



Journey of **Dreams**



Journey of Dreams

About the Cover

In 1962, a visionary dream took root in Pakistan, a dream carried by our late Chairman, whose foresight and passion sowed the seeds of what would become the country's most iconic name in two-wheel mobility: Atlas Honda Limited.

At the heart of this remarkable journey is a powerful partnership: Atlas Group and Honda Motor Company of Japan. This joint venture blends Pakistani passion with Japanese precision and engineering excellence, a union that has stood the test of time and transformed the local automotive landscape. Over the past six decades, Atlas Honda has not just produced motorcycles; it has fostered economic mobility and become a trusted companion in the lives of customers across generations.

For many in Pakistan, owning a motorcycle is more than a means of transportation; it is a symbol of aspiration, freedom, and pride. And for most, that dream has a name: Honda! Whether it's the timeless CD 70, a first motorcycle for countless young riders, or the powerful CB 150 that commands the roads with authority, Atlas Honda motorcycles are woven into the fabric of everyday dreams. They are the reliable companions of students heading to university, workers commuting to jobs, families exploring

their homeland, and entrepreneurs powering forward on their journey to success. It's the durability, performance, and unmatched fuel efficiency of these machines coupled with an extensive nationwide service network that make Atlas Honda motorcycles the first choice, the trusted choice, and often, the dream choice for consumers across the country.

This report not only reflects a corporate journey but also celebrates a dream on wheels, one that travels through the diverse and breathtaking landscapes of Pakistan. From the vibrant streets of Lahore to the serene valleys of Swat, from the bustling roads of Karachi to the rugged terrains of Balochistan, from the deserts of Cholistan to the towering peaks of Gilgit-Baltistan, Atlas Honda motorcycles have journeyed through them all.

As Atlas Honda looks ahead, it remains committed to innovation, sustainability, and customer-centric growth. With a continued focus on localization, technology, and excellence, the Company aims to carry forward the legacy of its late Chairman and continue to be a symbol of trust, reliability, and aspiration.

Journey of Dreams is a story still unfolding — one where every turn of the wheel writes a new chapter in the lives of people. Because when you ride a Honda, you don't just ride a motorcycle — you ride a dream.



Organisation
development
through
self development





President / CEO's Message

I am pleased to present the Annual Report 2025 featuring another exceptional year of performance and adherence to the regulatory compliances and sustainability practices. This year marks a historic milestone for us as we have achieved record-breaking results reinforcing our position as a leader in Pakistan's motorcycle industry. Our performance is a testament to the relentless dedication of our team, the trust of our customers, and our unwavering commitment to innovation and excellence.

After a period of extreme volatility, the country's economy has gradually stabilised. The State Bank of Pakistan has played a major role by managing prudent monetary and fiscal policies that helped tame inflationary pressures, stabilising the exchange rate and neutralising the informal market. A focus on exports through the SIFC, together with attracting fresh inflows through foreign channels has greatly helped in shoring up the country's reserves. The ensuing price stability helped raise consumer confidence with customers returning to markets for the purchase of essential goods.

Our company has been a major beneficiary of the ongoing stabilization measures. Healthy agriculture cashflows, rising urban wages and better than expected remittances have resulted in enhanced liquidity at the household level. Demand is outpacing projections for the first time in nearly three years. I am pleased to convey that we are closing the year with the highest sales revenue and profitability in our history. The trickle down effect has been a major boost for our parts suppliers and dealers, who are encouraged by the increasing orders and rising footfall. Improvement in year on year sales has no doubt created a positive momentum within our eco-system. The key now is to ensure a sustainable growth path going forward.

With improved economic prospects, the automobile sector is again attracting new investments. Licenses have been issued to new entrants in various segments of the industry with new energy vehicles space particularly buoyant trying to enter the two wheeler segment. As the competitive landscape evolves, our Company is planning to respond with renewed vigour to maintain its leadership status. To continue to attract customers, the company aims to improve productivity, brand equity, product quality, cost competitiveness and the skillset of our associates.

Our approach to sustainability continued to evolve with purpose. During the year, we expanded our renewable energy footprint significantly, with solar energy now accounting for a meaningful portion of our power needs. Energy efficiency, resource recycling, and social inclusion efforts were also scaled, underscoring our belief that long-term success must go hand in hand with environmental and social responsibility. These efforts have been recognized once again by professional institutions, reaffirming our position as a corporate leader in sustainable practices. On the front of gender inclusivity, female associates have been hired and trained to assemble at various production shops. In a country where female mobility remains severely limited, we have introduced programs aiming to break barriers by providing women with the skills, confidence and training to ride two-wheelers independently.

Going forward, we are of the view that EV products will be introduced and continue to co-exist side by side with ICE motorcycles for a foreseeable future. Battery cost, infrastructure availability and range anxiety are major challenges to widespread EV adoption. End to end green ambitions may take a little more time than expected - with power generation needing to shift completely to renewable sources. However, climate change is a reality and de-carbonising is a noble cause. Atlas Honda is thus embracing this vision wholeheartedly. The fact that our stakeholders still expect more from our company is both a challenge and a responsibility we must accept. For the coming years, we will, therefore, re energise and focus on enhancing our production level to pre-crisis levels, expand our product line-up and target new markets for increase in exports.

I would like to extend my sincere gratitude to our partner, Honda Motor, for its continued support and guidance in our journey. I would also like to thank our customers, shareholders, employees, suppliers and dealers who supported and contributed to strive for excellence in our journey together. Your continued trust inspires us to aim higher, deliver better, and lead with integrity.

Saquib H. Shirazi
Chief Executive Officer



About This Report

This Annual Report provides a comprehensive overview of the performance, strategy, governance, and value creation activities of Atlas Honda for the financial year ended March 31, 2025. As a leading manufacturer of two-wheeler vehicles in Pakistan, the Company is committed to transparent communication with its stakeholders, highlighting the operational achievements, future outlook, and strategic decisions that define our role in a rapidly evolving industry.

The report is structured to reflect how the Company creates sustainable value over the short, medium, and long term. It offers insights into the external environment, our business model, risks and opportunities, governance practices, and both financial and non-financial performance that are critical to understanding the broader dynamics of our business model and industry context. The aim is to provide a clear understanding of how strategic initiatives are aligned with our vision to remain competitive, customer-focused, and innovation-driven.

We recognize that the automotive industry is undergoing a transformative shift driven by evolving consumer preferences, environmental regulations, and advancements in technology. Accordingly, this report also outlines how we are preparing to meet the future—through enhanced R&D, digital transformation, supply chain resilience, and our adoption of eco-friendlier mobility solutions.

Reporting Scope and Framework

- **Reporting Period:** This report covers activities, performance, and developments for the period from April 1, 2024, to March 31, 2025.
- **Financial Reporting Standards:** Following standards were complied with in preparation of this report:
 - Integrated Reporting Framework
 - Companies Act, 2017
 - International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board as are notified under the Companies Act, 2017
 - Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017

- Directives issued by the SBP and the Securities and Exchange Commission of Pakistan (SECP)
- Listed Companies (Code of Corporate Governance) Regulations, 2019
- **Non-Financial Reporting:** Sustainability, environmental impact, and social contribution disclosures guided by GRI Standards and the United Nations Sustainable Development Goals (SDGs).
- **Reporting Boundary:** The report covers the operations of Atlas Honda Limited, including its manufacturing plants, R&D facilities, and distribution network across Pakistan.
- **Materiality:** The matters included in this report are determined based on their relevance to our business performance, stakeholder interests, and potential to influence strategic decision-making.

Board Oversight and Assurance

This Annual Report was approved by the Board of Directors in its meeting held on April 30, 2025 after due review of the disclosures and financial statements. The financial information presented in this report has been audited by our external auditors, M/s. Shinewing Hameed Chaudhri & Co., Chartered Accountants, in accordance with applicable auditing standards. Their independent assurance reinforces the credibility and accuracy of the reported financials.



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- Significant Events
- Organizational Chart



Vision

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

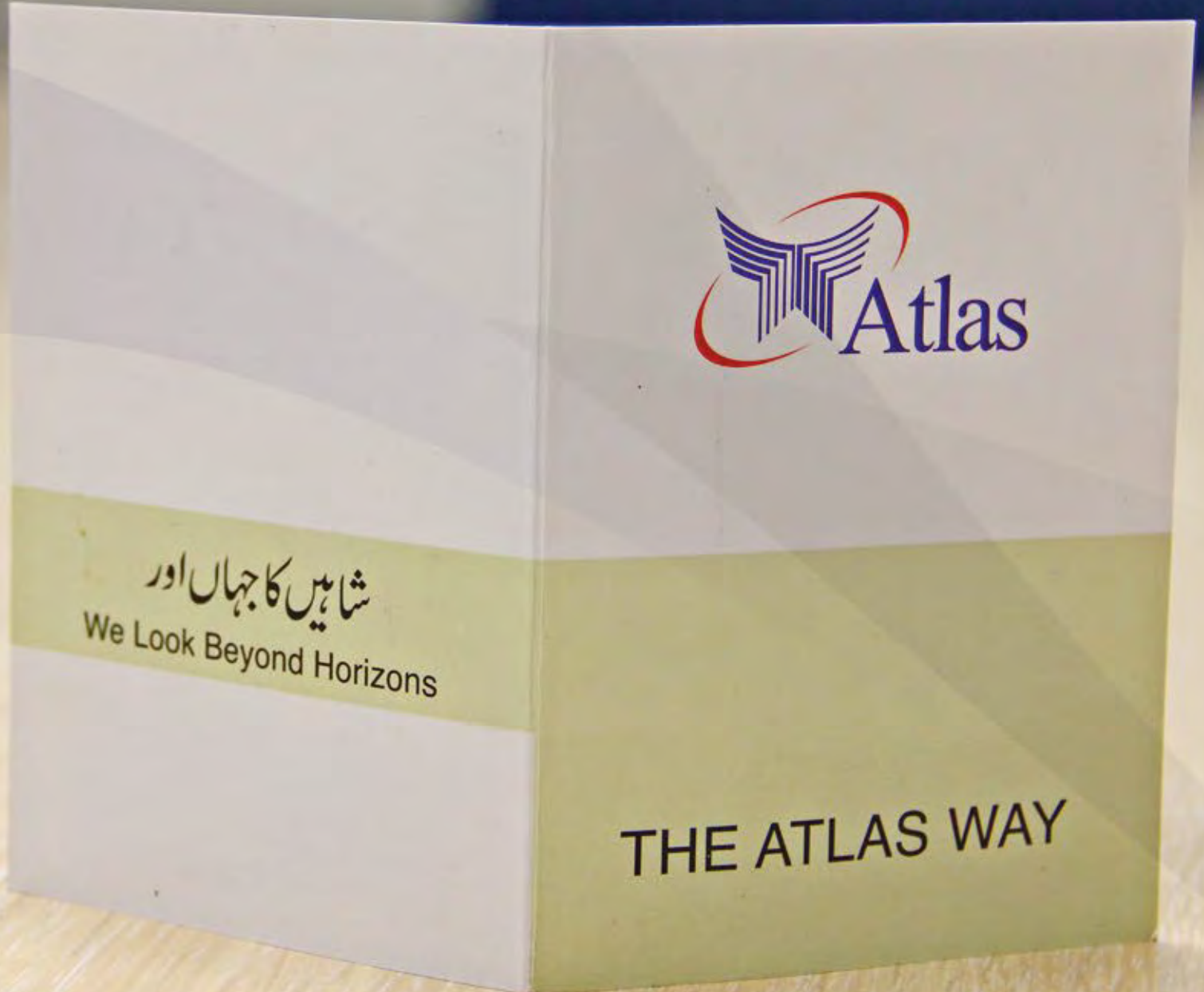
Mission

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



Core Values

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



Atlas Way



Corporate Governance



Respect, Recognition and Reward



Value of Time



Recruitment and career advancement based on integrity, merit, experience and skills



Education and Training of staff and descendants



Self Reliance



Leading by Example



Humility and Excellence



Living within one's means, saving for the future and donating for good cause



To be happy and healthy

Atlas Systems



Management by Objectives (MBO) to align activities towards agreed company goals



Implementing 7S vision (Strategy, Structure, System, Style, Staff, Skills and Shared values) for the company



Inducting and retaining competent and skilled staff – right man for the right job



Using BCG model for strategic direction



Creating values through implementations of internal controls (SOPs and policy manuals)



Management development to produce performers, organization builders and strategists



Active participation in management meetings for continuous performance improvements



Ensuring accuracy and control of information / data through efficient MIS



Judicious sharing of profitability between employee bonuses, dividend payout and profit retention

Code of Conduct

The Company conducts its operations with honesty, integrity and, respect for human rights and interests of the employees, for which the Company has shaped its governance framework, aligned with regulatory requirements and industry's best practices. Every individual associated with the Company is required to comply with the Code of Conduct which clearly lays down the guidelines, principles and standards for the organization as a whole. Below is the brief summary of Code of the Conduct of the Company. Our detailed Code of Conduct is accessible via our website (www.atlashonda.com.pk)



Compliance with the Laws & Regulations

- We shall not make, recommend, or cause to be taken any action, contract, agreement, investment, expenditure or transaction known or believed to be in violation of any law, regulation or corporate policy



Human Capital

- We should create a working environment where there is mutual trust and respect for everyone.
- We should provide equal opportunities to all the employees and hiring should solely be based on qualifications and skills needed for the job
- We are committed to creating a safe and healthy working environment for all our employees
- We should develop employees, enhancing their skills and competencies through on-job trainings, educational growth and career development opportunities



Customers

- We should deliver quality products and services, consistently offering value in terms of price and quality
- We should actively promote safe working practices throughout our value chain
- We should comply with product labelling requirements
- We should conduct the business in accordance with the principles of good governance, fairness, transparency and integrity
- We should provide timely, regular and reliable information of our activities, structure, financial position and performance to all stakeholders



Business Partners

- We should be committed to establishing mutually beneficial relationship with our business partners and our business partners should adhere to our best business practices to ensure transparency and integrity



Community Involvement

- We should build and maintain fair communication with society as well as stakeholders, and should be committed to accurate and timely disclosures of information



Public Activities

- We should not support political activities nor contribute funds to finance such activities.
- We should engage with industry associations for development of proposed legislations and other regulations, protecting our legitimate business interest



The Environment

- We should develop a sustainable business model to reduce our environmental impact and contribute to overall wellbeing of the society
- We should encourage our supply chain partners for adoption of environmental friendly policies and procedures



Innovation

- The Company should make innovations to meet customers' demands, working on the basis on research & development and high quality standards



Competition

- We should support establishment of appropriate competition laws and conduct our operations in accordance with principles of fair competition and all applicable rules and regulations



Business Integrity

- We should not give or receive bribes, whether directly or indirectly or other unethical and illegitimate advantages for business or financial gains
- We should not give or receive any gift or payment that may be construed as being a bribe. Any demand for, or offer of, a bribe must be rejected immediately and reported to management



Conflict of Interests and Confidentiality

- We should avoid personal activities and financial interests, which could conflict with the interest of the Company
- We shall not take advantage of our official position to seek personal gains through the inappropriate use of Company's information or misuse our position
- We shall not use or disclose the Company's trade secret, proprietary or confidential information, as a means of making private profit, gain or benefit



Compliance – Monitoring – Reporting

- The Ethical business principles should be communicated to, understood and practiced by all our employees and associates
- Any breach of the policies, procedures, laws or regulations should immediately be reported to Business Ethics Committee



Media, Publishing and Public Appearances

- We should refrain from providing any corporate information to someone outside the Company unless authorized to do so. If not authorized, we should refer the person to the appropriate area within the Company
- We should refrain from commenting on social media platforms regarding any corporate information unless authorized to do so
- Before publishing, making speeches, giving interviews, or making public appearances that are connected to business interests that may reflect on the Company, we must get written approval from the competent authority



Shareholders

- We strives to serve the best interests of its shareholders to provide consistent growth and a fair rate of return on their investment
- Conducting the business in accordance with the principles of good governance, fairness, decency and integrity help the company to build shareholder's value
- We provides timely, regular and reliable information of its activities, structure, financial position and performance to all stakeholders

About the Group

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

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

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

Our Group Companies

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

Group Shareholding



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



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



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



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



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

Performance of Associate

During the year, our associated company delivered a commendable performance, reflecting continued operational stability and strategic discipline. It recorded a Profit After Tax of Rs. 177.7 million, showing a year-on-year improvement from Rs. 40 million reported in the previous year—an increase of nearly 344%. This growth was primarily driven by enhanced production efficiency, improved sales, cost reduction through localization and profit from its associated company Atlas GCI (Private) Ltd.

As a result, the Company recognized a dividend income of Rs. 16.1 million during the year. This dividend receipt, along with the share of profits, contributed to an increase in the carrying value of the investment in the associate, as presented in the Company's financial statements.

The associate continues to demonstrate financial resilience and remains an important strategic asset in the Company's investment portfolio. The management maintains regular oversight of the associate's performance and governance, and remains confident in its long-term value contribution.



About the Company

Atlas Honda Limited is a public limited company listed on the Pakistan Stock Exchange. It is a joint venture between Shirazi Investments (Private) Limited (SIL) and Honda Motor Company Limited, with SIL holding 52.43% of issued, subscribed and paid-up capital as at March 31, 2025. The Company operates in Pakistan and is engaged in manufacturing and marketing of motorcycles, spare parts and engine oil. The registered office of the Company is located at Lahore whereas its manufacturing & assembly facilities are located at Karachi and Sheikhpura.

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

Company Information

BOARD OF DIRECTORS

Aamir H. Shirazi
Chairperson

Azam Faruque
Director

Abid Naqvi
Director

Mashmooma Zehra Majeed
Director

Masanori Kito
Director

Koji Sugita
Director

Kazushi Yamanaka
Director

Saqui H. Shirazi
Chief Executive Officer

Maheen Fatima
Company Secretary

BOARD COMMITTEES

AUDIT COMMITTEE

Mashmooma Zehra Majeed
Chairperson

Azam Faruque
Member

Abid Naqvi
Member

Farrukh Munir
Head of Internal Audit

Maheen Fatima
Company Secretary

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mashmooma Zehra Majeed
Chairperson

Abid Naqvi
Member

Saqui H. Shirazi
Member

Saadullah Ejaz
Secretary

MANAGEMENT

Saqui H. Shirazi
Chief Executive Officer

Afaq Ahmed
Vice President Marketing

Khawaja Shujaiddin
General Manager JVs Coordination

Danyal Ahmed Rasheed
Chief Financial Officer

Faisal Mahmud
General Manager Plants

Hassan Mushtaq Cheema
General Manager After Sales

Mohammad Tahir Khan
General Manager Information Technology

Muhammad Rashad Rashid
General Manager Quality Assurance

Muhammad Ammar
General Manager New Model Center

Rashid Ahmed
General Manager Commercial & Planning

Tahir Nazir
General Manager Supply Chain And Secretary

Saadullah Ejaz
General Manager Human Resources & Administration

Sajid Saleem
General Manager Production Planning & Control

Zia Ul Hassan Khan
General Manager Sales

AUDITORS

Shinewing Hameed Chaudhri & Co.
Chartered Accountants

LEGAL ADVISORS

Mohsin Tayebaly & Co.

TAX ADVISORS

Ey Ford Rhodes, Chartered Accountants

SHARES REGISTRAR

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Fax: (92-42) 37358817

BANKERS

Allied Bank Limited
Askari Bank Limited
Bank Al-Habib Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Mcb Bank Limited
Meezan Bank Limited
National Bank Of Pakistan
Soneri Bank Limited
Bank Islami Pakistan Limited
MCB Islamic Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited
Bank of Punjab

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(92-61) 111-112-411
Fax: (92-61) 4541690

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Email:contact.centre@atlashonda.com.pk

(Within Working Hours From Monday To Friday)

Board of Directors



Aamir H. Shirazi
Chairman



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

He is currently Chairman of Honda Atlas Cars, Atlas Honda, 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.



Abid Naqvi
Director



Mr. Abid Naqvi is the CEO of ACL Capital (Pvt.) Limited, a business development company affiliated with Associated Constructors Ltd. (ACL) Both companies are family - owned private entities, and leading players in the construction industry and building materials market.

He serves on the Boards of Associated Constructors Ltd., ACL Capital (Pvt.) Ltd., Pie in the Sky (Pvt.) Ltd., and Geo Commerce (Pvt.) Ltd.

He has worked in the fields of Commercial and Development Banking and Stock Brokerage for a period of 22 years. He has served as the CEO of Taurus Securities Limited, a renowned name in the stock brokerage industry.

He is a graduate in Economics and Finance from University College London (University of London).



Mashmooma Zehra Majeed
Director



Ms. Mashmooma Zehra Majeed is the Chief Executive Officer of the Mutual Funds Association of Pakistan (MUFAP), bringing over 25 years of experience in investment management and capital markets. She is a CFA Charterholder (2001) and a certified Financial Risk Manager (FRM) since 2010. With more than 23 years of dedicated involvement in Pakistan's asset management industry, she has demonstrated leadership in investment strategy, product innovation, and regulatory engagement. Her extensive industry knowledge and commitment to financial sector reform continue to shape MUFAP's role as a key industry representative and its evolution into a Self-Regulatory Organization (SRO). Prior to her current role, she held senior leadership positions at Atlas Asset Management Ltd., JS Investments Ltd. (formerly ABAMCO Ltd.), and Crosby Asset Management Pakistan Ltd. She began her professional journey with M/s Hameed Majeed Associates (Pvt.) Ltd.



Azam Faruque
Director



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

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



**Kazushi
Yamanaka**
Director



Mr. Kazushi Yamanaka started his career in 1987 at Hamamatsu factory of Honda Motor Company Limited.

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



Koji Sugita
Director



Mr. Koji Sugita joined Honda Motor Company in April 1995. Over the course of his career, he has served for sales and marketing, gaining extensive experience in the area. His

contributions have significantly supported the company's growth and operational excellence. In 2013, Mr. Sugita was appointed as Marketing Director at PT Astra Honda Motor in Indonesia. On his return in 2017, he served as Department Manager of Honda Motor Co., Ltd.(Japan) until 2019. From 2019 to 2023, he served as the president of Wuyang - Honda Motors (Guangzhou) Co., Ltd.(China). Prior to his assignment in Pakistan, he held the position of General Director at Honda Vietnam Co., Ltd. with a diverse background encompassing Honda business and a deep understanding of varied operational environments. He is currently serving as the Director of Motorcycle and Power Products at Asian Honda Motor Co. Ltd., the Asia & Oceania Regional Headquarter. Mr. Sugita brings a wealth of knowledge and leadership to his current role.



Masanori Kito
Director



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



Saquib H. Shirazi
Chief Executive
Officer



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

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

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

Geographical Presence



Head Office: Karachi



Registered Office: Lahore



Factories: Karachi, Sheikhpura



Branch Offices & Customer Care Centres:
Lahore, Multan, Islamabad, Hyderabad,
Faisalabad, Rahim Yar Khan



Showroom: Karachi

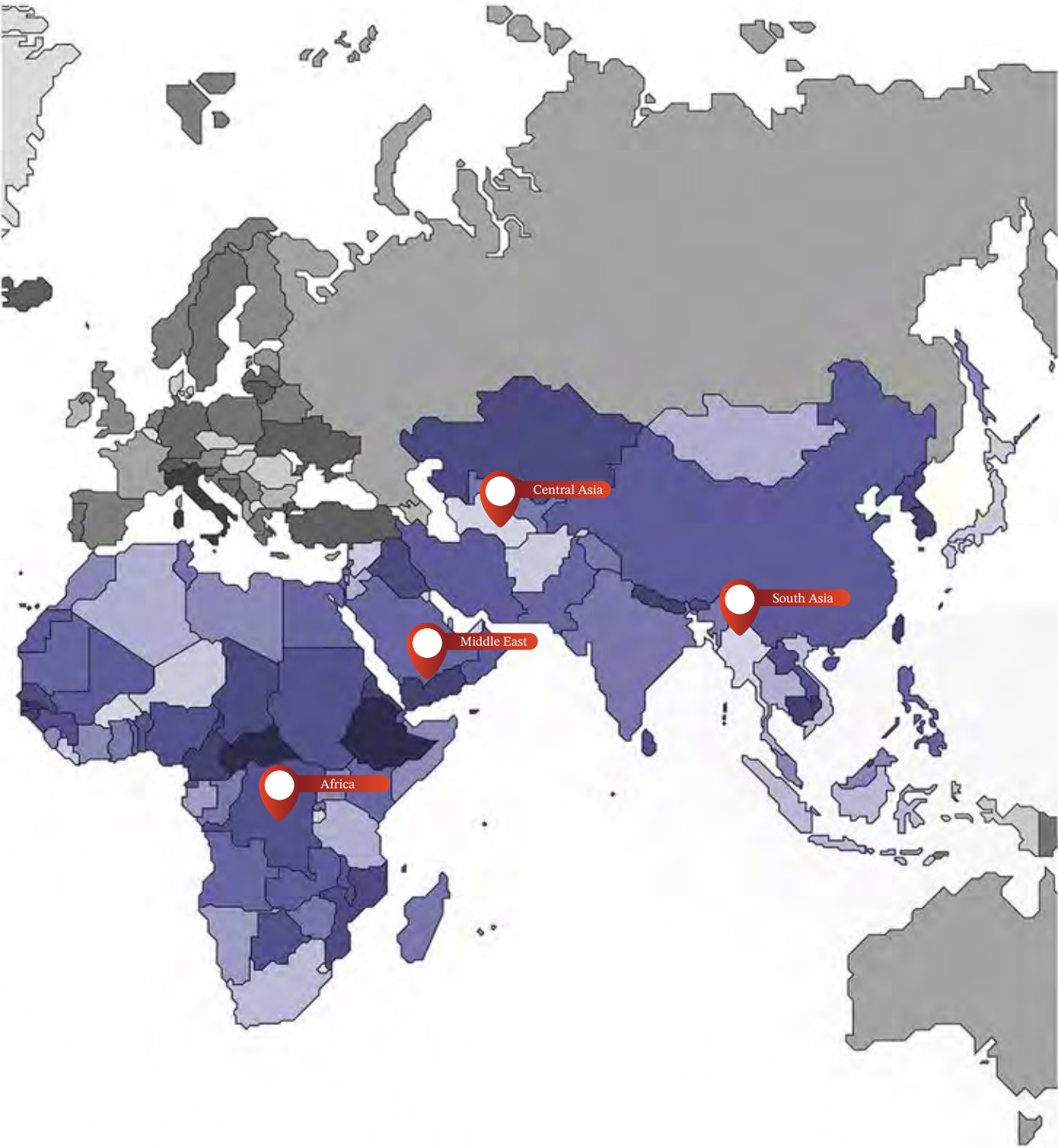


Dealer Network: Our dealer network is bifurcated into eight regions namely Karachi, Multan, Faisalabad, North Region, Central Region, South Region, Gujranwala and Lahore.

Dealerships & Distribution Network

Atlas Honda boasts an extensive dealership network spanning across Pakistan, ensuring nationwide availability and service accessibility | Complete details are available at www.atlashed.com.pk

Export Regions



South Asia | Central Asia | Middle East | Africa

Product Portfolio

**Introduction:**

The CD70 is Pakistan's most iconic and best-selling motorcycle, recognized for its unmatched fuel efficiency, reliability, and durability. The CD70 offers a smooth ride, excellent resale value, and low maintenance making it the ultimate entry-level motorcycle in the market.

Color:

Red, Black & Blue

Engine Capacity:

70cc | 4-Stroke | OHC Air Cooled

Bore & Stroke:

47.0 x 41.4 mm

Starting:

Kick Start

Transmission:

4 Speed Constant Mesh

Dimension (LxWxH):

1897 x 751 x 1014 mm

Petrol Capacity:

8.5 Liters (Reserve: 1.0 Liter)

Dry Weight:

82kg

**Introduction:**

The CD70 Dream caters to young riders seeking a modern design with the same trusted performance of the classic CD70. It features a sleek body, aerodynamic styling, and comfortable seating, while maintaining Honda's hallmark fuel efficiency and reliability.

Color:

Red, Black & Grey

Engine Capacity:

70cc | 4-Stroke | OHC Air Cooled

Bore & Stroke:

47.0 x 41.4 mm

Starting:

Kick Start

Transmission:

4 Speed Constant Mesh

Dimension (LxWxH):

1897 x 751 x 1014 mm

Petrol Capacity:

8.6 Liters (Reserve: 1.0 Liter)

Dry Weight:

82kg

Product Portfolio



Introduction:

The Pridor blends the durability of a commuter bike with a semi-sporty design. With a powerful 100cc engine, enhanced comfort, and road presence, Pridor is ideal for those looking for a slightly higher-performance daily ride. Its modern design, sharp headlight, and aerodynamic structure make it stand out on the roads.

Color:

Red, Black & Blue

Engine Capacity:

100cc | 4-Stroke | OHC Air-Cooled

Bore & Stroke:

50.0 x 49.5 mm

Starting:

Kick Start

Transmission:

4 Speed Constant Mesh

Dimension (LxWxH):

1986 x 718 x 1050 mm

Petrol Capacity:

9.7 Liters (Reserve: 1.5 Liters)

Dry Weight:

96kg



Introduction:

A legacy in its own right, the CG125 is the ultimate symbol of power, performance, and engine durability. Known for its roaring engine sound and acceleration, it is trusted by generations across Pakistan. Whether for city commuting or light cargo usage, the CG125 remains a customer favorite for its strong build and superior performance.

Color:

Red, Black & Grey

Engine Capacity:

125cc | 4-Stroke | OHV Air Cooled

Bore & Stroke:

56.5 x 49.5 mm

Starting:

Kick Start

Transmission:

4 Speed Constant Mesh

Dimension (LxWxH):

1912 x 735 x 1026 mm

Petrol Capacity:

9.2 Liters (Reserve: 2 Liters)

Dry Weight:

100kg

Product Portfolio



Introduction:

An advanced version of the classic CG125, the CG125S adds the convenience of self-start along with improved seat design and styling. It combines power and ease, making it a perfect choice for users looking for enhanced comfort without compromising performance.

Color:

Red, Black

Engine Capacity:

125cc | 4 Stroke | OHV Air Cooled

Bore & Stroke:

56.5 x 49.5 mm

Starting:

Self-Start/Kick Start

Transmission:

5 Speed Constant Mesh

Dimension (LxWxH):

1912 x 727 x 1029 mm

Petrol Capacity:

9.2 Liters (Reserve: 2 Liters)

Dry Weight:

108kg



Introduction:

The CG125 Gold Edition is a premium upgrade that features exclusive styling, unique gold graphics, and enhanced aesthetics to offer a more distinguished look. It maintains the core power of the CG125 while appealing to those who want a bold and stylish version of their favorite bike.

Color:

Red, Black

Engine Capacity:

125cc | 4 Stroke | OHV Air Cooled

Bore & Stroke:

56.5 x 49.5 mm

Starting:

Self-Start/Kick Start

Transmission:

5 Speed Constant Mesh

Dimension (LxWxH):

1912 x 727 x 1029 mm

Petrol Capacity:

9.2 Liters (Reserve: 2 Liters)

Dry Weight:

108kg



Introduction:

The CB125F brings international styling and advanced features to the Pakistani commuter segment. With alloy wheels, a digital speedometer, front disk brake, and an aggressive fuel tank design, it targets young professionals and enthusiasts who value sporty style and road grip.

Color:

Red, Red, Black, Blue & White

Engine Capacity:

125cc | 4 Stroke | OHV Air Cooled

Bore & Stroke:

56.5 x 49.5 mm

Starting:

Self-Start/Kick Start

Transmission:

5 Speed Constant Mesh

Dimension (LxWxH):

2043 x 742 x 1095 mm

Petrol Capacity:

12.3 Liters (Reserve: 2.7 Liters)

Dry Weight:

122kg



Introduction:

A premium lifestyle bike, the CB150F delivers a smooth ride, sporty appearance, and a 5-speed gear system. Designed for performance and long-distance travel, it appeals to riders who enjoy touring and comfort without compromising on looks or reliability. Its LED headlamp, digital cluster, and robust suspension make it a complete package.

Color:

Red, Black, Blue & Grey

Engine Capacity:

150cc | 4 Stroke | SOHC Air Cooled

Bore & Stroke:

57.3 x 57.8 mm

Starting:

Self-Start/Kick Start

Transmission:

5 Speed Constant Mesh

Dimension (LxWxH):

2051 x 760 x 1085 mm

Petrol Capacity:

13.0 Liters (Reserve: 1.4 Liters)

Dry Weight:

124kg

Product Portfolio



Atlas Honda spare parts portfolio in Pakistan encompasses a comprehensive range of components designed to support the maintenance and repair of its motorcycle models. The Company offer a part range of 1,400+ SKUs and a strong distribution network that make sure that the genuine parts are available at the right time, wherever they are needed.

The portfolio includes engine and performance components such as engine oil, pistons, piston rings, clutch plate sets, chain and sprocket kits, and mufflers. For braking and suspension systems, the company offers front and rear brake shoes, brake pads, front fork assemblies, and rear cushion assemblies. In the electrical and lighting segment, key items include headlight assemblies, spark plugs, speedometers, indicator lights, and batteries. Body and frame parts consist of chain covers, front and rear fenders, seats and seat covers, kick starters, and rim wheels. Additionally, the portfolio features essential air and fuel system components like air cleaner filters and fuel tanks with caps. The Company also offers a range of helmets designed to meet safety standards while catering to various styles and rider preferences.

The Company's After Sales network is one of the most extensive in Pakistan consisting of more than 10,000 service outlets, strategically developed to deliver high levels of customer satisfaction and ensure optimum vehicle performance. To ensure seamless customer support, the Company's service centers are equipped with modern diagnostic tools and staffed by trained technicians.

Key Performance Highlights



Rs. 204 bn
Sales Revenue

Rs. 26.1 mn
EBIDTA



Rs. 15.3 bn
Profit After Tax



47%
Return on Equity



1,186,746
Motorcycle Produced



1,196,201
Motorcycle Sold

Rs. 20 bn
Spare Parts



124
Vendors



780
Dealer



Rs. 74 bn
Wealth Distributed



Rs. 55 bn
Contribution to National Exchequer



60%
Dividend payout
to shareholders

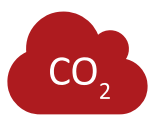


Rs 207 mn
Donations



140%
Share Price
Growth

2%
CO₂ reduction
per unit



2,782
Employees



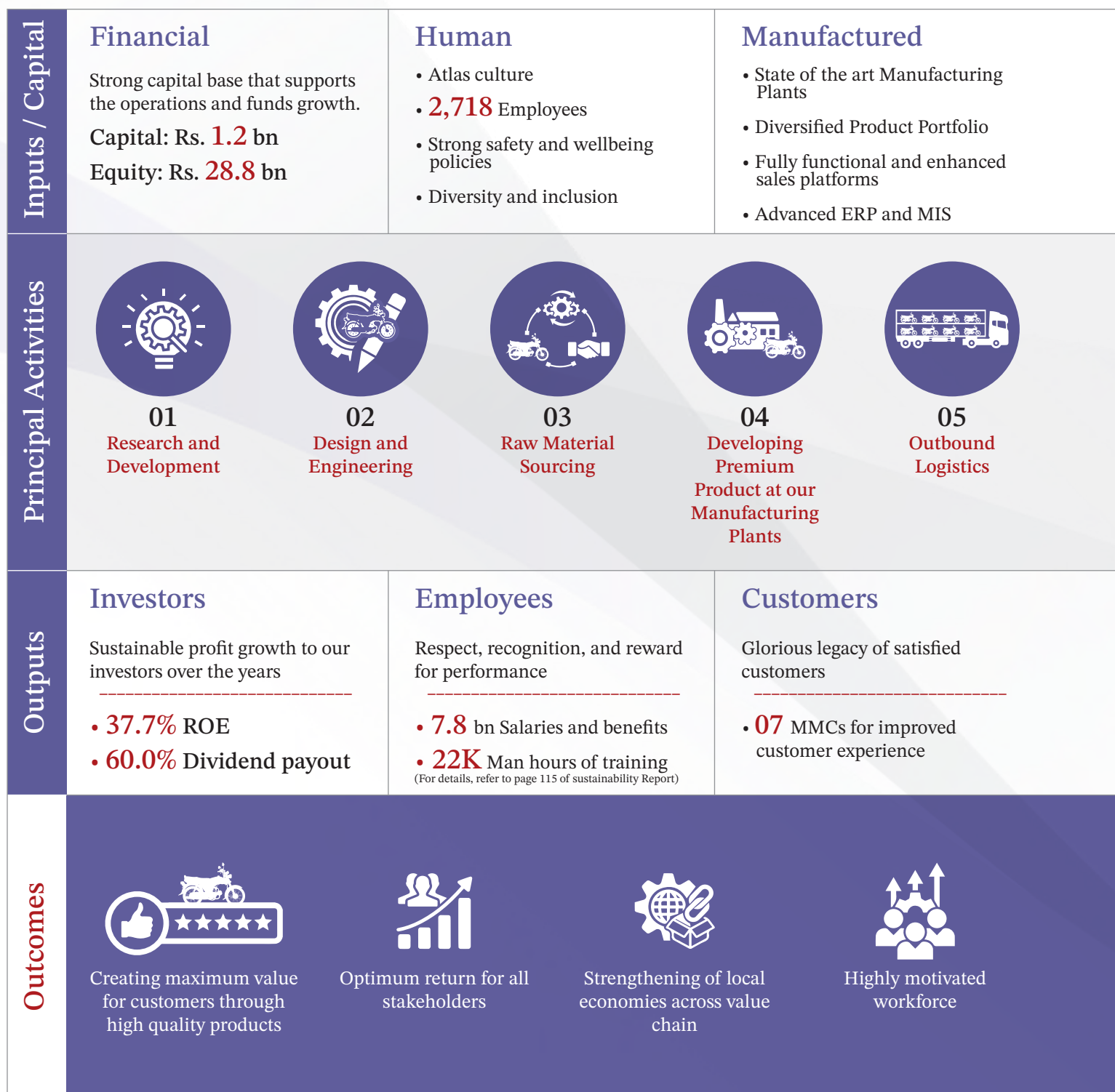
23,792
Training and Development
Hours



Business Model

An integrated approach to sourcing, production, distribution, and customer engagement enables the Company to create long-term value across the entire value chain. From responsible procurement and localized vendor development to efficient manufacturing and a trusted dealer network, the Company align financial, intellectual, natural, and social resources to

drive inclusive growth. Guided by the “Atlas Way,” we uphold quality, innovation, and sustainability—strengthening our leadership in Pakistan’s two-wheeler industry and delivering consistent value to shareholders and stakeholders alike. There has been no material change in the Company’s business model during the year.



How we differentiate in the marketplace?

The first choice of customers for nearly six decades through our unmatched quality, fuel efficiency, and after-sales services.

How we innovate?

Dedicated Research and Development team focuses on continuous product innovation and improvements tailored to customer needs. The motorcycles are engineered to deliver an unparalleled riding experience..

How has the business model been designed to adapt to change?

Continuous evaluation of business model to ensure agility in responding to evolving market dynamics and emerging opportunities.

Intellectual

- Trusted brand
- Strong strategic partnership with Honda Motor
- Technical know-how
- Innovative culture underpinned by the right employee skillset

Social

- Established relationships of trust with our stakeholders
- Strong Sustainability framework

Natural

- Focus on low carbon and resource efficient investments
- Integration of material climate related risks and opportunities into investment decisions



06

Marketing & Communication



07

Sales through our Dealer Network



08

Premium-Quality Customer Experiences



09

Aftersales Services

Partners

Collaborate with our vendors to provide utmost satisfaction to our customers

- **141.9** bn spent on paymentst

Communities

Uplift communities to enhance the living standards of the underprivileged.

131.4 mn spent on communities

For details, refer to page 117 of sustainability Report

Governing Bodies & Regulators

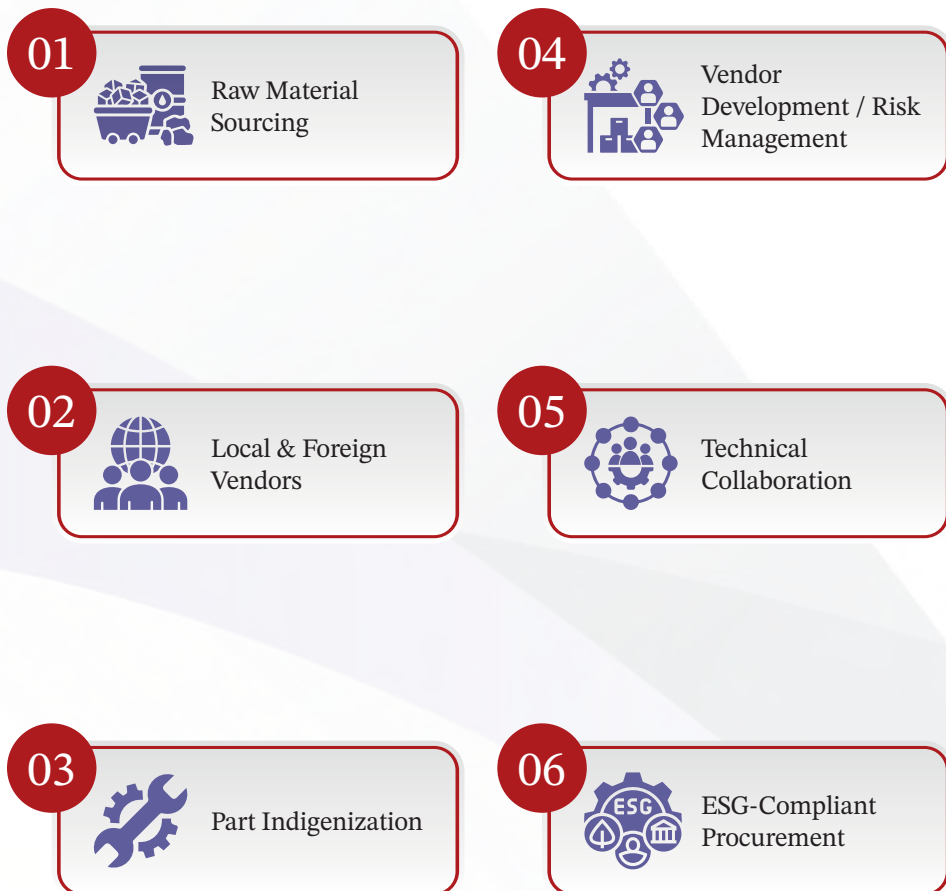
Contributing towards the development of the country through direct and indirect taxes

38.0 bn paid to exchequer



Position within the Value Chain

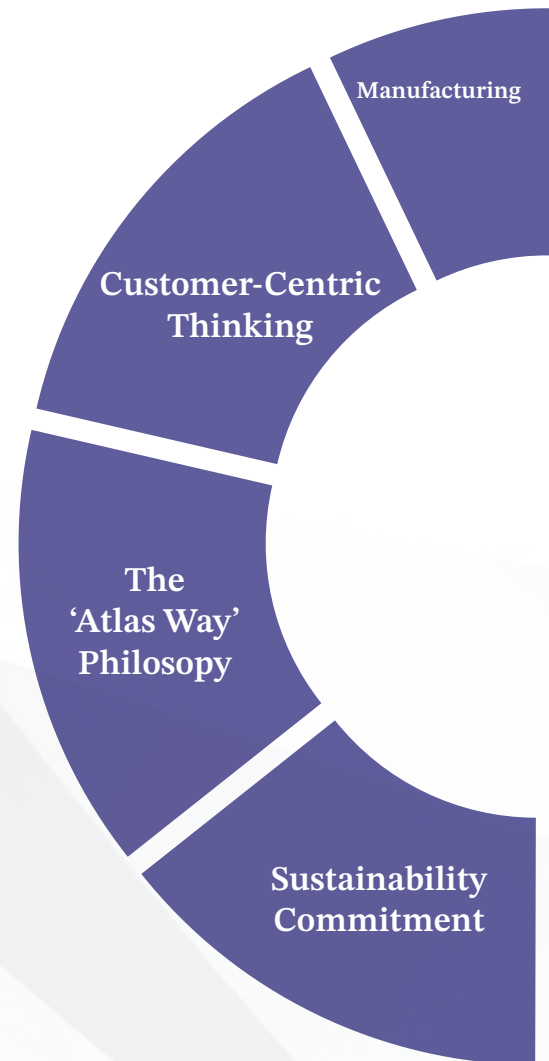
Upstream



Upstream value chain

Atlas Honda partners with a diverse network of local and global suppliers, selected based on their adherence to quality, environmental compliance, and ethical labor practices. Vendor management system incorporates ESG criteria, promoting reduced emissions through local sourcing, responsible material usage, and fair working conditions. The Company support supplier development through technology transfer and capacity-building programs, enabling them to meet our standards for safety, traceability, and environmental performance. This approach strengthens supply chain resilience while advancing our broader sustainability objectives. Core raw materials include steel, aluminum alloys, nickle, rubber, plastics, and electronic components.

Position in



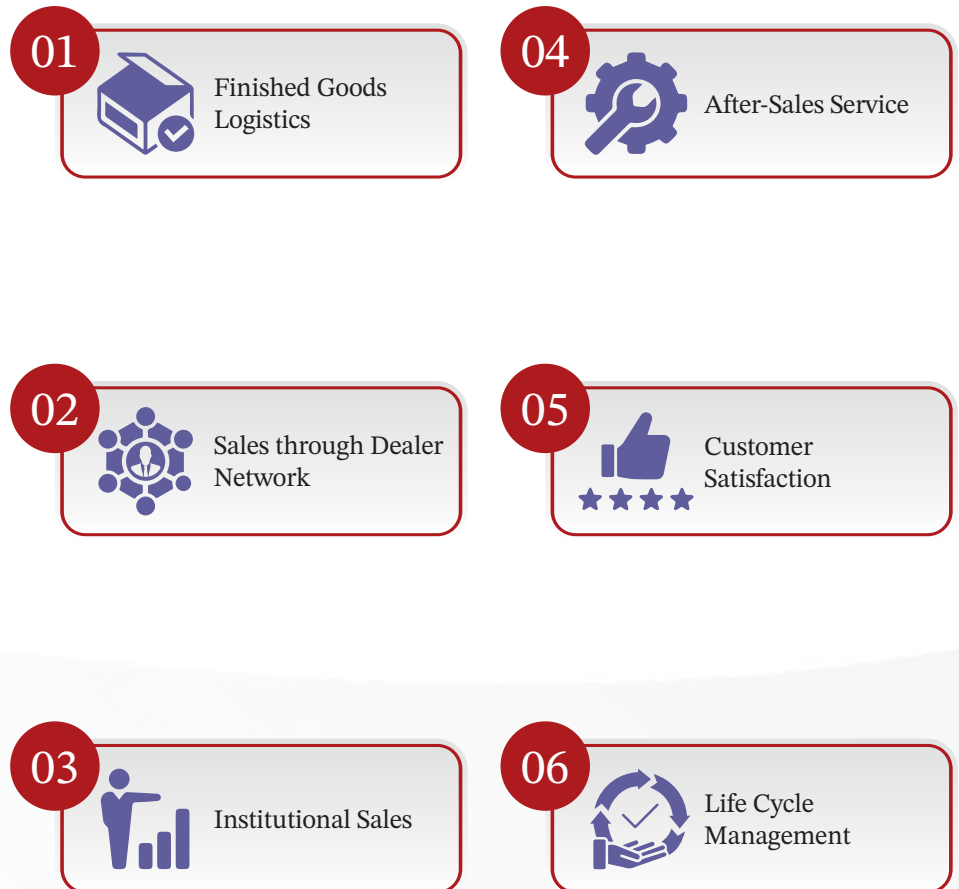
Position in Value chain

Atlas Honda operates an advanced, environmentally conscious manufacturing facility where critical components — including engines, frame bodies, and transmissions — are produced to international quality and safety standards. Our core processes include precision machining, die casting, sub-assembly, engine assembly, painting, and final assembly. Through in-house control of these operations, we ensure consistent product quality, reduce environmental

Value Chain



Down Stream



Downstream value chain

impact via energy-efficient technologies, and promote responsible usage of resource. Our commitment to ESG principles is reflected in initiatives such as waste reduction, emission control, and continuous upskilling of our workforce to uphold high safety and ethical standards across the production line. We also actively promote gender diversity and inclusion across our operations by creating equitable employment opportunities and safe, supportive working environments for all employees.

Atlas Honda's downstream value chain spans a strong network of dealers, authorized service centers, and institutional clients in both public and private sectors. Our commitment to delivering high-quality motorcycles is reinforced by a robust after-sales network, ensuring customer satisfaction and long-term brand loyalty. We take pride in our motorcycles' durability and strong resale value, which serve as a key factor in promoting responsible product lifecycle management. By ensuring that our bikes retain significant value after their initial sale, we provide customers with an economically sustainable ownership experience. This commitment not only contributes to the financial well-being of our customers but also supports responsible product reuse in the secondary market, aligning with our broader sustainability goals.

A Journey to Remember



1963

Beginning of Journey;
Technical Assistance
Agreement with Honda
Motor Co., Japan



1965

Becomes Pakistan
first two-wheeler
company listed on
stock exchange



1966

Develops Pakistan's
first gas-operated
paint shop,
pioneering
innovation



1969

Sets up an
engineering
workshop in Karachi,
taking a step towards
localisation



1976

Launches CD-70 and
CG-125, which
became two of and
most popular models



1978

Japan visit of dealers
and engineers for
technical training



1979

Invest Rs. 10m in
modernising its
manufacturing
facilities



1982

Panjdarya Limited
commences
production at
Sheikhpura



1983

Undertakes major
capacity expansion
worth Rs. 132m



1985

Achieved 50%
localization,
advancing domestic
manufacturing
capabilities



1985

Launches a Quality
Circle Movement
"Aala Mayaar Circle"
aimed for fostering
process improvement



1987

Installs engine part
manufacturing plant
with a Rs. 73m
investment



1988

Honda Motor
Company Japan
acquires 10% shares
in Atlas Autos



1990

Panjdarya limited
merges with Atlas
Autos



1991

The company is
renamed to Atlas
Honda Limited



1991

Launches new model of CG-125



1995

Sigs agreement with Honda Motor Co. Japan and initiates exports



1999

ISO 9002 certification for Karachi and Shiekhupura plants



2002

Achieved 85% localization in production



2003

Company sales cross 100,000 units in a year for the first time



2004

Introduced a memorable campaign 'Mein Te Honda-i Le Saan'



2006

Expanded Sheikhupura plant by establishing state-of-the-art synchronised assembly unit



2007

Implements SAP ERP system improving operational efficiency



2011

Surpassed 500,000 units, for the first time



2013

Celebrated 50 years of existence



2014

Invested in Atlas Hitec (Private) Limited and earned 'Karachi Stock Exchange Top 25 Companies' Award



2015

Announces 3 years engine warranty, reflecting focus on durability and customer trust



2016

Enhanced production capacity, milestone attended by President & CEO of Honda Motors Co., Japan Mr. Takahiro Hachigo



2018

Crossed 1,000,000 units sales milestone for the first time



2019

Introduces self start models CB125F and CG125 Self



2021

Launched AHL online e-store



2022

Launched new limited edition model to mark the 75th independence anniversary



2023

Celebrated 60th anniversary of the company and unveiled BENLEY-E EV



2024

Completed SAP S4 HANA upgradation

Significant Events

During the Year 2024-2025

Quarter 1



- Board of Directors Meeting was held on April 30, 2024
- Atlas Honda Limited delivered 20k Motorcycles to students under CM Punjab Youth Initiative Program
- Credit & Exchange Offers in key rural regions
- Adventure Ride with International Influencers
- Annual General Meeting of the Company held on June 27, 2024

Quarter 2



- Organized Exchange Gala to celebrate the spirit of learning, collaboration, and cross-cultural connection.
- BOD meeting held on July 30, 2024.
- Independence Day celebration with plantation drive for a greener Pakistan
- MMC of CD70, CG125, CG125S and CG125 Gold was launched
- CB series influencer activity with foreign riders

Quarter 3



- Participation in Pakistan Auto Parts Show (PAPS) 2024, held at Expo Center, Lahore
- Accolates from joint committee of ICAP and ICMAP on corporate and sustainability reporting
- MMC of CD Dream was launched and with a "Student Credit Offer" for affordable mobility solutions
- Promoting independent mobility among women through special credit campaign for female students
- SAP S/4 HANA upgradation completed

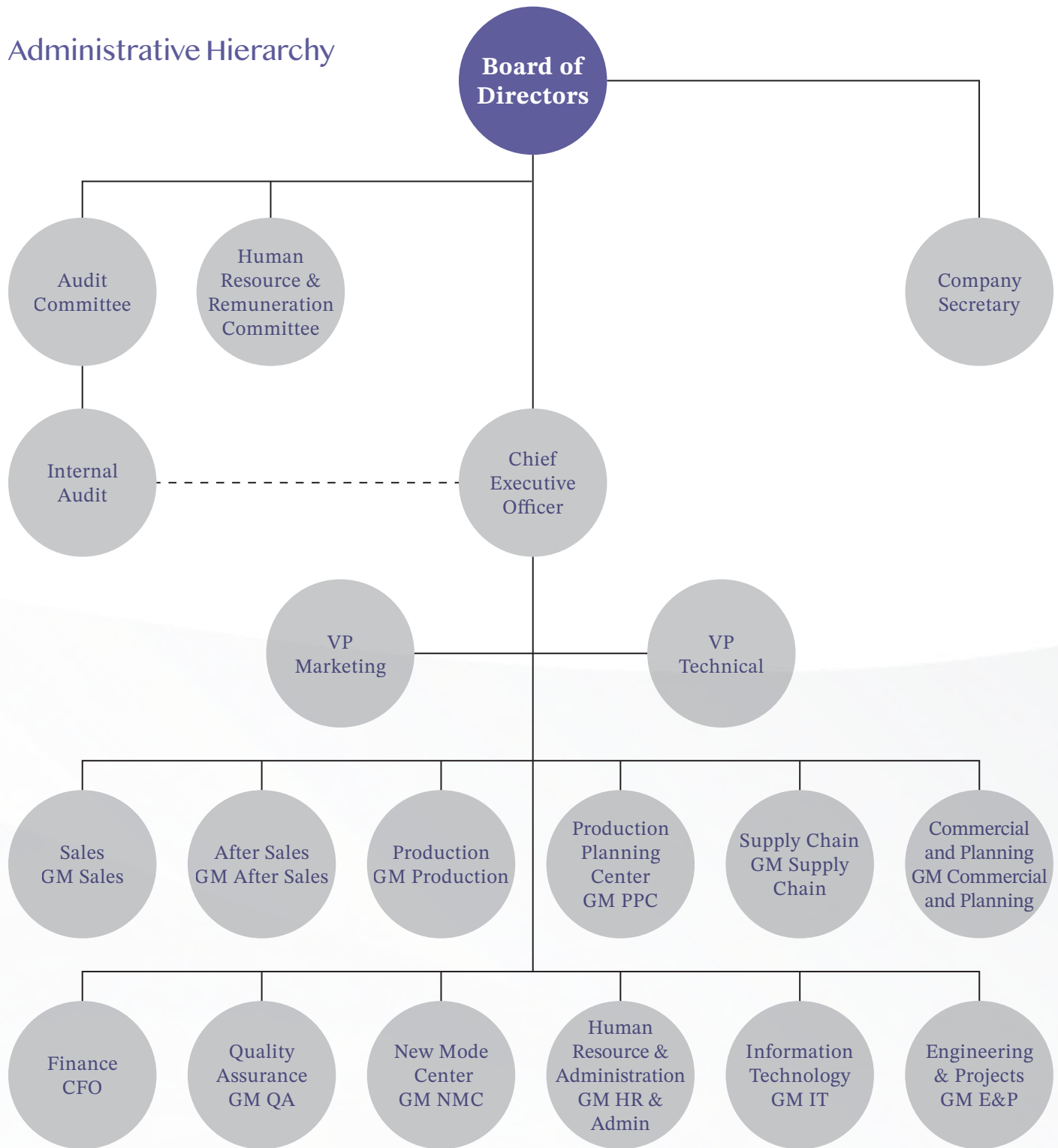
Quarter 4



- BOD Meetings was held on January 30, 2025 and March 20, 2025
- Introduced various spareparts including helmets for unmatched safety and style
- Received awards from NFEH in 3 CSR categories
- Free bike checkup campaign as part of Pakistan Day Celebration

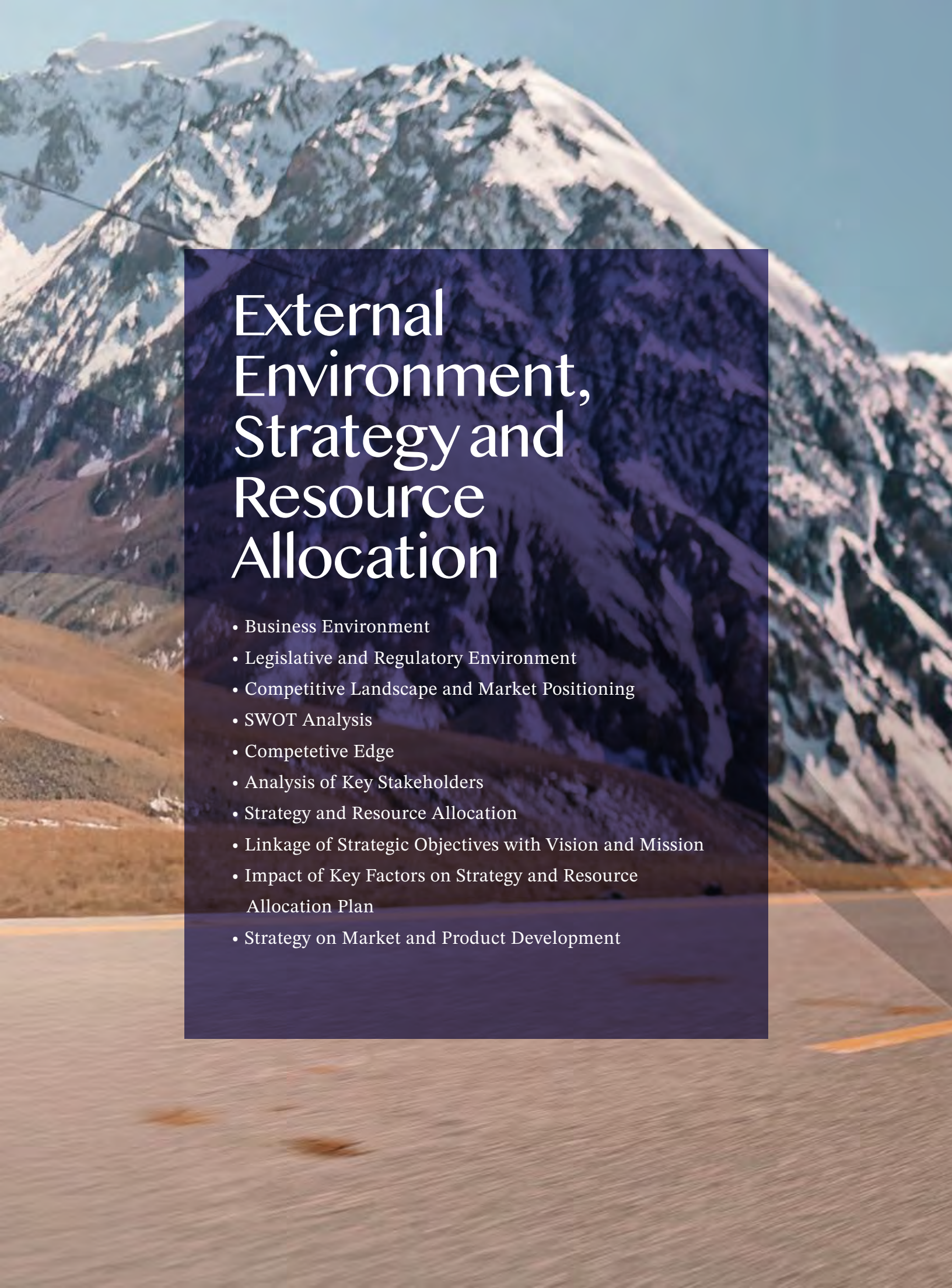
Organization Chart

Administrative Hierarchy



Functional Hierarchy





External Environment, Strategy and Resource Allocation

- Business Environment
- Legislative and Regulatory Environment
- Competitive Landscape and Market Positioning
- SWOT Analysis
- Competitive Edge
- Analysis of Key Stakeholders
- Strategy and Resource Allocation
- Linkage of Strategic Objectives with Vision and Mission
- Impact of Key Factors on Strategy and Resource Allocation Plan
- Strategy on Market and Product Development



Business Environment



POLITICAL

- Improved local political scenario
- Complicated geo-political situation

Organisational Response

- Diversified vendor portfolio with multiple sourcing
- Two manufacturing facilities



ECONOMIC

- Low economic growth and dependence on IMF program
- Increasing material cost
- Reduced purchasing power of consumers
- Rising energy costs

Organisational Response

- Producing cost-efficient and fuel efficient motorcycles through cost reduction initiatives



SOCIAL

- Large population of 250 million people
- Environment is not yet favourable for female riders
- Two-wheelers increasingly becoming preferred choice for commuting

Organisational Response

- Tap market share through brand building
- Encouraging women participation through female rider campaigns



TECHNOLOGICAL

- EV and other emerging technologies manufacturing might transform the motorcycle industry in the coming years

Organisational Response

- Continued focus on expansion projects, modernization and research and development in new technologies



ENVIRONMENTAL

- High cost of using alternative energy sources
- Fuel efficient products to reduce consumption of fuel

Organisational Response

- Installation of solar panels for renewable energy generation
- Investment and research and development on fuel efficient motorcycles



LEGAL

- Copyright, trade mark and patents

Organisational Response

- Introduction of QR codes and increased customer awareness through social media campaigns against counterfeit products

There is no material effect of seasonality on Company's business in terms of production and sales.

Legislative and Regulatory Environment

Atlas Honda operates within a well-defined legislative and regulatory framework comprising national laws, industry-specific regulations, and standards enforced by both federal and provincial authorities. This regulatory structure is designed to promote responsible manufacturing practices, safeguard consumer interests, uphold environmental sustainability, and ensure sound corporate governance. Key regulations include:

Corporate Governance and Compliance

As a public Company, the Company adheres to the Companies Act, 2017, which governs corporate structure, financial disclosures, auditing practices, and governance standards. Regulatory oversight by the Securities and Exchange Commission of Pakistan (SECP) and compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ensure transparency, investor protection, and ethical corporate conduct.

Automotive Industry Regulations

The Company must comply with automotive safety and production standards issued by the Engineering Development Board (EDB) and Ministry of Industries and Production (MoIP). These include vehicle homologation, emission standards, and model registration requirements, which are critical for type approvals and product launches.

Environmental Compliance

The Company operates under strict environmental laws enforced by the Pakistan Environmental Protection Agency (Pak-EPA) and provincial EPAs. Compliance with National Environmental Quality Standards (NEQS) and requirements such as emission control, noise regulation, and waste management is mandatory for operational licenses and expansion projects. The Company also aligns with green production standards through solar energy investments and emission-friendly models.

Taxation and Import Policies

The Federal Board of Revenue (FBR) governs corporate taxation, sales tax, and custom duties. Import duties and levies on raw materials, components, and CKD kits are critical considerations for two-wheeler manufacturing.

Labour and Occupational Safety Laws

The Company complies with Pakistan's labour laws, including the Factories Act, 1934, and the Employment of Labour (Standing Orders) Act, 1968, which mandate workplace safety, working hours, fair wages, and employee welfare. Health and safety standards are rigorously enforced through internal audits and training programs.

Trade and Export Regulations

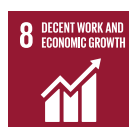
As part of its strategic export drive, the Company adheres to regulations from the Trade Development Authority of Pakistan (TDAP) and the Ministry of Commerce. These include compliance with export quality standards, certifications, and trade documentation in alignment with international norms and bilateral trade agreements.

Competition and Consumer Protection Laws

The Competition Commission of Pakistan (CCP) monitors market behavior to prevent monopolistic practices and price-fixing. The Company ensures competitive pricing, consumer rights protection, and fair marketing in accordance with competition laws and consumer protection statutes.

Intellectual Property Law

The Company also ensures full compliance with intellectual property laws governed by the Intellectual Property Organization of Pakistan (IPO-Pakistan). This includes the registration and protection of trademarks, industrial designs, and technical know-how, particularly important in safeguarding proprietary two-wheeler models, brand identity, and R&D innovation.



Competitive Landscape and Market Positioning

Atlas Honda holds a substantial market share in two-wheeler market, maintaining over 60% market share through a strong combination of brand trust, extensive distribution, and reliable product performance. Positioned as a mass-market leader, Atlas Honda targets both urban commuters and rural users, offering models that are valued for their fuel efficiency, durability, and high resale value. Its competitive edge lies in a wide dealership and service network, robust supply chain, and high localization of parts, which keeps production costs relatively stable despite economic volatility.



Threat of New Entrants – Moderate

The barriers to entry of a new competitor is moderate due to being a highly capital-intensive industry, scale of operations and localization required to achieve lower costs. The Company's extensive sales and after-sales network across the country creates a formidable competitive advantage, making market entry challenging for new entrants. However, the new policy has brought bring significant changes to the number of entrants in the industry.



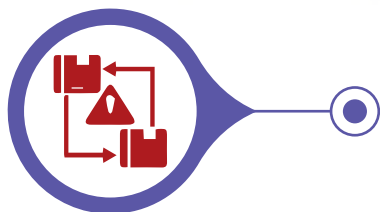
Bargaining Power of Buyers – Moderate to High

Due to low purchasing power of the consumers in a volatile economy, buyers are price-conscious especially in the entry-level segment. On the other hand, many customers prioritize Honda's brand reputation, quality, and features over price considerations.



Bargaining Power of Suppliers – Moderate

The Company has localized a significant portion of its supply chain, reducing dependence on imported parts. Our supplier network is strategically diversified, with long-term partnerships founded on common values and collaborative principles. However, fluctuating commodity prices and rising energy costs exert ongoing pressure on our cost structure.



Threat of Substitutes – Low

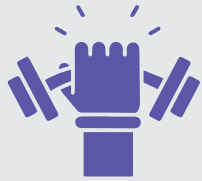
Due to high price of battery of EV bikes, it remains a new segment market rather than a substitute. Further, amongst other substitutes such as cars, motorcycles remains the most essential commuting option due to higher costs of alternatives, fuel efficiency and lack of road infrastructure.



Rivalry Among Existing Competitors – High

Many competitors offer models at lower prices, especially in the 70cc and 125cc segments with prime focus on cost leadership. Extensive credit terms offered by competitors which is an advantage for customers whereas the sales of Atlas Honda are primarily on advance basis.

SWOT Analysis



Strengths

- 60+ years of partnership with Honda
- Operational and manufacturing excellence
- Healthy financial position in terms of profitability, balance sheet and liquidity
- Vendors' and dealers' eco-system supporting smooth operations
- Diversified product portfolio

S



Weaknesses

- Volatile export market
- Commodity price exchange rate fluctuations
- Limited credit access for end users

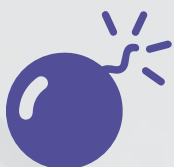
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Opportunities

- Large population, especially in the youth segment
- Female riders' and EVs segment
- Improved foreign remittances from overseas Pakistanis
- Expected cash flows from agiculture
- Lower inflation in urban areas

O



Threats

- Higher tax burden on manufacturing sector
- Intellectual property violation challenges
- Geo-political situation and supply chain disruptions
- Devaluation of Pakistani Rupee

T

Competitive Edge

Atlas Honda has consistently adapted to the evolving needs and expectations of its customers, aligning its strategies with changing market dynamics. The competitive advantage built over the years serves as a strong foundation for enhancing corporate value in the years ahead. By continuously reinforcing this edge through innovation, operational excellence, and customer-centric approaches, the Company remains firmly on course in its journey of dreams.

