2026 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, 2026

(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	2026	2025
	Short term	Long term		Rupees in thousand	
Banks					
Treasury bills	Not available			-	4,942,359
Citibank N.A.	P-1	AA3	Moody's	3,214	1,672
Deutsche Bank A.G.	P-1	A1	Moody's	1,164	1,166
Faysal Bank Limited	A-1+	AA	PACRA	16,708	7,134
Habib Bank Limited	A-1+	AAA	VIS	614,376	191,916
Bank Islami	A-1	AA-	PACRA	105,053	2,027
Habib Metropolitan Bank	A-1+	AA+	PACRA	2,611	2,813
MCB Bank Limited	A-1+	AAA	PACRA	26,859	38,152
National Bank of Pakistan	A-1+	AAA	PACRA	715	715
Meezan Bank Limited	A-1+	AAA	VIS	105,059	3,002
Bank Alfalah	A-1+	AAA	PACRA	2,460	628
Allied Bank Limited	A-1+	AAA	PACRA	1,065	1,644
Standard Chartered Bank (Pakistan) Limited	A-1+	AAA	PACRA	233,982	48,888
Soneri Bank Limited	A-1+	AA-	PACRA	(372,941)	369,773
United Bank Limited	A-1+	AAA	VIS	1,877	4,774
				742,202	5,616,663

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, 2026, the Company had Rs 27,500 million available borrowing limits from financial institutions under mark up arrangements and Rs 757.67 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	Carrying amount	Total contractual cashflows			
		Less than one year	One to five years	More than five years	
At March 31, 2026					
Accrued markup	58,955	58,955	58,955	-	-
Unclaimed dividend	57,144	57,144	57,144	-	-
Trade and other payables and provisions	14,501,100	14,501,100	14,501,100	-	-
Long term finances	2,272,338	2,738,977	540,846	2,198,131	-
	16,889,537	17,356,176	15,158,045	2,198,131	-
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	2,635,098	3,267,868	541,818	2,571,809	154,241
	11,332,968	11,965,738	9,239,688	2,571,809	154,241

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).

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.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2026

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, 2026.

The Company does not have any financial instruments which requires classification in above hierarchies. The estimated fair value of other financial assets and liabilities is considered not significantly different from carrying values as the items are either short term in nature or periodically repriced.

41.3 Financial instruments by categories

Rupees in thousand	At amortised cost	Total
As at March 31, 2026		
Assets as per statement of financial position		
Long term loans to employees	205,799	205,799
Long term deposits	178,750	178,750
Long term trade debts	874,323	874,323
Trade debts	7,598,965	7,598,965
Loans, advances and other receivables	426,568	426,568
Cash and bank balances	757,674	757,674
	10,042,079	10,042,079

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, deposits 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	Financial liabilities at amortized cost	
	2026	2025
Liabilities as per statement of financial position		
Accrued markup	58,955	17,684
Unclaimed dividend	57,144	54,298
Trade and other payables and provisions	14,501,100	8,625,888
Long term finances - secured	2,272,338	2,635,098
	16,889,537	11,332,968

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.

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	2026	2025
Borrowings	8 & 13	2,272,338	2,635,098
Less: Cash and cash equivalents	37	757,674	5,631,112
Net debt		1,514,664	(2,996,014)
Total equity		25,438,047	23,439,137

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

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2026

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, 2026				
Purchase of goods	11,737,650	-	-	57,250,439
Purchase of property, plant and equipment	34,448	-	-	241,860
Purchase of intangible assets	564,664	-	-	905,811
Sale of goods	-	-	61,687	1,128,241
Insurance premium	-	-	-	1,082,552
Insurance claims	-	-	-	77,900
Sale of property plant and equipment	-	70	-	-
Royalty, technical assistance and training charges	2,356,444	-	-	105,453
Dividend paid	582,624	17	344,957	6,800
Recovery booked against warranty claims	7,691	-	-	314,963
Short-term employment benefits - note 42.1.1	-	508,599	-	-
Post-employment benefits - note 42.1.1	-	28,993	-	-

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	-	-
Royalty, 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	-	-

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	Group Company	None
Honda Cars Philippines Inc	Philippines	Group Company	None
Honda lock Mfg. Co. Japan	Japan	Group Company	None
Honda Malaysia Sdn Bhd	Malaysia	Group Company	None
Honda Motor (China) Co. Ltd	China	Group Company	None
Honda Parts Manufacturing Co. Ltd.	Philippines	Group Company	None
Honda Trading (South China) Co. Ltd	China	Group Company	None
Honda Trading America Corp	America	Group Company	None
Honda Trading Asia Co. Ltd	Thailand	Group Company	None
Honda Trading Brazil Ltd	Brazil	Group Company	None
Honda Trading China Co. Ltd	China	Group Company	None
Honda Trading Corporation Japan	Japan	Group Company	None
Honda 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 Vietnam Co. Ltd	Vietnam	Group Company	None
P.T Honda Prospect Motor Indonesia	Indonesia	Group Company	None
P.T Honda Precision Parts Mtg	Indonesia	Group Company	None
P.T 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
Mujahid ul Mulk	N/A	Key Management Personnel	None
Muhammad Nauman	N/A	Key Management Personnel	None

