Atlas Honda

Powered by Passion

Integrated Annual Report **2026**

POWERED BY PASSION
ABOUT THE COVER

Some machines are built for transportation. Others are built to create connection, trust, and emotion. For decades, Honda motorcycles have held a special place in the hearts of millions across Pakistan — not merely because of their performance, but because of the confidence and promise they offer. Behind every Honda motorcycle lies a passion for excellence that is felt both by those who build it and those who ride it.

Every component, every curve and every detail is shaped with precision, discipline, and care. From advanced manufacturing facilities to the skilled hands of artisans and engineers, each motorcycle represents an unwavering pursuit of perfection. It is this commitment to quality and excellence that transforms a machine into a product trusted by millions.

The cover “Powered by Passion” captures enduring love of customers for the Honda brand. The confidence of reliability, the assurance of fuel efficiency, and the peace of mind of durability have created a bond that grows stronger with every journey. Across Pakistan, Honda motorcycles are passed from one generation to another, becoming part of family stories and personal milestones. This passion is visible in every rider who proudly chooses Honda as the partner for life’s journey.

Yet, passion does not end with the customer — it begins long before the motorcycle reaches the road.

میں تے ہنڈا ای لے سَاں

Atlas Honda

Pakistan Standards

PRESIDENT / CEO'S MESSAGE

I am pleased to present the 62nd Annual Report of the Company for the year ended March 31, 2026. The year under review reflects a strong performance and marks a significant milestone in the Company's history. The Company achieved record sales of nearly 1.6 million motorcycles and generated spare parts revenue exceeding Rs. 27 billion, representing the highest level of performance in Atlas Honda's history. The record high sales volume places the Company among Honda's top four motorcycle producers globally. This accomplishment is a testament to the resilience, discipline, and strong commitment of our employees, dealers, suppliers, and business partners, whose collective efforts and dedication have been instrumental in delivering this historic success.

Despite a challenging global environment, the country demonstrated progress across key economic indicators through continued policy discipline and reform momentum. Easing inflationary pressures, improved external account indicators, and stable exchange rate helped restore business and consumer confidence. Large-Scale Manufacturing witnessed improvement creating a more supportive environment for industrial growth and investment. The motorcycle industry also recorded growth of approximately 30% during the year, as demand exceeded expectations amid improving economic conditions and renewed consumer confidence.

Against this backdrop, the Company ramped up its production capacity at both manufacturing facilities to meet the growing customer demand. This was a significant operational achievement, driven by productivity enhancement initiatives, strategic outsourcing, and improved operational efficiencies. These measures helped maintain cost discipline, reduce breakeven levels to historic lows, and strengthen our competitiveness. Simultaneously, the vendor ecosystem continued to expand, with Atlas Honda recording the largest procurement volume among automotive OEMs in Pakistan.

During the year, the Company also expanded its product portfolio through the introduction of two new models — CG150 and ICON e: reflecting our continued focus on innovation and evolving customer needs. As we continue to introduce new technologies and broaden our model lineup, we remain firmly committed to preserving the core values that define Atlas Honda: supreme reliability, exceptional service and lasting value with affordability.

The concept of "Service as a Sale" has gained momentum during the year with more than 50% of the spare part sales coming from the 3S network. Supported by digital tools and data-driven insights, our dealers are increasingly evolving into effective one-stop solutions for the UIO customer base. Further, our new "Lifestyle Dealership" concept was rolled out aimed at modernising the retail experience and foster stronger connections with a new generation of customers. These upgraded outlets represent the future of our brand presence, and over time, we envision establishing more than 100 such dealerships nationwide.

Diversity, equity, inclusion and sustainability remain an integral part of Atlas Honda's long-term vision. During the year, the Company continued its initiatives designed to reduce environmental footprint and support a more sustainable manufacturing ecosystem, the details of which are presented in the Sustainability Report. These efforts reflect the commitment to creating long-term value while contributing positively to the environment and society. Female associates are being continuously hired and trained in a more inclusive workplace environment. In a country where female mobility remains limited, Atlas Honda continues to play its vital role in empowering women through mobility awareness programs.

Looking ahead, one remains optimistic about the future with a focus on strengthening the Company's long-term competitiveness despite an uncertain region and ensuing volatility. Our strategic priorities for the coming years will include enhancing production capacity toward 2 million units by debottlenecking, expanding Atlas Honda's footprint in the international markets and further strengthening after-sales service to enhance customer satisfaction. Above all, we remain committed to reinforcing the philosophy of the Atlas Way through continuous self-development and organisational learning.

I would like to extend my heartfelt appreciation to our partner, Honda Motor, for its continued support and guidance. I would continue to thank our customers, shareholders, employees, suppliers, and dealers whose trust and commitment continue to inspire us in this shared passion for excellence and innovation that drives Atlas Honda forward year after year.

Saquib H. Shirazi
Chief Executive Officer

HONDA
Atlas Honda

ABOUT THIS REPORT

This Integrated Annual Report presents a comprehensive overview of Atlas Honda Limited ("the Company"), covering its corporate profile, strategic direction, sustainability initiatives and financial performance for the year ended March 31, 2026. It also incorporates a dedicated Sustainability Report outlining the Company's initiatives and long-term commitments aligned with its Vision 2050.

As Pakistan's leading two-wheeler manufacturer, the Company remains committed to maintaining transparent and meaningful engagement with its stakeholders through strong governance framework, ethical business practices, and commitment to responsible leadership. Through these disclosures, we aim to provide stakeholders with a clear understanding of the Company's strategic priorities, operational achievements and future aspirations in an evolving business environment.

REPORTING SCOPE AND FRAMEWORK

Reporting Period

- April 1, 2025 to March 31, 2026.

Financial Reporting Framework

This Report has been prepared in accordance with the following applicable laws, standards, and frameworks:

- International Integrated Reporting Framework
- Companies Act, 2017 and related pronouncements
- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and notified under the Companies Act, 2017
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan and notified under the Companies Act, 2017
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP)
- Listed Companies (Code of Corporate Governance) Regulations, 2019
- Best Corporate and Sustainability Reporting Awards criteria prescribed by the Joint Committee of ICAP and ICMAP.

Non-Financial Reporting Framework

The Company's sustainability, environmental, social, and governance disclosures are guided by the following frameworks and standards:

- United Nations Sustainable Development Goals (SDGs)
- Global Reporting Initiative (GRI) Standards 2021
- SECP Guidelines on ESG Disclosures for Listed Companies.

Materiality

The contents of this Report are determined based on their relevance to the Company's business performance, stakeholder interests, and potential impact on strategic decision-making.

Reporting Boundary and Forward-Looking Statement

This Report contains forward-looking statement based on management's current expectations, assumptions, estimates, and projections. Such statements are subject to various risks, uncertainties, and external factors that may cause actual results to differ materially from those expressed or implied. The Company undertakes no obligation to publicly update these statements in light of new information or future developments.

BOARD OVERSIGHT AND ASSURANCE

This Annual Report was approved by the Board of Directors in its meeting held on April 30, 2026, following a comprehensive review of the disclosures and financial statements contained herein.

The financial statements included in this Report have been audited by M/s. Shinewing Hameed Chaudhri & Co., Chartered Accountants, in accordance with applicable auditing standards. Their independent audit provides assurance regarding the credibility, accuracy, and reliability of the financial information presented.

REPORT STRUCTURE

This Report is organised into the following six sections, each accessible through the Table of Contents:

01. Organisation Overview

This section provides an introduction to the Company, its products, and business operations. It covers the Company's illustrious history, Group structure and its value creations model. In addition, it outlines the organisational structure, leadership profiles, and key highlights of the year.

02. External Environment, Strategy and Resource Allocation

This section provides insights into the external environment in which the Company operates, including market dynamics and strategic positioning. It further outlines the Company's strategic direction through its short, medium, and long-term objectives, together with the resources it utilizes to achieve those objectives.

03. Future Outlook and Risks & Opportunities

This section presents the Company's forward-looking statements and evaluates performance against the previous year's outlook. It also describes the Company's risk management framework and provides a detailed analysis of key risks and opportunities that may impact future performance.

04. Corporate Governance

This section encapsulates corporate governance framework, Board approved policies and statements from Board of Directors regarding the Company's performance, internal controls and compliance with applicable regulatory requirements. It also highlights the Company's approach to human capital management, IT governance, and stakeholder engagement and relationship.

05. Sustainability Report

This section provides disclosures relating to the Company's sustainability strategy, IFRS S1 and S2 requirements, together with the Company's environmental, social, and governance initiatives in line with recognised global standards and SECP guidelines.

06. Financial Statements, Analysis and Shareholders' Information

This section presents a detailed review of the Company's financial and non-financial performance through trend analysis, financial ratios, and graphical representations. Following this analysis, the audited financial statements are presented, together with the Notice of Annual General Meeting for its approval by the shareholders.

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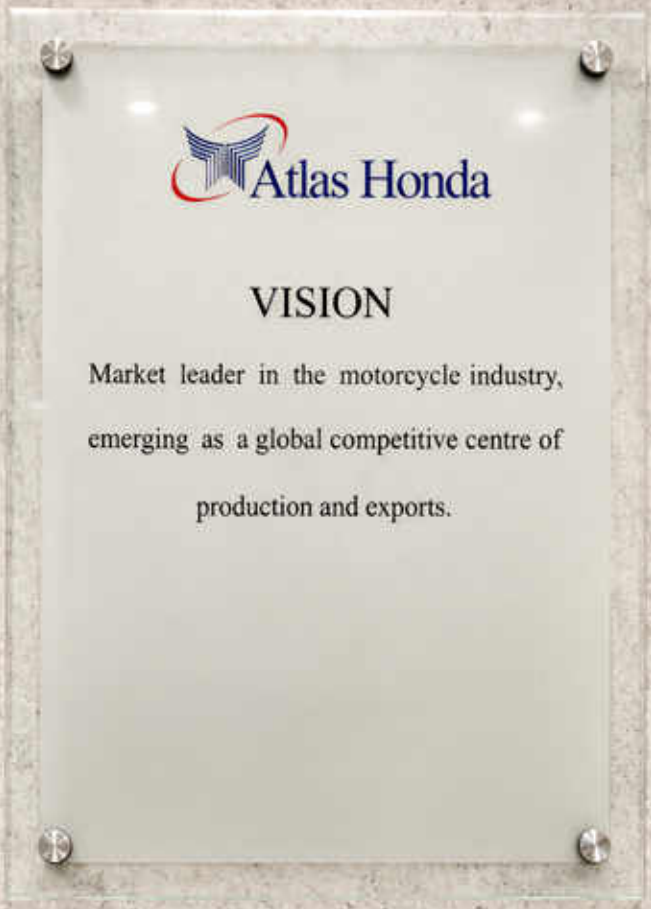
ORGANISATION OVERVIEW

VISION AND MISSION



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 Systems".

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, organisation 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 treatment of its employees. For which the Company has adopted its governance framework, aligned with regulatory requirements and industry's best practices.

All individuals associated with the Company are required to comply with the Code of Conduct, which outlines the principles, ethical standards, and guidelines applicable across the organisation. Below is the summary of Code of Conduct of the Company.

Our detailed Code of Conduct is accessible via our website **(www.atlashonda.com.pk)**.

COMPLIANCE WITH 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 value and respect our people and foster a diverse, inclusive, and safe work environment.
- We are committed to fostering a safe and healthy working environment by providing equal opportunities and supporting employee development through continuous learning and career growth initiatives.

CUSTOMERS

- We are committed to delivering quality products and services, promoting safe practices across the value chain, complying with product labelling requirements, and ensuring transparent communication with stakeholders.
- We shall conduct the business in accordance with the principles of good governance, fairness, transparency and integrity.

SHAREHOLDERS

- We are committed to delivering sustainable growth while ensuring timely and transparent communication with stakeholders regarding the Company's performance and activities.
- We shall conduct our business in accordance with the principles of good governance, fairness, integrity and transparency to create long-term shareholder value.

BUSINESS PARTNERS

- We shall be committed to establishing mutually beneficial relationships with our business partners.
- Our business practices shall adhere to the best business practices to manage any legal integrity.

COMMUNITY INVOLVEMENT

- We are committed to maintaining fair and transparent communication with society and stakeholders.
- We ensure accurate, timely, and reliable disclosure of relevant information.

PUBLIC ACTIVITIES

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

THE ENVIRONMENT

- We are committed to developing a sustainable business model that minimises environmental impact and contributes to the overall well-being of society.
- We encourage our supply chain partners to adopt environmentally responsible policies and practices.

INNOVATION

- The Company shall make innovations to meet customers' demands, working on the basis on research & development, technological advancement and high quality standards in its products and operations.

BUSINESS INTEGRITY

- We shall not offer, accept, or engage in bribery or any unethical practices for business or financial gain.
- We shall immediately reject and report to management any offer or demand involving bribes or improper payments.

CONFLICT OF INTERESTS & CONFIDENTIALITY

- We shall avoid personal activities or financial interests that may conflict with the interests of the Company.
- 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

- Ethical business principles are communicated across the organisation to ensure they are understood and practiced by all employees and associates.
- Any violation of policies, procedures, laws, or regulations is required to be promptly reported to the Business Ethics Committee.

MEDIA, PUBLISHING & PUBLIC APPEARANCES

- We shall not disclose corporate information to external parties or share Company-related information on social media unless authorized to do so.
- We shall obtain prior approval before making public statements, interviews, or appearances related to the Company.

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 endeavors 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 harmonised 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.