				
Customer Trust	Dealership Network and Aftersales Services	Localization and Vendor Eco-System	Quality	Human Capital
<p>The brand enjoys recognition and trust across Pakistan, built over decades through consistent product reliability, fuel efficiency, and affordability. This strong brand image and loyal customer base have been pivotal in driving sustained business growth and maintaining a competitive advantage. Complementing its product leadership, Atlas Honda upholds a strong sense of corporate citizenship by promoting ethical business practices, environmental responsibility, and community development. These values not only reinforce stakeholder trust but also position the Company as a responsible and forward-looking industry leader.</p> <p>Market Share: 65+</p> <p>Experience: 62 Years</p> <p>Brand Equity</p>	<p>Atlas Honda operates an extensive and well-established dealership and aftersales service network in Pakistan, covering urban centers as well as remote and rural areas. This wide-reaching infrastructure ensures that customers have convenient and reliable access to genuine spare parts, skilled repair services, and routine maintenance support, regardless of their location. The Company's strong focus on aftersales care not only enhances the ownership experience but also contributes significantly to the durability and longevity of its motorcycles.</p> <p>Dealers: 780+</p> <p>1,100 Authorized Outlets</p> <p>3 Free Services</p>	<p>The company has achieved a high level of localization, significantly reducing its reliance on imported parts and mitigating the impact of exchange rate fluctuations. Over the years, Atlas Honda has nurtured a broad network of trusted vendors, fostering technological collaboration, quality enhancement, and capacity building within the local manufacturing Landscape. This ecosystem not only supports the Company's operational resilience but also contributes to the development of Pakistan's auto industry, reinforcing Atlas Honda's leadership position.</p> <p>Vendor: 124+</p> <p>Localization: 92%+</p> <p>Vendor improvement Programs (VIP)</p>	<p>The Company continues to focus on integrating advanced manufacturing practices, stringent quality control systems, and continuous improvement methodologies across its operations. The collaboration with our Joint Venture Partner brings world-class technology, product innovation, and engineering excellence to the local market, ensuring that every motorcycle meets high standards of performance, safety, and reliability.</p> <p>ISO Certification: ISO 9001: 2015 (Quality Management System)</p> <p>Warranty: 3 Years</p> <p>Joint Venture Partnership with Honda Motor Co., Japan</p>	<p>The Company's workforce is a cornerstone of its competitive advantage and a key driver of long-term value creation, deeply influenced by the Japanese philosophy of lifelong employment and long-term retention. The Company emphasizes building enduring relationships with its employees, fostering loyalty, stability, and a shared sense of purpose. This approach is reinforced through developing a skilled, engaged, and future-ready workforce through structured training programs, performance-driven culture, and employee empowerment initiatives. By nurturing talent from within and promoting career growth over the long term, Atlas Honda ensures a highly experienced, committed, and agile workforce.</p> <p>Employees: 2,782</p> <p>Training hours: 23,790</p> <p>Staff Training Expenditure: PKR 62M</p>

Analysis of Key Stakeholders

Stakeholder	Legitimate Needs and Interests	Industry Trends	Company's Strategic Response
Customers	Reliable, fuel-efficient, and eco-friendly mobility solutions	Shift to electric mobility, rising fuel prices, digital transformation	Launch of fuel-efficient and electric two-wheelers; investment in digital service tools
Shareholders	Sustainable profitability, ROI, capital efficiency, transparency, and good governance	Market volatility, governance reform, ESG integration	Value-driven investments, strong governance practices, sustainability-aligned disclosures
Employees	Performance-based rewards, growth and learning opportunities, safe and inclusive workplace	Talent shortages, digital upskilling needs	Career development programs, training on digital tools, implementation of safety and diversity policies
Dealers & Suppliers	Long-term business continuity, fair commercial terms, support in localization and technology adoption	Need for supply chain resilience, localization focus	Vendor training and development, strategic sourcing, dual-vendor strategies
Regulators	Compliance with applicable laws, emission standards, and reporting obligations	Stricter environmental norms, enhanced ESG reporting standards	Compliance with NEQS, IPO, and sector-specific standards; enhanced reporting and monitoring systems
Communities	Ethical conduct, job creation, reduced environmental impact, and contribution to social development	Growing community expectations, focus on sustainability and corporate citizenship	CSR initiatives, solar energy investments, green products, community uplift programs

Strategy and Resource Allocation Plan

Short, Medium and Long-Term Strategic Objectives

Term	Strategic Objectives
Short-Term	<ul style="list-style-type: none"> • Strengthen domestic market leadership through dealer expansion and customer engagement • Maintain quality excellence and fuel efficiency competitiveness • Compliance with local and international standards and continue to act as a responsible corporate citizen • Improve service network and customer satisfaction metrics
Medium-Term	<ul style="list-style-type: none"> • Expand into export markets by building competitive production capabilities • Staying at the forefront of technological innovations and expand model line-up accordingly • Further investment in vendor development and localization to reduce costs and enhance supply chain resilience • Embrace digital transformation and AI across customer service and internal operations of the Company
Long-Term	<ul style="list-style-type: none"> • Position the Company as a production hub for two-wheelers • Fostering a network of skilled workforce ensuing unique contribution to the development of the Company • Lead the industry in sustainability by scaling renewable energy use and green manufacturing throughout supply chain eco-system • Enhancing sustainable long-term value for shareholders

Strategies to achieve strategic objectives, KPIs their future relevance and resource allocation plan

Strategic Objective	Strategies to Achieve Objective	Key Performance Indicators (KPIs)	Future Relevance of KPIs	Resource Allocation Plan
1. Strengthen domestic market leadership	<ul style="list-style-type: none"> • Expand dealership network • Launch marketing campaigns • Improve sales financing access 	<ul style="list-style-type: none"> • Market share % • Regional dealer coverage • Growth in unit sales 	Will remain core to tracking leadership in the local motorcycle industry	Financial, Human, and Social Capital
2. Continuous Product Improvement to Enhance Customer Experience	<ul style="list-style-type: none"> • Maintain excellence in quality • Optimize engines • Implement QA and lean manufacturing systems 	<ul style="list-style-type: none"> • Customer complaints ratio • Fuel efficiency benchmarks • Warranty claim rate 	Essential to customer satisfaction, retention, and brand equity	Intellectual, Manufactured, and Financial Capital
3. Compliance with Local and International Standards	<ul style="list-style-type: none"> • Enhance sustainable practices including introduction of green products • Strengthen corporate / secretarial compliance team 	<ul style="list-style-type: none"> • Emission compliance certification • Green model share in total sales • 100% compliance with regulators 	Long-term strategic metric supporting environmental commitment and building corporate image	Natural, Social and Financial Capital

Strategic Objective	Strategies to Achieve Objective	Key Performance Indicators (KPIs)	Future Relevance of KPIs	Resource Allocation Plan
4. Service Network and Customer Satisfaction	<ul style="list-style-type: none"> • Skill-up Dealership Manpower • Honda Aftersales Operation Standards Implementation • Awareness via SMS 	<ul style="list-style-type: none"> • Customer Service Index • Dealer to Customer Satisfaction Index • Dealer Evaluation according to Honda Standards • Mechanic skills % • Social Media reach 	Critical for loyalty and after-sales leadership	Human, Social, and Financial Capital
5. Expand Exports and Global Rresence	<ul style="list-style-type: none"> • Identify and enter new markets • Build export volumes • Meet international product standards 	<ul style="list-style-type: none"> • Export sales volume • Export contribution to total revenue • No. of markets served 	Critical for realization of our vision	Financial, Manufactured, and Social Capital
6. Expand Model Line-up	<ul style="list-style-type: none"> • Introduce new models to meet customer demands including penetration into new technologies 	<ul style="list-style-type: none"> • New models developed • % of R&D on new technologies 	Central to competitiveness, regulatory trends, and global market alignment	Intellectual, Manufactured, Financial, and Natural Capital
7. Deepen Localization for Cost Efficiency	<ul style="list-style-type: none"> • Strengthen vendor base • Localize critical parts, dies & jigs • Reduce import dependency 	<ul style="list-style-type: none"> • % of localized components • Procurement cost savings • Import exposure ratio 	Essential for long-term cost competitiveness	Manufactured, Social, Financial Capital
8. Embrace Digital Transformation	<ul style="list-style-type: none"> • Enhance robotization and automation across factories • Integrate big data analytics, cloud computing and AI in operations 	<ul style="list-style-type: none"> • Increase output • Automation ratio - ERP uptime/performance • Predictive accuracy 	Highly relevant for long-term efficiency, scalability, and competitiveness in a tech-driven environment	Financial, Intellectual, Human and Manufactured Capital
9. Position the Company as a production hub for two-wheelers	<ul style="list-style-type: none"> • Expand manufacturing capacity through automation and process optimization • Strengthen localization of components 	<ul style="list-style-type: none"> • Production volume • Localized part ratio (%) 	Remain relevant as global competition intensifies and regional export demand grows	Manufactured, Human, Intellectual and Financial Capital
10.Foster Talent and Innovation Culture	<ul style="list-style-type: none"> • Upskill workforce - Build engineering/research capabilities • Link rewards with innovation and performance 	<ul style="list-style-type: none"> • Training hours per employee • Retention of key staff • No. of patents / R&D outputs 	Core to mission of rewarding associates and industry contribution	Human, Intellectual, and Financial Capital
11.Lead in Sustainability and Renewable Energy Usage	<ul style="list-style-type: none"> • Expand solar energy projects (currently 8 MW) • Reduce carbon emissions • Implement green practices across manufacturing 	<ul style="list-style-type: none"> • % of energy from renewables • Carbon footprint per unit • ESG ratings 	Highly relevant for stakeholder confidence, compliance, and brand reputation	Natural, Financial, Social Capital
12. Foster Long-Term Value for Shareholders	<ul style="list-style-type: none"> • Improve operational efficiency and profitability • Maintain transparent financial and ESG reporting 	<ul style="list-style-type: none"> • ROE • Dividend ratio • EPS • P/E Ratio 	Remains critical for shareholder trust and sustainable business growth	Financial, Social and Relationship Capital

Linkage of Strategic Objectives with Vision and Mission

The Company's strategic objectives are firmly aligned with its vision of becoming a market leader in the motorcycle industry and positioning itself as a globally competitive center for production and exports. These objectives also support the mission, which emphasizes growth orientation, market leadership, product and service excellence, export maximization, innovation, customer satisfaction, environmental responsibility, and social contribution.

Strategic initiatives such as expanding the dealership and service network, launching fuel-efficient and emission-compliant models, and strengthening after-sales support directly contribute to market leadership and enhanced customer satisfaction. Similarly, the development of and increased localization of components align with the Company's goals of technological advancement, cost efficiency, and environmental protection.

Efforts to scale export operations, improve manufacturing efficiency, and build engineering and research capabilities are in line with the mission's focus on maximizing exports, fostering innovation, and contributing to industry development. Investments in renewable energy and sustainable practices reflect the Company's commitment to its role as a responsible corporate citizen.

Together, these strategic objectives serve as the operational foundation for fulfilling the Company's long-term Vision and Mission, while ensuring value creation for all stakeholders.

Impact of Key Factors on Strategy and Resource Allocation

The Company's strategic planning and capital deployment are influenced by a range of dynamic factors in its operating environment. The following outlines how key developments in technology, sustainability, innovation, and resource availability have shaped the Company's direction and use of resources.

a) Technological Changes

Rapid advancements in mobility, emerging technologies, and smart manufacturing have significantly influenced the Company's strategic direction. The rise of electric mobility, in particular, has required a reallocation of financial and intellectual capital towards EV R&D, prototype development, and platform design. Investments are being made in modernizing production lines and integrating digital tools such as predictive maintenance, real-time quality control systems, and ERP upgrades to enhance operational efficiency. As a result, the Company's product development strategy now includes a dedicated track for future mobility solutions, aligned with market trends and regulatory evolution.

b) Sustainability Reporting and Challenges

Increased expectations around ESG (Environmental, Social, and Governance) compliance and sustainability reporting have a little impact on both strategy and resource allocation since sustainability initiatives is already embedded in Company's vision and mission. The Company has committed substantial natural and financial capital towards renewable energy solutions and toward reducing the carbon footprint of its manufacturing operations. Sustainability performance is now embedded into strategic KPIs and reported transparently through ESG disclosures. However, challenges persist in harmonizing global reporting standards and gathering consistent ESG data across the value chain. Despite these, the Company remains committed to aligning with best practices and stakeholder expectations.

c) Initiatives to Promote and Enable Innovation

Innovation is central to the Company's mission, particularly in product design, localization, and process optimization. To foster a culture of innovation, the Company has substantially allocated intellectual and human capital towards engineering, design, and R&D functions. Initiatives include strengthening in-house R&D facilities, supporting joint development projects with vendors, and investing in upskilling programs to prepare the workforce for future technologies. Additionally, performance-linked reward structures are in place to encourage idea generation and process improvement, directly supporting long-term competitiveness.

d) Resource Shortages (if any)

The Company, like the broader manufacturing sector, had faced intermittent shortages of imported raw materials and components due to global supply chain disruptions such as geo-political instability, and import restrictions. These shortages may temporarily affect production schedules and increased input costs. In response, the Company has accelerated its localization strategy, investing in manufactured capital such as tooling and dies, and strengthening relationships with local vendors. Efforts are also underway to diversify the supplier base and maintain safety stock of critical components to ensure business continuity.

Conclusion

These factors collectively shape the Company's evolving strategy and influence how its core resources—financial, human, manufactured, intellectual, social, and natural capital—are deployed. By remaining agile and forward-looking, the Company ensures that its operations remain resilient, innovative, and aligned with long-term value creation for all stakeholders.

Strategy on Market and Product Development



Sales Development

The Company has adopted a multi-faceted approach that combines digital innovation, operational excellence, customer engagement, and international expansion to sustain growth and deepen market penetration. At the core of Company's strategy is technology-driven decision-making. The Company has implemented an advanced AI-powered sales forecasting tool, which leverages historical sales data, market trends, and external economic indicators to generate accurate demand forecasts.

The Company's dealer network remains the backbone of its domestic market operations. To support and enhance dealer performance, the Company has rolled out several digital tools such as the Balanced Scorecard Automation system and the Dealer Development Planning System. These platforms provide real-time insights into KPIs, streamline dealership expansion plans, and ensure alignment with strategic objectives. Additionally, dashboards has been implemented for swift resolution of service delays and operational bottlenecks. The Company's dealership strategy also includes strong elements of training, empowerment, and social responsibility. Regular training and orientation programs ensure dealership staff are aligned with the

Company's vision and operational standards. Female employment at dealerships improves customer inclusivity, while initiatives such as rider safety racks, solar energy installations, and safety education reflect the Company's commitment to sustainability and social impact.

The Company is also deeply invested in enhancing customer experience and engagement. The Mobile Application and Atlas Honda Online platform serves as a complete digital commerce ecosystem. Further, the integration of QR codes at dealerships boosts customer convenience by enabling digital payments, easy access to warranty policies, and instant feedback mechanisms. Other initiatives involves various digital campaigns including product launches, live events, awareness drives, and social responsibility campaigns.

To broaden its customer base, the Company offers credit sales solutions in partnership with financial institutions, increasing affordability and driving up ownership. This financial inclusion initiative supports market share growth and caters to previously underserved segments. Furthermore, exports are being actively explored to diversify markets beyond Pakistan and create new revenue streams.

Service Development

Atlas Honda has strategically strengthened its aftersales development to maintain market leadership. With a strong distribution network of 5 major warehouses located in Multan, Rawalpindi, Sheikhpura, Karachi, and Rahim Yar Khan and over 1,100 authorized outlets, the Company ensures nationwide access to more than 1,400 SKUs. To ensure both affordability and availability, the Company has implemented advanced inventory systems and SAP with a focus on Quality, Cost, and Delivery (QCD) optimizing supply efficiency, increased turnover, and enhanced customer satisfaction.

By understanding the consumption potential of the 10,000+ Service network, the Company has successfully linked 45% of the network with distributors to penetrate Genuine Parts to the core. Through digital campaigns and an online portal, the Company aims to expand its reach through various digital campaigns for boosting awareness and online engagement. To combat counterfeit parts, the Company has introduced

secure packaging with SMS-based authentication and conducted educational and enforcement initiatives.

With over 10,000 service outlets, the Company invests in technician trainings and skill enhancement programs, including support from Japanese experts, ensuring consistent, high-quality service. Service advisors are trained for professionalism; regular dealer evaluations and customer satisfaction surveys maintain service excellence, resulting in a #1 Customer Satisfaction Index ranking. As part of its Corporate Social Responsibility, the Company conducts road safety programs such as riding simulators and hazard prediction training.

Through innovation, operational excellence, and social responsibility, Atlas Honda continues to deliver on its promise of “The Joy of Using,” fostering long-term loyalty and raising the standard for service in Pakistan’s motorcycle industry.



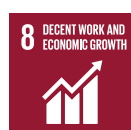
Product Development

Atlas Honda, as the market leader in the two-wheeler segment, follows a robust and forward-looking product development strategy that centers around customer satisfaction, innovation, and quality. The Company benefits significantly from its global alliance with Honda Motor Company Limited, which upholds a unified quality standard across all its international operations. This ensures that Atlas Honda products meet globally accepted benchmarks for performance and durability.

At the core of this strategy is the New Model Center Department, which is tasked with extensive research and

development (R&D) efforts. This department plays a pivotal role in launching new models and implementing minor yet impactful model changes. These changes are guided by continuous market feedback and evolving customer preferences, ensuring that the product lineup remains aligned with consumer expectations and technological advancements.

A key pillar of the Company’s product development approach is its deep integration with local vendors. Atlas Honda has successfully built a vast and reliable vendor ecosystem that supports the high localization of its products. This





-A Glimpse of our Vendor's Premises

localization not only makes the products cost-effective but also enhances responsiveness to market needs. The Supply Chain and Quality Assurance departments work in close coordination to ensure that all parts sourced from vendors strictly comply with the Company's quality standards. This collaborative approach allows the Company to maintain consistency and reliability in its product offerings.

To support continuous quality enhancement, the Company regularly conducts a wide range of training and development programs. These include vendor improvement programs, service instructor quality programs, training sessions for

service and dealership staff, and specialized courses like the quality control foreman course. These programs not only foster a culture of excellence but also ensure that all stakeholders are aligned with the Company's commitment to superior quality and customer satisfaction.

In summary, Atlas Honda's product development strategy is a well-orchestrated blend of R&D, vendor collaboration, global quality alignment, and human resource development. This comprehensive approach enables the Company to consistently deliver innovative, reliable, and customer-centric two-wheeler solutions.



-A Glimpse of our Vendor's Premises





Future Outlook and Risk & Opportunities

- Forward Looking Statement
- Performance vs Last Year Disclosure
- Major Capex and Status of Projects
- Significant Plans and Decisions
- Future R&D Initiatives
- Risk Management Framework
- Strategy for Key Risk and Opportunities
- Supply Chain Disruptions Risks and Strategy

Forward Looking Statement



In FY25, Pakistan's economic environment demonstrated steady improvement, driven by the Government's continued commitment to a disciplined policy framework. These efforts enhanced the confidence of both multilateral and bilateral development partners. The ongoing support through the IMF's Extended Fund Facility (EFF) played a pivotal role in strengthening foreign exchange reserves and stabilizing the external account. This progress contributed to improved investor sentiment and a more resilient macroeconomic outlook. Consequently, GDP growth is expected to rise to 3.0% in FY25, up from 2.5% in the previous fiscal year, positioning the economy for sustained growth and greater structural stability in the medium term.

In the foreseeable future Pakistan's economic outlook remains encouraging, driven by ongoing reforms and improving external dynamics. Although challenges such as escalating geo-political tensions and trade restrictions could impact on the external sector, they also present an opportunity to boost export competitiveness and expand into new markets. The government's steadfast commitment to structural reforms under the IMF program will be vital in preserving fiscal responsibility and ensuring economic resilience. As inflation begins to ease and industrial output gradually improves, the economy is positioned to return to stronger growth provided that both internal and external risks are effectively managed.

The automotive industry is on the brink of major transformation, driven by rapid technological advancements. Considering this evolving landscape, our Company provides innovative, affordable, and fuel-efficient two-wheelers that cater to the varied needs of our customers, while actively supporting the transition towards a sustainable future.

In the immediate horizon, the Company will continue to focus on Pakistan's ICE motorcycle market by leveraging its strong brand reputation, cost-efficient production, widespread dealership network. In the short term, the focus will be to increase localization to counter rupee depreciation, introduce new ICE variants with premium aesthetics to attract the youth, and to increase our aftersales services.

The Company remains cautiously optimistic about the future of electric motorcycles, recognizing their potential as a sustainable transportation solution. However, the current market conditions in the country present significant challenges, primarily due to the underdeveloped charging infrastructure and the high cost of EV motorcycles driven by expensive battery components. As a result, widespread adoption remains limited, and the EV segment is expected to cater only to a niche customer base in the near to medium term. The Company continues to monitor market developments and policy support while focusing on research and development to stay prepared for a gradual transition towards electrification.

Moreover, in the medium to long term, the Company aspires to build a versatile EV motorcycle portfolio, positioning itself for future demand. To support this vision, the Company is committed to developing the EV ecosystem. By 2030, the Company aims to secure a formidable share in Pakistan's EV market, targeting urban riders, delivery services, and government fleet programs. High-quality, locally assembled e-bikes will differentiate the Company from its competitors and leverage its strong brand reputation. Trade-in schemes and loyalty programs will help retain customers during the transition.

Atlas Honda remains steadfast in its mission to lead Pakistan's two-wheeler market by anticipating industry shifts, embracing innovation, and maintaining operational excellence. The Company is strategically preparing for the evolving future; ensuring sustainable growth, stakeholder value, and long-term competitiveness.



Performance vs Last Year Disclosure



As predicted in the last year's forward looking statement, Pakistan's motorcycle industry recorded a strong 30% rebound, supported by a V-shaped economic recovery. This growth was fueled by declining inflation and monetary policy rates, improved liquidity in the agricultural sector, and increased remittance inflows. Continued demand for affordable, fuel-efficient transportation, especially in rural areas, played a pivotal role. The recovery was further boosted by the release of previously suppressed consumer demand due to earlier economic constraints. Amidst this revival, the Company introduced model changes in its product portfolio

and focused on expanding dealer networks and after-sales services to strengthen customer satisfaction and long-term loyalty.

Regarding the technological advancements in the evolving motorcycle industry, the Company has aligned its strategy with government policy support and remains committed to deliver innovative, cost-effective and fuel efficient motorcycles that meet the diverse needs of our customers while contributing to a more sustainable future.

Sources of information & assumptions used for projections in the forward-looking statement

Atlas Honda prepares its budgets, forecasts, and forward-looking statements through a structured and collaborative planning process, aligned with the Company's strategic objectives and evolving market dynamics. These forward-looking statements are based on a combination of internal assessments and external data, incorporating both historical performance and future expectations.

External assumptions are based on comprehensive evaluations of macroeconomic and microeconomic factors, including GDP growth rates, inflation, interest and exchange rate projections, global and domestic raw material price trends, and regulatory developments relevant to the automotive sector. The Company also considers insights from government publications, industry reports, taxation and regulatory data, analyst forecasts, and competitor strategies, along with broader geopolitical and market trends, which may influence future performance.

Internally, the Company gathers data from all critical business functions such as Marketing, Commercial & Planning, Production, Finance, Information Technology, and Human Resources. This information is supported by robust Management Information Systems (MIS) that provide timely and accurate data. Internal insights are corroborated with external data to develop realistic assumptions and reliable projections.

These inputs form the foundation of the Company's forward-looking statements, which reflect the Company's current expectations, plans, and strategic direction. The planning process also includes scenario planning, sensitivity analysis and internal capacity assessments to address uncertainties and potential risks. This ensures that the projections reflect well-informed assumptions and align with the long-term interests of the Company and its stakeholders.

Major Capex & Status of Projects

As a leading manufacturer of two-wheelers in Pakistan, our Company remains committed to strengthening its operational foundation through strategic capital investments. Over the years, we have scaled our production capacity to 1.5 million units per annum, enabling us to cater to the growing market demand while maintaining product quality and operational efficiency.

One of our key initiatives in the past have been the installation solar energy project with a capacity of 8 MW at our manufacturing facilities in Karachi and Sheikhpura. This investment marks a significant step towards reducing reliance on conventional energy sources, improving cost efficiency, and supporting our commitment to environmental stewardship.

Capital expenditure during the year was directed towards balancing, modernization, and replacement (BMR) initiatives, as well as safety enhancements and sustainability-related projects. These investments are critical to ensuring uninterrupted operations, compliance with regulatory requirements, and long-term competitiveness.

In terms of projects in progress, several automation and BMR-related initiatives have entered advanced implementation phases. These include the modernization of key assembly lines, energy-efficient upgradation in manufacturing sections, and digitalization of supply chain planning tools. All projects are progressing within planned timelines.

All major capital expenditure projects undergo rigorous financial evaluation using key metrics such as net present value (NPV), internal rate of return (IRR), payback period, and projected cash flow impact. The investment decisions are aligned with our long-term strategic objectives and are regularly reviewed and approved by the Board of Directors.

Through disciplined financial management and a forward-looking approach, we continue to enhance production capabilities, adopt cleaner energy, and fortify our infrastructure to support sustained growth and value creation for our stakeholders.



Significant Plans and Decisions

With a legacy of disciplined growth and continuous investment in its manufacturing infrastructure, the Company remains focused on advancing its long-term strategic roadmap. Building upon our current annual production capacity of 1.5 million units, the Company is committed to reinforcing our leadership in the two-wheeler segment by pursuing well-structured expansion and efficiency enhancement initiatives.

In the coming year, the Company will channel its efforts toward sustainable growth, technological advancements, and deeper market penetration. Plans are underway to upgrade key manufacturing facilities through balancing, modernization, and replacement (BMR) projects, which will further enhance operational resilience and product quality.

The Company is actively exploring opportunities to introduce new two-wheeler models and embracing new technologies that align with evolving consumer preferences, while also enhancing existing model variants to offer improved performance, safety, and fuel efficiency.

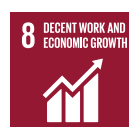
The Company remains firmly committed to its localization strategy, which plays a vital role in mitigating foreign exchange risks and supporting the domestic vendor base. In the upcoming period, we plan to deepen localization

efforts across critical components including parts, materials, and dies & jigs—reducing reliance on imported inputs and contributing to national economic stability.

To expand our commercial footprint, the Company will continue to identify and enter new regional markets and invest in the expansion of our dealership network. These initiatives will not only increase market access but also enhance customer touchpoints and after-sales support capabilities.

Additionally, a significant portion of the Company planned capital investment will focus on energy efficiency, sustainability, and workplace safety. This includes further development in renewable energy projects, such as solar capacity expansion, and continuous improvements in occupational health and safety standards across all facilities

From a Governance perspective, the Board of Directors confirms that there are no current plans for corporate restructuring, business expansion into unrelated segments, or discontinuation of operations. The Company continues to operate with stability and focus within its existing business domain, with all significant decisions oriented toward sustainable, organic growth and value creation for stakeholders.



Future R&D Initiatives



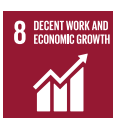
Research and Development (R&D) continues to be a foundational pillar of our growth strategy. Since our inception, we have emphasized continuous innovation to improve vehicle performance, safety, fuel efficiency, and user experience. Our R&D has played a pivotal role in adapting global technologies to local needs, ensuring that our products consistently meet customer expectations and regulatory benchmarks.

This year, the Company intensified its R&D focus in two key areas:

- 1. Product Innovation:** Special attention has been given to meeting future emission norms and improving vehicle durability in local road conditions.
- 2. Eco-friendly Mobility:** To provide eco-friendly electric mobility, the Company has initiated focused R&D on electric two-wheeler the 'Benly-e'. The Company is actively pursuing adoption of technological advancements and in this respect, significant feasibility assessments are ongoing to align with government policies and regulations.

- 3. Localization:** A key focus is on localization of critical components, parts, and manufacturing tools (such as dies and jigs) to enhance supply chain resilience and reduce reliance on imports. This strategy not only supports national industrialization goals but also helps minimize cost volatility linked to currency devaluation and international logistics disruptions. Localization also ensures better quality control and faster response times to market demands.

Research and Development Initiatives continues to play a strategic role not only in developing new products but also in improving existing ones through cost optimization, material substitution, and performance enhancement. Going forward, we remain committed to strengthening our innovation eco-system to meet the challenges of an evolving mobility paradigm.



Risk Management Framework

Our Risk Management Framework

Atlas Honda Limited's Risk Management Framework is a structured and integrated approach designed to identify, assess, mitigate, and monitor risks that may impact its strategic objectives, operations, or stakeholder value. This framework builds upon the Company's established Enterprise Risk Management (ERM) model, which has served as a comprehensive system for evaluating and managing risks across the organization. The ERM framework focuses on identifying potential risks, defining strategies to manage their impact, and implementing mechanisms to monitor the effectiveness of mitigation efforts. Risks are prioritized based on their potential severity, and remedial actions are planned and executed accordingly.

Risk Identification

This involves the systematic identification of internal and external risks that could affect the Company's operations, reputation, or financial health. Risks are identified through cross-functional communication, market intelligence, and incident analyses.

Risk Assessment and Methodology

Once identified, risks are assessed using a standardized risk matrix based on two parameters: likelihood of occurrence and potential impact. This 6x6 matrix helps classify risks into three categories: Low, Moderate and High. The Company continues to apply the principles of its ERM process here, ensuring that high-priority risks are escalated and addressed through strategic planning and control measures.

Risk Appetite and Mitigation Planning

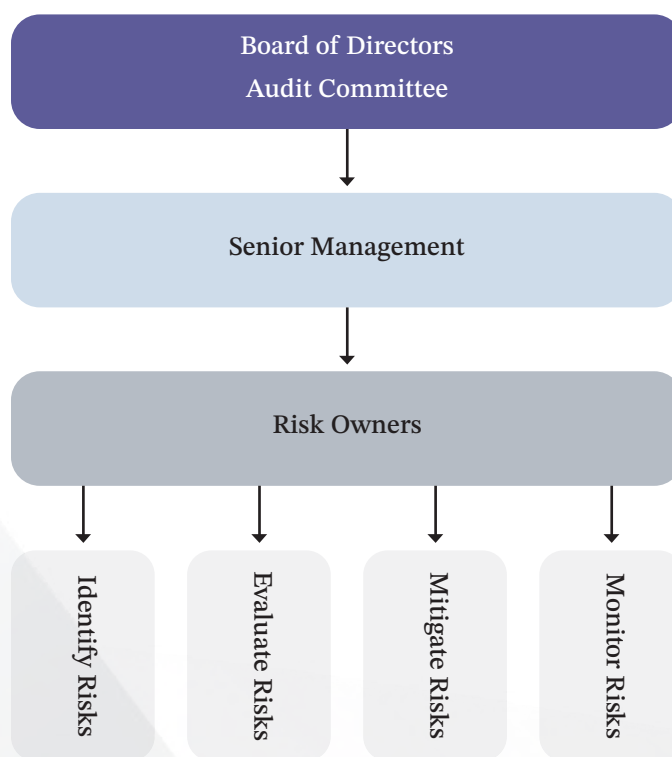
The risk appetite—the level of risk the Company is willing to accept in pursuit of its objectives. For each high or critical risk, a mitigation plan is developed, which includes identifying existing controls, assigning mitigation owners and setting deadlines.

Risk Monitoring and Reporting

Risk monitoring is performed on a continuous basis. The RMF compiles results, observations, and changes in the risk environment and reports them to the Risk Management Committee.

Continuous Improvement

The framework is designed to evolve with the business. It is subject to annual review and refinement, taking into account audit findings, external benchmarks, and feedback from stakeholders.



Three Lines Model

The Company's Risk Management Framework is aligned with the globally recognized Three Lines Model issued by the Institute of Internal Auditors (IIA), which clarifies roles and responsibilities in achieving effective governance, risk management, and internal control. Under this model:

- The First Line consists of functional heads and operational teams (risk owners) who manage risks directly as part of their day-to-day activities.
- The Second Line comprises oversight functions such as the Risk Management Function (RMF) and Compliance, which develop risk frameworks, monitor adherence to policies, and support effective risk mitigation across the Company.
- The Third Line is the Internal Audit function, which provides independent and objective assurance to the Board and Audit Committee on the adequacy and effectiveness of the risk management framework, internal controls, and governance practices.

This structured layering ensures clear accountability, minimizes duplication, and strengthens transparency in risk oversight. Internal Audit plays a pivotal role by evaluating whether the risk management activities performed by the first and second lines are functioning as intended and aligned with the Company's risk appetite and strategic objectives. This integrated approach enhances the Company's ability to anticipate, respond to, and learn from risks, while safeguarding stakeholder value and ensuring governance maturity.

Board			Accountability to stakeholders for organisational oversight
Board Committees			
Enterprise Risk & Compliance Committee			
Third Line	Internal Audit		Independent and objective assurance and advice on all matters related to the achievements of objectives
Second line	Enterprise Risk Management Expert Risk & Control Functions		Expertise, support, monitoring and challenge on risk-related matters
First line	Business Unit	Functions	Leads and directs actions and application of resources to achieve the objectives of the organization

Our Principal Risks

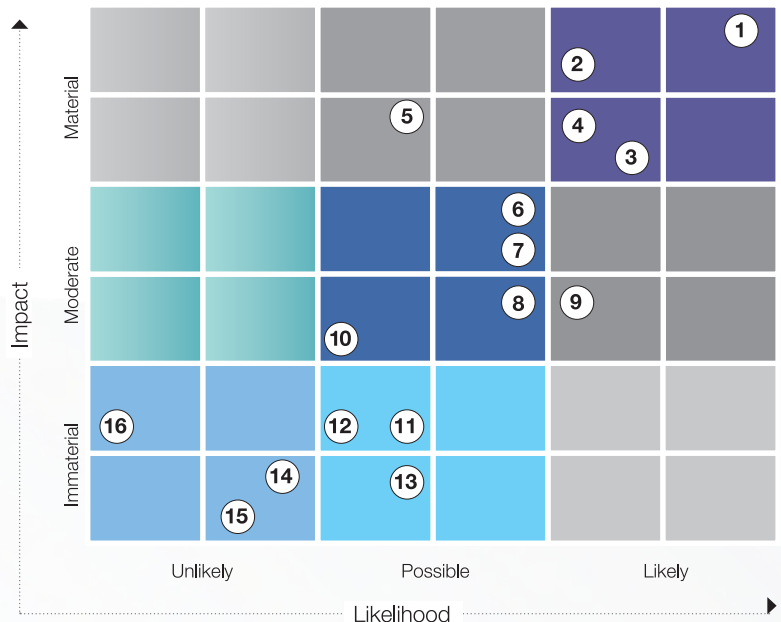
Risks are identified, assessed and measured against a defined set of criteria to consider the likelihood of occurrence and potential impact to the business, facilitated

by our ERM framework. Plotting our principal risks on a risk map helps to visualise each risk profile as well as targeting to bring each risk back within a tolerable level.

Principal risks at a glance

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

The potential impact and likelihood of our key risks



Key

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

Current risks

1. Materiality Approach

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

2. Key Source of Uncertainty

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

Strategy for Key Risks and Opportunities

01. Economic and Political Environment



About Risk

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

Risk Source	Risk Appetite	Category
External	High	Strategic Risk



Mitigations

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



Objective

To maintain stability, resilience and achieve sustainable growth.



Opportunities

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

02. Information and Cyber Securities



About Risk

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

Risk Source	Risk Appetite	Category
External	Low	Operational Risk



Mitigations

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



Objective

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



Opportunities

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

03. Exchange Rate Fluctuations



About Risk

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

Risk Source	Risk Appetite	Category
External	High	Financial Risk



Mitigations

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



Objective

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



Opportunities

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

04. Commodity Price



About Risk

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

Risk Source	Risk Appetite	Category
External	Moderate	Financial Risk



Mitigations

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



Objective

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



Opportunities

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

05. Regulations and Compliance



About Risk

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

Risk Source	Risk Appetite	Category
External	Low	Legal and Compliance Risk



Mitigations

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



Objective

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



Opportunities

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

06. Talent and Capability



About Risk

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

Risk Source	Risk Appetite	Category
External	High	Operational Risk



Mitigations

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



Objective

Commitment to high performance culture and conducive work environment.



Opportunities

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

07. Climate Changes



About Risk

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

Risk Source	Risk Appetite	Category
External	Moderate	Strategic Risk



Mitigations

We continuously thrive to reduce our environmental footprint by developing products with higher efficiency that reduces the CO₂ Emissions. Further, the Company focuses on environmental protection through plantation drives across the country. For more information, please refer environmental section of our sustainability report.



Objective

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



Opportunities

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

08. Intellectual Property (IP) Rights Protection



About Risk

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

Risk Source	Risk Appetite	Category
External	Moderate	Legal and Compliance Risk



Mitigations

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



Objective

To protect our intellectual property rights.



Opportunities

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

09. Change in Technology



About Risk

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

Risk Source	Risk Appetite	Category
External	Moderate	Strategic Risk



Mitigations

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



Objective

To proactively assess, embrace, and integrate emerging technologies.



Opportunities

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

10. Dependence on Vendors for Success of Our Business



About Risk

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

Risk Source	Risk Appetite	Category
External	Moderate	Operational Risk



Mitigations

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



Objective

To diversify and strengthen the vendor ecosystem.



Opportunities

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

11. Counterparty Default



About Risk

Counterparty defaults possess risk of impairment of assets.

Risk Source	Risk Appetite	Category
External	Low	Financial Risk



Mitigations

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



Objective

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



Opportunities

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

12. Market Competition



About Risk

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

Risk Source	Risk Appetite	Category
External	Moderate	Strategic Risk



Mitigations

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



Objective

Sustain our competitive positioning.



Opportunities

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

13. Safe Working Environment



About Risk

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

Risk Source	Risk Appetite	Category
Internal/External	Low	Operational Risk



Mitigations

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



Objective

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



Opportunities

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

14. Unethical and Prohibited Business Practices



About Risk

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

Risk Source	Risk Appetite	Category
External	Low	Legal and Compliance Risk



Mitigations

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



Objective

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



Opportunities

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

15. Competitive Business Efficiency



About Risk

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

Risk Source	Risk Appetite	Category
External	Low	Financial Risk



Mitigations

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



Objective

To optimize the shareholders' value.



Opportunities

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

16. Product Liability and Recalls



About Risk

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

Risk Source

External

Risk Appetite

Moderate

Category

Operational Risk



Mitigations

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



Objective

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



Opportunities

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

Statement from the Board for determining the following:

a) Company's Level of Risk Tolerance by Establishing Risk Management Policies;

The Board of Directors is responsible for approving the Company's risk management policy, which defines the acceptable levels of risk that the organization is willing to assume in pursuit of its strategic and operational objectives. This policy provides a structured framework to guide business decisions across the Company while ensuring that risk-taking remains within established thresholds. The Board also provides high-level direction on strategic risk matters and oversees organizational risk appetite to ensure alignment with long-term value creation.

The Company-level risk management is led by the Risk Management Function (RMF), which works closely with business units to identify and assess risk exposures across various domains. Business units are responsible for managing risks at the operational level within defined risk boundaries. The risk tolerance levels are periodically reviewed and updated to reflect changes in the external environment, regulatory requirements, and internal capabilities, ensuring that the Company maintains a sound and adaptable risk posture.

b) Company's Robust Assessment of Principal Risks Affecting Business Model, Performance, Solvency, or Liquidity;

The Company maintains a robust and ongoing process to identify, evaluate, and manage the principal risks that could materially impact its business model, performance, solvency, or liquidity. This is achieved through continuous assessment of the external business environment, internal risk indicators, and operational data. The Risk Management Function (RMF) conducts regular reviews and reports its findings to the Risk Management Committee, which evaluates the Company's business risk profile, the effectiveness of existing controls, and the adequacy of mitigation strategies.

The Committee provides its recommendations to the CEO and collaborates with the Audit Committee, which further reviews the effectiveness of risk management in supporting the Company's financial stability and operational continuity. This cross-functional engagement ensures that emerging risks are quickly identified and addressed, while long-standing exposures are monitored and managed systematically. The entire framework is embedded into day-to-day operations and governance structures, ensuring that risk management remains dynamic and responsive to change.

Supply Chain Disruption Risks and Strategy

As a manufacturer of two-wheelers, our operations rely on a robust and responsive supply chain that sources components from multiple local and global suppliers. However, Environmental, Social, and Governance (ESG) related disruptions can significantly affect continuity, quality, and cost efficiency of our operations. Recognizing this, we have implemented a comprehensive strategy to assess, monitor, and mitigate these risks to ensure business resilience and responsible operations.

 Particulars	 Environmental	 Social	 Governance
Risks	<ul style="list-style-type: none"> • Extreme weather events (e.g., floods, heatwaves) disrupting logistics and production. • Energy crises or grid line losses increasing operational costs. • Regulatory changes impacting emission norms or material use. • Delays in component supply due to environmental non-compliance of vendors. 	<ul style="list-style-type: none"> • Labor unrest or strikes at supplier plants affecting parts availability. • Unsafe or unethical labor practices (e.g., child labor, exploitation) by suppliers. • Social unrest or protests in supplier regions delaying dispatches. • Negative media or community backlash from association with non-compliant vendors. • Lack of diversity and inclusion practices in key supplier operations. • Geopolitical tensions causing indirect disruption to global commodity flows. 	<ul style="list-style-type: none"> • Legal non-compliance (e.g., import duties, safety standards) by suppliers. • Fraud, corruption, or bribery-related practices among procurement partners. • Data security breaches impacting procurement and supply planning. • Poor governance structures or documentation from smaller vendors. • Over-reliance on limited suppliers for critical components.
Monitoring & Mitigation Strategy	<ul style="list-style-type: none"> • Diversified supplier base across regions to reduce concentration risk. • Invested in renewable energy solutions (e.g., 8 MW solar capacity) to lower dependence on grid. • Conduct environmental audits of key suppliers. • Promote local sourcing to reduce long-haul emissions and logistics risks. 	<ul style="list-style-type: none"> • Inducting vendors with proven track record of ethical labor practices. • Regular third-party audits for high-risk suppliers. • Promote local vendor development and multiple sourcing for stability. • Implement grievance redressal channels in supply chain governance. • Encourage supplier alignment with our human rights and workplace safety standards. 	<ul style="list-style-type: none"> • Enforce compliance with Supplier Code of Conduct (ethics, transparency, anti-corruption). • Governance due diligence and background checks of suppliers. • Implement digital traceability tools in procurement. • Maintain multiple vendors to reduce dependence on single sourcing. • Regular cybersecurity risk assessment of vendor systems. • Local sourcing and multi-vendor strategies to reduce geopolitical exposure

The background image shows a professional conference room. A large, light-colored curved table is in the foreground, with several blue upholstered chairs arranged around it. On the wall, there is a large black flat-screen TV. The room has a modern, minimalist design with light wood paneling on the walls and ceiling. The lighting is warm and even.

Corporate Governance

- Chariman's Review
- Director's Report to Shareholders
- Report of the Board Audit Committee
- Statement of Compliance with the Code of Corporate Governance (CCG)
- Review Report on the State of Compliance with the CCG
- Corporate Governance and Compliance
- Board Approved Policies
- Human Resource Management
- IT Governance and Cybersecurity
- Digital Transformation
- Stakeholder's Relationship and Engagement
- Striving for Excellence





Chairman's Review

I am pleased to present the 61st Integrated Annual Report of the Company for the year ended March 31, 2025.

Macroeconomic Overview

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

On the external front, the current account posted a surplus of USD 1.86 billion during 9M FY25, compared to a deficit of USD 1.65 billion in the same period last year. This improvement was supported by an 8.7% year-on-year growth in exports and a sharp rise in worker remittances. Remittances reached a new high of USD 28.03 billion, up from USD 21.04 billion in the previous year. A gradual pickup in economic activity led to an 8.0% increase in imports. As a result, the trade deficit widened to USD 21.05 billion in 9M FY25, marking a rise of 14.7% compared to the same period last year. On the other hand, the State Bank of Pakistan's (SBP) foreign exchange reserves increased by 22.5%, reaching to USD 15.58 billion. Meanwhile, the Pak Rupee remained broadly stable, closing at Rs. 280.

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

The agriculture sector showed mixed performance. Major Kharif crops declined sharply. Cotton production dropped by 30.7%, and maize fell by 15.4%. The fall in output was mainly due to unfavorable weather conditions and a high base from the previous year.

For the Rabi season 2024-25, wheat production is targeted at 27.9 million tons. Government support through input subsidies, high-yield seed distribution, and the Kissan Card scheme is helping farmers improve productivity. Agriculture

credit rose by 33.7%, providing greater access to finance and supporting rural economic growth.

Large-Scale Manufacturing (LSM) showed signs of mixed recovery. The sector contracted by 1.8% during 7M FY25. However, 11 out of 22 sectors posted growth, including textiles and apparels, petroleum products, pharmaceuticals, and tobacco. The recent reduction in electricity tariffs is expected to support the manufacturing sector by lowering production costs and improving competitiveness in international markets. Targeted actions by the Special Investment Facilitation Council (SIFC) are also underway to address ongoing challenges and promote industrial growth.

Two-Wheeler Industry

The motorcycle industry in Pakistan witnessed a strong recovery of 30%. Growth was supported by improved economic conditions, including a sharp decline in inflation, stronger agricultural liquidity, and rising remittance inflows. Demand for affordable and fuel-efficient transportation, particularly in rural areas, remained a key driver. The release of deferred consumer demand following the economic challenges of earlier years also contributed to the surge. Additionally, rising global and domestic interest in electric vehicles (EVs) is opening avenues for innovation and diversification. For traditional manufacturers, the shift toward greener mobility presents not just a challenge but also a significant opportunity to lead the transition, expand product offerings, and capture emerging market segments.

The Company

For over six decades, the Company has consistently delivered affordable and high-quality mobility solutions. It continues to embrace new technologies to improve productivity and maintain a competitive edge. Regular updates to the product line-up and enhancements in after-sales services provide greater value to customers. In the past, the Company launched premium Pro Honda engine oil, advanced its greener mobility initiatives, and introduced further automation at its stamping plant and assembly lines.

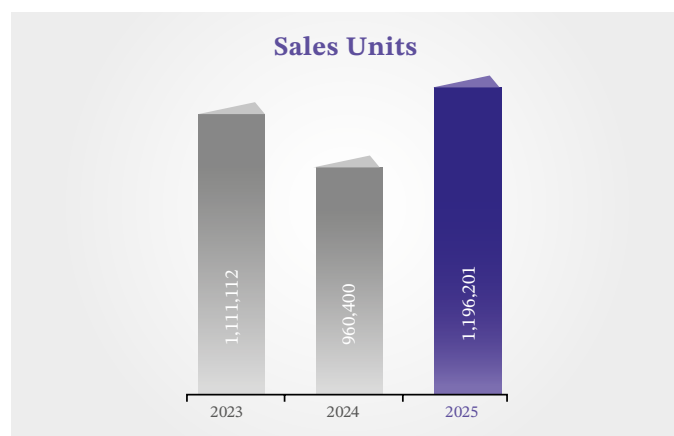
Sales Performance

The 70cc motorcycle category, the largest segment in the two-wheeler industry, continued to lead the market, reflecting 22% year-on-year growth. The introduction of a new MMC model created product differentiation, which helped accelerate sales volumes. Attractive pre-crop credit schemes, exchange offers, and reinforced marketing and digital campaigns ensured a steady customer flow. Additionally, the launch of a new CD70 variant broadened customer choice and strengthened the brand's appeal among trend-conscious riders.

In the 100cc category, demand for “Pridor” remained strong. The model is designed to offer customers comfortable commuting experience with maximum fuel efficiency. During the year, an MMC was introduced, supported by a special “Blue Color” campaign to enhance customer engagement. Localized marketing efforts and influencer activities further strengthened the brand’s appeal. With a 35% year-on-year sales growth, the Company remains optimistic about expanding the annual customer base to over 50,000.

The 125cc category continued to gain market share within the two-wheeler industry, driven by a shift in customer preferences toward higher engine displacements, particularly in urban areas. MMCs were introduced for the CG125, CG125S Gold, and Chrome editions, all of which were well received by performance-focused riders. Strategic initiatives, including credit offers, exchange galas, and digital marketing activities, helped sustain sales momentum. The category recorded a strong year-on-year sales growth of 30 % during FY25.

The Spare Parts Division delivered a strong performance with sales reaching Rs. 20.7 billion, reflecting double digit growth over the previous year. Growth was driven by improved product availability, strategic pricing, and expansion into underserved markets. Several new parts were launched to meet customer demand. Customer reach expanded as the 1S network entered



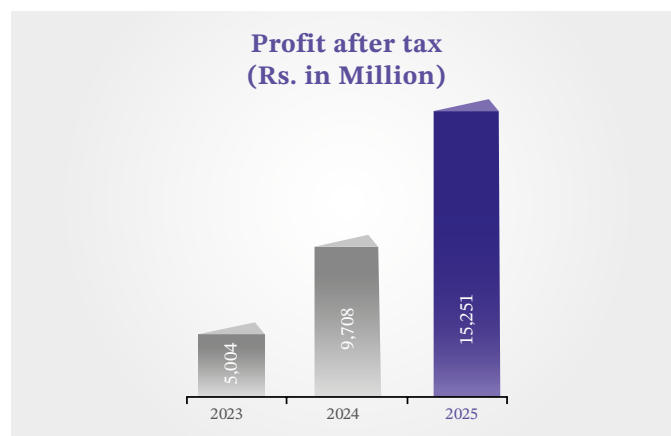
high-potential areas. The 3S network contribution rose significantly, supported by stronger promotions and improved supply chain linkages. In the lubricants segment, the launch of Pro Honda premium engine oil and revamped label designs helped capture additional market share. Digitally, targeted social media campaigns and an upgraded portal enabled engagement with over 3 million customers monthly, further strengthening customer connectivity.

Financial Performance

The Company’s operating results, financial position and net assets are indicative of a strong financial condition. The Company achieved net sales of Rs. 204 billion, an increase of 28.0% compared to the corresponding period of the last year. The gross profit increased from Rs. 12.2 billion to Rs. 22.2 billion, up by 81.4% as a result of higher sales volume, better sales mix, and stable exchange rates. Sales and marketing expenses rose to Rs. 4.4 billion, an increase of 20.7% attributable to promotional activities related to



after sales and general inflation. Administrative expenses also increased by 21.7% mainly due to inflation and CSR initiatives. Other income, net of other operating expenses and financial charges, contributed an impressive Rs. 7.8 billion to the bottom line on account of efficient treasury operations. The above factors supported the Company in achieving profit before tax and levies of Rs. 24.3 billion as compared to profit before tax of Rs. 15.7 billion in the same period last year. Resultantly, the profit after tax stood at Rs.15.25 billion, up by 57.1%. This translated into Earnings per Share (EPS) of Rs. 122.91 against Rs. 78.24 in the corresponding period of last year.

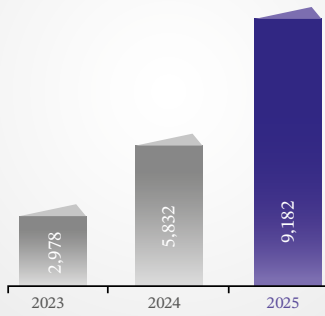


During the year, the Company contributed an amount of Rs. 54.7 billion to the Government and its agencies on account of various taxes and levies. As a constituent member of the Atlas Group, the Company played a significant role in the Group’s substantial contribution to the national exchequer, establishing the Atlas Group among the highest taxpayers in the country.

Dividend Policy

The Company remains committed to maintaining a consistent approach to profit allocation. Dividend distribution decisions are made carefully, taking into account business requirements, growth opportunities, and strategic considerations. In line with the Company’s dividend policy, the Board of Directors has proposed a final cash dividend of Rs. 42 per share. This is in addition to the interim dividend of Rs. 32.0 per share declared in October 2024, bringing the total dividend for the year to Rs. 74 per share.

Cash Dividend (Rs. in Million)



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

سے چشم داکردو جہان دیگرے پیدا شد

(Renewed efforts will bring renewed results)

Acknowledgment

Operations Review

During the year, the Company remained committed to continuous improvement with a strong focus on enhancing productivity, optimizing processes, and reducing costs. The adoption of robotic arms and optimized shift operations contributed to a 9.4% increase in productivity. Supply chain resilience was strengthened through enhanced vendor partnerships, multi-sourcing of parts, and centralized procurement of critical materials, leading to meaningful cost reductions. Quality assurance was upheld through regular supplier audits and improved inspection practices. Digitalization efforts accelerated with the implementation of S/4 HANA, BI dashboards, and automation of payment processes. The Company's focus on sustainability and cost efficiency was reinforced by ongoing green energy initiatives. Solar power adoption increased the green energy share by 6%, helping to reduce the carbon footprint. A 28% reduction in water consumption was also achieved through reuse strategies. The details of Company's sustainable practices and its impact on Company's financial performance are presented in 'Sustainability Report' which forms an integral part of this annual report.

Awards

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

- Corporate Reporting Award received from ICAP
- Sustainability Reporting Awarded by The National Forum for Environment and Health (NFEH)

Future Outlook

Moving forward, Pakistan's economic outlook appears positive, supported by ongoing reforms and favorable external conditions. Rising geopolitical tensions and trade tariffs present challenges, particularly for the external sector. These risks, however, also create opportunities to strengthen export competitiveness and diversify trade partnerships. The government's commitment to structural reforms under the IMF program will be critical for maintaining fiscal discipline and economic stability. With inflation easing and industrial activity gradually recovering, the economy is well positioned to regain strong growth, provided external and domestic challenges are addressed effectively.



The Atlas Group takes great pride in its partnership with Honda Motor Company. We wish to acknowledge their continued support and cooperation in maintaining high standards of excellence. I would like to thank our valued customers for their ongoing trust, the management team for their dedicated efforts, the Board of Directors for their guidance, and Mr. Saquib H. Shirazi - CEO, for his inspiring leadership. I also express gratitude to all stakeholders - including bankers, dealers, vendors, associates and shareholders for their decisive role in supporting Atlas Honda Limited over the last 61 years.

Aamir H. Shirazi
Dated: April 30, 2025
Karachi

Directors' Report to Shareholders

The Directors of the Company are pleased to present their report together with the 61st Annual Report of the Company along with the Annual Audited Financial Statements for the year ended March 31, 2025.

Operating Results

The operating results of the Company are summarized as follows:

	Year ended March 31, 2025	Year ended March 31, 2024
-----Rupees in '000-----		
Profit before taxation	24,341,667	15,738,098
Taxes and levies	9,090,052	6,030,053
Profit after taxation	15,251,615	9,708,045

Dividends and Appropriations

The Directors have recommended a final cash dividend of Rs. 42 per share (2024: Rs. 30.00 per share final cash dividend).

Accordingly, the appropriation of profit will be as under:

	Year ended March 31, 2025	Year ended March 31, 2024
-----Rupees in '000-----		
Profit available for appropriation	29,560,355	20,104,067
Appropriation:		
Transfer to General Reserves	-	-
Interim Cash Dividend 320% (2024: 170%)	3,970,814	2,109,495
Final Cash Dividend 420% (2024: 300%)	5,211,696	3,722,637
	3,970,814	5,832,132
Un-appropriated profit carried forward	17,647,913	14,271,935

Accordingly, the appropriation of profit will be as under:

Earnings per Share

The Basic and Diluted earnings per share after tax is Rs. 122.91 (2024 - Rs. 78.24).

Holding Company

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

Chairman's Review

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

Board of Directors and its Committees

The Board

The Board comprises of two independent Directors (including one female director), three executive and three non-executive Directors. The Directors of the Company were elected in Extraordinary General meeting of the Company held on March 13, 2023. On April 01, 2024, Mr. Nurul Hoda resigned as Director and Mr. Azam Faruque was appointed in his place, furthermore on April 01, 2025, Mr. Tetsuya Komine resigned as Director and Mr. Koji Sugita was appointed in his place, respectively.

Human Resource and Remuneration (HR&R) Committee

The Committee meets to review and recommend all elements of the compensation, organization and employee development policies relating to the senior executives' remuneration and to approve all matters relating to the remunerations of the executive directors and members of the management committee. The CEO of the Company and the Head of HR of Atlas Honda Limited attended the Human Resource and Remuneration Committee meeting. The Committee met once during FY 2024-25.

Following are the members of the Committee:

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

Board Audit Committee (BAC)

The Board Audit Committee assists the Board in fulfilling its oversight responsibilities, primarily in reviewing and reporting financial and non-financial information to shareholders, systems of internal control and risk management and the audit process. It has the autonomy to call for information from management and to consult directly with the external auditors or advisors as considered appropriate. The Chief Financial Officer regularly attends the Board Audit Committee meetings by invitation to present the accounts. After each meeting, the Chairperson of the Committee reports to the Board. The Committee met 4 times during FY 2024-25.

Following are the members of the Committee:

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

Meetings of the Board and its Committees in 2024-25

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

Pakistan. The attendance of the Directors and the number of their directorships in listed companies, including Atlas Honda Limited are as follows:

Sr. #	Director	Directorship	Status	Committee		Attendance		
				BAC	HR&R	BOD	BAC	HR&R
1.	Mr. Aamir H. Shirazi	4	Re-elected on March 13, 2023	-	-	5/5	-	-
2.	Mr. Saquib H. Shirazi	3	-do-	-	√	5/5	-	1/1
3.	Mr. Abid Naqvi	1	-do-	√	√	5/5	4/4	1/1
4.	Ms. Mashmooma Zehra Majeed	2	-do-	√	√	5/5	4/4	1/1
5.	Mr. Kazushi Yamanaka	1	-do-	-	-	5/5	-	-
6.	Mr. Masanori Kito	1	-do-	-	-	5/5	-	-
7.	Mr. Azam Faruque	2	Co-opted on April 1, 2024	√	-	4/5	3/4	-
8.	Mr. Tetsuya Komine	1	Co-opted on April 1, 2024, and Resigned on April 1, 2025	-	-	4/5	-	-
9.	Mr. Koji Sugita	1	Co-opted on April 1, 2025	-	-	-	-	-

Performance Evaluation of Board of Directors and Committees of the Board

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

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

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

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

Roles and Responsibilities of Chairman and CEO

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

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

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

Review of CEO's Performance

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

Directors' Remuneration

The Board has implemented a formal policy supported by transparent procedures for fixing directors' remuneration. In accordance with the Code of Corporate Governance, no Director is involved in the determination of their

own remuneration package. The Company does not pay remuneration to non-executive directors except fee for attending the meetings. In order to retain the best talent, the Company's remuneration policies are structured in line with prevailing industry trends and business practices. For information on remuneration of Directors and CEO in 2024-25, please refer notes to the Financial Statements.

External Auditors

The retiring auditor's M/s ShineWing Hameed Chaudhri & Co. Chartered Accountants, being eligible, offered themselves for re-appointment. The Audit Committee has recommended their re-appointment as auditors of the Company and their remuneration for the year 2025-26. The Board of directors endorses recommendation of the Audit Committee for their reappointment as auditors of the Company for the financial year 2025-26, to the shareholders for approval.

Internal Control Framework

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

Internal Audit

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

Material changes

There have been no material changes since March 31, 2025, to date of the report and the Company has not entered into any commitment during this period, which would have an adverse impact on the financial position of the Company.

Principal Risks and uncertainties

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

Communication

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

Safeguarding of Records

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

Business Continuity Plan

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

Human Resource Management

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

Corporate Social Responsibility

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

Strategic Objectives on ESG

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

Health, Safety and Environment

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

Statement of Value Addition

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

Corporate and Financial Reporting Framework

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

The Directors confirm that:


- The financial statements prepared by the management of the Company presents fairly its state of affairs, the results of its operations, cash flows and changes in equity
- The Company has maintained proper books of account
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment
- International Financial Reporting Standards, as applicable in Pakistan and the requirements of the Companies Act 2017 have been duly followed in preparation of the financial statements. Any departure thereof has been adequately disclosed and explained
- There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations of the Pakistan Stock Exchange
- The system of internal control is sound in design and has been effectively implemented and monitored. The process of monitoring internal controls will continue as an ongoing process with the objective to further strengthen the controls and bring improvements in the system


- There are no significant doubts about the Company's ability to continue as a going concern
- The Company operates a contributory provident fund scheme for all employees and Defined benefit gratuity fund scheme for its management / non-management employees. The value of investments based as at March 31, 2025 are as follows (PKR in millions):

Fund Name	Unaudited March 2025	Audited March 2024
Provident Fund	1,131.92	964.13
Gratuity Fund – Management	639.26	461.31
Gratuity Fund – Non management	128.39	109.88

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

On behalf of the Board of Directors


Aamir H. Shirazi
Chairman


Saquib H. Shirazi
Chief Executive Officer

Karachi: April 30, 2025

- اندرونی کنٹرول کا نظام بہترین انداز میں مرتب کیا گیا، مؤثر انداز میں لاگو کیا گیا ہے اور ساتھ ساتھ اس کی باقاعدہ نگرانی بھی کی جاتی ہے۔ اندرونی کنٹرول کی نگرانی کا عمل اس مقصد کے ساتھ جاری رہے گا کہ ان کنٹرولز کو مزید مضبوط اور بہتر بنایا جائے۔
- جاری و ساری منصوبوں اور امور کی انجام دہی کے لیے کمپنی کی بہترین صلاحیتوں پر کوئی شک نہیں کیا جاسکتا۔
- کمپنی تمام ملازمین کے لیے کنٹری بیوٹری پروڈنٹ فنڈ اسکیم اور منجمنٹ / نان منجمنٹ ملازمین کے لیے ڈیفائنڈ بینیفٹ گریجویٹ فنڈ اسکیم چلا رہی ہے۔ اس انویسٹمنٹ کی مالیت (روپے ملین میں) 31 مارچ 2025 کے لیے درج ذیل ہے۔

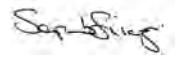
فنڈ کا نام	نمبر آؤٹ شدہ 31 مارچ 2025	آؤٹ شدہ 31 مارچ 2024
پروڈنٹ فنڈ	1,131.92	964.13
گریجویٹ فنڈ - منجمنٹ اسٹاف	639.26	461.31
گریجویٹ فنڈ - نان منجمنٹ اسٹاف	128.39	109.88

- اسٹاک ریگولیشنز کے مطابق درکار واجبات کیس اور لیوریج کی معلومات فیصلہ بخش کونسل میں درج ہیں۔
- مندرجہ ذیل کے ماربے میں بیانات سالانہ رپورٹ کے ساتھ منسلک ہیں:
- گزشتہ 6 سالوں کا کلیدی مالیاتی ڈیٹا
- شیئر ہولڈنگ کا پیرن
- ڈائریکٹرز، CFO، CEO اور کمپنی سیکریٹری کی جانب سے شیئرز کی ٹریڈنگ کی معلومات

منجانب بورڈ آف ڈائریکٹرز



عامر ایچ شیرازی
چیئر مین



نائب ایچ شیرازی
چیف ایگزیکٹو آفیسر

کراچی: 30 اپریل 2025

مکمل شدہ سوانح نامے کی وصولی کے بعد کچھ بیکری کی جانب سے اس کی رازداری کا انتہائی خیال رکھا جاتا ہے۔ اس کے بعد ان شعبوں کی نشاندہی کرنے کے لیے جائزہ لیا جاتا ہے جن میں بہتری کی ضرورت ہوتی ہے اور رائے کے اختلاف (اگر کوئی ہو) کو مٹایا گیا جاتا ہے۔

چیز میں اور چیف ایگزیکٹو آفیسر کی ذمہ داریاں

شفافیت اور گورننس کے کچھ کفر و غوغا دینے کے لیے، بورڈ آف ڈائریکٹرز کے چیئر مین اور چیف ایگزیکٹو آفیسر کے عہدے الگ الگ عہدے داروں کے پاس ہوتے ہیں جن میں کردار اور ذمہ داریوں کی واضح حد بندی کی جاتی ہے۔

چیئر مین بورڈ کے نان ایگزیکٹو ڈائریکٹرز کی نمائندگی کرتا ہے اور اسے بورڈ کی کارروائیوں کی مجموعی نگرانی اور ہدایت کی ذمہ داری سونپی جاتی ہے، اور اسے ایجنڈا طے کرنے، ہدایات دینے اور بورڈ کے اجلاسوں کے منٹس پر دستخط کرنے کا اختیار حاصل ہے۔

چیف ایگزیکٹو آفیسر ایک ایگزیکٹو ڈائریکٹر ہے جو کچھ کی انتظامی سربراہ کے طور پر بھی کام کرتا ہے۔ وہ اس سالانہ رپورٹ میں شامل ذمہ داریوں کے علاوہ بورڈ کی پالیسیوں کو تنقید کر دہ حدود میں لاگو کرنے کا مجاز ہے۔

سی ای او کی کارکردگی کا جائزہ

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

ڈائریکٹرز کا مشاہرہ

بورڈ نے ڈائریکٹرز کے مشاہرے کے تعین کے لئے شفاف طریقہ کار کے ساتھ ایک باقاعدہ پالیسی نافذ کی ہے۔ کوڈ آف کارپوریٹ گورننس کے تحت اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے مشاہرے کا تعین خود نہیں کرے گا۔ کچھ نان ایگزیکٹو ڈائریکٹرز کو مشاہرے کی ادائیگی نہیں کرتی بلکہ انہیں اجلاس میں شرکت کی فیس ادا کی جاتی ہے۔ بہترین قابلیت اور صلاحیت کے حامل لوگوں کو کچھ کے ساتھ مشکل رکھنے کے لیے کچھ نے انڈسٹری میں جاری رجحانات اور کاروباری طور طریقوں کے مطابق اپنے مشاہرے مقرر کر رکھے ہیں۔ سال 2024-25 میں ڈائریکٹرز اور چیف ایگزیکٹو آفیسر کے مشاہروں کی معلومات کے لیے فنانشیل اسٹیٹمنٹ کے نوٹس کا ملاحظہ کریں۔

ایکسٹرنل آڈیٹرز

سکدش ہونے والے ڈائریکٹرز میں ڈائریکٹرز کے مشاہرے اور دیگر ڈائریکٹرز کے مشاہرے کے اہل ہونے کی بنا پر خود کو دوبارہ تفری کے لیے پیش کر دیا ہے۔ آڈٹ کچھ نے کچھ کے لیے سال 2025-26 کے لیے ان کی دوبارہ تفری کی سفارش کی ہے۔ بورڈ آف ڈائریکٹرز مالی سال 2025-26 کے لیے کچھ کے ڈائریکٹرز کے طور پر ان کی دوبارہ تفری کے لیے آڈٹ کچھ کی تجویز کی توثیق کرتے ہیں کہ وہ منظوری کے لئے شیئر ہولڈرز کو سال کریں گے۔

انٹرنل کنٹرول فریم ورک

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

انٹرنل آڈٹ

اٹلس ہنڈ ایک خود مختار انٹرنل آڈٹ فنکشن رکھتا ہے۔ بورڈ آڈٹ کمیٹی سہ ماہی کی بنیاد پر اس کے وسائل کی مناسبت اور اختیارات کا جائزہ لیتی ہے۔ انٹرنل آڈٹ کمیٹی کا سربراہ فعال طور پر آڈٹ کمیٹی کو رپورٹ کرتا ہے۔ بورڈ آڈٹ کمیٹی آڈٹ پلان کی منظوری دیتی ہے، جو کہ آڈٹنگ ایریا کی سالانہ اور سہ ماہی کارکردگی پر مبنی ہوتا ہے۔ انٹرنل آڈٹ کا کام فنانشل، آپریشنل اور کپیڈ انٹنس کنٹرول کا جائزہ لینا اور ان کے نتائج کی رپورٹ بورڈ آڈٹ کمیٹی، چیف ایگزیکٹو اور ڈیپٹی چیئر مین کو فراہم کرنا ہے۔

اہم تبدیلیاں

31 مارچ 2025 سے رپورٹ کی تیاری تک کسی قسم کی کوئی بھی اہم تبدیلیاں نہیں کی گئی ہیں اور کچھ نے اس مدت کے دوران ایسا کوئی معاہدہ نہیں کیا ہے جس سے کچھ کی مالیاتی پوزیشن پر کسی قسم کے منفی اثرات مرتب ہوں گے۔

بنیادی خطرات اور غیر یقینی صورتحال

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

مواصلات

کچھ شیئر ہولڈرز کے ساتھ رابطہ قائم رکھنے کی اہمیت پر توجہ مرکوز کرتے ہیں۔ شیئر ہولڈرز کو سالانہ، ششماہی اور سہ ماہی رپورٹس کیخبر ایکٹ 2017 کے مطابق واضح کردہ وقت کے مطابق ارسال کی جاتی ہیں۔ کچھ کی سرگرمیاں بروقت ویب سائٹ www.atlashonda.com.pk پر اپ ڈیٹ کی جاتی ہیں۔ ڈائریکٹرز، ریویو کے مندرجات کی توثیق کرتے ہیں۔

ریکارڈز کا تحفظ

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

کاروبار کے تسلسل کا منصوبہ

کاروبار کے تسلسل کے منصوبے کے طور پر، بنیادی server میں کسی بھی قسم کی خرابی کی صورت میں ایک اپ server اور ڈیٹا کو برقرار رکھنے کے لیے ریپورٹ ڈیٹا سٹروریج سسٹم کا قیام عمل میں لایا گیا ہے۔

ہیومن ریسورس منجمنٹ

ہیومن ریسورس پلاننگ اور منجمنٹ کچھ کی سینئر منجمنٹ کی اہم توجہات میں سے ایک ہے۔ کچھ نے ہیومن ریسورس اور ریویو پوزیشن کمیٹی تشکیل دی ہے جو کہ اہم انتظامی عہدیداروں کے انتخاب، جانچ، مشاہرے اور متبادل منصوبہ بندی کے معاملات میں شامل ہوتی ہے۔ یہ ہیومن ریسورس پالیسیوں اور طریقہ کار کے بارے میں بہتری کی غارشات اور متواتر جائزے کے عمل میں شامل ہے۔ ہیومن ریسورس پالیسیوں کی تفصیلات sustainability report میں پیش کی گئی ہیں جو کہ سالانہ رپورٹ کا ایک اہم حصہ ہے۔