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2026

Name	Country of Origin	Basis of relationship	Aggregate % of shareholding in the Company
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 Kaiser	N/A	Key Management Personnel	None
Imran Farooq	N/A	Key Management Personnel	None
Imran Haider Rathore	N/A	Key Management Personnel	None
Farukh Naveed ul Hassan	N/A	Key Management Personnel	None
Rana Usman Abid	N/A	Key Management Personnel	None
Farhan Saleem	N/A	Key Management Personnel	None
Aamir H. Shirazi	N/A	Director	0.00004%
Masaya Wakuda	N/A	Director	0.00004%
Saqib H. Shirazi	N/A	Director	0.00004%
Naoki Negi	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 Employee 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	
	2026	2025	2026	2025
Motor vehicles	50,000	50,000	26,430	15,545

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

	2026	2025
Total number of employees (including contractual labour) as at March 31	1,481	1,373
Average number of employees during the year (including contractual labour)	1,427	1,372

45. SHARIAH COMPLIANCE DISCLOSURE

Rupees in thousand	Note	2026			2025		
		Conventional	Shariah Compliant	Total	Conventional	Shariah Compliant	Total
Turnover							
Revenue from contracts with customers	28	-	122,283,173	122,283,173	-	78,065,659	78,065,659
Other income							
Profit on bank deposits	32	105,318	587	105,905	113,332	395	113,727
Interest on loans to employees		6,616	-	6,616	4,149	-	4,149
Fair value gain on financial assets at fair value through profit or loss		177,912	-	177,912	73,597	-	73,597
Net gain on disposal of property, plant and equipment		-	2,978	2,978	-	23,578	23,578
Markup on advances to suppliers		31,409	-	31,409	97,150	-	97,150
Profit paid on Islamic mode of financing		-	49,971	49,971	-	58,750	58,750
Assets							
Short term investments	26	-	-	-	4,942,359	-	4,942,359
Bank balance	27	515,383	226,819	742,202	662,141	12,163	674,304
Liabilities							
Long term finances - secured	8	-	2,272,338	2,272,338	-	2,635,098	2,635,098
Accrued markup	14	45,145	13,810	58,955	1,764	15,920	17,684

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.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2026

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 19, 2026 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, 2026 of Rs 9.0 per share amounting to Rs 1,285.20 million and transfer of Rs 2,000.00 million from 'Un-appropriated profit' to 'General reserve' at their meeting held on May 19, 2026 for approval of the members at the Annual General Meeting to be held on June 29, 2026. 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

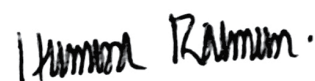
Corresponding figures have been re-arranged wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison. However, no significant re-arrangements have been made.



Aamir H. Shirazi
Chairman



Masaya Wakuda
President / CEO



Hamood ur Rahman Qaddafi
Chief Financial Officer

Notice of Annual General Meeting

Notice is hereby given that the 34th Annual General Meeting of shareholders of Honda Atlas Cars (Pakistan) Limited will be held on Monday, June 29, 2026, at 12:00 noon at Avari Hotel, Mall Road, Lahore to transact the following business:

1. To confirm the minutes of the Annual General Meeting held on Tuesday, June 24th, 2026;
2. To approve and adopt the annual audited financial statements for the year ended March 31, 2026, together with the Directors' and Auditors' thereon and Chairman's Review Report;
3. To approve cash dividend @ 90% (Rs. 9.0 per share) for the year ended March 31, 2026 as recommended by the Board of Directors;
4. To appoint Auditors for the next financial year and fix their remuneration.
5. To transact any other business with the permission of the Chairman.

By order of the Board



(Maqsood ur Rehman Rehmani)
Company Secretary & Vice President

Lahore: June 08, 2026

NOTES:

1. The share transfer books of the company will remain closed from June 16, 2026, to June 29, 2026 (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 15, 2026.
2. 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.
3. Any individual Beneficial Owner of Central Depository Company of Pakistan Ltd. (CDC), entitled to attend and vote at this meeting, must bring his/her CNIC or passport along with 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).
4. 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.
5. 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.
6. 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 2026 are being emailed to those members whose email addresses are available with the Company. Other members who wish to receive the Annual Report 2026 via email may file an application as per the form provided on the Company's website i.e, <https://www.honda.com.pk/investorRelations>
The Financial Statements of the Company for the year ended March 31, 2026 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>



a. 31 مارچ 2026ء کو اختتام پذیر سال کے لئے مالیاتی اسٹیٹمنٹس کمپنی کے کاروباری امور، اس کے آپریشنز کے نتائج، کیش فلو اور لیویٹی کی بالکل درست عکاسی کرتی ہیں۔

b. کھاتوں کی باقاعدہ کتابیں تیار کی گئی ہیں۔

c. 31 مارچ 2026ء 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 2026ء کو ملازمین کے پراویڈنٹ فنڈ اور گریجویٹ فنڈ میں سرمایے کی بک ویلیو (ملین روپوں میں) حسب ذیل ہے۔

نام فنڈ	31 مارچ 2026ء	31 مارچ 2025ء
پراویڈنٹ فنڈ	826.94	661.32
گریجویٹ فنڈ	1,920.88	1,653.52

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 2026ء 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 کمپلائنس تقاضے؛
- معاشی و سیاسی صورت حال؛
- ملک میں جاری لائینڈ 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 اپنار کھا ہے اور اندرونی و بیرونی اسٹیک ہولڈرز کے ساتھ رابطے میں ہے تاکہ ان خطرات کے ممکنہ اثرات سے قابل قبول سطح تک نپٹا 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 شیئر 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 کمپنی کی ویب سائٹ / <http://honda.com.pk/investorRelations> 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 توہمیتی 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 ریڈون ڈیز اسٹر ریگوری مراکز قائم کئے گئے ہیں۔