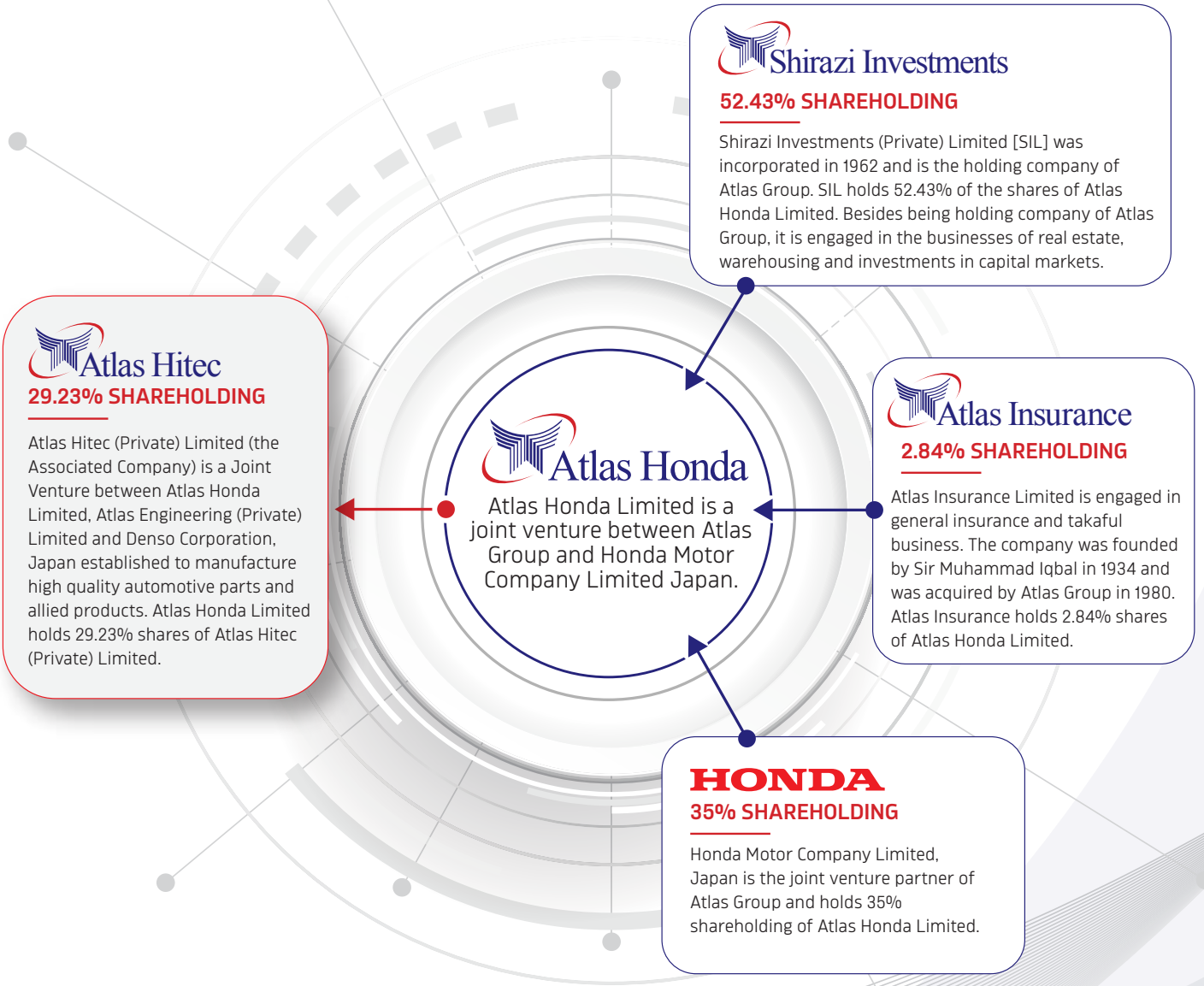
ATLAS GROUP AT A GLANCE

- **19** COMPANIES
- **04** LISTED ENTITIES
- **60+** YEARS OF LEGACY
- **5+** BUSINESS SECTORS
- NATION WIDE PRESENCE
- GLOBAL STRATEGIC PARTNERSHIPS

OUR GROUP COMPANIES

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

GROUP SHAREHOLDING



PERFORMANCE OF ASSOCIATE

Atlas Hitec (Private) Limited (the Associated Company) was incorporated in Pakistan as a private limited company on September 13, 2012. For the year ended March 31, 2026, Atlas Hitec delivered a strong financial performance, reflecting operational resilience and strategic focus. The Associated Company reported a Profit After Tax of Rs. 254.0 million, compared to Rs. 177.7 million in the previous year, representing a growth of approximately 42.9%. The improved profitability was primarily driven by higher sales volumes, cost optimisation through localisation initiatives and operational efficiencies, as well as increased profit contribution from Atlas GCI (Private) Limited which is an investment of the Associated Company in a joint venture with Chongqing Gongcheng Investment Co. Ltd., China to locally manufacture electronic motorcycle components.

The Company has recorded dividend income of Rs. 16.7 million from the Associated Company during the year. The dividend received, together with the share of profit recognised, contributed positively to the carrying value of the investment in the associate as reflected in the Company's financial statements. The summary of un-audited financial information of the Associated Company are presented in note no. 8 of the financial statements of the Company.

The Associated Company continues to remain a strategically important asset for the Company. Management maintains regular oversight and remains confident in its long-term growth potential and value contribution.

GROWTH	PREVIOUS YEAR	DIVIDEND INCOME	PROFIT AFTER TAX
42.9%	Rs. 177.7 Million	Rs. 16.7 Million	Rs. 254.0 Million

ABOUT THE COMPANY

Atlas Honda Limited is Pakistan's leading motorcycle manufacturer, committed to delivering innovative, reliable and high-quality products and affordable mobility solutions while contributing towards the growth of Pakistan's automotive industry.

Atlas Honda's operations are driven by a commitment to high standards of corporate governance, operational efficiency, workplace safety and sustainable business practices.

Backed by the combined strengths of Atlas Group and Honda Motor Co., Japan, the Company continues to contribute significantly towards industrial development, employment generation and the growth of Pakistan's automotive sector while remaining focused on creating long-term value for all stakeholders.

COMPANY OVERVIEW

Atlas Honda Limited is a public limited company listed on the Pakistan Stock Exchange and is a strategic joint venture between Shirazi Investments (Private) Limited and Honda Motor Co., Japan.

As at March 31, 2026, Shirazi Investments (Private) Limited holds 52.43% of the Company's issued, subscribed and paid-up capital.

The Company is engaged in the manufacturing and marketing of motorcycles, spare parts and engine oil in Pakistan.

The registered office of the Company is located in Lahore, whereas its manufacturing facilities are located in Karachi and Sheikhupura.

Atlas Honda serves the automotive sector in Pakistan through a strong nationwide dealer network and institutional relationships.

ATLAS HONDA AT A GLANCE

LISTED ON PSX
Since 1991

SHAREHOLDING BY SIL
52.43%
as at March 31, 2026

MANUFACTURING FACILITIES
Karachi & Sheikhupura

PRODUCT PORTFOLIO
70cc, 100cc, 125cc, 150cc and EV Motorcycles

DEALER NETWORK
Nationwide

AFTER-SALES SERVICES
Extensive network for parts and after-sales support

COMPANY INFORMATION

BOARD OF DIRECTORS

Aamir H. Shirazi
Chairman

Azam Faruque
Director

Abid Naqvi
Director

Mashmooma Zehra Majeed
Director

Masanori Kito
Director

Koji Sugita
Director

Kazushi Yamanaka
Director

Saquib H. Shirazi
Chief Executive Officer

Maheen Fatima
Company Secretary

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

Saquib H. Shirazi
Member

Saadullah Ejaz
Secretary

MANAGEMENT

Saquib H. Shirazi
Chief Executive Officer

Afaq Ahmed
Vice President Marketing

Khawaja Shujauddin
General Manager JVs Coordination

Danyal Ahmed Rasheed
Chief Financial Officer

Zia Ul Hassan Khan
General Manager Sales

Faisal Mahmud
General Manager Plants

Muhammad Rashad Rashid
General Manager Quality Assurance & Special Projects

Rashid Ahmed
General Manager Commercial & Planning

Tahir Nazir
General Manager Supply Chain and Secretary MC

Mohammad Tahir Khan
General Manager Information Technology

Muhammad Ammar
General Manager New Model Center

Hassan Mushtaq Cheema
General Manager After Sales

Sajid Saleem
General Manager Production Planning & Control

Saadullah Ejaz
General Manager Human Resources & Administration / IR & CA

AUDITORS

Shinewing Hameed Chaudhri & Co.
Chartered Accountants

LEGAL ADVISORS

Mohsin Tayebaly & Co.

TAX ADVISORS

EY Ford Rhodes, Chartered Accountants

SHARES REGISTRAR

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

BANKERS

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

REGISTERED OFFICE

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

FACTORIES

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

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

BRANCH OFFICES & CUSTOMER CARE CENTRES

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

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

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

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

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

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

01 Mcleod Road, Lahore
Tel: (92-42) 37225015-6, 3722501-7

Office 708A, Jafza View Building No. 18, Jebel Ali,
Sheikh Zayed Road, Dubai UAE

SHOW ROOM

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

CUSTOMER CONTACT CENTRE

UAN: (92-42) 111-245-222
Toll Free: 0800-245-22
Email:contact.centre@atlashonda.com.pk

(Within Working Hours From Monday To Friday)

BOARD OF DIRECTORS

Aamir H. Shirazi ▲
Chairman

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

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

Mr. Naqvi serves on the Boards of Associated Constructors Ltd., ACL Capital (Pvt.) Ltd., Pie in the Sky (Pvt.) Ltd., and Geo Commerce (Pvt.) Ltd. Mr. Naqvi 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. Mr. Naqvi 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, Ms. Majeed 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 Organisation (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 Engineering 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 served on the Board of the Privatization Commission of the Government of Pakistan, Atlas Asset Management Ltd., International Industries Ltd., Atlas Battery Ltd., Indus Motor Company Ltd., Habib University Foundation 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., Atlas Honda Ltd. and The Pakistan Business Council. 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 Senior Vice President 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

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

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

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

▲ Non-Executive ● Executive ✕ Independent ■ Member Board Audit Commitee ⬟ Member Human Resource & Remuneration Committee

PRODUCT PORTFOLIO

Delivering performance, reliability and efficiency through a range of motorcycles designed for every rider.

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 Liters)

DRY WEIGHT
82kg

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)
1899 x 751 x 1014 mm

PETROL CAPACITY
8.6 Liters (Reserve: 1.0 Liter)

DRY WEIGHT
82kg

PRODUCT PORTFOLIO

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

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: 2.0 Liters)

DRY WEIGHT
100kg

PRODUCT PORTFOLIO

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: 2.0 Liters)

DRY WEIGHT
108kg

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: 2.0 Liters)

DRY WEIGHT
108kg

PRODUCT PORTFOLIO

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

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)
2066 x 773 x 1069 mm

PETROL CAPACITY
11.4 Liters (Reserve: 2.1 Liters)

DRY WEIGHT
120kg

PRODUCT PORTFOLIO

ENGINE CAPACITY
150cc | 4-Stroke | SOHC Air Cooled | Engine with Balancer

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 Liter)

DRY WEIGHT
124kg

MOTOR TYPE
DC Brushless

DRIVING MODES
Standard / Economy

BATTERY WEIGHT
11.6kg

BRAKE SYSTEM
Combined Braking System (CBS)

DIMENSION (LxWxH)
1796 x 680 x 1085 mm

CRUISING RANGE
53 Km (STD Mode) | 65 Km (Eco Mode)

DRY WEIGHT
86kg

PRODUCT PORTFOLIO

Atlas Honda Limited continues to strengthen customer confidence and long-term product reliability through one of the most extensive Genuine Spare Parts portfolios in Pakistan's two-wheeler industry.

The portfolio covers a comprehensive range of engine and performance parts, braking and suspension components, body and frame accessories, lubricants, tyres, batteries, and rider accessories designed to support optimum motorcycle performance, durability, safety, and riding comfort

1,500+
Spare Parts SKUs

10,000+
Service Outlets Nationwide

100%
Genuine Quality Assurance

10,500+
Technicians & Modern Tools

Engine & Performance

Engine Components
Fuel System Parts
Transmission Parts
Gear Shaft
Bearings

Electrical & Electronics

Electrical Components
Ignition System
Lighting System
Switches & Relays
Spark Plug

Chassis & Suspension

Suspension Parts
Frame Components
Footrest & Stand Parts
Cushion & Fork

Braking & Safety

Brake System Parts
Cables & Levers
Safety Components

Body & Appearance

Body Parts
Mirrors & Indicators
Graphics & Emblems
Painted Parts

Lubes

Engine Oils

WIDEST NETWORK, STRONGER SUPPORT.

The Company's offers most extensive after sales network in Pakistan consisting of more than 10,000 service outlets and 1500+ SKUs. Atlas Honda also continued expansion of the Honda Lifestyle Dealership Concept featuring modern retail environments, digitized workshops, premium accessories display areas, and enhanced customer engagement spaces aligned with evolving customer expectations and global retail standards. Dedicated genuine accessories zones and modernised service facilities further strengthened the premium ownership experience and customer interaction.

SNL APPLICATION

CONNECTING MECHANICS & CUSTOMERS

Strengthening digital engagement, enabling promotions, and enhancing convenience — all in one app.

SCAN TO DOWNLOAD SNL ANDROID APP

SCAN TO DOWNLOAD SNL IOS APP

AWARDS & ACCOLADES

The Prime Minister of Pakistan awarded a trophy achieving **highest exports in auto parts** for the year 2024-25 in a ceremony held on January 30, 2026.

Atlas Honda Integrated Annual Report 2024 won the **2nd Position** in the Engineering & Autos category at the Best Corporate & Sustainability Report Awards, held on November 06, 2025.

Atlas Honda was awarded **1st Position** in the category of Renewable Energy & Conservation, in the 2nd Climate Action Awards organised by OICCI.

Atlas Honda Sustainability report won overall **4th position** at the Best Corporate & Sustainability Report Awards, held on November 06, 2025.

Atlas Honda has been awarded **1st Position** by NFEH in 18th CSR Summit 2026 for three categories: CSR Report, Research & Publications, Waste Management/Recycle, Public Health and Safety Programs.

Atlas Honda has been awarded **1st Position** by Horticulture Society Sheikhupura in the categories of landscaping, seasonal flowers & rose garden.