کارپوریٹ سماجی ذمہ داری

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

ای ایس جی پراسٹرینج مقاصد

بورڈ فعال طور پر کچھ کے ای ایس جی اقدامات کی بھرپور حمایت کرتا ہے۔ کچھ کی توجہ ای ایس جی کے تحفظات کو بنا کر اس کا اپنی حکمت عملی میں ضم کرنے پر مرکوز ہے جو طویل مدتی ترقی میں تعاون کرتے ہوئے خطرات کو کم کرتا ہے اور اسٹیک ہولڈرز کے ساتھ اعتماد کو فروغ دیتا ہے۔ کچھ کے اسٹرینج مقاصد ماحول دوستی، سماجی و ممداری اور گورننس کی مہارت پر مبنی ہیں۔ ہم کاربن فٹ پرنس کو کم کرنے، وسائل کے تحفظ، بہتر توانائی کے استعمال کو فروغ دینے اور فاضل مواد کو ماحول دوست طریقے سے پینڈل کرنے جیسے اقدامات کے لئے پُر عزم ہیں۔ کچھ کے فوکل پوائنٹس میں تنوع کا فروغ، ملازمین کی فلاح و بہبود اور کمیونٹی میں فعال طور پر حصہ لینا شامل ہے۔ کچھ کی فیصلہ سازی اخلاقی اقدار، غرافی، شفافیت اور ماحول رسک منجمنٹ پر مبنی ہوتی ہے۔ کارپوریٹ سماجی ذمہ داری میں اسٹرینج توجہ تعلیم و صحت کے تحفظ اور کمیونٹی کی خدمت پر مرکوز ہوتی ہے۔

محنت حفظ اور ماحول

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

اسٹینڈ برائے ویلہ ایم این

اسٹینڈ برائے ویلہ ایم این اور اس کی ڈسٹری بیوشن کا بیان اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

کارپوریٹ اور فاضل رپورٹنگ فریم ورک

کچھ کسی اسٹینڈ کے بغیر کارپوریٹ گورننس کے اعلیٰ معیار کو برقرار رکھنے کے لیے پُر عزم ہے۔ ڈائریکٹرز یہ بتاتے ہوئے خوش محسوس کر رہے ہیں کہ کچھ کی سکیورٹیز اینڈ ایچ جی ایم این آف پاکستان کے تقاضوں کے مطابق کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل کرتی ہے جو کہ پاکستان اسٹاک ایکسچینج کی اسٹنڈ ریگولیشنز کا ایک حصہ ہے۔

ڈائریکٹرز تصدیق کرتے ہیں کہ:

- کچھ کی انتظامیہ کی جانب سے تیار کی جانے والے مالیاتی اسٹینڈ شفافیت کے ساتھ کچھ کے اسٹینڈ آف ایگزیکٹو، آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کو پیش کرتے ہیں۔
- کچھ کاؤنٹ کی کتب و درستی کے ساتھ قائم رکھتی ہے۔
- مالیاتی اسٹینڈ کی تیاری کے لیے درست اکاؤنٹنگ پالیسیاں تسلسل کے ساتھ لاگو کی جاتی ہیں اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلوں پر مبنی ہوتے ہیں۔
- کچھ کے مالیاتی اسٹینڈ سسٹم کی تیاری میں پاکستان میں لاگو ہونے والے انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز ایکٹ 2017 کی کارکردگیات پر عمل درآمد کیا جاتا ہے۔ کسی بھی انحراف کا واضح انکشاف کیا گیا ہے
- کارپوریٹ گورننس کے بہترین طریقوں سے کوئی بڑا انحراف نہیں کیا گیا، جو کہ پاکستان اسٹاک ایکسچینج کی اسٹنڈ ریگولیشن میں تفصیلاً درج ہیں۔

شیر ہولڈرز کے لیے ڈائریکٹر رپورٹ

کمپنی کے ڈائریکٹر نہایت مسرت کے ساتھ اپنی رپورٹ بعد 31 مارچ 2025 کو ختم ہونے والے سال کے لیے کمپنی کی 61 ویں سالانہ رپورٹ اور آڈٹ شدہ مالیاتی بیانات پیش کر رہے ہیں۔

آپریٹنگ نتائج

کمپنی کے آپریٹنگ نتائج مختصر آمدندرج ذیل ہیں:

سال کا اختتام 31 مارچ 2025	سال کا اختتام 31 مارچ 2024
----- (000 روپے میں) -----	
24,341,667	15,738,098
9,090,052	6,030,053
15,251,615	9,708,045

قبل از ٹیکس منافع

ٹیکس اور لیویز

بعد از ٹیکس منافع

مقصد اور تصرفات

ڈائریکٹرز نے فنانس کیش ڈیویڈنڈ 42 روپے فی شیر (2024: 30.00 روپے فی شیر) کی سفارش کی ہے۔

سال کا اختتام 31 مارچ 2025	سال کا اختتام 31 مارچ 2024
----- (000 روپے میں) -----	
29,560,355	20,104,067
-	-
3,970,814	2,109,495
5,211,696	3,722,637
3,970,814	5,832,132
17,647,913	14,271,935

تصرفات کے لیے دستیاب منافع

تصرفات:

عام ذخائر میں منتقلی

عبوری کیش ڈیویڈنڈ 320% (2024: 170%)

فائنل کیش ڈیویڈنڈ 420% (2024: 300%)

غیر تصرف شدہ منافع آگے لایا گیا

اس کے مطابق منافع کا تصرف حسب ذیل ہوگا:

آمدنی فی شیر

بنیادی اور diluted آمدنی بعد از ٹیکس فی شیر 122.91 روپے (2024: 78.24 روپے) ہے۔

ہولڈنگ کمپنی

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

جیزین میں کا تجزیہ

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

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیاں

بورڈ:

بورڈ دو خود مختار ڈائریکٹرز (بشمول ایک خاتون ڈائریکٹر)، تین ایگزیکٹو اور تین نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔ کمپنی کے ڈائریکٹرز کا انتخاب 13 مارچ 2023 کو منعقدہ غیر معمولی اجلاس عام میں کیا گیا۔ 01 اپریل 2024 کو جناب نور الہدیٰ نے ڈائریکٹر کے عہدے سے استعفیٰ دے دیا اور ان کی جگہ جناب اعظم فاروق کا تقرر کیا گیا۔ مزید برآں، 01 اپریل 2025 کو جناب ٹینو یا کو مائن ڈائریکٹر کے عہدے سے استعفیٰ ہو گئے اور ان کی جگہ جناب کوچی سوگیتا نے ذمہ داریاں سنبھال لیں۔

انسانی وسائل اور مشاہرے (HR&R) کی کمیٹی

کمپنی تنخواہوں، آرگنائزیشن اور سینئر ایگزیکٹو ملازمین کی ترقی سے متعلقہ مشاہراتی پالیسیوں کا جائزہ لینے کے لیے اور ایگزیکٹو ڈائریکٹرز اور انتظامی کمیٹی کے مشاہروں سے متعلق تمام معاملات کی منظوری دینے کے لیے اجلاس منعقد کرتی ہے۔ کمپنی کے چیف ایگزیکٹو آفیسر اور

اٹلس ہنڈل کے ہیومن ریسورس ہیڈ نے انسانی وسائل اور مشاہرے کی کمیٹی کے اجلاس میں شرکت کی۔ کمیٹی کا اجلاس سال 2024-25 کے دوران ایک بار منعقد کیا گیا۔

کمیٹی کے ارکان مندرجہ ذیل ہیں:

- 1۔ محترمہ مشومد زہرہ مجید (چیزمین)
- 2۔ جناب عابد نقوی
- 3۔ جناب ثاقب انجی شیرازی

بورڈ کی آڈٹ کمیٹی (بی اے سی)

بورڈ کی آڈٹ کمیٹی کمپنی کے بورڈ کو اس کی ذمہ داریاں پوری کرنے، بنیادی طور پر شیرز، ہولڈرز کو مہیا کی جانے والی فنانشل اور نان فنانشل معلومات کا جائزہ لینے، اندرونی کنٹرول اور رسک مینجمنٹ کے نظام اور آڈٹ کے طریقہ کار جیسے امور انجام دینے میں معاونت فراہم کرتی ہے۔ اس کے پاس انتظامیہ سے معلومات حاصل کرنے اور براہ راست بیرونی آڈیٹرز یا مشیروں سے، یا جسے وہ مناسب سمجھیں، مشورہ کرنے کا اختیار ہے۔ چیف فنانشل آفیسر مدعو کیے جانے پر باقاعدگی کے ساتھ آڈٹ کمیٹی کے اجلاس میں شرکت کر کے اکاؤنٹس پیش کرتے ہیں۔ ہر اجلاس کے بعد کمیٹی کے چیزمین بورڈ کو رپورٹ کرتے ہیں۔ سال 2024-25 کے دوران کمیٹی کے چار اجلاس منعقد ہوئے۔

کمیٹی کے ارکان مندرجہ ذیل ہیں:

- 1۔ محترمہ مشومد زہرہ مجید (چیزمین)
- 2۔ جناب عابد نقوی
- 3۔ جناب اعظم فاروق

سال 2024-25 کے دوران بورڈ اور اس کی کمیٹیوں کے اجلاس

سال کے دوران، بورڈ آف ڈائریکٹرز کے پانچ اجلاس، بورڈ آڈٹ کمیٹی کے چار اجلاس، انسانی وسائل اور مشاہرے کا ایک اجلاس منعقد کیا گیا۔ تمام اجلاس پاکستان میں منعقد کیے گئے۔ ڈائریکٹرز کی حاضری اور سطح کمیٹیوں، بشمول اٹلس ہنڈل لمیٹڈ میں ان کی ڈائریکٹر شپس کی تعداد ذیل میں دی گئی ہے:

نمبر شمار	ڈائریکٹر	ڈائریکٹر شپ	ایٹینس	کمیٹی		حاضری	
				انسانی وسائل اور مشاہرے کی کمیٹی	بورڈ آف ڈائریکٹرز	بورڈ آڈٹ کمیٹی	انسانی وسائل اور مشاہرے کی کمیٹی
1.	جناب عامر انجی شیرازی	4	13 مارچ 2023	-	-	5/5	-
2.	جناب ثاقب انجی شیرازی	3	-do-	-	✓	5/5	1/1
3.	جناب عابد نقوی	1	-do-	✓	✓	5/5	1/1
4.	محترمہ مشومد زہرہ مجید	2	-do-	✓	✓	5/5	1/1
5.	جناب کازوکی یامانا کا	1	-do-	-	-	5/5	-
6.	جناب ماسانوری کیٹو	1	-do-	-	-	5/5	-
7.	جناب اعظم فاروق	2	01 اپریل 24	✓	-	4/5	3/4
8.	جناب ٹینو یا کو مائن	1	01 اپریل 24	-	-	4/5	-
9.	جناب کوچی سوگیتا	1	01 اپریل 25	-	-	-	-

بورڈ آف ڈائریکٹرز اور بورڈ کی کمیٹیوں کی کارکردگی کا جائزہ

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

- کارپوریٹ اہداف اور مقاصد کمپنی کے وژن اور مشن کے ساتھ مطابقت میں رکھنا۔
- پائیدار آپریشن کے لیے حکمت عملی کی تیاری۔

- بورڈ کی خود مختاری؛ اور

- متعلقہ شرائط اور حوالہ جات کے ساتھ بورڈ کی کمیٹیوں کا ان کی ذمہ داریوں کے حوالے سے تجزیہ

کوڈ آف کارپوریٹ گورننس اور عالمی سطح پر بہترین رائج طریقوں کے مطابق تیار کردہ سالانہ تشخیصی سوالنامہ کارکردگی کی جانچ کے لیے ڈائریکٹرز کو بھیجا جاتا ہے۔

کمپنی مستقبل کے تقاضوں سے ہم آہنگ رہنے، چیلنجز سے نمٹنے اور بہتر آپریشنل استعداد اور مارکیٹ میں قائدانہ حیثیت کے ذریعے ترقی کے لئے پُر عزم ہے۔ سماجی سطح پر ذمہ دار، مالی طور پر مستحکم اور آپریشنل لحاظ سے زود فہم ہونا کمپنی کے بنیادی اہداف میں شامل رہے گا۔ ”دی ایٹلس وے“ کے اصولوں پر عمل کرتے ہوئے کمپنی آنے والے برسوں میں اپنے اسٹیک ہولڈرز کے لیے ویلیو میں مسلسل اضافے کے لیے تیار ہے۔

سے چشمہ داکردو جہان دیگرے پیدا شد
(Renewed efforts will bring renewed results)

اظہار فکر

ایٹلس گروپ ہنڈاموٹر کمپنی لمیٹڈ سے اپنی شراکت داری پر فخر محسوس کرتا ہے اور اپنے ممتاز حیثیت کے اعلیٰ معیارات کو برقرار رکھنے میں ان کے مسلسل تعاون کا معترف ہے۔ میں اپنے کسٹمرز کے ہم پر اعتماد، ہماری انتظامی ٹیم کی مخلصانہ کوششوں، بورڈ آف ڈائریکٹرز کی رہنمائی اور جناب ثاقب ایچ شیرازی کو ان کی پُراثر لیڈر شپ اور اپنے اسٹیک ہولڈرز، بینکرز، ڈیلرز، ویینڈرز، ایسوسی ایٹس اور شیئر ہولڈرز کا بے حد ممنون و مشکور ہوں کہ جن کی مدد سے ایٹلس ہنڈاموٹر کو گزشتہ 61 سالوں سے ایک ممتاز کمپنی کی حیثیت حاصل ہے۔



عامر ایچ شیرازی

تاریخ: 30 اپریل 2025

کراچی

کمپنی منافع کی تقسیم کے لیے ایک مستقل نکتہ نظر برقرار رکھنے کے لیے پُر عزم ہے۔ ڈیویڈنڈ کی تقسیم کا فیصلہ کاروباری ضروریات، ترقی کے مواقع اور ترقیاتی عوامل کو مد نظر رکھتے ہوئے کیا جاتا ہے۔ کمپنی کی ڈیویڈنڈ پالیسی کے مطابق بورڈ آف ڈائریکٹرز نے 42 روپے فی حصص حتمی نقد ڈیویڈنڈ کی تجویز دی ہے۔ اس سے قبل اکتوبر 2024 میں 32 روپے فی حصص عبوری ڈیویڈنڈ دیا گیا تھا، جس سے پورے سال کے لیے کل ڈیویڈنڈ 74 روپے فی حصص ہو گیا ہے۔

آپریٹنگ کا جائزہ

سال کے دوران کمپنی پیداواری صلاحیت میں اضافے، طریقہ ہائے کار میں بہتری، اور لاگت میں کمی پر بھرپور توجہ کے ساتھ مسلسل ترقی کے لئے پُر عزم رہی۔ روبوٹک آرمز کے استعمال اور موثر شفٹ آپریشنز نے پیداوار میں 9.4 فیصد

اضافہ کیا۔ ویینڈرز کے ساتھ شراکت داری میں اضافے، کثیر ذرائع سے پُر زہ جات کی فراہمی اور انتہائی اہم میٹریل کی مرکزی سطح پر خریداری سے سپلائی چین میں استحکام حاصل کیا گیا، جس سے لاگت میں واضح کمی ممکن ہوئی۔ کوالٹی اینشورنگ کو باقاعدہ سپلائر آڈٹس اور بہتر معائنے کے طریقہ کار کے ذریعے یقینی بنایا گیا۔ BI+S/4 HANA ڈیش بورڈز، اعداد و اعداد کی آٹومیشن کے اطلاق سے ڈیجیٹائزیشن کے عمل میں تیزی لائی گئی۔

سسٹیم اینٹیلی ور لاگت میں بچت پر کمپنی کی توجہ کو جاری گرین انرجی اقدامات سے مزید تقویت ملی۔ سسٹمی توانائی کے استعمال سے گرین انرجی کا حصہ 6 فیصد بڑھا، جس سے کمپنی کے کاربن فٹ پرنٹ میں کمی آئی۔ پانی کے دوبارہ استعمال کی حکمت عملی سے پانی کے استعمال میں 28 فیصد کمی حاصل کی گئی۔ کمپنی کے سسٹیم اینٹیلی ور اقدامات اور کمپنی کی مالی کارکردگی پر ان کے اثرات کی تفصیل سالانہ رپورٹ میں شامل ”سسٹیم اینٹیلی ور رپورٹ“ میں پیش کی گئی ہے جو کہ سالانہ رپورٹ کا ایک اہم لازمی حصہ ہے۔

ایوارڈز

زیر جائزہ سال کے دوران کمپنی کو درج ذیل اعزازات سے نوازا گیا:

- انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کی جانب سے کارپوریٹ رپورٹنگ
- نیشنل فورم فار انوائزمنٹ اینڈ ہیلتھ (NFEH) کی جانب سے سسٹیم اینٹیلی ور رپورٹنگ ایوارڈ

مستقبل کے خدوخال

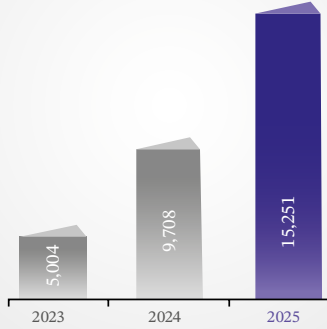
آگے چل کر، جاری اصلاحات اور سازگار بیرونی حالات کی بدولت پاکستان کا معاشی منظر نامہ مثبت دکھائی دیتا ہے۔ بڑھتا ہوا جغرافیائی سیاسی تناؤ اور تجارتی محصولات، خاص طور پر بیرونی شعبے کے لیے چیلنجز کا باعث ہیں۔ تاہم، یہ خطرات برآمدات میں مسابقت بڑھانے اور تجارتی شراکت داریوں میں تنوع لانے کے مواقع بھی پیدا کرتے ہیں۔ آئی ایم ایف پروگرام کے تحت حکومت کی اصلاحاتی کوششیں مالی نظم و ضبط اور معاشی استحکام کے لیے نہایت اہم ہوں گی۔ مہنگائی میں کمی اور صنعتی سرگرمیوں کی تدریج بحالی کے ساتھ معیشت دوبارہ مستحکم ترقی کی راہ پر گامزن ہو سکتی ہے، بشرطیکہ بیرونی اور داخلی چیلنجز سے مؤثر انداز میں نبرد آزما ہوا جائے۔

125 سی سی کیٹیگری نے ٹو-ویلر صنعت میں اپنا مارکیٹ شیئر بڑھانے کا سلسلہ جاری رکھا، جس کی وجہ صارفین کی ترجیحات میں تبدیلی تھی، جو خاص طور پر شہری علاقوں میں بڑے انجن کی جانب منتقل ہونا شروع ہو گئے، CG125S.CG125، گولڈ، اور کروم ایڈیشنز کے لیے ایم ایم سیز متعارف کروائے گئے، اور ان تمام کو پرفارمنس کو ترجیح دینے والے صارفین کی طرف سے بے حد سراہا گیا۔ کریڈٹ آفرز، آپکھچ گالا، اور ڈیجیٹل مارکیٹنگ جیسی اسٹریٹجک کمپینز نے فروخت کی رفتار کو برقرار رکھنے میں مدد دی۔ اس کیٹیگری نے مالی سال 2025 میں فروخت میں 30 فیصد سالانہ اضافہ ریکارڈ کیا۔

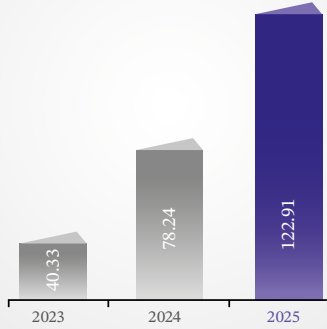
اسپیئر پارٹس کے شعبے کی کارکردگی مستحکم رہی اور اس میں فروخت 20.7 ارب روپے تک پہنچ گئی، جو گزشتہ سال کے مقابلے میں دوہندسی نمو کو ظاہر کرتی ہے۔ اس اضافے کی وجوہات میں مصنوعات کی بہتر دستیابی، اسٹریٹجک قیمتوں کا تعین، اور ان مارکیٹوں تک توسیع شامل ہیں جہاں پہلے دستیابی محدود تھی۔ صارفین کی طلب کو پورا کرنے کے لیے کئی نئے پرزے متعارف کروائے گئے۔ 1S نیٹ ورک کے زیادہ استعداد والے علاقوں میں داخل ہونے سے صارفین کی پہنچ میں اضافہ ہوا۔ 3S نیٹ ورک کی شراکت میں نمایاں اضافہ ہوا، جو بہتر پروموشنز اور سپلائی چین کے مربوط نظام کی بدولت ممکن ہوا۔ لبریکینٹس کے شعبے میں، پروہنڈ اپریٹیم انجن آئل کے اجراء اور نئی لیبل ڈیزائننگ نے اضافی مارکیٹ شیئر حاصل کرنے میں مدد دی۔ ڈیجیٹل سطح پر سوشل میڈیا کمپینز اور اپ گریڈڈ پورٹل نے ماہانہ 30 لاکھ سے زائد صارفین سے باہمی رابطہ ممکن بنایا، جس سے صارفین کے ساتھ رابطہ سازی مزید مستحکم ہوئی۔

مالی کارکردگی

Profit after tax (Rs. in Million)



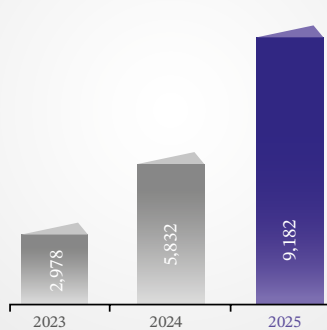
Earnings per share (Rs. per share)



ٹلس گروپ کے ایک اہم رکن کے طور پر کمپنی نے قومی خزانے میں گروپ کی خاطر خواہ شراکت میں ایک اہم کردار ادا کیا جس سے ٹلس گروپ کو ملک کے بڑے ٹیکس دہندگان میں شامل ہونے کا اعزاز حاصل ہوا۔

ڈیویڈنڈ پالیسی

Cash Dividend (Rs. in Million)



Sales & Gross Margin (Rs. in Million)



کمپنی کے آپریٹنگ نتائج، مالی حالت اور خالص اثاثے ایک مضبوط مالی حیثیت کی عکاسی کرتے ہیں۔ کمپنی نے 204 ارب روپے کی خالص فروخت حاصل کی، جو گزشتہ سال کی اسی مدت کے مقابلے میں 28.0 فیصد زیادہ ہے۔ فروخت کے زیادہ حجم، بہتر سیلز ٹیکس اور مستحکم آپکھچ ریٹ کی بدولت مجموعی منافع 81.4 فیصد اضافے کے بعد 12.2 ارب روپے سے بڑھ کر 22.2 ارب روپے ہو گیا۔ سیلز اور مارکیٹنگ کے اخراجات 20.7 فیصد اضافے کے بعد 4.4 ارب روپے تک پہنچ گئے، جو بعد از فروخت پروموشن کی سرگرمیوں اور عمومی مہنگائی کا نتیجہ ہے۔ انتظامی اخراجات میں بھی 21.7 فیصد اضافہ ہوا، جو زیادہ تر مہنگائی اور CSR سرگرمیوں کی وجہ سے ہے۔ دیگر آمدنی، جس میں دیگر آپریٹنگ اخراجات اور مالیاتی چارجز کو منہا کرنے کے بعد خالص رقم شامل ہے، نے مؤثر فیڈریری آپریٹنگز کی بدولت کمپنی کے منافع میں 7.8 ارب روپے کی شاندار شراکت کی۔ ان تمام عوامل نے کمپنی کو قبل از ٹیکس اور لیو یز 24.3 ارب روپے کا منافع حاصل کرنے میں مدد دی، جبکہ گزشتہ سال کی اسی مدت میں یہ منافع 15.7 ارب روپے تھا۔ نتیجتاً، بعد از ٹیکس منافع 15.25 ارب روپے رہا، جو کہ 57.1 فیصد اضافہ ظاہر کرتا ہے۔ فی حصص آمدنی 122.91 روپے رہی، جو کہ گزشتہ سال کی اسی مدت میں 78.24 روپے تھی۔

سال کے دوران کمپنی نے مختلف ٹیکسز اور لیو یز کی مدد میں حکومت اور اس کے اداروں کو 54.7 ارب روپے کی خطیر رقم ادا کی۔

چیمپئن کا جائزہ

میں 31 مارچ 2025 کو ختم ہونے والے سال کے لیے کمپنی کی 61 ویں سالانہ کارکردگی رپورٹ پیش کرتے ہوئے خوش محسوس کر رہا ہوں۔

میکرو اکنامک جائزہ

زیر جائزہ سال کے دوران ملک کے معاشی ماحول میں مسلسل بہتری دیکھنے میں آئی۔ یہ پیشرفت ان حکومتی پالیسیوں پر مستقل عمل درآمد سے منسوب ہے جس نے کثیر جہتی اور دو طرفہ شراکت داروں کے اعتماد کو بحال کیا۔ جاری بین الاقوامی مالیاتی فنڈ کا ایکٹیویٹ ڈیفنڈیٹ (EFF) پروگرام زرمبادلہ کے ذخائر کو بہتر بنانے کے لیے نہایت اہم معاونت فراہم کر رہا ہے۔ بیرونی کھاتے میں نمایاں بہتری نے معاشی استحکام اور سرمایہ کاروں کے اعتماد میں اضافہ ناممکن بنایا ہے، جس کے نتیجے میں مالی سال 2025 میں مجموعی قومی پیداوار کی شرح نمو 3.0 فیصد تک پہنچنے کی توقع ہے، جو گزشتہ سال 2.5 فیصد تھی۔ معیشت اب درمیانی مدت میں مسلسل ترقی اور زیادہ اسٹرکچرل استحکام کے لیے بہتر طور پر تیار ہے۔

بیرونی محاذ پر، کرنٹ اکاؤنٹ نے مالی سال 2025 کے ابتدائی نو ماہ کے دوران 1.86 ارب امریکی ڈالر کا سرپلس ظاہر کیا، جو گزشتہ سال اسی مدت کے دوران 1.65 ارب ڈالر کے خسارے میں تھا۔ اس بہتری کی بنیادی وجہ درآمدات میں سالانہ 8.7 فیصد اضافہ اور بیرون ملک مقیم پاکستانیوں کی جانب سے بھیجی گئی قوم (ترسیلات زر) میں نمایاں اضافہ تھا۔ ترسیلات زر کا نریکارڈ 28.03 ارب ڈالر تک جا پہنچا، جو گزشتہ سال کے 21.04 ارب ڈالر کے مقابلے میں کافی زیادہ ہے۔ معاشی سرگرمیوں میں بہترین بہتری کے باعث درآمدات میں 8.0 فیصد اضافہ دیکھنے میں آیا، جس کے نتیجے میں تجارتی خسارہ مالی سال 2025 کے ابتدائی نو ماہ میں بڑھ کر 21.05 ارب ڈالر تک جا پہنچا، جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 14.7 فیصد زیادہ ہے۔ دوسری جانب، اسٹیٹ بینک آف پاکستان (SBP) کے زرمبادلہ کے ذخائر 22.5 فیصد اضافے کے ساتھ 15.58 ارب ڈالر تک پہنچ گئے۔ دریں اثنا، پاکستانی روپیہ مجموعی طور پر مستحکم رہا اور 280 روپے پر بند ہوا۔

مالیاتی محاذ پر، ایف بی آر نے مالی سال 2025 کے ابتدائی نو ماہ کے دوران 8.46 ٹریلین روپے اکٹھے کیے، جو کہ گزشتہ سال کی اسی مدت میں جمع ہونے والے 6.66 ٹریلین روپے کے مقابلے میں 27 فیصد اضافہ ظاہر کرتے ہیں۔ ٹیکس وصولیوں میں یہ بہتری، مؤثر نفاذی اقدامات اور اقتصادی سرگرمیوں میں اضافے کی بدولت ممکن ہوئی۔ مارچ 2025 میں مہنگائی کی شرح نمایاں طور پر کم ہو کر 0.7 فیصد پر آگئی، جو کہ گزشتہ 59 برسوں کی کم ترین سطح ہے۔ مہنگائی میں اس کی بنیادی وجوہات میں خوراک اور توانائی کی قیمتوں میں کمی، سخت مانیٹری پالیسی اور ایک سازگار بین الاقوامی مالیاتی ماحول شامل تھے۔ ان عوامل کے نتیجے میں، اسٹیٹ بینک آف پاکستان نے مارچ 2025 تک پالیسی ریٹ کو کم کر کے 12 فیصد کر دیا، جو ایک سال قبل 22 فیصد تھا، جب کہ مختلط مانیٹری پالیسی کو برقرار رکھا گیا۔

زری شعبے کی کارکردگی میں ملا جلا رجحان سامنے آیا۔ خریف کی اہم فصلوں میں نمایاں کمی دیکھنے میں آئی، جبکہ کپاس کی پیداوار میں 30.7 فیصد اور کئی کی پیداوار میں 15.4 فیصد کمی ہوئی۔ پیداوار میں اس کمی کی بنیادی وجوہات میں ناموافق موسمی حالات اور گزشتہ سال کی زیادہ پیداوار شامل ہیں۔ ربیع کے 25-2024 سیزن کے لیے گندم کی پیداوار کا ہدف 27.9 ملین ٹن مقرر کیا گیا ہے۔ حکومت کی جانب سے زرعی سبسڈی کی فراہمی، زیادہ پیداوار دینے والے بیجوں کی تقسیم، اور کسان کارڈ اسکیم جیسے اقدامات کسانوں کی پیداوار میں بہتری لانے میں معاونت کر رہے ہیں۔ زرعی قرضوں میں 33.7 فیصد اضافہ ہوا ہے، جس سے کسانوں کو مالی وسائل تک بہتر رسائی حاصل ہوئی ہے اور وہ بھی سطح پر معاشی ترقی کو فروغ ملا ہے۔

بڑے پیمانے کی پیداوار (LSM) میں جزوی بحالی کے آثار نظر آئے۔ مالی سال 2025 کے پہلے سات مہینوں کے دوران اس شعبے میں 1.8 فیصد کی توقع ہوئی۔ تاہم، 22 میں سے 11 شیعوں میں ترقی دیکھنے میں آئی، جن میں ٹیکسٹائل اور موبسٹ، پیٹرولیم مصنوعات، دواسازی، اور تھامب کو شامل ہیں۔ بجلی کے نرخوں میں حالیہ کمی سے پیداواری لاگت میں کمی متوقع ہے اور بین الاقوامی منڈیوں میں مسابقت بڑھنے سے مینوفیکچرنگ شعبے کو ترقی ملے گی۔ اس کے علاوہ، اسپیشل انویسٹمنٹ فیسلٹیشن کونسل (SIFC) کی جانب سے جاری چینلنجر کے حل اور صنعتی ترقی کے فروغ کے لیے مخصوص اقدامات بھی بروئے کار لائے جا رہے ہیں۔

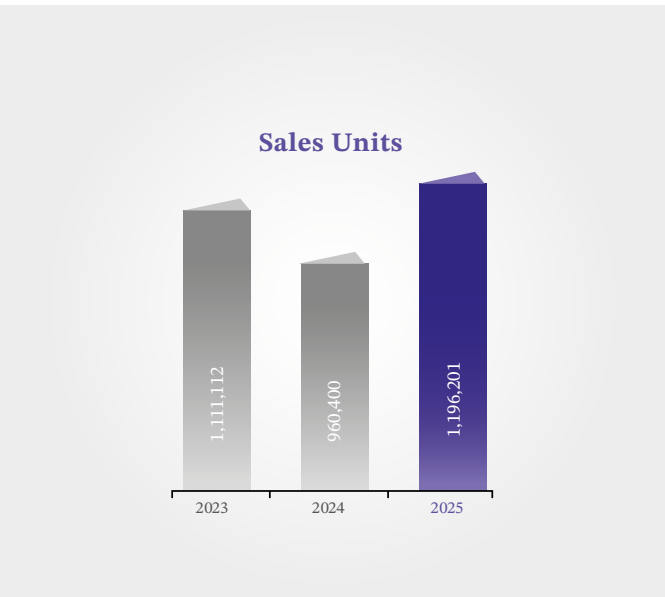
ٹو۔ ویکل صنعت

پاکستانی موٹر سائیکل انڈسٹری نے 30 فیصد کی مستحکم بحالی دیکھی۔ اس نمو کی وجوہات میں بہتر معاشی صورتحال بشمول مہنگائی میں نمایاں کمی، زرعی شعبے میں بہتر لیکویڈٹی اور ترسیلات زر میں اضافہ شامل ہیں۔ خاص طور پر دیہی علاقوں میں، سستی اور ایندھن بچانے والی سوار یوں کی طلب ایک اہم محرک بنی رہی۔ گزشتہ برسوں کے معاشی مسائل کے باعث مؤخر کی گئی، صارفین کی دوبارہ بڑھتی طلب نے بھی اس تیزی میں کردار ادا کیا۔ مزید یہ کہ، عالمی اور ملکی سطح پر الیکٹریک سوار یوں (EVs) میں بڑھتی دلچسپی جدت اور تنوع کے نئے مواقع پیدا کر رہی ہے۔ روایتی مینوفیکچررز کے لیے یہ تبدیلی نہ صرف ایک چیلنج ہے بلکہ ایک اہم موقع بھی ہے کہ وہ اس تبدیلی کی قیادت کرنے کے ساتھ، اپنی مصنوعات کی رینج میں اضافہ اور ابھرتی ہوئی منڈیوں پر گرفت حاصل کریں۔

کمپنی

گزشتہ چھ دہائیوں سے زائد عرصے سے کمپنی اپنے صارفین کو نقل و حرکت کے سستے اور معیاری حل فراہم کر رہی ہے۔ کمپنی مسابقت کاروں سے آگے بڑھنے کے مقصد سے پیداواری صلاحیت کو بہتر بنانے کے لئے مسلسل نئی ٹیکنالوجی کو بروئے کار لا رہی ہے۔ پراڈکٹ لائن اپ میں مسلسل جدت اور بعد از فروخت خدمات میں بہتری، صارفین کو پائیدار قدر فراہم کرتی ہے۔ ماضی میں کمپنی نے پرییم پرو ہنڈل انجن آئل متعارف کروایا جبکہ اپنے ماحول دوست سفری اقدامات میں جدت لانے کے ساتھ ساتھ، اپنے اسٹیپنگ پلانٹ واسیلی لائنز کے خود کار نظام میں مزید آؤٹمیشن متعارف کروائی۔

فروخت کی کارکردگی



70 سی سی موٹر سائیکل کمپنی نے، جو کہ ٹو۔ ویکل صنعت کا سب سے بڑا شعبہ ہے، مارکیٹ میں اپنی برتری برقرار رکھی اور سالانہ 22 فیصد نمو ظاہر کی۔ ایک نیا ایم سی ماڈل متعارف کروانے سے پروڈکٹس میں امتیاز پیدا ہوا، جس سے فروخت میں تیزی آئی۔ پری کراپ کریڈٹ اسکیم، ایچ سی آف آر، اور ڈسٹریبیوٹل کمپنیز نے صارفین کی تعداد میں مسلسل اضافے کو یقینی بنایا۔ مزید برآں، ایک نئے CD70 ویرینٹ کے اجراء نے صارفین کے لئے انتخاب کے مواقع بڑھانے کے ساتھ ساتھ جدید رجحانات کے دلدادہ رائیڈرز کے لئے برانڈ کو پُرکشش بنایا۔

100 سی سی سٹیگری میں "Pridor" کے لیے طلب مستحکم رہی۔ یہ ماڈل صارفین کو آرام دہ سفر اور زیادہ سے زیادہ ایندھن کی بچت فراہم کرنے کے لیے ڈیزائن کیا گیا ہے۔ سال کے دوران، ایک ایم سی متعارف کرایا گیا، جسے "بلیو کلر" کی خاص کمپنیز سے معاونت حاصل ہوئی تاکہ صارفین کی دلچسپی کو بڑھایا جائے۔ مقامی سطح پر مارکیٹنگ کی کوششوں اور انفلوئنسر سرگرمیوں نے برانڈ کی کشش کو مزید مستحکم کیا۔ فروخت میں سالانہ 35 فیصد اضافے کے ساتھ، کمپنی پُر امید ہے کہ سالانہ بنیاد پر صارفین کی تعداد 50,000 سے تجاوز کر جائے گی۔

Report of the Board Audit Committee

The members of the Audit Committee are pleased to present their report to the shareholders for the year ended March 31, 2025.

Composition of the Board Audit Committee

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

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

The Chairperson of the Committee is a seasoned professional having 23 years of experience in the Asset Management Industry. The incumbent members are qualified professionals and the Committee as a whole possesses significant economic, financial and business acumen.

The names and profiles of the Audit Committee members are given on Page No. 43 of the Integrated Annual Report 2025.

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

Meetings of the Board Audit Committee

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

The secretary of the Committee circulates either minutes or synopsis of meetings to all members, directors, head of internal audit and where required to CFO prior to the next meeting of the Board. The Chairperson provides updates of all significant matters discussed in the meeting to the Board.

Financial Statements

The Committee has concluded its annual review, of the conduct and operations of the Company during the year ended March 31, 2025, and reports that:

- The financial statements of the Company for the year ended March 31, 2025 have been prepared on a going concern basis under requirements of Companies Act 2017, incorporating the requirements of the Code of Corporate Governance, International Financial Reporting Standards and other applicable regulations.
- These financial statements present a true and fair view of the Company's state of affairs, results of operations, profits, cash flows and changes in equity of the Company for the year under review.
- In line with the Auditors (Reporting Obligations) Regulations, 2018 issued by SECP, the Auditors have issued unmodified audit reports in respect of the above financial statements for the year 2025.

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

Risk Management and Internal Controls

- The Company has developed a sound mechanism for identification of risks and assigning appropriate criticality level and devising appropriate mitigation measures

which are regularly monitored and implemented by the management across all major functions of the Company and presented to the Audit Committee for information and review.

- The Company has devised and implemented an effective internal control framework which also includes an independent internal audit function which is duly reviewed by the Committee for effectiveness.
- The Internal Audit department is responsible for monitoring of compliance, inherent and other risks associated with the internal controls and other areas of operations of the Company.
- The Company's approach towards risk management and types and detail of risks along with mitigating measures are disclosed in relevant section of the Integrated Annual Report.

Internal Audit

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

External Auditors

- The statutory auditors of the Company, M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants, have completed the audit of financial statements of

the Company for the year ended March 31, 2025 and review of the "Statement of Compliance with the Code of Corporate Governance" for the year ended March 31, 2025 and shall retire on the conclusion of the 61st Annual General Meeting.

- The Audit Committee has discussed the audit process and the observation, if any, of the External Auditors regarding the preparation of the financial statements including compliance with the applicable regulations or any other issues.
- The External Auditors attended all the Audit Committee meetings where their reports were discussed. At year-end meeting, the Committee met the External Auditors without the presence of the management. The Committee discussed the audit process and any observation identified during audit of the financial statements and checking compliance with the applicable regulations or any other issues.
- The External Auditors also attended General Meetings of the Company during the year and have confirmed attendance of the 61st Annual General Meeting scheduled for June 24, 2025. The Auditors have also indicated their willingness to continue as auditors.
- The External Auditors do not provide any services other than external audit of the Company. The audit firm has no financial or other relationship of any kind with the Company except that of External Auditors.
- Being eligible, M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants have offered themselves to be re-appointed as auditors for the financial year 2025. The Committee being satisfied with the performance of external auditors has recommended them to the Board for reappointment for the year ending March 31, 2026.

Integrated Annual Report 2025

- The Company has issued a very comprehensive Integrated Annual Report which besides presentation of the financial statements and the Directors' Reports of the Company, also discloses other information much in excess of the regulatory requirements to offer an in depth understanding about the management style, the policies set in place by the Company, its performance during the year, and future prospects to various stakeholder of the Company.
- The information has been disclosed in the form of ratios, trends, graphs, analysis, explanatory notes and statements etc., and the Audit Committee believes that the Integrated Annual Report 2025 gives a detailed view of how the Company evolved, its state of affairs and future prospects.

The Audit Committee

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

Statement Of Compliance With Listed Companies (Code Of Corporate Governance) Regulations, 2019

Name of Company: Atlas Honda Limited (the 'Company')

Year ended: March 31, 2025

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, ("Regulations") in the following manner:

- Total Number of Directors is eight (8) as per following:

a.	Male	Seven
b.	Female	One

- The composition of Board of Directors is as follows:

Category	No.	Names
Independent Director (excluding Female Director)	1	Mr. Azam Faruque
Female Director (Independent Director)	1	Ms. Mashmooma Zehra Majeed
Executive Directors	3	Mr. Saquib H. Shirazi Mr. Masanori Kito Mr. Kazushi Yamanaka
Non-Executive Directors	3	Mr. Aamir H. Shirazi Mr. Koji Sugita Mr. Abid Naqvi

- The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including Atlas Honda Limited.
- The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures. Further certain significant policies as required under non-mandatory regulation no. 35 "Disclosure of significant policies on website" are published in annual report which is available on Company's website.
- The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with the dates of approval or updating is maintained by the Company.
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.

- The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
- The Board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- Following five Directors have either obtained certificate of Directors' Training Program or are exempted from the requirement of Directors' Training Program as per the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Category	No.	Names
Independent Directors	2	Mr. Azam Faruque Ms. Mashmooma Zehra Majeed
Executive Director	1	Mr. Saquib H. Shirazi
Non-Executive Directors	2	Mr. Aamir H. Shirazi Mr. Abid Naqvi

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

- The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
- Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
- The Board has formed committees comprising of members given below:

a) Audit Committee

Ms. Mashmooma Zehra Majeed	Chairperson
Mr. Abid Naqvi	Member

Mr. Azam Faruque	Member
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b) HR and Remuneration Committee

Ms. Mashmooma Zehra Majeed	Chairperson
Mr. Abid Naqvi	Member
Mr. Saquib H. Shirazi	Member

Separate Nomination Committee, Risk Management Committee, and Sustainability Committee, as required under non-mandatory regulations 29, 30, and 10A respectively, are not constituted. The functions of the Nomination Committee are being dealt with by the Human Resource and Remuneration Committee, while the functions of the Risk Management Committee are being managed by the Executive Committee, which is headed by the CEO who apprises the Board accordingly. The functions of the Sustainability Committee are currently being overseen by the Board itself.

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committees were as per following:

Audit Committee	Quarterly
HR and Remuneration Committee	Once in a year

15. The Board has set up an effective internal audit function who are considered suitably qualified, experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their

partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the regulations have been complied with. However, fractional requirement for Independent Directors have not been rounded up as one and that of Executive Directors is rounded up to one keeping in view the understanding with the Japanese Joint Venture Partner.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 (non-mandatory requirements) are mentioned in note no. 4, 9 and 12 above.



Aamir H. Shirazi
Chairman
Karachi: April 30, 2025

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

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

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

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

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

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



SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
KARACHI;

Date: April 30, 2025

UDIN: CR202510104DIOeS0yEr

a member firm of  ShineWing International

Corporate Governance and Compliance

Atlas Honda is committed to promoting strong corporate governance practices, which the Company believe are the foundation of sustainable growth. The Company strive to uphold the highest standards of governance across all operations and decision-making, prioritizing transparency and accountability throughout our business activities.

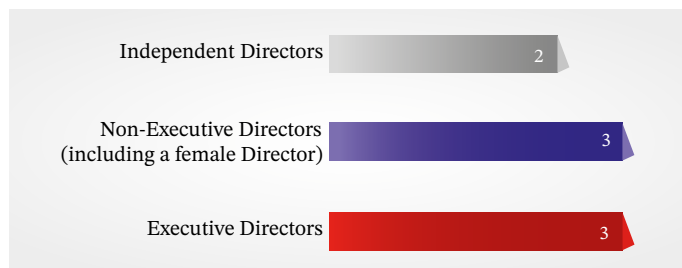
The Company's governance structure is based on the Company's core values, its constitutional documents, its Code of Conduct, and applicable laws and regulations. It ensures that robust internal controls and risk management systems are adopted and implemented throughout the organization to create short-term and long-term value for all its stakeholders.

Board of Directors

Board Composition

The Board of Atlas Honda comprises Executive, Non-Executive, and Independent Directors, each bringing diverse skills, perspectives, and extensive experience. Atlas Honda has, on its Board, highly competent and committed personnel with vast experience, expertise, integrity, and a strong sense of responsibility required for safeguarding stakeholders' interests. The Board comprises of qualified directors with diverse backgrounds in the field of business, finance, economics, engineering, and other disciplines. The Company does not have a defined quota for Board of Directors based on gender, ethnicity or age group.

The Company has a total of eight (8) Directors on its Board



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

All the matters including election, appointment and disclosure of interest are governed by the statutory requirements and regulations laid down by SECP and PSX. There were no non-compliances identified during the year. Further details about the Directors and matters carried out during the year can be found in the Director's profile and Statement of Compliance with the Code of Corporate Governance on page 18, 19 and 122 respectively.

Representation of Female Director on the Board

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

Roles and Responsibilities of the Board

The Board of Directors is responsible for the overall management and strategic direction of the Company. The Board's key responsibilities include the implementation of policies on the following significant matters:

- Setting the strategic objectives of the Company
- Overseeing the financial performance of the Company
- Managing and overseeing the risks of the Company
- Ensuring good corporate governance practices and legal and regulatory compliance
- Protecting stakeholder interests
- Human resource management
- Setting the vision and mission of the Company
- Evaluating the performance of the Board

Decisions and the matters taken by the Board and delegated to Senior Management

The Board of Directors of Atlas Honda is responsible for the overall strategic direction, governance, and oversight of the Company, in compliance with the Companies Act, 2017 and applicable regulations. The Board exercises its authority on key matters, including but not limited to approval of corporate strategy, significant financial decisions, risk management policies, major investments, mergers/acquisitions, and compliance with legal and regulatory requirements. Executive Management, under the leadership of CEO, is responsible for the implementation of the strategies approved by the Board. Management of business operations which include but not limited to implementation of policies, management of matters related to treasury, taxation, litigations, sales & marketing and production, in an effective and ethical manner in accordance with the strategies and goals approved by the Board. The Management is also responsible for the management of risk and opportunities in accordance with the risk management framework approved by the Board.

The Board maintains active oversight through regular reporting by management, ensuring alignment with the Company's long-term goals and shareholder interests while upholding principles of transparency and accountability.

Remuneration of the Directors

A formal policy for fixing executive Directors' remuneration

is implemented by Atlas Honda in accordance with the Companies Act, 2017, and the CCG. The policy provides that the remuneration to be paid to the Directors for attending Board and Sub-Committee meetings shall be appropriate and commensurate with the level of responsibility and expertise required of them and shall not be at a level that could be perceived to compromise the independence of the relevant Directors. The policy is designed to attract and retain appropriate professionals needed to successfully add value to the Company. As per the policy, Non-Executive Directors, including Independent Directors are entitled to a fee for attending meetings of the Board. Information on remuneration of the Directors and CEO in 2024-25, please refer note 38 to the Financial Statements on page 218.

Board's Performance Evaluation

The Board of Directors fulfills its fiduciary duties under the Companies Act, 2017 and Corporate Governance Regulations 2019, overseeing strategy, compliance, and sustainable growth. Our remuneration policies for Board members and senior executives align with ESG performance, linking compensation to measurable environmental, social, and economic objectives, including emissions reduction, workplace safety, and community impact.

The Human Resource and Remuneration Committee annually reviews performance metrics to ensure they incentivize long-term value creation. Directors undergo rigorous self-assessments evaluating governance and ESG integration.

During the year, the evaluation confirmed effective ESG oversight, with no Board changes required. Remuneration reflected progress against sustainability targets, demonstrating our commitment to responsible business practices and stakeholder value. This structured approach ensures governance excellence while driving meaningful ESG outcomes.

Disclosure of the Material Interests by the Board Members

In accordance with Section 205 of the Companies Act, 2017, Directors are required to disclose directorships or memberships they hold in other corporate bodies at the time of their appointment and on an annual basis, to the Company Secretary. This information is updated on a quarterly basis and is used to compile and maintain an updated list of all related parties. In accordance with the CCG, no Director on the Board of the Company holds office as a director on more than seven (7) listed companies.

Related Party Transactions

The Policy for Related Party Transactions governs all dealings between the Company and its affiliated parties. This framework provides clear guidelines to ensure that these transactions are conducted fairly and transparently. It also emphasizes compliance with all relevant legal and regulatory requirements, including proper reporting and disclosures to uphold accountability and integrity in corporate dealings.

The Company ensures that transactions with affiliated

entities are conducted impartially and equitably, adhering to arm's length principles and customary market practices.

In compliance with regulations, all related party transactions are submitted quarterly for review of the Audit Committee. The Audit Committee's recommendations are subsequently presented to the Board of Directors, which incorporates them into the decision-making process for final approvals. This approach reinforces transparency and ensures regulatory compliance in all dealings with related parties. The details of the related parties and the related party transactions carried out during the year can be found at note 39 of the Financial Statements on page 218-219.

Companies in which Executive Directors are Serving as Non-Executive Directors

The Company's CEO is treated as an executive Director on the Board by virtue of the Companies Act, 2017. In addition, he holds position as a Non-Executive Director on the Boards of Honda Atlas Cars (Pakistan) Limited and thirteen companies of Atlas Group. Fee paid, if any, by these companies are in compliance with policies of respective companies approved by their Board. Executive Directors other than the CEO of the Company do not hold directorship position in any other Company.

Induction and Training of the Directors

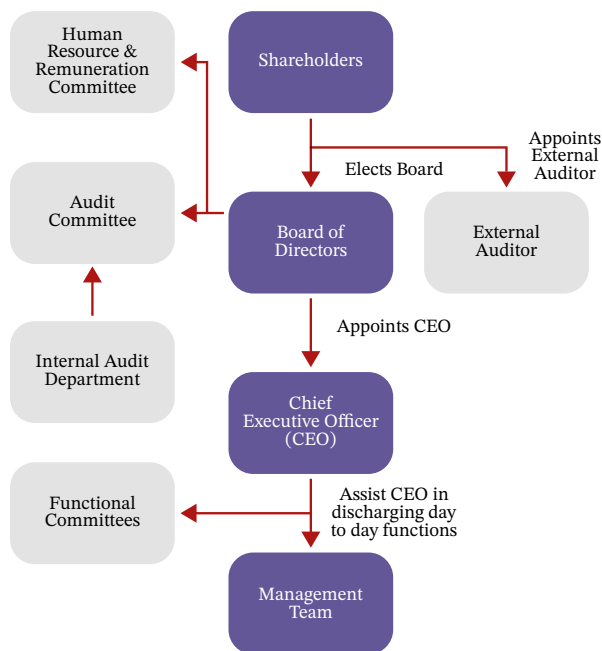
Majority of the Directors have either obtained Directors' training or have the prescribed qualifications and experience required for exemption from training programmes for directors, pursuant to Regulation No. 19 of the CCG. All Directors on the Board of the Company are fully conversant with their duties and responsibilities.

Committees of the Board and Terms of Reference

Committee	Roles and Responsibilities of Committee	No of Members	Frequency of Meeting
Audit Committee	<ul style="list-style-type: none"> Review of the financial statements and recommendation to the Board for its approval. Oversight of external audit Review of compliance procedures. Oversight of risk management framework Oversight of ESG Framework Oversight of IT Governance Framework 	Three	Quarterly
Human Resource and Remuneration Committee	<ul style="list-style-type: none"> Recommendation of HR policies to the Board. Recommendation of key appointments to the Board. Recommendation of policy framework for determining remuneration of directors. Undertaking Board's performance evaluation 	Three	Once a year

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

Governance Structure



Security Clearance of Foreign Directors

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

Meetings of the Board

The majority of the Board meetings during the year ended March 31, 2025 were held at the Corporate Office of the Atlas Group in Karachi. Video link facilities were also provided for each meeting, enabling Directors to attend virtually. One of our directors living abroad, attended one Board meeting in-person in Pakistan. No meeting of the Board was held outside of Pakistan during the year.

Offices of the Chairman of the Board and CEO

In compliance with good governance practices, the position of the Chairman of the Board of Directors and the office of the Chief Executive are held by separate individuals with a clear segregation in the roles and responsibilities of each. Chairman is appointed by the Board from among the Non-Executive Directors.

Roles and Responsibilities of the Chairman and the CEO

The Chairman’s role is primarily to provide leadership to the Board including:

- Presiding over the Board, ensuring that all relevant information has been made available to the Board
- Define the Company’s objectives

- Ensure that the board plays an effective role in fulfilling its responsibilities
- Safeguard shareholders’ interest in the Company
- Act as spokesman of the Company, responsible for liaison with the senior most levels of the Federal and Provincial Governments.

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

- Lead strategic planning
- Manage financial and operational performance
- Drive the Company’s vision and mission
- Implement risk management and internal controls framework
- Ensure legal, regulatory, and policy compliance
- Oversee and develop the Executive Management Team
- Provide strong leadership and team direction
- Keep the Board informed on key developments and
- Effective representation and stakeholder management.

Chairman’s Review on the Performance of the Board

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

Committees Reporting to the CEO

The CEO is supported by committees that facilitate him in the performance of his duties. These committees meet frequently and ensure implementation of sustainability framework in various aspects of Atlas Honda’s operations. The implementation of the framework is ensured by various departmental heads who report the activities and progress to these committees. Input is also acquired from associated third parties through the Company’s process of stakeholders’ engagement. The implementation of framework is frequently monitored by Internal Audit function along with the annual assurance from an independent expert before reporting the results to the stakeholders.

Committee	Roles and Responsibilities of Committee	No of Members	Frequency of Meeting
Management Committee	<ul style="list-style-type: none"> • Reviewing and forwarding long term plans, capital and expense budget, development and stewardship of business plans • Maintaining healthy environment • Providing advice to CEO in normal course of business 	Three	Quarterly

Committee	Roles and responsibilities of committee	No of Members	Frequency of Meeting
Business Ethics Committee	<ul style="list-style-type: none"> Effective communication and reinforcement of ethical values & best practices in the business Ensuring compliance with the Company's 3R principles (Respect, Reward and Recognition) 	Nine	Twice a year
Treasury Committee	<ul style="list-style-type: none"> Oversight of day to day treasury & investment matters Approval of short term investment decisions Ensuring subsequent approval of all the decisions by Board 	Four	Fortnightly
Risk Management Committee	<ul style="list-style-type: none"> Identifies and propose strategies to mitigate risks, on a timely basis, in accordance with a well-structured risk management process 	Three	Monthly
Environment, Health, Safety and Security Committee	<ul style="list-style-type: none"> Ensures compliance with applicable Environmental, Health, Safety and Security (EHS&S) laws and regulations 	Six	Monthly
Environmental Social & Governance Committee	<ul style="list-style-type: none"> Ensures compliance with ESG Framework 	Five	Quarter

Governance Practices Exceeding Legal Requirements

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

- Best reporting practices as recommended by ICAP/ICMAP to promote transparent reporting practices
- Sustainability reporting guidelines issued by Global Reporting Initiatives (GRI) standards
- Reporting guidelines issued by International Integrated Reporting Council (IIRC)'s Integrated Reporting Framework

- Voluntary Adoption of IFRS Sustainability Disclosure Standards (SDS) IFRS S-1 and IFRS S-2
- Implementation of robust Health, Safety and Environment (HSE) policy at its plants and offices

Risk Management

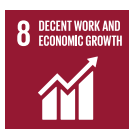
The Company has entity-wide risk management processes for identifying, evaluating and managing the principal risks. The Board is responsible for the systems of internal control and risk management and for reviewing each year the effectiveness of those systems. The key features of the Company's entity-wide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

- The Audit Committee, on behalf of the Board, considers the effectiveness of the internal control procedures during the financial year. It reviews reports from the internal and external auditors and reports its conclusions to the Board.
- A Risk Management Committee is responsible for reviewing the key risks and the strategies to mitigate/counter these risks.
- The Company's Internal Audit function carries out continuing assessments of the quality of risk management system, and reports to the Audit Committee on the status of specific areas identified for improvement to promote effective risk management in the lines of business processes.

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

Human Resource Management and Succession Planning

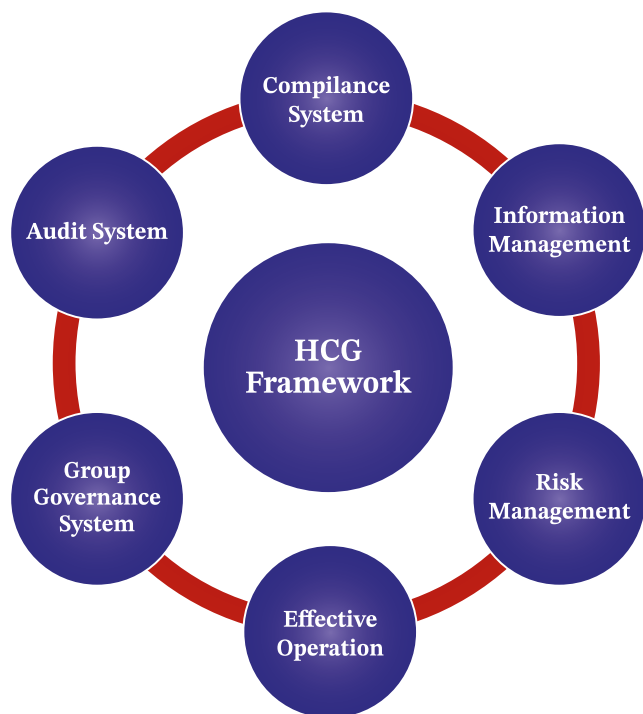
Atlas Honda is committed to recruiting highly skilled, qualified and experienced professionals. The Company invests in its workforce through comprehensive training and development programs, ensuring employees are continuously motivated and equipped with the necessary skills. Additionally, Atlas Honda offers competitive compensation packages aligned with market standards. With a progressive Succession Planning strategy governed by Atlas Group, the Company focuses on nurturing existing talent and preparing them for future strategic roles within the organization and group companies. This approach ensures long-term sustainability and leadership continuity across the Company.



Board Approved Policies

The overall responsibility for embedding, implementing, and reviewing the policy commitment rests with the Board. In addition to the compliance with laws and regulations, the policies and the guidelines driven by the Atlas Way, Atlas Honda has implemented “Honda Corporate Governance” (HCG) System which is a set of rules, international best practices, processes and procedures designed by Honda Motor Company, Japan.

Atlas Honda has established a HCG Committee that reports directly to the Compliance Officer which is the CEO of the Company. HCG function comprises of four members and is chaired by the HCG secretariat, which is also the member of the Committee. HCG function is responsible for entity level controls that involves designing of underlying policies and procedures, and developing a training mechanism to ensure that all of the Company associates are well aware of these policies and procedures. In addition to this, Divisional Person-In-Charges (PIC) have been designated for each department of the Company. Each PIC is responsible for implementation of corporate policies and procedures at operational level.



Code of Conduct

The Company’s Code of Conduct (the Code) provides guidelines on ethical standards. It covers issues such as bribery and corruption, fraud, insider trading, legal compliance, conflicts of interests, human rights and discrimination. The Code emphasizes responsible business conduct, considering the interests of all the stakeholders and the environment, in compliance with all the applicable laws and regulations. In essence, the guidelines to the Code outline the Company’s approach to ethics management, including all the elements recognized as best practices in ethics management. The Code guides interactions with all the stakeholders, including employees, vendors and customers. The Company provides

regular trainings to its stakeholders for keeping them abreast of the developments. In addition to this, annual survey for the employees’ understanding of Company’s code of conduct and other policies, is conducted.

Our Code of Conduct is available on our website (www.atlashonda.com.pk), while our additional internal Policies, procedures and guidelines are easily accessible through our staff intranet and SAP platform, promoting transparency. The relevant, pertinent policies are also shared with our supply chain partners. The Company frequently updates its policies and shares the same with relevant stakeholders.

Whistleblower Policy

The Company’s purpose and values promote openness, integrity, and accountability. The Whistleblower Policy enables reporting of any violation of the Code, including suspected unethical dealings, fraud, bribery, conflict of interest, discrimination, harassment or legal concerns without fear of retaliation, through the Business Ethics Committee.

All complaints are thoroughly investigated by the Business Ethics Committee within a set timeline from the date of the reporting. The results of the investigation are communicated to the complainant (if the contact is available) following which appropriate remedial action is taken by the senior management. The process is overseen by the Board Audit Committee. During the year no such incidents were reported.

Confidentiality Policy

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

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

Policy for the Prevention of Bribery and Corruption

Atlas Honda maintains a rigorous anti-corruption management system aligned with GRI 205 requirements, anchored by its Code of Conduct and Prevention of Bribery and Corruption Policy. The Company implement mandatory anti-corruption training for all employees, with specialized programs for high-risk functions, achieving 100% completion rates annually. New hires receive orientation on these

policies during onboarding, while refresher courses ensure ongoing awareness. Our communication strategy includes regular policy reminders through company newsletters, intranet portals, and town hall meetings. The system features clear escalation channels where employees report concerns to the Person in Charge (PIC), who then informs the High-Level Compliance Governance (HCG) Committee for oversight. The Company conduct continuous risk assessments across operations and third-party relationships, supported by internal audits that verify system effectiveness. During the reporting period, no corruption incidents, fines, or penalties occurred, demonstrating the success of our program. The Company continually enhance these measures through periodic policy reviews, incorporating emerging best practices and regulatory changes to maintain our zero-tolerance stance against corruption..

Document Retention Policy

The Company has developed a comprehensive document retention policy. The objective of this policy is to formulate formal set of rules in respect of records maintained by all the departments of the Company in hard and soft form. The policy provides guidelines regarding:

- The time frame of which records in hard and soft form shall be maintained
- Types of records which shall be maintained
- Disposal of records which are no longer required

The policy is applicable to records being kept in centralized record rooms in the Company as well as the records kept by the respective departments in their own custody. Reference to records under this policy is with respect to final documents only. Drafts, memorandum, rough etc. shall be disposed immediately after the final document is completed regardless of the period mentioned under this policy unless the Head of the concerned department thinks that it is necessary to keep them.

Insider Trading Policy

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

Conflict of Interest Policy

The Company has a policy in place to ensure that any conflict of interest is properly disclosed, recorded and addressed,

upholding the interests of the Company. In line with the provisions of Companies Act, 2017, every Director is required to disclose his interest in writing to the Company Secretary, in respect of any contract/appointment, etc. Such disclosures are circulated to the Board. Interested Directors do not participate in voting on the said resolution and it is properly recorded in the minutes of the Board meeting and also entered in the statutory register maintained for this purpose.

Grievance/Feedback System

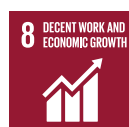
The Company has developed a grievance reporting system at its plants and other offices where communities and stakeholders can ask questions, provide suggestions, or submit complaints. Administrative departments at underlying locations investigate these grievances with assistance from the relevant departments. The matters that are highlighted through communication with the stakeholders, reported to the Company through the grievance reporting mechanisms, raised by the suppliers and customers through B2B communication platforms and raised by the members in the general meetings of the Company are evaluated on regular basis to assess whether any revision in Company's policies and its commitments is required for managing the impact of its operations. Such matters are reported to the Board Audit Committee through ESG Committee. Throughout the year, there were no complaints from interest groups or institutions at the relevant locations concerning public or social issues.

Dividend Distribution Policy

This policy establishes a transparent and sustainable framework for dividend distributions, ensuring alignment with Atlas Honda's commitment to delivering consistent shareholder value while maintaining financial resilience and strategic growth.

The Company has maintained a 60% dividend payout ratio which ensures that a good return is offered to the investors, and Company retains sufficient profits to finance its future growth and business development.

Dividends are proposed by the management and approved by the board. The Company ensures compliance with the requirements of Companies Act 2017, and the Companies (Distribution of Dividend) Regulations, 2017 issued by SECP. In line with SECP and Pakistan Stock Exchange (PSX) guidelines, Atlas Honda disburses final dividends within ten working days from the date of declaration at the Annual General Meeting (AGM). For interim dividends, the Company announces the book closure and confirms dividend entitlements within fifteen days from the Board of Directors' approval, with payment completed within ten working days from start of the book closure.



Human Resource Management

Human Resource Management and Succession Planning

Atlas Honda is committed to recruiting highly skilled, qualified and experienced professionals. The Company invests in its workforce through comprehensive training and development programs, ensuring employees are continuously motivated and equipped with the necessary skills. Additionally, Atlas Honda offers competitive compensation packages aligned with market standards. With a progressive Succession Planning strategy governed by Atlas Group, the Company focuses on nurturing existing talent and preparing them for future strategic roles within the organization and group companies. This approach ensures long-term sustainability and leadership continuity across the Company.

Merit-Based Recruitment

Atlas Honda is dedicated to a merit-based recruitment process that prioritizes fairness, transparency, and the selection of the most qualified individuals. The Company approach is firmly rooted in equal opportunity principles, ensuring every candidate is assessed based on their skills, knowledge, experience, and alignment with its organizational values and culture.

As part of its commitment to nurturing future leaders, the Company offer a Management Trainee Program designed to identify and develop high-potential graduates into tomorrow's business leaders. This structured program combines hands-on experience across multiple departments with mentorship from senior leadership and specialized training modules, providing participants with a comprehensive foundation for career growth within the Organization.

The Company structured onboarding program is designed to equip all new hires, including Management Trainees, with the necessary resources, training, and support to thrive in their roles from day one. By combining rigorous merit-based hiring practices with innovative HR solutions and leadership development initiatives, Atlas Honda consistently attracts and retains top-tier talent, reinforcing its commitment to organizational excellence and sustainable growth.

This strategic approach not only strengthens the Company's workforce but also aligns with its mission to maintain a diverse, skilled, and motivated team that drives Atlas Honda's continued success while preparing the next generation of business leaders.

Appraisal System

Atlas Honda believes that a robust performance appraisal system is fundamental to employee engagement,

development, and its organizational success. The performance-based approach ensures that individual growth aligns with Company objectives, creating a culture where achievements are recognized and rewarded.

The Company structured appraisal process begins with clearly defined, measurable goals that connect each employee's contributions to its broader business strategy. Throughout the year, managers provide regular feedback and guidance, fostering continuous improvement and professional development.

At the end of each performance cycle, the Company conducts comprehensive evaluations based on:

- Achievement of set objectives.
- Demonstration of core competencies aligned with our values.
- Overall contribution to organizational success.

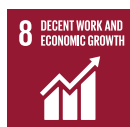
This process ensures fairness and transparency, incorporating both qualitative and quantitative assessments. High performers receive well-deserved recognition, while tailored development plans support employees in areas needing improvement.

By maintaining this performance-driven culture, the Company motivate its workforce to excel while ensuring Company's sustained growth and market leadership. The appraisal system remains a cornerstone of the Company's talent strategy, helping employees realize their full potential and driving the Company forward.

Employee Training & Development

Atlas Honda embraces the principle of 'Organizational Development Through Self Development', recognizing that sustained business success is built on the continuous growth of our people. The integrated Training & Development framework combines leadership programs, management excellence initiatives, and professional skill-building courses to equip employees at all levels with strategic, operational, and ethical competencies. From foundational workshops in business effectiveness and communication to advanced global programs at Harvard and INSEAD, the Company foster a culture where personal mastery drives collective achievement. By aligning individual learning—spanning goal-setting, conflict resolution, and financial acumen—with organizational priorities, the Company cultivate agile leaders and high-performing teams ready to navigate future challenges.

Career Development Path



Diversity & Inclusions

Atlas Honda Limited champions a diverse and inclusive workplace to drive innovation and excellence in Pakistan’s male-dominated automotive sector. Aligned with GRI 405, AHL enforces equal opportunity in hiring, development, and advancement, with zero tolerance for discrimination.

Despite significant challenges faced by the automotive industry of Pakistan, women currently represent 1.6% of our workforce, spanning engineering, supply chain, and management. To increase participation. We plan to increase the women participation by conducting outreach to attract female talent, implementing bias-free hiring, offering leadership programs.

We also promote diversity in our supply chain and provide regular trainings on equity and inclusion. Progress is tracked via KPIs and reviewed annually to ensure impact.

By breaking barriers, we aim to encourage gender inclusion in Pakistan’s auto industry.

Disclosure of Gender Pay Gap

Atlas Honda Limited is dedicated to promoting workplace equality and is actively taking measures to adhere to the SECP circular regarding the gender pay gap. Worldwide, the gender pay gap continues to pose a major challenge, highlighting income disparities between men and women influenced by factors such as occupational segregation,

variations in work experience, and systemic biases. Tackling this issue is crucial for ensuring fair compensation, fostering an inclusive work environment, and supporting sustainable economic growth. By aligning with global best practices and regulatory standards, Atlas Honda Limited strives to achieve pay equity, improve transparency, and reinforce its commitment to diversity and inclusion within its workforce. The following provides an overview of the current pay gap.