ہیومن ریسورس مینجمنٹ

ہیومن ریسورس پلاننگ اور مینجمنٹ اعلیٰ انتظامیہ کی اولین ترجیحات میں سے ایک ہے۔ کمپنی نے 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۔ 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 کو ایلیکٹیشن شیئرز بورڈ میں مسٹر تاکافومی کوئیکے کے متبادل کے طور پر میسرز ہنڈا موٹر جاپان سے نئے نامزد ڈائریکٹر مسٹر مسایادا کوڈا کے نام منتقل کئے گئے تھے۔ مزید برآں، ایسے لین دین کے علاوہ ڈائریکٹرز، کمپنی سیکریٹری، چیف فنانسنگ 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 گذشتہ 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۔

پیٹرن آف شیئر ہولڈنگ

31 مارچ 2026ء کو پیٹرن آف شیئر 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 2026-27 کے لئے بطور کمپنی آڈیٹرز ان کی دوبارہ تقرری اور معاوضہ کی سفارش کی ہے۔ بورڈ آف ڈائریکٹرز نے مالیاتی سال 2026-27 کے لئے کمپنی کے آڈیٹرز کی حیثیت سے ان کی دوبارہ تقرری کی بابت آڈٹ کمیٹی کی سفارشات کو سراہا ہے جو شیئر ہولڈرز کی منظوری سے مشروط ہے۔

منجانب / برائے
بورڈ آف ڈائریکٹرز

عاصر ایشیازی
چیئرمین

کراچی، 19 مئی 2026ء

M. wakuda

مسایادا کوڈا
صدر / CEO

شرکت کرتے ہیں۔ مالیاتی سال 2025-26 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	چیئرمین
2	جناب ثاقب انجینئر ایزی	رکن
3	جناب مسایا کوڈا	رکن
4	جناب ناؤ کی نیگی	رکن
5	جناب ہائیڈرو آشیکاوا	رکن

آڈٹ کمیٹی

آڈٹ کمیٹی چیئرمین ہولڈرز کو مالیاتی و غیر مالیاتی معلومات کے جائزہ اور اطلاع کے ذریعے اپنی ذمہ داریوں کی انجام دہی اور انٹر نل کنٹرول اور سبک مینجمنٹ کے نظاموں پر نظر رکھنے میں معاونت اور آڈٹ کے عمل کی نگرانی میں مدد کرتی ہے۔ یہ انتظامیہ سے براہ راست معلومات طلب کرنے اور حسب ضرورت بیرونی آڈیٹرز یا ایڈوائزرز سے آزادانہ مشاورت کا اختیار رکھتی ہے۔ انٹر نل آڈٹ کا سربراہ آڈٹ کمیٹی کو رپورٹ کرتا ہے آپریٹنگ شعبوں کے جائزہ کی بنیاد پر سالانہ اور سہ ماہی آڈٹ پلان منظور کرتا ہے۔ چیئرمین ہولڈرز کی توقعات کے عین مطابق آڈٹ کمیٹی آڈٹ رپورٹس، انٹر نل 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 کمیٹی کی مربوط اور پائیدار نمو کو یقینی بنانا ہے۔

ایسے امور سے رپورٹنگ فرائض پیدا ہوتے ہیں جو کمیٹی پر واضح اثرات مرتب کرتے ہوں۔ اس عمل کے دوران انٹر نل آڈیٹرز شعبہ جاتی طریق عمل کا جائزہ لیتا ہے تاکہ کمیٹی پالیسیوں، ضوابط اور اسٹینڈرڈ آپریٹنگ سسٹمز (SOPs) پر عمل درآمد کو یقینی بنایا جاسکے۔ انٹر نل آڈٹ ڈویژن 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 بورڈ کو رپورٹ دیتا ہے۔ رواں برس کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے۔

کمیٹی کے اراکین مندرجہ ذیل ہیں:

نمبر شمار	نام کمیٹی ممبر	عہدہ
1	جناب محمد نعیم خان	چیئرمین
2	جناب ثاقب انجینئر ایزی	رکن
3	جناب ہائیڈرو آشیکاوا	رکن
4	جناب گاؤنا کاشی	رکن

بورڈ اور اس کی کمیٹیوں کے اجلاس

رواں برس کے دوران بورڈ آف ڈائریکٹرز (BOD) کے چھ، آڈٹ کمیٹی کے چار اور HR&R کمیٹی کا ایک اجلاس منعقد ہوا۔ تمام اجلاس پاکستان میں منعقد ہوئے:

نام	کمیٹی		حاضری		
	HR&R	IA	BOD	IA	HR&R
جناب عامر انجینئر ایزی چیئرمین	-	-	6/6	-	-
جناب مسایا کوڈا صدر / چیف ایگزیکٹو آفیسر	-	✓	6/6	-	1/1
جناب ثاقب انجینئر ایزی ڈائریکٹر اور سینیئر ایڈوائزرز	✓	✓	6/6	4/4	1/1
جناب ناؤ کی نیگی ڈائریکٹر اور نائب صدر (پروڈکشن)	-	✓	6/6	-	1/1
جناب محمد نعیم خان انڈینڈنٹ ڈائریکٹر	✓	✓	6/6	4/4	1/1
جناب ہائیڈرو آشیکاوا ڈائریکٹر	✓	✓	4/6	2/4	1/1
جناب گاؤنا کاشی ڈائریکٹر	✓	-	4/6	2/4	-
جناب عارف الاسلام انڈینڈنٹ ڈائریکٹر	-	-	5/6	-	-
مس رائی مہسار انڈینڈنٹ ڈائریکٹر	-	-	5/6	-	-
جناب مقصود الرحمن کمیٹی ممبر اور نائب صدر	-	-	6/6	-	-
جناب محمود الرحمن چیف فنانسنگ آفیسر / سینیئر جنرل مینجنگ فنانس	-	-	6/6	-	-