KEY PERFORMANCE HIGHLIGHTS

RS. 274bn
Sales Revenue

RS. 36bn
EBIDTA

RS. 34bn
Profit Before Tax

51%
Return on Equity

1,585,289
Motorcycle Produced

1,585,086
Motorcycle Sold

790
Dealers

124
Vendors

Rs. 26bn
Spare Parts Revenue

Rs. 74bn
Contribution to National Exchequer

Rs. 108bn
Wealth Distributed

60%
Dividend Payout to Shareholders

Rs. 294mn
Donations

162%
Share Price Growth

2%
CO_2 Reduction Per Unit

2,888
Employees

25,232
Training and Development Hours

GEOGRAPHICAL PRESENCE

HO **Head Office:** Karachi

RO **Registered Office:** Lahore

F **Factories:** Karachi, Sheikhupura

BO **Branch Offices & Customer Care Centers:** Lahore, Multan, Islamabad, Hyderabad, Faisalabad, Rahim Yar Khan

S **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.atlashonda.com.pk

EXPORT REGIONS

AFRICA | MIDDLE EAST | CENTRAL ASIA | SOUTH ASIA

BUSINESS MODEL

An integrated approach to sourcing, manufacturing, distribution, and customer engagement enables the Company to create sustainable long-term value across its entire value chain. Through responsible procurement practices, localised vendor development, efficient manufacturing operations, and a strong nationwide dealer network, the Company effectively utilises financial, intellectual, natural, human, manufactured and social capital to support inclusive and sustainable growth. Guided by the principles of the "Atlas Way," the Company remains committed to quality, innovation, operational excellence, and sustainability, further strengthening its leadership position in Pakistan's two-wheeler industry while delivering consistent value to shareholders and stakeholders. There was no material change in the Company's business model during the year.

INPUTS / CAPITAL

FINANCIAL

Strong capital base that supports the operations and funds growth.

Capital: Rs. 1.2 bn
Equity: Rs. 46.5 bn

HUMAN

- Atlas culture
- **2,888** Employees
- Strong safety and wellbeing policies
- Diversity and inclusion

MANUFACTURED

- State of the art Manufacturing plants
- Diversified Product Portfolio
- Fully functional and enhanced sales platforms
- Advanced ERP and MIS

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

PRINCIPAL ACTIVITIES

01 RESEARCH AND DEVELOPMENT

Innovating for better performance, safety and sustainability.

02 DESIGN AND ENGINEERING

Engineering excellence to deliver superior quality and reliability.

03 RAW MATERIAL SOURCING

Responsible sourcing through approved vendors.

04 MANUFACTURING EXCELLENCE

Producing premium quality products with advanced technology.

05 OUTBOUND LOGISTICS

Efficient and reliable distribution to our dealer network.

06 MARKETING & COMMUNICATION

Building strong brand connect and engaging with our customers.

07 SALES THROUGH OUR DEALER NETWORK

Delivering accessibility and assurance through our nationwide dealer network.

08 PREMIUM-QUALITY CUSTOMER EXPERIENCES

Ensuring customer satisfaction at every touchpoint.

09 AFTER SALES SERVICES

Reliable after sales service and support for complete peace of mind.

OUR DIFFERENTIATORS

- First choice of customers for unmatched quality, fuel efficiency and after sales services
- Dedicated R&D team focused on continuous innovation and customer centric solutions
- Engineered to deliver unparalleled riding experience
- Agile business model to respond to evolving market dynamics and opportunities
- Strong dealer network and premium customer experience

OUTPUTS

INVESTORS

Sustainable profit growth to our investors over the years

51.0% ROE
60.0%
Dividend payout

CUSTOMERS

Glorious legacy of satisfied customers

5 MMCs
2 New Models Launched

EMPLOYEES

Respect, recognition and reward for performance

12.1 bn
Salaries
25K+
Man hours of training

PARTNERS

Collaborating with our vendors to provide utmost satisfaction to our customers

241.2 bn
Spent on payments

COMMUNITIES

Uplifting communities to enhance the living standards of the underprivileged

294.5 mn
Spent on communities

GOVERNING BODIES & REGULATORS

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

73.8 bn
Paid to exchequer

OUTCOMES (IMPACT)

- Creating maximum value for customers through high quality products
- Optimum returns for all stakeholders
- Strengthening of local economies across value chains
- Highly motivated and future ready workforce
- Responsible business for a sustainable future

COMMITMENT TO UN'S SUSTAINABILITY GOALS

POSITION WITHIN
THE VALUE CHAIN

Atlas Honda is an integral part of the motorcycle value chain in Pakistan, creating value at every stage—from responsible sourcing and strong partnerships to world-class manufacturing and a customer-centric distribution and aftersales network.

UPSTREAM

1. **RAW MATERIAL SOURCING**
   Ethical and responsible sourcing of metals and other essential raw materials.
2. **LOCAL & FOREIGN VENDORS**
   Diverse vendor base ensuring quality, innovation and supply reliability.
3. **PART INDIGENIZATION**
   Increasing to build self-reliance, reduce import dependency and strengthen the economy.
4. **VENDOR DEVELOPMENT & RISK MANAGEMENT**
   Capability building, risk assessment and continuous improvement of our supplier base.
5. **TECHNICAL COLLABORATION**
   Continuous collaboration with global partners for technology transfer and product innovation.
6. **ESG-COMPLIANT PROCUREMENT**
   Embedding environmental, social and governance criteria in our procurement processes.

POSITION IN

MANUFACTURING & ASSEMBLY
State-of-the-art facilities with lean processes and operational excellence.

ETHICAL BUSINESS PRACTICES
Integrity, transparency and governance embedded in all our actions.

SUSTAINABILITY COMMITMENT
Resource efficiency, emissions reduction and responsible operations.

CUSTOMER CENTRICITY | STRONG ECOSYSTEM | QUALITY & RELIABILITY | SUSTAINABLE VALUE CREATION

VALUE CHAIN

THE 'ATLAS WAY' PHILOSOPY

Leading by example through Humility and Excellence.

QUALITY ASSURANCE

Rigorous quality checks at every stage to ensure customer trust and reliability.

CSR & COMMUNITY ENGAGEMENT

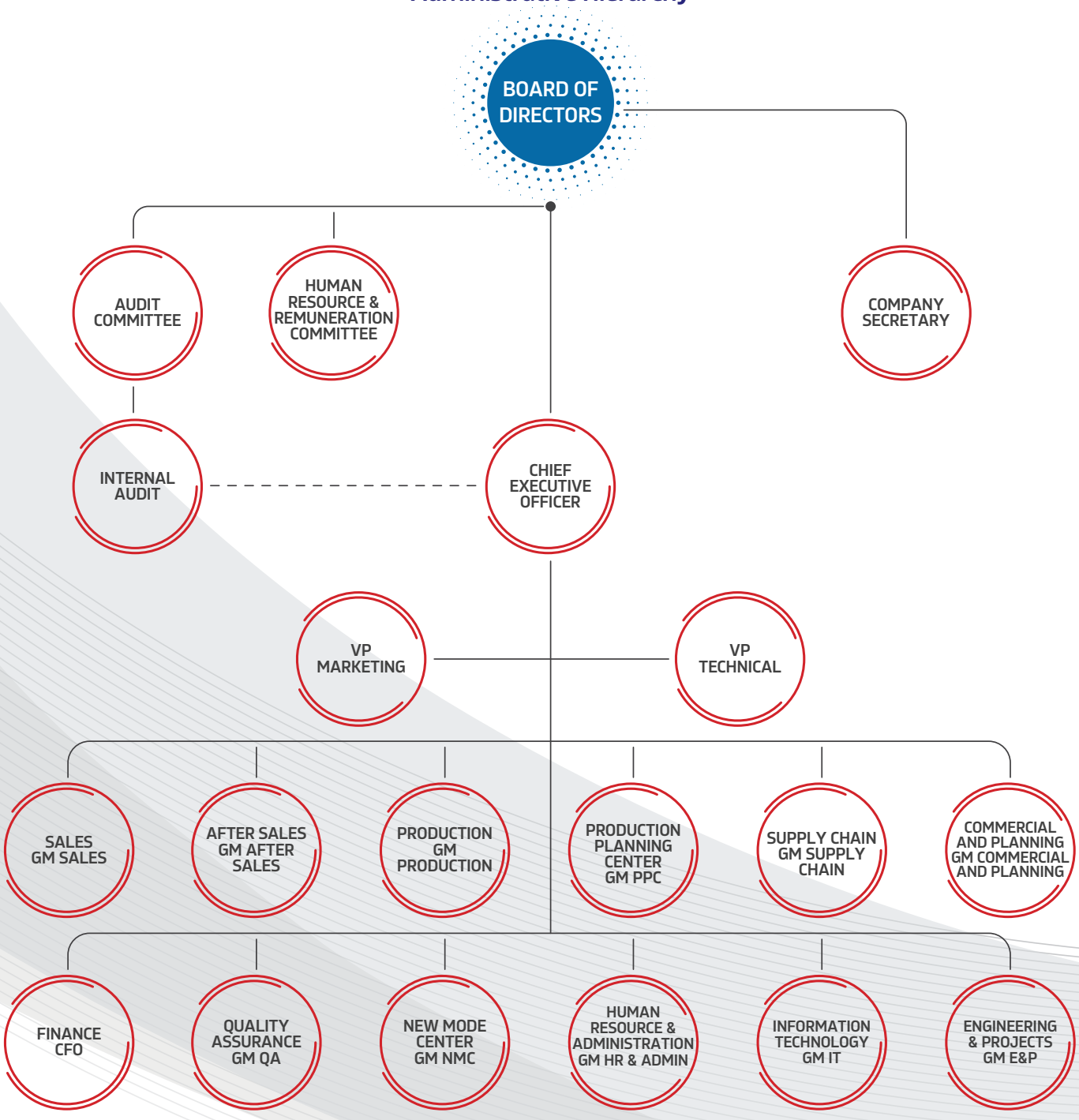
Investing in communities and creating positive social impact.

DOWN STREAM

1. **FINISHED GOODS LOGISTICS**
   Efficient and secure logistics ensuring timely delivery across Pakistan.
2. **SALES THROUGH DEALER NETWORK**
   Extensive nationwide network of 790+ dealers delivering accessibility and convenience.
3. **INSTITUTIONAL SALES**
   Serving government, corporate and institutional clients with customized solutions.
4. **AFTERSALES SERVICE**
   Widespread service centers offering reliable maintenance and spare parts availability.
5. **CUSTOMER SATISFACTION**
   Continuous feedback and engagement help us enhance experience and build lifelong relationships.
6. **LIFE CYCLE MANAGEMENT**
   Managing product performance throughout its life cycle with safety and sustainability in focus.

ORGANISATIONAL CHART

Administrative Hierarchy



Functional Hierarchy

SIGNIFICANT EVENTS
DURING THE YEAR 2025-26

1ST QUARTER

- Atlas Honda facilitated bookings through 0% markup campaigns with Meezan & Alfa Mall.
- Atlas Honda supplied customized higher CC motorcycles to WHO, Wildlife, Livestock & PERA.
- CB150F MMC launched through digital campaigns.
- BOD Meeting was held on April 30, 2025.
- Annual General Meeting was held on June 24, 2025.

2ND QUARTER

- CG150 and ICON e: were launched, reflecting the Company's future mobility vision.
- Independence Day Celebrations were held with traditional enthusiasm.
- MMCs of CD70 and CG125 were introduced.
- Atlas Honda Ltd sponsored Mr. Wajidullah Nagri to summit the Mount Everest.
- BOD Meeting was held on July 25, 2025.

3RD QUARTER

- ICON e: influencer and test ride activities conducted in Karachi and Lahore.
- Family Day celebrations held at Karachi and Sheikhupura plants to strengthen employee engagement and family bonding.
- Accolades from joint committee of ICAP and ICMAP on corporate and sustainability reporting
- BOD Meeting was held on October 30, 2025.

4TH QUARTER

- Honda Lifestyle dealerships inaugurated in various cities to provide enhanced brand experience to customers.
- MMC of Pridor & CB125F were introduced.
- Achieved certificate of appreciation for sustainability from NFEH.
- Awarded a trophy for highest exports in spare parts category by The Honorable Prime Minister.
- BOD Meeting was held on January 29, 2026.

MODEL LAUNCH EVENT

July 2025 marked an important milestone for Atlas Honda with the introduction of the all-new CG150 and ICON e:, further reinforcing the Company's commitment to manufacturing excellence, continuous product innovation, and mobility leadership. The launch represented a significant step in the ongoing evolution of Atlas Honda's product portfolio, reflecting the Company's focus on delivering mobility solutions that align with customer expectations and advancements in technology.

The launch event brought together the senior leadership of the Atlas Group. The event was also graced by the presence of esteemed representatives from our joint venture and business partners. Their presence underscored the strong relationships, collaboration, and shared vision that continue to support the Company's long-term growth and success. The event also reflected the shared passion and commitment of all stakeholders towards advancing mobility and creating value for customers.

The CG150 was introduced with a distinctive retro-inspired design blended with modern styling, enhanced comfort, and advanced technology features, offering customers a unique riding experience that combines classic appeal with contemporary performance. Developed to meet the evolving aspirations of motorcycle enthusiasts, the model reflects Atlas Honda's ability to introduce products that resonate with both traditional and modern consumer preferences.

Alongside the CG150, the launch of ICON e: represented Atlas Honda's entry into a new era of future-ready mobility solutions. ICON e: reflects the Company's commitment to exploring sustainable transportation alternatives and supporting the gradual transition towards greener mobility, in line with Honda Vision 2030.