Gender Pay Gap

Mean: (52.08)
Median: (72.51)

	Male	Female
Mean Hourly Wage Rate	392.84	597.45
Median Hourly Wage Rate	227.23	391.99



IT Governance and Cybersecurity

Board of Directors' Statement on IT Governance and Information Security

The Board of Directors at Atlas Honda provides strategic leadership and oversight for IT governance and information security, recognizing their critical role in enabling innovation, operational resilience, and sustainable growth in a rapidly evolving digital landscape. To support this mandate, the Board is assisted by the Digital Transformation and IT Oversight Committee, which provides governance and expert guidance on matters related to cybersecurity, digital infrastructure, and enterprise-wide IT initiatives.

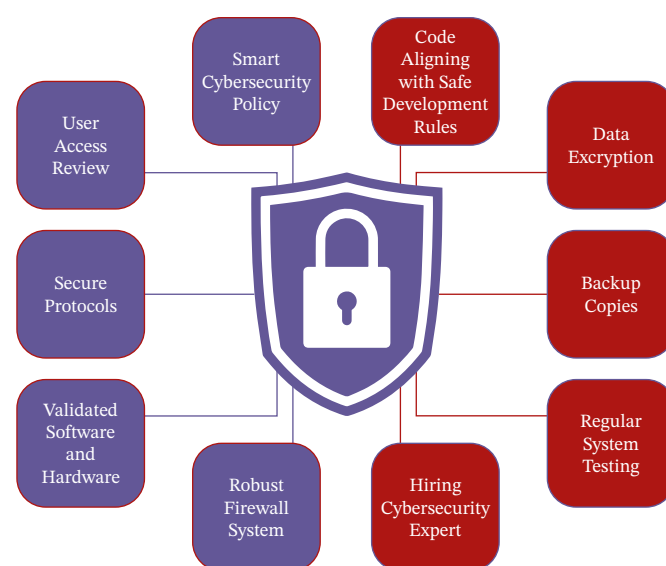
The Board sets the overarching direction for the responsible and effective use of digital technologies to enhance manufacturing excellence, foster product innovation, improve customer engagement, and ensure long-term business sustainability.

Key responsibilities of the Board include:

- Reviewing and approving the IT Governance Framework, ensuring that technology initiatives are aligned with corporate strategy, particularly in areas such as product development, supply chain digitization, and innovation.
- Endorsing the IT Strategy, Cybersecurity Strategy, and Digital Transformation Roadmap, ensuring they are aligned with the Company's long-term vision while addressing emerging risks and digital opportunities.
- Establishing an agile and robust IT organizational structure that supports secure and efficient technology deployment across all business functions—from R&D and production to customer service.
- Integrating technology risks into the broader Enterprise Risk Management (ERM) framework to promote business continuity, safeguard critical systems, and protect sensitive data assets.
- Periodically reviewing and approving IT and cybersecurity policies in accordance with evolving regulatory standards, technological advancements, and global best practices.
- Overseeing a fully independent IT audit function that reflects the Company's operational complexity and digital maturity.
- Ensuring the timely allocation of critical resources—people, processes, and technologies—to bridge capability gaps and drive digital transformation efforts.
- Supporting ongoing development of technical and cybersecurity capabilities across the workforce, ensuring preparedness in a rapidly changing digital environment.

- Approving and receiving regular updates on key IT programs and projects, including smart manufacturing, connected mobility initiatives, and digital customer experience platforms, especially those with strategic or operational significance.
- Defining and applying clear evaluation criteria for major technology projects, particularly those that impact product innovation, operational efficiency, or customer satisfaction.

Through this structured and forward-looking governance approach, Atlas Honda ensures that digital transformation remains secure, value-driven, and strategically aligned with the Company's long-term goals.



IT Governance and Cybersecurity Programs and Policies

IT governance at Atlas Honda is an integral part of Company's Corporate Governance Framework, providing the structure and oversight needed to ensure that digital initiatives are strategically aligned with business objectives, deliver measurable value, and are executed securely.

The Company's IT governance structure is underpinned by industry standards and regulatory frameworks applicable to industrial cybersecurity, operational technology (OT), and data protection.

Key policy and governance documents include:

- IT Governance Policy
- Information Security and Cybersecurity Policy
- Business Continuity and Disaster Recovery Plan (BCP/DRP)

These documents are periodically reviewed to remain current with evolving threats, regulations, and operational priorities. Key focus areas include

- Protection of critical manufacturing systems and customer data from cyber threats
- IT service management and infrastructure optimization
- Governance of digital projects from procurement to deployment
- Disaster recovery planning for production and digital continuity

Company's governance framework supports secure and innovative digital growth across manufacturing operations, enterprise systems, and customer experience platforms—ensuring that all technology initiatives are aligned with strategic business objectives and operational excellence.

Risk Oversight of Cybersecurity

Cybersecurity is a critical aspect of Atlas Honda's enterprise risk management (ERM) strategy. In increasingly digitalized manufacturing and mobility environment, cybersecurity has become a critical element of corporate governance. For the Company, cyber risks pose potential threats not only to operational continuity and data integrity but also to brand reputation, intellectual property, and stakeholders trust. Accordingly, cybersecurity is an integral part of the Company's enterprise-wide risk management framework and is overseen directly by the Board of Directors.

The Board of Directors actively monitors the evolving cybersecurity risk landscape, including compliance with applicable regulatory requirements and industrial cybersecurity standards. It ensures that the Company has in place an effective Management Information System (MIS) that enables transparent reporting of IT-related risks, performance of key initiatives, and any deviations from approved cybersecurity and IT governance policies.

The Company's IT Steering Committee comprising senior leadership has been entrusted to regularly update the Board on the following:

- Implementation status of the cybersecurity strategy and action plan
- Progress on major digital transformation projects and IT risk mitigations
- Key cyber incidents, attempted breaches, and potential impacts on production or customer-facing systems
- Status of compliance with cybersecurity controls in operational technology (OT) environments

- Emerging cyber threats specific to the automotive and connected mobility ecosystem

In addition, matters related to cybersecurity are escalated to the Technology and Innovation Oversight Committee of the Board for strategic direction and policy guidance.

The Information Security Function, operating under the Risk Management and Compliance Group, is responsible for logging, investigating, and documenting all cybersecurity events, breaches, or attempted intrusions. Detailed reports are shared with the executive management and the Board for review and further action as needed.

This oversight structure ensures that cybersecurity risks are identified early, addressed proactively, and integrated with the Company's broader risk and resilience strategies—supporting safe, secure, and innovative operations across the value chain.

IT Governance and Cybersecurity Administration

The Confidential Committee of the Board supports IT governance and cybersecurity oversight. Its role includes:

- **Risk Management Oversight:** Establishing comprehensive strategies to mitigate technological risks, including cyber threats to manufacturing and service operations.
- **Information Security Review:** Conducting regular reviews of the Company's information security frameworks and emerging risks.

The Board's strategic IT governance responsibilities include:

- Reviewing and approving the Company's IT, Cybersecurity, and Digital Transformation Strategies.
- Integrating IT risks into the Company's ERM structure.
- Overseeing policy development and periodic reviews, conducted at least every three years.
- Ensuring an effective and independent IT audit function.
- Allocating resources to address IT capability and capacity gaps.
- Supporting workforce development in cybersecurity, technology governance, and digital innovation.
- Approving significant technology investments and projects, with regular oversight updates.

Business Continuity and Disaster Recovery

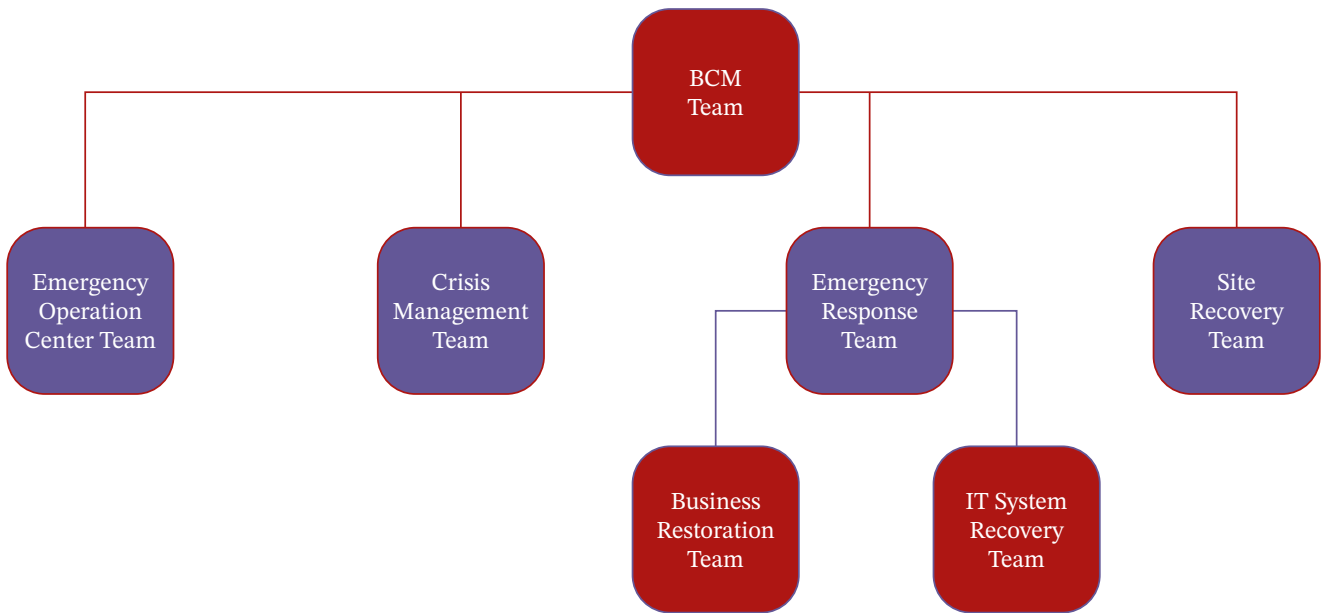
Atlas Honda maintains a robust Business Continuity Management Plan to safeguard against both cyber and physical disruptions. Scope includes:

- Manufacturing and production systems
- Customer-facing platforms (e.g., e-commerce, service portals)
- Communication and data infrastructure

A designated “Business Continuity Management Team” oversees activation, execution, and resource allocation during recovery operations. Annual Disaster Recovery Drills are conducted to validate preparedness, including full transition to an alternate recovery site

Disaster Recovery Enhancement through Hyper-Converged Infrastructure (HCI)

To strengthen IT resilience and ensure business continuity, the Company successfully implemented a Hyper-Converged Infrastructure (HCI) across the data center environment. HCI integrates computing, storage, and networking into a unified platform, enabling faster data replication, seamless backup, and efficient failover mechanisms. This architecture significantly reduces recovery time objectives (RTOs) and recovery point objectives (RPOs), allowing critical business applications to be restored rapidly in the event of a disruption. Moreover, the centralized management and automation capabilities of HCI have improved the disaster recovery testing and readiness, ensuring that the Company is well-prepared to respond to unforeseen incidents with minimal downtime and data loss.



Cybersecurity Risk and Incident Management (Early Warning System)

To proactively manage cyber threats, Atlas Honda has implemented a comprehensive Early Warning System as part of its broader information security framework.

Core components include:

- **Cybersecurity Action Plan:** Designed to anticipate, detect, and respond to cyber incidents in alignment with global best practices.
- **Automated Monitoring Tools:** Deployed to protect production lines, customer data, and digital assets.
- **Log Monitoring:** Continuous log reviews to identify unusual or unauthorized activities.
- **Penetration Testing:** Conducted regularly and after significant changes to systems.
- **Vulnerability Assessments:** Frequent assessments to uncover and remediate weaknesses.

- **Change Detection:** Systems alerting staff to unauthorized changes in core IT platforms.
- **Industry Collaboration:** Active participation in industry forums to share threat intelligence.

Employees are encouraged to report incidents promptly on “Cyber Incident Reporting Portal” and Information Security teams. All incidents are thoroughly documented, reviewed by executive leadership, and reported as per regulatory requirements.

Independent Security Assessments

The Company conducts independent third-party cybersecurity risk assessments to safeguard its information and information systems from evolving cyber threats. The purpose of these independent assessments is to identify, evaluate, and prioritize risks to the Company’s information systems by engaging external consultants with expertise in Information Security and Penetration Testing. The Company’s policy regarding independent security assessments includes:

- **Quarterly Vulnerability Scans:** For critical systems, such as our Product Design & Development Environment and Supply Chain Management Systems, the Company conduct quarterly external network vulnerability scans performed by an Approved Scanning Vendor (ASV), ensuring compliance with industry standards.
- **Annual Penetration Testing:** The Company arrange third-party penetration testing at least once a year or whenever there are significant changes to the Company's infrastructure, ensuring systems remain resilient to cyber threats.

These assessments help ensure that digital platforms, including manufacturing systems, customer-facing applications, and internal networks, are rigorously tested and secured against potential risks.

Augmentation of Technological Advancements

The Company is committed to embracing innovative technologies that enhance operational efficiency and support Company's growth in the automotive sector. A key driver of this transformation is the implementation of SAP S/4HANA, a state-of-the-art enterprise resource planning (ERP) system. This system helps streamline business processes across manufacturing, supply chain, and customer service functions, providing real-time data access and enabling more informed, agile decision-making that supports Company's operational goals and enhances productivity.

In addition, to SAP S/4HANA, the Company is incorporating Robotic Process Automation (RPA) to improve efficiency by automating repetitive tasks within critical business processes. This initiative supports faster response times, reduces the risk of human error, and drives cost efficiency, particularly in areas such as procurement, finance, and inventory management.

Company's commitment to technological advancement also extends to blockchain technology, which the Company are exploring for its potential to enhance transparency, improve data integrity, and secure transactions within business operations. These initiatives are helping to optimize internal processes, improve the customer experience, and stay ahead of industry trends, ensuring that Atlas Honda remains a competitive and innovative player in the automotive sector.

Cybersecurity Education and Awareness

The Company continues to embrace digital transformation, the cybersecurity landscape becomes more complex. With the increased use of digital platforms for everything – from production and inventory management to customer engagement and online sales, it's crucial to stay proactive in managing cybersecurity risks. To mitigate these risks, the Company has implemented comprehensive training and

awareness programs tailored to employees, customers, and stakeholders. These efforts are carefully overseen by the Company's IT Steering Committee, ensuring that Company's approach to cybersecurity remains relevant, effective, and up-to-date with industry standards.

1. Employee Training

The Company motto is "Organization Development through Self-development". The Company prioritize equipping employees with the necessary skills to recognize and manage cybersecurity threats. Regular Employee Cybersecurity Training Programs are conducted to ensure all staff understand the importance of secure digital practices. This training covers topics such as secure data handling, safe use of Company systems, and protocols for managing sensitive information.

2. Specialized Workshops

To further enhance the skills of employees, the Company organize specialized cybersecurity workshops that focus on specific threats, such as data breaches, ransomware attacks, and safe online transactions. These workshops help employees stay ahead of emerging cyber risks and develop a deeper understanding of how their roles impact the Company's security posture.

3. Security Policies

The Company has established a comprehensive set of Security Policies that guide employees on best practices for maintaining cybersecurity across all digital platforms and operations. These policies are regularly reviewed and updated to ensure they align with the latest industry standards and regulatory requirements. Employees are required to familiarize themselves with these policies to maintain a secure work environment.

4. Simulated Phishing Exercises

To test and improve employee awareness, the Company conducts simulated phishing exercises throughout the year. These exercises mimic real-world phishing attacks, helping employees identify suspicious emails and avoid falling victim to cyber scams. The results are reviewed to identify areas for improvement and ensure employees are prepared to handle similar threats.

5. Continuous Improvement

Cybersecurity is an ongoing effort, and the Company is committed to continuous improvement in this area. The Company regularly assess the effectiveness of training programs and adapt them based on new cybersecurity challenges and employee feedback. This includes implementing new tools, refining training content, and exploring additional ways to strengthen Company's overall security posture.

Digital Transformation



Atlas Honda is driven by a philosophy of embracing technological progress to remain aligned with international standards. This approach is reflected in its modern production infrastructure and the adoption of the globally acclaimed ERP system, SAP. The Company implemented SAP ERP in 2006 and has continuously upgraded and reconfigured the system to meet its changing operational needs and keep up with industry developments.

This year Atlas Honda made a timely and strategic decision to migrate from SAP ECC 6.0 to SAP S/4HANA. To ensure a smooth transition, the Company partnered with a leading SAP implementation consultant for the smooth deployment of SAP S/4HANA without disruptions in daily operations. The migration was successfully completed during the year, and all major modules—FICO, MM, QC, SD, PP, and PM are now fully operational and being utilized to their maximum potential.

SAP S/4HANA offers a range of enhancements over the earlier SAP ECC version. Some of the key advantages that make S/4HANA a superior choice includes:

- **Instant Access to Data and Insights:** Built on the high-performance SAP HANA in-memory platform, S/4HANA allows for real-time data processing and analytics. This enables immediate access to business-critical information, facilitating faster and more informed decision-making compared to ECC's disk-based systems, which can cause delays.

- **Streamlined Data Architecture:** S/4HANA features a simplified data model that reduces data duplication and improves data integrity. This leaner structure minimizes system complexity and simplifies data management, unlike the more intricate data framework of ECC.
- **Modern and Intuitive User Interface:** With the integrated SAP Fiori experience, S/4HANA delivers a sleek, user-friendly interface that is optimized for mobile and desktop use. This enhances user productivity and satisfaction, whereas ECC primarily uses the older, less intuitive SAP GUI.

The successful execution of the SAP S/4HANA upgrade was made possible through strong support from senior management. The leadership team provided strategic oversight, ensuring timely decision-making, resource availability, and alignment of the project with organizational goals. A steering committee closely monitored progress and risks throughout the implementation, ensuring the project remained on track and within scope.

To ensure seamless user adoption, a Company-wide training initiative was launched, focusing on both system functionality and business process alignment. This helped reduce the risk of business disruption and supported a stable and successful go-live.


Stakeholder's Relationship and Engagement


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


The engagement process starts with the identification of stakeholders. The Company defines stakeholders as those who are or could be potentially affected by the Company's operations or who have an interest in or influence on the


Company's business. Stakeholders are then identified and prioritized for engagement based on interest, influence, responsibility, and willingness & ability to engage.


Consultation is then carried out with the identified stakeholders to gain input on topics which are of interest to stakeholders or which can significantly affect us. The results of the stakeholder engagement are quarterly communicated to the Board through ESG Committee for Board's consideration. List of stakeholders, processes, frequency of engagement, how value is created and the Company's strategy to the same are as follows:


Stakeholders	Why do they matter	Mode of Engagement	Value Created	Strategy
Shareholders/ Investors 	Individuals, corporate and other organizations that have invested capital	Ongoing <ul style="list-style-type: none"> Dedicated webpage for investors Notices, circulars, announcements and interim reports Annual <ul style="list-style-type: none"> Annual General Meeting Annual reports 	<ul style="list-style-type: none"> Sustained good return on investment through strategic and organic growth Exemplary governance practices Sound risk management 	<ul style="list-style-type: none"> Strong leadership, commitment to growth & value creation Focus on good corporate governance and ethics


Stakeholders	Why do they matter	Mode of Engagement	Value Created	Strategy
Employees 	Core assets who implement all of management's decisions, strategic and operational	Ongoing <ul style="list-style-type: none"> Communication through immediate supervisors, management, intranet Newsletters and other communications Whistle blowing mechanism Training and development programs Bi-Annual <ul style="list-style-type: none"> Performance appraisals 	<ul style="list-style-type: none"> Remuneration and benefits, personal development, training and health & safety Clearly defined roles, responsibilities & goals, performance management and development 	<ul style="list-style-type: none"> Provision of competitive remuneration and benefit packages as per industry benchmarks Enforcement of stringent safety measures, on-going training and education programs, open communication


Stakeholders	Why do they matter	Mode of Engagement	Value Created	Strategy
Customers 	End-users of the Company's products	Ongoing <ul style="list-style-type: none"> Communication through sales service & warranty centers, conferences, exhibitions, events and seminars Dedicated customer care section on the Company's website and call center 	<ul style="list-style-type: none"> Product/service quality and availability Safe product use Correct product information Transparent communication 	<ul style="list-style-type: none"> Production of high quality products Efficient supply chain Capacity expansion to meet demand Focus on after-sale service


Stakeholders	Why do they matter	Mode of Engagement	Value Created	Strategy
Dealership Network 	Distributors of the Company's products	Ongoing <ul style="list-style-type: none"> B2B links connecting us with dealers Dealer training and education programs Semi-Annual <ul style="list-style-type: none"> Dealer's convention 	Return on investment, equal business opportunities & transparent communication	Nurture and protect partnerships that result in mutually beneficial outcomes

Stakeholders	Why do they matter	Mode of Engagement	Value Created	Strategy
Vendors 	Businesses that provide raw materials, components and services which are key to the Company's manufacturing process	Ongoing <ul style="list-style-type: none"> Audits and visits for vendor development and compliance with quality standards B2B links connecting us with vendors Annual <ul style="list-style-type: none"> Vendor conventions and Vendor Excellence Awards (ALAMAYAR) 	<ul style="list-style-type: none"> Shared development <ul style="list-style-type: none"> Supply chain sustainability Contract terms that are reasonable and as per market norms Timely payment Opportunity for discussion and negotiation 	<ul style="list-style-type: none"> Opportunity to compete for business on the basis of clear and transparent procedures & evaluation criteria Mutually beneficial relationships where all parties integrate talent, resources and efforts to exceed expectations

Stakeholders	Why do they matter	Mode of Engagement	Value Created	Strategy
Media 	Representatives from print, online broadcast and social media	Ongoing <ul style="list-style-type: none"> Media releases, briefings, presentations, interviews and information on social media page 	Information on the operations, growth prospects and sustainability practices & economic outlook	Timely communication of information on relevant subjects

Stakeholders	Why do they matter	Mode of Engagement	Value Created	Strategy
Local Communities 	Local society and neighborhood	Ongoing <ul style="list-style-type: none"> Seminars, rallies and other awareness campaigns on various issues including road safety, healthy livelihood, education and welfare Internships, management trainee programs and factory visits of members including students from local Community Women empowerment programs 	Creation of employment and business opportunities, investment in infrastructure, environmental protection initiatives	<ul style="list-style-type: none"> Undertake community development programs Support sports, cultural, art and other events and create opportunities for employment and business Undertake environmental protection initiatives

Stakeholders	Why do they matter	Mode of Engagement	Value Created	Strategy
Government & Regulators 	Federal & Provincial governments, Securities and Exchange Commission of Pakistan and Pakistan Stock Exchange	Ongoing <ul style="list-style-type: none"> Filing of statutory forms, documents, prescribed returns, assessments and other information as per applicable laws and regulations Participation in government initiatives, regulation and policy working groups 	Compliance with legal and regulatory requirements and adherence to policies and guidelines	<ul style="list-style-type: none"> Ensure compliance with legal and regulatory requirements Contribute to the economy through taxes and other payments

Stakeholders	Why do they matter	Mode of Engagement	Value Created	Strategy
Industry Associations & Representative Bodies 	Auto sector specific associations and various business councils	Ongoing <ul style="list-style-type: none"> Representations in activities of local trade and industry associations' meetings, visits and training programs etc. Providing periodical operational data 	Compliance with regulations and protection of interest of members of associations and representative bodies	Ensure compliance and actively participate in key business and industry initiatives within the boundaries of legal frameworks and requirements

Efforts to Engage Minority Shareholders

The Company is committed to ensuring that all shareholders, particularly minority shareholders, are treated fairly. To safeguard shareholders' interests the Company facilitates and ensures their participation in general meetings of the Company.

To facilitate participation the notice for the Annual General Meeting is sent to all shareholders at least 21 days before the meeting date. Additionally, this notice is published in prominent English and Urdu newspapers with nationwide reach. The Company goes beyond the legal requirement by making arrangement to enable the shareholders to participate in the AGM through video conference, which has further improved the minority shareholders' participation. Further, the minority shareholders who are unable to attend the AGM may exercise their rights by appointing a duly authorized proxy in accordance with relevant laws and regulations.

During the meetings, shareholders have the right to voice their concerns and fully participate by proposing and seconding any agenda items. They can also request draft minutes of the meeting within a specified period after the meeting. Shareholders are further empowered to raise objections regarding significant decisions such as major investments, planned acquisitions, mergers, takeovers, or any other corporate or capital restructuring activities.

Matters Raised in the last AGM of the Company

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

Corporate Briefing Session of the Company

Corporate Briefing Sessions (CBS) are interactive sessions between the management of the Company and the investor community whereby the Company takes the opportunity to apprise the local and foreign investors about the business environment and economic indicators of the country, explain its financial performance, competitive environment in which the Company operates, investment decisions, challenges faced as well as business outlook.

The idea behind the Company's investor engagement through CBS is to give the right perspective of the business affairs of the Company to the investors (both existing and potential) which helps them in making their investment decisions.

In order to attract maximum local and international audience, CBS was held digitally through Zoom on July 19, 2024. During the meeting the senior management briefed the following matters about the Company:

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

Thereafter a Question and Answer Session was held.

For more details on corporate briefing session, please refer the presentation delivered during the meeting, placed on our website link:

<https://www.atlashonda.com.pk/wp-content/uploads/2024/07/CBS-Presentation-.pdf>

Investors' Complaints and Grievance Reporting Mechanism

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

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

Striving for Excellence

Statement of Management's Responsibility Towards the Preparation and Presentation of The Financial Statements and Directors' Compliance Statement

Management is fully aware of its responsibility towards preparation and presentation of financial statements. The Directors of the Company confirm that:

- The financial statements have been prepared which fairly represent the state of affairs of the Company, the result of its operations, cash flows and changes in equity.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent business judgment.
- International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements and any departures therefrom have been adequately disclosed and explained.
- The system of internal control is sound in design and has been affectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There is no material departure from the best practices of Corporate Governance as per regulations.

Certifications Acquired and International Standards Adopted

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

ISO Certification

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

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

International Integrated Reporting Framework

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

Global Reporting Initiative (GRI) Standards

Sustainability report is integrated with the Annual Report of the Company which is prepared on the basis of Global Reporting Initiative (GRI) standards 2021. The GRI standards 2021 provide information about adherence to the principles of inclusivity, materiality, responsiveness and impact. The GRI content index for the users of this report is mentioned on page numbers 145 to 149.

CEO Presentation Video

Chief Executive's presentation video regarding Company's business overview, performance, strategy and outlook of the Company, is available on Company's website and can be accessed through the following web [link: www.atlashonda.com](http://www.atlashonda.com)





Sustainability Report

- About the Report
- Sustainable Development Goals
- Sustainability Targets
- General Information
- Sustainability Strategy Framework
- Voluntary Adoption of IFRS S-1 & S-2
- Environmental Protection
- Social Performance
- Governance Framework
- Definition, Methodology and Scope
- Independent Assurance Statement
- GRI Content Index
- SDG Content Index



About the Report

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Reporting Period

Financial year 2025 (April 01, 2024 to March 31, 2025)

02

Reporting Cycle

Annual

03

Date of Publication

June 01, 2025

04

Available Version

Online and printed versions are available in English. Online version can be accessed from www.atlashonda.com.pk

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Report Content

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

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Global Reporting Initiative

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021. The GRI content index is available on page.

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Assurance

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

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Contact for feedback

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

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

Email: ahl.suggestions@atlashonda.com.pk

Sustainable Development Goals

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

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

We are committed to all 17 goals, as they all have some connection to our business. For detailed activities and the company's progress towards these goals, please refer to the SDG Index available on page 150-151.



Sustainability Targets

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

Sustainability Area	New Targets	Target Year
Reduction in waste intensity ratio	Material 0.5% reduction in waste intensity ration from current year. During the current year, 0.5% reduction in waste intensity ratio was achieved, as against the target of 0.8%.	2026
Reduction in per unit energy consumption	Energy 4% reduction in energy intensity ratio from current year. During the current year, energy saving initiatives taken by the Company resulted in 5% reduction in energy intensity ratio which is in line with the set target.	2026
Reduction in CO ₂ emissions intensity	Emissions 1.5% reduction in CO ₂ emission intensity ratio in next year. During the current year, 2% reduction in emissions intensity ratio was achieved owing to process optimizations and utilization of renewable sources of energy.	2026
Reduction in water consumption per unit	Water 2% reduction in water consumption from current year. During the current year, 3% reduction in water intensity ratio was achieved as a result of process optimizations and recycling measures.	2026
Zero injury	Health and Safety Zero Injury	2026

General Information

Ownership and Legal form

Atlas Honda is a public limited company listed on the Pakistan Stock Exchange. It is a joint venture between Shirazi Investments (Private) Limited (SIL) and Honda Motor Company with SIL holding 52.43% of issued, subscribed and paid-up capital as at March 31, 2025.

Headquarters and Operations

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

Scale of the company

During the year ended March 31, 2025, net sales of the Company amounted to Rs. 203.89 billion, with sales of more than One Million One Ninety Six Thousand Two Hundred Units. Net profit for the year amounted to Rs. 15.25 billion with total assets amounting to Rs. 87.34 Billion with equity of Rs. 33.36 billion, as at the said date. The workforce of the Company comprised of 2,782 permanent employees as at March 31, 2025. The Company does not hire employees on part-time or temporary basis.

Supply chain

The supply chain of the Company spans from procurement of machinery, raw materials, semi-finished & finished parts, services and other inputs from local and foreign vendors to delivery of finished motorcycles and parts to customers through a country-wide network of dealers. The Company's supply chain is both labor and capital intensive. During the year, the Company paid Rs. 121,535 million to its supply chain partners on account of purchases of goods and services.

Activities, Brands, Products & Services and Markets Served

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

Memberships and external initiatives

Atlas Honda Limited is a member of the following major associations:

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

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

Further, in addition to the Company's internally developed charters, Code of Conduct and guidelines, the Company is committed to various externally developed initiatives, charters and principles. Please refer page 63 for more details.

Significant changes

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

Sustainability Strategy Framework



At the core of Company's business philosophy lies a robust sustainability strategy designed to create enduring value while ensuring equitable opportunities for future generations. The Company recognizes that true sustainability can only be achieved through a holistic approach that combines responsible resource utilization, innovative product development, and an unwavering commitment to environmental stewardship and social equity. Atlas Honda dedication to sustainable business practices distinguishes the Company in the marketplace, fostering deep customer trust, enhancing brand reputation, and driving growing demand for our products and services.

The Company's Sustainability Strategy Framework serves as the foundation for its business operations, fully aligned with its corporate mission and vision. This comprehensive framework is structured around three critical pillars:

Environmental Protection: Implementing eco-conscious manufacturing processes, reducing carbon footprint, and promoting circular economy principles

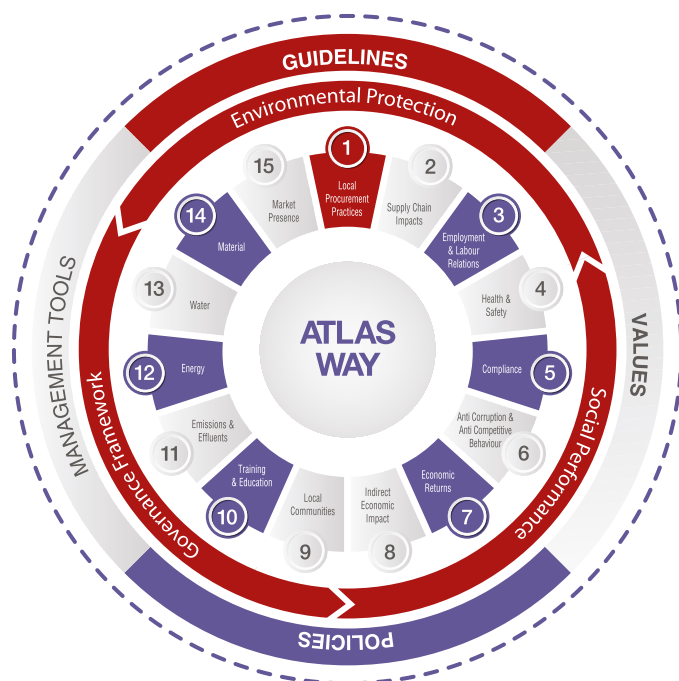
Social Performance: Investing in community development, ensuring fair labor practices, and prioritizing stakeholder welfare

Governance Framework: Maintaining transparent operations, ethical business conduct, and robust compliance mechanisms

Guided by the fundamental principles of the "ATLAS WAY" - the cornerstone of Atlas Group's business doctrine - Company's sustainability approach permeates every aspect of its operations. The ATLAS WAY encompasses both the "ATLAS CULTURE" (its shared values and behaviors) and the "ATLAS SYSTEMS" (its operational methodologies and processes), creating a unified framework that drives continuous improvement across all departments and business activities.

This integrated approach enables the Company to pursue operational excellence and product quality while simultaneously safeguarding environmental interests and creating positive social impact. By embedding sustainability into its corporate DNA, the Company is not only meeting current market demands but also paving the way for a more sustainable future - one where business success goes hand-in-hand with environmental preservation and social progress.

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



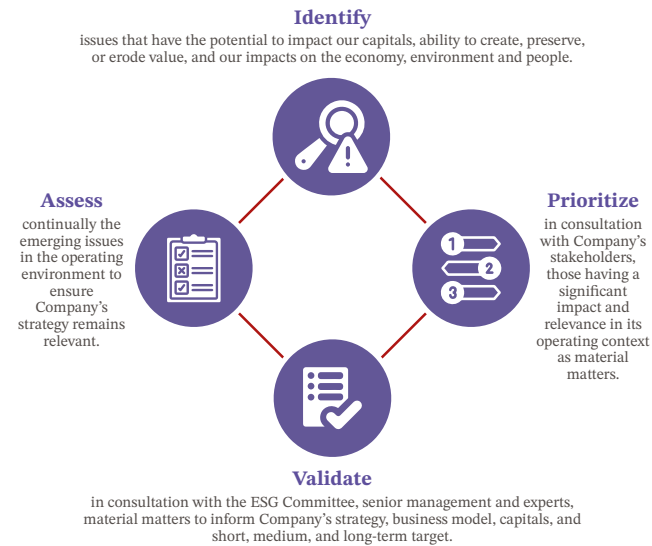
Process to determine Material Topics

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

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

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

fundamental requirements for all its activities, as part of Company’s precautionary approach.



remains relevant in the constantly changing external environment. The most recent evaluation, conducted in 2024-2025 with input from stakeholders, resulted in no changes to the list of material topics.

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



Voluntary Adoption of IFRS S-1 & S-2

Atlas Honda recognizes that sustainable business practices are fundamental to long-term success and value creation. In accordance with IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information), the Company has provided comprehensive disclosures across the four core pillars of governance, strategy, risk management, and metrics & targets. This report outlines Company's systematic approach to integrating sustainability into decision-making processes, ensuring alignment with global best practices while addressing Country's unique socio-economic and environmental challenges.

1. Governance: Leadership and Oversight

Atlas Honda's sustainability governance framework is anchored in robust Board-level oversight and executive accountability. The Board of Directors, supported by the Environmental Social & Governance (ESG) Committee, plays an active role in reviewing and guiding sustainable business policies, ensuring they align with Board's fiduciary duties to stakeholders.

Board Responsibilities: The Board evaluates sustainability related risks and opportunities as part of its strategic mandate, ensuring that environmental, social, and governance (ESG) considerations are embedded in corporate decision-making.

ESG Working Group: Day-to-day sustainability initiatives are led by a cross-functional Working Group, comprising representatives from manufacturing, supply chain, sales, after sales, HR, and finance. This team ensures compliance with local regulations and global standards.

Stakeholder Engagement: The Company maintains transparent communication with investors, regulators, employees, and communities through annual sustainability reports, and stakeholder consultations.

This governance structure ensures that sustainability is not treated as a peripheral activity but as a core business imperative.

2. Strategy: Integrating Sustainability into Business Objectives

Atlas Honda's sustainability strategy is designed to create long-term resilience and competitive advantage while contributing to National sustainable development goals. Company's strategic priorities include:

Environmental Sustainability

Carbon Neutrality Roadmap: We are committed to reducing our carbon footprint through energy-efficient manufacturing, adoption of renewable energy (e.g., solar power in plants), and optimizing logistics to cut fuel consumption.

Circular Economy Initiatives: Enhancing recycling and reuse of materials (e.g., metal scrap, packaging) to minimize waste.

Electric Vehicle (EV) Readiness: Investing in R&D for electric motorcycles to align with global decarbonization trends.

Social Responsibility

Workforce Development: Ensuring safe working conditions, up skilling employees, and promoting gender diversity in manufacturing roles.

Community Impact: Expanding CSR programs in education, healthcare, and road safety awareness, and women empowerment through bike riding training sessions.

Ethical Supply Chain: Partnering with suppliers who adhere to labor and environmental standards.

Economic Value Creation

Cost Efficiency: Sustainable business practices reduce operational costs (e.g., lower energy consumption, reduced material consumption).

Market Leadership: Strengthening brand reputation among ESG-conscious consumers and investors.

We conduct scenario analyses to assess how sustainability trends (e.g., stricter emissions regulations, EV adoption) could impact our business model over the next decade.

3. Risk Management: Identifying and Mitigating Sustainability Risks

Atlas Honda employs a structured approach to identify, assess, and mitigate sustainability-related risks:

Climate-Related Risks: Physical risks (e.g., extreme weather disrupting production) and transition risks (e.g., policy shifts toward EVs) are evaluated through climate vulnerability assessments.

Supply Chain Risks: Ensuring raw material traceability (e.g., conflict-free minerals) and building supplier resilience against climate and geopolitical disruptions.

Regulatory Risks: Proactively monitoring changes in laws and the regulations to ensure compliance.

Reputational Risks: Addressing stakeholders' concerns through transparent ESG disclosures and grievance reporting mechanism.

These risks are integrated into our Enterprise Risk Management (ERM) framework, with mitigation strategies reviewed quarterly by the Board.

4. Metrics & Targets: Measuring Progress

Key performances against ESG metrics have been listed below:

Environmental Metrics

	2025	2024
Scope 1 Emissions – CO2 metric tons	18,025	15,900
Scope 2 Emissions - CO2 metric tons	6,108	4,161
Energy Intensity Ratio – KJ / Motorcycle	337	355
Water Intensity Ratio – litres / Motorcycle	483.18	498.12
Waste Intensity Ratio – KG / Motorcycle	6.79	6.82

Social Metrics

	2025	2024
Diversity %	1.61	1.30
Training Hours per employee	8.9	8.5
Mean gender Pay Gap	(52.08)	(34.49)
Median Gender Pay Gap	(72.51)	(81.02)

Governance Metrics

	2025	2024
Board Diversity Ratio – Gender %	12.5	12.5
Board Diversity Ratio – Minorities %	37.5	37.5
Board Diversity Ratio – Independent Directors %	25%	25%
Dedicated ESG Committee of the Board	Yes	No

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

In order to make steady progress toward carbon neutrality, Atlas Hondahas defined corresponding targets and has been promoting efforts accordingly. For CO₂ emissions during product use, a target for CO₂ emissions intensity has been set for 2035, representing nationwide sales share of electrified entry level products. In the area of corporate activities, the Company aims to reduce its total CO₂ emissions by 46% from year 2020. To achieve this target, the Company will promote initiatives such as improving production efficiency, implementing energy-saving measures, transition to low renewable energy sources.

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

Sustainability Reporting under IFRS S2

Governance

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

Risk Management

At Atlas Honda, "climate change-related risks" are positioned as one of the company-wide priority risks, which include the environmental risk such as stricter environmental regulations, and natural disaster risk such as earthquakes, floods, etc. The response to climate change-related risks is being driven by the Board of the Company. The audit committee, on behalf of the Board, is responsible for organizing information on the progress of environmental measures.

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

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

1.5°C scenario	4°C Scenario
<ul style="list-style-type: none"> As decarbonization approaches, the Company also assumes advances in renewable energy and energy-saving clean technologies, as well as the growth of their widespread use. 	

Transition Risks

Risks and opportunities and the underlying response strategies

Driving Factor: Policy & Regulations / Changing Consumer Preferences

Risk: Rising climate risks, including stricter emissions regulations and evolving reporting standards (such as IFRS SDS S1 & S2), are accelerating the global shift toward low-carbon mobility. Governments worldwide are imposing tighter emissions limits, imposing carbon taxes and mandating detailed carbon disclosures, increasing compliance costs. These regulatory changes could reduce demand for ICE models as consumers and fleet operators pivot to electric alternatives to avoid future penalties or obsolescence. Additionally, enhanced emissions reporting requirements may expose financial risks (e.g., stranded assets, retrofitting expenses), further eroding the competitiveness of ICE motorcycles in key markets. Proactively adapting to these shifts—through electrification, carbon-neutral fuels, or circular economy strategies—will be critical to sustaining sales and regulatory compliance.

Timeframe: Medium / Long Term

Opportunity: The tightening climate regulations and shifting consumer preferences away from internal combustion engine (ICE) motorcycles present a significant opportunity to pioneer sustainable mobility solutions and capture emerging market demand. By strategically investing in electric vehicle (EV) technology, hybrid models, and carbon-neutral fuel alternatives such as bio fuels, the Company can position itself as a leader in the low-carbon transportation sector. This transition allows the Company to:

- Expand into growing EV markets, benefiting from government incentives (e.g., subsidies, tax breaks) for clean vehicles.
- Enhance brand reputation as a sustainability-driven innovator, attracting environmentally conscious consumers.
- Build partnerships to access new revenue streams.
- Improve operational efficiency by adopting circular economy practices (e.g., material recycling, remanufacturing) to reduce costs and emissions.

Driving Factor: Changes in technology

Risk: Advancements in the EV technology could reduce the price gap with ICE technology which could render

ICE technology uncompetitive. The risk isn't about the EVs getting better, it is about the ICE technology becoming obsolete or uncompetitive.

Timeframe: Medium / Long Term

Opportunity: This presents company with a new opportunity to grow by creating a market that operates parallel to its existing technology. The Company constantly monitors the technological advancements and explore possibilities to embrace these innovations in the future, which aligns with its strategy to offer low carbon solutions. The energy transition is inevitable, but it needs to be affordable. With the extent of localization that the Company has achieved, its ICE technology has a competitive edge over the lithium ion technology. This shows that ICE technology will continue to grow while more environmental conscious consumers having the capacity to afford will transition towards EVs. Further, other alternatives such as flexi fuel vehicles present opportunities to create new revenue streams.

Physical Risks

Driving Factor: Climate related physical risks

Risk: Extreme climatic conditions from natural disasters may damage Company's production base or could cause disruption in its supply chain which may affect our production.

Timeframe: Medium / Long Term

Opportunity: The Company has a stable production system with two production sites in Pakistan: one in Lahore and the other one in Karachi. In Addition to this, for all of Company's key components and raw materials, it has a diversified vendor chain across the country, which reduces its dependence on single source suppliers. Furthermore, this presents the opportunity to partner with key suppliers in adopting sustainable and resilient practices.

Climate-Related Financial Impact Assessment

The Company is currently evaluating the financial implications of climate-related risks and opportunities. While the Company has disclosed these risks and opportunities, the financial impact assessment is still in progress.

This analysis includes physical and transition risks, as well as potential opportunities such as energy efficiency and low-carbon solutions. Given the complexity and evolving nature of climate-related financial modeling, this process requires careful consideration and may involve scenario analysis, stakeholder engagement, and further data collection. The Company will provide updates as its assessment advances.



Environmental Protection

Management Approach

Environmental protection is a core element of Atlas Honda's sustainability strategy. In response to global challenges such as climate change, pollution, and resource scarcity, the Company is committed to becoming the most resource-efficient mobility solution provider in Pakistan. To achieve this, Atlas Honda focuses on enhancing energy and resource efficiency within its production processes while actively working to reduce emissions and waste.

These efforts not only help minimize the Company's environmental footprint but also support Honda's broader environmental vision and contribute to cost savings. Environmental aspects related to energy and resource usage, emissions, effluents, waste, and water are managed by the Production and HSE departments in collaboration with other units. Well-defined procedures are in place to meet set targets.

The Company operates a dynamic Environmental Management System (EMS), guided by its Environmental Policy, to ensure effective implementation, monitoring, and continuous improvement of its environmental performance. Regular engagement with local communities helps assess and address the environmental impacts of operations.

Atlas Honda publishes an annual sustainability report on its website to ensure transparency and public disclosure of its environmental performance. Green initiatives are being adopted across all company sites and extended to its business partners. Furthermore, the Company promotes environmental awareness through ongoing training and development programs for both employees and suppliers.

Environmental Policy

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

Compliance

Comply with requirements of environmental legislation and local regulations as a responsible corporate citizen.

Energy and Resource Conservation

Establish and implement management programs to encourage energy conservation and reduce consumption of resources.

Prevention and Reduction

Prevent, where possible, and reduce generation of emissions and waste throughout the production processes & ensure safe disposal.

Knowledge and Education

Promote relevant environmental protection knowledge and activities through education and training.

Kaizen 'Ala Mayar' - Continuous Improvement

Initiate and extend environmental protection activities from our own operations and to those of our business partners including parts manufactures, general suppliers and dealers.

Environment Management System

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

The Company conducts internal and external audits of its EMS and strives for further improvement. During the year, the Company identified tasks as a result of in-house reviews and made improvements accordingly. Periodic visits by representatives from Environmental Protection Agency (EPA) are also facilitated to ensure compliance with regulatory requirements. No non-compliances have been reported during the year. Further, no environment-related complaints were received through the Company's formal grievance mechanism during the reporting period.

Life Cycle Assessment

The Company applies a product life cycle approach for management of environmental impacts, which considers the entire life cycle - from product development to purchasing, manufacturing, sales & service, use, recycling and administration. This approach makes it easier to identify opportunities, minimize or enhance impacts and understand boundaries in every aspect of the Company's business. It also helps the Company understand how its actions and impacts are interrelated. The Company also applies the precautionary principle, whereby it acts responsibly despite not having the full scientific knowledge of negative impacts, to ensure the Company stays ahead of potential risks.

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

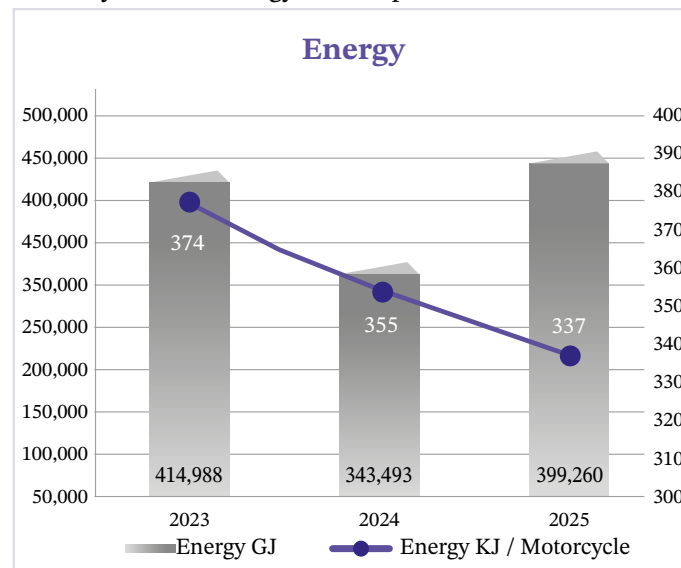
Energy Consumption

The Company consistently monitors its energy consumption and emissions to identify best practices and enhance its energy management efforts. Both manufacturing facilities are strategically situated away from protected areas to reduce the impact of CO₂ and other greenhouse gases on these sensitive

zones. The Company's main energy sources include grid electricity, RLNG, and diesel, with solar energy serving as an additional source. Currently, 10% of total energy comes from solar energy and the Company is committed to exploring opportunities for renewable energy generation and aims to gradually increase the share of energy sourced from renewables.

Accurate data on energy usage and emissions is collected through the Company's management systems, with conversion factors sourced from the U.S. Energy Information Administration. The previous year serves as the baseline for tracking energy consumption and emissions, enabling the Company to identify discrepancies and take corrective actions as needed. This comprehensive data collection not only supports energy savings initiatives but also highlights the potential economic benefits that specific measures can deliver.

For the year, total energy consumption amounted to 399,260



GJ, of which 35,933 GJ (9% of total energy consumption) came from renewable sources. Compared to 2024, energy consumption increased by 18%, while production rose by 23%. Energy consumption per motorcycle decreased to 337 KJ, representing a 5% reduction from the previous year, owing to new energy-saving initiatives and process optimizations implemented as part of our green practices.

The Company operates two manufacturing facilities, and the energy consumption data reflects only the energy used by the organization. Energy consumption is initially recorded in conventional units such as MMSCF for natural gas and kWh for electricity, which are then converted into a standardized unit—gigajoules (GJ)—to represent the total energy content. Heating values are based on standard values for natural gas. The energy consumption and source data in this report are derived from the Company's production sites, providing a consolidated view of Atlas Honda's energy usage across its manufacturing operations.

GHG emissions

The Company's products adhere to the standards set by the Pakistan Standards and Quality Control Authority

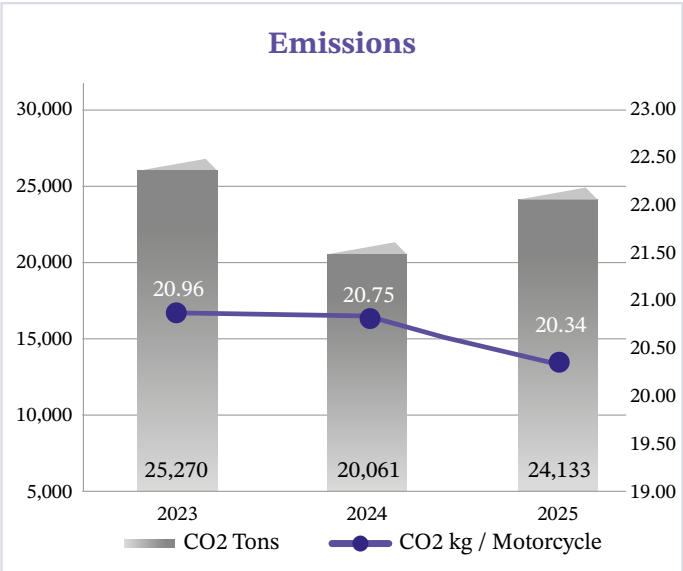
(PSQCA) regarding CO₂ emissions, noise levels, and smoke. All our products meet EURO II carbon emission standards. Greenhouse gas (GHG) emissions are regulated by limits established by the Environmental Protection Agency (EPA), and the Company ensures compliance by regularly monitoring total emissions at each production facility. Efforts are underway to minimize emissions to the greatest possible extent, with both short-term and long-term targets in place to reduce GHG emissions. The Company is actively exploring opportunities to accelerate its transition to a low-carbon economy.

Direct CO₂ emissions result from combustion processes that generate heat, electricity, and steam. These emissions, along with other GHGs, are measured at each production site and incorporated into the Company’s overall GHG emissions calculations. The reported GHG figures include only emissions directly caused by the Company. The global warming potential of the relevant gases is sourced from the United Nations Framework Convention on Climate Change (UNFCCC).

The Company does not generate biogenic CO₂ emissions in its operations. All emissions remain within the limits set by the National Environmental Quality Standards (NEQS) and are regularly reported to the EPA.

Emissions of other inorganic pollutants, such as nitrogen oxides (NO_x), are minimal relative to the total emissions reported by the Company for the year. As a standard practice, the Company compares current emissions with those of the previous year.

In the reporting year, total emissions amounted to 24,133 tons, primarily consisting of CO₂. Scope 1 Emissions: 18,025 tons and Scope 2 Emissions: 6,108 tons. During the year, the Emissions have increased by 20% from last year primarily on account of 23% increase in production. However, emissions per motorcycle were reduced to 20.34 kg per unit, marking a 2% reduction compared to 2024. No significant emissions of ozone-depleting substances were recorded during the year.



As part of its environmental commitment, the Company strictly avoids the use of ozone-depleting substances. The Company is in the process of replacing older air conditioners with models that use R407c and R410a refrigerants, which are ozone-friendly.

Solar Panels

The Company is determined to extend its use of renewable sources for energy. Installation of solar power systems is one of the major projects under the efforts in this area with more than 9.5 Mega Watt of Solar Power Generation capacity installed across locations of the Company which aims to derive clean & affordable energy to reduce greenhouse gas emissions and Atlas Honda’s dependence on fossil



fuel or grid-based electricity. Installed solar system of company has helped in generation of 35,933 GJ of energy from renewable resources, which represents 9% of its total energy consumption and more than 25% of total electricity consumption.

Energy Conservation and Emission Reduction Initiatives

Transitioning to energy-efficient practices and renewable energy sources is critical for mitigating climate risks and enhancing resilience. To align with these priorities, the Company has implemented targeted energy efficiency measures across its production facilities and offices, significantly reducing energy consumption and CO₂ emissions. During the current year, these initiatives resulted in energy savings of 1,525 GJ:

- Lighting upgrades: Replaced 50W fluorescent tubes with 10W LED lighting across 150 workstations.
- Pneumatic tool optimization: Switched from pneumatic guns to manual jigs with gauge oil fittings.
- Compressed air efficiency: Reduced nozzle diameter and replaced air couplers with in-house manufactured nozzles to minimize leaks.
- Installed photovoltaic sensors on degreasing tanks to regulate compressed air usage.
- Optimized air consumption in air micrometers.
- HVAC improvements: Replaced six conventional air coolers with energy-efficient HVAC duct systems.
- Eco-friendly retrofits: Phased out mercury lighting in favor of LED alternatives.

Material, Effluents & Waste

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

Renewable / Non-renewable	Material	Unit	2022	2023	2024	2025
Non-renewable	Ferrous	Ton	92,001	67,825	59,278	72,766
Non-renewable	Non-Ferrous	Ton	10,130	7,337	6,092	7,478
Non-renewable	Oil paints	Ton	324	263	230	282
Non-renewable	Lubricants	KL	1,988	1,465	1,280	1,571
Both	Rubber	Ton	6,826	5,032	4,398	5,399
Non-renewable	Plastic	Ton	4,965	3,660	3,199	3,927

Waste resulting from the Company's production processes mainly includes waste water, metals, plastic & rubber scrap, packing & used oil. Considering water-related environmental impacts from our discharged water, wastewater is treated through Waste Water Treatment Plant before it is released in sewerage drains to control the negative impacts and promote a healthy environment. The remaining waste and effluents are discharged through incineration, recycling, landfill and disposal to legitimate contractors at certified waste disposal facilities.. There were no significant spills during the year by the Company nor were any reported by the external stakeholders through the grievance reporting mechanism in place.

During the year, 8,057 tons of waste was released with the reduced intensity of 0.5% per motorcycle. Furthermore, there were no significant spills during the year. During the year, 96.7% of our non-hazardous waste (7,727 of 7,991 tons) was diverted from landfill via recycling/reuse. Hazardous waste was treated through incineration (132 tons).

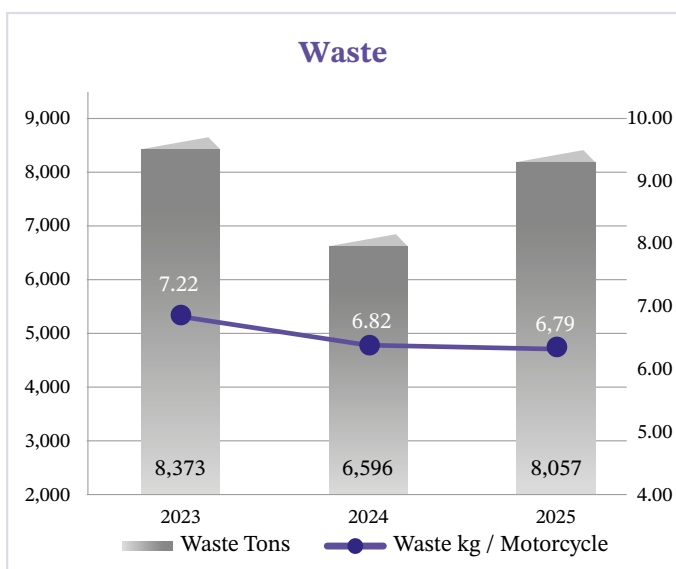
Hazardous/ Non-Hazardous	Waste by disposal method	Unit	2022	2023	2024	2025
Non-Hazardous	Recycling/ Reuse	Ton	9,611	7,727	6,143	7,602
Non-Hazardous	Landfill	Ton	319	264	88	73
Hazardous	Incineration - mass burn	Ton	124	132	115	132
Non-Hazardous	On-site storage	m3	250	250	250	250

Recycling, Waste Control and Wastage Reduction Measures

Throughout the year, the Company implemented several measures to optimize packaging for raw materials and finished products, resulting in a reduction of approximately 20 tons of waste. These actions demonstrate the Company's commitment to sustainability and resource efficiency. The key initiatives are as follows:

- A total of 550 tons of aluminum waste generated from the die-casting process was successfully recycled, which represents 7.35% of total non-ferrous casting materials consumed by the Company.
- Aluminum Recovery from Dross: The Company recovered aluminum from dross, a byproduct of the smelting process, reducing waste and minimizing the need for new aluminum production.

- **Recycling of Swarf:** The Company recycled swarf (metal shavings) produced during manufacturing, turning waste into reusable material and cutting down on waste.
- **Reusing Wooden Logs from Steel Sheet Packaging:** Wooden logs previously used for packing steel sheets were repurposed as step bars for unit supply, helping to reduce wood waste and reuse materials within operations.
- **Reusing Corrugated Sheet Separators:** Corrugated sheet separators, originally used for packing parts, were repurposed for packing additional supply parts, reducing the need for new packaging materials.
- **Reusing Poly Bag Bottom Cases:** Poly bag bottom cases were reused for part supply packaging, cutting down on plastic waste and minimizing the demand for new materials



Water

The Company is committed to reducing its water footprint by encouraging water-efficient practices among employees and deploying water-saving technologies and equipment wherever feasible. Recognizing that the majority of its water consumption arises from production processes, cooling systems, and domestic use by employees, the Company regularly assesses its water-related impacts across operations. While the water withdrawn—primarily fresh water sourced from non-protected areas—does not directly affect protected species or ecosystems, the Company acknowledges the potential to contribute to local water stress in some regions.

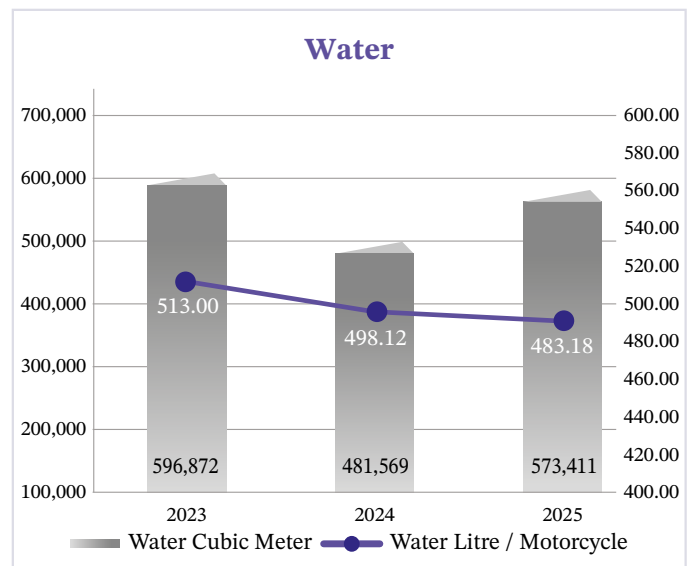
To mitigate these impacts, the Company ensures the availability of clean drinking water and sanitation facilities at all business locations, promotes water reuse, and ensures the safe disposal of treated wastewater. Engagement with stakeholders and assessments of water availability, quality, and access have guided these initiatives. Furthermore, the Company recognizes the role of natural ecosystems such as forests, wetlands, and soils in regulating water resources, and integrates this understanding into its sustainability planning.

These actions reflect the Company's broader commitment to sustainable water management and to minimizing any negative impacts it may cause, contribute to, or be linked to through its business relationships.

Water consumption and discharge is recorded through flow meters installed at water storage tanks and treatment plant. During the year, 573,410 cubic meters of water was withdrawn, ground water being the primary source, with a reduced intensity of 3.0% as compared to the last year. A significant portion of this water comes from ground water.

The water is partially polluted during use in production processes and is treated to reduce the pollutants to acceptable limits, prescribed by National Environmental Quality Standards (NEQS), before using and discharging into the canal water. After proper treatment, water used in manufacturing process is discharged in sewerage system. Such treatment removes pollutants from the water that contains chemical contaminants, nutrient pollution, oil & grease, and suspended solids. This process makes the same suitable for safe drainage. No water bodies or related habitats were significantly affected by water discharges of the Company as these areas are not designated as protected areas.

During the year, 103,214 cubic meters (18%) of the water was recycled.



Waste Water Treatment Plant

Water is used throughout the Company's production processes which results in wastewater. To prevent the wastewater from being discharged as produced, waste water from all over the plant is collected and treated to remove the harmful pollutants, at two Waste Water Treatment Plants at manufacturing sites of the Company. The profile of the receiving waterbody is however, not considered due to safe drainage after treatment. The Company, as a responsible organization abides by the legal requirements of waste water treatment as well as meets "Punjab Environmental Quality Standards". This year, 487,752 cubic meters of water was

treated and safely drained in to the sewerage system, while 85,658 cubic meters of water was consumed.

Water Conservation and Reuse

During the year, a series of initiatives were implemented to optimize water usage, leading to a significant reduction in overall water consumption by a total of 15,662 cubic meters. These measures were designed to both minimize waste and promote the efficient use of available water resources across various operations.

- **Utilization of RO Processed Water for Gardening and Other Activities:** A key initiative was the use of Reverse Osmosis (RO) processed water for purposes such as gardening and other non-production activities. By redirecting this purified water, the Company was able to reduce water consumption by 4,985 cubic meters. This practice not only helped in minimizing reliance on fresh water but also contributed to the efficient reuse of water within the facility.
- **Collection and Reuse of RO Showering Water:** Another effective measure involved collecting water used for RO showering in a storage tank. The collected water was then reused in the rinsing tanks, ensuring that no valuable resource went to waste. This process led to a reduction in water consumption by an additional 3,956 cubic meters, further contributing to overall water savings.
- **Prevention of Water Overflow in Rinsing Tanks:** The Company also focused on refining the rinsing process, particularly by avoiding water overflow during the dipping process in two rinsing tanks. By introducing more controlled methods to prevent overflow, the Company saved 6,721 cubic meters of water that would otherwise have been lost.

Bio-Diversity

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

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

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

- Company will promote transparency of information related to the outcomes of its activities.

During the year the Company was awarded 1st in three different categories in prize for 166th Annual Spring Flower Show 2025 by Horticultural Society of Pakistan.



100K Trees Plantation Drive

To celebrate Pakistan's 77th Independence Day, Atlas Honda launched a nationwide campaign to plant 100,000 trees. This initiative supports Honda's global goal to reduce CO₂ emissions while improving air quality and creating greener communities across Pakistan.

The tree-planting drive took place in multiple locations across Pakistan, with careful selection of native species to ensure survival

and growth. Employees, local communities, and authorities joined forces to make this effort a success.

Beyond environmental benefits, the project brought people together through hands-on planting and educational workshops about conservation. Atlas Honda remains committed to sustainability and inspiring others to protect Pakistan's for future generations.

Environmental Guidelines across our Supply Chain

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

- Create and maintain a social management system for the entire firm;
- Reduce GHG emissions to prevent climate change;
- Reduce waste disposal and transportation emissions by

optimizing packaging and establishing efficient logistics operations.

- Prevent pollution and contamination of air, water, soil, etc;
- Enforce proper disposal of waste and implement optimum recycling of waste and disposals etc; and
- Compliance with laws and regulations along with commitment to protect human rights.

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

Emission Reduction Caravan

In 2014, the Company initiated the “Emissions Reduction Caravan” program for its vendors, marking the beginning of a collaborative effort to reduce environmental impact across our supply chain. Since then, our supply chain team has worked closely with key vendors to implement strategies focused on minimizing their environmental footprint. We provide technical support for process innovations that enhance production efficiency, promote energy conservation, encourage material recycling and reuse, and reduce CO₂ emissions, all in line with our commitment to sustainability and responsible business practices. A total of 36 vendors from both plants participated in the initiative, representing 78% of our total purchases. As a result of their collaboration, the Company successfully achieved its goal of reducing CO₂ emissions by 1%.

In Aug 2024, Atlas Honda was awarded Best Performance award in CO₂ Reduction activity for period 2023-2024.

Environmental Impact Assessment Survey Across the Supply Chain

Each year, the Company participates in an environmental impact assessment survey developed by Honda Motor Company Japan. The following criteria were used to evaluate 35 vendors this year:

- Direct & Indirect GHG Emissions
- Green Purchasing Guideline

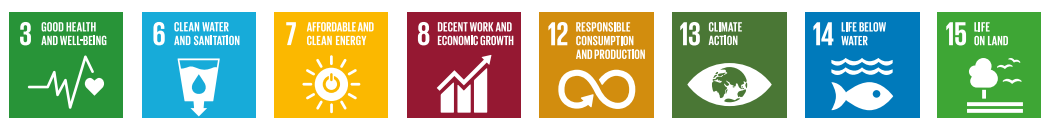
- Chemical Substance Management
- Environmental Management System
- Energy Conservation Guidelines
- Water Resources Guidelines
- Pollution Prevention Guidelines

None of the selected vendors were identified as having any significant actual and potential negative environmental impacts.

Responsible Sourcing of Minerals

In sourcing certain raw materials, the Company adheres to the requirements of the U.S. Dodd-Frank Act, which mandates the disclosure of the origin of specific raw materials to prevent the inclusion of “conflict minerals”—such as tin, tungsten, tantalum, and gold—from the Democratic Republic of Congo and its neighboring countries. To ensure compliance, the Company closely monitors its vendors to confirm that none of them source raw materials from these affected regions. Through a structured survey process and close collaboration with vendors to enhance supply chain transparency, the Company verifies that both its vendors and their upstream suppliers are obtaining materials free from conflict minerals.

Additionally, the Company provides vendors with clear guidelines and raises awareness about conflict mineral issues through education and support. We also collaborate with the Conflict-Free Sourcing Initiative (CFSI), a cross-industry group dedicated to this cause. To be confirmed as conflict-free, smelters and refiners must pass an independent third-party audit. This year’s survey results have confirmed that our supply chain is fully aligned with conflict-free sourcing practices.





Social Performance

Management Approach

At Atlas Honda, Social Performance is a collaborative effort led by our various functions including: Admin & Human Resource Function, Health, Safety, Environment & Sustainability (HSE&S) function and Consumer Safety & Compliance Function. All the teams work in Coordination to develop, implement, and monitor initiatives that drive meaningful social impact within their respective domains. Additionally, Atlas Honda actively fosters shared value creation in the communities where it operates, both through direct corporate initiatives and the dedicated efforts of the Atlas Foundation—a trust established to support sustainable community development. This integrated approach ensures that our social responsibility commitments align with our operational goals, benefiting both stakeholders and society at large

Human Capital Management

Unlocking Potential Through Talent Development and Inclusive Growth

The Company ensures long-term employee development by strategically aligning talent acquisition, capability enhancement, and career growth with organizational objectives. Guided by the principles of the Atlas Way, the Company has established a corporate culture focused on continuous learning, leadership development, and value creation. The Company comprehensive HR framework covers all aspects of employment including employee relations, training programs, equal opportunity policies, and workplace health & safety measures. The Company maintains full compliance with all applicable labor regulations, strictly prohibiting forced, compulsory or child labor while upholding fair working conditions and human rights.