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

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

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 سوالنامہ مرتب کیا گیا ہے جو کہ Goggle Links کے ذریعے کارکردگی کے جائزہ کے لئے ڈائریکٹرز کو بھیجا گیا ہے۔ پُر شدہ سوالنامہ کی وصولی پر کمیٹی سیکرٹری 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 کی بقا 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 سمت کے لئے بااختیار ہے۔ اس کے اختیارات میں لچبند امرتب کرنا، رہنمائی فراہم کرنا اور بورڈ اجلاس کی کارروائی پر دستخط کرنا شامل ہیں۔

بطور ایگزیکٹو ڈائریکٹر ایک چیف ایگزیکٹو آفیسر کمیٹی کی مینجمنٹ کے سربراہ کی حیثیت سے بھی اپنے فرائض سرانجام دیتا ہے۔ طے شدہ حدود میں رہ کر بورڈ پالیسیوں کے اطلاق کے علاوہ CEO ادارے کے روزمرہ کے امور اور 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 تعمیر، قائم رکھنے کی منصوبہ بندی اور کاروباری کامیابی کے لحاظ سے مقاصد کا حصول شامل ہیں۔

ڈائریکٹرز کا معاوضہ

اسپنڈ ڈائریکٹرز کے معاوضہ کا احاطہ کرنے کے لئے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط، 2017ء کی پیروی میں کمیٹی نے ”ریمونیٹیشن 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 مدتی 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 2026-2026 کے دوران رڈائریکٹرز اور CEO کا معاوضہ اور فیس کی بابت تفصیلی معلومات کے لئے براہ کرم مالیاتی اسٹیٹمنٹس کے ساتھ منسلک نوٹس ملاحظہ کریں۔

31 مارچ 2027ء 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 75.00 ملین روپے مقرر کی گئی ہے؛
- صدر/CEO کا معاوضہ 65.0 ملین روپے منظور کیا گیا ہے؛ اور
- کل وقتی ڈائریکٹر کا معاوضہ 45.0 ملین روپے منظور کیا گیا ہے

کاروباری و مالیاتی رپورٹنگ فریم ورک

کمیٹی 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 ہدایت کے مطابق کمیٹی کوڈ آف کارپوریٹ گورننس کے اصولوں اور پاکستان اسٹاک ایکسچینج کے لسٹنگ ضوابط پر عمل کرتی ہے۔ مزید بیان کیا جاتا ہے:

6,664 ملین روپے تھا جو بہتر آپریشنل کارکردگی کی عکاسی کرتا ہے۔ سیلنگ اور انتظامی اخراجات میں گزشتہ برس کے دوران 3,021 ملین روپے کی نسبت 4,182 ملین روپے رہے۔ دیگر آمدنی 989 ملین روپے کی نسبت 2,311 ملین روپے رہی۔ امریکی ڈالر بنام روپے کی سازگار شرح مبادلہ نے کمپنی کو غیر ملکی زر مبادلہ کے خسارہ سے محفوظ رہنے میں مدد کی۔ مالیاتی دیگر اخراجات گزشتہ برس کی اسی مدت میں 1,357 ملین روپے کی نسبت 2,523 ملین روپے ریکارڈ ہوئے۔ نتیجتاً، کمپنی نے 3,275 ملین روپے کی نسبت 5,088 ملین روپے منافع بعد ٹیکس درج کیا۔ لازمی ٹیکس ایڈجسٹمنٹس کے بعد 31 مارچ، 2026ء کو اختتام پذیر سال کے لئے خالص منافع 3,234 ملین روپے ریکارڈ ہوا جو گزشتہ برس کی اسی مدت کے مقابلہ میں 2,709 ملین روپے تھا۔ نتیجتاً، فی حصص آمدنی گزشتہ برس کے لئے 18.97 روپے کی نسبت 22.64 روپے تک بہتر ہوئی۔

کمپنی دائمی نمو اور ویلیو کری ایشن جیسے طویل مدتی مقاصد حاصل کرنے کے لئے پر عزم ہے۔

مستقبل کا منظر نامہ

مستقبل میں، پاکستان کا معاشی منظر نامہ بہت پر امید ہے، جسے کئی اقتصادی استحکام، مہنگائی میں کمی، مستحکم شرح مبادلہ، اور حکومت کی جانب سے IMF کی اصلاحات پر عمل درآمد سے منسوب کیا جاتا ہے۔ صنعتی سرگرمیوں میں بتدریج بہتری، بیرونی کھاتوں کے اشاریوں میں بہتری، اور زیادہ متوقع مالیاتی ماحول سے کاروباری اعتماد اور سرمایہ کاری کی سرگرمیوں میں بہتری کی توقع ہے۔ اسی دوران، منظر نامہ بیرونی خطرات پر منحصر ہوتا ہے جس میں بڑھتے ہوئے جغرافیائی و سیاسی تناؤ، بدلتے ہوئے تجارتی محرکات، عالمی اجناس اور توانائی کی قیمتوں میں اتار چڑھاؤ، اور مکنہ سپلائی چین میں خلل شامل ہیں۔ ملکی چیلنجز، خصوصاً پائیدار مالیاتی استحکام اور ساختی اصلاحات کی ضرورت، طویل مدتی استحکام کے لیے بھی اہم ہیں۔ مستقبل میں، برآمدی مسابقت کو مضبوط بنانا، پیداواری صلاحیت کو بڑھانا، اور پالیسی کے نظم و ضبط کو برقرار رکھنا ترقی کی رفتار کو جاری رکھنے کے لیے اہم ہو گا۔