OUR POWERFUL LEGACY

1963
Atlas Autos Limited signed Technical Assistance Agreement with Honda Motor Co. Japan

1965
Atlas Autos Limited became the first two wheeler company in Pakistan to get listed on stock exchange

1969
Atlas Autos set up its first engineering in-house workshop in Karachi

1976
Utilised full production capacity of 18,000 units for the first time

1979
Invested Rs. 10M in modernising its manufacturing facilities

1982
Panjdarya Limited commenced commercial production at its Sheikhupura plant

1983
First major capacity expansion undertaken by the Company was completed at a cost of Rs. 132 million

1985
Company achieved the localisation level of 50%

1987
Engine parts manufacturing plant was installed with an investment of Rs. 73 million

1988
Honda Motor Company Limited, Japan acquired 10% shares in Atlas Autos Limited

1990
Panjdarya Limited merged with Atlas Autos Limited

1995
Company exported for the first time to Bangladesh, Nepal, Sri Lanka, Middle East and Central Asia

1999
Awarded ISO 9002 certification for both of its plants at Karachi and Sheikhupura

2002
Company achieved the localisation level of 85%

2004
The Company entered 100cc category market with the launch of the Honda CD100

2003
Company sales crossed 100K units in a year for the first time

2006
The Company extended the capacity at Sheikhupura plant by establishing state of the art synchronized assembly plant

2007
The SAP ERP system was implemented

2014
The Company acquired shares of Atlas Hitec (Private) Limited

2013
Mr. Yusuf H. Shirazi inaugurated the Company's 50 years gallery

2011
Company achieved the milestone of surpassing 500K sales units in a year

2018
The Company crossed the 1 million sales units in a year landmark for the first time

2016
Capacity expansion of 1.35 million units per annum was completed

2019
Company launched CB125F and CG125S offering the ease of self-start technology

2021
Launched AHL online e-store

2024
Completed SAP S4 HANA upgradation

2023
Celebrated 60th anniversary of the Company

2022
Capacity expansion to 1.5 million units was completed

EXTERNAL ENVIRONMENT, STRATEGY AND RESOURCE ALLOCATION

BUSINESS ENVIRONMENT

POLITICAL

Key Trend: Improved local political scenario and evolving geopolitical situation

Potential Impact: Supply chain disruption and higher freight cost

Organisational Response: Diversified vendor portfolio with multiple sourcing and two manufacturing facilities

Time Horizon: S M L

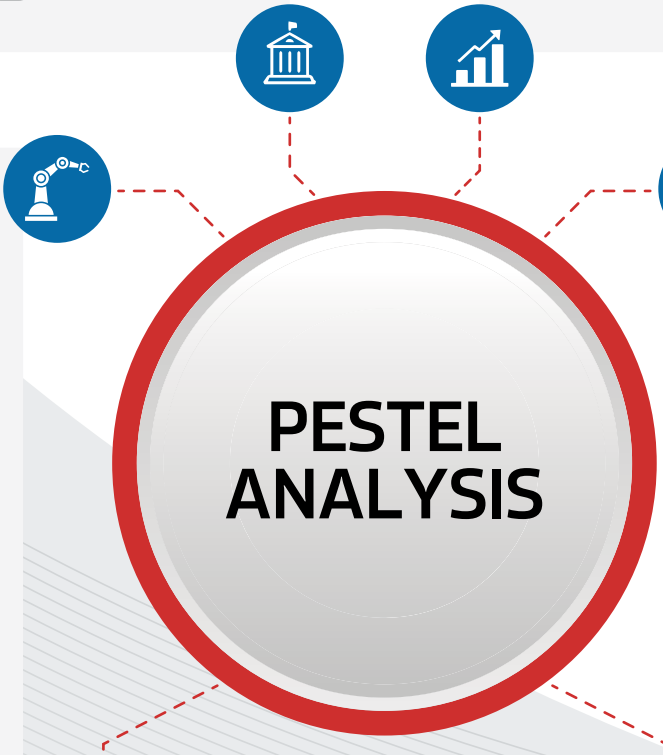
ECONOMIC

Key Trend: Inflationary pressures, currency volatility, low economic growth and rising energy costs

Potential Impact: Higher input costs and reduced consumer purchasing power

Organisational Response: Focus on cost optimisation, localisation and operational efficiency

Time Horizon: S M L



TECHNOLOGICAL

Key Trend:
Digital transformation, EV transition, AI adoption and automation

Potential Impact:
EV and emerging mobility technologies might transform the motorcycle industry in the coming years

Organisational Response:
Continued focus on expansion projects, modernisation and R&D in new technologies

Time Horizon:
S M L

SOCIAL

Key Trend:
Large population, increasing demand in female segment, urbanisation and rising preference for personal mobility

Potential Impact:
Evolving customer needs and diversify mobility preferences

Organisational Response:
Customer-centric product portfolio and brand building initiatives

Time Horizon:
S M L

ENVIRONMENTAL

Key Trend: Climate change, resource constraints and shift towards clean energy

Potential Impact: Regulatory requirements and increased operating costs

Organisational Response: Invest in renewable energy, improve resource efficiency and strategic expansion into EV segment

Time Horizon: S M L

LEGAL

Key Trend: Copyright, trade mark and patents protection and evolving regulatory policies

Potential Impact: Counterfeit product and trademark protection challenges and compliance complexity

Organisational Response: Introduction of QR code verification and increase customer awareness through social media campaigns

Time Horizon: S M L

SEASONAL IMPACT

Atlas Honda's sales and production activities are not materially affected by seasonal factors. The Company's products serve as essential and affordable means of transportation for a broad customer base across the country, resulting in relatively stable demand throughout the year. Consequently, production and sales operations are carried out on a year-round basis without seasonal fluctuations.

COMPETITIVE LANDSCAPE AND MARKET POSITIONING

Atlas Honda Limited continues to maintain a dominant position in Pakistan's two-wheeler market with over 60% market share, supported by strong brand equity, an extensive nationwide distribution network, and reliable product quality. During the year, the launch of the new CG150 and EV models further reinforced the Company's commitment to innovation and evolving customer preferences. Positioned as a mass-market leader, Atlas Honda serves both urban and rural segments through fuel-efficient, durable, and high resale value products. Its strong dealership and service network, localised supply chain, and operational efficiencies continue to provide a sustainable competitive advantage despite economic and market volatility.

LEGISLATIVE AND REGULATORY ENVIRONMENT

Atlas Honda operates within a comprehensive legislative and regulatory framework comprising national laws, industry-specific regulations and standards enforced by federal and provincial authorities. This framework promotes responsible manufacturing practices, consumer protection, environmental sustainability and sound corporate governance. Key regulations include:

CORPORATE GOVERNANCE AND COMPLIANCE

As a public company, the Company complies with 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 complies 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 critical for product approvals and launches

ENVIRONMENTAL COMPLIANCE

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

TAXATION AND IMPORT POLICIES

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

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 govern workplace safety, working hours, fair wages and employee welfare. Health and safety standards are reinforced through dedicated HSE teams, internal audits and training programs.

TRADE AND EXPORT REGULATIONS

As part of its export strategy, the Company complies with regulations issued by the Trade Development Authority of Pakistan (TDAP) and the Ministry of Commerce. These include export quality standards, certifications and trade documentation requirements aligned with international practices and bilateral trade agreements.

COMPETITION AND CONSUMER PROTECTION LAWS

The Competition Commission of Pakistan (CCP) monitors market practices to prevent monopolistic behavior and price-fixing. The Company promotes fair competition, consumer protection and responsible marketing practices in compliance with applicable laws and regulations.

INTELLECTUAL PROPERTY LAW

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

SWOT ANALYSIS

S

STRENGTH

- 60+ years of partnership with Honda
- Operational and manufacturing excellence
- Healthy financial position
- Vendors' and dealers' ecosystem
- Diversified product portfolio

W

WEAKNESSES

- Volatile export market
- Commodity price volatility
- Limited credit access for end users
- Limited EV models

O

OPPORTUNITIES

- Large population, especially in the youth segment
- Growing demand amongst female riders
- Improved foreign remittances
- Expected cash flows from agriculture

T

THREATS

- Geo-political situation and supply chain disruptions
- Rising raw material and energy costs
- Higher tax burden on manufacturing sector
- Intellectual property violation challenges

COMPETITIVE EDGE

Atlas Honda Limited continues to maintain a formidable position in Pakistan's two-wheeler market with over 60% market share, supported by strong brand equity, an extensive nationwide distribution network, reliable product quality, and a localised manufacturing ecosystem. Positioned as a mass-market leader, Atlas Honda serves both urban and rural segments through fuel-efficient, durable, and high resale value products. The Company's competitive edge extends beyond products and processes—it is powered by the enduring passion of millions of customers who continue to place their trust in the Honda brand, generation after generation. This passion is equally reflected in the dedication of its associates, dealers, vendors, and business partners who collectively strive to deliver quality, reliability, and service excellence at every touchpoint. The strong emotional bond between the Honda brand and its stakeholders, combined with a robust sales and service network, operational efficiencies, and continuous localisation efforts, remains a distinctive strength that competitors find difficult to replicate and continues to provide Atlas Honda with a sustainable competitive advantage despite economic and market volatility.

CUSTOMER TRUST

Built over six decades of reliability, fuel efficiency, affordability, and consistent product quality. Atlas Honda enjoys unmatched brand recognition and customer loyalty across Pakistan. This enduring trust continues to drive business growth and reinforce the Company's leadership position in the motorcycle industry.

- **Market Share: 60%+**
- **Experience: 60+ Years**
- **Brand Equity**

DEALERSHIP NETWORK & AFTERSALES SERVICES

Atlas Honda operates one of the country's largest and most established dealerships and aftersales networks, extending across urban, rural, and remote regions. Customers benefit from easy access to genuine spare parts, skilled technicians, and dependable maintenance support, enhancing ownership experience and motorcycle longevity.

- **Dealers: 790+**
- **Authorized Outlets: 1,100**
- **Services: 3 Free Service**

LOCALISATION AND VENDOR ECO-SYSTEM

Through a highly developed local vendor network and strong technological collaboration, the Company has significantly reduced reliance on imported parts while strengthening operational resilience and supporting Pakistan's automotive industry.

- **Vendors: 124+**
- **Localisation: 92%**
- **Vendor Improvement Programs (VIP)**

MANUFACTURING EXCELLENCE

Atlas Honda's manufacturing excellence is driven by advanced production practices, stringent quality controls, and continuous improvement initiatives. Supported by modern manufacturing facilities at Sheikhupura and Karachi, the Company combines lean manufacturing principles in collaboration with our Joint Venture Partner's global engineering expertise to deliver motorcycles that meet high standards of quality, safety, durability, and reliability.

- **ISO Certification: ISO 9001: 2015 (Quality Management System)**
- **Warranty: 3 Years**
- **Joint Venture Partnership with Honda Motor Co., Japan**

HUMAN CAPITAL

The Company's people remain at the heart of its long-term success. Guided by the Japanese philosophy of lifelong employment and continuous development, Atlas Honda focuses on building a skilled, engaged, and future-ready workforce through structured training, employee empowerment, and performance-driven culture.

- **Employees: 2,888**
- **Training hours: 25,232**
- **Staff Training Expenditure: Rs. 62mn**

ANALYSIS OF KEY STAKEHOLDERS

STAKEHOLDERS	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 localisation and technology adoption	Need for supply chain resilience, localisation 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 corporate and taxation laws, 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

Strategic Objectives

Short-Term Objectives

- Strengthen domestic market leadership through dealership modernisation and customer engagement
- Maintain and enhance product quality fuel efficiency, and customer satisfaction
- Improve aftersales network, digital engagement, and service quality
- Enhance automation, robotics, and operational productivity
- Increase annual production capacity

Medium-Term Objectives

- Expand EV and higher CC model localisation initiatives
- Strengthen export market penetration and international footprint
- Build a future-ready workforce through AI, automation, and capability development
- Expand Honda Lifestyle dealership concept nationwide

Long-Term Objectives

- Position the Company as a globally competitive manufacturing and export hub
- Lead the industry in sustainable mobility and renewable energy adoption
- Strengthen long-term stakeholder value creation through operational excellence and innovation

Objective	Strategies	Key Performance Indicators (KPIs)	Future Relevance of KPIs	Resource Allocation Plan (Capitals)
Strengthen Domestic Market Leadership	Expand dealership network Customer engagement and digital outreach	▪ Market share % ▪ Dealership growth ▪ Digital engagement	Core indicator of leadership and customer reach	Financial, Human & Social Capital
Enhance Product Quality & Fuel Efficiency	Continuous product enhancement and quality systems	▪ Warranty claims ▪ Fuel efficiency benchmarks ▪ Customer complaints ratio	Supports brand equity and customer retention	Manufactured, Financial & Intellectual Capital
Improve Aftersales Network, Digital Engagement & Service Quality	▪ Expand service network Strengthening technician capabilities ▪ Implement AI-enabled customer care ▪ Improve customer experience through Honda Lifestyle dealerships	▪ CSI score, service network coverage ▪ Complaint resolution time ▪ Customer retention rate ▪ AI-assisted customer interactions	▪ Critical for customer loyalty ▪ Brand differentiation and recurring revenue generation	Human, Social & Financial Capital
Embrace Digital Transformation	Enhance robotization and automation across factories Integrate analytics and AI in operations	▪ Increase output automation ratio ▪ ERP uptime / performance	▪ Highly relevant for long-term efficiency ▪ Scalability and competitiveness in a tech-driven environment	Financial, Intellectual, Human and Manufactured Capital
Increasing Manufacturing Capacity	Capacity enhancement, automation productivity improvement	▪ Rated annual capacity ▪ Production efficiency ▪ Automation ratio	Supports long-term growth and economies of scale	Manufactured, Financial & Intellectual Capital
Strengthen Localisation & Vendor Development	Vendor development, localised parts	▪ Localisation % ▪ Vendor improvement programs ▪ Import exposure ratio	Important for supply chain resilience and cost competitiveness	Manufactured, Social & Financial Capital
Talent and Innovation Culture	Upskill workforce - Build engineering / research capabilities Link rewards with innovation and performance	▪ Training hours per associate ▪ Retention ratio	Core to mission of rewarding associates and industry contribution	Human, Intellectual, and Financial Capital
Expand Honda Lifestyle Dealership Network	▪ Upgrade dealerships ▪ Enhance customer experience Expand lifestyle retail concept	▪ Number of Honda Lifestyle dealerships ▪ Customer footfall ▪ Customer satisfaction score	▪ Supports dealership sustainability ▪ Brand differentiation, market expansion	Financial, Human, Social & Relationship and Manufactured Capital
Expand Export Markets	Strengthen exports and regional market penetration	▪ Export volume ▪ Export revenue % ▪ Number of export markets ▪ Foreign currency generation	Reflects international competitiveness	Financial, Manufactured & Social Capital
Promote Sustainability & Renewable Energy	▪ Solar expansion ▪ Sustainability integration ▪ Environmental initiatives	▪ Renewable energy ratio ▪ Carbon footprint per unit ▪ ESG metrics	Supports sustainability and stakeholder confidence	Natural, Financial & Social Capital
Long-Term Value for Shareholders	▪ Improve operational efficiency and profitability ▪ Maintain transparent financial and sustainability reporting	▪ ROE ▪ Dividend ratio ▪ EPS ▪ P/E Ratio	Remains critical for shareholder trust and sustainable business growth	Financial, Social and Relationship Capital

IMPACT OF KEY FACTORS ON STRATEGY & RESOURCE ALLOCATION

TECHNOLOGICAL CHANGES

Rapid advancements in electric mobility, automation, AI, ERP integration, and smart manufacturing have significantly influenced the Company's strategic direction. Investments are being made in automation, robotics, digital customer engagement, and operational analytics to improve productivity, governance, and decision-making capabilities.