A strong emphasis on gender equality and diversity forms the foundation of Company's talent strategy, enabling individuals from all backgrounds to realize their full potential and grow into leadership roles. The Company continuously enhance its HR systems, practices and service quality through regular upgrades to meet evolving workforce needs. The Company focuses on recruitment and qualification of local personnel as a way of developing the local communities. No senior management employee at locations of significant operation is hired based on location or domicile and there are no specific quotas for women, specific nationalities, ethnic minorities,

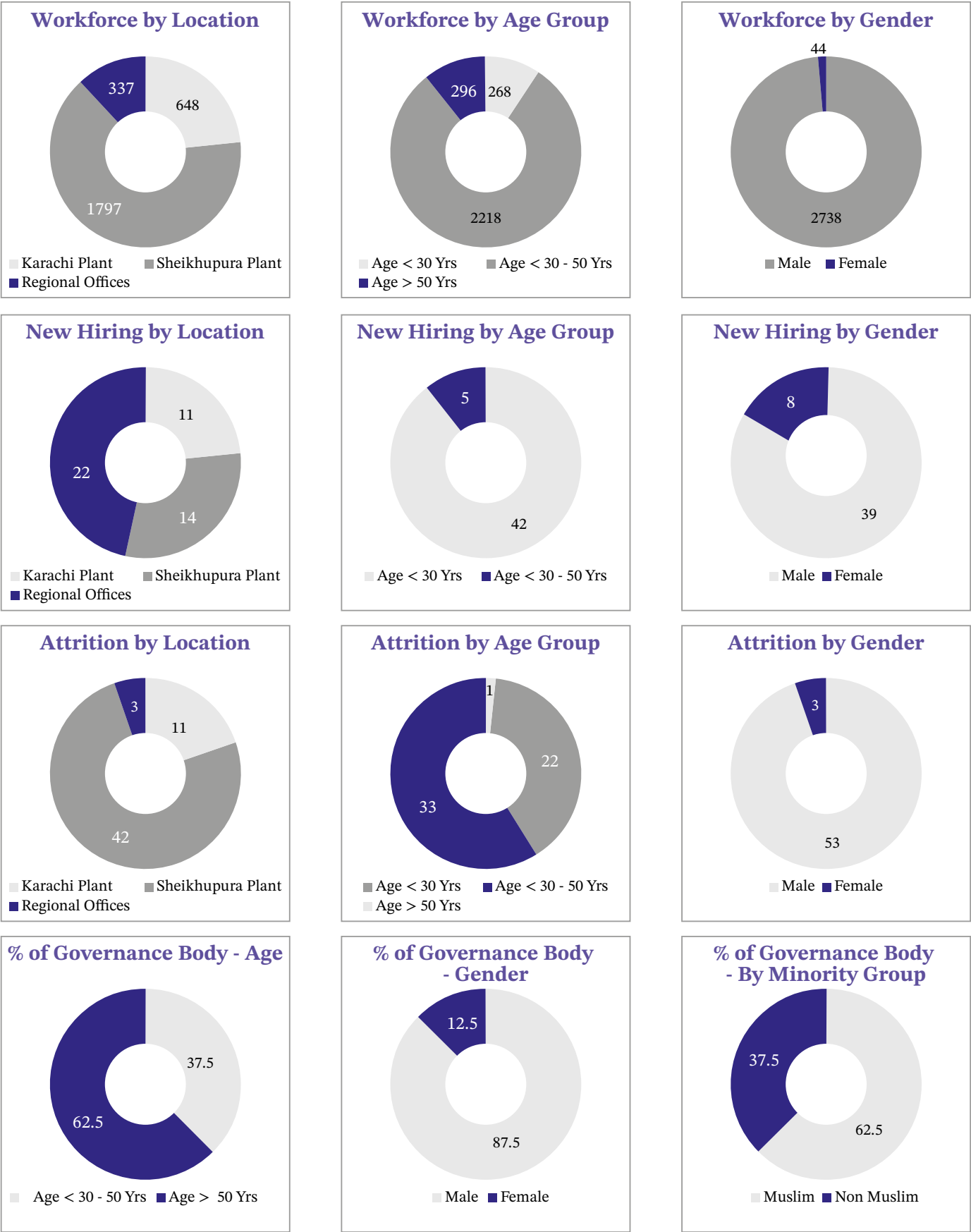
or special age group for senior management and Executive Committee. The performance management system includes structured appraisals that identify individual development needs, inform training interventions, and ensure equitable reward mechanisms. Employee feedback through surveys and industry benchmarking further strengthens Company's human capital approach.

To sustain its market leadership position, the Company has implemented robust talent acquisition and retention strategies anchored by its flagship Management Trainee Program. This structured initiative involves nationwide recruitment drives across Pakistani universities to identify and nurture high-potential graduates, providing them with accelerated career pathways. Its ability to offer such unique development opportunities within a diverse and supportive work environment helps attract highly skilled professionals at all levels. The HR department follows standardized policies for recruitment, placement and development to address changing competency requirements, with the "Management Trainee Program" serving as a key talent pipeline. All new employees, including trainees, participate in a comprehensive orientation program designed to familiarize them with company culture, values and operational processes, ensuring smooth organizational integration from day one.



Employee Composition

The Company’s employees’ composition is as follows. No major variations have been reported. Further, the data has been compiled by the Company’s human resource department as per actual and no assumptions have been made. During the year, the hiring rate was 1.70% while the turnover rate was 2.01%.



Work Life Balance and Parental Support

The Company is committed to supporting employees through life stages with inclusive parental leave policies. Females are entitled to maternity leaves of four months while male employees are entitled to parental leaves of 5 days. During the year, 3 female employees and 297 male employees were entitled maternity and paternity leaves, respectively. All of such entitled leaves were granted and utilized. The table below details annual trends in leave utilization:

	Female	Male
Employees that availed leaves	3	297
Employees that returned to work	2	297
Employees that returned to work are still employed 12 months after their return	2	297
Return to work and retention rate	67%	100%

These policies reinforce Company's dedication to gender equality and employee well-being while maintaining operational continuity.

Atlas Honda prioritizes gender equality and workforce inclusion through targeted initiatives such as our on-site daycare centers at our Karachi plant, Sheikhpura plant and Corporate Office Lahore. These facilities support working mothers by reducing barriers to career advancement and fostering a more equitable workplace. While this reflects Company's commitment to SDG 5 (Gender Equality), it recognizes the importance of expanding access to all caregivers as part of Company's long-term diversity. The Company continues to adopt best practices for inclusive workplaces.

Career Development and Training

Guided by the principle of "Organization Development through Self-Development," the Company implement a holistic 70:20:10 learning model (70% experiential, 20%

coaching, 10% formal training). The Company comprehensive development programs span:

- On boarding orientation programs for management trainees
- On-the-job learning and global rotation programs.
- Mentorship initiatives and executive coaching.
- International training programs that includes Association of Overseas Technical Cooperation & Sustainable Partnerships (AOTS) and partnerships with Harvard Business School and INSEAD.
- External training workshops: Leadership Grid Seminars, Critical thinking and Analytical Skills, Power BI, Create Organizational Skills, Conflict Management, Building Team Excellence, Lean Six Sigma, Negotiation Skills.
- In-house training workshops designed to enhance employees' capabilities on Technical and Soft Skills. These Includes: Best Practices at Workplace, Role of Effective Communication Skills, Root Cause Analysis, MS Office, 5S, 7QC tools, SAP S4 Hana trainings.



The table below details Company's training investments and participation across all the permanent employee levels:

Internal Training Programs	28
No. of Persons trained in internal training	2,275 (Female: 20)
External Training Programs	52
No. of Persons trained in external trainings	190 (Female: 15)
Trainings days	2,974 (Female: 35)
Training hours	23,792 (Female: 280)
Average training hours per year per employee	8.9 (Female: 6.4)
Average training days per employee	1.1 (Female: 0.8)

Performance Appraisal and Reward System

Atlas Honda complies with all labor laws, including minimum wage and separation benefits. Salaries are determined by education and experience, with no gender bias—ensuring a 1:1 pay ratio. Competitive compensation packages (salaries, bonuses, healthcare, transport, vehicles, fuel allowances, and retirement benefits) align with industry

standards. Performance evaluations influence salary adjustments.

The Board of Directors approves the remuneration policy, reviewed periodically by the HR and Remuneration Committee with department heads to ensure competitiveness. AHL pays above minimum wage, with entry-level salaries exceeding 1.35x the minimum at key locations. Only full-time roles are offered.

All of the employees undergo biannual performance reviews by line managers, identifying the training needs under the Individual Development Program for leadership growth.

Human Rights and Relations with CBA

The Company fosters a discrimination-free environment where all individuals are treated with respect, equality, and dignity. Human rights violations are strictly prohibited. Key practices—including voluntary labor, fair working hours, diversity, and workplace safety—are consistently upheld. Regular operational reviews and an efficient grievance system ensure compliance with the policies and laws and regulations. No human rights violations were reported this year.

Employees receive one month's notice for impactful changes. Collective Bargaining Agreements (CBAs) cover these terms for unionized staff. The Company respects



employees' rights to representation and collective bargaining, engaging in constructive dialogue with unions. CBAs apply to over 9.2% of permanent employees.

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

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

Health & Safety

The Company prioritizes the health and safety of its employees, contractors, and visitors. In this regard a comprehensive Health, Safety & Environment (HSE) policy and guidelines have been developed at all the locations of the Company which is supported by a management system. These policies and guidelines are established under the guidelines of ISO14001:2015 and ISO 45001:2018, and are supported by Health and Safety Management System which covers all the employees of the Company working at its premises. The responsibility for health and safety of the employees rests with the General Manager Human Resource (GM HR) and General Manager Health Safety & Environment (GM HSE).

Incident reporting mechanism is defined in the work procedures of HSE and is followed rigorously. Workers are encouraged to report any risks and safety incidents. The Company carefully tracks incidents and complaints received from stakeholders and take prompt actions for resolution. During the year, no work-related ill health fatalities, or any other cases of significant injuries have been reported.

Health and safety committees have been established under the Industrial Relations Act. These committees also include representation of the workers. The committee is involved in

development, implementation and evaluation of the HSE system. Monthly meetings of committees are conducted for monitoring and evaluation purposes. These committees are responsible for identification and evaluation of work-related hazards and the risks of ill health on periodic basis and take counter measures to minimize the risk and promote safe working environment. The meetings of the committee are conducted on monthly basis. The formal agreements with the CBA cover health and safety related provisions and all the employees of the company come under the umbrella of extensive medical policy that has been formulated in the light of health and safety requirements of the Factories Act, 1934. Company has established Job Hazard Analysis (JHA) which is essentially the assessment of routine or specific work activities to establish whether adequate precautions are in place. In other words, it is the systematic identification of potential hazards in the workplace as a step to controlling the possible risks involved. Job Hazard Analysis is an ongoing process. Based on the analysis of job processes carried out during the current year, employees of the Company do not face any major risk of occupational diseases nor did any such diseases occur related to the manufacturing processes of the Company.

Key HSE policy guidelines are prominently displayed throughout company facilities to reinforce workplace safety. Regular occupational health and safety trainings -



including general safety, fire drills, first aid, and job-specific hazard instructions - are conducted in local languages by qualified trainers during paid work hours. These training programs are assessed through participant feedback and practical drills to ensure effectiveness. The company has implemented additional measures to foster safety awareness and proactively identify potential health and safety risks for all employees.

- During the year 1-month Medical Examination activity performed for hazardous areas to ensure good health of associates and prevent them from disease in which 1,604 associates were tested through 9-step verifications: Blood test, Eye examination, Urine test, Physical Examination, Chest X-ray, Heart ECG, Spirometry, Audiometry, and weight height index.
- During the year a training session was conducted with an external consultant with an objective to train associates for emergency situations. The content of the training covered wide scope of areas including CPR (Cardio Pulmonary Resuscitation), Bleeding Control, and Emergency response for chemical and electrical burns. 19 participants that have been designated as members of emergency response team participated in this training.
- During the year a 2-day training session with Rescue 1122 Professionals was organized with an objective to train associates for emergency situations. The content of the training covered wide scope of areas including Basic Life Support, CPR FBAO(Foreign Body Airway Obstruction), Patient Shifting techniques, Poisoning Emergencies, Snake Bite, Fire Extinguishing Process, Classes of Fire and Method of Fire-fighting through Fire Hydrant.
- During the year, training session was organized for associates for safe handling of hazardous chemicals in which 31 associates participated.
- During the year, the Company conducted 6 specialized training sessions for 48 key vendors, emphasizing the critical importance of workplace safety and sustainable practices. These sessions focused on hazard identification, risk mitigation, and compliance with HSE standards, ensuring alignment with our corporate safety culture. By equipping Company's suppliers with the necessary knowledge and tools, AHL aims to foster a safer, more responsible supply chain and reinforce its collective dedication to a zero-harm workplace.
- During the year certifications for ISO 9001, 14001 & 45001 were renewed by an independent reviewer. The review engagement was carried out at both the manufacturing facilities of the Company.

Human Rights & Working Conditions across the Supply Chain

Respecting and safeguarding human rights—the fundamental and inalienable rights to which every individual is entitled—lies at the heart of the Company's labour practices. The Company is committed to ensuring that all its products and services, whether created

internally or by vendors, adhere to local laws and uphold human rights principles. To protect employee rights, the Company has implemented strict policies both within its own operations and among its vendors, as outlined in the following guidelines:

- Eliminate all forms of discrimination and harassment in the workplace, ensuring fairness in all aspects of employment, regardless of race, ethnicity, nationality, religion, gender, or other personal characteristics.
- Avoid employment of workers who do not meet the legal minimum working age of each country and region;
- Prohibit forced labour and guarantee that all employment is voluntary, with employees free to leave their jobs at any time ;
- To comply with the laws & regulations regarding minimum wages, overtime, wage deductions, performance-based pay and other remuneration;
- To comply with the laws & regulations regarding the setting of employees' working hours (including overtime) and granting of scheduled days off and paid annual vacation time etc; and
- Maintain a safe and healthy working environment for all associates, ensuring their well-being at all times.

During the year, no negative social impacts were identified across the supply chain.

Corporate Social Responsibility

The Company believes that its activities contribute in overcoming societal challenges while also creating added value for the Company. Atlas Honda is fulfilling its responsibilities as a good



corporate citizen through ongoing involvement in socially beneficial activities tailored for well-being of local communities. The Company's approach is driven by the needs of communities at its locations identified through surveys, social media pages, focal groups and meetings. The Company has integrated this perspective in to its development plans and overall strategy to garner the trust of and remain close to local residents. The Company regularly engages with local communities to highlight any potential negative impacts of its operations on the society as whole. During the year no such incidents were reported to the Company. All of the company's operations are frequently assessed for any environmental, social, health and safety impact on the society as a whole

Implementation and monitoring of social activities at the Company's locations are routed through senior management of Admin & Corporate Affairs department who is also responsible for review and analysis of monthly progress of such initiatives. Progress is reported to the senior management on a continuous basis. The Company's commitments & initiatives for society mainly focus on health, education, consumer safety riding campaigns, women empowerment programs and other communal initiatives. Which are prioritized after considering the needs of all the stakeholders through stakeholder engagement. Sustainable value creation involves establishing operations that can be maintained independently, without dependence on subsidies and grants. During the year the AHL did not receive any direct or indirect financial assistance from the government, apart direct or indirect financial assistance from the government, apart from the tax credits and rebates in accordance with the relevant laws and regulations.

During the year following activities were undertaken:

Education & Training

An educated and skilled nation is critical for socioeconomic development of a country. The Company believes that

improving access to education & training is one of the most long-lasting investments it can make for the society. In this regard, following activities were carried out to support education & training:

Paid internships

Company's internship program provides undergraduate students from leading universities (including NED, NUST, LUMS, and others) with hands-on industry experience to complement their academic learning. This initiative helps interns explore their professional interests while allowing the Company to identify and nurture future talent. During the year, Atlas Honda hosted 172 interns from top-tier institutions across Pakistan.

Approved Employer for Chartered Accountants Trainees

The Company has been formally recognized as an ICAP Approved Employer for Chartered Accountancy trainees by the Institute of Chartered Accountants of Pakistan (ICAP). This esteemed accreditation underscores its dedication to nurturing professional excellence and creating robust training pathways for emerging finance professionals. As an ICAP-approved organization, the Company will provide structured training programs that meet rigorous professional standards, offering CA trainees comprehensive mentorship, practical experience, and career development opportunities.

Supporting Community Welfare through Donations to Atlas Foundation

As part of its commitment to community welfare, Atlas Honda supports Atlas Foundation a welfare and charitable organization, formed with a mission of betterment of society with particular emphasis on health and education and to provide assistance to the needy and deserving without discrimination, directly and/or through organizations of repute in the field of Health, Education and General Welfare.



In this regard, Atlas Honda has committed to donate 1% of its Profit Before Tax (PBT) annually to the Atlas Foundation to support its impactful initiatives. This partnership reflects Company's belief that investing in these areas is essential for creating a healthier, more educated, and prosperous society. In line with its commitment, this year Atlas Honda contributed have contributed 207 Million to the Atlas Foundation.



Industrial Visits

The Company facilitates students and officials from various institutes and organizations to visit its Karachi and Sheikhpura plants. This year officials from Punjab Labour and Human Resource Department, State Department

of Horticulture, OSH team and students from various universities visited the plants and observed the process of production of motorcycles and parts. Visitors took keen interest in the assembly line and appreciated the precision exhibited by the workers.



During the year, the Company hosted the students from The Karachi Japanese School along with their families, to visit its Karachi plant for an educational industrial visit. The young learners explored Company's production processes, safety measures, and sustainable practices, gaining valuable insights into manufacturing operations. The visit emphasizes AHL's commitment to community engagement and fostering cross-cultural learning.

Community Initiatives

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



Blood Donation Camps

As part of its ongoing commitment to corporate social responsibility and community welfare, Atlas Honda organized a blood donation camp in collaboration with Indus Hospital. The initiative aimed to support patients in need of blood and to raise awareness among employees about the importance of regular blood donation.

enthusiastically participated in the camp, donating blood and showing solidarity with those in need.

This meaningful collaboration reflects Atlas Honda's dedication to giving back to society and fostering a culture of compassion and civic duty within its workforce.

Representatives from Indus Hospital were present at the event to manage the donation process, ensuring safety, hygiene, and proper medical protocols. Many Atlas Honda employees





Women In-Charge Project

Atlas Honda's "Women In-Charge" initiative provides professional motorcycle training to promote women's independence and mobility. The comprehensive program teaches road safety, traffic rules, defensive riding, and basic maintenance, with strong emphasis on helmet use.

In its first year, we trained 721 women from various sectors, helping them gain confidence and access to new opportunities. This program reflects Company's commitment to gender equality and social progress through practical skill development.

By equipping women with riding skills, we're breaking barriers and creating role models. "Women In-Charge" demonstrates how corporate initiatives can drive meaningful social change while supporting national development goals.

Women's Day Celebration

Atlas Honda celebrated Women's Day with great enthusiasm to honour the strength, achievements, and contributions of Company's female employees. The event included motivational talks and small tokens of appreciation to recognize their vital role in the organization. It was a meaningful celebration that reinforced Atlas Honda's commitment to gender inclusion and empowering women

in the workplace.

Breast Cancer Awareness Session

A session on Breast Cancer Awareness was conducted at Atlas Honda to educate Female associates about the importance of early detection, prevention, and available treatment options. The initiative aimed to raise awareness, among female staff, about recognizing early signs and promoting regular screenings. Health experts were invited to provide valuable insights, share real-life experiences, and answer participants' questions. The session reflected Atlas Honda's commitment to employee well-being and its proactive approach toward health education and awareness.

Safety Riding Training & Education

Atlas Honda continues to lead in road safety through comprehensive training programs and awareness initiatives. Pakistan faces a severe road safety crisis, with over 11,000 fatalities annually. Motorcycles account for 70% of registered vehicles and are involved in 45% of the road accidents. Urban centers like Karachi and Lahore report high accident rates due to traffic congestion and lack of rider awareness. We aim to curb preventable accidents and align with the UN's Decade of Action for Road Safety 2021-2030.

This year, the Company certified 619 dealership Safety



Advisors across all regions, equipping them with advanced riding skills, traffic regulation knowledge, and technical maintenance expertise. These advisors now serve as safety ambassadors, directly educating customers at our nationwide dealerships. The Company also uses Digital Riding Trainers to provide hands on driving experience to new users.

Atlas Honda’s safety programs achieved significant reach:

- Trained 30,104 customers at dealerships
- Educated 24,050 students through institutional partnerships
- Conducted sessions for 7,039 government and corporate officials
- Empowered 721 female participants, including police / officers

- Served 10,312 customers in safety awareness & Light/ Brake Checking campaigns
- Distributed 105,632 safety brochures.

Through these efforts, the Company is creating a culture of safety while promoting women’s mobility. Company’s institutional collaborations deliver life-saving knowledge, contributing to Pakistan’s road safety improvement.

Atlas Honda’s Advocacy for Motorcycle Safety Lanes

Recognizing that motorcycles constitute over 70% of Pakistan’s vehicular traffic and account for a significant portion of road accidents, Atlas Honda has taken a leadership role in lobbying for dedicated motorcycle lanes across urban centers. As part of our comprehensive road safety initiative, we have



engaged with federal and provincial transport authorities, city planners, and policymakers to highlight the critical need for segregated motorcycle infrastructure. Our advocacy efforts include presenting data-driven proposals demonstrating how dedicated lanes can reduce motorcycle-related accidents by up to 40%, sharing international best practices from ASEAN countries, and piloting lane discipline awareness campaigns among riders. These efforts align with our commitment to transforming Pakistan's traffic ecosystem, where currently only 3% of roads have dedicated motorcycle lanes despite two-wheelers being the dominant mode of transport. Through sustained dialogue with the National Highway Authority and municipal corporations, The Company aims to institutionalize motorcycle lane planning in all future road development projects, creating safer commuting corridors for Pakistan's millions of daily riders.

Free Motorcycle Checkup Campaigns:

During the year, the company organized diverse customer relationship-building activities, such as complimentary checkup camps, test rides, and oil change events held at different venues. These initiatives serve to strengthen the company's relationship with its customer base and efficiently meet their needs and inquiries. Over the course of the year, more than 429,000 customers were attended to through 8 service campaigns. Furthermore, large-scale complimentary checkup camps were conducted across more than 780 dealerships, spanning over 312 cities & Towns, serving a wide range of customers.

Hiring of Female Staff at Dealerships

Contributing towards sustainable development goal of gender equality and women empowerment, Atlas Honda inspired its dealers to hire female staff. As a result, 358

female employees are hired to date at various dealerships nationwide. To spur motivation and encouragement, these employees are offered opportunity to visit Company plants, where they are given orientation regarding Atlas culture.

Hiring of Specially-abled Persons at Dealerships

The Company believes that to reduce inequalities, policies should be made while keeping in view the needs of disadvantaged and marginalized populations. Over the last few years, the Company has added hiring of special persons in the business score cards for dealers. In this regard 45 specially-abled persons were deployed at various dealerships during the year. Furthermore, the Company also organizes visits of such persons at its plants.

Atlas Honda Fuels EV Innovation through Academic Partnerships

As part of Company's commitment to advancing Pakistan's electric mobility ecosystem, Atlas Honda has donated electric motorcycles to NED University of Engineering & Technology and University of Engineering & Technology's Automotive and Engineering Centre, specifically for research and development purposes. These vehicles will serve as critical platforms for engineering faculties and students to conduct cutting-edge research in battery technology, energy efficiency, and localized EV solutions. The donation enables hands-on experimentation with real-world performance data, supporting thesis projects and potentially patentable innovations tailored to Pakistan's unique urban mobility challenges. By equipping academia with practical R&D tools, the Company aims to bridge the gap between industry and education while cultivating homegrown expertise that will shape the nation's sustainable transportation future.





Governance Framework

Board's Role in Shaping Sustainability Policy

The Board provides direction on sustainability policy and initiatives to enhance the positive impacts and reduce the negative impacts on the economy, environment and society. The Board is responsible for developing, approving and updating organization's purpose, value or mission statements, strategies, policies, and goals related to sustainable development. The Board has assigned oversight of sustainability-related risks and opportunities to the Audit Committee, which is responsible for monitoring the Company's sustainability strategy, performance, and compliance with reporting frameworks such as GRI. Performance of the Committee and underlying the respective management teams is reviewed by the Board. The Board also oversees operating & financial performance, risk management & internal controls and compliance with legal requirements.

The Committee is chaired by Independent Director. The committee is responsible for approval of the sustainability initiatives and activities covering Environmental, Social & Governance, tracking progress against sustainability targets, ensuring that these are in line with guidelines of the highest governance body. The committee approves the annual sustainability report and disclosure, including climate-related metrics.

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

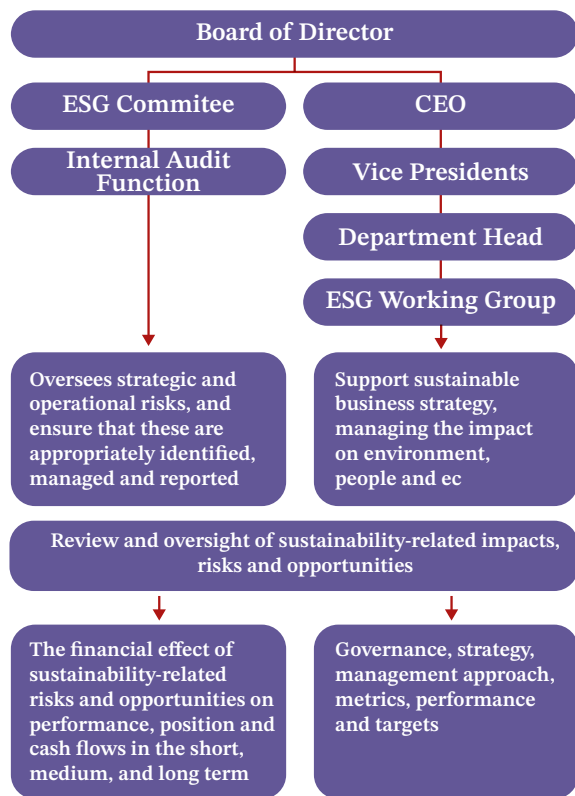
Board's Statement for adoption of CSR Best Practices

Atlas Honda Board of Directors affirms its commitment to integrating Corporate Social Responsibility (CSR) principles into the Company's core business strategy and operations. As a market leader in the two-wheeler automotive industry, being a steward of customer's trust and a vital contributor to the economic and social well-being of its stakeholders, the Company recognizes its responsibility to serve the communities and operate sustainably and ethically. The Board is committed to a process of continuous improvement in the Company's CSR practices. This commitment is driven by the belief that CSR is a dynamic and an evolving field that requires ongoing adaptation and refinement. The Board of the Company has voluntarily adopted SECP ESG Guidelines 2023 for listed Companies. The Company strives to stay abreast of best practices, emerging trends, and stakeholder expectations to ensure the relevance and effectiveness of its CSR program.

Board's Statement on Company's strategic objectives and intended impact on ESG reporting

The Board is committed to integrating ESG factors into the Company's strategic objectives. These strategic objectives are designed to deliver sustainable growth and positive outcomes for all its stakeholders, including customers, employees, shareholders, supply chain partners and communities the Company serves; underpinning the belief that strong ESG performance is intrinsically linked to financial performance and contributes to a more resilient and equitable future. In alignment with its commitment to transparency and accountability, AHL is dedicated to provide clear and comprehensive sustainability-related financial information, by voluntarily adhering to the principles and requirements outlined in IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information' and IFRS S2 'Climate-related Disclosures'. Detail disclosures can be found on page 117 of this report

Sustainability Governance Structure



Management's Role in Assessing and Managing Sustainability related Impacts, Risks and Opportunities

Sustainability principles are embedded in Company's core governance framework through established policies, systems, and processes whereas the enterprise risk management framework ensures effective risk oversight and mitigation through monitoring and control mechanism.

The risk management system and materiality assessment identify key sustainability-related risks, impacts, and opportunities through materiality assessments and risk evaluations,

Senior leadership oversees the implementation of a robust internal control system, which monitors company's major sustainability risks, opportunities, and impacts. This system also ensures the protection of company's assets and the strategic allocation of resources. The CEO approves material sustainability topics and external assurance engagements, while the ESG Committee evaluates sustainability performance and advises leadership on related matters.

Atlas Honda assesses its operational impacts through a risk and opportunity lens to enhance value for all stakeholders. Risk Management Committee designs management processes and action plans, which are implemented by the management teams. Progress updates are regularly presented to the Board, which reviews performance against corporate goals.

Throughout the year, the management and cross-functional teams attended ESG training sessions to stay informed on sustainability trends. AHL's leadership also engages in international and local conferences, workshops, and training programs to remain updated on governance, leadership, ESG, and sustainability best practices. Additionally, the Board receives regular briefings on evolving corporate regulations and governance requirements.

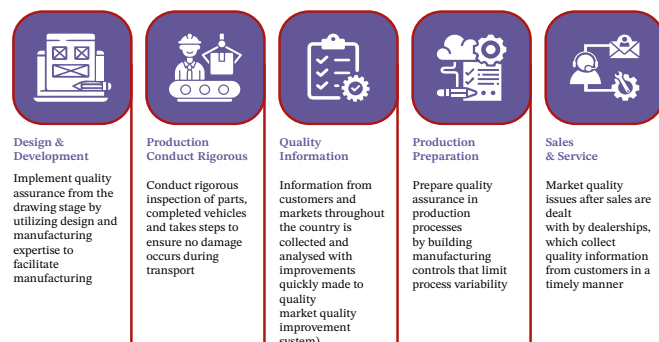
Driving Sustainable Mobility with Excellence

Atlas Honda is committed to pioneering sustainable transportation, by delivering premium-quality products designed to exceed customer expectations. Through innovative marketing and unparalleled after-sales services, we continuously expand our nationwide sales and service network, making mobility solutions more accessible across Pakistan.

Our customer-centric approach includes rigorous dealer training programs and active feedback mechanisms to ensure constant improvement. Aligned with Honda's global vision, the Company prioritizes health and safety by meticulously evaluating product performance and potential risks. This unwavering dedication to quality and safety reinforces Company's position as a trusted leader in Pakistan's two-wheeler industry, while its growing product range caters to the diverse needs of modern commuters. All of Company's products and services comply with the safety requirements of PSQCA and there has been no incident of non-compliance during the year.

Honda's Quality Cycle

The Company's global partner, Honda Motor Company Limited, implements a consistent and standardized quality strategy across its global operations. To maintain its unwavering commitment to high-quality standards, quality assurance activities are centrally coordinated and meticulously managed across all departments. By integrating design and development expertise during the preparation and production phases, the Company enhances product quality through the creation of manufacturing-centric visuals and the application of stringent control measures to minimize process variability. Post-sales, product improvements are systematically introduced based on a comprehensive analysis of customer feedback. These insights drive the continuous refinement of the Company's approach, informing future cycles of design and development.



Quality Improvement Programs

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

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

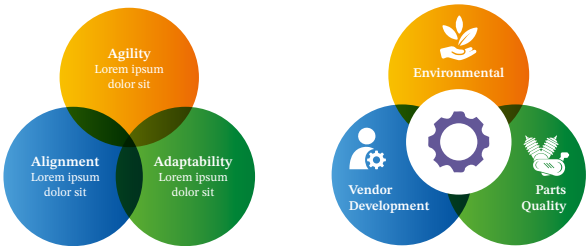
The company strictly adheres to not only the applicable local laws and regulations but also upholds a strong commitment to safety, human rights, environmental stewardship, and ethical standards in the presentation and communication of its product information. Product labeling is a critical element



of the company’s marketing strategy, serving both to support promotional efforts and to provide users with comprehensive and accurate instructions. To ensure clear communication of product details, each customer is provided with an Owner’s Manual upon purchase, which includes operational guidelines, safety protocols, maintenance recommendations, and information on model-specific features. Although the disclosure of auto parts sourcing and related details is not legally required, the company has opted not to release such information. Upon delivery, customers are provided with detailed explanations of the product’s technical features through interactive demonstrations. Moreover, the company has maintained full compliance with all relevant regulations and voluntary codes governing product and service labeling and marketing communications with no instances of non-compliance.

Management Approach towards Supply Chain Quality Management

Vendor collaboration plays a crucial role in creating value for the company, and it is essential for achieving our long-term business objectives. The Company recognize the importance of working closely with our supply chain partners on key



issues such as sustainability, as our supply chain is a reflection of our core values. The Company is committed to engaging with vendors who uphold the same high standards of ethical business practices, environmental sustainability, and social responsibility. In addition, the Company sees significant opportunities to leverage its expertise to support and guide its vendors in enhancing their performance, contributing to shared success in sustainability and responsible business practices.

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

The Company’s Supply Chain department, including Commercial & Planning, Quality Assurance, and Logistics, are jointly responsible for guaranteeing long-term supply chain management. In order to maintain sustainability and ongoing progress, the Company focuses on controlling and mitigating vendor risks and maximizing vendor potential. To guarantee that the Company and its business partners are aware of local environmental, health, safety, and labor laws, as well as legal obligations and worldwide sustainability principles, a variety of company-specific rules and policies have been established. These policies and guidelines allow the Company to go forward with its sustainability goals and ensure that they are met.

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

As far as it is qualitatively compatible, technically viable, and economically justified, the Company procures most

of its essential materials from Pakistan, where its working facilities are located. Except for certain raw materials and parts that are not readily available in Pakistan, all raw materials and parts are sourced locally.

Vendor Induction and Communication

Vendor Selection

The Company's vendor selection and approval procedure is based on a set of criteria that includes not only their capacity to deliver high-quality parts at reasonable rates, but also their commitment to environmental values. Key factor in our decision making is the vendor's commitment to environmental responsibility and sustainable practices. The Company also seeks out and collaborates with businesses who have procurement and production standards that are similar to or identical to its own. All vendors are required to acknowledge and sign the Company's Vendor Policy and Vendor CSR Guidelines, ensuring a shared commitment to responsible business practices.

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

Vendor Diversity

A diverse vendor base is a key driver of the Company's growth and long-term success. To uphold our commitment to providing the best mobility solutions, the Company is dedicated to fostering partnerships with businesses that align with our sustainability and ethical values. Through a range of opportunities and initiatives, we support vendors from diverse backgrounds, helping them thrive and become sustainable, long-term contributors to our supply chain. By cultivating these mutually beneficial relationships, the Company ensures that it meets the evolving demands and expectations of its consumers while promoting inclusive growth and responsible business practices.

Business to Business Communication Portal

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

Parts Quality

To maintain customer trust, the Company places a strong emphasis on quality across its entire supply chain. To support this commitment, all vendors are required to establish and maintain a robust quality assurance system. In alignment with the Company's objective of sourcing inspection-free components, vendors are expected to ensure that all delivered parts consistently conform to design specifications

and technical drawings throughout their manufacturing processes. To attain these quality goals, the following steps were taken:

Vendor Improvement Program

Through various initiatives, including the Company's VIP program launched a few years ago, AHL actively supports its vendors in improving both quality and operational performance. This program specifically targets six key areas, which are outlined below:

Certificates are awarded to vendors at the time of completion of the program. Further, they are reviewed and audited each year for recertification. A dedicated team, comprising employees from the Company's Supply Chain and Quality Assurance departments, ensures continuous follow-up. This team plays a vital role in maintaining ongoing engagement with our vendors, ensuring alignment with our CSR objectives and fostering a commitment to sustainability, quality, and ethical business practices throughout our supply chain. This year, 20 vendors were analyzed and assessed under this Program.



Vendor Development

The Company actively encourages its vendors to invest in enhancing their facilities, expanding manufacturing capacity, and adopting new technologies. This strategy ensures that the Company vendors are well-equipped to meet business demands while also achieving a strong return on their investments. By supporting such growth, the Company fosters a resilient and innovative supply chain that contributes to our mutual success.

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



Definition, Methodology and Scope

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

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

The information and data contained in this report relates to financial year 2025 (April 1, 2024 to March 31, 2025). The data presented in the report includes all plants and offices of Atlas Honda and does not include data on its associated companies.

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

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

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

The Sustainability Report is:

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

Independent Assurance Statement for the Atlas Honda Sustainability Report 2025

Scope

We have been engaged by Atlas Honda Limited to perform an ‘assurance engagement’, as defined by International Standard on Assurance Engagements ISAE 3000 (Revised), “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information”, hereafter referred to as the engagement, on the information included in the Sustainability Report 2025 (“the subject matter”) referring to the period from April 01, 2024, through March 31, 2025. The report was co-reviewed by Muhammad Imran & Co., Cost & Management Accountants.

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

Atlas Honda Limited’s Responsibilities

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

Corporate Social Responsibility Centre Pakistan’s (CSRCP) Responsibilities

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

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information

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

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

Statement of Independence, Impartiality, and Competence

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

Description of Procedures Performed

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

We carried out a desk review of the final draft report. We communicated with Atlas Honda Limited to determine the accuracy and authenticity of the report content, data points, methodologies, and policies regarding the organization’s social, environmental, and economic data and activities.

Our procedures for this engagement included:

- Review adherence to the requirement of GRI Standards 2021;
- Review of the policies, initiatives, practices, and standard disclosures regarding the company’s material sustainability topics contained in the report;
- Review of consistency of data/information within the report;
- Analysis of the report content against AccountAbility principles of Inclusivity, Materiality, Responsiveness, and Impact;
- Elaboration of the adjustment report; and
- Final review of the report content.

Use of GRI Standards 2021

Atlas Honda Limited declares the report to be in accordance with the GRI Standards 2021. CSRCP reviewed the use of the GRI Universal and Topic Standards, considering those standards linked to the material topics. In case of a lack of response, Atlas Honda Limited provides omission statements in line with the requirements of GRI 1 Foundation 2021.

Adherence to AccountAbility Principles of Inclusivity, Materiality, Responsiveness, and Impact

CSRCP reviewed the report to analyze adherence to AccountAbility Principles of Inclusivity, Materiality, Responsiveness, and Impact. The main considerations of this analysis for this report were the following:

- The report addresses how the company identifies and engages with different stakeholders, including concerns raised by stakeholders and the company's response. The report also addresses how the issues emerging from stakeholders' engagement inform risk management strategy and procedure.
- The material topics were identified and prioritized, considering the requirement of GRI 3 Material Topics 2021, addressed in different sections of the report, and supported with information on management systems and data sets that provide performance details for material topics.
- Atlas Honda Limited has appropriate policies and management systems certification, which involve a high-level analysis of risks, non-compliance with applicable laws and regulations, and corrective actions.
- The report demonstrates an increased environmental impact due to higher production volumes in 2025; however, the intensity-based impact decreased over the year. Atlas Honda Limited achieved sustainability targets for this year, except for the waste reduction target. The training hours to upgrade employee skills increased per employee, with steady performance on the health and safety front.

Limitations and exclusions

Excluded from the scope of our work is any verification of information relating to:

- Verification of financial figures and sustainability performance data;
- Positional statements (expression of opinion, belief, aim, or future intention of Atlas Honda and statements of future commitment).

Statement of conclusion

Assurance Scope I - Atlas Honda Limited's declared adherence to the GRI's Standards 2021 – In accordance

Nothing has come to our attention that causes us to believe that Atlas Honda Limited's Sustainability Report 2025 does not meet the "in accordance criteria" of the GRI Standards 2021. The compliance with GRI Standards has been disclosed in more detail in the GRI Content Index, which provides omission statements in cases where information was not provided.

Assurance Scope 2- Review of the policies, initiatives, practices, and performance (qualitative and quantitative information) reported and referenced in the report
Nothing has come to our attention that causes us to believe that the information in Atlas Honda Limited's Sustainability Report 2025 is not fairly stated in all material aspects.

Assurance Scope 3 – Atlas Honda Limited's application of AccountAbility Principles of Inclusivity, Materiality, Responsiveness, and Impact.

Nothing has come to our attention that leads us to believe that the report's content and elaboration do not fairly state all four AA1000 AccountAbility Principles.

However, we can appoint areas of improvement for the next reporting cycle:

- The report acknowledges Atlas Honda Limited's exposure to climate-related risks and opportunities and the current limitations in disclosing their financial implications. We reiterate our recommendation to quantify and disclose the financial impacts of these risks and opportunities in future reporting.
- We reiterate our recommendation to calculate the full energy and emissions footprint, including Scope 3 emissions, and align reduction targets with climate science.
- AHL has highlighted its environmental guidelines and the "Emission Reduction Caravan" initiative to engage supply chain partners. However, the focus remains limited to GHG emissions. We reiterate our recommendation to report on the broader ecological footprint, including materials, energy, water, and waste impacts.

Restricted use

This report is intended solely for Atlas Honda Limited and is not intended to be and should not be used by anyone other than Atlas Honda Limited. Any reliance on the report by any third party is entirely at its own risk.

Islamabad, June 02, 2025



Muhammad Arfan Nazir,

Director,
Corporate Social Responsibility Centre Pakistan.



Muhammad Imran,

Muhammad Imran & Co., Cost & Management
Accountants Pakistan. ICMAP Membership # 1382

GRI Content Index

Statement of use Atlas Honda has reported in accordance with the GRI Standards for the period 01 April 2024 to 31 March 2025

GRI 1 used GRI 1: Foundation 2021

Applicable GRI Sector Standard No sector standard is available for our sector.

			Omission		
GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted	Reason	Explanation
General Disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	113			
	2-2 Entities included in the organiza-tion's sustainability reporting	120			
	2-3 Reporting period, frequency and contact point	142			
	2-4 Restatements of information	110			
	2-5 External assurance	142			
	2-6 Activities, value chain and other business relationships	143-144			
	2-7 Employees	30-31, 113, 132-137			
	2-8 Workers who are not employees	113, 127			
	2-9 Governance structure and compo-sition	113			
	2-10 Nomination and selection of the highest governance body	20-21, 88, 89-90			
	2-11 Chair of the highest governance body	88			
	2-12 Role of the highest governance body in overseeing the management of impacts	20, 90			
	2-13 Delegation of responsibility for managing impacts	70-72, 88, 31-32			
	2-14 Role of the highest governance body in sustainability reporting	88, 116-117, 138-139			
	2-15 Conflicts of interest	138			
	2-16 Communication of critical con-cerns	89, 93			
	2-17 Collective knowledge of the high-est governance body	92-93			
	2-18 Evaluation of the performance of the highest governance body	20-21, 139			
	2-19 Remuneration policies	89			
	2-20 Process to determine remunera-tion	218			
	2-21 Annual total compensation ratio	88-89, 129			
	2-22 Statement on sustainable devel-opment strategy		a, b, c	Information unavailable / incomplete	The calculation of the total compensa-tion is not ready at the time of publica-tion of this report
	2-23 Policy commitments	114, 138			
	2-24 Embedding policy commitments	14-15, 92-93			
	2-25 Processes to remediate negative impacts	92-93, 132			
	2-26 Mechanisms for seeking advice and raising concerns	93, 104-106			
	2-27 Compliance with laws and regula-tions	93, 104-106			
	2-28 Membership associations	88, 119			
	2-29 Approach to stakeholder engage-ment	113			
	2-30 Collective bargaining agreements	103-106			
	129				









			Omission		
GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted	Reason	Explanation
Material Topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	115			
	3-2 List of material topics	115			
Economic Performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	29, 88, 90-91, 115			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	178			
	201-2 Financial implications and other risks and opportunities due to climate change	118	A iii-v	Information unavailable / incomplete	System to estimate financial implications does not exist at the time of this report
	201-3 Defined benefit plan obligations and other retirement plans	207, 209-210			
	201-4 Financial assistance received from government	132			
Market Presence					
GRI 3: Material Topics 2021	3-3 Management of material topics	49, 178, 115, 126			
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	129			
	202-2 Proportion of senior management hired from the local community	126			
Indirect Economic Impacts					
GRI 3: Material Topics 2021	3-3 Management of material topics	178, 115, 132-137			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	132-137			
	203-2 Significant indirect economic impacts	132-137			
Procurement Practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	115, 140-141			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	177			
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	92-93, 115			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	65, 93			
	205-2 Communication and training about anti-corruption policies and procedures	93			
	205-3 Confirmed incidents of corruption and actions taken	93			
Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	115, 119			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	121			
	305-2 Energy indirect (Scope 2) GHG emissions	121			
	305-3 Other indirect (Scope 3) GHG emissions		a – g	Information unavailable / incomplete	AHL does not calculate the Scope 3 emission upstream and downstream in its supply chain
	305-4 GHG emissions intensity	121			
	305-5 Reduction of GHG emissions	121			
	305-6 Emissions of ozone-depleting substances (ODS)	121			
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	121			

			Omission		
GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted	Reason	Explanation
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	115, 119			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	120			
	302-2 Energy consumption outside of the organisation		a, b, c	Information unavailable / incomplete	AHL does not calculate the energy consumption outside the organisation.
	302-3 Energy intensity	120			
	302-4 Reduction of energy consumption	121			
	302-5 Reduction in energy requirements of products and services		a, b, c	Information unavailable / incomplete	AHL does not calculate the energy requirements of its products
Materials					
GRI 3: Material Topics 2021	3-3 Management of material topics	115, 122			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	122			
	301-2 Recycled input materials used	122			
	301-3 Reclaimed products and their packaging materials	122			
Water					
GRI 3: Material Topics 2021	3-3 Management of material topics	115, 122-123			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	123			
	303-2 Management of water discharge-related impacts	122-123			
	303-3 Water withdrawal	123	b, c	Information unavailable / incomplete	This information is not available at the time of preparation of this report
	303-4 Water discharge	123	b, c	Information unavailable / incomplete	This information is not available at the time of preparation of this report
	303-5 Water consumption	123	b, c	Information unavailable / incomplete	This information is not available at the time of preparation of this report
Waste					
GRI 3: Material Topics 2021	3-3 Management of material topics	155, 119, 122			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	122	A II	Information unavailable	AHL does not calculate the waste generated outside the organization as such information is not significant in the overall context
	306-2 Management of significant waste-related impacts	122	a	Information unavailable	
	306-3 Waste generated	122	a	Information unavailable	
	306-4 Waste diverted from disposal	122	a-e	Information unavailable / incomplete	
	306-5 Waste directed to disposal	122	d	Information unavailable	
Supply Chain Impacts					
GRI 3: Material Topics 2021	3-3 Management of material topics	140-141			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	140			
	308-2 Negative environmental impacts in the supply chain and actions taken	124			

			Omission		
GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted	Reason	Explanation
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	140			
	414-2 Negative social impacts in the supply chain and actions taken	132			
Employment and Labor Relations					
GRI 3: Material Topics 2021	3-3 Management of material topics	94-95, 126, 129			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	127			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	129			
	401-3 Parental leave	128			
GRI 402: Labor Management Relations 2016	402-1 Minimum notice periods regarding operational changes	129			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	127			
	405-2 Ratio of basic salary and remuneration of women to men	129			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	96, 129			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	129, 132			
Health and Safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	129			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	130			
	403-2 Hazard identification, risk assessment, and incident investigation	130			
	403-3 Occupational health services	130			
	403-4 Worker participation, consultation, and communication on occupational health and safety	131			
	403-5 Worker training on occupational health and safety	130			
	403-6 Promotion of worker health	131			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	132			
	403-8 Workers covered by an occupational health and safety management system	129			
	403-9 Work-related injuries	130			
	403-10 Work-related ill health	130			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	139			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	139			
Training					
GRI 3: Material Topics 2021	3-3 Management of material topics	94-95, 128			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	129	a (ii)	Information unavailable / incomplete	Information unavailable / incomplete
	404-2 Programs for upgrading employee skills and transition assistance programs	94-95, 128			
	404-3 Percentage of employees receiving regular performance and career development reviews	129			

			Omission		
GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted	Reason	Explanation
Human Rights					
GRI 3: Material Topics 2021	3-3 Management of material topics	129			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	130- 131			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	130- 131			
Local Communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	132			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	132-137			
	413-2 Operations with significant actual and potential negative impacts on local communities	93			
Marketing and Labeling					
GRI 3: Material Topics 2021	3-3 Management of material topics	140			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	140			
	417-2 Incidents of non-compliance concerning product and service information and labeling	140			
	marketing communications	140			

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	97, 111, 119	2-9, 2-10, 201-1, 202-1, 203-1, 401-1, 404-1, 404-3, 405-1, 406-1
	105,	303-3, 303-4, 303-5, 306-1, 306-2, 306-3
	105, 111	201-1, 203-1, 302-1, 302-3, 302-4
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SDGs	Page Number	GRI Standard Disclosure
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	105,	305-1, 305-2, 305-4, 305-5, 305-7, 306-1, 306-3
	105	305-1, 305-2, 305-4, 305-5, 305-7, 306-3
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	111	

Financial Statements, Analysis and Shareholder's Information

- Analysis of Financial Performance
- Analysis of Non-financial performance
- Dupont Analysis
- Six Years Analysis of Financial Statements
- Statement of Cash Flows - Direct Method
- Share Price Sensitivity Analysis
- Segmental Performance Analysis
- Share Price Sensitivity Analysis
- Sensitivity Analysis of Material
- Statement of Value Addition
- Statement of Economic Value Added
- Quarterly Performance Analysis
- Audit Report on the Financial Statements
- Financial Statements
- Pattern of Shareholding
- Notice of the 61st Annual General Meeting
- Shareholder's Information
- BCR Index Criteria
- Glossary of Terms
- Feedback Form



Analysis of Financial Performance

The Company adopts a holistic approach to performance management by setting both financial and non-financial objectives. Financial goals focus on key metrics such as revenue generation from volumetric growth, cost efficiency, profitability, and liquidity management. Alongside these, the Company places equal emphasis on non-financial priorities, including strengthening brand equity, fostering human capital development, expanding business operations, and upholding the Company's role as a responsible corporate citizen through environmental stewardship, community engagement, and adherence to high ethical standards.

Company Budget

The Company rigorously analyzes its financial performance through comparative assessments. Actual results are regularly reviewed against both the corresponding period of the previous year and the approved budget. This dual-layer analysis helps identify trends, variances, and areas requiring managerial attention. By evaluating performance from both a historical and a planning perspective, the Company ensures data-driven decision-making, supports operational efficiency, and reinforces accountability across all business functions.

The Company adopts a structured and forward-looking approach to budgeting. The process begins with the issuance of comprehensive budget guidelines to all departments. These guidelines outline key assumptions such as market demand

forecasts, foreign exchange outlook, cost optimization targets, and priorities aligned with the Company's long-term strategic objectives. Based on these directives, each department including sales, production, supply chain, IT, and others prepares and submits relevant budget data. These departmental inputs are then consolidated into a comprehensive annual budget, which is presented to the Board of Directors for review. After detailed deliberations and alignment with corporate priorities, the Board approves the final budget.

These departmental inputs are then consolidated into a comprehensive annual budget, which is presented to the Board of Directors for review. After detailed deliberations and alignment with corporate priorities, the Board approves the final budget.

To ensure agility in a dynamic business environment, the Company complements the original annual budget with a rolling budget mechanism. This involves quarterly updates and revisions to the remaining period's projections, based on evolving internal and external conditions. The rolling budgets are also approved by the Board in quarterly meetings. The Company also maintains rigorous oversight of key financial indicators such as cash flows, gearing, and liquidity, enabling timely identification of variances and proactive corrective action to keep performance within acceptable thresholds.

The Company achieved the following results against the rolling budget for the year ended March 31, 2025:

	Actual 2025	Rolling Budget 2025	Variance	Actual 2024	Variance
Sales Volume (Units)	1,196,201	1,190,033	0.5%	960,400	24.6%
----- Rupees in '000 -----			%	Rupees in '000	%
Revenue	203,894,438	202,838,821	0.5%	159,292,229	28.0%
Cost of sales	181,714,342	181,553,821	0.1%	147,065,100	23.6%
Gross Profit	22,180,096	21,285,000	4.2%	12,227,129	81.4%
Less: Operating expenses	5,714,919	5,608,344	1.9%	4,725,266	20.9%
Other Income - net of other expenses	7,876,490	8,109,885	-2.9%	8,236,235	-4.4%
Profit Before Tax	24,341,667	23,786,541	2.3%	15,738,098	54.7%
Less: Taxation	9,090,052	8,776,400	3.6%	6,030,053	50.7%
Profit After Tax	15,251,615	15,010,141	1.6%	9,708,045	57.1%

Comments on Performance against the Budget

The Company recorded revenue above budgeted levels for the year, attributable to strong sales performance and favorable market conditions. The Company delivered a gross profit that exceeded budgeted expectations reflecting effective cost management, improved sales mix, achievement of cost reductions and material cost down benefits. Operating Expenses were higher than budgeted primarily due to increase in volume. Despite the higher expenses and taxation, the Company delivered an improved profitability than the budgetary targets.

Comments on Performance against the Last Year Actual

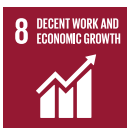
The Performance of the Company against prior year including the analysis of financial statements and the vertical and horizontal analysis of financial statements of the statement of financial position, statement of profit and loss and statement of cash flows have been appropriately explained in the relevant sections of this report.

Financial Capital

Atlas Honda maintains a strong financial position, backed by a healthy financial profile and a robust balance sheet. This solid financial foundation enables the Company to fund its operations independently, invest in future growth, and navigate market challenges with resilience.

To support sustainable growth, the Company closely monitors its financial performance through well-established internal controls and review mechanisms. This ensures efficient deployment of financial capital in line with strategic priorities and long-term value creation.

Key Indicators	2025	2024
Sales revenue (Billion)	Rs. 203.89	Rs. 159.29
Gross profit (Billion)	Rs. 22.18	Rs. 12.23
Profit before tax (Billion)	Rs. 24.34	Rs. 15.74
Net profit margin	7.48%	6.09%
Earnings per share	Rs. 78.24	Rs. 122.91
EBITDA margin	12.80%	10.90%
Return on equity	46.8%	37.7%
Dividend per share	Rs. 74	Rs. 47
Market value of share	Rs 943.7	Rs 392.3
Capital Expenditure (Billion)	Rs. 1.81	Rs. 1.76



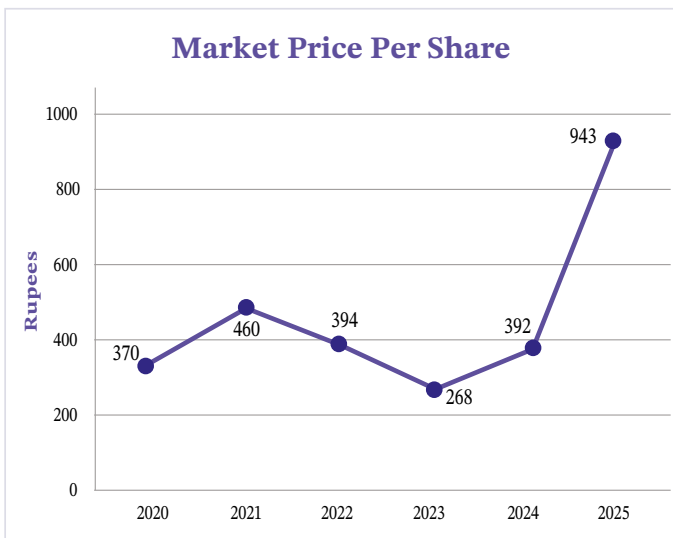
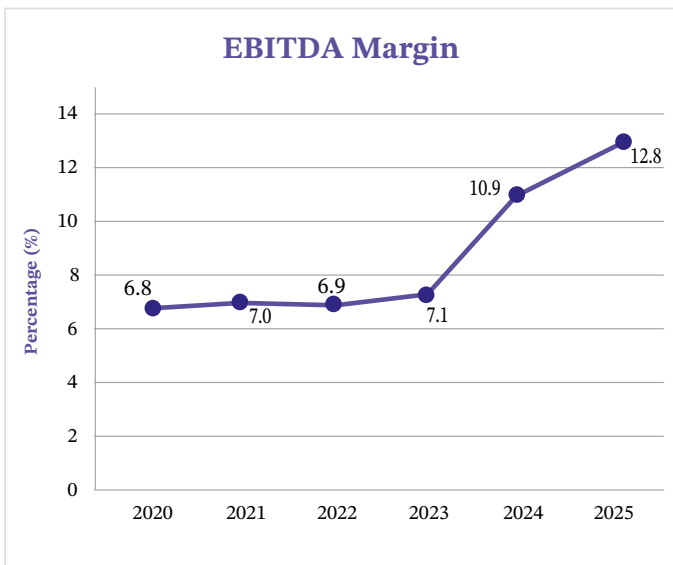
Methods and Assumptions Used in Compiling the Indicators

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

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

Changes in the Indicators

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



Analysis of Non-Financial Performance

Human Capital

At Atlas Honda, the workforce remains the driving force behind the Company’s enduring reputation for quality, innovation, and leadership in Pakistan’s motorcycle industry. As the country’s largest motorcycle manufacturer, Atlas Honda recognizes that long-term business performance is deeply rooted in the skills, commitment, and wellbeing of its employees. In 2025, the Company continued to invest in its people empowering them with the tools, training, and culture necessary to sustain growth and excellence across all areas of operation.

Key Indicators	2025	2024
Employees	2,782	2,718
Training Hours	23,792	21,960
Joiners	47	63
Revenue / Employee	73.3 Million	58.6 Million
Production / Employee	426 Units	356 Units

Manufactured Capital

Atlas Honda’s manufactured capital serves as the backbone of its operational excellence and market leadership. With two strategically located manufacturing plants, the Company continues to meet growing demand while upholding global standards of quality and efficiency. Ongoing investments in automation and process optimization ensure that Atlas Honda’s manufacturing infrastructure remains agile, scalable, and aligned with evolving market dynamics.

Key Indicators	2025	2024
Number of Manufacturing Plants	2	2
Annual Production Capacity (Units)	1.5 Million	1.5 Million
Motorcycles Produced (Units)	1,186,746	966,768
Localisation Ratio	90%+	90%+

Intellectual Capital

With over six decades of manufacturing experience, Atlas Honda possesses deep technical know-how and process knowledge that drive product quality, operational efficiency, and continuous improvement. The Company’s strong governance framework ensures responsible decision-making and long-term stakeholder confidence, while its brand remains synonymous with reliability, affordability, and nationwide service support.

Key Indicators	2025	2024
Market Share	65%+	60%+
Product Portfolio	8 Models	8 Models
Customer Satisfaction Index	No. 1	No. 1

Social and Relationship Capital

Atlas Honda maintains a widespread dealer network that ensures product availability, customer service, and after-sales support across urban and rural areas. The Company also works closely with a spectrum of vendors fostering local industry development and ensuring supply chain resilience. The Company continues to invest in meaningful relationships that reinforce its market leadership and social responsibility.

Key Indicators	2025	2024
Dealer Network	780	770
Local Vendor Base	124	123
Donations (Million)	PKR 207.4	PKR 131.4
Wealth Distributed (Billion)	PKR 51.7	PKR 40.5

Nature Capital

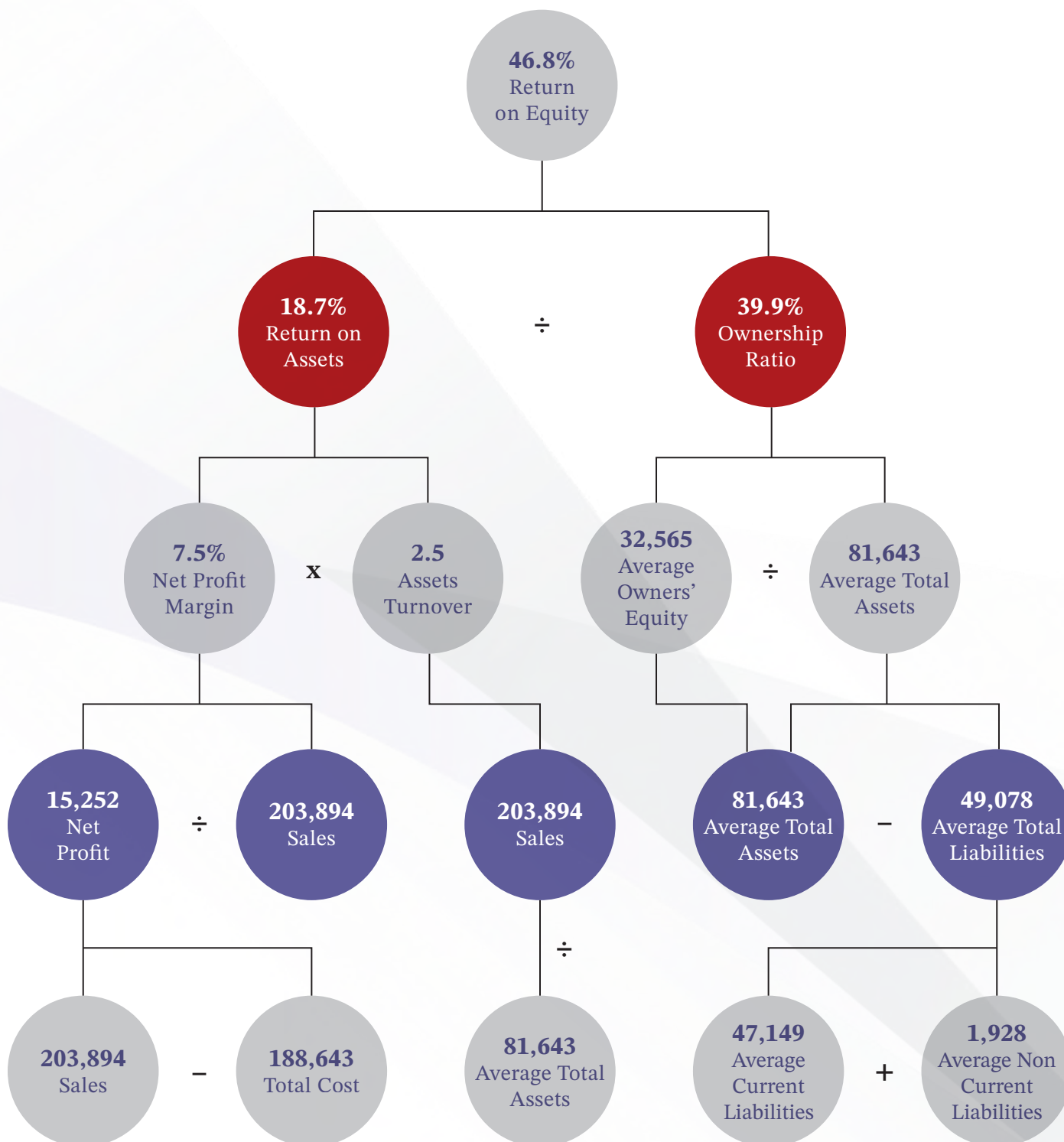
Atlas Honda recognizes the importance of preserving natural resources and minimizing its environmental footprint. As part of its sustainability strategy, the Company closely monitors resource consumption across its manufacturing operations and actively explores opportunities for efficiency and conservation.

The Company’s operations are aligned with environmental best practices and comply with national regulations. Efforts to reduce energy and water consumption include process optimization, use of energy-efficient technologies, and recycling initiatives. Atlas Honda also encourages responsible material sourcing and continues to engage in environmental awareness programs within its workforce.

Key Indicators	2025	2024
CO ₂ Reduction	2%	1%
CO ₂ Emission (kg / unit)	20.34	20.75
Raw Material Used (Tons)	89,852	73,197
Energy Consumption (GJ)	399,260	337,535
Water Intake	573,410 m ³	481,569 m ³



DuPont Analysis



Net Sales demonstrated growth of 28% over the preceeding period due to increased sales volumes as compared to previous year. Further, the total assets of the Company increased by 15% as compared to last year. The rise was mainly attributable to increase in asset base on account of increase short term investments, trade debts and other receivables. This resulted in return on assets ratio of 19%.

Dupont Analysis	2025	2024
Tax Burden	37.34%	38.32%
Interest Burden	0.52%	0.65%
EBIT	12.00%	9.94%
Asset Turnover	2.5	2.2
Debt Ratio	58.37%	62.12%
ROE	46.8%	37.7%

Six Years Analysis of Financial Statements

Financial Ratios

Particulars	UoM	2025	2024	2023	2022	2021	2020
Profitability Ratios							
Gross profit margin	%	10.9	7.7	7.1	7.5	7.4	7.2
Profit before tax margin	%	11.9	9.9	6.0	5.9	5.5	5.2
Net profit margin	%	7.5	6.1	3.7	4.2	3.9	3.6
Return on capital employed	%	70.6	57.9	35.3	37.4	27.7	26.2
Return on equity - after tax	%	46.8	37.7	22.8	28.2	20.4	19.3
Shareholders' funds	%	41.6	37.9	32.5	44.3	43.3	53.4
Return on Shareholders' funds	%	41.9	33.7	22.0	26.6	19.3	18.6
Return on assets	%	18.7	13.3	8.5	12.3	9.7	9.8
Earnings before interest, tax, depreciation and amortization (EBITDA)	Rs in mil-lion	26,104.1	17,378.9	9,566.7	9,123.8	6,481.9	5,769.1
EBITDA margin	%	12.8	10.9	7.1	6.9	7.0	6.8
Operating leverage ratio	%	194.5	533.1	141.2	122.7	169.1	(129.7)
Equity Ratios							
Cash dividend per share (declared)	Rs.	74.00	47.0	24.0	27.0	17.5	15.0
Earning per share	Rs.	122.9	78.2	40.3	45.0	29.0	24.8
Price earning ratio	Times	7.7	5.0	6.6	8.8	15.9	14.9
Price to book ratio	Times	1.3	0.6	0.5	1.0	1.3	1.5
Market price per share for the year	Rs.	943.7	392.3	268.1	394.0	460.0	370.0
- maximum value	Rs.	943.7	431.4	412.0	540.0	530.0	409.0
- minimum value	Rs.	462.9	238.1	258.0	385.0	340.0	285.0
Break up value per share	Rs.	293.0	231.8	183.6	169.5	150.1	133.6
Dividend yield	%	7.8	12.0	9.0	6.9	3.8	4.1
Dividend cover	Times	1.7	1.7	1.7	1.7	1.7	1.7
Dividend pay out	%	60.2	60.1	59.5	60.0	60.4	60.5
Efficiency Ratios							
Assets turnover	Times	2.5	2.2	2.3	2.9	2.5	2.7
Fixed assets turnover	Times	16.2	12.9	12.0	13.1	9.3	8.8
Inventory turnover	Times	18.2	14.9	15.1	20.0	16.8	13.8
Debtors turnover	Times	115.6	175.1	140.8	100.4	80.4	87.9
Creditors turnover	Times	3.9	3.3	3.6	5.1	4.8	5.4
Capital employed turnover	Times	5.9	5.8	5.9	6.3	4.9	5.0
Operating Cycle							
Period of inventory holding	Days	20	24	24	18	22	26
Period of collection from debtors	Days	3	2	3	4	5	4
Period of payments to creditors	Days	(93)	(112)	(103)	(72)	(76)	(67)
Operating cycle	Days	(70)	(85)	(76)	(50)	(50)	(36)
Liquidity / Leverage Ratios							
Current ratio	Times	1.5	1.4	1.2	1.5	1.4	1.5
Quick ratio	Times	1.3	1.2	1.1	1.2	1.2	1.1
Debt to equity / financial leverage ratio	Times	----- Debt Free -----			0.01	0.02	Debt Free
Weighted average cost of debt	%	-	-	1%	1%	-	-
Total liabilities to equity	Times	1.40	1.64	2.07	1.26	1.31	0.87
Cash to current liabilities	Times	0.6	0.8	0.8	0.7	0.6	0.5
Cash flow from operations to sales	%	7.99	5.25	16.56	4.68	15.51	2.73
Cash flow to Capital Expenditure	Times	8.98	4.76	6.74	3.41	13.38	1.06
Cash flow Coverage Ratio	Times	----- Debt Free -----			32.92	33.02	Debt Free
Others							
Spare inventory as % of assets cost	%	1.1	1.4	1.5	2.1	1.5	2.2
Maintenance cost as % of operating expenses	%	0.7	0.7	0.5	0.5	0.7	0.7
Customer retention ratio	%	100	100	100	100	100	100

Six Years Analysis of Financial Statements

Financial Ratios

Profitability Ratios

During the year the Company achieved ever highest profitability, driven by several key factors that helped position it for sustained growth. The Company's turnover rose significantly, from Rs. 159.3 billion in 2024 to Rs. 203.9 billion in 2025. This increase highlights the Company's strong market position and expansion in market size. The gross profit increased from Rs. 12.2 billion in 2024 to Rs. 22.2 billion in 2025, up by 81%. This increase was primarily attributed to a favourable model mix and relatively lower material costs along with favourable exchange rates which helped mitigate rising production costs.

Other income increased from Rs. 9.1 billion in 2024 to Rs. 9.2 billion in 2025. The slight growth in other income was primarily attributable to higher liquidity and higher interest income especially in the first half of the year, driven by elevated discount rates set by the State Bank of Pakistan. However, the discount rates declined in the latter half of the year. Overall, the impact remained positive, resulting in 1.9% increase in other income.

As a result of these factors, the Company's profit before tax surged from Rs. 15.8 billion in 2024 to Rs. 24.5 billion in 2025, demonstrating the Company's strong operational performance. The highest-ever profit after tax of Rs. 15.3 billion in 2025 reflects the successful execution of the Company's strategic initiatives and its ability to capitalize on favourable market conditions.

The return on equity increased significantly, from 37.7% in 2024 to 46.8% in 2025, highlighting the Company's ability to generate optimum returns on shareholders' equity. Similarly, the return on capital employed improved from 57.9% in 2024 to an impressive 70.6% in 2025, showcasing more efficient use of capital to generate profits.

Liquidity Ratios

Current ratio improved slightly from 1.4 times to 1.5 times, reflecting an increase in the current asset base. Quick ratio was recorded at 1.3 times, which is consistent with the Company's long-term average of 1.2 times over the past six years.

The Company remains debt-free with interest cover rising due to increase in finance lease obligations in accordance with IFRS 16. This reflects strong earnings and low financial risk despite higher lease commitments.

Cash to current liabilities ratio was maintained at 0.6 times, demonstrating Company's healthy liquidity position.

Efficiency Ratios

Asset turnover ratio increased from 2.2 times in 2024 to 2.5 times in 2025, primarily driven by a notable 28% boost in sales revenue during the year. This improvement reflects the Company's effective utilization of its assets to generate higher sales.

Inventory turnover ratio also increased, up from 14.9 times in 2024 to 18.2 times in 2025. This increase is attributed to a higher cost of sales resulting from increased production levels to meet the growing demand for motorcycles. Consequently, inventory turnover days were recorded at 20 days in 2025, indicating an efficient turnover of inventory in line with the increased operational volume.

Debtor turnover days increased slightly from 2 days in 2024 to 3 days in 2025. However, the debtor turnover ratio decreased from 175.1 in 2024 to 115.6 in 2025. This is due to higher sales through institutions which are on credit basis which is strategically aligned with the growth objectives of the Company and within budgetary targets.