کمپنی گراف میں سرفہرست رہنے اور متوقع صنعتی ترقی، چیلنجز سے نبرد آزما ہونا اور بہتر آپریشنل کارکردگی اور مضبوط مارکیٹ پوزیشننگ کے ذریعے ترقی کو آگے بڑھانے کے لیے پر عزم ہے۔ سماجی ذمہ داری کو برقرار رکھنا، مالیاتی مضبوطی اور آپریشنل عہدگی کمپنی کے کلیدی مقاصد رہیں گے۔ ہنڈا فلاسفی کے اصولوں پر عمل کرتے ہوئے،

کمپنی آنے والے سالوں میں اسٹیک ہولڈرز کے لیے اہم ویلیو ایڈیشن کو جاری رکھنے کے لیے اچھی پوزیشن میں ہے۔

جوئینڈہ یا بندہ

اظہار تشکر

میں عہدگی کے اعلیٰ معیار کو برقرار رکھنے میں ہنڈا موٹر کمپنی لمیٹڈ کی جاری سپورٹ اور تعاون کے لئے شکر گزار ہوں۔ میں اپنے معزز صارفین کا بھی شکر گزار ہوں جنہوں نے ہم پر اعتماد کا اظہار کیا۔ میں انتظامی ٹیم کی کاوشوں اور بورڈ آف ڈائریکٹرز کی رہنمائی کو بھی خراج تحسین پیش کرتا ہوں۔ جناب ماسیوا کوڈا اور ان کی ٹیم اپنی انتھک محنت اور عزم کے لئے خراج تحسین کی مستحق ہے۔ میں ہنڈا اٹلس (پاکستان) لمیٹڈ کو منفرد کمپنی بنانے میں ڈیلرز، مینڈر، وینڈرز اور ڈیلٹرز ہولڈرز کے کردار کو بھی سراہتا ہوں۔



عامر ایچ شیرازی

چیئرمین

مؤرخہ 19 مئی 2026ء
کراچی

ڈائریکٹرز رپورٹ

31 مارچ 2026ء تک

کمپنی کے ڈائریکٹرز 31 مارچ 2026ء کو اختتام پذیر سال کے لئے پڑتال شدہ مالیاتی اسٹیٹمنٹس کے ہمراہ کمپنی کی چوتیسویں سالانہ رپورٹ ازراہ مسرت پیش کرتے ہیں۔

مالیاتی نتائج

رواں برس کے لئے اہم مالیاتی نتائج کا خلاصہ حسب ذیل ہے:

سال مختتمہ	سال مختتمہ	
31 مارچ 2025ء	31 مارچ 2026ء	ملین روپے
3,274.77	5,088.23	رواں برس کے لئے نفع بعد ٹیکس
(565.63)	(1,854.53)	ٹیکسیشن
3.18	(92.39)	رواں برس کے لئے دیگر جامع (خسارہ) / آمدنی
2,712.32	3,141.31	غیر تخصیص شدہ منافع
342.82	412.74	حاصل کی گئی آمدنی - ابتدائی
3,055.14	3,554.05	تخصیص کے لئے کل دستیاب۔ بیلنس
		تخصیصات
(1,500.00)	(2,000.00)	عمومی ذخائر میں منتقلی
(1,142.40)	(1,285.20)	مجوزہ منافع منقسمہ 90% (2025ء: 80%)
(2,642.40)	(3,285.20)	
18.97	22.64	فی حصص آمدنی - بنیادی اور ڈائیلیوٹڈ (روپے)

کمپنی ایکٹ 2017ء کے چوتھے شیڈول کی تعمیل میں بورڈ آف ڈائریکٹرز نے یہ تخصیصات تجویز کی ہیں، جن کا ذکر مالیاتی اسٹیٹمنٹس میں نہیں ہے۔

فی حصص آمدنی

بنیادی و ڈائیلیوٹڈ فی حصص آمدنی علاوہ ٹیکس 22.64 روپے تھی (2025: 18.97 روپے)۔

منافع منقسمہ

منافع منقسمہ کی ادائیگی کے لئے کمپنی کی حکمت عملی کے تحت معقول پے آؤٹ کے لئے بیلنس برقرار رکھنا اور مستقبل کی کاروباری ضروریات کو پورا کرنے کے لئے بورڈ آف ڈائریکٹرز نے 9.0 روپے (90%) منافع منقسمہ فی حصص برائے سال مختتمہ 31 مارچ، 2026ء تجویز کیا ہے۔ کمپنی نے رواں برس کے لئے 40% منافع منقسمہ پے آؤٹ برقرار رکھا ہے۔

بنیادی کاروبار

کمپنی کی بنیادی کاروباری سرگرمیوں میں ہنڈا گاڑیوں اور سپیئر پارٹس کی اسیبلنگ، تیاری اور فروخت شامل ہیں۔

بورڈ کی ترکیب

بورڈ آف ڈائریکٹرز کی ترکیب حسب ذیل ہے:

کل تعداد ڈائریکٹرز	
9	i مرد
8	ii خاتون

بورڈ کی ترکیب

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

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیاں

بورڈ

بورڈ تین خود مختار ڈائریکٹرز (بشمول ایک خاتون ڈائریکٹر)، دو ایگزیکٹو ڈائریکٹرز 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 کمپنیوں (کوڈ آف کارپوریٹ گورننس) ضوابط، 2019ء پر عمل درآمد کیا گیا۔

بورڈ میں تبدیلیاں

یکم اپریل 2025ء کو جناب تاکا فومی کونیکے، صدر اور CEO کو جناب مسایا کوڈا سے تبدیل کیا گیا جو کہ ہنڈا موٹر جاپان کے سالانہ باقاعدہ روٹیشن عمل کا حصہ ہے۔ بورڈ الوداع ہونے والے ڈائریکٹرز کی گراں قدر خدمات کو سراہتا ہے اور نئے ڈائریکٹرز کو خوش آمدید کہتا ہے۔

ہیومن ریسورس اینڈ ریوٹیشن (HR&R) کمیٹی

یہ کمیٹی سینئر ایگزیکٹوز کے معاوضہ کی بابت معاوضہ، ادارے اور ملازمین کی ترقی کی پالیسی کے تمام پہلوؤں پر غور کرنے اور تجاویز اور انتظامیہ سے متعلق تمام معاملات کی منظوری کے لئے اجلاس طلب کرتی ہے۔ نائب صدر اور کمپنی سیکریٹری، HR اور ایڈمنسٹریشن ہیڈ اور ہیڈر HR ہیومن ریسورس اینڈ ریوٹیشن کمیٹی اجلاس میں

نتیجے میں، SUV اور کراس اور شعبہ میں رواں برس کے دوران نئی مصنوعات پیش کرنے کا تناسب زیادہ رہا۔ جو اس صنعت کی جانب ان کی اسٹریٹجک اہمیت کو مضبوط کرتی ہے۔ یہ مصنوعات ایندھن کی بہتر کھپت، اضافی حفاظتی خصوصیات اور جدید انفو ٹیکنمنٹ سسٹم پیش کرتی ہیں۔ مزید برآں، ہائبرڈ اقسام کا تعارف نے مارکیٹ میں ایکٹریٹیکشن کی جانب اہم قدم ثابت ہوا۔ مجموعی طور پر، اس پیش رفت نے نہ صرف SUV شعبہ کو مارکیٹ کی طلب میں حاوی ہونے میں مدد کی بلکہ مذکورہ صنعت کی مجموعی آمدنی میں اضافہ میں اہم کردار ادا کیا۔

وسط درجی شعبہ میں نئے ماڈل کے تعارف نے خصوصیات کو مضبوط کرنے میں اہم کردار ادا کیا جب صنعتکاروں نے بہتر ترکیبات، جسامت کے معیار میں اضافہ اور جدید ٹیکنالوجی کے استعمال کو مسابقتی قیمتوں پر پیش کیا۔ اس طرح معیشت اور بڑی گاڑیوں کے درمیان فرق کم ہوا جس سے صارفین کو گاڑی خریدنے کے قابل ہونے کے علاوہ خصوصیات اور طویل مدتی فوائد پر زور دینے میں مدد ملی۔ اس کے برعکس، انٹری لیول کا شعبہ نسبتاً محتاط رہا جب صنعتکاروں نے بنیادی طور پر ساخت اور دیگر اپ گریڈز پر توجہ دی اور بالکل نئے پلیٹ فارمز کے تعارف کو نظر انداز کیا۔ جولاگت پر توجہ اور طلب میں کمی کی عکاسی کرتا ہے۔

اس تناظر میں، مجموعی طور پر اس صنعت کی پیداوار میں گذشتہ برس کے دوران 132,800 یونٹس کے مقابلہ میں 193,143 یونٹس کا نمایاں اضافہ ہوا۔ جب کہ اس صنعت کی سیلز میں گذشتہ برس کے دوران 135,448 یونٹس کے مقابلہ میں 191,148 یونٹس کا اضافہ دیکھا گیا۔ مارکیٹ کی وسیع تر بحالی کے تناظر میں آپ کی کمپنی نے گذشتہ برس کے دوران 15,545 یونٹس کے مقابلے میں 26,430 یونٹس تیار کئے۔ جب کہ سیلز گذشتہ برس کے دوران 16,100 یونٹس کے مقابلہ میں 25,621 یونٹس رہی۔

مستقبل میں دائمی نمو کا انحصار لوکلائزیشن اور تکنیکی مطابقت کی مضبوطی کی جانب صنعت کی استعداد پر ہو گا۔ حکومت کی مستقل پالیسیاں، ٹارگٹڈ فوائد اور بنیادی ڈھانچے میں لگاتار بہتری اس تبدیلی کو سہارا دینے میں اہم کردار ادا کریں گے۔ ان اقدامات کے ذریعے پاکستان کی آٹوموبائل انڈسٹری اسمبلی پر مبنی شعبے سے مزید مسابقتی چیلنجر اور قومی معیشت پر جدت کے ذریعے کردار ادا کرنے والی انڈسٹری بن جائے گی۔

کمپنی

آپ کی کمپنی جدت اور باعتبار مصنوعات کے ذریعے 'جو آرزو' فلاحی پر متواتر عمل درآمد کر رہی ہے۔ ہنڈا پاکستان جو ایک عالمی سطح پر معیاری برانڈ ہے، نے ملک کو درپیش

مشکل حالات میں بھی اپنی سادگی کو کامیابی سے برقرار رکھا ہوا ہے اور صارفین کی تعداد میں اضافہ کے ساتھ یہ ابھی تک ایک ترجیحی برانڈ ہے۔