SUSTAINABILITY REPORTING AND CHALLENGES

Increase expectations around ESG have influenced both strategic priorities and resource allocation. The Company continued investments in renewable energy, solar initiatives, localisation, emission reduction measures, and future mobility solutions including EV development and EV localisation. However, challenges persist in harmonising global reporting standards and gathering consistent data across the value chain. Despite these constraints, the Company remains committed to aligning with best practices and stakeholder expectations.

INITIATIVES TO PROMOTE AND ENABLE INNOVATION

The Company has undertaken several initiatives to actively promote and enable innovation across its operations and product development activities. Dedicated cross-functional teams are engaged in continuous improvement programs, process optimisation, and new product development initiatives to enhance operational efficiency and customer value. The Company encourages participation by associates in technical training programs, quality circles, and problem-solving activities aimed at fostering a culture of innovation and continuous learning. In addition, investments in advanced manufacturing technologies, automation, testing facilities, and engineering capabilities support the development of new models, improved production processes, and future-ready mobility solutions.

RESOURCE SHORTAGES

Despite global supply chain disruptions and inflationary pressures across the industry, the Company successfully maintained operational continuity without facing any significant resource shortages during the year. Supported by strong localisation initiatives, effective vendor development programs, multi-sourcing strategies, and proactive supply chain planning, the Company continued to strengthen operational resilience.

LINKAGE OF STRATEGIC OBJECTIVES WITH VISION & MISSION

The Company's strategic objectives remain firmly aligned with its vision of becoming a market leader in the motorcycle industry while positioning itself as a globally competitive manufacturing and export hub. These objectives also support the mission emphasising on operational excellence, customer satisfaction, sustainable growth, exports, innovation, environmental responsibility, and long-term stakeholder value creation.

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 localisation 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 maximising 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.

STRATEGY ON MARKET, SERVICE AND PRODUCT DEVELOPMENT

MARKET DEVELOPMENT

The Company leverages its extensive nationwide dealer network, strong brand equity, and customer-focused initiatives to maintain its leadership position in Pakistan's motorcycle industry.

A significant initiative undertaken during the year was the introduction of the Honda Lifestyle Dealership Concept, designed to redefine the motorcycle retail experience through modern showroom environments, enhanced customer facilities, premium accessories displays, digitised workshops, EV-ready service infrastructure, and dedicated customer engagement spaces. The initiative reflects changing customer expectations and supports the Company's objective of strengthening brand affinity, improving customer experience, and modernising dealership infrastructure in line with global retail standards. During the year, 10 dealerships were successfully upgraded under this concept, with further expansion planned in the coming years.

Atlas Honda also continued to invest in dealership sustainability through structured succession planning and dealer development initiatives. A dedicated Successor Training Program was conducted to prepare future dealership leaders and strengthen long-term business continuity, while targeted capability-building programs were implemented to improve operational efficiency, customer retention, and service quality across the dealer network. These initiatives support the Company's long-term market development objectives by ensuring a strong, capable, and sustainable distribution network.

The Company also adopted a highly engagement-driven marketing approach during the year through customer get-together events, mall activations, university engagement programs, test ride campaigns, and influencer collaborations supporting the launch of CG150 and ICON e:. These initiatives provided customers with first-hand product experience while generating valuable customer feedback to support future product and service development. More than 30,000 customers participated in ICON e: test ride activities conducted through dealerships, universities, and shopping malls across major cities, significantly strengthening product awareness and customer engagement.

Atlas Honda Limited continues to pursue a customer-centric market development strategy focused on strengthening market leadership, enhancing customer engagement, expanding market reach, and creating superior brand experiences across diverse customer segments.

To further strengthen customer connectivity, Atlas Honda expanded its digital footprint through new social media platforms, digital marketing campaigns and influencer engagement. These initiatives have improved customer

interaction, strengthened digital engagement, and enabled more responsive communication with customers across multiple touchpoints.

The Company also continued to enhance customer experience through introduction of customised accessories display counters for higher CC motorcycles, dealership engagement programs, cultural and lifestyle events, and strategic brand-building activities aimed at strengthening long-term customer relationships and expanding market presence. Through continuous innovation in customer engagement, dealership modernisation, and digital transformation, Atlas Honda remains focused on creating sustainable market growth and strengthening its leadership position in the evolving mobility landscape.

SERVICE DEVELOPMENT STRATEGY

Atlas Honda remains committed to delivering industry-leading aftersales services through its extensive nationwide service network, which serves customers through more than 10,000 service outlets and provides access to over 1,500 genuine spare parts SKUs across the country.

The Company continues to invest in workshop modernisation, technician capability development, and service process standardization to improve service quality, operational efficiency, and customer satisfaction. As part of the newly introduced Honda Lifestyle Dealership Concept, modern service facilities incorporating advanced workshop have been established to enhance the customer experience.

Another key strategic philosophy actively promoted by the Company is the concept of Service as a Sales, which emphasises that superior aftersales support, customer satisfaction, technical reliability, and long-term customer relationships are essential drivers of sustainable business growth and future sales generation. Through this approach, Atlas Honda aims to strengthen customer trust, improve customer retention, enhance dealership sustainability, and create a superior ownership experience throughout the product life cycle.

Furthermore, digitalisation remains a key component of the Company's service development strategy. During the year, customer engagement and support capabilities were strengthened through AI-enabled digital initiatives, including chatbot-based customer interaction platforms. Going forward, the Company plans to further leverage artificial intelligence technologies by introducing AI-assisted customer care solutions and advanced customer support systems aimed at improving responsiveness, service consistency, and customer satisfaction.

The Company also continues to strengthen awareness and availability of genuine spare parts through an integrated distribution network, dealer engagement programs, and customer education initiatives. Through continuous investment in people, technology, infrastructure, and service excellence, Atlas Honda aims to further elevate customer experience while supporting long-term brand loyalty and sustainable business growth.

PRODUCT DEVELOPMENT STRATEGY

The Company continuously evaluates changing market dynamics and consumer preferences to ensure that its product portfolio remains relevant, competitive, and aligned with evolving customer expectations.

Atlas Honda's product development strategy is centred on innovation, customer insights, quality enhancement, localisation, and future mobility solutions.

At the core of this strategy is the New Model Center Department, which drives the Company's research and development (R&D) activities and plays a key role in the introduction of new models and continuous product improvements. These enhancements are guided by market feedback and evolving customer preferences, enabling the Company to keep its product portfolio aligned with changing consumer expectations and technological advancements. Alongside this, Atlas Honda has developed a strong and reliable local vendor network that supports the high localisation of its products, improving both cost efficiency and responsiveness to market needs.

The Company's Supply Chain and Quality Assurance departments work closely with vendors to ensure that all sourced components consistently meet stringent quality standards. To further strengthen operational excellence, the Company regularly conducts vendor development initiatives, service instructor quality programs, dealership and service staff training sessions, and specialised quality control courses.

A key milestone during the year was the successful launch of ICON e: and CG150. The products were introduced following extensive market research, comprehensive field testing under local operating conditions, detailed performance evaluations, and valuable customer feedback gathered through pilot programs and demonstration activities. Prior to its commercial launch, the Company deployed BENLY e: electric scooters with selected institutions to evaluate product performance and gather practical user insights under local operating conditions. In parallel, extensive customer engagement and test ride activities were conducted to better understand consumer expectations, usage patterns, and market requirements. The insights generated through these initiatives played a key role in refining the product concept and ultimately led to the development and launch of ICON e:, tailored specifically to local customer needs while ensuring reliability, safety, performance, and suitability for Pakistan's road and climatic conditions.

FUTURE OUTLOOK AND RISK & OPPORTUNITIES

Atlas Honda
HONDA

FORWARD-LOOKING STATEMENT

EXTERNAL ENVIRONMENT

Pakistan's economic outlook remains cautiously optimistic, supported by easing inflation, stable exchange rate trends, improving external account indicators, moderating interest rates, and gradual recovery in industrial activity. Remittance inflows, improving agricultural liquidity, and recovery in consumer demand are expected to continue supporting growth in the two-wheeler industry.

However, external conditions remain uncertain due to geopolitical developments, volatility in global energy and commodity markets, changing international trade dynamics, and overall macroeconomic uncertainty Sustained policy reforms, fiscal discipline, export competitiveness, and continued economic stabilization will remain important factors influencing future business and industry growth.

The Company will continue to closely monitor developments in the external environment and align its strategic priorities, operational plans, export initiatives, and resource allocation decisions accordingly to ensure sustainable growth and long-term value creation for stakeholders.

UNCERTAINTIES THAT COULD AFFECT THE COMPANY'S RESOURCES, REVENUES AND OPERATIONS

The Company recognises that future business performance may be influenced by various economic, operational, regulatory, and market-related uncertainties. Factors such as exchange rate volatility, inflationary pressures, fluctuations in global commodity and energy prices, and changes in taxation or regulatory policies may affect production costs, pricing strategies, and consumer purchasing power. In addition, supply chain disruptions, competitive market conditions, geopolitical tensions, regional instability, and evolving technological trends may impact operational continuity, market dynamics, and customer preferences.

Given the evolving regional and global environment, the Company continues to undertake comprehensive business planning and scenario analysis exercises to remain prepared under changing market conditions. Management regularly evaluates multiple operating and financial scenarios, including best-case, base-case, and worst-case assumptions, covering factors such as demand fluctuations, exchange rate volatility, inflationary pressures, global commodity prices and interest rate movements.

Based on these assessments, the Company develops corresponding operational and financial projections, resource allocation plans, inventory strategies, procurement plans, and cash flow forecasts to enhance preparedness and business continuity. Sensitivity analysis and periodic review mechanisms are also incorporated into the planning process to enable timely decision-making and operational adjustments in response to evolving market dynamics. Atlas Honda believes that its strong operational foundation, experienced management, prudent financial management, and continued focus on localisation, operational agility, digital transformation, and governance will support sustainable growth and help effectively navigate future challenges.

STRATEGIC BUSINESS OUTLOOK

Atlas Honda Limited remains focused on strengthening its leadership position through sustainable growth, operational excellence, customer-centric innovation, and future-ready mobility solutions. The Company will continue to pursue strategic priorities centered on manufacturing expansion, product portfolio enhancement, localization, digital transformation, dealership modernisation, and aftersales network development.

The Company expects continued demand growth in Pakistan's two-wheeler industry, particularly in the commuter and premium motorcycle segments, supported by improving macroeconomic indicators, easing inflation, and recovery in consumer confidence. Future mobility solutions, including electric vehicles, are also expected to gradually gain momentum in the evolving transportation landscape.

Following the successful launch of CG150 and the electric motorcycle ICON e:, the Company will continue to focus on product innovation, customer engagement, and development of technologically advanced and sustainable mobility solutions aligned with changing market trends and customer expectations.

The Company also intends to strengthen its international footprint by expanding penetration into new export markets while further enhancing genuine spare parts exports. In addition, Atlas Honda plans to continue promoting "Service as a Sale" initiatives by strengthening aftersales engagement, improving service accessibility, and enhancing product sustainability and affordability to support long-term customer retention and future sales growth.

QUANTITATIVE PROJECTIONS

The Company expects continued growth in motorcycle sales volumes, supported by improving market demand and expansion of its product portfolio. Growth is also anticipated in the genuine spare parts business, dealership modernisation initiatives, and digital customer engagement activities aimed at enhancing customer experience and strengthening brand connectivity. In addition, the Company intends to further expand export market penetration and increase localisation levels across key product categories to improve operational resilience and long-term competitiveness.

Based on these demand forecast, the Company has initiated strategic capacity enhancement initiatives which are expected to increase annual production capacity from 1.6 million units to 2.0 million units in the upcoming period.

To support these initiatives, the Company has planned an investment of approximately Rs. 5.3 billion in capacity enhancement, automation, and operational efficiency improvement projects.

Investments in automation, robotics, SAP S/4HANA optimisation, business process transformation, and renewable energy initiatives are expected to improve productivity, operational efficiency, governance, and long-term sustainability.

SOURCES OF INFORMATION AND ASSUMPTIONS USED FOR FORWARD-LOOKING STATEMENT

The forward-looking statement, projections, and forecasts contained in this Annual Report have been prepared based on management's assessment of current and expected economic conditions, industry trends, operational performance, strategic business plans, and internal financial and operational data available as of the reporting date.

The assumptions underlying these projections include expected recovery in consumer demand, stable exchange rate trends, easing inflationary pressures, improving industrial activity, anticipated growth in the two-wheeler industry, continued demand for affordable mobility solutions, and the successful execution of the Company's strategic initiatives relating to capacity enhancement, localisation, digital transformation, product development, and operational efficiency.

In preparing these forward-looking statement, the Company has considered information obtained from various internal and external sources including:

- Historical operational and financial performance;
- Industry sales trends and market intelligence;
- Macroeconomic indicators published by the State Bank of Pakistan, Pakistan Bureau of Statistics, IMF, and other financial institutions;
- Internal budgets, strategic plans, and production forecasts;
- Customer demand patterns and dealership feedback;
- Vendor and supply chain assessments; and
- Regulatory and policy developments relevant to the automotive and manufacturing sectors.