Creditor turnover days improved, decreasing from 112 days in 2024 to 93 days in 2025, inline with the increasing cost of sales to support supply chain.

This translated into an overall operating level cycle of -70 days as compared to -85 days in last year.

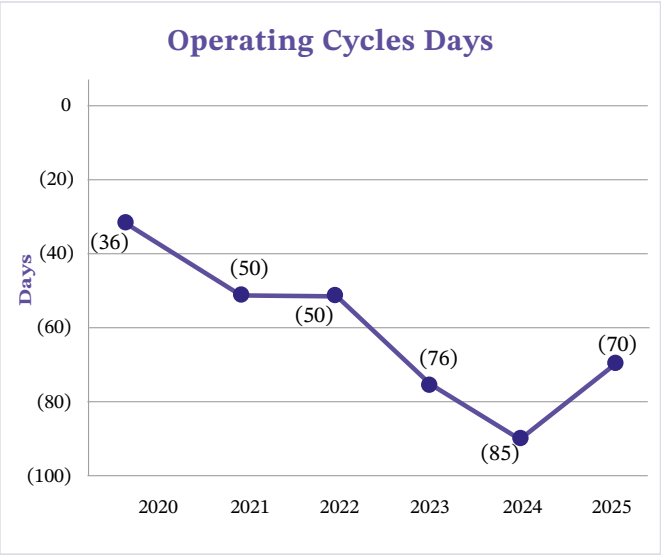
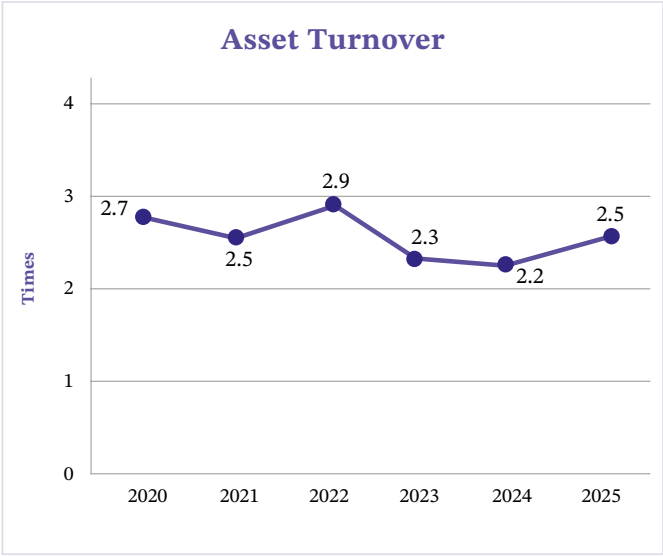
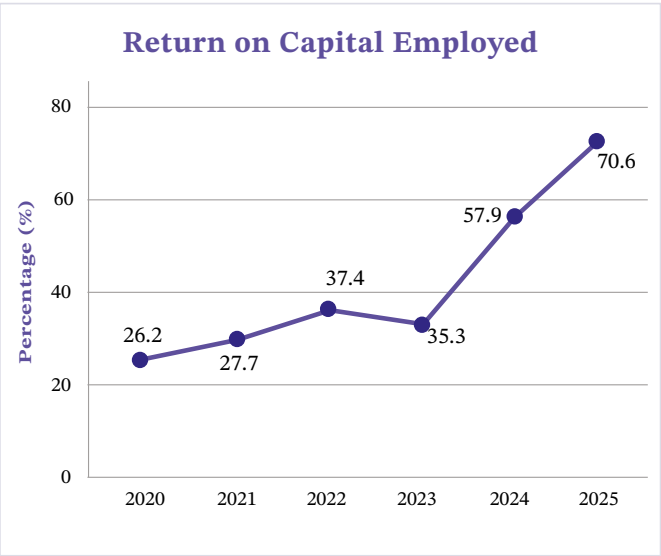
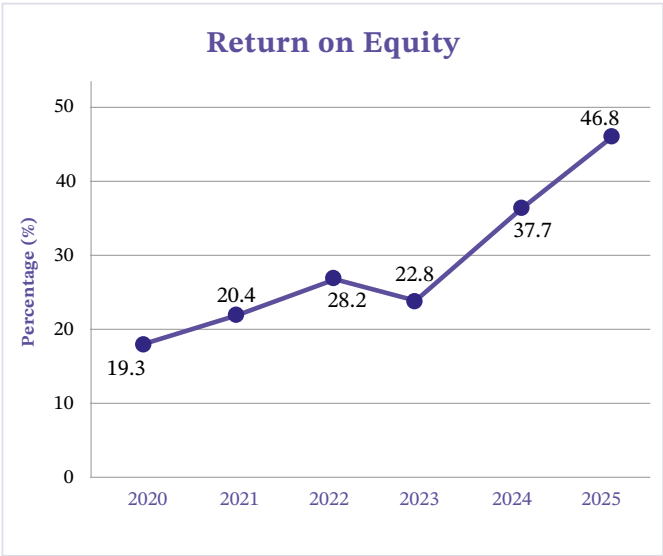
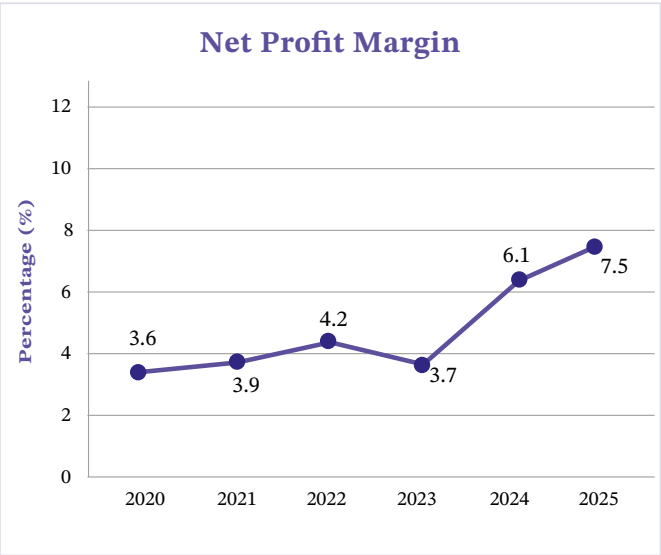
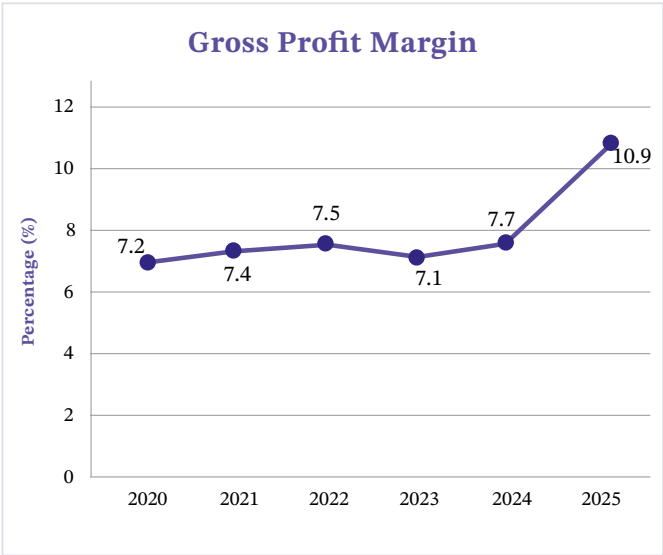
Equity Ratios

The Company earnings per share boosted by 57% due to enhanced profitability as explained above, The Company registered an earnings per share at Rs. 122.91 as compared to Rs. 78.24 in preceding year.

Based on the above factors, the breakup value per share was recorded at Rs. 293.04 in line with increasing equity base. On the other hand, market value of shares also increased from Rs. 392 to Rs. 944. This resulted in price earnings ratio of 7.7 in the current year.

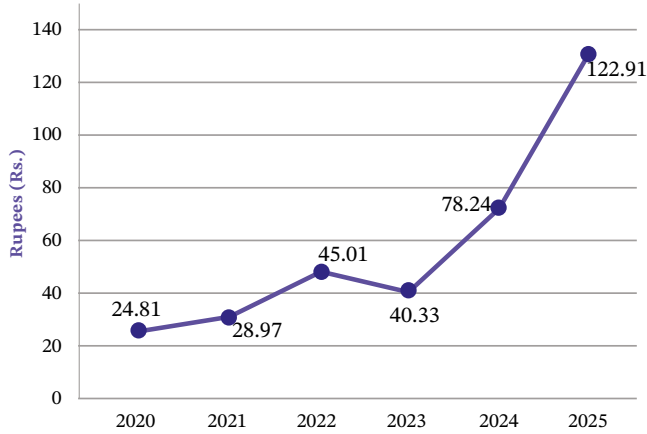
The Company aims to maintain a consistent approach to profit allocation, considering various factors such as business requirements, growth prospects, and strategic perspectives. Therefore, the Company has maintained a consistent dividend payout ratio of 60% distributing a cumulative cash dividend (interim and final) of Rs. 74 per share in 2025 as compared to cash dividend of Rs. 47 per share of last year.

Graphical Presentation of Financial Ratios

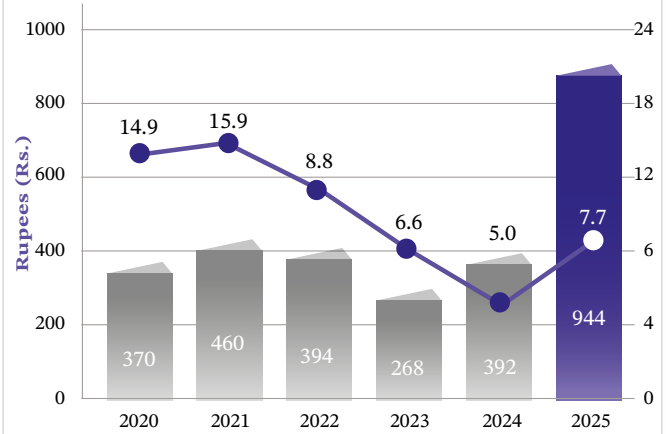


Graphical Presentation of Financial Ratios

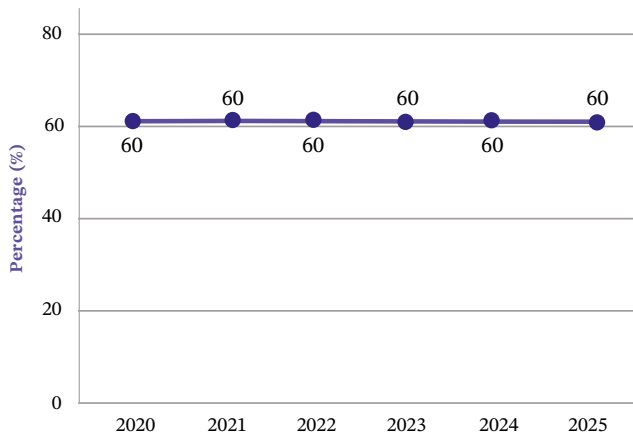
Earning Per Share



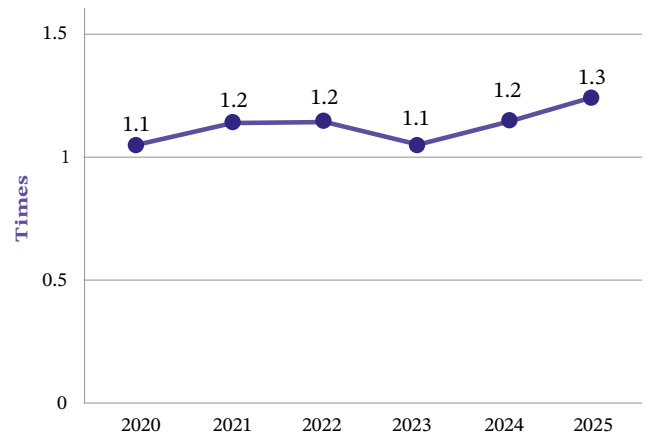
Market Value vs Price Earning Ratio



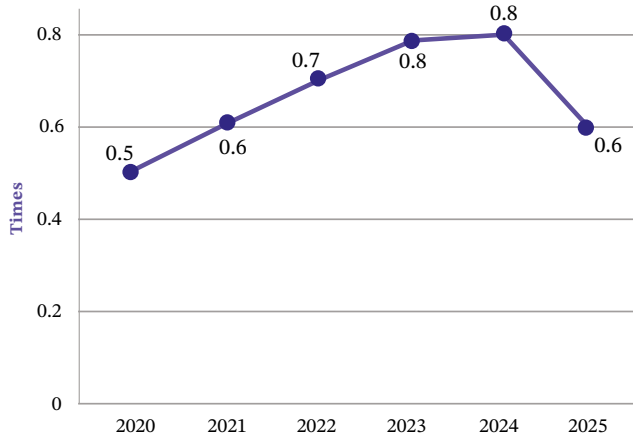
Dividend Payout



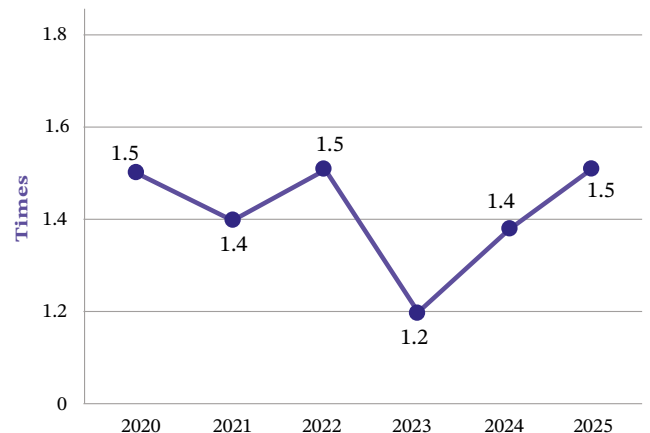
Quick Ratio



Cash to Current Liabilities



Current Ratio



Six Years Analysis of Financial Statements

Statement of Financial Position

Particulars	2025	2024
----- Rupees in '000 -----		
Assets		
Non Current Assets		
Property, plant & equipment	12,629,323	12,445,718
Intangible asset	23,959	7,826
Long term investments	400,519	350,593
Long term loans and advances	119,841	106,531
Long term deposits	43,887	41,672
Total non current assets	13,217,529	12,952,340
Current Assets		
Stores,spares and loose tools	993,123	1,027,714
Stock in trade	8,369,639	9,621,651
Trade debts	2,506,086	1,021,954
Loans and advances	102,015	89,211
Trade deposits and prepayments	290,415	229,118
Short term investments	30,048,664	13,959,667
Accrued mark-up/interest	1,063,361	656,355
Other receivables	650,643	16,137
Taxation-net	811	-
Bank balances	30,099,343	36,369,606
Total current assets	74,124,100	62,991,413
Total assets	87,341,629	75,943,753
Equity & Liabilities		
Equity		
Share capital	1,240,879	1,240,879
Reserves	35,121,659	27,526,690
Total equity	36,362,538	28,767,569
Non Current Liabilities		
Lease liabilities	355,322	289,306
Long term borrowings	-	-
Deferred income - government grant	-	-
Staff retirement benefits	743,615	663,559
Deferred taxation	927,367	877,658
Total non current liabilities	2,026,304	1,830,523
Current Liabilities		
Current portion of lease liabilities	52,285	57,987
Trade and other payables	48,900,502	44,049,984
Current portion of long term borrowings	-	-
Current portion of deferred income - government grant	-	-
Taxation - net	-	1,237,690
Total current liabilities	48,952,787	45,345,661
Total equity and liabilities	87,341,629	75,943,753

Six Years Analysis of Financial Statements

Statement of Financial Position

2023	2022	2021	2020
----- Rupees in '000 -----			
12,158,765	10,251,485	9,788,162	10,041,495
35,311	56,255	101,813	135,121
340,816	343,534	329,669	322,240
75,469	64,159	48,253	36,671
41,662	14,077	12,071	13,025
12,652,023	10,729,510	10,279,968	10,548,552
1,083,666	998,612	647,035	683,123
8,005,452	6,541,711	4,026,612	4,888,616
797,382	1,126,808	1,501,925	813,980
94,502	59,889	47,429	42,752
2,242,128	1,491,756	1,388,594	686,517
10,114,241	8,819,083	10,063,915	5,248,268
343,803	19,540	14,657	22,392
1,874	2,583	1,754	329,021
-	208,547	770,419	1,487,667
34,702,516	17,424,657	14,288,180	6,308,616
57,385,564	36,693,186	32,750,520	20,510,952
70,037,587	47,422,696	43,030,488	31,059,504
1,240,879	1,240,879	1,240,879	1,240,879
21,539,063	19,786,759	17,389,648	15,339,529
22,779,942	21,027,638	18,630,527	16,580,408
148,102	151,561	168,616	209,148
-	-	187,382	-
-	-	3,525	-
559,591	484,855	393,569	342,594
633,022	533,022	528,062	604,200
1,340,715	1,169,438	1,281,154	1,155,942
53,617	23,446	39,610	30,234
45,813,308	25,014,674	22,832,604	13,292,920
-	183,975	226,135	-
-	3,525	20,458	-
50,005	-	-	-
45,916,930	25,225,620	23,118,807	13,323,154
70,037,587	47,422,696	43,030,488	31,059,504

Horizontal Analysis of Financial Position

Particulars	2025 vs 2024	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019
-----%-----						
Assets						
Non Current Assets						
Property, plant & equipment	1.48	2.36	18.60	4.73	(2.52)	12.19
Intangible asset	206.15	(77.84)	(37.23)	(44.75)	(24.65)	(20.01)
Long term investments	14.24	2.87	(0.79)	4.21	2.31	(0.39)
Long term loans and advances	12.49	41.16	17.63	32.96	31.58	9.57
Long term deposits	5.32	0.02	195.96	16.62	(7.32)	(6.17)
Total non current assets	2.05	2.37	17.92	4.37	(2.55)	11.15
Current Assets						
Stores,spares and loose tools	(3.37)	(5.16)	8.52	54.34	(5.28)	(5.87)
Stock in trade	(13.01)	20.19	22.38	62.46	(17.63)	(3.57)
Trade debts	145.22	28.16	(29.24)	(24.98)	84.52	(27.06)
Loans and advances	14.35	(5.60)	57.80	26.27	10.94	(2.38)
Trade deposits and prepayments	26.75	(89.78)	50.30	7.43	102.27	(31.83)
Taxation-net	100.00	-	(100.00)	(72.93)	(48.21)	29.43
Short term investments	115.25	38.02	14.69	(12.37)	91.76	(0.26)
Accrued mark-up/interest	62.01	90.91	1,659.48	33.32	(34.54)	(40.47)
Other receivables	3,931.99	761.10	(27.45)	47.26	(99.47)	(42.59)
Bank balances	(17.24)	4.80	99.16	21.95	126.49	(15.66)
Total current assets	17.67	9.77	56.39	12.04	59.67	(8.70)
Total assets	15.01	8.43	47.69	10.21	38.54	(2.80)
Equity & Liabilities						
Equity						
Share capital	-	-	-	-	-	20.00
Reserves	27.59	27.80	8.86	13.78	13.36	7.03
Total equity	26.40	26.28	8.33	12.87	12.36	7.90
Lease liabilities	22.82	95.34	(2.28)	(10.11)	(19.38)	100.00
Long term borrowings	-	-	-	(100.00)	100.00	-
Deferred income - government grant	-	-	-	(100.00)	100.00	-
Retirement benefits	12.06	18.58	15.41	23.19	14.88	15.58
Deferred taxation	5.66	38.65	18.76	0.94	(12.60)	(13.69)
Total non current liabilities	10.70	36.53	14.65	(8.72)	10.83	16.01
Current Liabilities						
Trade and other payables	11.01	(3.85)	83.15	9.56	71.77	(14.75)
Current portion of lease liabilities	(9.83)	8.15	128.68	(40.81)	100.00	100.00
Current portion of long term borrowings	-	-	(100.00)	(18.64)	100.00	-
Current portion of deferred income - Government grant	-	-	(100.00)	(82.77)	100.00	-
Total current liabilities	7.95	(1.24)	82.02	9.11	73.52	(14.56)
Total equity and liabilities	15.01	8.43	47.69	10.21	38.54	(2.80)

Vertical Analysis of Financial Position

Particulars	2025	2024	2023	2022	2021	2020
	-----%					

Assets						
Non Current Assets						
Property, plant & equipment	14.46	16.39	17.36	21.62	22.75	32.33
Intangible asset	0.03	0.01	0.05	0.12	0.24	0.44
Long term investments	0.46	0.46	0.49	0.72	0.77	1.04
Long term loans and advances	0.14	0.14	0.11	0.14	0.11	0.12
Long term deposits	0.05	0.05	0.06	0.03	0.03	0.04
Total non current assets	15.13	17.06	18.06	22.63	23.89	33.96
Current Assets						
Stores,spares and loose tools	1.14	1.35	1.55	2.11	1.50	2.20
Stock in trade	9.58	12.67	11.43	13.79	9.36	15.74
Trade debts	2.87	1.35	1.14	2.38	3.49	2.62
Loans and advances	0.12	0.12	0.13	0.13	0.11	0.14
Trade deposits and prepayments	0.33	0.30	3.20	3.15	3.23	2.21
Taxation-net	0.00	-	-	0.44	1.79	4.79
Short term investments	34.40	18.38	14.44	18.60	23.39	16.90
Accrued mark-up/interest	1.22	0.86	0.49	0.04	0.03	0.07
Other receivables	0.74	0.02	0.00	0.01	0.00	1.06
Bank balances	34.46	47.89	49.55	36.74	33.20	20.31
Total current assets	84.87	82.94	81.94	77.37	76.11	66.04
Total assets	100.00	100.00	100.00	100.00	100.00	100.00
Equity & Liabilities						
Equity						
Share capital	1.42	1.63	1.77	2.62	2.88	4.00
Reserves	40.21	36.25	30.75	41.72	40.41	49.39
Total equity	41.63	37.88	32.53	44.34	43.30	53.38
Lease liabilities	0.41	0.38	0.21	0.32	0.39	0.67
Long term borrowings	-	-	-	-	0.44	-
Deferred income - government grant	-	-	-	-	0.01	-
Retirement benefits	0.85	0.87	0.80	1.02	0.91	1.10
Deferred taxation	1.06	1.16	0.90	1.12	1.23	1.95
Total non current liabilities	2.32	2.41	1.91	2.47	2.98	3.72
Current Liabilities						
Trade and other payables	55.99	58.00	65.41	52.75	53.06	42.80
Current portion of lease liabilities	0.06	0.08	-	0.05	0.09	0.10
Current portion of long term borrowings	-	-	-	0.39	0.53	-
Current portion of deferred income - Government grant	-	-	-	0.01	0.05	-
Total current liabilities	56.05	59.71	65.56	53.19	53.73	42.90
Total equity and liabilities	100.00	100.00	100.00	100.00	100.00	100.00

Six Years Analysis of Financial Statements

Statement of Financial Position

Horizontal Analysis

Non-Current Assets

Non-current assets increased from Rs. 10.5 billion in 2020 to Rs. 13.2 billion in 2025, reflecting a growth of 25% primarily driven by investments in Property, Plant, and Equipment (PPE). The investment in PPE represents capacity enhancement, balancing, modernization and replacement (BMR) of machinery, dies and jigs, localization and cost reduction projects. The Company's strategic allocation of capital towards PPE has enhanced its operational capabilities and positioned it for sustained long-term growth.

Current Assets

Current assets increased significantly during the past six years, rising by 261%, from Rs. 20.5 billion in 2020 to Rs. 74.1 billion in 2025. This substantial growth stems from increase in operational activity which is in line with the growth of the business over the past six years. The increase in stock levels including stores and spares is in line with increased production levels and rise in material prices due to devaluation of PKR against USD. Trade debts increased from Rs. 0.8 billion to Rs. 2.5 billion due to increase in credit sales to institutions whilst maintaining an efficient debtor recovery ratio. The sharp increase of short term investments from Rs. 5.2 billion to Rs. 30.1 billion highlights a stronger liquidity position and indicates the Company's strategy to optimize its idle cash.

Equity

Atlas Honda has demonstrated strong and consistent growth in shareholders' equity, increasing from Rs. 16.6 billion to Rs. 36.3 billion, a total rise of 119% over the six-year period. This upward trajectory reflects the Company's solid financial performance, driven primarily by the retention of earnings and sustained profitability. The Company's share capital primarily remained unchanged except for bonus share issuance in 2020 amounting to Rs. 206.8 million. The Company's strengthening equity base enhances its financial resilience, supports future growth initiatives, and reinforces long-term shareholder value.

Non-Current Liabilities

The Company witnessed a steady increase in non-current liabilities, which grew from Rs. 1.2 billion in 2020 to Rs. 2.0 billion in 2025, representing a percentage increase of 75%. This growth was primarily driven by long-term lease obligations, deferred taxation and retirement benefits. Long-term lease liability is recognized as per IFRS 16 against right of use assets while retirement benefits represent accumulation of leave balances.

Current Liabilities

During the past six years, the current liabilities rose from Rs. 13.3 billion in 2020 to Rs. 48.9 billion in 2025, reflecting a growth of 267%. This increase primarily resulted from higher creditors and advances from customers driven by

the Company's increased operational activity. Despite this growth, the Company has maintained a robust current ratio, ensuring adequate liquidity to meet short-term obligations.

Vertical Analysis

Property Plant and Equipment

Property, Plant, and Equipment (PPE) as a proportion of non-current assets decreased from 32% in 2020 to 14% in 2025. While absolute investment in PPE rose by Rs. 2.59 billion, the relative share of PPE in the non-current asset structure grew by only 0.36 percentage points.

Stores and Stock-in-trade

Stock-in-trade declined from 18% in 2020 to 11% in 2025 of total assets, a significant reduction of 7 percentage points over five years. This decline is primarily attributed to a reduction in inventory levels, due to more efficient inventory management. The decrease shows that the Company has optimized its stock levels to align more closely with the increasing sales trend. Another reason is the decrease in raw material commodity prices and increase in production targets in the month of March 2025.

Trade Debts

Trade debts increased to 2.5 billion in 2025 from 0.8 billion in 2020, driven by overall business growth and higher sales to institutional customers. Further, this is also attributable to the increase in sales prices of motorcycles over the period. Further debtor days from 2020 to 2025 remained less than 5 days.

Short Term Investments

Short-term investments increased from 17% to 34% of total current assets between 2020 and 2025, reflecting the Company's strategic decision to invest surplus cash in government securities and treasury bills. This approach enhances liquidity while positioning the Company to fund upcoming growth initiatives, demonstrating prudent financial management aligned with long-term objectives.

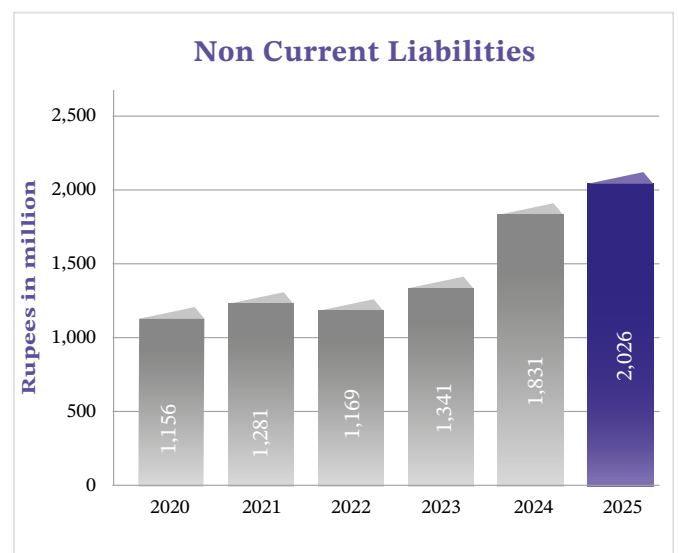
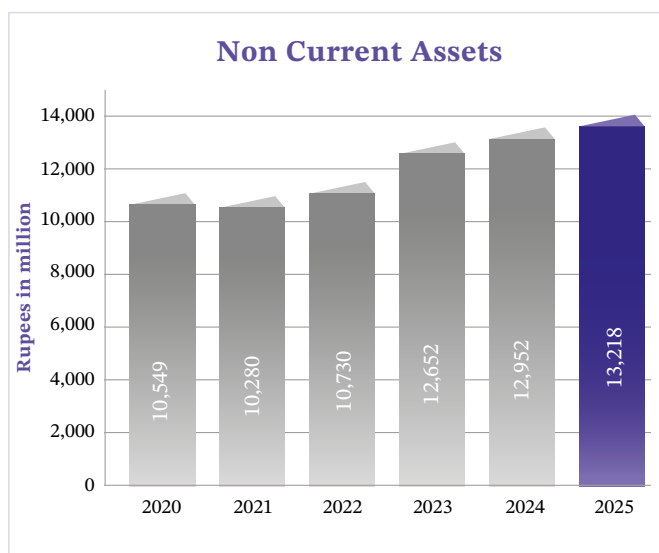
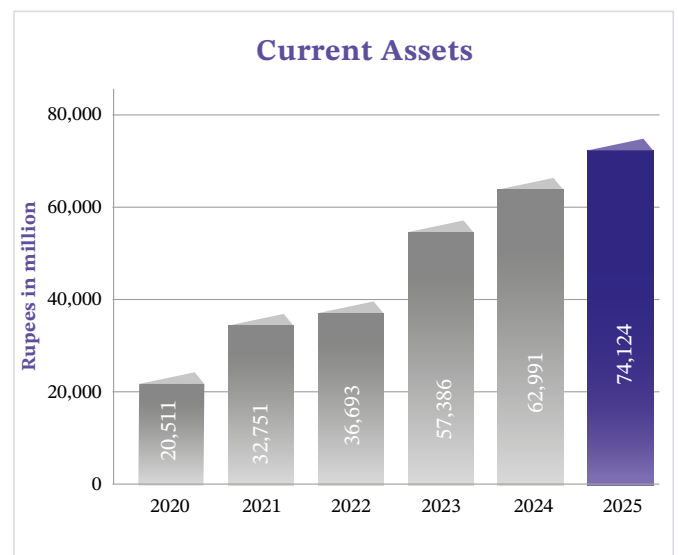
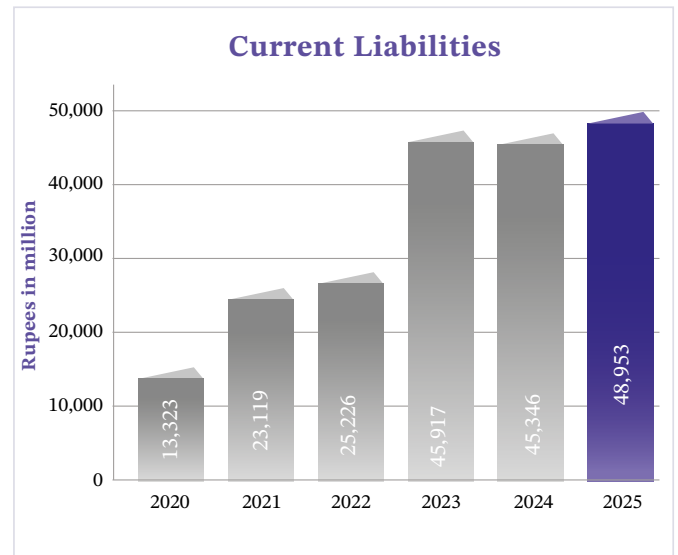
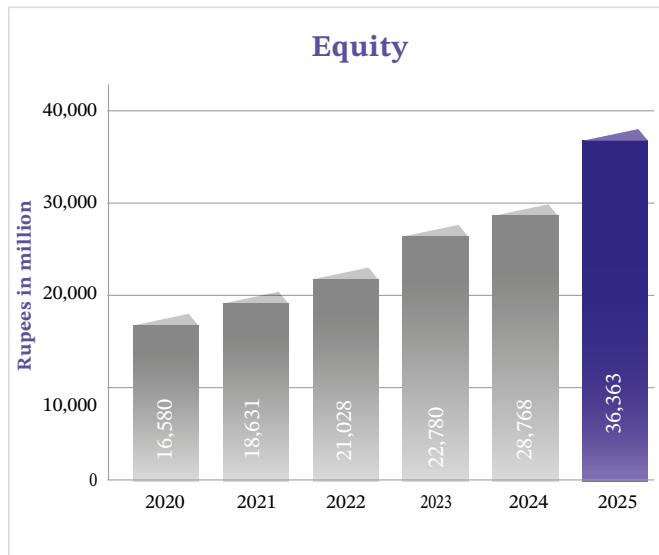
Cash and Cash Equivalents

Cash and cash equivalents increased significantly as a proportion of total assets, rising from 20% in 2020 to 34% in 2025. This improvement reflects a combination of strong sales growth, effective working capital management, and an increase in retained earnings.

Trade and other Payables

The proportion of trade and other payables relative to current liabilities increased from 43% in 2020 to 56% in 2025. This rise is primarily attributed to higher creditors, provisions and royalty payables because of increased operational activity and larger volumes of purchases and sales during the period. Further, customer advances have also increased due to increased business activity.

Graphical Presentation of Statement of Financial Position



Six Years Analysis of Financial Statements

Statement of Profit or Loss

Particulars	2025	2024
-----Rupees in '000-----		
Sales	203,894,438	159,292,229
Cost of sales	(181,714,342)	(147,065,100)
Gross Profit	22,180,096	12,227,129
Sales and marketing expenses	(4,408,844)	(3,651,933)
Administrative expenses	(1,306,075)	(1,073,333)
Other income	9,192,365	9,061,152
Other operating expenses	(1,245,028)	(735,293)
Share of profit of an Associated Company - net of tax	54,638	12,475
Profit from operations	24,467,152	15,840,197
Finance cost	(125,485)	(102,099)
Profit before taxation	24,341,667	15,738,098
Taxation and Levies	(9,090,052)	(6,030,053)
Profit after taxation	15,251,615	9,708,045

Horizontal Analysis

Particulars	2025 vs 2024	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019
-----%-----						
Sales	28.00	17.57	2.69	41.62	9.89	2.87
Cost of sales	23.56	16.89	3.09	41.46	9.68	3.70
Gross Profit	81.40	26.42	(2.15)	43.68	12.49	(6.71)
Sales and marketing expenses	20.73	20.44	12.80	38.79	(3.24)	4.03
Administrative expenses	21.68	24.73	11.68	13.13	7.75	(1.26)
Other income	1.45	98.90	120.55	48.34	1.57	24.90
Other operating expenses	69.32	(65.90)	242.63	40.44	15.19	(16.13)
Share of profit of an Associated Company - net of tax	337.98	3,774.22	(98.10)	81.21	109.97	(71.70)
Profit from operations	54.46	93.67	3.80	51.08	16.71	(3.72)
Finance cost	22.91	34.29	27.44	(5.18)	10.92	119.68
Profit before taxation	54.67	94.22	3.62	51.77	16.79	(4.41)
Taxation and Levies	50.75	94.59	38.68	43.46	16.81	(5.21)
Profit after taxation	57.10	94.00	(10.40)	55.37	16.77	(4.06)

Six Years Analysis of Financial Statements

Statement of Profit or Loss

2023	2022	2021	2020
-----Rupees in '000-----			
135,485,652	131,930,193	93,156,958	84,775,972
(125,813,871)	(122,045,479)	(86,277,404)	(78,660,040)
9,671,781	9,884,714	6,879,554	6,115,932
(3,032,096)	(2,688,082)	(1,936,861)	(2,001,683)
(860,548)	(770,535)	(681,124)	(632,161)
4,555,670	2,065,562	1,392,482	1,370,948
(2,156,059)	(629,260)	(448,068)	(388,968)
322	16,905	9,329	4,443
8,179,070	7,879,304	5,215,312	4,468,511
(76,027)	(59,655)	(62,913)	(56,718)
8,103,043	7,819,649	5,152,399	4,411,793
(3,098,888)	(2,234,484)	(1,557,601)	(1,333,393)
5,004,155	5,585,165	3,594,798	3,078,400

Vertical Analysis

Particulars	2025	2024	2023	2022	2021	2020
-----%						
Sales	100.00	100.00	100.00	100.00	100.00	100.00
Cost of sales	(89.12)	(92.32)	(92.86)	(92.51)	(92.62)	(92.79)
Gross Profit	10.88	7.68	7.14	7.49	7.38	7.21
Sales and marketing expenses	(2.16)	(2.29)	(2.24)	(2.04)	(2.08)	(2.36)
Administrative expenses	(0.64)	(0.67)	(0.64)	(0.58)	(0.73)	(0.75)
Other income	4.51	5.69	3.36	1.57	1.49	1.62
Other operating expenses	(0.61)	(0.46)	(1.59)	(0.48)	(0.48)	(0.46)
Share of profit of an Associated Company - net of tax	0.03	0.01	0.00	0.01	0.01	0.01
Profit from operations	12.00	9.94	6.04	5.97	5.60	5.27
Finance cost	(0.06)	(0.06)	(0.06)	(0.05)	(0.07)	(0.07)
Profit before taxation	11.94	9.88	5.98	5.93	5.53	5.20
Taxation	(4.46)	(3.79)	(2.29)	(1.69)	(1.67)	(1.57)
Profit after taxation	7.48	6.09	3.69	4.23	3.86	3.63

Six Years Analysis of Financial Statements

Statement of Profit or Loss

Horizontal Analysis

Sales & Cost of Sales

Company achieved a significant milestone of crossing Rs. 200 billion in annual revenue. The sales of the Company over the past six years reflects a continued growth trend with a compound annual increase of 19% since 2020, driven by the sustained demand of our motorcycle by providing a reliable riding experience to our customer base whilst maintaining highest quality standards. Despite the volatility in raw material prices and inflationary pressures, the Company continued to offer motorcycles at competitive prices, making them accessible to a broader customer base.

The cost of production has experienced an average annual increase of 18% since 2020. This was driven by the ongoing rise in raw material costs and labor expenses. However, due to energy efficiency initiatives, the Company was able to keep production costs in line with sales and continued delivering value to customers.

Gross Profit

Over the past six years, the Company has consistently focused on strengthening the profitability margins, achieving an impressive compound annual growth rate (CAGR) of 29%. From Rs. 6.12 billion in 2020, the gross profit reached Rs. 22.18 billion in 2025, marking a significant increase in profitability. This growth has been fueled by sales volume, cost reduction initiatives, including process optimization and continuous monitoring of overheads.

Selling, General & Administrative Expenses

Sales, Marketing and Administrative expenses have increased from Rs. 2.6 billion in 2020 to Rs. 5.7 billion in 2025 with a cumulative average growth rate of 17% over six years period, due to expanding operations on account of higher volumes, surge in inflation over the period and spending on marketing campaigns. Other operating expenses increased from Rs. 0.39 billion in 2020 to Rs. 1.2 billion in 2025 over the period of six years with cumulative average growth rate of 26%. This mainly comprises of provision for workers' welfare funds and workers' profit participation funds that are directly related to profits.

Other Operating Income

Other Operating Income has demonstrated substantial growth, increasing from Rs. 1.4 billion in 2020 to Rs. 9.2 billion in 2025, reflecting a notable 46% compound annual

growth rate over the six-year period. This increase is primarily attributed to a combination of factors, including the Company's solid liquidity position, favorable movements in policy rates, and a significant contribution from profits derived from associates. This growth has enhanced our overall financial performance and further strengthened our profitability, reinforcing the Company's stable financial foundation for sustainable long-term growth.

Taxation

Over the years, the fluctuations in tax charge has largely mirrored the Company's profitability trends. In 2025, the effective tax rate increased to 37.3%, from 30.2% in 2020. This increase represents imposition of the super tax by the Government on high earning companies. Despite the higher tax burden, the Company has continued to maintain tax efficiencies to keep effective tax rate within budgetary targets. The Company remains committed to maintaining profitability and operational efficiency despite the evolving tax landscape in Pakistan.

Vertical Analysis

Gross Profit

The gross profit margin has improved significantly from 7.68% in the previous year to 10.88% in the current year. This is due to the decrease in raw material prices, stable exchange rates, improvement in volume and better sales mix. Resultantly, the gross profit margin improved from Rs. 12.2 billion to Rs. 22.2 billion.

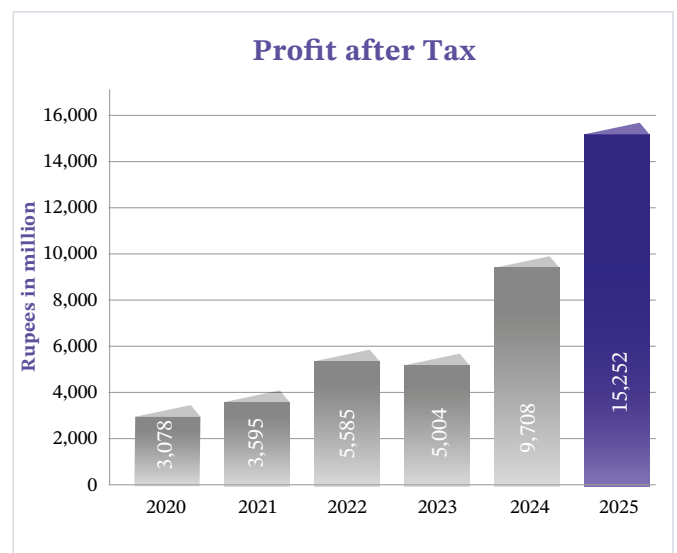
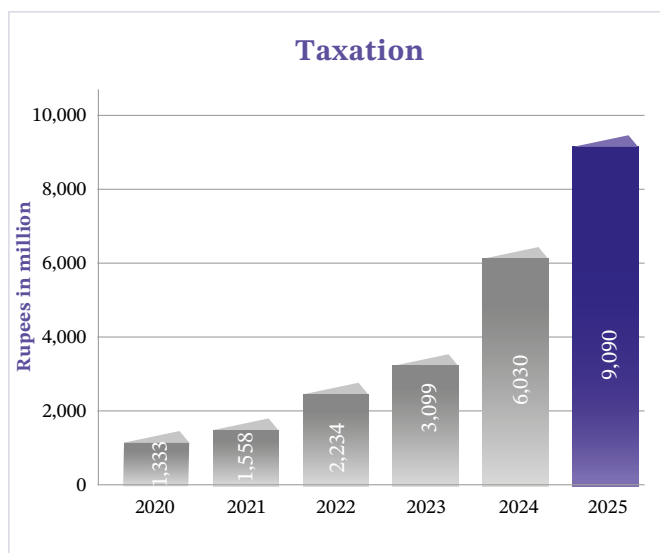
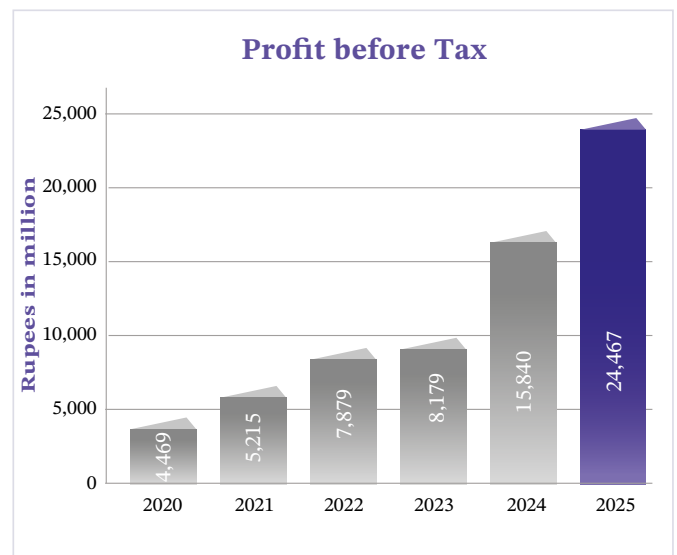
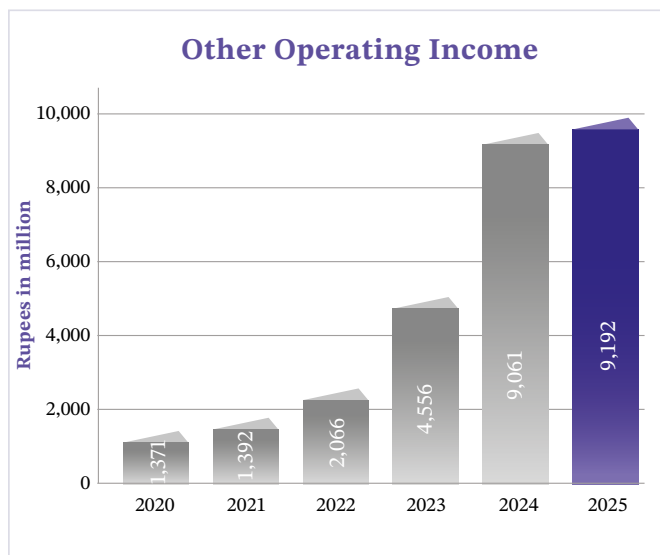
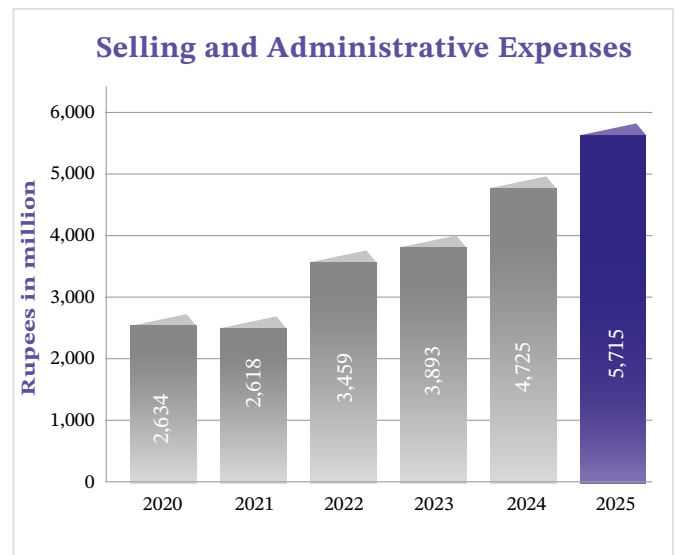
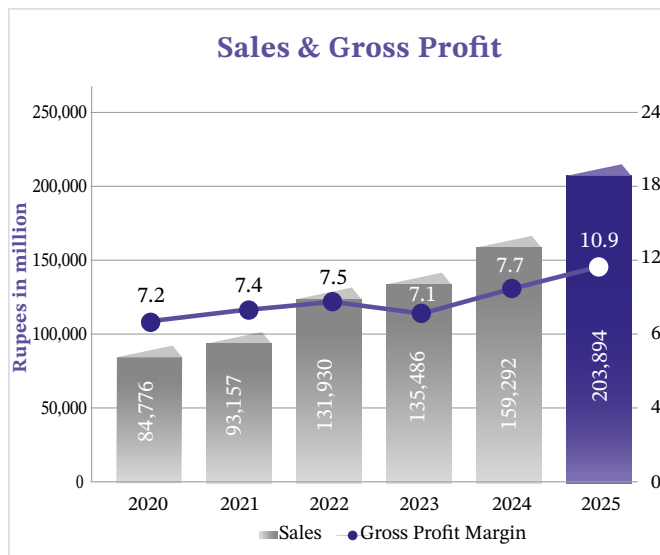
Operating Profit

The operating profit margin has improved by 54.46% as compared with last year. The increase is attributable to increase in gross profit as explained above slightly offset by the increase in administrative and sales marketing expenditures which is in line with volumetric growth. Other factors include the increase in operating income by 1.91% and increase in other operating expenses due to increase in WPPF and WWF due to higher profitability. Resultantly, the operating profit improved from Rs. 15.8 billion in 2024 to Rs. 24.5 billion in 2025.

Profit for The Year

The Company achieved a profit after tax of Rs 15.3 billion, reflecting a solid performance compared to the previous year's PAT of Rs 9.7 billion. The growth in PAT is mainly attributable to increase in profit before tax.

Graphical Presentation of Statement of Profit or Loss



Six Years Analysis of Financial Statements

Statement of Cash Flow

Particulars	2025	2024	2023	2022	2021	2020
-----Rupees in '000-----						
Cash Flow Statement						
Cash flows from operating activities	16,298,014	8,361,519	22,438,316	6,171,564	14,444,377	2,313,045
Cash flows from investing activities	(14,049,972)	(2,494,051)	(2,818,103)	415,164	(5,301,626)	(1,585,723)
Cash flows from financing activities	(8,518,305)	(4,200,378)	(2,342,354)	(3,450,251)	(1,163,187)	(1,898,865)
Net increase / (decrease) in cash & cash equivalent	(6,270,263)	1,667,090	17,277,859	3,136,477	7,979,564	(1,171,543)

Particulars	Horizontal						Vertical					
	2025 vs 2024	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019	2025	2024	2023	2022	2021	2020
-----%-----												

Cash Flows From:

Operating activities	94.92	(62.74)	263.58	(57.27)	524.47	(18,165.02)	(259.93)	501.56	129.87	196.77	181.02	(197.44)
Investing activities	463.34	(11.50)	(778.79)	(107.83)	234.33	(221.19)	224.07	(149.61)	(16.31)	13.24	(66.44)	135.35
Financing activities	102.80	79.32	(32.11)	196.62	(38.74)	(49.99)	135.85	(251.96)	(13.56)	(110.00)	(14.58)	162.08
Net increase / (decrease) in cash & cash equivalent	(476.12)	(90.35)	450.87	(60.69)	(781.12)	(53.17)	100.00	100.00	100.00	100.00	100.00	100.00

Free Cash Flows

Particulars	2025	2024	2023	2022	2021	2020
-----Rupees in '000-----						
Profit before taxation	24,341,667	15,738,098	8,103,043	7,819,649	5,152,399	4,411,793
Adjustment non cash items	(930,971)	(1,829,938)	1,020,775	663,310	468,906	439,094
Changes in working capital	3,704,391	(1,068,261)	16,061,320	(651,544)	9,864,810	(1,233,335)
	27,115,087	12,839,899	25,185,138	7,831,415	15,486,115	3,617,552
Less: Capital expenditure	(1,815,095)	(1,755,582)	(3,217,425)	(1,722,697)	(1,027,728)	(2,118,516)
Free Cashflows	25,299,992	11,084,317	21,967,713	6,108,718	14,458,387	1,499,036

Six Years Analysis of Financial Statements

Statement of Cash Flow

Analysis of Cash Flows, Liquidity & Financing Arrangements

Cash Flows from Operating Activities

Cash flows from operating activities have witnessed significant fluctuations since 2020. The net cash generated from operations stood at Rs. 16.3 billion in 2025 against Rs. 2.3 billion in 2020, with the CAGR of 48%. This is mainly driven by changes in working capital requirements of the business.

Cash Flows from Investing Activities

The cash flows utilised from investing activities were Rs. -14.0 billion in 2025 as compared to Rs. -1.6 Billion utilised in 2020 with cumulative average rate of 54.7%. Sale and purchase of short term investments and necessary capital expenditures were the main constituents that affected cash inflow from investing activities.

Cash Flows from Financing Activities

The net cash flows from financing activities mainly comprise of lease rental payments recorded as per IFRS-16 and dividend payments. Resultantly, the cash outflows increased from Rs. 1.9 billion to Rs. 8.5 billion at cumulative average rate of 35%.

Liquidity and Financing Arrangements

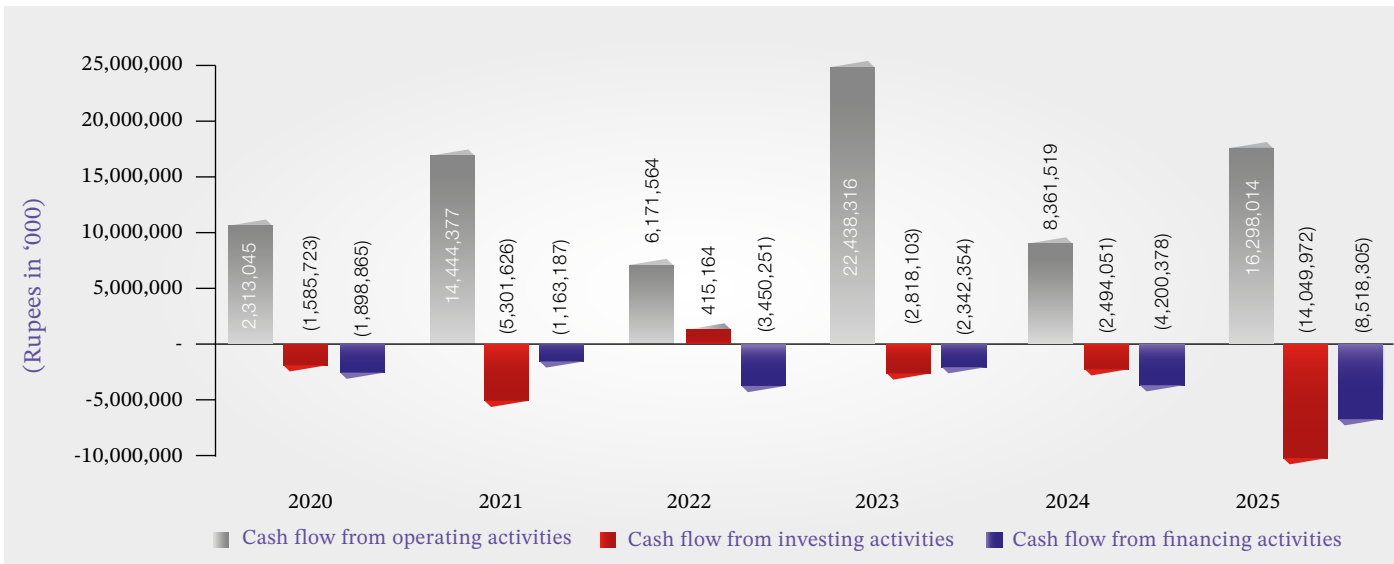
The Company believes in financing through cash generated from operations rather than long term financing. Accordingly, the Company has mostly stayed “Debt Free” over the past six years.

Liquidity Management and Repayment of Financial Liabilities

The Company has a robust treasury function, ensuring efficient working capital management and liquidity optimization. Through disciplined cash flow forecasting, the organization proactively monitors anticipated inflows and planned outflows, enabling informed decision-making to maximize treasury income. For long-term financing needs, the Company conducts comprehensive market research and evaluates prevailing financial conditions to secure optimal funding structures. This strategic approach ensures that capital expenditures are aligned with the Company’s long-term business objectives while maintaining financial stability.

The Company is self-sufficient for liquidity needs as cash is primarily generated from bookings against sales. As at year end, the Company is sufficiently liquid with cash and cash equivalents amounting to Rs. 30.1 billion. The Company has settled all financial liabilities within the agreed timelines.

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



Statement of Cash Flows - Direct Method

	2025	2024
	--- Rupees in '000 ---	
Cash Flows From Operating Activities		
Cash receipts from customers	204,198,814	155,267,340
Mark-up / interest received	264,786	655,089
Payments to trade suppliers, service providers and employees	(177,099,252)	(142,458,513)
Income taxes paid	(10,302,376)	(4,599,083)
Contributions made to gratuity funds	(78,542)	(61,911)
Compensated absences paid	(33,008)	(33,960)
Workers' profit participation fund paid	(384,717)	(271,661)
Workers' welfare fund paid	(267,691)	(135,782)
Net cash generated from operating activities	16,298,014	8,361,519
Cash Flows From Investing Activities		
Payments for property, plant and equipment	(1,919,954)	(1,852,316)
Proceeds from sale of property, plant and equipment	104,859	96,734
Payments for intangible assets	(28,457)	(4,942)
Payments for investments	(31,897,212)	(14,099,371)
Proceeds from sale of investments	18,081,513	11,000,000
Dividend received	1,609,279	2,365,844
Net cash used in investing activities	(14,049,972)	(2,494,051)
Cash Flow From Financing Activities		
Lease rentals paid	(130,261)	(108,288)
Dividend paid	(8,388,044)	(4,092,090)
Net cash used in financing activities	(8,518,305)	(4,200,378)
Net (decrease) / increase in cash and cash equivalents	(6,270,263)	1,667,090
Cash and cash equivalents at beginning of the year	36,369,606	34,702,516
Cash and cash equivalents at end of the year	30,099,343	36,369,606

Share Price Sensitivity Analysis

The Market Capitalisation of the Company at the end of the year was Rs. 120 billion. There are many factors which affect the Company's market share price. Some of these factors are mentioned below:

Agriculture

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

Material Prices Volatility

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

Sales Volume

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

Exchange Fluctuations

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

Regulations and Government Policies

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

Capital and Money Markets

The Company holds short-term investments worth Rs. 30 billion, primarily consisting of investments in open-ended mutual funds. These funds predominantly invest in the capital and money markets. The performance of these markets directly influences the Net Asset Value (NAV) of these funds, which in turn impacts the financial performance of the Company.

Interest Rates

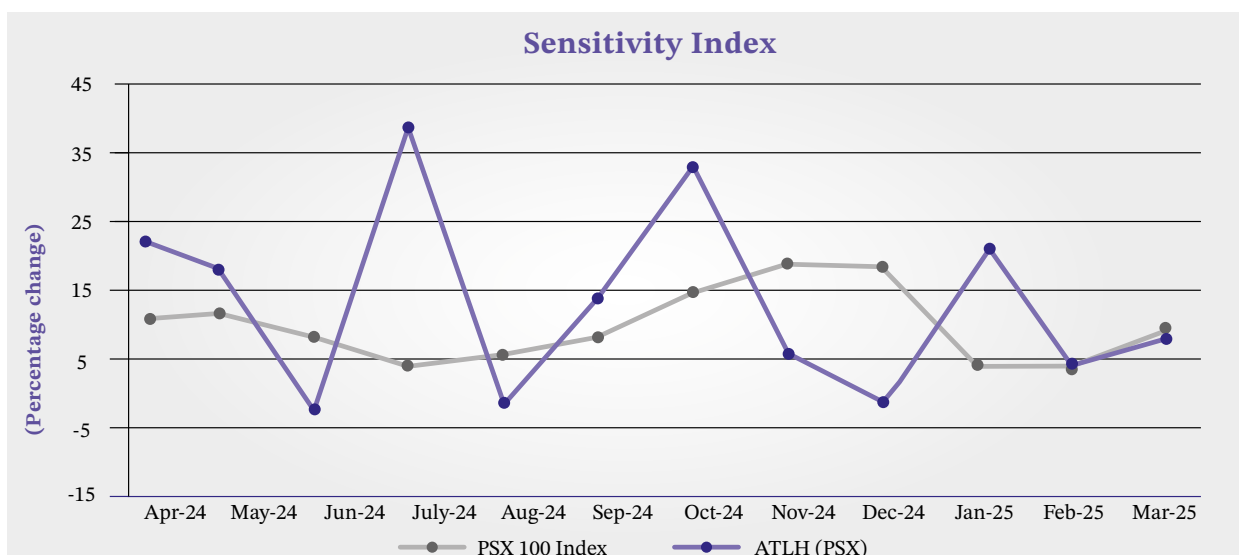
The Company has maintained a strong liquidity position through effective and efficient treasury management, with funds of approximately Rs. 30 billion invested in bank savings accounts, term deposit receipts, treasury bills, and Pakistan investment bonds, generating treasury income. Throughout the year, the Central Bank has cut the policy rate by a cumulative 1000 basis points, reaching 12 percent, which has had a negative impact on income. However, it may also have a direct impact on the sale of motorcycles through consumer financing.

Law and Order

Favorable and consistent political system provides ideal environment for the business to thrive. On the other hand, unstable law and order jeopardize the business growth. Law and order situation directly impacts the performance of the Company. Political instabilities, volatile government policies, protests and hindrance in supply chain affect Company's sales.

Energy Crisis

One of the most crucial factors for the survival of manufacturing segment in the country is the availability of gas and electricity shaping its performance. Disrupted supply of gas and electricity force businesses to resort to expensive alternatives like diesel generators, which directly affect the Company's financial well-being.



Segmental Performance Analysis

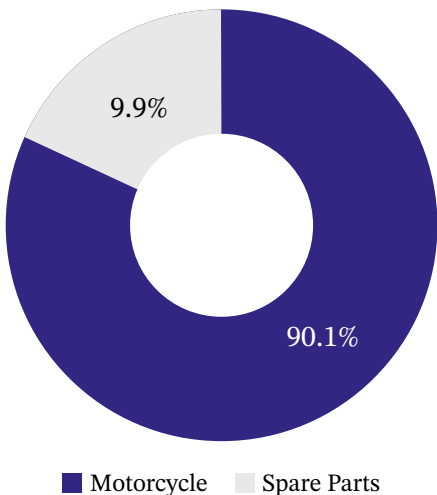
Atlas Honda derives its revenue primarily from the sale of motorcycles and related spare parts. However, the Company does not currently present segment reporting in accordance with IFRS 8 – Operating Segments, as the quantitative thresholds prescribed under the standard are not met. For internal management and decision-making purposes, the business is treated as a single operating segment.

At present, separate identification of assets and liabilities attributable specifically to spare parts is not maintained, and financial performance is reviewed on a consolidated basis. Having said that, the Company has been focusing on enhancing customer convenience, which has led to a steady increase in spare parts sales over the recent years.

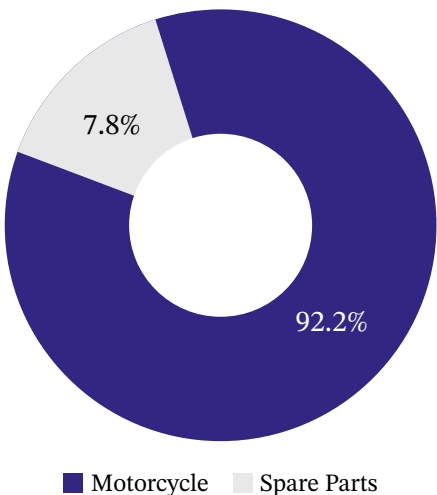
Given this upward trend, there is potential for the spare parts business to qualify as a separate reportable segment in the future. In anticipation of this, and to offer greater transparency, the Company has provided a breakdown of revenue and profitability for motorcycles and spare parts below. This disclosure does not constitute formal segment reporting under IFRS 8 and is presented for informational purposes only.

	Motorcycle	Spare Parts	Company Level
-----Rupees in ‘000-----			
Sales Revenue	183,694,363	20,200,075	203,894,438
Profit Before Tax	22,434,233	1,907,434	24,341,667
Profit Before Tax margin	12.2%	9.4%	11.9%

Sales Revenue



Profit Before Tax



Sensitivity Analysis of Material



Material Sourcing and Localization

Atlas Honda maintained its strategic emphasis on enhancing supply chain resilience and operational efficiency through increased localization efforts during the year under review. As per the procurement composition, approximately 83% of the Company's materials were sourced from local vendors, while 17% were procured from international suppliers.

Locally sourced inputs primarily comprised sheet metal parts, wirings, tires, batteries, and a variety of fabricated components which not only strengthen the domestic vendor network but also significantly reduce lead times and improve supply chain agility. Only those certain raw materials and parts are imported from our trusted international business partners that are not readily available in Pakistan ensuring compliance with global quality and performance standards.

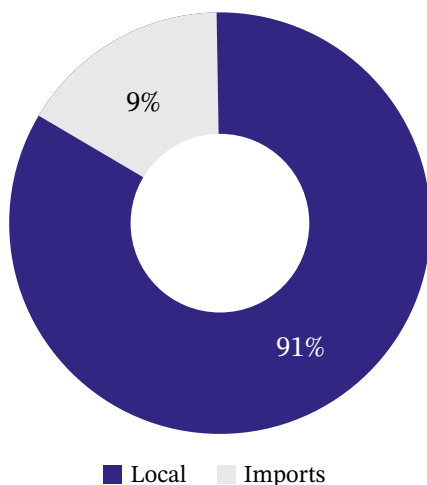
This balanced sourcing model aligns with the Company's commitment to cost optimization, quality assurance, and

risk mitigation, while also contributing to the broader objective of indigenization and industrial development within Pakistan.

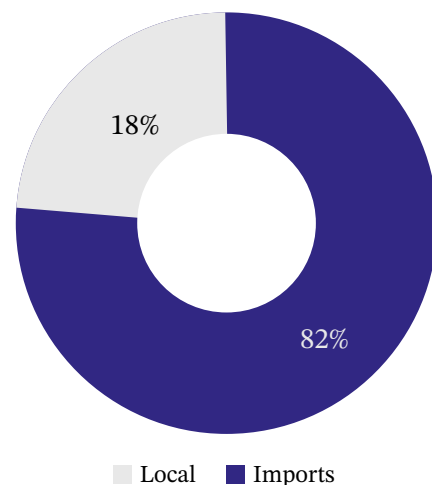
Foreign Exchange Exposure and Sensitivity Analysis

Given that a portion of Atlas Honda's input materials continues to be sourced internationally, the Company remains exposed to foreign currency risk, primarily linked to the US Dollar (USD) and Japanese Yen (JPY). Variations in exchange rates have a direct impact on the landed cost of imported inputs, thereby influencing overall cost of goods sold.

Finished Goods - SPD



Raw Material



Statement of Value Addition

Value Addition

Net sales including sales tax

Other operating income

Bought in materials and services

Value Added

Value Distribution

To Government

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

To Employees

Remuneration & benefits

To Society

Donations

To Providers of capital

Financial charges on borrowed funds

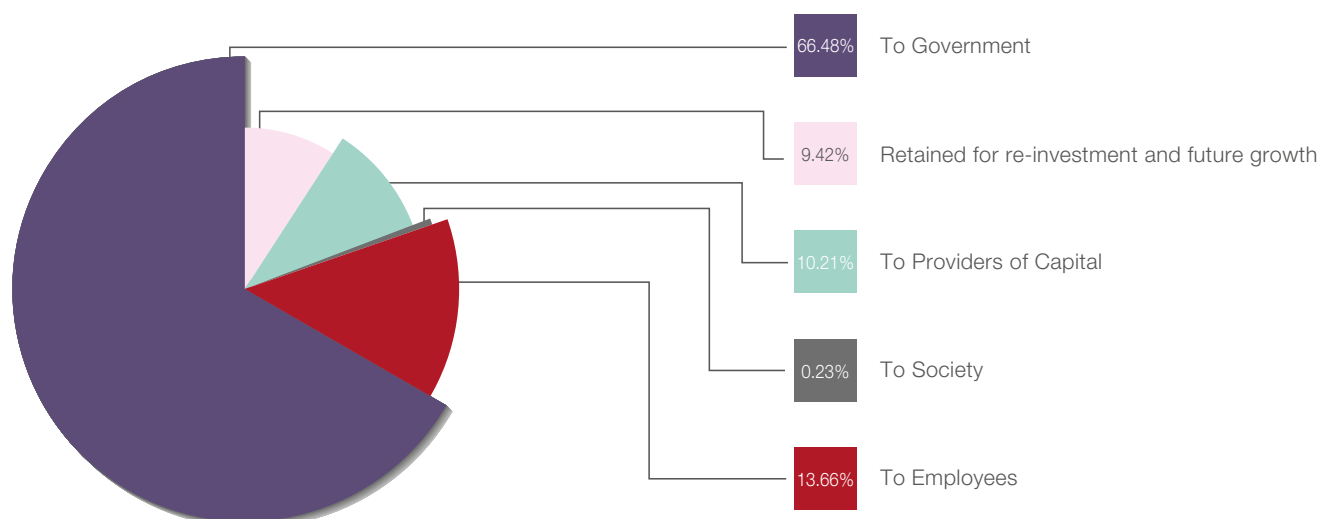
Dividends for shareholders

Retained for re-investment and future growth

Total Value Distributed

%	Year ended March 31,2025	%	Year ended March 31,2024
----- Rupees in '000 -----			
95.66%	203,894,438	94.61%	159,292,229
4.34%	9,247,003	5.39%	9,073,627
100.00%	213,141,441	100.00%	168,365,856
-62.56%	(133,339,474)	-66.08%	(111,256,431)
37.44%	79,801,967	33.92%	57,109,425
68.56%	54,714,325	66.48%	37,964,699
12.93%	10,315,586	13.66%	7,798,999
0.26%	207,381	0.23%	131,426
0.00%	-	0.00%	-
11.51%	9,182,506	10.21%	5,832,132
6.74%	5,382,169	9.42%	5,382,169
100.00%	79,801,967	100.00%	57,109,425

Value Distribution



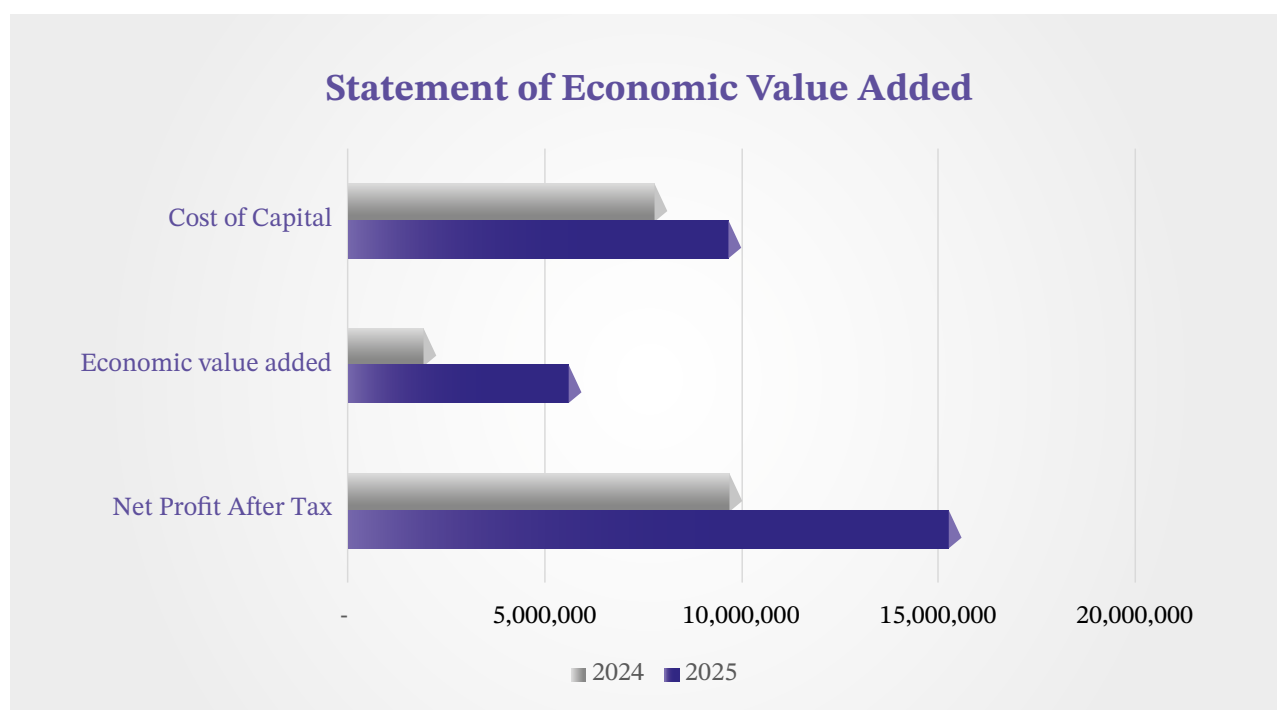
Statement of Economic Value Added

	2025	2024
-----Rupees in '000-----		
Net Profit After Tax	15,251,615	9,708,045
Cost Of Capital	(9,628,320)	(7,772,665)
Economic value added	5,623,295	1,935,380
Cost of capital		
Total Assets	87,341,629	75,943,753
Total Liabilities	(50,979,091)	(47,176,184)
Capital Invested	36,362,538	28,767,569
Weighted Average Cost of Capital	26.48%	27.02%
Cost of Capital	9,628,320	7,772,665

Comments on Economic Value Added

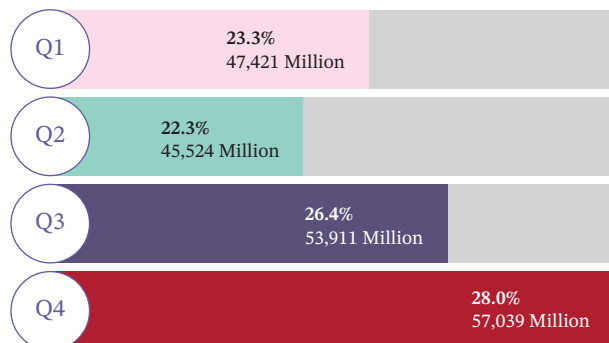
As compared to the last year, Company demonstrated strong value creation for its shareholders, as reflected by a significant increase in economic value added (EVA). EVA rose to Rs. 5.62 billion, compared to Rs. 1.93 billion in the previous year- an increase of 190%, due to increase in net profit after tax to Rs. 15.25 billion while the weighted

average cost of capital declined slightly to 26.48%. reflecting enhanced profitability and disciplined capital management. The positive EVA trend underscores our commitment to creating long term shareholder value through strategic investments and strong operational performance through efficient use of resources.