رواں برس کے دوران، کمپنی نے HR-V e:HEV کو متعارف کرا کے ایک سنگ میل حاصل کیا ہے جو کہ کمپنی کی پہلی ہائبرڈ ایکٹرک گاڑی ہے۔ اس کے بعد کمپنی نے سٹی کی پریمیم اقسام اور سوک کی ساخت میں تبدیلی بھی متعارف کرائی۔ یہ پیش رفت جدت، پروڈکٹ میں بہتری اور مارکیٹ کے بدلتے ہوئے رجحانات کے عین مطابق کمپنی کے جاری عزم کی عکاسی کرتی ہے۔

• HR-V e:HEV کا تعارف

28 جولائی 2025ء کو کمپنی نے ہنڈا HR-V e:HEV متعارف کرائی جو مقامی سطح پر پاکستان کی پہلی متعارف کی گئی ہنڈا ہائبرڈ SUV ہے۔ اس واقعے نے پائیدار اور ذہانت سے بھرپور حرکت کی جانب کمپنی کی تبدیلی میں ایک بڑا سنگ میل عبور کیا جو کہ ہنڈا کے 2050 تک کے عالمی اہداف یعنی کاربن کے خاتمہ اور صفر ٹریک اموات کے عین مطابق ہے۔ تقریب میں فرسٹ کار لائن آف کا مظاہرہ کیا گیا جو مقامی پروڈکشن کے آغاز کا اشارہ دیتی ہے جس میں ہنڈا موٹر کمپنی لیڈ، ایٹین ہنڈا اور اٹلس گروپ کی سینئر لیڈر شپ نے شرکت کی۔ مقررین نے جدت اور ماحول یاتی ذمہ داری کی جانب HR-V e:HEV کے ذریعے ہنڈا کے عزم کی نشاندہی کی جسے پاکستان میں ایکٹر فیٹائیڈ نقل و حرکت، بہتر کارکردگی اور ماڈرن ڈرائیونگ تجربہ کی جانب ایک اسٹریٹجک اقدام قرار دیا گیا۔

HR-V e:HEV کو کارکردگی، ڈیزائن اور حفاظت کے مکمل پیکیج کے طور پر پیش کیا گیا جس کی خصوصیات میں دو موٹر ہائبرڈ سسٹم شامل ہے جو پرسکون رفتار، ایندھن کی کم کھپت اور منفرد ڈرائیونگ محرکات پیش کرتا ہے۔ اس کی بیرونی ساخت میں LED ہیڈ لیمپز کے ذریعے بولڈ سٹائلنگ، 18 انچ الائنڈ ویہیلز اور پاور ٹیل گیٹ شامل ہیں جب کہ اندرونی ساخت میں پریمیم لیڈر سیٹنگ، 9 انچ انفو ٹیکنمنٹ سسٹم، وائر لیس چارجنگ اور ڈیجیٹل ڈرائیونگ ڈسپلے شامل ہیں۔ ہنڈا SENSING کو تمام اقسام میں بنیادی خاصیت کے طور پر شامل کر کے حفاظت پر بنیادی توجہ دی گئی جو کہ ڈرائیونگ میں معاونت کی جدید خاصیت رکھتی ہے اس میں ٹکراؤ سے بچاؤ، از خود کروڑ کنٹرول، لین کو برقرار رکھنے کی معاونت اور سڑک سے اترنے سے بچاؤ اور متعدد لیڈر بیگز اور توازن کے جدید سسٹمز شامل ہیں۔

• سٹی ایسپائر S کا آغاز

کمپنی نے ہنڈا سٹی ایسپائر S کے ڈیجیٹل لائچ کے ذریعے اپنے پورٹ فولیو کو مضبوط کیا ہے جو سٹی لائن اپ کی تازہ ترین اور مزید پریمیم قسم ہے۔ اس لائچ کو اسٹائل کے ساتھ نقل و حرکت کے خواہشمند شہری صارفین کو باخبر کرنے کے لئے ایک طاقتور آن لائن مہم کے ذریعے سپورٹ کیا گیا۔ "It's Simply Sensation!" ٹیگ لائن کے ذریعے اس مہم نے ایسپائر ایس کو ہنڈا سٹی رینج میں ایک پرکشش اضافہ بنا دیا ہے۔ جس پر صارفین کی دلچسپی بڑھی اور بکنگ کی رفتار میں اضافہ ہوا۔

سٹی ایسپائر S متعدد بصری اور فیکچر اپ گریڈز کی سیریز کو متعارف کراتا ہے۔ جس میں نئی اور گہری فرنٹ گرلز، پرکشش الائنڈ ویہیلز، LED لائٹنگ، ریئر سپائلرز اور خصوصی ایسپائر S ج شامل ہیں جس نے سڑک پر اپنی موجودگی میں اضافہ کیا ہے۔ اس کے پریمیم پوزیشننگ کے مطابق، زیادہ آرام، نفاست، اور روزمرہ کی عملیت پیش کرنے کے لیے اندرونی حصے کو بھی بہتر کیا گیا تھا۔ ماڈل نے تیسرے فریق کی توثیق کے ذریعے مزید اعتبار حاصل کیا، جس نے اس کی ایندھن کی کھپت میں کمی، کشادہ کین، اور عملی خصوصیات جیسے کروڑ کنٹرول، اکاٹومی موڈ، متعدد لیڈر بیگز، اور مربوط نیو ٹیکنیشن کو نمایاں کیا۔ اس توثیق نے اس کی قدر پر مبنی اپیل کو مزید بہتر اور مربوط کیا، اس کے سیگنٹ میں ایک پرکشش آپشن کے طور پر اس کے مارکیٹ کے تاثر کو مضبوط کیا۔