The Company has also considered the potential impact of known uncertainties including inflation, foreign exchange volatility, commodity price fluctuations, geopolitical developments, taxation measures, regulatory changes, energy prices, and supply chain disruptions while preparing these forecasts and projections.

PERFORMANCE VS
LAST YEAR DISCLOSURE

Performance against Last Year's Forward-Looking Statement

Forward-Looking Statement Disclosed Last Year	Company's Performance During FY2025–26
Increase localisation to counter currency depreciation	The Company further strengthened its localisation strategy through deeper vendor integration, expanded local sourcing initiatives, and continued vendor development programs. Localisation efforts remained a key focus area to improve supply chain resilience and cost competitiveness.
Focus on new variants with premium aesthetics	The Company successfully launched CG150 featuring retro-classic styling, premium aesthetics, and performance-oriented positioning targeted toward evolving customer preferences and younger riders. Multiple MMC variants were also introduced across existing models to enhance market appeal.
Increase and strengthen aftersales services	Atlas Honda further expanded and modernised its aftersales ecosystem through Honda Lifestyle Dealership initiatives, featuring a premium motorcycle retail experience offering exclusive official merchandise, digitised service centres and customer lounges for enhanced customer experience.
Continue research and development initiatives for electrification and future EV adoption	The Company introduced its first electric motorcycle "ICON e:" during the year, representing a significant milestone in future mobility and electrification initiatives. Extensive awareness campaigns, mall activations, university engagements, and nationwide test ride activities were conducted to support market introduction and for future research and development.
Focus on innovation, operational excellence, and maintaining operational efficiency	The Company continued investments in automation and robotics across its manufacturing facilities along side operational process improvements aimed at enhancing productivity, optimising line efficiency and improving overall manufacturing quality.
Prepare for sustainable growth and long-term competitiveness	In line with future growth expectations, the Company initiated strategic production capacity enhancement initiatives aimed at increasing annual production capacity to 2.0 million units in the upcoming period.

SIGNIFICANT PLANS AND DECISIONS

Atlas Honda Limited continues to pursue a long-term growth strategy focused on operational excellence, manufacturing expansion, product innovation, localisation, digital transformation, and future-ready mobility solutions.

MAJOR CAPITAL EXPENDITURE

During the year, the Company invested approximately Rs. 2.8 billion in property, plant and equipment to support its long-term growth strategy and future business requirements. Approximately Rs. 1.5 billion, was incurred on plant and machinery and dies & jigs, primarily directed towards BMR, robotics & automation, operational efficiency, and future mobility preparedness and to support higher production volumes, improved quality standards and operational sustainability.

Furthermore, Rs. 221 million were invested to enhance IT infrastructure in line with rapid technological advancements, whereas, Rs. 482 million were utilized for the purchase of company policy vehicles.

In line with growing market demand, the Board of Directors approved a major capital investment plan of approximately Rs. 5.3 billion for expansion of motorcycle operations in Pakistan. The investment includes capacity enhancement, automation, productivity improvement, manufacturing modernisation, and supporting infrastructure development. The Company's rated annual production capacity was previously 1.5 million units; however, through operational efficiencies and outsourcing initiatives, effective capacity increased to 1.6 million units. Following completion of the approved capital expenditure program, the Company's rated annual production capacity is expected to further increase to 2.0 million units.

The Company plans to further strengthen localisation for EV products and higher CC models, including CG150, through enhanced vendor development and localised component manufacturing to improve cost competitiveness, operational efficiency, and supply chain resilience.

All major capital expenditure projects are subject to detailed financial and operational evaluation and are approved by the Board of Directors in line with the Company's long-term growth and governance objectives.

BUSINESS EXPANSION

The Company continued to strengthen its product portfolio and future mobility strategy during the year through the successful launch of CG150 and the electric motorcycle ICON e:. The launch of CG150 enhanced the Company's presence in the premium motorcycle category, while ICON e: marked Atlas Honda's entry into Pakistan's electric mobility segment.

Company further strengthened its sales and distribution network through the launch of 10 new 3S dealerships during the year. These dealerships are aimed at enhancing customer accessibility, improving sales and aftersales service standards, and strengthening market presence across various regions of Pakistan.

The Company launched the Honda Lifestyle Dealership concept during the year as part of its initiative to modernise dealership infrastructure, enhance customer experience, strengthen aftersales capabilities, and prepare the network for future mobility solutions including EV readiness. During the year, 10 Honda Lifestyle showrooms were established to provide a modernised retail experience aligned with global Honda standards and further strengthen customer engagement.

Building on the encouraging response received from customers and dealers, the Company plans to progressively expand the Honda Lifestyle dealership network across Pakistan in the coming years, further enhancing customer touchpoints, strengthening brand presence, and creating a future-ready retail ecosystem aligned with evolving consumer expectations.

FUTURE R&D INITIATIVES

Atlas Honda Limited remains committed to strengthening its research and development (R&D) capabilities to support product innovation, future mobility solutions, localisation, and evolving customer expectations. The Company's future R&D initiatives will continue to focus on enhancing product performance, fuel efficiency, rider safety, durability, environmental sustainability, and manufacturing excellence while aligning with emerging market trends and technological advancements.

As part of its long-term innovation strategy, the Company is constructing an additional New Model Centre (NMC) facility to further strengthen its research, development, testing, and product engineering capabilities. The new facility is expected to enhance the Company's ability to accelerate product development activities, improve technical collaboration, support future mobility solutions, and strengthen localisation and model development initiatives.

Following the introduction of the electric motorcycle ICON e:, the Company plans to continue development activities relating to electric mobility, EV localisation, battery systems, charging convenience, and future EV ecosystem readiness. The Company also intends to progressively increase localisation levels for EV products, which are currently based on Completely Knocked Down (CKD) imports, in order to improve cost competitiveness, strengthen supply chain resilience, and support long-term sustainability objectives.

In addition, the Company plans to further strengthen localisation and product development activities for higher CC models, including CG150, through deeper integration with local vendors, development of localised parts and components, and enhanced manufacturing capability. These initiatives are expected to support product affordability, operational efficiency, technology transfer, and domestic vendor development.

The Company also plans to continue strengthening its product portfolio through continuous innovation, technology integration, and customer-driven development initiatives. Future R&D efforts will emphasize enhanced product quality, riding comfort, fuel efficiency, emission compliance, and adoption of advanced mobility technologies aligned with evolving market expectations and future transportation trends.

Through sustained investment in innovation, technology development, and localisation, Atlas Honda aims to strengthen long-term competitiveness, operational excellence, and future-ready mobility leadership in Pakistan's evolving two-wheeler industry.

RISK MANAGEMENT FRAMEWORK

OUR RISK MANAGEMENT FRAMEWORK

Atlas Honda Limited has established a comprehensive Risk Management Framework to identify, assess, monitor and mitigate principal risks and uncertainties that may affect the achievement of strategic, operational, financial and compliance objectives. The framework is designed to promote sustainable growth, safeguard stakeholders' interests and strengthen organisational resilience in a dynamic business environment. 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 organisation. The ERM framework focuses on identifying potential risks, designing strategies to manage their impact, and implementing mechanisms to monitor the effectiveness of mitigation efforts. Risks are prioritised based on their potential severity, and remedial actions are planned and executed accordingly.

RISK IDENTIFICATION

Our framework begins with the identification of key risks which proactively recognise potential events, uncertainties and vulnerabilities that may affect the Company's operations, reputation, or financial health. Risks are identified through cross-functional communication, market intelligence, and incident analysis. These risks are categorised and prioritised based on their potential impact and likelihood.

METHODOLOGY FOR RISK ASSESSMENT

Following identification, risks are evaluated through a standardised risk assessment matrix considering two key parameters: likelihood of occurrence and potential impact. The 6×6 matrix enables the classification of risks into Low, Moderate and High categories. The Company consistently applies the principles of its Enterprise Risk Management (ERM) framework to ensure that significant risks are appropriately prioritised, escalated and managed through effective strategic actions and control mechanisms.

RISK APPETITE AND MITIGATION PLANNING

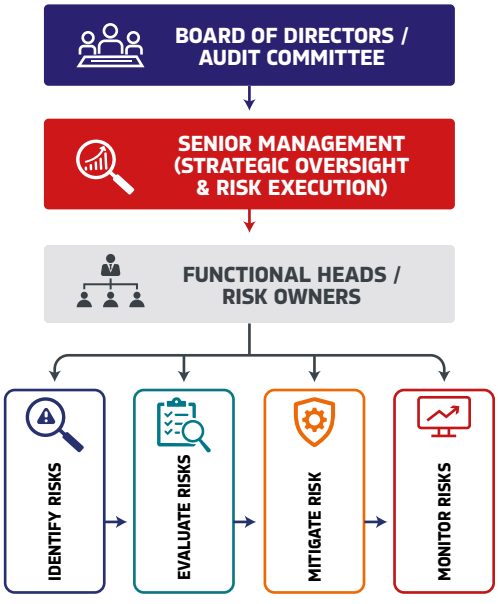
Risk appetite represents the level of risk the Company is prepared to accept in pursuit of its strategic objectives. For each significant or critical risk identified, a comprehensive mitigation plan is established, including the evaluation of existing controls, assignment of responsible risk owners and determination of implementation timelines.

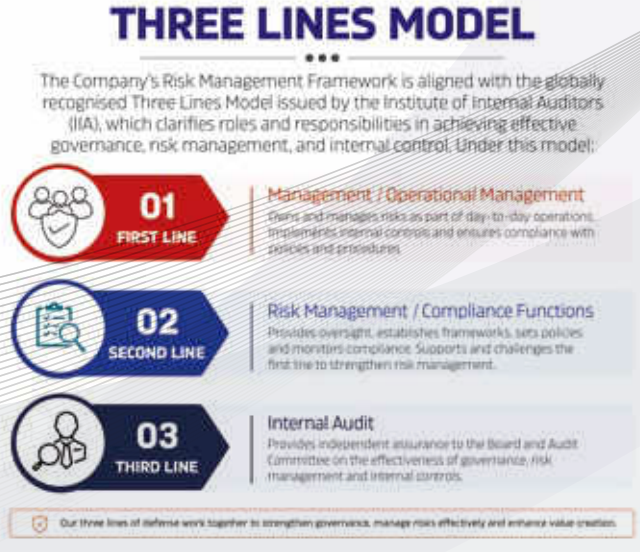
RISK MONITORING AND REPORTING

Risk monitoring is performed on a continuous basis. The Company has established a formal risk reporting mechanism to ensure transparency, accountability and timely escalation of significant risk matters. The Risk Management Function (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.





This structured layering ensures clear accountability, minimises 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 function 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.

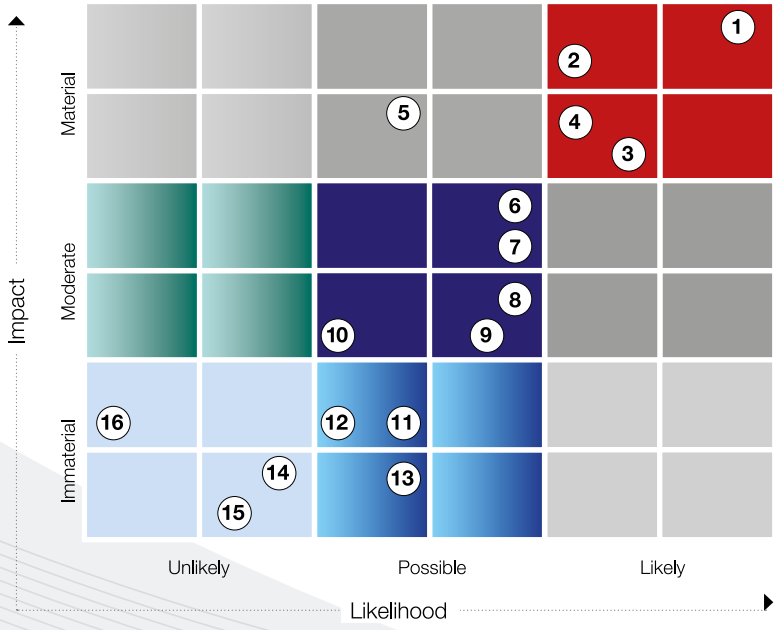
Board Board Committees Enterprise Risk & Compliance Committee			Accountability to stakeholders for organisational oversight
Third Line	Internal Audit		Independent and objective assurance and advice on all matters related to the achievements of objectives
Second line	Enterprise Risk Management Expert 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 organisation

OUR PRINCIPAL RISKS

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

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

POTENTINAL 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 SOURCES OF UNCERTAINTY

Key sources of uncertainty comprise external and internal factors including changes in the economy, technology, government regulations, relative prices and market dynamics, that may materially influence the Company's strategic objectives, operational performance and financial results.

KEY RISKS AND OPPORTUNITIES AFFECTING CAPITALS

The Company continuously evaluates internal and external risks and opportunities, including sustainability-related factors, that may influence the availability, quality and affordability of various capitals essential for long-term value creation. These capitals include financial, manufactured, intellectual, human, social & relationship and natural capital.

Capital	Key Risks	Key Opportunities	Potential Impact on Capitals
Financial Capital	Economic instability, inflation, exchange rate fluctuations, rising interest rates	Strong market demand, operational efficiencies, localisation initiatives	May affect profitability, liquidity, borrowing costs and affordability of capital
Manufactured Capital	Supply chain disruptions, energy shortages, commodity price volatility, production interruptions	Capacity enhancement, automation, process optimisation and technological upgrades	Impacts production continuity, operational efficiency and product quality
Human Capital	Talent retention challenges, skill gaps, workplace safety risks	Employee development, DEI initiatives, technical training and leadership development	Affects productivity, innovation capability and organisational sustainability
Intellectual Capital	Cybersecurity threats, technological obsolescence, IP protection challenges	Digital transformation, innovation, EV development and process automation	Influences competitiveness, operational resilience and technological advancement
Social & Relationship Capital	Changing customer preferences, reputational risks, regulatory non-compliance	Customer engagement, dealer network expansion, CSR initiatives and stakeholder trust	Impacts brand reputation, customer loyalty and long-term business relationships
Natural Capital	Climate change, environmental regulations, resource scarcity, energy costs	Renewable energy adoption, resource optimisation and environmental stewardship initiatives	May affect sustainability performance, operational costs and regulatory compliance
Sustainability Related Factors	ESG compliance requirements, environmental and social expectations	Sustainable mobility solutions, EV opportunities and green manufacturing initiatives	Enhances long-term resilience, stakeholder confidence and sustainable value creation

COMPANY'S ASSESSMENT OF PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Directors is responsible for approving the Company's risk management policy, which defines the acceptable levels of risk that the organisation 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 organisational risk appetite to ensure alignment with long-term value creation.