Quarterly Performance Analysis

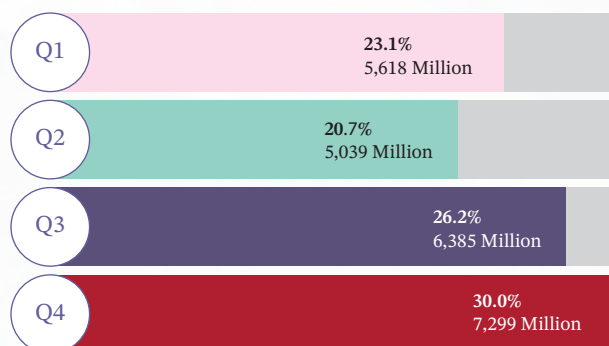
Sales



The Company started the year with a positive momentum with a sales volume of 278,584 units in 1Q. The Company registered a temporary dip in volumes for 2Q due to seasonal impacts with 270,886 sales units. However, as the year progressed, economic indicators witnessed v-shaped recovery. Besides this, the Company successfully launched its new MMCs of CD70 and CG125 in August and September respectively which received an overwhelming response.

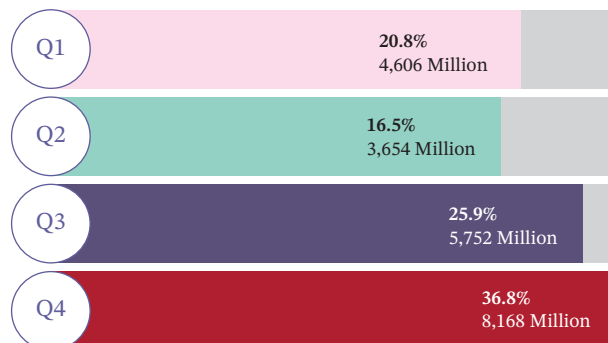
By mid of August, as the inflationary pressures subdued and agricultural cash flows started to realise, the sales once again witnessed upward trajectory enabling the Company to register sales volumes of 316,799 and 329,932 units in 3Q and 4Q respectively. Moreover, successful marketing strategies and prudent market positioning enabled the Company to gain market share in a shrinking two-wheeler industry. Accordingly, the company ended the year with sales of 1,196K units with the total sales revenue of Rs. 203.9 billion.

Profit Before Tax



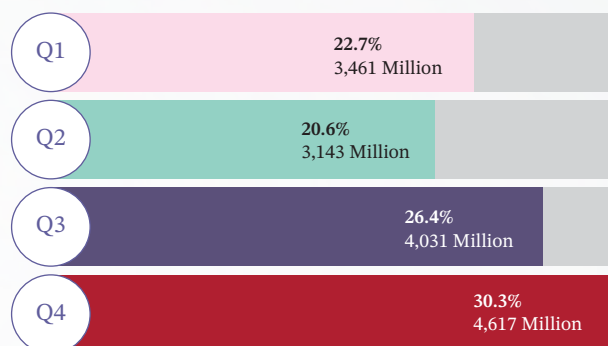
Sales, marketing and general expenses (SGA) witnessed an increase of Rs. 0.99 billion as compared to last year due to inflationary pressure and increase in sales volume. However, as a percentage of sales, SGA remained as low as 3% of sales. On the other hand, prudent investment strategy and higher interest rates income played a pivotal role in improving the bottom line of the Company. Broadly, profit before tax on a quarter to basis followed the trajectory of gross profit and was registered at Rs. 24.3 billion with a PBT ratio of 11.9%.

Gross Profit



Throughout the year, the Company continued to pursue cost reduction measures including production process optimizations, solar capacity enhancement and better resourcing of raw materials. These cost reduction measures gradually improved the margins of the Company (with the exception of 2Q where the volumes were lower due to seasonal impact). Further, decreasing trend in material prices and the volume benefit also helped in improving margins once again from 3Q onwards. Overall, the variation in gross profit from quarter to quarter basis was in line with the sales volumes of the respective quarter.

Profit After Tax



PAT followed was generally in line with PBT of the Company on a quarter to quarter basis. Effective tax rate was registered at 37.3%. Overall, an increase of 57% was recorded in PAT as compared to previous year to close at 15.3 billion. This translated into earning per share of Rs. 122.91 for the year, up by 57%.

Analysis Of Variation In Interim Results With Final Accounts

The Company earned a gross margin and net margin before tax of 8.9% and 11.5% during the first half of the financial year, respectively. As the year progressed, gradual reduction in inflationary pressures and agricultural inflows helped in acceleration in sales. Further, with improved sales mix, cost reductions and successful model launches, gross profit margin increased from 8.9% to 10.9% in the second half. Also, the Company was able to achieve net margin before tax of 11.9% in second half as compared to 11.5% in first half.

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matter

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

Following is the Key Audit Matter:

S.No. Key Audit Matter

1. Revenue recognition

Refer notes 4.17 and note 28 to the financial statements. The Company is engaged in manufacturing and sale of motorcycles and related spare parts. The Company recognized revenue from the sale aggregating to Rs.203,894,438 thousand for the year ended March 31, 2025, as compared to Rs.159,292,229 thousand for the year ended March 31, 2024. We identified recognition of revenue as a key audit matter as it includes a large number of transactions involving a large number of customers spread in various geographical locations. Further, revenue is one of the key performance indicators of the Company.

How the matter was addressed in our audit

We performed following audit procedures in respect of this area:

Understood the Company's processes and related internal controls for revenue recognition and on a sample basis, tested the operating effectiveness of those controls;

Assessed the appropriateness of the Company's revenue accounting policies and their compliance with applicable financial reporting standard;

Compared a sample of revenue transactions recorded during the year with sales orders, applicable sale value, sales invoices, receipt vouchers, delivery orders and other relevant underlying documents;

Performed cut-off procedures on near year end sales to ensure revenue has been recorded in the correct period;

Assessed that sales prices are approved by appropriate authority;

Verified, on a test basis, discounts and commission with supporting documentation; and

Considered the adequacy of the related disclosures and assessed these are in accordance with the applicable financial reporting standards and the Companies Act, 2017.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Company's Annual Report for 2025, but does not include the financial statements and our auditors' report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report On Other Legal And Regulatory Requirements

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

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

The engagement partner on the audit resulting in this independent auditor's report is Osman Hameed Chaudhri.



SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
KARACHI;

Date: April 30, 2025


UDIN : AR202510104eOUhEY1jK

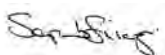
Statement of Financial Position

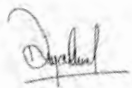
As at March 31, 2025

Assets	Note	2025 ---- Rupees in '000 ----	2024
Non Current Assets			
Property, plant and equipment	6	12,629,323	12,445,718
Intangible assets	7	23,959	7,826
Long term investments	8	400,519	350,593
Long term loans and advances	9	119,841	106,531
Long term deposits	10	43,887	41,672
		13,217,529	12,952,340
Current Assets			
Stores, spares and loose tools	11	993,123	1,027,714
Stock-in-trade	12	8,369,639	9,621,651
Trade debts	13	2,506,086	1,021,954
Loans and advances	14	102,015	89,211
Trade deposits and prepayments	15	290,415	229,118
Accrued mark-up / interest		1,063,361	656,355
Other receivables	16	650,643	16,137
Taxation - net		811	-
Short term investments	17	30,048,664	13,959,667
Bank balances	18	30,099,343	36,369,606
Bank balances		74,124,100	62,991,413
		87,341,629	75,943,753
Equity And Liabilities			
Equity			
Share capital	19	1,240,879	1,240,879
Reserves	20	35,121,659	27,526,690
		36,362,538	28,767,569
Liabilities			
Non Current Liabilities			
Lease liabilities	21	355,322	289,306
Staff retirement benefits	22	743,615	663,559
Deferred taxation	23	927,367	877,658
		2,026,304	1,830,523
Current Liabilities			
Trade and other payables	24	48,697,061	43,151,951
Taxation - net		-	1,237,690
Unclaimed dividend		203,441	215,084
Dividend payable	25	-	682,949
Current portion of lease liabilities	21	52,285	57,987
		48,952,787	45,345,661
		50,979,091	47,176,184
Contingencies and commitments	27	87,341,629	75,943,753

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


Aamir H. Shirazi
Chairman



Saquib H. Shirazi
Chief Executive Officer

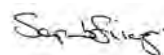

Daniyal Ahmed Rasheed
Chief Financial Officer

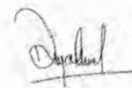
Statement of Profit or Loss and Other Comprehensive Income For the Year Ended March 31, 2025

	Note	2025 --- Rupees in '000 ---	2024
Sales	28	203,894,438	159,292,229
Cost of sales	29	(181,714,342)	(147,065,100)
Gross profit		22,180,096	12,227,129
Sales and marketing expenses	30	(4,408,844)	(3,651,933)
Administrative expenses	31	(1,306,075)	(1,073,333)
Other income	32	9,192,365	9,061,152
Other operating expenses	33	(1,245,028)	(735,293)
Share of net profit of an Associate		54,638	12,475
Operating profit		24,467,152	15,840,197
Finance costs	34	(125,485)	(102,099)
Profit before levies and income tax		24,341,667	15,738,098
Minumum tax differential		(19,281)	(54,208)
Final taxes	35	(274,153)	(416,862)
Profit before income tax		24,048,233	15,267,028
Income tax			
Current tax - for the year		(8,382,988)	(4,837,340)
- for the prior year		(387,453)	(478,358)
Deferred tax - for the year		(26,177)	(243,285)
		(8,796,618)	(5,558,983)
Profit for the year		15,251,615	9,708,045
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Re-measurements of staff retirement benefit obligation		60,338	3,571
Income tax relating to the re-measurements		(23,532)	(1,351)
Other comprehensive income for the year - net of tax		36,806	2,220
Total comprehensive income for the year		15,288,421	9,710,265
----- Rupees -----			
Earnings per share - basic and diluted	36	122.91	78.24

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


Aamir H. Shirazi
Chairman



Saquib H. Shirazi
Chief Executive Officer



Daniyal Ahmed Rasheed
Chief Financial Officer

Statement of Changes in Equity For the Year Ended March 31, 2025

	Share capital	Capital reserves	Gain on sale of land	Revenue reserves	General reserve	Unappropriated profit	Total
		Share premium					
	----- Rupees in '000 -----						
Balance as at April 1, 2023	1,240,879	39,953	165	9,492,000	12,006,945		22,779,942
Transaction with owners in their capacity as owners							
Final dividend for the year ended March 31, 2023 at the rate of Rs.13 per share	-	-	-	-	(1,613,143)		(1,613,143)
Interim dividend for the half year ended September 30, 2023 at the rate of Rs.17 per share	-	-	-	-	(2,109,495)		(2,109,495)
Total comprehensive income for the year ended March 31, 2024							
Profit for the year	-	-	-	-	9,708,045		9,708,045
Other comprehensive income	-	-	-	-	2,220		2,220
	-	-	-	-	9,710,265		9,710,265
Balance as at March 31, 2024	1,240,879	39,953	165	9,492,000	17,994,572		28,767,569
Transaction with owners in their capacity as owners							
Final dividend for the year ended March 31, 2024 at the rate of Rs.30 per share	-	-	-	-	(3,722,638)		(3,722,638)
Interim dividend for the half year ended September 30, 2024 at the rate of Rs.32 per share	-	-	-	-	(3,970,814)		(3,970,814)
Total comprehensive income for the year ended March 31, 2025							
Profit for the year	-	-	-	-	15,251,615		15,251,615
Other comprehensive income	-	-	-	-	36,806		36,806
	-	-	-	-	15,288,421		15,288,421
Balance as at March 31, 2025	1,240,879	39,953	165	9,492,000	25,589,541		36,362,538

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


Aamir H. Shirazi
Chairman


Saquib H. Shirazi
Chief Executive Officer



Daniyal Ahmed Rasheed
Chief Financial Officer

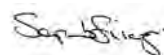
Statement of Cash Flows

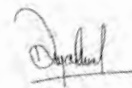
For the Year Ended March 31, 2025

	Note	2025 --- Rupees in '000 ---	2024
Cash Flows From Operating Activities			
Cash generated from operations	37	27,115,087	12,839,899
Income taxes paid		(10,302,376)	(4,599,083)
Contribution made to gratuity funds		(78,542)	(61,911)
Compensated absences paid		(33,008)	(33,960)
Mark-up / interest received		264,786	655,089
Workers' profit participation fund paid		(384,717)	(271,661)
Workers' welfare fund paid		(267,691)	(135,782)
Long term loans and advances - net		(13,310)	(31,062)
Long term deposits - net		(2,215)	(10)
Net cash generated from operating activities		16,298,014	8,361,519
Cash Flows From Investing Activities			
Payments for property, plant and equipment		(1,919,954)	(1,852,316)
Proceeds from sale of property, plant and equipment		104,859	96,734
Payments for intangible assets		(28,457)	(4,942)
Payments for investments		(31,897,212)	(14,099,371)
Proceeds from sale of investments		18,081,513	11,000,000
Dividend received		1,609,279	2,365,844
Net cash used in investing activities		(14,049,972)	(2,494,051)
Cash Flow From Financing Activities			
Lease rentals paid		(130,261)	(108,288)
Dividend paid		(8,388,044)	(4,092,090)
Net cash used in financing activities		(8,518,305)	(4,200,378)
Net (decrease) / increase in cash and cash equivalents		(6,270,263)	1,667,090
Cash and cash equivalents at beginning of the year		36,369,606	34,702,516
Cash and cash equivalents at end of the year	18	30,099,343	36,369,606

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


Aamir H. Shirazi
Chairman


Saquib H. Shirazi
Chief Executive Officer


Daniyal Ahmed Rasheed
Chief Financial Officer

Notes to the Financial Statements For the Year Ended March 31, 2025

1. LEGAL STATUS AND OPERATIONS

Atlas Honda Limited (the Company) was incorporated as a public limited Company on October 16, 1962 under the Companies Act, 1913 (now the Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Limited. The registered office is located at 1- McLeod Road, Lahore, Pakistan. The Company is principally engaged in progressive manufacturing and marketing of motorcycles and spare parts.

The Company is a subsidiary of Shirazi Investments (Private) Limited, which holds 52.43% of issued, subscribed and paid-up capital of the Company as at March 31, 2025.

The geographical location and addresses of the Company's business units including plants are as follows:

Business unit	Geographical location and address
Registered office	1 - McLeod Road, Lahore
Karachi	F-36, Estate Avenue, S.I.T.E., Karachi
Sheikhupura	26-27 Km, Lahore-Sheikhupura Road, Sheikhupura
Branch offices	
Lahore	1st Floor, 28-Mozang Road, Lahore
Islamabad	Plot No. 784/785, Golra Road, Islamabad
Faisalabad	1st Floor, Meezan Executive Tower, Liaquat Road, Faisalabad
Multan	Azmat Wasti Road, Multan
Hyderabad	2nd Floor, Dawood Centre, Autobhan Road, Hyderabad
Rahimyar Khan	Makhdoom Altaf Road, West Sadiq Canal Bank, Near City School, Rahimyar Khan
Dubai	Office 708A, Jafza View Building No. 18, Jebel Ali, Sheikh Zayed Road, Dubai, United Arab Emirates

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Act; and
- Provision of and directives issued under the Act.

Where provision of and directives issued under the Act differ from the IFRS, the provision of and directives issued under the Act have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain financial instruments, which are carried at fair values and staff retirement benefit - gratuity which is carried at present value of defined benefit obligation net of fair value of plan assets.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the functional currency of the Company and figures are rounded off to the nearest thousand of Rupees.

2.4 Critical accounting estimates and judgements

The preparation of financial statements in conformity with approved accounting standards requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amount of assets, liabilities, income and expenses.

The estimates and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances and are continually evaluated. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods. Judgements made by management in application of the approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are discussed in respective policy note. The areas involving significant estimates or judgements are:

- (i) Estimated useful lives of property, plant and equipment and intangible assets [notes 4.1(a) and 4.2];
- (ii) Lease term and discount rate for calculation of lease liabilities [notes 4.1(b)];
- (iii) Provision for slow moving inventories [notes 4.8 and 4.9];
- (iv) Estimate of payables and receivables in respect of staff retirement benefit schemes [notes 4.12 and 24.6];
- (v) Estimate of provision for warranty [note 4.15]; and
- (vi) Estimation of current and deferred tax [note 4.16].

3. NEW AND AMENDED STANDARDS AND INTREPRETATIONS

3.1 Standards, amendments to approved accounting standards effective in current year

New and amended standards and interpretations mandatory for the first time for the financial year beginning April 1, 2024:

(a) IAS 1 Classification of liabilities as current or non current

Effective date:
January 1, 2024

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period. This right may be subject to a Company complying with conditions (covenants) specified in a loan arrangement. At October 31, 2022, after reconsidering certain aspects of the amendments, the IASB reconfirmed that only covenants with which a Company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the Company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

(b) IFRS 16 Sale and leaseback transaction

Effective date:
January 1, 2024

Amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered.

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on April 1, 2024 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

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

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on April 1, 2024 and have not been early adopted by the Company:

(a) IAS 21 Lack of exchangeability

Effective date:

January 1, 2025

Amendments to IAS 21 'The effects of Changes in Foreign Exchange Rates' address situations where a currency may lack exchangeability, often due to government-imposed controls. In such cases, companies must estimate a spot exchange rate reflecting orderly transactions at the measurement date. The amendments provide flexibility, allowing the use of observable rates without adjustment or other estimation techniques, provided they meet the estimation objective. The assessment considers factors like the availability of multiple rates, purpose, nature, and update frequency. The amendments requires new disclosures, including the nature and financial impact of non-exchangeability, the spot exchange rate used, the estimation process, and associated risks.

(b) IFRS 7 Classification and Measurement of Financial Instruments Disclosure

Effective date:

IFRS 9 Financial Instruments

January 1, 2026

Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' – Classification and Measurement of Financial Instruments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

(c) IFRS 18 Presentation and Disclosure in Financial Statements

Effective date:

January 1, 2027

The new standard on presentation and disclosure in financial statements, IFRS 18, focuses on updates to the statement of profit or loss. It introduces key concepts such as the structure of the statement of profit or loss, required disclosures for certain profit or loss performance measures reported outside the financial statements (management-defined performance measures), and enhanced principles on aggregation and disaggregation applicable to the primary financial statements and notes.

(d) IFRS S1 General Requirements for Disclosure of Sustainability-Related Financial Information

Effective date:

IFRS S2 Climate-Related Disclosures

July 1, 2025

These standards include the core framework for the disclosure of material information about sustainability-related risks, opportunities across an entity's value chain and set out the requirements for entities to disclose information about climate-related risks and opportunities.

IFRS S1 requires entities to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reporting in making decisions relating to providing resources to the entity. The standards provide guidance on identifying sustainability-related risks and opportunities, and the relevant disclosures to be made in respect of those sustainability-related risks and opportunities.

IFRS S2 is a thematic standard that builds on the requirements of IFRS S1 and is focused on climate-related disclosures. IFRS S2 requires an entity to identify and disclose climate-related risks and opportunities that could affect the entity's prospects over the short, medium and long term. In addition, IFRS S2 requires entities to consider other industry-based metrics and seven cross-industry metrics when disclosing qualitative and quantitative components on how the entity uses metrics and targets to measure, monitor and manage the identified material climate-related risks and opportunities. The cross-industry metrics include disclosures on greenhouse gas ('GHG') emissions, transition risks, physical risks, climate-related opportunities, capital deployment, internal carbon prices and remuneration.

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures. There are a number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Company and, therefore, have not been presented here.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies set out below have been applied consistently to all years presented in these financial statements, unless otherwise stated.

4.1 Property, plant and equipment

a) Owned assets

The Company has adopted cost model for its property, plant and equipment. Property, plant and equipment except for freehold land and capital work-in-progress are stated at cost less accumulated depreciation and impairment loss, if any. Freehold land is stated at cost less impairment loss, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset, including any borrowing cost (note 5.2). The cost of a self constructed asset includes cost of materials, labour and other overheads that are directly attributable to bringing the asset to a working condition for its intended use, costs of dismantling / removing the asset and restoring the site on which it is located. Items of property, plant and equipment individually costing Rs.25,000 or less are charged to the statement of profit or loss as and when purchased.

Capital work-in-progress is stated at cost accumulated upto the reporting date less accumulated impairment loss, if any. Capital work-in-progress is recognised as an operating fixed asset when it is made available for its intended use.

Capital work-in-progress is stated at cost accumulated upto the reporting date less accumulated impairment loss, if any. Capital work-in-progress is recognised as an operating fixed asset when it is made available for its intended use.

Where major components of an item of property, plant and equipment have different useful lives, they are accounted for in the books of account as separate items of property, plant and equipment.

Subsequent costs including major renewals and improvements are included in the carrying amount of the asset or are recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised at the time of replacement. Normal repair and maintenance and day-to-day servicing are charged to the statement of profit or loss as and when incurred.

Depreciation is charged to the statement of profit or loss using reducing balance method except for dies and jigs, office equipment, computers and accessories and furniture & fixtures, without considering extra shifts. Depreciation on dies and jigs, office equipment, computers and accessories and furniture & fixtures is charged to the statement of profit or loss using straight line method. Depreciation on additions is charged from the month in which the asset is available for use while no depreciation is charged for the month in which the asset is disposed-off.

The depreciation methods, useful lives and residual values of items of property, plant and equipment are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change or adjustment in depreciation method, useful lives and residual values is accounted for as a change in accounting estimate under IAS 8, 'Accounting policies, changes in accounting estimates and errors' and is applied prospectively in the financial statements by adjusting the depreciation charge for the period in which the amendment or change has been made and for future periods.

Disposal of an item of property, plant and equipment is recognised when significant risk and rewards, incidental to the ownership of that asset, have been transferred to the buyer. Gains and losses on disposals are determined by comparing the carrying amount of that asset with the sales proceeds and are recognised within 'other income / other operating expenses' in the statement of profit or loss.

b) Right of use assets and related liabilities

The Company generally leases warehouses, showrooms and related properties. At the inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

Leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Company.

The lease liabilities are initially measured at the present value of the remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Lease payment includes fixed payments with annual increments. The lease liabilities are subsequently measured at amortised cost using the effective interest rate.

Right of use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right of use assets are depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The carrying amount of the right of use asset is reduced by impairment losses, if any. At transition, the Company recognised right of use assets equal to the present value of lease payments.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

4.2 Intangible assets

These are stated at cost less accumulated amortisation and impairment losses, if any and represent cost of software licenses, SAP implementation & support cost and license fee of certain products / components that are being manufactured by the Company under technology transfer arrangements.

Costs associated with maintaining these assets are charged to the statement of profit or loss as and when incurred, however, costs that are directly attributable to the identifiable asset and have probable economic benefits exceeding one year, are recognised as intangible asset. Direct costs include purchase cost, salaries and other service benefits of staff deployed towards development of the asset and other related overheads. Expenditure incurred in respect of design, construction and testing of an intangibles are added to the carrying amount of that asset.

Expenditure which enhances or extends the performance of the asset beyond its original specifications is recognised as a capital improvement and added to the original cost of the asset.

All intangible assets are estimated to have definite useful lives and are amortised from the month the software / license is acquired, made available for use or extended support cost is incurred, using the straight line method over a period of 2 to 5 years.

4.3 Impairment of non-financial assets

Non-financial assets are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses, if any. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Reversal of impairment loss is restricted to the original cost of the asset.

4.4 Investments in equity instruments of an Associate

Investment in an Associate is accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the Company's share of profit or loss of the investee after the date of acquisition.

The Company's share of post acquisition profit or loss is recognised in the statement of profit or loss, and its share of post acquisition movements in other comprehensive income is recognised in other comprehensive income with the corresponding adjustment to the carrying amount of the investment. When the Company's share of losses in an Associate equals or exceeds its interest in the Associate, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the Associate.

The Company determines at each reporting date whether there is any objective evidence that the investment in the Associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the Associate and its carrying value and recognises the amount adjacent to share of profit / loss of an Associate in the statement of profit or loss.

4.5 Financial assets

The details of accounting policies after the application of IFRS 9 is as follows.

4.5.1 Classification

The Company has classified its financial assets into following categories: financial assets at amortised cost, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. The financial assets are classified at initial recognition based on the business model used for managing the financial assets and contractual terms of the cash flows.

(a) Financial assets at amortised cost

A financial asset shall be classified as financial asset at amortised cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets at fair value through other comprehensive income

Debt instruments where contractual cash flows are solely payments of principal and interest and the objective of the Company is achieved by both collecting cash flows and selling the financial assets.

Equity investment that are not held for trading and the Company made an irrevocable election at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit or loss.

(c) Financial assets at fair value through profit or loss

All equity instruments are to be classified as financial assets at fair value through profit or loss, except for those equity instruments for which the Company has elected to present value changes in other comprehensive income.

a

A debt instrument can be classified as a financial asset at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different basis.

4.5.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

After initial recognition, financial assets are measured at fair value or amortised cost.

Gains or losses arising from changes in fair value of the ‘financial assets at fair value through profit or loss’ category are presented in the statement of profit or loss within ‘other income / other operating expenses’ in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of profit or loss as part of ‘other income’ when the Company’s right to receive payments is established.

Gains or losses arising from changes in fair value of the ‘financial assets at fair value through other comprehensive income’ category are recognised in other comprehensive income with only dividend income recognised in the statement of profit or loss.

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the statement of profit or loss. Impairment losses recognised in the statement of profit or loss on equity instruments are not reversed through the statement of profit or loss. Impairment testing of other receivables is described in note 4.10.

4.6 Financial liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value less directly attributable transactions costs, if any, and subsequently measured at amortised cost using effective interest method.

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

4.7 Off setting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

4.8 Stores, spares and loose tools

Stores, spares and loose tools are stated at lower of cost and net realisable value. The cost of inventory is based on weighted average cost. Items-in-transit are stated at cost accumulated upto the reporting date. The Company reviews the carrying amounts of stores, spares and loose tools on an on-going basis and provision is made for obsolescence if there is any change in usage pattern and physical form. Impairment is also made for slow moving items.

4.9 Stock-in-trade

Stock-in-trade are stated at the lower of cost and net realisable value. Cost of raw materials and components represent invoice values plus other charges incurred thereon. Cost of inventory is based on weighted average cost. Cost in relation to work-in-process and finished goods represent direct cost of raw materials, wages and appropriate manufacturing overheads. Goods in transit are valued at cost accumulated upto the reporting date.

The Company reviews the carrying amount of stock-in-trade on an on-going basis and as appropriate, inventory is written down to its net realisable value or provision is made for obsolescence if there is any change in usage pattern and physical form of related inventory.

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

4.10 Trade debts and other receivables

Trade debts and other receivables are classified as financial assets at amortised cost.

Trade debts are initially recognised at original invoice amount which is the fair value of the consideration to be received in future and subsequently measured at cost less provision for doubtful debts. The Company uses simplified approach for measuring the expected credit losses for all trade and other receivables including contract assets based on lifetime expected credit losses. The Company has estimated the credit losses using a provision matrix where trade receivables are grouped based on different customer attributes along with historical, current and forward looking assumptions. Debts considered irrecoverable are written off.

Exchange gains and losses arising in respect of trade and other receivables in foreign currency are added to the carrying amount of the receivables.

4.11 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents represent balances with banks and investment in term deposits, treasury bills and Pakistan investment bonds.

4.12 Retirement and other service benefit obligations

4.12.1 Defined contribution plans

A defined contribution plan is a post employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligation for contribution to a defined contribution plan is recognised as an employee service benefit expense in the statement of profit or loss when it is due.

The Company operates defined contribution plans for its permanent employees excluding ex-patriates, through either one of the following ways:

- A recognised provident fund; or
- Voluntary pension schemes managed by Atlas Asset Management Limited, a related party, under the Voluntary Pension System Rules, 2005, viz, Atlas Pension Fund and Atlas Pension Islamic Fund.

All the newly appointed employees are offered voluntary pension scheme only. However, those employees who are provident fund trust members, have the option to opt for either of two above-mentioned defined contribution plans.

Equal monthly contributions at the rate of 11% of the basic salary are made to the fund / scheme both by the Company and the employees. The fund is a separate legal entity and its assets are being held separately under the control of its Trustees.

4.12.2 Defined benefit plans

Defined benefit plan is a post-employment benefit plan other than the defined contribution plan. Defined benefit plans define an amount of gratuity that an employee will receive on retirement, usually dependent on one or more factors such as age and years of service. The liability recognised in the statement of financial position is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets.

The Company has established separate funded gratuity schemes for its management and non-management staff who completes qualifying period of service. Contributions under the schemes are made on the basis of actuarial valuation using Projected Unit Credit Method, related details of which are given in note 24.6 to the financial statements.

The amount arising as a result of re-measurements are recognised in the statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which they occur. Past-service cost are recognised immediately in the statement of profit or loss.

Cumulative net unrecognized actuarial gains and losses at the end of the previous year which exceed 10% of the greater of present value of the Company's obligation and fair value of plan assets are amortized in the profit and loss account over the remaining average service life of the employees expected to receive benefits. Actuarial gains on curtailment are recognized immediately once the certainty of recovery is established.

4.12.3 Compensated absences

Employees' entitlement to annual leaves is recognised when they accrue to the employees. A provision, based on actuarial valuations, is made for the estimated liability for annual leaves as a result of services rendered by employees up to the reporting date. Current Service cost, actuarial gains or losses and past service cost are recognised immediately in the statement of profit or loss.

4.13 Trade and other payables

Liabilities for trade and other payables are carried at their amortised cost, which approximate fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

4.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

4.15 Warranty

The Company recognises the estimated liability to repair or replace damaged parts of products still under warranty at the reporting date on the basis of historical claim information. The Company offers 3 years' warranty on all engine spare parts and six months warranty on all other spare parts of its motorcycles. The ratio of warranty claims filed during the year to previous year's sales is taken into account for determining the estimated liability.

4.16 Taxation and levies

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. The charge for current tax also includes adjustments, where considered necessary, for provision of tax pertaining to the previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is recognised using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Levy

In accordance with Income Tax Ordinance, 2001 (Ordinance), computation of final taxes is not based on taxable income and as per revised guidance, these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these financial statements. Further, the Company designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognise it as current income tax expense. Any excess over the amount designated as income tax is then recognised as a levy falling under the scope of IFRIC 21/IAS 37.

Restatement

The Institute of Chartered Accountants of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" via circular No.07/2024 dated May 15, 2024. The said guidance requires certain amounts of tax paid under minimum and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors'. Accordingly the figures of prior year financial statements for the year ended March 31, 2024 have been restated. There has been no effect on the statement of financial position, the statement of changes in equity, the statement of cashflows and earning per share as a result of this change.

Effect on profit or loss and other comprehensive income	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	----- Rupees in '000 -----		
For the year ended March 31, 2025			
Final taxes and minimum tax differential	-	293,434	293,434
Profit before income tax	24,341,667	(293,434)	24,048,233
Taxation - income tax	9,090,052	(293,434)	8,796,618
For the year ended March 31, 2024			
Final taxes and minimum tax differential		471,070	471,070
Profit before income tax	15,738,098	(471,070)	15,267,028
Taxation - income tax	6,030,053	(471,070)	5,558,983

4.17 Revenue recognition

The Company recognises revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services. The Company recognises revenue in accordance with that core principle by applying the following steps:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when the entity satisfies a performance obligation

The Company manufactures and sells motorcycles and related spare parts. Revenue from sale of goods is recognised when the Company satisfies a performance obligation (at a point of time) by transferring promised goods to customer being when the goods are dispatched to customers. Revenue is measured at fair value of the consideration received or receivable and is reduced for allowances such as taxes, duties, commission, sales returns and discounts. Income from different sources other than above is recognised on the following basis:

- Interest income on deposits with banks and other financial assets is recognised on accrual basis.
- Dividend income is recognised when the right to receive payment is established.

5. SUMMARY OF OTHER ACCOUNTING POLICIES

5.1 Share capital

Ordinary shares are classified as equity and recognised at their face value.

5.2 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

5.3 Ijarah

Ijarah in which a significant portion of the risks and rewards of ownership are retained by the Muj'ir (lessor) are classified as operating Ijarah. Payments made during the year are charged to the statement of profit or loss on a straight-line basis over the period of the Ijarah in accordance with Islamic Financial Accounting Standard-2.

5.4 Foreign currency transactions and translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. The closing balance of non-monetary items is included at the exchange rate prevailing on the date of transaction and monetary items are translated using the exchange rate prevailing on the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

5.5 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalised as part of the cost of that asset.

5.6 Research and development costs

Research and development costs are recognised in the statement of profit or loss as and when incurred.

5.7 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

5.8 Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment.

5.9 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in the financial statements in the period in which these are approved.

6. PROPERTY, PLANT AND EQUIPMENT

	Note	2025 --- Rupees in '000 ---	2024
Operating fixed assets	6.1	12,105,062	12,062,500
Capital work-in-progress	6.5	186,636	86,621
Right of use assets	6.6	337,625	296,597
		<u>12,629,323</u>	<u>12,445,718</u>

6.1 Operating fixed assets

	Freehold lands	Leasehold lands	Buildings on freehold land	Buildings on leasehold land	Plant and machinery	Dies and jigs	Factory equipment	Office equipment	Computers and accessories	Furniture and fixtures	Electric and gas fittings	Vehicles	Total
Rupees in '000													
At April 1, 2023													
Cost	1,408,917	34,132	2,244,598	620,274	12,600,312	2,047,728	866,574	83,792	395,062	137,839	1,083,864	832,807	22,355,899
Accumulated depreciation	-	(14,631)	(1,019,680)	(245,634)	(6,078,384)	(1,517,351)	(362,238)	(74,121)	(262,426)	(122,377)	(403,641)	(324,004)	(10,424,487)
Net book amount	1,408,917	19,501	1,224,918	374,640	6,521,928	530,377	504,336	9,671	132,636	15,462	680,223	508,803	11,931,412
Year ended March 31, 2024													
Opening net book amount	1,408,917	19,501	1,224,918	374,640	6,521,928	530,377	504,336	9,671	132,636	15,462	680,223	508,803	11,931,412
Additions	-	-	-	51,533	712,525	632,374	54,326	3,398	47,791	2,580	5,481	322,617	1,832,625
Disposals													
Cost	-	-	(17,087)	-	(233,867)	(215,588)	(51,010)	-	(2,403)	(1,550)	(17,178)	(147,534)	(686,217)
Accumulated depreciation	-	-	15,108	-	124,347	158,566	39,676	-	957	1,550	15,123	69,738	425,065
Depreciation charge	-	(513)	(122,474)	(40,777)	(691,248)	(259,221)	(53,302)	(4,023)	(55,948)	(5,179)	(68,320)	(139,380)	(1,440,385)
Closing net book amount	1,408,917	18,988	1,100,465	385,396	6,433,685	846,508	494,026	9,046	123,033	12,863	615,329	614,244	12,062,500
At March 31, 2024													
Cost	1,408,917	34,132	2,227,511	671,807	13,078,970	2,464,514	869,890	87,190	440,450	138,869	1,072,167	1,007,890	23,502,307
Accumulated depreciation	-	(15,144)	(1,127,046)	(286,411)	(6,645,285)	(1,618,006)	(375,864)	(78,144)	(317,417)	(126,006)	(456,838)	(393,646)	(11,439,807)
Net book amount	1,408,917	18,988	1,100,465	385,396	6,433,685	846,508	494,026	9,046	123,033	12,863	615,329	614,244	12,062,500
Year ended March 31, 2025													
Opening net book amount	1,408,917	18,988	1,100,465	385,396	6,433,685	846,508	494,026	9,046	123,033	12,863	615,329	614,244	12,062,500
Additions	-	-	-	97,185	433,277	643,929	49,816	3,817	140,561	4,766	85,076	361,512	1,819,939
Disposals (note 6.4)													
Cost	-	-	-	-	(121,755)	(338,773)	(3,471)	(127)	(15,714)	(5,070)	(3,537)	(181,264)	(669,711)
Accumulated depreciation	-	-	-	-	104,111	292,379	2,927	127	13,358	5,070	2,339	88,730	509,041
Written-off	-	-	-	-	(17,644)	(46,394)	(544)	-	(2,356)	-	(1,198)	(92,534)	(160,670)
Cost	-	(922)	-	(10,733)	(384,970)	(351,793)	(33,489)	(17,286)	(113,988)	(13,813)	(50,486)	-	(977,480)
Accumulated depreciation	-	347	-	9,797	318,950	351,793	29,535	17,203	113,745	13,813	48,667	-	903,850
Depreciation charge (note 6.3)	-	(575)	-	(936)	(66,020)	-	(3,954)	(83)	(243)	-	(1,819)	-	(73,630)
Closing net book amount	1,408,917	17,900	989,997	440,447	6,113,730	1,080,601	488,338	9,204	192,258	13,368	633,629	716,673	12,105,062
At March 31, 2025													
Cost	1,408,917	33,210	2,227,511	758,259	13,005,522	2,417,877	882,746	73,594	451,309	124,752	1,103,220	1,188,138	23,675,055
Accumulated depreciation	-	(15,310)	(1,237,514)	(317,812)	(6,891,792)	(1,337,276)	(394,408)	(64,390)	(259,051)	(111,384)	(469,591)	(471,465)	(11,569,993)
Net book amount	1,408,917	17,900	989,997	440,447	6,113,730	1,080,601	488,338	9,204	192,258	13,368	633,629	716,673	12,105,062
Annual rate of depreciation (%)	1.79	10	10	10	25	10	20	25	20	10	20		

6.2 Free hold lands of the Company are located at Sheikhpura with an area of 528,224 square yards and leasehold lands of the Company are located at Karachi with an area of 27,543 square yards.

Operating fixed assets include items having an aggregate cost of Rs.1,070,849 thousand that have been fully depreciated and still in use of the Company.

6.3 Depreciation charge has been allocated as follows:

	Note	2025 --- Rupees in '000 ---	2024
Cost of sales	29.1	1,325,726	1,239,223
Sales and marketing expenses	30	91,300	90,283
Administrative expenses	31	126,051	110,879
		<u>1,543,077</u>	<u>1,440,385</u>

6.4 Details of operating fixed assets disposed-off during the year:

Description	Cost	Accumulated depreciation	Net book amount	Sale proceeds	Loss	Method of disposal	Sold to:
----- Rupees in '000 -----							
Assets with individual net book amount exceeding Rs.500,000 each							
Plant and machinery							
	1,220	(297)	923	24	(899)	Scrap	Munsha & Sons, 27KM Sheikhpura Road, Roshan Canal Garden, Near Khanpur Canal, Lahore
	5,594	(4,924)	670	112	(558)		
	5,011	(4,270)	741	101	(640)		
	3,596	(3,049)	547	72	(475)		
	3,498	(2,966)	532	70	(462)		
	3,568	(3,026)	542	72	(470)		
	3,637	(3,085)	552	73	(479)		
	3,730	(3,163)	567	75	(492)		
	3,637	(3,084)	553	73	(480)		
	4,156	(3,525)	631	83	(548)		
	2,390	(643)	1,747	48	(1,699)		
	1,350	(680)	670	66	(604)	Scrap	Dawood Hussain Contractor, A7/53, S74, C-104 Ghosia Masjid Road, Aagrah Taj Karachi
	41,387	(32,712)	8,675	869	(7,806)		
Dies and Jigs							
	20,707	(9,059)	11,648	947	(10,701)	Scrap	Munsha & Sons, 27KM Sheikhpura Road, Roshan Canal Garden, Near Khanpur Canal, Lahore
	5,727	(2,744)	2,983	242	(2,741)		
	5,727	(2,744)	2,983	242	(2,741)		
	29,652	(27,798)	1,854	151	(1,703)		
	29,652	(27,798)	1,854	151	(1,703)		
	4,519	(2,824)	1,695	138	(1,557)		
	4,519	(2,824)	1,695	138	(1,557)		
	4,466	(2,791)	1,675	136	(1,539)		
	4,466	(2,791)	1,675	136	(1,539)		
	2,736	(1,187)	1,549	154	(1,395)		
	2,736	(1,187)	1,549	154	(1,395)		
	4,066	(2,541)	1,525	124	(1,401)		
	4,066	(2,541)	1,525	124	(1,401)		
	4,031	(2,519)	1,512	123	(1,389)		
	4,031	(2,519)	1,512	123	(1,389)		
	3,746	(2,731)	1,015	82	(933)		
	3,746	(2,731)	1,015	82	(933)		
	3,696	(2,849)	847	69	(778)		
	3,696	(2,849)	847	69	(778)		
	1,717	(966)	751	61	(690)		
	3,222	(2,458)	764	203	(561)	Scrap	Peoples Steel Mills Ltd, Manghopir Rd, near Naya Nazimabad, Javedan Nagar, Karachi
	3,222	(2,601)	621	203	(418)		
	9,333	(6,028)	3,305	589	(2,716)		
	163,479	(117,080)	46,399	4,441	(41,958)		
Electric and Gas fittings							
	2,531	(1,548)	983	51	(932)	Scrap	Munsha & Sons, 27KM Sheikhpura Road, Roshan Canal Garden, Near Khanpur Canal, Lahore

Description	Cost	Accumulated depreciation	Net book amount	Sale proceeds	Loss	Method of disposal	Sold to:
----- Rupees in '000 -----							
Vehicles							
	3,024	(917)	2,107	2,107	-	Company Policy	Atlas Engineering (Private) Limited, a related party
	2,612	(762)	1,850	1,850	-	Company Policy	Atlas Engineering (Private) Limited, a related party
	8,871	(1,479)	7,392	7,392	-	Company Policy	Atlas Engineering (Private) Limited, a related party
	3,580	(1,632)	1,948	1,948	-	Company Policy	Atlas Engineering (Private) Limited, a related party
	3,450	(1,860)	1,590	1,590	-	Company Policy	Atlas Power Limited, a related party
	2,330	(746)	1,584	1,584	-	Company Policy	Atlas DiD (Private) Limited, a related party
	1,335	(566)	769	769	-	Company Policy	Atlas Engineering (Private) Limited, a related party
							Employees of the Company
	3,388	(113)	3,275	3,275	-	Company Policy	Mr. Ahmad Nisar Zaman
	3,412	(1,125)	2,287	2,287	-	Company Policy	Mr. Mohammad Faheem
	3,024	(804)	2,220	2,220	-	Company Policy	Mr. Zia ul Qadir
	2,754	(698)	2,056	2,056	-	Company Policy	Mr. Abdullah Zaheer
	3,024	(1,147)	1,877	1,877	-	Company Policy	Mr. Shabbir Qutbuddin
	3,944	(2,090)	1,854	1,854	-	Company Policy	Mr. Zia ul Hassan Khan (Key Management Personnel)
	2,330	(772)	1,558	1,558	-	Company Policy	Mr. Syed Anas Ahmed
	2,372	(930)	1,442	1,442	-	Company Policy	Mr. Yasir Kalim
	2,656	(1,305)	1,351	1,351	-	Company Policy	Mr. Zia ullah Baig
	3,267	(2,081)	1,186	1,186	-	Company Policy	Mr. Saad Uddin Khan
	2,592	(1,459)	1,133	1,133	-	Company Policy	Mr. Syed Azfar Hussain Hashmi
	1,730	(768)	962	962	-	Company Policy	Mr. Shafeeq Ahmed
	1,730	(786)	944	944	-	Company Policy	Mr. Syed Musharaf Ali
	2,584	(1,699)	885	885	-	Company Policy	Mr. Kashif Aqil
	2,467	(1,606)	861	861	-	Company Policy	Mr. Kashif Ashfaq
	2,467	(1,606)	861	861	-	Company Policy	Mr. Wasim Ahmed Usmani
	1,780	(944)	836	836	-	Company Policy	Mr. Ahsan Naveed
	2,467	(1,635)	832	832	-	Company Policy	Mr. Naqi Shaukat
	2,467	(1,635)	832	832	-	Company Policy	Mr. Hafiz Muhammad Usman Malik
	2,138	(1,306)	832	832	-	Company Policy	Mr. Akhlaq Ahmad
	2,507	(1,676)	831	831	-	Company Policy	Mr. Rana Bilal Ashghar
	2,467	(1,649)	818	818	-	Company Policy	Mr. Muhammad Nabeel Hassan
	2,467	(1,649)	818	818	-	Company Policy	Mr. Sajjad Ali
	2,507	(1,691)	816	816	-	Company Policy	Mr. Suhail Arif Hussain
	2,584	(1,774)	810	810	-	Company Policy	Mr. Nawaid Ali Khan
	1,780	(973)	807	807	-	Company Policy	Mr. Mubeen Anwar
	1,780	(973)	807	807	-	Company Policy	Mr. Qaim Deen
	1,780	(973)	807	807	-	Company Policy	Mr. Faisal Yasin
	1,780	(973)	807	807	-	Company Policy	Mr. Muhammad Hassan Waseem
	1,780	(973)	807	807	-	Company Policy	Mr. Waqas Ajmal
	2,467	(1,664)	803	803	-	Company Policy	Mr. Muhammad Faisal Naveed
	2,507	(1,706)	801	801	-	Company Policy	Mr. Ebrahim Abbas Atcha
	2,467	(1,678)	789	789	-	Company Policy	Mr. Syed Muhammad Salman Rizvi
	2,467	(1,678)	789	789	-	Company Policy	Mr. Qareebullah
	2,467	(1,678)	789	789	-	Company Policy	Mr. Muhammad Sarfraz Majid
	2,467	(1,678)	789	789	-	Company Policy	Mr. Muhammad Pervaiz
	1,395	(660)	735	735	-	Company Policy	Mr. Ali Asghar
	1,395	(660)	735	735	-	Company Policy	Mr. Ameen Ur Rasheed
	1,433	(759)	674	674	-	Company Policy	Ms. Kawish
	1,433	(794)	639	639	-	Company Policy	Mr. Muhammad Ramis Khan
	1,398	(809)	589	589	-	Company Policy	Mr. Sajid Ali
	1,398	(809)	589	589	-	Company Policy	Mr. Zahid Hussain
	1,118	(551)	567	567	-	Company Policy	Mr. Syed Danish Kazmi
	1,483	(965)	518	518	-	Company Policy	Mr. Ourhan Aziz
	1,483	(965)	518	518	-	Company Policy	Mr. Ghulam Murtaza
	1,483	(965)	518	518	-	Company Policy	Mr. Ahsan Abbas
	1,483	(965)	518	518	-	Company Policy	Mr. Muhammad Hasnain Sheikh
	1,483	(965)	518	518	-	Company Policy	Mr. Sumair Ahmad

Description	Cost	Accumulated depreciation	Net book amount	Sale proceeds	Loss	Method of disposal	Sold to:
----- Rupees in '000 -----							
	3,747	(2,148)	1,599	1,599	-	Company Policy	Ex - Employees of the Company
	2,592	(1,477)	1,115	1,115	-	Company Policy	Mr. Imtiaz Ahmed Sheikh
	1,733	(568)	1,165	1,165	-	Company Policy	Mr. Shoaib Ahmed Khan
	1,395	(763)	632	632	-	Company Policy	Mr. Nisar Ahmed
	4,671	(311)	4,360	4,360	-	Company Policy	Mr. Mubarak Ali Anjum
	2,707	(226)	2,481	2,481	-	Company Policy	Mr. Muhammad Umair
	1,733	(462)	1,271	1,271	-	Company Policy	Mr. Faheem Dawood
	1,733	(504)	1,229	1,229	-	Company Policy	Mr. Sultan Ali Khan
	1,733	(547)	1,186	1,186	-	Company Policy	Mr. Ejaz Ahmed
	1,395	(649)	746	746	-	Company Policy	Mr. Muhammad Akmal Tahir
							Mr. Ahmad Hantal
	154,493	(73,379)	81,114	81,114	-		
Various assets having net book amount upto Rs. 500,000 each	361,890	(224,719)	137,171	86,475	(50,696)		
	307,821	(284,322)	23,499	18,384	(5,115)		
Year Ended: March 31, 2025	669,711	(509,041)	160,670	104,859	(55,811)		
Year Ended: March 31, 2024	686,217	(425,065)	261,152	96,734	(164,418)		

6.5 Capital work-in-progress

	2025	2024
Note	--- Rupees in '000 ---	
Building on freehold land	101,242	-
Plant and machinery	-	58,187
Dies and jigs	-	27,779
Factory equipment	6,400	655
Computers and accessories	921	-
Computers and accessories	45,197	-
Furniture and fixtures	19,000	-
Electric & Gas Fittings	13,876	-
Vehicles	186,636	86,621

6.5.1 Movement in capital work-in-progress

Balance at beginning of the year	86,621	66,930
Additions during the year	1,919,954	1,852,316
Transferred to operating fixed assets	(1,819,939)	(1,832,625)
Balance at end of the year	186,636	86,621

6.6 Right of use assets

Balance at beginning of the year	296,597	160,423
Additions during the year	122,583	202,045
Less: depreciation charged during the year	81,555	65,871
Net book value at end of the year	337,625	296,597

6.6.1 Depreciation charge relating to right of use assets has been allocated as follows:

Sales and marketing expenses	30	73,169	57,485
Administrative expenses	31	8,386	8,386
		81,555	65,871

7. INTANGIBLE ASSETS

At April 1, 2023

	Software licenses	SAP implementation and support cost	License fee	Total
Cost	113,354	38,041	196,386	347,781
Accumulated amortisation	(98,844)	(38,041)	(175,585)	(312,470)
Net book amount	14,510	-	20,801	35,311

Year ended March 31, 2024

Opening net book amount	14,510	-	20,801	35,311
Additions	4,942	-	-	4,942
Amortisation charge	(11,626)	-	(20,801)	(32,427)
Closing net book amount	7,826	-	-	7,826

At March 31, 2024

Cost	118,296	38,041	196,386	352,723
Accumulated amortisation	(110,470)	(38,041)	(196,386)	(344,897)
Net book amount	7,826	-	-	7,826

Year ended March 31, 2025

Opening net book amount	7,826	-	-	7,826
Additions	10,845	17,612	-	28,457
Amortisation charge (note 29.1)	(11,176)	(1,148)	-	(12,324)
Closing net book amount	7,495	16,464	-	23,959

At March 31, 2025

Cost	129,141	55,653	196,386	381,180
Accumulated amortisation	(121,646)	(39,189)	(196,386)	(357,221)
Net book amount	7,495	16,464	-	23,959

Annual rate of amortisation (%)

50	20	20
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8. LONG TERM INVESTMENTS

Unquoted

	Note	2025 --- Rupees in '000 ---	2024
Associate - equity accounted investment	8.1	400,519	350,593
Others - available for sale	8.2	-	-
		400,519	350,593

8.1 Equity accounted investment - Atlas Hitec (Private) Limited

Balance at beginning of the year	350,593	340,816
Share of profit for the year - net of tax	54,638	12,475
Dividend received during the year	(4,712)	(2,698)
Balance at end of the year	400,519	350,593

8.1.1 Investment in Atlas Hitec (Private) Limited (AHPL) represents 19,000,000 fully paid ordinary shares of Rs.10 each representing 29.23% (2024: 29.23%) of its issued, subscribed and paid-up capital as at March 31, 2025. AHPL was incorporated in Pakistan as a Private Limited Company on September 13, 2012 and its principal activity is to manufacture and sale any kind of automobile parts and allied products.

8.1.2 The summary of financial information / reconciliation of AHPL as of March 31, 2025 is as follows:

	2025	2024
	--- Rupees in '000 ---	
Summarised Statement of Financial Position		
Non current assets	572,000	590,100
Current assets	1,589,701	1,219,302
	2,161,701	1,809,402
Non - current liabilities	5,000	23,700
Current liabilities	801,800	601,600
	806,800	625,300
Net assets	1,354,901	1,184,102
Reconciliation of carrying amount		
Opening net assets	1,184,102	1,150,652
Profit for the year	177,700	39,997
Other adjustments	9,199	2,683
Dividend paid during the year	(16,100)	(9,230)
Closing net assets	1,354,901	1,184,102
Company's share %	29.23%	29.23%
Company's share	396,048	346,122
Goodwill	4,471	4,471
Carrying amount of investment	400,519	350,593
Summarised Statement of profit or loss		
Revenue	4,689,500	3,771,600
Profit before tax	260,600	92,500
Profit after tax	177,700	39,997

8.1.3 The financial information of AHPL is based on unaudited financial statements for the year ended March 31, 2025.

	2025	2024
	--- Rupees in '000 ---	
8.2 Others - available for sale	Note	
Arabian Sea Country Club Limited		
200,000 ordinary shares of Rs.10 each - cost	-	2,000
Less: investment written off during the year	-	2,000
	-	-
Automotive Testing & Training Centre (Private) Limited		
50,000 ordinary shares of Rs.10 each - cost	-	500
Less: investment written off during the year	-	500
	-	-
	-	-

9. LONG TERM LOANS AND ADVANCES

Considered good

Loans and advances to:

Related parties - Key Management Personnel
Other employees

	2,640	5,141
	218,800	190,162
9.1	221,440	195,303
Less: amounts due within twelve months and shown under current assets:		
Related parties - Key Management Personnel	2,362	3,890
Other employees	99,237	84,882
14	101,599	88,772
	119,841	106,531

9.1 These represent interest free loans and advances provided to employees as per the terms of employment. Loans aggregating Rs.173,966 thousand (2024: Rs.149,533 thousand) are provided for purchase of motorcycles and are repayable in forty eight to sixty equal monthly instalments for management staff and forty equal monthly instalments for non-management staff. These loans are secured against respective motorcycles and employees' vested retirement benefits. Advances are unsecured and are repayable in twenty four equal monthly instalments.

- 9.2 The maximum amount of loans and advances to the key management personnel outstanding at the end of any month during the year ended March 31, 2025 was Rs.6,391 thousand (2024: Rs.14,934 thousand).
- 9.3 The carrying values of these loans and advances are neither past due nor impaired. The credit quality of these financial assets can be assessed with reference to negligible defaults in recent history.
10. Includes deposit of Rs.28,000 thousand (2024: Rs.28,000) to Atlas Energy Limited, a related party.

11. STORES, SPARES AND LOOSE TOOLS

	Note	2025 --- Rupees in '000 ---	2024
Consumable stores			
- in hand		227,236	284,443
- held with vendors / in transit		7,912	12,301
Maintenance spares		583,502	536,669
Loose tools		349,484	397,699
		1,168,134	1,177,131
Provision for slow moving inventories	12.1	(175,011)	(149,417)
		993,123	1,027,714

12. STOCK-IN-TRADE

Raw materials and components			
- in hand		5,317,868	4,608,909
- held with vendors		305,629	458,889
		5,623,497	5,067,798
Finished goods			
- motorcycles		100,422	1,308,437
- spare parts		2,241,672	1,684,641
		2,342,094	2,993,078
Items in transit		502,512	1,661,639
		8,468,103	9,722,515
Provision for slow moving inventories	12.1	(98,464)	(100,864)
		8,369,639	9,621,651

12.1 Movement of provision for slow moving inventories

	Stores, spares & loose tools		Stock-in-trade	
	2025	2024	2025	2024
	----- Rupees in '000 -----			
Balance at beginning of the year	149,417	112,599	100,864	83,659
Provision made during the year	50,641	47,830	265	63,833
Provision reversed due to disposal during the year	(25,047)	(11,012)	(2,665)	(46,628)
Balance at end of the year	175,011	149,417	98,464	100,864

- 12.2 Stock-in-trade and trade debts upto a maximum amount of Rs.16,305,334 thousand (2024: Rs.15,193,445 thousand) are under hypothecation of commercial banks as security for short term finance facilities (note 26).

13. TRADE DEBTS

	Note	2025 --- Rupees in '000 ---	2024
Considered good			
Export - secured	13.1	4,819	383
Local - unsecured		2,501,267	1,021,571
		2,506,086	1,021,954
Considered doubtful		5,225	4,220
		2,511,311	1,026,174
Less: expected credit loss allowance		5,225	(4,220)
		2,506,086	1,021,954

- 13.1 These trade debts are secured against letters of credit issued by customers in favour of the Company.
- 13.2 The maximum aggregate amount of trade receivable from related parties at the end of any month during the year was Rs.1,129,540 thousand (2024: Rs.846,105 thousand).
- 13.3 At March 31, 2025, trade debts aggregating to Rs.208,629 thousand (2024: Rs.66,053 thousand) were past due but not impaired. These relate to various customers for which there is no recent history of default. The ageing analysis of these trade debts is as follows:

	2025 --- Rupees in '000 ---	2024
Past due within 30 days	208,153	64,910
Past due beyond 30 days	476	1,143
	208,629	66,053

14. LOANS AND ADVANCES

Considered good

Current portion of long term loans and advances to key management personnel and other employees
Loans to employees

Note	2025 --- Rupees in '000 ---	2024
9	101,599	88,772
14.1	416	439
	<u>102,015</u>	<u>89,211</u>

- 14.1 These represent interest free welfare and festival loans provided to employees in accordance with Company's policy and have maturities upto ten months.
- 14.2 The carrying values of loans and advances are neither past due nor impaired. The credit quality of these financial assets can be assessed with reference to negligible defaults in recent history.

15. TRADE DEPOSITS AND PREPAYMENTS

Trade deposits - unsecured and considered good
Prepayments
Margin against letters of credit

Note	2025 --- Rupees in '000 ---	2024
	38,727	18,619
15.1	224,003	188,108
	27,685	22,391
	<u>290,415</u>	<u>229,118</u>

- 15.1 Includes prepayments of Rs.115,948 thousand (2024: Rs.99,074 thousand), Rs.21,659 thousand (2024: Rs.8,615 thousand) and Rs.295 thousand (2024: Rs.268 thousand) to Atlas Insurance Limited, Shirazi Investments (Private) Limited and Atlas Foundation, related parties respectively.

16. OTHER RECEIVABLES

Sales tax receivables - net
Others

Note	2025 --- Rupees in '000 ---	2024
	646,321	-
	4,322	16,137
	<u>650,643</u>	<u>16,137</u>

17. SHORT TERM INVESTMENTS

2025	2024			2025	2024
--- Number of units ---		Related parties	Note	--- Rupees in '000 ---	
At fair value through profit or loss					
16,168,484	3,082,890	Atlas Money Market Fund		9,246,368	1,576,477
356,731	330,967	Atlas Islamic Stock Fund		453,128	262,147
7,660,530	6,461,413	Atlas Income Fund		4,557,065	3,941,659
-	37,630,804	Atlas Sovereign Fund		-	4,445,218
-	509,846	Atlas Islamic Capital Preservation Plan II		-	330,797
14,068,405	3,382,145	Atlas Liquid Fund		7,872,523	1,691,073
		Others		22,129,084	12,247,371
4,298,952	3,253,541	Lakson Money Market Fund		494,760	337,409
2,850,364	-	Lakson Income Fund		329,885	-
-	2,083,429	UBL Government Securities Fun		-	254,653
9,712,447	-	UBL Money Market Fund		1,094,945	-
				24,048,674	12,839,433
At amortised cost - treasury bills			17.1	5,999,990	1,120,234
				30,048,664	13,959,667

17.1 These have maturity upto 338 days (2024: 364 days) from respective date of acquisition and carries markup ranging from 11.62% to 13.87% (2024: 20.6% to 22.96% per annum).

18. BANK BALANCES

	Note	2025 --- Rupees in '000 ---	2024
Cash at banks in:			
- current accounts	18.1	801,316	1,466,056
- saving deposit accounts	18.2	2,172,994	2,276,313
- term deposit receipts	18.3	70,382	9,026,204
- treasury bills and Pakistan investment bonds	18.4	27,054,651	23,601,033
		<u>30,099,343</u>	<u>36,369,606</u>

18.1 Includes foreign currency accounts amounting to US\$ 3,662 thousand (2024: US\$ 2,351 thousand) and AED 16 thousand (2024: AED 797 thousand).

18.2 Saving deposit accounts carry mark-up upto 10.50% (2024: 20.51%) per annum.

18.3 Represents term deposit receipts valuing AED 915 thousand (2024: AED 346 thousand) have maturity upto 91 days (2024: 91 days) from date of acquisition and carry mark-up at 4.15%(2024: 4.8%) per annum.

18.4 These have maturity of 6 to 364 days (2024: 3 to 182 days) from respective date of acquisition and carry mark-up at the rates ranging from 12.10% to 20.60% (2024: 21.21% to 22.39%) per annum.

19. SHARE CAPITAL

19.1 Authorised capital

2025 -- Number of shares --	2024		2025 --- Rupees in '000 ---	2024
<u>150,000,000</u>	<u>150,000,000</u>	Ordinary shares of Rs.10 each	<u>1,500,000</u>	<u>1,500,000</u>

19.2 Issued, subscribed and paid-up capital

2025 -- Number of shares --	2024		2025	2024
6,352,748	6,352,748	Ordinary shares of Rs.10 each fully paid in cash	63,528	63,528
117,475,887	117,475,887	Ordinary shares of Rs.10 each issued as fully paid bonus shares	1,174,758	1,174,758
259,300	259,300	Ordinary shares of Rs.10 each issued as fully paid for consideration other than cash	2,593	2,593
<u>124,087,935</u>	<u>124,087,935</u>		<u>1,240,879</u>	<u>1,240,879</u>

19.3 Company / associated companies as at March 31, Ordinary shares of the Company held by the holding

	2025 -- Number of shares --	2024
Shirazi Investments (Private) Limited	65,064,831	65,064,831
Honda Motor Company Limited, Japan	43,430,778	43,430,778
Atlas Insurance Limited	3,518,073	3,518,073
Atlas Foundation	1	1
	<u>112,013,683</u>	<u>112,013,683</u>

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

20. RESERVES

	2025	2024
	--- Rupees in '000 ---	
Capital reserves		
Share premium	39,953	39,953
Gain on sale of land	165	165
	40,118	40,118
Revenue reserves		
General reserve	9,492,000	9,492,000
Unappropriated profit	25,589,541	17,994,572
	35,081,541	27,486,572
	35,121,659	27,526,690

21. LEASE LIABILITIES

Balance at beginning of the year	347,293	201,719
Recognised during the year	122,583	202,045
Interest accrued	67,992	51,817
Repaid / adjusted during the year	(130,261)	(108,288)
	407,607	347,293
Current portion grouped under current liabilities	(52,285)	(57,987)
Balance at end of the year	355,322	289,306

21.1 These represents lease contracts for regional sales offices, warehouse and registered office used in its operations and had estimated lease terms between 3 to 10 years. These are discounted using incremental borrowing rate of the Company. These includes Rs.27,078 thousand (2024: Rs.55,043 thousand) due to Atlas Foundation and Rs.242,959 thousand (2024: Rs.198,929) due to Shirazi Investments Private Limited, a related party.

The future minimum lease payments to which the Company is committed under the agreements will be due as follows:

Particulars	Upto one year	From one to five years	Over five years	Total 2025	Upto one year	From one to five year	Over five years	Total 2024
----- Rupees in '000 -----								
Minimum lease payments	122,169	457,239	181,590	760,998	114,688	288,669	284,129	687,486
Finance cost allocated to future periods	(69,884)	(255,433)	(28,074)	(353,391)	(56,701)	(190,603)	(92,889)	(340,193)
Present value of minimum lease payments	52,285	201,806	153,516	407,607	57,987	98,066	191,240	347,293

22. STAFF RETIREMENT BENEFITS

	Note	2025	2024
		--- Rupees in '000 ---	
Compensated absences	22.1	702,096	556,125
Provision for gratuity	24.6	41,519	107,434
		743,615	663,559

22.1 Compensated absences

Balance at beginning of the year		556,125	441,500
Provision for the year		178,979	148,585
		735,104	590,085
Encashed during the year		(33,008)	(33,960)
Balance at end of the year	22.1.1	702,096	556,125

22.1.1 Includes liability in respect of key management personnel aggregating to Rs.68,367 thousand (2024: Rs.58,623 thousand).