• سوک کی ساخت میں بہتری

کمپنی نے اپنے پریمیم سیڈان پورٹ فولیو کو ہنڈا سوک کے ساخت میں اضافہ سے مزید مضبوط کیا۔ "Where Class Meets Thrill" کی ٹیگ لائن کے تحت متعارف کرایا گیا، Civic اپنی قائم کردہ میراث کو Civic RS اور Civic Oriol کے ساتھ استوار کرتی ہے، جو ایک تازہ دم ڈیزائن، بہتر ڈرائیونگ ڈائنامکس، اور بہتر حفاظتی ٹیکنالوجیز لاتی ہے۔ بیرونی حصے میں ایک نئی تیار کردہ گرل اور فرنٹ بامپر کو نمایاں کیا گیا ہے، جس سے اس کی سادگی مزید مضبوط ہوگی۔ اس کے ساتھ نئے رنگوں کے آپشنز۔ کینیڈا ریور بلیو اور اگنائٹ ریڈ جو اس کی اسپورٹی لیکن پریمیم شناخت کو بڑھاتے ہیں۔

آپ ڈیٹ شدہ سوک کی ایک بڑی خاصیت تمام اقسام میں ہنڈا سینسنگ کی شمولیت ہے، جس سے ہنڈا کی جدید حفاظت کے عزم کو تقویت ملتی ہے۔ اس سوٹ میں تصادم سے تدارک کا ہریٹنگ سسٹم، اڈاپٹیو کروڑ کنٹرول، لین کپیڈنگ اسسٹ، روڈ ڈیپارچر کا تدارک، آٹو ہائی بیم، اور لیڈر ڈیپارچر نو ٹیکنیشن جیسی

خصوصیات شامل ہیں، جو ڈرائیونگ کے محفوظ تجربے کو یقینی بناتی ہیں۔ CivicRS اسپورٹی اسٹائلنگ، وائر لیس چارجنگ، اور اپ گریڈ نیو ٹیکنیشن کے ساتھ کارکردگی پر مبنی قسم کے طور پر جار کیا گیا ہے، جبکہ Civic Oriol بارش کے سینسرز، آٹو ہیڈ لائٹس، اور ریئر USB-C پورٹس جیسی خصوصیات کے ذریعے پرسکون اور عملی حل پر توجہ دی گئی ہے۔ یہ لائن اپ صارفین کی وسیع تعداد کے لئے سکون و آرام، ٹیکنالوجی اور کارکردگی کے امتزاج کے ذریعے اپنے شعبہ میں ایک بیچ مارک کے طور پر سوک کی پوزیشن کو مزید مضبوط کرتی ہے۔

چونکہ کمپنی اپنی خوشیوں کے ساتھ یہ ڈرائیونگ میں عمدگی، لوکل استعداد میں سرمایہ کاری اور نمو کے لئے نئے محاذوں کی جستجو کے لئے پرعزم ہے۔

میان کچھ رنگ عمدگی

آپ کی کمپنی ہمیشہ سے جدید ٹیکنالوجی کی گاڑیاں متعارف کرانے اور عملی کارکردگی کو بہتر بنانے کی خواہشمند رہی ہے۔ کمپنی نے اس محاذ پر ایک اہم قدم اٹھایا ہے جیسا کہ حسب ذیل ہے:

• ہائبرڈ ٹیکنالوجی میں ٹرانسفارمیشن

کمپنی نے ہائبرڈ گاڑیوں کی پیداوار کو سپورٹ کرنے کے لیے اپنے صنعتی مراکز میں ایک مربوط تبدیلی کی، جو مستقبل کے لیے تیار آپریشنز کی جانب ایک اہم قدم کی عکاسی کرتی ہے۔ اہم اقدامات میں ہائبرڈ اجزاء کے لیے خصوصی آلات کی شمولیت اور IPU بیٹری بیگ سمیت اہم سسٹمز کے لیے ان ہاؤس اسمبلی صلاحیتوں کا قیام شامل ہیں۔

اس کے ساتھ ساتھ، کمپنی نے ہائبرڈ گاڑیوں کی متواتر پیداوار کو یقینی بنانے کے لیے افرادی قوت کو بہتر بنانے، اضافی کوالٹی کنٹرول اور عالمی حفاظتی اور ماحولیاتی اصولوں کی سختی سے پابندی پر زور دیا۔ ان اقدامات نے آپریشنل کارکردگی اور تکنیکی صلاحیتوں کو تقویت بخشی جبکہ بدلتے ہوئے صنعتی رجحانات کے عین مطابق نقل و حرکت کے جدید حل کو سپورٹ کرنے کے لیے مینوفیکچرنگ لیکو سسٹم قائم کیا۔

مالیاتی کارکردگی

میں ازراہ مسرت رپورٹ کرتا ہوں کہ آپ کی کمپنی نے 31 مارچ، 2026ء کو اختتام پذیر سال کے لئے قابل تائنات مالیاتی نتائج حاصل کئے۔ گذشتہ برس کی اسی مدت میں 78,066 ملین روپے کی نسبت خالص سیلز آمدنی میں 122,283 ملین روپے تک کی بہتری کی۔ مجموعی منافع 9,483 ملین روپے کا ہوا جو کہ گذشتہ برس

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