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. Underlying sources and the mitigation measures implemented to effectively manage and monitor these risks:

Type	Risk	Area of Impact	Source of Risk	Mitigating Strategy
Operational Risk	Production disruptions, machinery breakdowns, supply chain interruptions or raw material shortages	Manufacturing continuity, operational efficiency, product availability and cost management	Dependence on imported components, energy shortages, vendor disruptions and unplanned shutdowns	Preventive maintenance, diversified vendor base, localisation initiatives, inventory management and continuous operational monitoring
IT & Cybersecurity Risk	Cybersecurity threats, data breaches, ERP disruptions or system downtime	Business continuity, operational reliability, financial reporting and stakeholder confidence	Increasing digitalisation, cyber threats and technology vulnerabilities	Strengthening IT infrastructure, cybersecurity controls, disaster recovery planning, system upgrades and employee awareness programs
Regulatory & Compliance Risk	Changes in taxation, corporate laws, environmental regulations and compliance requirements	Compliance costs, operational continuity and reputation	Evolving regulatory environment and government policies	Regular compliance monitoring, engagement with regulators, internal controls and timely implementation of regulatory requirements
Legal Risk	Contractual disputes, labour claims, intellectual property matters or environmental liabilities	Financial exposure, operational delays and reputational impact	Non-compliance, contractual obligations and legal proceedings	Strong legal oversight, policy compliance, insurance coverage and regular review of contractual arrangements

Assessment of Risk	Risk	Area of Impact	Source of Risk	Mitigating Strategy
Political & Economic Risk	Political instability, inflation, currency devaluation and adverse economic conditions	Demand, profitability, supply chain continuity and business sustainability	Macroeconomic uncertainty, geopolitical developments and market volatility	Continuous monitoring of economic indicators, prudent financial management, cost optimisation and diversified operations
Strategic Risk	Failure to adapt to changing market dynamics, technological advancements or customer preferences	Market share, growth prospects and long-term competitiveness	Intense competition, evolving mobility trends and technological disruption	Strategic planning, product innovation, EV initiatives, market research and operational efficiency improvements
Credit Risk	Dealer defaults, delayed recoveries or restricted financing access	Liquidity, working capital and cash flow management	Weak economic conditions, financing constraints and customer credit exposure	Credit evaluations, dealer relationship management, diversified customer base and continuous receivable monitoring
Supply Chain Risk	Dependence on suppliers and logistics disruptions	Production schedules, inventory management and delivery timelines	Global supply chain volatility, import restrictions and transportation challenges	Multiple sourcing strategies, local vendor development, inventory planning and supply chain monitoring
Human Resource Risk	Talent retention challenges, skill gaps and workplace safety concerns	Productivity, operational performance and organisational capability	Competitive labour market and evolving technical requirements	Employee training programs, succession planning, competitive compensation and strong health & safety practices
Climate & Sustainability Risk	Environmental compliance obligations and climate-related operational risks	Sustainability performance, operational costs and corporate reputation	Evolving ESG expectations, environmental regulations and resource constraints	Environmental management initiatives, energy efficiency measures, waste reduction programs and sustainable business practices

STRATEGY FOR
KEY RISKS AND OPPORTUNITIES

01 . Commodity Price

Risk Source	Risk Appetite	Category
External	Moderate	Financial Risk

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

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

Objective
To 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.

02. Economic and Political Environment

Risk Source	Risk Appetite	Category
External	High	Strategic Risk

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

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

Objective
To maintain stability, resilience and achieve sustainable growth.

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

03. Information and Cybersecurities

Risk Source	Risk Appetite	Category
External	Low	Operational Risk

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

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

04. Exchange Rate Fluctuations

Risk Source	Risk Appetite	Category
External	Moderate	Financial Risk

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

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

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

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

05. Change in Technology

Risk Source	Risk Appetite	Category
External	Moderate	Strategic Risk

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

Mitigations
We continue to invest substantially on modernisation and upgradation 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.

06. Regulations and Compliance

Risk Source	Risk Appetite	Category
External	Low	Legal and Compliance Risk

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

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

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

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

07. Climate Changes

Risk Source	Risk Appetite	Category
External	Moderate	Strategic Risk

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

Mitigations
We continuously thrive to reduce our environmental footprint by developing products with higher efficiency that reduces the CO_2 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. Talent and Capability

Risk Source	Risk Appetite	Category
External	High	Operational Risk

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

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

Objective
Commitment to high performance culture and conducive work environment.

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

09. Intellectual Property (IP) Rights Protection

Risk Source	Risk Appetite	Category
External	Moderate	Legal and Compliance Risk

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

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

Objective
To protect our intellectual property rights.

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

10. Market Competition

Risk Source	Risk Appetite	Category
External	Moderate	Strategic Risk

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

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.

11. Dependence on Vendors for Success of Our Business

Risk Source	Risk Appetite	Category
External	Moderate	Operational Risk

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

Mitigations
We have an integrated vendor management system to ensure that targets are communicated, understood and aligned.

Furthermore, we have developed a diversified vendor base to avoid dependence on any single.

Objective
To diversify and strengthen the vendor ecosystem.

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

12. Counterparty Default

Risk Source	Risk Appetite	Category
External	Low	Financial Risk

About the Risk
Counterparty defaults possess risk of impairment of assets.

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

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

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

13. Safe Working Environment

Risk Source	Risk Appetite	Category
Internal/External	Low	Operational Risk

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

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

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

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

14. Unethical and Prohibited Business Practices

Risk Source	Risk Appetite	Category
External	Low	Legal and Compliance Risk

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

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

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

Opportunities
We are committed to conduct business in an ethical manner to instil 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

Risk Source	Risk Appetite	Category
External	Moderate	Financial Risk

About the Risk
Efforts to optimise operating efficiency might fail to achieve the expected improvements, resulting in the projected efficiencies and anticipated benefits not being realised as planned.

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

Objective
To optimise the shareholders' value.

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

16. Product Liability and Recalls

Risk Source	Risk Appetite	Category
External	Moderate	Operational Risk

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

Mitigations
We regularly monitor the service data of products in order to minimise 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 organisation'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.

SUPPLY CHAIN DISRUPTION
RISKS AND STRATEGY

As a leading manufacturer of two-wheelers, the Company's operations depend upon a resilient and efficient supply chain supported by a network of local and international suppliers. Environmental, Social and Governance (ESG) related disruptions, however, may adversely impact operational continuity, product quality and cost efficiency. In response, the Company has adopted a comprehensive framework to identify, monitor and mitigate such risks to strengthen business resilience, ensure supply chain stability and promote responsible business practices.

Particulars	Environmental	Social	Governance
Risks	▪ 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.	▪ 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.	▪ 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	▪ Diversified supplier base across regions to reduce concentration risk. ▪ Invested in renewable energy solutions (e.g., 9.5 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.	▪ 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 human rights and workplace safety standards.	▪ 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.

CORPORATE GOVERNANCE

CHAIRMAN'S REVIEW

I am pleased to present the 62nd Integrated Annual Report of the Company for the year ended March 31, 2026.

MACROECONOMIC OVERVIEW

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

Pakistan's current account improved during FY2026, moving from a deficit of USD 700 million to a marginal surplus of USD 8 million. A surplus of USD 1.07 billion in March 2026 indicates relative stability in the external position. Exports remained broadly stable, while imports increased moderately in line with economic activity. Workers' remittances rose by 10.5% to USD 26.5 billion and continued to support the external account. Remittances continued to play a significant role in easing the trade deficit, increasing by 10.5% to USD 26.5 billion. Inflation remained contained, averaging 5.7% during 9M FY26, enabling the State Bank of Pakistan (SBP) to maintain the policy rate at 10.5% as of March 2026. On the fiscal side, the Government maintained disciplined stance through tax reforms, digitization of revenue systems and curtailment of expenditure, leading to significant fiscal consolidation. During 9M FY26, the Federal Board of Revenue collected Rs. 9.3 trillion, reflecting a 10% increase over Rs. 8.4 trillion collected in the same period last year, supported by improved enforcement and broadening of the tax base.

The agriculture sector exhibited a mixed performance during the year, as Kharif crops were impacted by adverse weather conditions and elevated input costs. Notwithstanding these challenges, the sector continued to underpin rural income and remained a key contributor to overall economic activity, supporting demand in consumption-led segments. Improved availability of inputs and supportive policy measures have strengthened farming activity, as reflected in an 11.1% increase in agricultural credit to Rs. 1,649 billion and a 17.1% rise in agricultural machinery imports to USD 90.8 million. These factors are expected to enhance agricultural productivity and strengthen rural economic stability.

Large-Scale Manufacturing (LSM) recorded improvement during FY2026, with growth of 5.8% during 7M FY2026, compared to a contraction of 1.7% in the corresponding period last year. Growth was observed across key sectors, including automobiles, textiles, petroleum products, and food. Overall, 15 out of 22 sectors recorded growth, indicating a broad-based recovery in industrial activity. Policy support measures contributed to this improvement, including reductions in the cash reserve requirement, lower markup rates for exporters, and a downward adjustment in energy tariffs for the industrial sector. However, the outlook remains subject to external demand conditions and volatility in energy prices, particularly considering geopolitical developments in the Middle East.

TWO-WHEELER INDUSTRY

The motorcycle industry recorded growth of approximately 30% during the year. The improvement was supported by easing inflation, higher remittance inflows and better liquidity in the agriculture sector. Demand for affordable and fuel-efficient mobility remained strong, particularly in rural and semi-urban markets. Recovery of deferred demand from prior periods also contributed to overall growth.

THE COMPANY

With over six decades of experience, the Company continues to deliver reliable, affordable, and high-quality mobility solutions. The Company is investing in advanced manufacturing technologies, including automation, robotics, and digital systems, to improve productivity and cost efficiency. At the same time, it is responding to the shift towards cleaner mobility by exploring energy-efficient technologies and reducing environmental impact. Product portfolio enhancements, expansion of the sales and after-sales network and unmatched customer service continue to strengthen the Company's market position. During the year, the Company launched CG150 and introduced its first electric motorcycle, ICON e:, marking a step forward in green mobility and technology adoption.

SALES PERFORMANCE

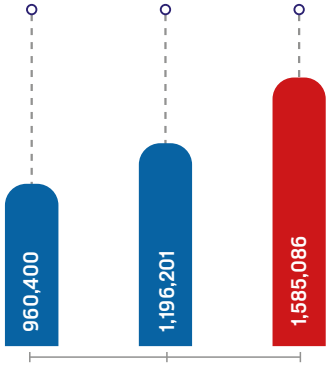
The 70cc motorcycle category sustained its leadership position, recording strong year-on-year growth of 31%. This performance was supported by a range of strategic initiatives, including pre-crop financing schemes, exchange programs, and continued focus on mass media and digital marketing. Targeted customer engagement and consistent product availability further supported volume growth. In addition, the introduction of new variants enhanced product differentiation and expanded appeal among value-conscious

and increasingly trend-aware customers, reinforcing the category's market leadership.

In the 100cc segment, "Pridor" recorded strong year-on-year growth of approximately 64%, reflecting improved market confidence. Targeted initiatives, including the "Special Color Campaign" with a distinctive blue variant, contributed to enhanced brand visibility and customer engagement. This was further supported by consistent marketing execution, localised outreach, and coordinated promotional activities, positioning the segment as an attractive upgrade option for customers seeking enhanced value and riding comfort.

The 125cc segment continued to register steady growth, supported by evolving consumer preference for more powerful and feature-rich motorcycles. MMCs were introduced for CG125, CG125S Gold, and Chrome editions, which were well received in the market. During the year, CG125 sales crossed the 500,000 annual sale mark for the first time. This reflects sustained strong consumer appeal for the bike. CB125F was also actively promoted through experiential marketing, test ride campaigns, and competitive financing and exchange offers. These initiatives, along with strong digital engagement and sustained promotional efforts, supported year-on-year growth of approximately 47%, further strengthening the segment's position in the performance-oriented category.

Sales Volume

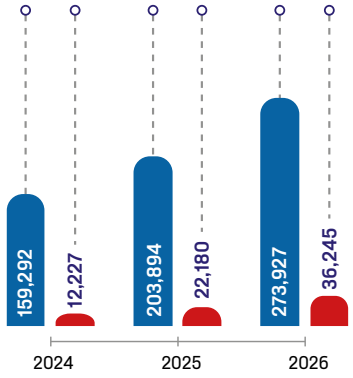


The 150cc segment gained traction during the year following the launch of CG150, featuring a distinctive retro-classic design and strong brand positioning. Offered in red, two-tone, and matte green variants, the model was supported by targeted marketing initiatives, including influencer engagement, mall activations, and on-ground campaigns. In addition, MMCs for CB150 further strengthened the offering. These initiatives generated encouraging market response and enhanced Company's presence in the higher displacement segment, catering to performance-oriented customers and those seeking more premium riding experience.

The introduction of ICON e: marks the Company's entry into Pakistan's electric mobility market, representing a key milestone. The model received an encouraging market response, supported by focused awareness campaigns, university and institutional test ride programs, and the development of EV-ready dealership infrastructure.