23. DEFERRED TAXATION - Net

2025
--- Rupees in '000 ---

2024

The liability for deferred taxation comprises temporary differences relating to:

Accelerated tax depreciation and long term investment	1,805,296	1,540,259
Provision for slow moving inventories & doubtful debts	(108,693)	(96,291)
Compensated absences	(273,818)	(210,410)
Warranty obligations and infrastructure cess	(242,042)	(266,354)
Staff retirement benefit - gratuity	(226,083)	(70,365)
Lease liabilities - net	(27,293)	(19,181)
	<u>927,367</u>	<u>877,658</u>

23.1 Movement in deferred taxation

	Accelerated tax depreciation and investments	Provision for slow moving inventories and doubtful debts	Compensated absences	Warranty obligations and infrastructure cess	Staff retirement benefit - gratuity	Lease liabilities - net	Minimum tax recoupable	Total
----- Rupees in '000 -----								
At April 1, 2023	1,063,793	(56,879)	(125,466)	(147,203)	(51,153)	(11,736)	(38,334)	633,022
Charged / (credited) to:								
Statement of profit or loss	476,466	(39,412)	(84,944)	(119,151)	(20,563)	(7,445)	38,334	243,285
Other comprehensive loss	-	-	-	-	1,351	-	-	1,351
	476,466	(39,412)	(84,944)	(119,151)	(19,212)	(7,445)	38,334	244,636
At March 31, 2024	1,540,259	(96,291)	(210,410)	(266,354)	(70,365)	(19,181)	-	877,658
Charged / (credited) to:								
Statement of profit or loss	265,037	(12,402)	(63,408)	24,312	(179,250)	(8,112)	-	26,177
Other comprehensive income	-	-	-	-	23,532	-	-	23,532
	265,037	(12,402)	(63,408)	24,312	(155,718)	(8,112)	-	49,709
At March 31, 2025	<u>1,805,296</u>	<u>(108,693)</u>	<u>(273,818)</u>	<u>(242,042)</u>	<u>(226,083)</u>	<u>(27,293)</u>	<u>-</u>	<u>927,367</u>

24. TRADE AND OTHER PAYABLES

2025
--- Rupees in '000 ---

2024

	Note	2025	2024
Creditors		12,222,950	8,298,956
Accrued liabilities	24.1	4,830,148	4,482,280
Royalty payable	24.2	5,126,099	6,732,788
Warranty obligations		115,314	112,338
Contract liabilities - advances from customers	24.3	22,231,592	20,443,084
Retention money		2,095	2,095
Sales tax payable - net		-	150,686
Workers' profit participation fund	24.4	665,097	492,062
Workers' welfare fund	24.5	450,820	267,495
Payable to staff retirement benefit funds - gratuity	24.6	538,182	78,543
Provision for custom duty		917,735	917,735
Provision for Sindh government infrastructure fee	24.8	1,483,630	1,065,492
Others	24.9	113,399	108,397
		<u>48,697,061</u>	<u>43,151,951</u>

- 24.1 Includes Rs.16,422 thousand (2024: Rs.12,630 thousand) due to Honda Motor Company Limited, Japan - a related party.
- 24.2 Represents royalty due to Honda Motor Company Limited, Japan - a related party.
- 24.3 These represent advances from customers against sale of motorcycles & parts and carry no mark-up. It includes Rs.4,321 thousand (2024: Rs.954 thousand) due to related parties. Revenue aggregating Rs.21,737,509 thousand has been recognised for preceding year contract liabilities - advance from customers.

		2025	2024
	Note	--- Rupees in '000 ---	
24.4 Workers' profit participation fund (the Fund)			
Balance at beginning of the year		492,062	436,460
Allocation for the year		666,752	485,402
Adjustment for prior year		(109,000)	(162,005)
	33	557,752	323,397
Interest on funds utilised in the Company's business	34	-	3,866
		1,049,814	763,723
Paid to trustees of the Fund		(384,717)	(271,661)
Balance at end of the year		665,097	492,062
24.5 Workers' welfare fund			
Balance at beginning of the year		267,495	164,793
Charge for the year		450,820	267,495
Adjustment for prior year		196	(29,011)
	33	451,016	238,484
		718,511	403,277
Payment / adjustment made during the year		(267,691)	(135,782)
Balance at end of the year		450,820	267,495

24.6 Staff retirement benefit - gratuity

- 24.6.1 The Company has established two separate funded gratuity schemes for its management and non-management staff, who completes qualifying period of service.
- 24.6.2 These benefit plans are trustee-administered funds and are governed by local regulations which mainly includes Trust Act, 1882, the Act, Income Tax Rules, 2002 and Rules under the Trust deed of the Plans. Responsibility for governance of the Plans, including investment decisions and contributions schedules lies with the board of trustees. The Company appoints the trustees and all trustees are employees of the Company.
- 24.6.3 The latest actuarial valuations of the Funds as at March 31, 2025 were carried out using the 'Projected Unit Credit Method'. Details of the Funds as per the actuarial valuations are as follows:

	Management		Non-management		Total	
	2025	2024	2025	2024	2025	2024
24.6.4 Reconciliation	----- Rupees in '000 -----					
Present value of defined benefit obligation at March 31 - note 24.6.5	1,356,837	702,728	48,407	57,291	1,405,244	760,019
Fair value of plan assets at March 31 - note 24.6.6	(639,261)	(461,310)	(128,398)	(109,878)	(767,659)	(571,188)
Receivable from related parties in respect of transferees	(57,884)	(2,854)	-	-	(57,884)	(2,854)
	659,692	238,564	(79,991)	(52,587)	579,701	185,977
Less: payable within next twelve months	538,182	78,543	-	-	538,182	78,543
	121,510	160,021	(79,991)	(52,587)	41,519	107,434

[illegible]

24.6.12 The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the reporting date.

24.6.13 Significant actuarial assumptions and sensitivity:

	Management		Non-management	
	2025 --- % per annum ---	2024	2025 --- % per annum ---	2024
Discount rate at March 31	12.50	15.00	12.50	15.00
Expected rate of increase in future salaries - first year	11.50	11.00	11.50	12.00
- long term	11.50	14.00	11.50	14.00
Demographic assumptions				
- Mortality rates (for death in service)	SLIC (2001-05)-1	SLIC (2001-05)-1	SLIC (2001-05)-1	SLIC (2001-05)-1
- Rates of employee turnover	Light	Light	Moderate	Moderate

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

	Impact on defined benefit obligation		
	Change in assumptions	Increase in assumptions	Decrease in assumptions
		---- Rupees in '000 ----	
Discount rate	1.00%	(116,556)	136,101
Future salary increase	1.00%	142,993	(124,286)
Withdrawal rates : moderate / light		16,119	
Withdrawal rates : heavy		10,763	

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constants. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of reporting period) has been applied as when calculating the defined benefit liability recognised within the statement of financial position.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

24.6.14 The Board of Trustess, passed the resolutions by circulation, on June 10, 2024, approved the revision of the existing gratuity payable criteria. The new criteria changes from 15 days' last drawn basic salary for each year of eligible service to a graduated scale of gratuity payable based on the length of eligible service, effective from June 1, 2024 resulting in the past service cost.

24.6.15 Expected charge and income to management and non-management gratuity plans for the year ending March 31, 2026 are Rs.173,826 thousand and Rs.7,875 thousand respectively.

24.6.16 The weighted average duration of defined benefit obligation for management and non-management plans is 8.47 years and 3.43 years respectively. The expected maturity analysis of undiscounted retirement benefits is as follows:

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 - 10 years	Total
March 31, 2025	----- Rupees in '000 -----				
Management staff	142,566	219,725	416,015	646,235	1,424,541
Non-management staff	13,243	12,922	21,617	23,168	70,950
Total	155,809	232,647	437,632	669,403	1,495,491

24.6.17 Historical information

	2025	2024	2023	2022	2021
	Rupees in '000				
Present value of defined benefit obligation	1,405,244	760,019	637,517	587,800	489,320
Fair value of plan assets	767,659	571,188	436,631	411,683	396,872
Deficit provided in financial statements	637,585	188,831	200,886	176,117	92,448

- 24.7 Payable to staff retirement benefit funds - gratuity includes liability in respect of key management personnel aggregating to Rs.198,853 thousand (2024: Rs.107,847 thousand).

This represents provision against infrastructure fee levied by the Government of Sindh through Sindh Finance (Amendment) Ordinance, 2001. The levy of infrastructure fee is disputed and various companies have filed appeals before the High Court of Sindh (SHC). During the pendency of these appeals, an interim arrangement has been agreed whereby bank guarantees furnished for consignments cleared upto December 27, 2006 have been returned and bank guarantees have been furnished for 50% of the levy for consignment released subsequent to December 27, 2006 while payment is made against the balance amount.

The Company in preceding years also filed an appeal in the SHC and became a party to subject controversy raised through various appeals. The SHC, through its interim order dated March 26, 2014 has granted the above mentioned interim relief to the Company and directed to take up the petition along with identical petitions. The SHC on June 4, 2021, validated the levy of infrastructure fee and ordered encashment of bank guarantees after 90 days from the date of order. The Company has filed a review in the Supreme Court of Pakistan (SCP), challenging the order of SHC. On 1 September 2021, SCP suspended the operation of the SHC's judgment and directed the petitioners to provide the bank guarantee equivalent to the amount of levy claimed by the respondents against release of all future imported consignments.

As at March 31, 2025, the Company has provided bank guarantees amounting Rs.1,518,000 thousand in favour of The Director Excise and Taxation, Government of Sindh for releasing the consignments imported from time to time and for the purpose of carriage of such goods by road within the province of Sindh.

Other liabilities include vehicle deposits under Company's vehicle policy aggregating Rs.61,595 thousand (2024: Rs.46,820 thousand).

25. This includes amounts payable to Honda Motor Company Limited, Japan a related party.

26. SHORT TERM BORROWINGS - Secured

Short term finance facilities available from various commercial and islamic banks under mark-up arrangements aggregate to Rs.7,090,000 thousand (2024: Rs.7,090,000 thousand) and are secured against pari passu hypothecation charge over the Company's stock-in-trade and trade debts to extent of Rs.16,305,334 thousand (2024: Rs.15,193,445 thousand). The rates of mark-up of these facilities during the year ranged from 12.19% to 23.62% (2024: 21.56% to 23.91%) per annum. These facilities are expiring on various dates by February 28, 2026.

Ijarah facilities aggregating Rs.2,566,421 thousand.(2024: Rs. 1,389,557 thousand) {including Rs.902,000 thousand under Islamic Temporary Economic Relief Facility (ITERF)} are also available to the Company from various banks. These facilities carry profit margin at the rates ranging from SBP rate + 0.5% to KIBOR plus 0.25% to 0.50% per annum.

The facilities for opening letters of credit as at March 31, 2025 aggregated to Rs.15,150,000 thousand (2024: Rs.14,630,000 thousand) of which the amount remained unutilised at year end was Rs.8,840,608 thousand (2024: Rs.10,654,175 thousand). These finance facilities are also secured against pari passu joint hypothecation charge on stocks-in-trade and trade debts of the Company.

27. CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

- 27.1.1 Various cases have been filed against the Company by some former employees for reinstatement of service and are pending in different courts of Pakistan. The management is confident that outcome of these cases will be in favour of the Company and hence no provision is made in these financial statements.

27.2 Outstanding bank guarantees

- 27.2.1 Guarantees aggregating to Rs.3,859,614 thousand (2024: Rs.2,120,312 thousand) have been issued by commercial banks to government and semi government institutions for import of raw materials and supply of goods.

27.3 Commitments

27.3.1 Commitments outstanding for letters of credit relating to capital expenditure, raw materials and components as at March 31, 2025 aggregated to Rs.6,310,248 thousand (2024 : Rs.3,975,827 thousand).

27.3.2 Commitments outstanding for capital expenditure other than through letters of credit as at March 31, 2025 aggregated to Rs.88,960 thousand (2024: Rs.41,641 thousand).

27.3.3 The Company has entered into Ijarah arrangements for vehicles and plant machinery with various banks. Aggregate commitments for these Ijarah arrangements as at March 31, are as follows:

	Note	2025	2024
		--- Rupees in '000 ---	
Not later than one year		490,099	452,800
Later than one year and not later than five years		1,377,675	1,256,230
More than five years		151,463	287,046
		<u>2,019,237</u>	<u>1,996,076</u>

28. SALES - Net

Gross sales			
- local		236,242,307	184,975,695
- export		6,931,026	5,811,924
		<u>243,173,333</u>	<u>190,787,619</u>
Less:			
- trade discount and commission		1,080,521	850,268
- sales tax		38,198,374	30,645,122
		<u>39,278,895</u>	<u>31,495,390</u>
		<u>203,894,438</u>	<u>159,292,229</u>

29. COST OF SALES

Opening stock of finished goods		2,993,078	1,730,184
Cost of goods manufactured	29.1	164,897,045	133,720,773
Purchases during the year		16,166,313	14,607,221
		<u>181,063,358</u>	<u>148,327,994</u>
Closing stock of finished goods		(2,342,094)	(2,993,078)
		<u>181,714,342</u>	<u>147,065,100</u>

	Note	2025 --- Rupees in '000 ---	2024
29.1 Cost of goods manufactured			
Raw materials and components consumed	29.2	139,160,571	113,865,439
Staff salaries, wages and other benefits including direct labour	29.3	7,901,436	5,906,105
Technical directors' remuneration		5,941	5,766
Stores consumed		1,578,067	1,312,450
Fuel and power		2,648,443	2,509,216
Insurance		256,630	229,721
Rent, rates and taxes including Ijarah rentals	29.4	602,646	582,599
Repair and maintenance		1,164,588	891,170
Royalty including provincial taxes	29.5	9,188,752	6,273,622
Technical assistance fee		68,915	60,901
Travelling, conveyance and entertainment		169,792	113,228
Postage and telephone		15,191	12,366
Printing and stationery		62,903	58,409
Vehicle running expenses		134,557	133,951
Depreciation on operating fixed asset	6.3	1,325,726	1,239,223
Canteen		362,243	259,857
Newspapers, magazines and subscriptions		4,614	18,496
Amortisation	7	12,324	32,427
Provision for slow moving inventories - net	12.1	23,194	54,023
Marking fee		184,159	147,934
Staff training		26,330	13,590
Other manufacturing expenses		23	280
		<u>164,897,045</u>	<u>133,720,773</u>

29.2 Raw materials and components consumed

Opening stock	5,067,798	6,214,641
Purchases during the year	139,716,270	112,718,596
	<u>144,784,068</u>	<u>118,933,237</u>
Closing stock	(5,623,497)	(5,067,798)
	<u>139,160,571</u>	<u>113,865,439</u>

29.3 Include Rs.723,056 thousand (2024: Rs.226,800 thousand) in respect of staff retirement benefits.

29.4 Include expense related to short term leases aggregating to Rs.24,806 thousand (2024: Rs.19,589 thousand).

29.5 Royalty charged in these financial statement pertains to Honda Motor Company Limited having registered office at 1-1, Minami-Aoyama 2-Chome, Minato-ku, Tokyo 107-8556, Japan.

30. SALES AND MARKETING EXPENSES

	Note	2025 --- Rupees in '000 ---	2024
Directors' remuneration		97,869	80,828
Staff salaries and other benefits	30.1	1,028,348	870,268
Travelling, conveyance and entertainment		265,623	237,041
Vehicle running expenses	30.2	109,772	94,540
Rent, rates and taxes		53,846	55,278
Advertisement and sales promotion		783,545	788,730
Repairs and maintenance		44,653	25,019
Gas and electricity		54,535	48,173
Freight outward		1,314,587	948,682
Printing and stationery		8,201	4,957
Postage and telephone		31,158	27,387
First free service charges		366,771	250,197
Depreciation on operating fixed asset	6.3	91,300	90,283
Depreciation on right of use assets	6.6.1	73,169	57,485
Insurance		80,701	67,768
Newspapers, magazines and subscriptions		4,619	4,982
Others		147	315
		<u>4,408,844</u>	<u>3,651,933</u>

30.1 Include Rs.94,002 thousand (2024: Rs.92,785 thousand) in respect of staff retirement benefits.

30.2 Include expense related to short term leases aggregating to Rs.17,845 thousand (2024: Rs.13,386 thousand).

31. ADMINISTRATIVE EXPENSES

	Note	2025 --- Rupees in '000 ---	2024
Non executive directors' fee		3,900	4,450
Staff salaries and other benefits	31.1	683,809	573,919
Travelling, conveyance and entertainment		37,573	32,425
Rent, rates and taxes		11,051	8,994
Insurance		20,178	17,825
Repairs and maintenance		28,166	22,776
Legal and professional charges		55,318	44,746
Gas and electricity		7,191	5,907
Newspapers, magazines, fees and subscriptions		11,997	13,623
Postage and telephone		3,855	3,339
Printing and stationery		15,427	15,509
Vehicle running expenses		49,261	46,726
Staff training		36,531	30,400
Depreciation on operating fixed asset	6.3	126,051	110,879
Depreciation on right of use assets	6.6.1	8,386	8,386
Donation	31.2	207,381	131,426
Others		-	2,003
		<u>1,306,075</u>	<u>1,073,333</u>

31.1 Include Rs.65,507 thousand (2024: Rs.41,710 thousand) in respect of staff retirement benefits.

31.2 Donation of Rs.207,381 thousand (2024: Rs.131,030 thousand) charged in these financial statements is paid to Atlas Foundation, 2nd Floor, Federation House, Shara-e-Firdousi, Clifton, Karachi.

32. OTHER INCOME

	Note	2025 --- Rupees in '000 ---	2024
Income from financial assets			
Mark-up / interest on savings deposit accounts and term deposit receipts	32.1	420,572	660,707
Mark-up / interest on Government securities		251,220	306,934
Gain on trade of investment in treasury bills and Pakistan investment bonds		4,519,739	4,573,583
Gain on sale of investments at fair value through profit or loss		1,249	-
Fair value gain on investments at fair value through profit or loss		151,032	6,193
Dividend income		31,440	24,618
Net foreign exchange gains	32.2	-	335,351
Income from investments in related parties			
Gain on sale of investments at fair value through profit or loss		1,200,720	41,339
Fair value gain on investments at fair value through profit or loss		920,297	698,521
Dividend income		1,573,127	2,338,528
Income from assets other than financial assets			
Commission income		-	116
Scrap sales		122,969	74,979
Others		-	283
		<u>9,192,365</u>	<u>9,061,152</u>

32.1 Mark-up / interest at the rates ranged from 4.15% to 22.39% (2024: 17.75% to 23.51%) per annum has been earned during the year on savings deposit accounts, term deposit receipts, treasury bills and Pakistan investment bonds.

32.2 Includes exchange loss of Rs.104,855 thousand (2024: exchange gain of Rs.348,598 thousand) on account of exchange difference arising on royalty payable.

33. OTHER OPERATING EXPENSES

		2025	2024
	Note	--- Rupees in '000 ---	
Workers' profit participation fund	24.4	557,752	323,397
Workers' welfare fund	24.5	451,016	238,484
Auditors' remuneration	33.1	10,424	8,665
Expected credit loss allowance on trade debts		1,005	329
Net foreign exchange loss	32.2	95,390	-
Loss on disposal of operating fixed assets	6.4	55,811	164,418
Asset written off	6.1	73,630	-
		<u>1,245,028</u>	<u>735,293</u>

33.1 Auditors' remuneration

Fee for:

- audit of annual financial statements	4,600	4,000
- review of half yearly financial information	531	462
- review of Code of Corporate Governance	227	197
- audits of retirement funds and workers' profit participation fund	657	571
- certifications for payment of royalty, technical fee, dividend etc.	2,757	1,998
- out of pocket expenses	814	708
Provincial taxes on fee	838	729
	<u>10,424</u>	<u>8,665</u>

34. FINANCE COSTS

Interest on workers' profit participation fund	24.4	-	3,866
Bank and other financial charges		57,493	46,416
Interest on lease liabilities		67,992	51,817
		<u>125,485</u>	<u>102,099</u>

35. LEVIES AND INCOME TAXATION

This represents final taxes paid under sections 150 and 154 of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

Reconciliation of current tax charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:

	2025	2024
	--- Rupees in '000 ---	
Current tax		
Current tax liability for the year as per applicable tax laws	8,676,422	5,308,410
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(293,434)	(471,070)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(8,382,988)	(4,837,340)
	<u>-</u>	<u>-</u>

35.1 Relationship between tax expense and accounting profit for the year is as follows:

Profit before income tax expense	24,341,667	15,738,098
Tax at the applicable rate 29%	7,059,083	4,564,048
Tax effect of:		
- amounts not deductible for tax purposes	779,014	621,500
- amounts deductible for tax purposes but not taken to the statement of profit or loss	(580,965)	(552,537)
- income not subject to tax / income subject to final tax regime / tax credits	(779,439)	(614,340)
- Associate's result reported net of tax	(15,138)	(3,213)
Adjustments of super taxes	2,213,867	1,292,952
	<u>8,676,422</u>	<u>5,308,410</u>

36. EARNINGS PER SHARE		2025	2024
		--- Rupees in '000 ---	
36.1 Basic earnings per share			
Net profit for the year		15,251,615	9,708,045
		--- Number of shares ---	
Weighted average ordinary shares in issue		124,087,935	124,087,935
		----- Rupees -----	
Earnings per share		122.91	78.24
36.2 Diluted earnings per share			
No figures for diluted earnings per share have been presented as the Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.			
37. CASH GENERATED FROM OPERATIONS		2025	2024
	Note	--- Rupees in '000 ---	
Profit before taxation		24,341,667	15,738,098
Adjustments for:			
Depreciation		1,624,632	1,506,256
Amortisation		12,324	32,427
Asset written off		73,630	-
Provision for compensated absences		178,979	148,585
Provision for gratuity		532,604	71,455
Provision for slow moving inventories - net		23,194	54,023
Mark-up / interest on saving deposit accounts, term deposit receipts and others		(671,792)	(967,641)
Gain on sale of investments at fair value through profit or loss		(1,201,969)	(41,339)
Fair value gain on investments at fair value through profit or loss		(1,071,329)	(704,714)
Net foreign exchange losses / (gains)		95,390	(335,351)
Dividend income		(1,604,567)	(2,363,146)
Workers' profit participation fund		557,752	327,263
Workers' welfare fund		451,016	238,484
Loss on disposal of operating fixed assets		55,811	164,418
Share of net profit of an Associate		(54,638)	(12,475)
Interest on lease liabilities		67,992	51,817
Changes in working capital	37.1	3,704,391	(1,068,261)
		27,115,087	12,839,899
37.1 Changes in working capital			
Decrease / (increase) in current assets			
- Stores, spares and loose tools		8,997	19,134
- Stock-in-trade		1,254,412	(1,633,404)
- Trade debts		(1,484,132)	(224,572)
- Loans and advances		(12,804)	5,291
- Trade deposits and prepayments		(61,297)	2,013,010
- Other receivables		(634,506)	(14,263)
		(929,330)	165,196
Increase / (decrease) in current liabilities:			
- Trade and other payables		4,633,721	(1,233,457)
		3,704,391	(1,068,261)
37.2 Cash flows from operating activities			
Receipts from customers		204,198,814	155,267,340
Mark-up / interest received		264,786	655,089
Payments to trade suppliers, service providers and employees		(177,099,252)	(142,458,513)
Income taxes paid		(10,302,376)	(4,599,083)
Contributions made to gratuity funds		(78,542)	(61,911)
Compensated absences paid		(33,008)	(33,960)
Workers' profit participation fund paid		(384,717)	(271,661)
Workers' welfare fund paid		(267,691)	(135,782)
		16,298,014	8,361,519

38. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amounts charged during year in respect of remuneration and fee, including certain benefits, to the Chief Executive Officer, Directors and Executives of the Company are given below:

	Directors				Executives	
	Chief Executive Officer		Others			
	2025	2024	2025	2024	2025	2024
	Rupees in '000					
Managerial remuneration and fee	41,501	34,094	9,840	10,216	605,081	437,907
Rent and utilities	19,848	16,306	-	-	288,829	209,434
Bonus	32,100	26,400	-	-	461,190	323,671
Retirement benefits	3,970	3,261	-	-	57,502	41,669
Medical and other reimbursable expenses	450	767	-	-	22,472	14,386
	97,869	80,828	9,840	10,216	1,435,074	1,027,067
Number of persons	1	1	6	5	217	160

38.1 The Chief Executive Officer, two Directors and two ex-patriate executives are provided with free use of Company maintained cars and telephones at residences. Two ex-patriate executives are also provided with furnished accommodation.

39. RELATED PARTIES

Related parties comprise of the Holding Company, Associated Companies, staff retirement funds, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties at mutually agreed terms and conditions. Detail of related parties to whom the Company have transacted along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

39.1 Name and nature of relationship

a) The Holding Company

Shirazi Investments (Private) Limited - 52.43% shares held in the Company

b) Associated Companies due to significant influence based on holding

Honda Motor Company Limited, Japan - 35.00% shares held in the Company

Atlas Hitec (Private) Limited - 29.23% shares held by the Company

c) Associated Companies due to common directorship

Atlas Engineering (Private) Limited

Atlas Power Limited

Honda Atlas Cars (Pakistan) Limited

Atlas Battery Limited

Atlas GCI (Private) Limited

Atlas DID (Private) Limited

Atlas Energy Limited

Atlas Global, FZE, Jebel Ali, UAE

Shirazi Trading Company (Private) Limited

d) Associated companies under common management / group companies

Atlas Insurance Limited

Atlas World Wide General Trading LLC

Atlas Solar Limited

Atlas Asset Management Limited

Integration Xperts (Private) Limited

Atlas Foundation

Honda Atlas Power Products (Private) Limited

e) Directors

Mr. Aamir H. Shirazi

Mr. Saquib H. Shirazi

Mr. Azam Faruque

Mr. Abid Naqvi

Ms. Mashmooma Zehra

Mr. Kazushi Yamanaka

Mr. Tetsuya Komine

Mr. Masanori Kito

f) **Key management personnel**

Mr. Afaq Ahmed	Mr. Rashid Ahmed
Mr. Sadullah Ejaz	Mr. Danyal Ahmed Rasheed
Mr. Muhammad Ammar	Mr. Muhammad Zafar Iqbal
Mr. Tahir Nazir	Mr. Zia Ul Hassan Khan
Mr. Muhammad Rashad Rashid	Mr. Faisal Mahmud
Mr. Muhammad Tahir Khan	Mr. Hassan Mushtaq Cheema

39.2 **Transactions with related parties**

2025 2024
--- Rupees in '000 ---

The Holding Company

Sales of:

- goods and services	4,724	1,615
- operating fixed assets	-	101

Purchase of:

- operating fixed assets	238	5,443
- goods	64,977	64,862

Rent

40,729 51,447

Dividend paid

4,034,020 1,951,945

Associated companies

Sales of:

- goods and services	2,735,710	2,046,554
- operating fixed assets	18,343	17,024

Purchases of:

- goods and services	49,315,480	42,189,475
- operating fixed assets	641,230	484,616

Sale of units in mutual funds

17,825,612 11,000,000

Purchase of units in mutual funds

24,241,369 11,000,000

Royalty paid

10,918,059 6,902,567

Technical assistance fee

60,143 62,769

Commission income

- 116

Commission paid

59,707 -

Lease rentals paid

36,799 33,453

Insurance premium paid

888,710 800,389

Insurance claims received

40,928 19,789

Reimbursement of expenses - net

21,650 29,406

Dividend paid

2,910,829 105,542

Donation paid

207,381 131,030

Dividend received

1,577,839 2,341,166

Other related parties

Contributions paid to:

- gratuity funds	78,542	61,911
- provident funds / pension schemes	170,982	141,255

Key Management Personnel

- salaries and other employment benefits	326,402	262,824
- sale of operating fixed asset	1,943	6,465

The related party status of outstanding balances as at March 31, 2025 is included in 'Long term investment - note 8', 'Long term loans and advances - note 9', 'Long term deposits - note 10', 'Trade deposit and prepayments - note 15', 'Short term investments - note 17', 'Staff retirement benefits - note 22', 'Trade and other payables - note 24' and 'Dividend payable - note 25' respectively. These are settled in ordinary course of business.

40. **FINANCIAL RISK MANAGEMENT**

40.1 **Financial risk factors**

The Company has exposure to the following risks from its use of financial instruments:

- market risk (including foreign exchange risk, interest rate risk and price risk);
- credit risk ; and
- Liquidity risk

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risk management is carried out by a treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investment of excess liquidity.

(a) **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument shall fluctuate because of changes in foreign exchange rates.

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Japanese Yen, the US Dollar, Thai Baht, AED and Chinese Yuan. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. The Company's exposure to foreign currency risk at the reporting date is as follows:

	2025				2024		
	Japanese Yen	U.S. Dollars	AED	CNY	Japanese Yen	U.S. Dollars	AED
	----- in '000 -----				----- in '000 -----		
Cash at bank / trade debts	-	3,679	16		-	3,728	797
Trade and other payables	(1,368,967)	(1,143)	-	(40)	(2,591,975)	(845)	-
Net exposure	(1,368,967)	2,536	16	(40)	(2,591,975)	2,883	797

The following significant exchange rates have been applied:

	2025	2024	2025	2024
	Average rate		reporting date rate	
	----- Rupees -----			
Pakistani Rupee to Japanese Yen	1.83	1.98	1.86	1.84
Pakistani Rupee to U.S. Dollar	278.56	285.08	280.16	277.94
Pakistani Rupee to Chinese Yuan	38.64	39.73	38.57	38.31
Pakistani Rupee to AED	75.84	77.50	76.27	75.73

At March 31, 2025 if the Pakistani Rupee had strengthened / weakened by 5% against Japanese Yen, U.S. Dollar, AED, Thai Baht and Chinese Yuan with all other variables held constant, profit before tax for the year would have been higher / (lower) by the amount shown below mainly as a result of net foreign exchange gains / (losses) on translation of foreign denominated financial assets and liabilities.

Effect on profit for the year:	2025	2024
	--- Rupees in '000 ---	
Pakistani Rupee to Japanese Yen	127,314	238,462
Pakistani Rupee to U.S. Dollar	(35,524)	(40,065)
Pakistani Rupee to AED	(61)	(3,018)
Pakistani Rupee to Chinese Yuan	77	-
	91,806	195,379

Interest rate risk

Interest rate risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of change in market interest rates.

The Company is exposed to interest rate risk on balances with banks in saving deposit accounts and term deposit receipts and long term borrowings. Borrowings / deposit issued at variable rates expose the Company to cash flow risk and borrowing / deposit issued at fixed rate expose the Company to fair value interest rate risk. Significant interest rate risk exposures are primarily managed by a suitable mix of deposits. At March 31, 2025, the Company's interest bearing financial assets amounted to Rs.35,298,017 thousand (2024: Rs.37,473,141 thousand) and interest bearing financial liabilities amounting to Rs.407,607 thousand (2024: Rs.215,650 thousand).

At March 31, 2025, if the interest rate on the Company's deposits had been 1% higher / lower with other variables held constant, profit before tax for the year would have been higher / (lower) by Rs.30,524 thousand (2024: Rs.37,257 thousand) mainly as a result of higher / (lower) interest income.

Price risk

Price risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from foreign exchange risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors effecting all similar financial instruments traded in the market.

The Company is exposed to price risk because of investments in mutual fund securities aggregating to Rs.24,048,674 thousand (2024: Rs.12,839,433 thousand) as changes in Net Asset Value (NAV) of mutual funds affects the Company. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolios.

At March 31, 2025, if fair value (NAV) had been 5% higher / lower with all other variables held constant profit before tax for the year would have higher / (lower) by Rs.1,202,434 thousand (2024: Rs.641,972 thousand).

(b) Credit risk

Credit risk represents the risk of financial loss being caused if counter party fails to perform as contracted or discharge an obligation. The Company's credit risk arises from deposits with banks & financial institutions, loans & advances, deposits, trade debts, investments, accrued mark-up / interest and other receivables.

The carrying amounts of financial assets represent the maximum credit exposure. The financial assets exposed to credit risk amounted to Rs.64,026,246 thousand (2024: Rs.52,279,752 thousand) as at March 31, 2025 and are as follows:

	2025	2024
	--- Rupees in '000 ---	
Long term loans and advances	119,841	106,531
Long term deposits	43,887	41,672
Trade debts	2,506,086	1,021,954
Loans and advances	102,015	89,211
Trade deposits	38,727	18,619
Accrued mark-up / interest	1,063,361	656,355
Other receivables	4,322	16,137
Short term investments	30,048,664	13,959,667
Bank balances	30,099,343	36,369,606
	<u>64,026,246</u>	<u>52,279,752</u>

The maximum exposure to credit risk for trade debts at the reporting date by geographic region is as follows:

	2025	2024
	--- Rupees in '000 ---	
Pakistan	2,506,492	1,025,791
Bangladesh	-	65
Japan	123	318
Nigeria	4,696	-
	<u>2,511,311</u>	<u>1,026,174</u>

The maximum exposure to credit risk for trade debts by type of counter party as at reporting date is as follows:

	2025	2024
	--- Rupees in '000 ---	
Government departments	51,632	745
Defence institutions	1,389,855	794,533
Others (including exports)	1,069,824	230,896
	<u>2,511,311</u>	<u>1,026,174</u>

Out of the total financial assets credit risk is concentrated in trade debts, investments in mutual funds securities and deposits with banks as they constitute 97% (2024: 98%) of the total financial assets. Significant part of sales of the Company occurs against advance payments, therefore, trade debts mainly arise from export sales and local sales that were made to Government and Defence Institutions. The Company believes that it is not exposed to any specific credit risk in respect of those trade debts.

The credit quality of loans and receivables can be assessed with reference to their historical performance with no or negligible defaults in recent history and no losses incurred. The credit quality of Company's bank balances and investments in mutual funds securities can be assessed with reference to the external credit ratings as follows:

	Rating		
	Short term	Long term	Agency
Banks			
Conventional			
Allied Bank Limited	A1+	AAA	PACRA
Askari Bank Limited	A1+	AA+	PACRA
Bank Al Habib Limited	A1+	AAA	PACRA
Bank Alfalah Limited	A1+	AAA	PACRA
Deutsche Bank AG	A-1	A	S & P
Habib Bank Limited	A1+	AAA	JCR-VIS
Habib Metropolitan Bank Limited	A1+	AA+	PACRA
MCB Bank Limited	A1+	AAA	PACRA
National Bank of Pakistan	A1+	AAA	PACRA
Soneri Bank Limited	A1+	AA-	PACRA
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA
United Bank Limited	A1+	AAA	JCR-VIS
Industrial Commercial Bank of China	A-1	A	S & P
Shariah Compliant			
BankIslami Pakistan Limited	A1	AA-	PACRA
Meezan Bank Limited	A1+	AAA	JCR-VIS
Faysal Bank Limited	A1+	AA	PACRA
MCB Islamic Bank Limited	A1	A+	PACRA
Mutual Funds		Rating	Agency
Atlas Income Fund		AA-(f)	PACRA
Atlas Money Market Fund		AA+(f)	PACRA
Atlas Sovereign Liquid Fund		AA-(f)	PACRA
Atlas Liquid Fund		AA+(f)	PACRA
Atlas Islalmic Stock Fund		Un-rated	Un-rated
Lakson Income Fund		A+(f)	PACRA
Lakson Money Market Fund		AA+(f)	PACRA
UBL Government Securities Fund		AA(f)	JCR-VIS
UBL Money Market Fund		AA+(f)	JCR-VIS

(c) **Liquidity risk**

Liquidity risk reflects the Company's inability in raising funds to meet commitments. The Company manages liquidity risk by maintaining sufficient balances with banks, marketable securities and the availability of funding through an adequate amount of committed credit facilities. At March 31, 2025, the Company had Rs.7,090,000 thousand available borrowings limits from banks / financial institutions, marketable securities of Rs.30,048,664 and bank balances of Rs.30,099,343 thousand.

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

	Carrying amount	Contractual cash flows	Maturity upto one year	Maturity more than one year
----- Rupees in '000 -----				
March 31, 2025				
Lease liabilities	407,607	760,998	122,169	638,829
Trade and other payables	48,697,061	48,697,061	48,697,061	-
Unclaimed dividend	203,441	203,441	203,441	-
	<u>49,308,109</u>	<u>49,661,500</u>	<u>49,022,671</u>	<u>638,829</u>
	Carrying amount	Contractual cash flows	Maturity upto one year	Maturity more than one year
----- Rupees in '000 -----				
March 31, 2024				
Lease liabilities	347,293	687,486	114,688	572,798
Trade and other payables	43,151,951	43,151,951	43,151,951	-
Unclaimed dividend	215,084	215,084	215,084	-
Dividend payable	682,949	682,949	682,949	-
	<u>44,397,277</u>	<u>44,737,470</u>	<u>44,164,672</u>	<u>572,798</u>

40.2 Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. The Board of Directors monitors the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders and / or issue new shares. There was no change to the Company's approach to capital management during the year.

40.3 Financial instruments by category

Financial assets as per statement of financial position	Amortised cost		At fair value through profit or loss	
	2025	2024	2025	2024
	--- Rupees in '000 ---		--- Rupees in '000 ---	
Long term loans and advances	119,841	106,531	-	-
Long term deposits	43,887	41,672	-	-
Trade debts	2,506,086	1,021,954	-	-
Loans and advances	102,015	89,211	-	-
Trade deposits	38,727	18,619	-	-
Accrued mark-up / interest	1,063,361	656,355	-	-
Other receivables	4,322	16,137	-	-
Short term investments	5,999,990	1,120,234	24,048,674	12,839,433
Bank balances	30,099,343	36,369,606	-	-
	<u>40,623,893</u>	<u>39,440,319</u>	<u>24,048,674</u>	<u>12,839,433</u>
Financial liabilities as per statement of financial position	Financial liabilities measured at amortised cost			
	2025	2024		
	--- Rupees in '000 ---			
Trade and other payables			24,069,363	21,098,902
Unclaimed dividend			203,441	215,084
Dividend payable			-	682,949

40.4 Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

The carrying values of all financial assets and liabilities reflected in the financial statements are a reasonable approximation of their fair values.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

The following table presents the Company's financial assets that are measured at fair value at March 31, 2025 and March 31, 2024.

	March 31, 2025			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
Assets - Recurring fair value measurement				
Financial assets at fair value through profit or loss				
Short term investments	24,048,674	-	-	24,048,674

	March 31, 2024			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
Assets - Recurring fair value measurement				
Financial assets at fair value through profit or loss				
Short term investments	12,839,433	-	-	12,839,433

There were no transfers amongst the levels during the current and preceding year. The Company's policy is to recognise transfer into and transfers out of fair value hierarchy levels as at the end of the reporting periods.

Valuation techniques used to determine fair values

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to measure fair value of an instrument are based on observable market data, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

There were no transfers amongst the levels during the current and preceding year. The Company's policy is to recognise transfer into and transfers out of fair value hierarchy levels as at the end of the reporting periods.

41. ENTITY-WIDE INFORMATION

41.1 The Company markets and sells motorcycles and spare parts. Breakdown of net revenues for both the products of the Company is as follows:

	2025	2024
	--- Rupees in '000 ---	
Motorcycles	183,694,363	141,198,565
Spare parts	20,200,075	18,093,664
	203,894,438	159,292,229

41.2 Export sales are made to Japan, Afghanistan, Bangladesh, Thailand, Nigeria and Kyrgyzstan. Result of the Company's revenue from external customers in Pakistan is Rs.196,963,412 thousand (2024: Rs.153,480,305 thousand) and total revenue from external customers from other countries is Rs. 6,931,026 thousand (2024: Rs.5,811,924 thousand).

41.3 All the non-current assets of the Company are located in Pakistan.

41.4 The Company's customer base is diverse with no single customer accounting for more than 10% of net revenue.

42. PLANT CAPACITY AND ACTUAL PRODUCTION

	2025	2024
	--- Number of units ---	
Capacity - Motorcycles	1,500,000	1,500,000
Production	1,186,746	966,768

The capacity of the plants are determined based on a certain product mix and number of working days.

43. NUMBER OF EMPLOYEES

	2025	2024
	--- Numbers ---	
Total number of employees	2,782	2,718
Average number of employees	2,789	2,716

44. PROVIDENT FUND RELATED DISCLOSURE

The Company operates defined contribution provident fund (the Fund) maintained for its permanent employees. Equal monthly contributions at the rate of 11% of the basic salary are made to the Fund both by the Company and the employees. The following information is based on un-audited financial statements of the Fund for the year ended March 31, 2025:

	(Un-Audited) 2025	Audited 2024
	--- Rupees in '000 ---	
Size of the Fund - Total assets	1,131,927	964,134
Fair value of investments	1,110,254	949,654
Cost of investments	982,223	879,857
Percentage of investments made	86.77%	91.26%

44.1 The investments out of provident fund have been made in accordance with the provisions of section 218 of the Act and conditions specified thereunder.

45. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Lease liability	Unclaimed / unpaid dividend	Total
	----- Rupees in '000 -----		
Balance at beginning of the year	347,293	898,033	1,245,326
Changes from financing cash flows			
Payment of lease rental	(130,261)	-	(130,261)
Dividend paid	-	(8,388,044)	(8,388,044)
	(130,261)	(8,388,044)	(8,518,305)
Liability - related to other changes			
Interest on lease liability	67,992	-	67,992
Dividend declared	-	7,693,452	7,693,452
Recognised	122,583	-	122,583
	190,575	7,693,452	7,884,027
Balance at end of the year	407,607	203,441	611,048

46. SHARIAH SCREENING DISCLOSURE

	2025		2024	
	Conventional	Shariah Compliant	Conventional	Shariah Compliant
	----- Rupees in '000 -----			
Short term investments	29,595,536	453,128	18,268,140	592,943
Bank balances	30,063,635	35,708	31,140,947	327,243
Revenue	-	203,894,438	-	159,292,229
Other income				
a) Mark-up / interest on saving deposit accounts, term deposit receipts and Government securities	617,197	54,595	875,289	92,352
b) Gain on trade of investment in treasury bills and Pakistan investment bonds	4,519,739	-	4,573,583	-
c) Gain on sale of investments at fair value through profit or loss	1,201,469	500	41,339	-
d) Fair value gain / (loss) on investments at fair value through profit or loss	901,447	169,882	537,412	167,302
e) Dividend income	1,579,744	24,823	2,342,437	20,709
f) Others	-	122,969	-	410,729

47. CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary for the purposes of comparison and better presentation the effect of which is not material.


48. EVENT AFTER REPORTING PERIOD


The Board of Directors, in their meeting held on April 30, 2025, proposed a final cash dividend of Rs. 42 (2024: Rs.30) per share amounting to Rs. 5,211,692 (2024: Rs.3,722,638 thousand) for the year ended March 31, 2025 for approval of the members at the Annual General Meeting to be held on June 24, 2025.

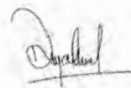
The financial statements for the year ended March 31, 2025 do not include the effect of the proposed appropriations, which will be accounted for in the financial statements for year ending March 31, 2026.

49. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on April 30, 2025 by the Board of Directors of the Company.


Aamir H. Shirazi
Chairman


Saquib H. Shirazi
Chief Executive Officer


Daniyal Ahmed Rasheed
Chief Financial Officer

Pattern of Shareholding As at March 31, 2025

Shareholders Category	Number of Shareholder	No. of Shares held	Percentage
Associated Companies, Undertakings and related Parties:			
Atlas Insurance Limited	1	3,518,073	2.84%
Honda Motor Company Limited	1	43,430,778	35.00%
Shirazi Investments (Pvt) Limited	1	65,064,831	52.43%
Atlas Foundation	1	1	0.00%
	4	112,013,683	90.27%
NIT and ICP:			
National Bank Of Pakistan Trustee Department	1	31,705	0.03%
IDBP (ICP Unit)	1	683	0.00%
	2	32,388	0.03%
Directors, CEO and their Spouses and minor children and Associates:			
Mr.Aamir H. Shirazi	1	1	0.00%
Mr.Saqib H. Shirazi (CEO)	1	1	0.00%
Mr. Azam Faruque	1	500	0.00%
Mr. Kazushi Yamanaka	1	1	0.00%
Mr. Tetsuya Komine	1	1	0.00%
Mr. Masanori Kito	1	1	0.00%
Mr. Abid Naqvi	1	601	0.00%
Ms. Mashmooma Zehra Majeed	1	501	0.00%
	8	1,607	0.00%
Executives		-	0.00%
Public Sector Companies and Corporations		-	0.00%
Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Modaraba and Mutual Funds.	27	144,103	0.12%
Individuals	3,345	11,710,463	9.44%
Others	25	185,690	0.15%
Total	3,411	124,087,935	100.00%

Shareholders holding 10% or more voting interest

Honda Motor Company Limited	43,430,778	35.00%
Shirazi Investments (Pvt) Limited	65,064,831	52.43%

There was no trading in the shares of the Company by Directors, their spouses, and minor children.

Pattern of Shareholding As at March 31, 2025

No. of shareholders	Shareholdings				Total shares held
1962	From	-	To	100	52,722
672	From	101	To	500	173,429
241	From	501	To	1,000	175,565
334	From	1,001	To	5,000	742,607
64	From	5,001	To	10,000	458,522
41	From	10,001	To	15,000	513,806
16	From	15,001	To	20,000	277,340
8	From	20,001	To	25,000	176,754
8	From	25,001	To	30,000	215,671
8	From	30,001	To	35,000	256,589
3	From	35,001	To	40,000	109,251
3	From	40,001	To	45,000	129,630
3	From	45,001	To	50,000	142,214
5	From	50,001	To	55,000	266,737
4	From	55,001	To	65,000	236,941
2	From	65,001	To	80,000	155,593
1	From	80,001	To	85,000	83,000
4	From	85,001	To	95,000	360,587
4	From	95,001	To	100,000	392,769
3	From	100,001	To	110,000	313,821
3	From	120,001	To	140,000	407,358
2	From	140,001	To	150,000	293,637
4	From	150,001	To	180,000	604,015
4	From	180,001	To	210,000	769,936
3	From	210,001	To	235,000	444,081
3	From	235,001	To	380,000	828,496
1	From	380,001	To	695,000	382,350
1	From	695,001	To	700,000	696,700
1	From	700,001	To	720,000	711,240
1	From	720,001	To	1,235,000	1,233,489
4	From	1,100,001	To	1,200,000	469,403
1	From	1,235,001	To	3,520,000	3,518,073
1	From	3,520,001	To	43,435,000	43,430,778
1	From	43,435,001	To	65,065,000	65,064,831
3,415					124,087,935

Pattern of Shareholding As at March 31, 2025

Categories of Shareholders	Number of shareholder(s)	Shares held	Percentage
Directors, CEO their spouse and minor children and Associates	8	1,607	0.00
*Associated Companies, undertakings and related parties	4	112,013,683	90.27
NIT and ICP	2	32,388	0.03
Banks, Development Finance Institutions, Non-Banking Finance Institutions			
Insurance Companies			
Modarabas and Mutual Funds	27	144,103	0.13
General Public			
Local	3,345	11,710,463	9.45
Foreign			
Others			
Joint Stock Companies	23	184,525	0.15
Cooperative Society	1	1,165	0.00
Trustee of Iftikhar Shirazi Family Trust	1	1	0.00
	3,411	124,087,935	100.00

* Note : Composition of Shares Held by Associated Companies

Name of Company	Number of shares held
Atlas Insurance Ltd	3,518,073
Honda Motor Company Ltd	43,430,778
Shirazi Investments (Pvt) Ltd	65,064,831
	112,013,682

Notice of the 61st Annual General Meeting

Notice is hereby given that the Sixty-first (61st) Annual General Meeting (AGM) of the shareholders of Atlas Honda Limited will be held on Tuesday, June 24, 2025, at 10:00 A.M. at Avari Hotel, Mall Road, Lahore, to transact the following business.

Ordinary Business

1. To confirm the minutes of the AGM held on June 27, 2024.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2025, together with the Directors' and Auditor's Reports thereon and Chairman's Review Report.

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

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



3. To appoint Auditors and to fix their remuneration. The shareholders are hereby notified that the Board and the Board Audit Committee have recommended the name of M/s ShineWing Hameed Chaudhri & Co., Chartered Accountants, for re-appointment as auditors of the Company.
4. To consider and approve the payment of final cash dividend for the year ended March 31, 2025 @ 420% i.e. Rs. 42 per share as recommended by the Board. This is in addition to 320% i.e. Rs. 32 per share interim cash dividend already paid.

Other Business

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

By Order of the Board

Maheen Fatima
Karachi: June 03, 2025
Company Secretary

NOTES:

i. Closure of Share Transfer Books

The share transfer books of the Company will remain closed from Wednesday, June 11, 2025 to Tuesday, June 24, 2025 (both days inclusive). The transfers received at Company's Share Registrar namely M/S Hameed Majeed Associates (Private) Limited, H.M House, 7-Bank Square, Shahrah-e-Quaid-e-Azam, Lahore, Pakistan by the close of business (5:00 p.m.) on Tuesday, June 10, 2025 will be considered in time for determination of entitlement of shareholders to cash dividend, bonus shares and to attend and vote at the meeting.

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

The Company has made arrangements to ensure maximum participation of shareholders in the AGM proceedings via video-link. For this, shareholders are required to email their Name, Folio Number, Cell No., and Number of Shares held in their name with subject "Registration for Atlas Honda Limited AGM" along with valid copy of CNIC (both sides) at investor.relations@atlashonda.com.pk. Video link and login credentials will be shared with only those shareholders whose emails, containing all the required particulars, are received by close of office on Friday, June 20, 2025. Login facility will be opened thirty minutes before the meeting time to enable the participants to join the meeting after the identification process. Shareholders will be able to login and participate in the AGM proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders.

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

The instrument appointing Proxy must be received at the Registered Office or Share Registrar of the Company not less than 48 hours before the time of the meeting. For the convenience of the shareholders, a Proxy Application Form is dispatched with the Annual Report 2025.

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

A. For Attending the Meeting:

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

B. For Appointing Proxies:

- (i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration detail is uploaded as per the regulations, shall submit the proxy form as per the above requirement.
- (ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

- (iii) The proxy shall produce original valid CNIC or original passport at the above mentioned email address at least 48 hours before the meeting.
- (iv) In case of corporate entity, the board of directors' resolution / power of attorney with specimen signature shall be submitted on the email address mentioned above at least 48 hours before the meeting (unless it has been provided earlier) along with proxy form to the Company.
- (v) Proxy form will be witnessed by two persons whose names, addresses and valid CNIC numbers shall be mentioned on the form.
- (vi) Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address investor.relations@atlashonda.com.pk.

iii. E-Voting

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

iv. Change / Update of Shareholders' Particulars:


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

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

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

v. Transmission of Annual Report 2025

The Financial Statements of the Company for the year ended March 31, 2025 along with reports have been placed on the website of the Company and can be viewed through the below link/ QR Code:

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

In compliance with Section 223 (6) of the Act and SECP Notification vide SRO 787(1)/2014 dated September 8, 2024, soft copies of the Annual Report 2025 are being emailed to those members who opted to receive such communication via email. Other members who wish to receive the Annual Report 2025 via email may file an application as per the form provided on the Company's website i.e. <http://www.atlashonda.com.pk>.

vi. Dividend Mandate

Under the second provision of Section 242 of the Companies Act, 2017, listed companies are required to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. Accordingly, the Shareholders are requested to fill in Electronic Credit Mandate Form available on Company's website i.e. <http://www.atlashonda.com.pk> and send the duly signed form along with a copy of CNIC / NTN to our Share Registrar in case of physical shares. In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker / participant / CDC account services.

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

vii. Unclaimed Dividend

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

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

viii. Withholding Tax on Dividend

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

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

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

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

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

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

The required information must reach the Share Registrar of the Company by the close of business (5:00 p.m.) on Monday, June 09, 2025 otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint shareholder(s).

As per FBR's clarification, valid exemption certificate under section 159 of the ordinance is mandatory to claim exemption of withholding tax under clause 47B of part IV of 2nd Schedule of the Income tax Ordinance, 2001. Those who fall in the category mentioned in the aforesaid clause must provide valid tax exemption certificate to our Share Registrar, otherwise tax will be deducted on dividend amount as per rates prescribed in Section 150 of the Income tax Ordinance, 2001.

ix. Deposit of Physical Shares into CDC Account

Section 72(2) of the Companies Act, 2017 provides that every existing Company shall be required to replace its physical shares with book-entry form within four (4) years from the date of the promulgation of the Act. Further, vide its letter dated March 26, 2021, Securities and Exchange Commission of Pakistan has directed listed companies to pursue their such shareholders who are still holding shares in physical form to convert the same into book entry form. In order to ensure compliance with the aforementioned provision, all shareholders having physical shareholding are encouraged to open a CDC sub-account with any of the brokers or an Investor Account directly with CDC to place their physical shares into scripless form. This will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.

x. Zakat Declaration (CZ-50)

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

xi. Distribution of Gifts / Coupons

No gifts / coupons shall be distributed during the Annual General Meeting.

Shareholders' Information

Registered Office

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

Exchange Listing

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

Stock Symbol

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

Listing Fees

The annual listing fee for the financial year 2024 - 25 was paid to the PSX and Central Depository Company of Pakistan Limited within the prescribed time limit.

Statutory Compliance

During the year, the Company has complied with all applicable provisions, filed all returns / forms and furnished all relevant particulars / information as required under the Companies Act, 2017 and allied rules, the listing requirements and any other relevant laws, rules and regulations prescribed by the Securities and Exchange Commission of Pakistan (SECP).

Annual General Meeting

Date: June 24, 2025
Time: 10:00 A.M.
Venue: Avari Hotel, Mall Road, Lahore.

Financial Calendar

June: - Audited Annual Results for the year ended March 31, 2025
- Mailing of Integrated Annual Reports
- Annual General Meeting

July: - Unaudited first quarter financial results
- Corporate Briefing Session

October: - Unaudited half year financial results

January: - Unaudited third quarter financial results

Dividend Announcement

The Board of Directors in its meeting held on April 30, 2025 is pleased to recommend a final cash dividend of Rs. 42 per share (420%) for the year ended March 31, 2025 subject to approval by shareholders of the Company at the forthcoming Annual General Meeting, taking the total distribution for the year to Rs. 74 per share i.e. a payout of 740%.

The total distribution for the last year was Rs. 47 per share i.e. a payout of 470%.

Dates of Book Closure

The register of the members and shares transfer books of the Company will remain closed from June 11, 2025 to June 24, 2025 (both days inclusive).

Date of Dividend Payment

The payment of final dividend, upon declaration by shareholders at the forthcoming Annual General Meeting, will be made on or after June 24, 2025.

Last year, the Company has transferred the final cash dividend on June 27, 2024 after approval from shareholders at the 60th Annual General Meeting.

E-Dividend Mandate (Mandatory)

Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. In order to receive dividends directly into their bank account, shareholders are requested to fill in Electronic Credit Mandate Form available on Company's website i.e. <http://www.atlashonda.com.pk> and send it duly signed along with a copy of CNIC to the Registrar of the Company, M/S Hameed Majeed Associates (Private) Limited, H.M House, 7-Bank Square, Shahrah-e-Quaid-e-Azam, Lahore, Pakistan, in case of physical shares. In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker/ participant/CDC account services. In case of non-receipt of IBAN detail, the Company will be constrained to withhold payment of dividend under Companies (Distribution of Dividends) Regulations, 2017.

Withholding of Tax & Zakat On Dividend

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

In case of joint shareholder, each shareholder is to be treated individually as either a filer or non-filer and tax will be deducted on the basis of shareholding of each shareholder as may be notified by the shareholders, in prescribed format, to our share registrar, or if no such notification is received each shareholder shall be assumed to have an equal number of shares. The required information must reach the shares registrar of the Company by the close of business on June 09, 2025 otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint shareholder(s).

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

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

Share Transfer System

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

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

Proxies

According to section 137 of the Companies Act, 2017 and Memorandum and Articles of Association of the Company, every shareholder of the Company who is entitled to attend and vote at a General Meeting of the Company can appoint another member as his/her proxy to attend and vote instead of him/her. Every notice calling a General Meeting of the Company contains a statement that a shareholder entitled to attend, and vote is entitled to appoint a proxy, who ought to be a member of the Company.

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

Annual General Meeting

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

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

Website of The Company

The Company is operating the website www.atlashonda.com.pk containing updated information regarding the Company. The website contains the financial results of the Company together with the Company's profile, the Atlas group philosophy and products of the Company.

Change of Address / Email Address

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

M/s. Hameed Majeed Associates (Pvt.) Limited.

H.M. House, 7-Bank Square, Shahrah-e-Quaid-e-Azam, Lahore

Phone: +92 (42) 37235081-82

Fax: +92 (42) 37358817

Capital Structure

The paid-up capital of the Company is Rs. 1,241 million represented by 124.1 million shares of Rs. 10 /- each. The balance sheet footing stands at 87 Billion and net worth of Rs. 36 Billion.

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

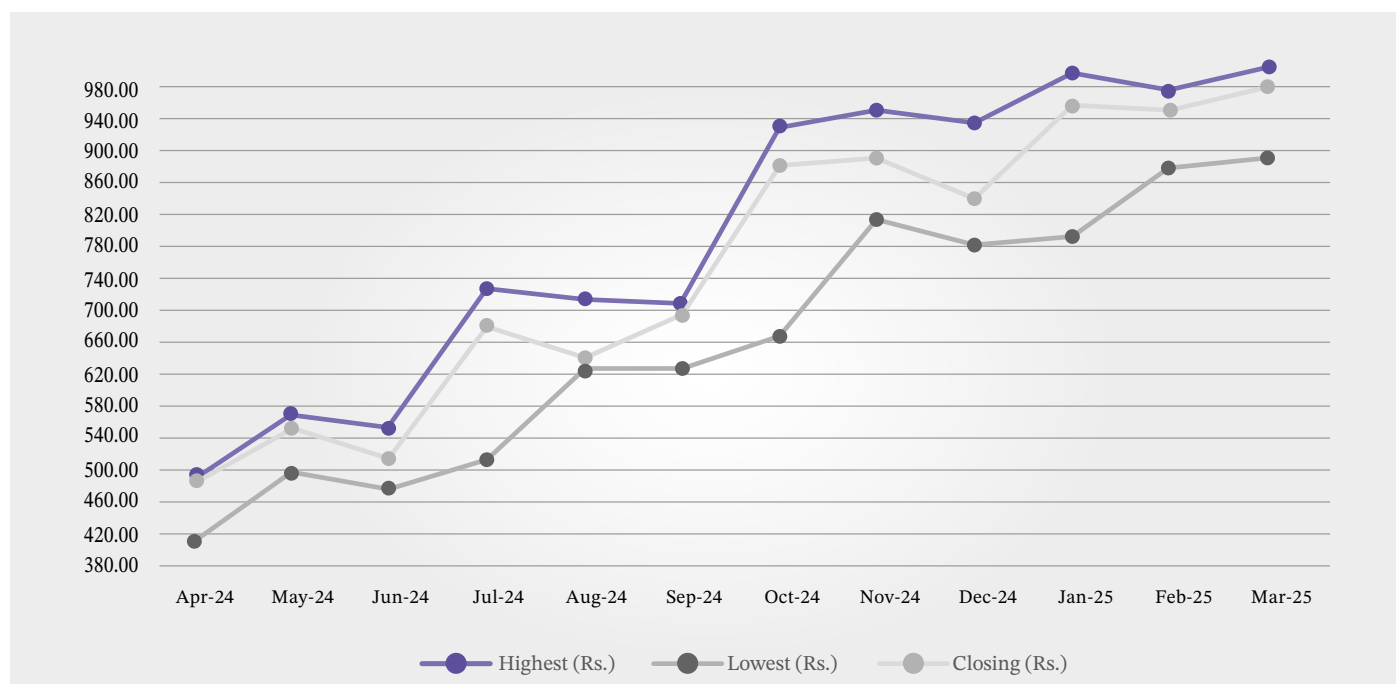
Details of shares held by Directors / Sponsors / Executives are given in the Pattern of Shareholding.

Market Capitalization, Share Price And Volume Data

The following table shows the monthly high, low and closing share prices of the Company and the volume of shares traded on the Pakistan Stock Exchange Limited during the financial year ended March 31, 2025:

Months	Highest (Rs.)	Lowest (Rs.)	Closing (Rs.)	No. of shares traded	Market Capitalization in Value* (Rs. in billion)
Apr-24	462.87	386.00	462.87	280,572.00	57.44
May-24	538.66	469.00	522.83	436,899.00	66.84
Jun-24	525.00	450.00	486.64	116,365.00	65.15
Jul-24	695.30	486.00	649.95	872,452.00	86.28
Aug-24	682.00	600.00	607.89	196,896.00	84.63
Sep-24	675.00	598.00	662.53	116,261.00	83.76
Oct-24	895.00	636.00	847.23	426,024.00	111.06
Nov-24	916.00	781.00	857.73	179,254.00	113.66
Dec-24	900.00	750.00	806.60	232,762.00	111.68
Jan-25	960.62	761.00	920.72	321,958.00	119.20
Feb-25	940.00	845.00	915.68	268,092.00	116.64
Mar-25	970.00	858.00	943.66	172,188.00	120.37

*Based on highest price




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Glossary of Terms

Acronym	Description
ACCA	Association of Chartered Certified Accountants
AGM	Annual General Meeting
AHL	Atlas Honda Limited
AHPL	Atlas Hitec (Private) Limited
AMP	Advance Management Program
ATL	Active Tax-payers List
B2B	Business to Business
BAC	Board Audit Committee
BCR	Best Corporate Report
BCG	Boston Consulting Group
BMR	Balancing Modernization and Replacement
BSR	Best Sustainability Report
BOD	Board of Director
CAGR	Cumulative Average Growth Rate
CBA	Collective Bargaining Agent
CCG	Code of Corporate Governance
CD	Compact Disk
CDC	Central Depository Company of Pakistan Limited
CDS	Central Depository System
CEO	Chief Executive Officer
CFA	Chartered Financial Analyst
CFO	Chief Financial Officer
CFSI	Conflict Free Sourcing Initiative
CKD	Completely Knocked Down
CNIC	Computerized National Identity Card
COMSATS	The Commission on Science and Technology for
	Sustainable Development in the South
COO	Chief Operating Officer
CPEC	China - Pakistan Economic Corridor
CSR	Corporate Social Responsibility
CSRCP	Corporate Social Responsibility Centre Pakistan
COVID-19	Coronavirus disease of 2019
CO ₂	Carbon di Oxide
DFI	Development Finance Institutions
DVD	Digital Versatile Disc

Acronym	Description
EBIT	Earning Before Interest and Tax
EOBI	Employee Old-Age Benefits Institution
EHS&S	Environmental, Health, Safety and Security
EPS	Earnings per Share
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning - software
EMS	Environment Management System
EPA	Environmental Protection Agency
E-Voting	Electronic Voting
FAST	Foundation for Advancement of Science and Technology
FBR	Federal Board of Revenue
FRM	Financial Risk Manager
FAQs	Frequently Asked Questions
GDC	Gravity Die Casting
GDP	Gross Domestic Product
GRI	Global Reporting Initiative
GHG	Green House Gases
GJ	Gigajoule
HMC	Honda Motor Company
HPDC	High Pressure Die Casting
HSE	Health Safety Environment
HR	Human Resource
HZ	Hertz
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IBA	Institute of Business Administration
ICAP	Institute of Chartered Accountants of Pakistan
ICMAP	Institute of Cost and Management Accountants of Pakistan
IFAC	International Federation of Accountants
IFC	International Finance Corporation
IFAS	Islamic Financial Accounting Standards
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IoBM	Institute of Business Management
IP	Intellectual Property

Acronym	Description
IRR	Internal Rate of Return
ISO	International Standardization Organization
ISAE	International Standard on Assurance Engagements
IT	Information Technology
KPI	Key Performance Indicators
KSE	Karachi Stock Exchange
KJ	Kilojoule
KW	Kilo Watt
LC	Letter of Credit
LLB	Bachelor of Law
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
LTD	Limited
LSM	Large Scale Manufacturing
LUMS	Lahore University of Management Sciences
m3	Cubic meter
MIS	Management Information System
MMC	Minor Model Change
MOU	Memorandum of Understanding
MSCI	Morgan Stanley Capital International
MTO	Management Trainee Officer
MUFAP	Mutual Funds Association of Pakistan
MUFG	Mitsubishi UFJ Financial Group
MW	Mega Watt
NAV	Net Asset Value
NBFI	Non-Banking Financial Institutions
NHC	New Honda Circle
NED	NED University of Engineering and Technology
NEQS	National Environmental Quality Standards
NFEH	National Forum for Health & Environment
NGO	Non-Governmental Organization
NPV	Net Present Value
NTN	National Tax Number
NUST	National University of Science and Technology
OGRA	Oil and Gas Regulatory Authority
OHSAS	Occupational Health & Safety Assessment Series
OPM	Owner/President Management

Acronym	Description
PAMA	Pakistan Automotive Manufacturers Association
PAT	Profit After Tax
PBT	Profit Before Taxation
PDCA	Plan-Do-Check-Act
PSQCA	Pakistan Standards and Quality Control Authority
PSX	Pakistan Stock Exchange
PAAPAM	Pakistan Association of Automotive Parts & Accessories
	Manufacturers
QA	Quality Assurance
QC	Quality Control
QMS	Quality Management System
RCSM	Risk and Counter Strategy Matrix
RMF	Risk Management Function
ROE	Return on Equity
SAFA	South Asian Federation of Accountants
SAP	Standard Application Protocol - ERP system
SDGs	Sustainable Development Goals
SECP	Securities and Exchange Commission of Pakistan
SIQP	Service Instructor Quality Program
SOPs	Standard Operating Procedures
SP	Spare Parts
SRO	Statutory Regulatory Order
SWOT	Strength Weaknesses Opportunities Threats
SSGC	Sui Southern Gas Company Limited
SNG	Synthetic Natural Gas
SZABIST	Syed Zulfikar Ali Bhutto Institute of Science & Technology
TDR	Term Deposit Receipt
UET	University of Engineering and Technology
UK	United Kingdom
UN	United Nations
USB	Universal Serial Bus
VIP	Vendor Improvement Program
VP	Vice President
WFH	Work From Home
WHO	World Health Organization
WWF	World Wildlife Fund

Feedback Form

Sustainability Report 2025

Details of information provided on issues covered in the report

<input type="checkbox"/>	Comprehensive	<input type="checkbox"/>	Adequate	<input type="checkbox"/>	Not adequate
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Clarity of the information provided in the report

<input type="checkbox"/>	High	<input type="checkbox"/>	Medium	<input type="checkbox"/>	Low
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The quality of design and layout of the report

<input type="checkbox"/>	Excellent	<input type="checkbox"/>	Good	<input type="checkbox"/>	Average
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Your comments for adding value to the report

Name :

Designation :

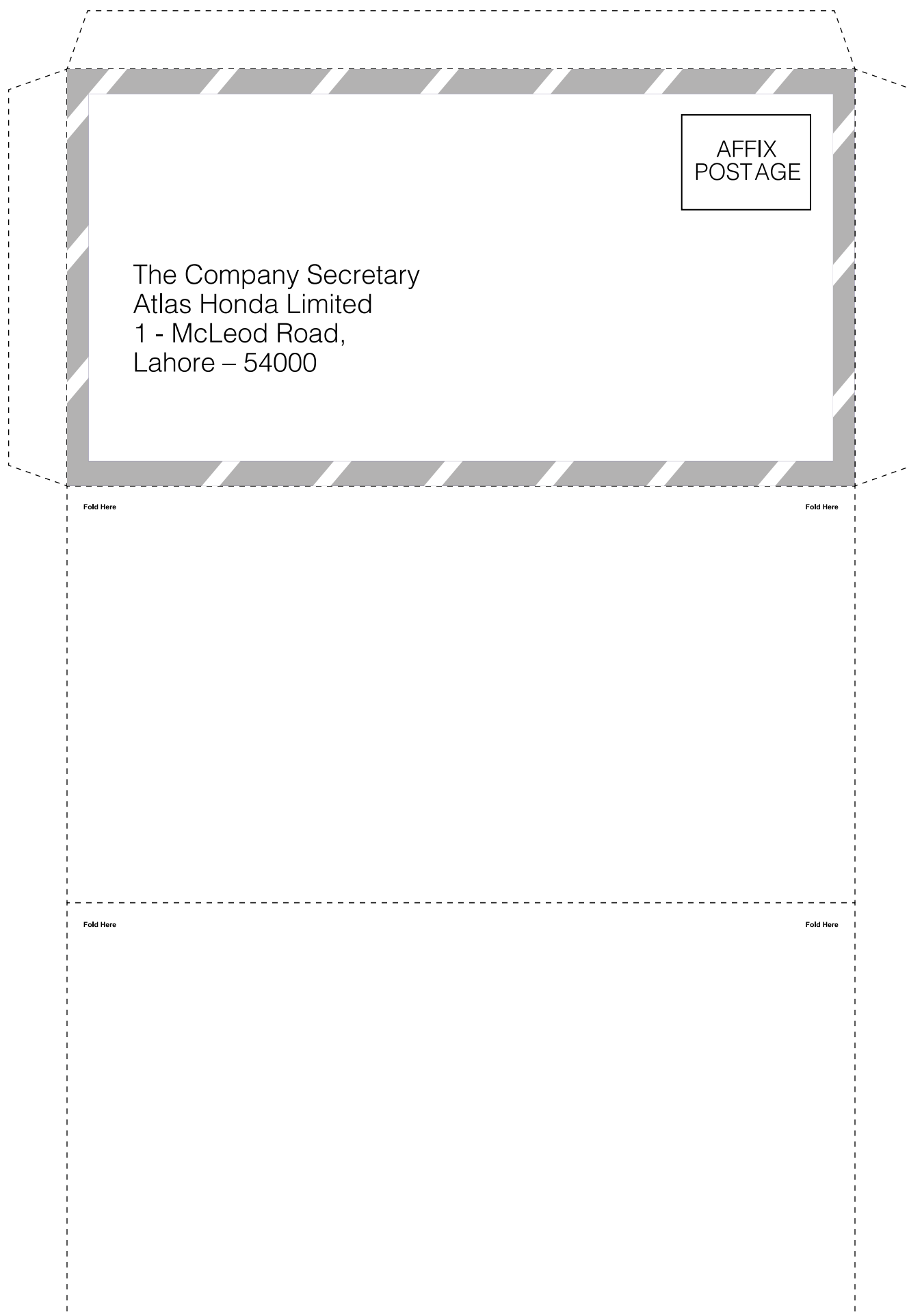
Organization :

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