The Spare Parts Division delivered strong performance during the year, with revenue reaching Rs. 26.3 billion,

Sales & Gross Profit

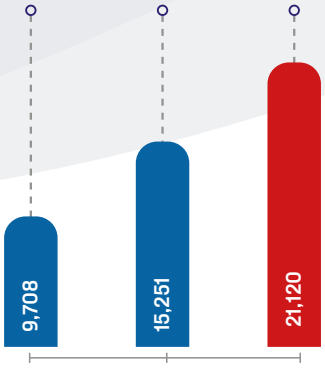


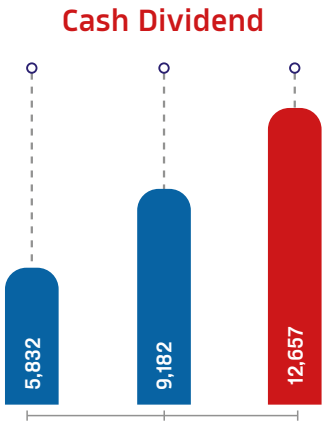
reflecting year-on-year growth of 31%. This growth was driven by expansion of the product portfolio through the launch of 40 new parts, and improved availability of key components. Initiatives such as QR-based authentication enhanced customer confidence and supported efforts to address counterfeit products. Expanded network reach, along with improved engagement with mechanics through Secondary Network mobile application and increased contribution from the 3S network, enabled deeper market penetration. In parallel, supply chain enhancements and targeted digital initiatives, reaching over 3.5 million users monthly, further strengthened customer connectivity and service delivery.

FINANCIAL PERFORMANCE

The Company's financial position and net assets reflect a strong and resilient performance. Net sales rose to Rs. 273.9 billion, representing a robust increase of 34.3% compared to the corresponding period last year. Gross profit surged by 63.4%, increasing from Rs. 22.2 billion to Rs. 36.2 billion, driven by higher sales volumes, an improved sales mix, and stable commodity prices and exchange rates. Sales and marketing expenses rose by 17.7% to Rs. 5.2 billion, largely attributable to extensive promotional activities and freight costs. Administrative expenses also increased by 15.6%, due to CSR initiatives and the impact of general inflation. Other income, net of operating expenses and financial charges, contributed Rs. 4.9 billion to the bottom line on account of efficient treasury management. These factors collectively enabled the Company to achieve profit before tax and levies of Rs. 34.4 billion, compared to Rs. 24.3 billion in the same period last year. Consequently, profit after tax increased by 38.4% to Rs. 21.1 billion as against Rs. 15.25 billion in the corresponding period last year, translating into earnings per share (EPS) of Rs. 170.20, up from Rs. 122.91.

Profit After Tax





During the year, the Company contributed an amount of Rs. 73.8 billion to the Government and its agencies on account of various taxes and levies. As a constituent member of the Atlas Group, the Company continued to play a significant role in the Group's substantial contribution to the national exchequer, reaffirming the Atlas Group among the highest taxpayers in the country, underscoring its commitment to supporting national economic development.

DIVIDEND POLICY

The Company remains committed to maintaining a consistent approach to profit allocation. Dividend distribution decisions are made carefully, considering 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. 56.0 per share. This is in addition to the interim dividend of Rs. 46.0 per share declared in October 2025, bringing the total dividend for the year to Rs. 102.0 per share.

OPERATIONS REVIEW

During the year, the Company maintained a strong focus on continuous improvement to enhance operational efficiency. Efforts were directed toward productivity, cost optimisation, and process improvement. Production was scaled up through optimised shift planning and increased outsourcing. Automation initiatives, including robotics, Automated Guided Vehicles, and conveyors, were implemented. These measures resulted in improved productivity and cost efficiency. Supply chain resilience was strengthened through multi-sourcing, vendor capacity expansion, and centralised procurement. Digital tools improved coordination and reduced costs. Quality standards were maintained through vendor audits, improvement programs, and data-driven monitoring. Digital transformation initiatives continued, including SAP S/4HANA optimisation, BI enterprise dashboards, and a unified data warehouse. These enabled timely, transparent, and data-driven decision-making. The Company also advanced its sustainability initiatives. Solar energy adoption increased to around 20% of total energy consumption, contributing to lower carbon emissions. ESG assessments and supplier safety audits were further strengthened. Details of the Company's sustainability initiatives and their financial impact are provided in the 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:

- Highest exporter award in auto parts segment received from ministry of commerce
- Corporate Reporting Award received from ICAP
- Sustainability Reporting Awarded by ICAP/ICMA
- Sustainability Reporting Awarded by The National Forum for Environment and Health (NFEH)

FUTURE OUTLOOK

Looking ahead, Pakistan's economic outlook remains cautiously optimistic, supported by continued macroeconomic stabilization, easing inflation, a stable exchange rate, and the Government's commitment to IMF-backed reforms. Gradual recovery in industrial activity, improving external account indicators, and a more predictable monetary environment are expected to support business confidence and investment activity. At the same time, the outlook remains subject to external risks, including rising geopolitical tensions, evolving trade dynamics, volatility in global commodity and energy prices, and potential supply chain disruptions. Domestic challenges, particularly the need for sustained fiscal consolidation and structural reforms, also remain critical to long-term stability. Going forward, strengthening export competitiveness, enhancing productivity, and maintaining policy discipline will be key to sustaining growth momentum.

The Company remains committed to staying ahead of the curve, anticipating industry developments, addressing challenges, and driving growth through enhanced operational efficiency and strong market positioning. Upholding social responsibility, financial strength, and operational excellence will continue to remain the Company's key objectives. By adhering to the principles of "The Atlas Way", the Company is well positioned to continue creating significant value addition for the stakeholders in the years ahead.

جوئندہ یابندہ
(One who seeks, gets it)

ACKNOWLEDGEMENT

The Atlas Group takes great pride in its long-standing partnership with Honda Motor Company Limited. We wish to acknowledge their continued support and cooperation in upholding high standards of excellence. I would like to express appreciation to our valued customers for their continued confidence, the management team for their commitment, the Board of Directors for their valuable guidance, and Mr. Saquib H. Shirazi – CEO, for his visionary leadership. We also extend our gratitude to all stakeholders, including bankers, dealers, vendors, associates, and shareholders, for their pivotal role in supporting Atlas Honda Limited over the last 60 years.

Aamir H. Shirazi
Dated: April 30, 2026
Karachi

DIRECTORS' REPORT TO SHAREHOLDERS

The Directors of the Company are pleased to present their report together with the 62nd Annual Report of the Company along with the Annual Audited Financial Statements for the year ended March 31, 2026.

OPERATING RESULTS

The operating results of the Company are summarized as follows:

	Year ended March 31,	
	2026	2025
	----Rupees in '000----	
Profit before taxation	34,444,765	24,341,667
Taxes and levies	13,324,307	9,090,052
Profit after taxation	21,120,458	15,251,615

DIVIDENDS AND APPROPRIATIONS

The Directors have recommended a final cash dividend of Rs. 56 per share (2025: Rs. 42.00 per share final cash dividend).

Accordingly, the appropriation of profit will be as under:

	Year ended March 31,	
	2026	2025
	----Rupees in '000----	
Profit available for appropriation	41,449,154	29,560,355
Appropriation:		
Transfer to General Reserves	-	-
Interim Cash Dividend 460% (2025: 320%)	5,708,045	3,970,814
Final Cash Dividend 560% (2025: 420%)	6,948,924	5,211,693
	12,656,969	9,182,507
Un-appropriated profit carried forward	28,792,184	20,377,848

EARNINGS PER SHARE

The Basic and Diluted earnings per share after tax is Rs. 170.21 (2025 - Rs. 122.91).

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, 2026.

HUMAN RESOURCE AND REMUNERATION (HR&R) COMMITTEE

The Committee meets to review and recommend all elements of the compensation, organization and employee development policies relating to the senior executives' remuneration and to approve all matters relating to the remunerations of the executive directors and members of the management committee. The CEO of the Company and the Head of HR of Atlas Honda attended the Human Resource and Remuneration Committee meeting. The Committee met once during FY 2025 - 26.

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 2025-26.

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 2025-26

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, 2026	-	-	5/5	-	-
2.	Mr. Saquib H. Shirazi	2	-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-	-	-	4/5	-	-
7.	Mr. Azam Faruque	2	-do-	√	-	5/5	4/4	-
8.	Mr. Koji Sugita	1	-do-	-	-	5/5	-	-

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 to 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 2025-26, 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 2026-27. The Board of directors endorses recommendation of the Audit Committee for their reappointment as auditors of the Company for the financial year 2026-27, to the shareholders for approval.

INTERNAL CONTROL FRAMEWORK

The report on Internal Control Framework is presented in the Annual Report. The Company maintains a sound system of internal controls designed to safeguard assets, ensure the accuracy of financial reporting, and support compliance with applicable laws and regulations. The framework also encompasses IT controls to ensure the security, reliability, and integrity of information systems and data, in line with the Company's IT governance and cybersecurity policies.

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, 2026, to date of the report and the Company has not entered into any commitment during this period, which would have an adverse impact on the financial position of the Company.

PRINCIPAL RISKS AND UNCERTAINTIES

The 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.

STAKEHOLDERS' RELATIONSHIP AND ENGAGEMENT

The Company recognises the importance of maintaining constructive relationships with all its stakeholders, including shareholders, customers, employees, suppliers, regulators, and the wider community. Structured engagement mechanisms are in place to ensure effective communication, transparency, and responsiveness to stakeholder expectations. Further details on the Company's approach are provided in the section titled "Corporate Governance" forming part of this Annual Report.

SAFEGUARDING OF RECORDS

The Company places significant emphasis on the secure storage and safeguarding of its financial and operational records. Financial information is maintained through the SAP ERP system, with access to electronic documentation controlled through a robust, password-protected authorization matrix. The Company also follows a formal Document Retention Policy, the details of which are presented in the section titled "Corporate Governance", forming part of this Annual Report.

IT GOVERNANCE AND CYBERSECURITY

The Company recognises the critical importance of robust IT governance and cybersecurity in safeguarding its information assets and ensuring business continuity. Appropriate controls, policies, and systems are in place to manage IT risks, protect data integrity, and prevent unauthorized access. The report on IT Governance and Cybersecurity is presented in the section titled "IT Governance and Cybersecurity", which forms part of this Annual Report.

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.

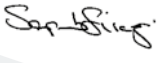
The Directors confirm that:

- 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, 2026, are as follows (PKR in millions):

Fund Name	Unaudited March 2026	Audited March 2025
Provident Fund	1,047.04	1,118.64
Gratuity Fund – Management	1,084.91	639.26
Gratuity Fund – Non management	132.64	128.39

- 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 to this Annual Report:
  - Key financial data for the last six (6) years
  - Pattern of shareholding
  - Trading in shares of the Company by its Directors, CEO, CFO and Company Secretary

On behalf of the Board of Directors



Aamir H. Shirazi
Chairman

Saquib H. Shirazi
Chief Executive Officer

Karachi: April 30, 2026

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک

کمپنی کسی استثنیٰ کے بغیر کارپوریٹ گورننس کے اعلیٰ معیارات کو برقرار رکھنے کے لیے پُرعزم ہے۔ڈائریکٹرز یہ بتاتے ہوئے خوشی محسوس کررہے ہیں کہ کمپنی نے سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے تقاضوں کے مطابق کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل کرتی ہے جو کہ پاکستان اسٹاک ایکسچینج کی لسٹنگ ریگولیشنز کا ایک حصہ ہے۔

ڈائریکٹرز تصدیق کرتے ہیں کہ؛

- کمپنی کی انتظامیہ کی جانب سے تیار کی جانے والے مالیاتی اسٹیٹمنٹ شفافیت کے ساتھ کمپنی کے اسٹیٹ آف افیئرز، آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کو پیش کرتے ہیں۔
- کمپنی اکاؤنٹ کی کتب کو درستگی کے ساتھ قائم رکھتی ہے۔
- مالیاتی اسٹیٹمنٹ کی تیاری کے لیے درست اکاؤنٹنگ پالیسیاں تسلسل کے ساتھ لاگو کی جاتی ہیں اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلوں پر مبنی ہوتے ہیں۔
- کمپنی کے مالیاتی اسٹیٹمنٹس کی تیاری میں پاکستان میں لاگو ہونے والے انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز اور کمپنیز ایکٹ 2017 کی درکار ضروریات 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 لسٹنگ ریگولیشن میں تفصیلاً درج ہیں۔
- 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 وساری 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 پروویڈنٹ فنڈ اسکیم اور مینجمنٹ/نان مینجمنٹ ملازمین کے لیے ڈیفائنڈ بینیفٹ گریجوٹی فنڈ اسکیم چلا رہی ہے۔اس انویسٹمنٹ کی مالیت (ملین روپے میں) 31 مارچ 2026 کے لیے درج ذیل ہے:

فنڈ کا نام	غیر آڈٹ شدہ 31 مارچ 2026	آڈٹ شدہ 31 مارچ 2025
پروویڈنٹ فنڈ	1,047.04	1,118.64
گریجویٹی فنڈ۔مینجمنٹ اسٹاف	1,084.91	639.26
گریجویٹی فنڈ۔ نان مینجمنٹ اسٹاف	132.64	128.39

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

منجانب بورڈ آف ڈائریکٹرز

ثاقب ایچ شیرازی
چیف ایگزیکٹو آفیسر

عامر ایچ شیرازی
چیئرمین

کراچی: 30 اپریل 2026

چیئرمین اور چیف ایگزیکٹو آفیسر کی ذمہ داریاں

شفافیت اور گڈ گورننس کے کلچر کو فروغ دینے کے لیے، بورڈ آف ڈائریکٹرز کے چیئرمین 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۔

چیئرمین 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 کمپنی کے انتظامی سربراہ کے طور پر بھی کام کرتا ہے۔ وہ اس سالانہ رپورٹ میں شامل ذمہ داریوں کے علاوہ بورڈ کی پالیسیوں کو تفویض کردہ 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 مقداری اور معیاری اقدار پر مبنی ہوتا ہے۔ اس میں کاروبار کی کارکردگی، منافع کے حوالے سے مقاصد کی تکمیل، تنظیم سازی، جانشینی کی منصوبہ بندی اور کارپوریٹ کامیابی شامل ہے۔

ڈائریکٹرز کا مشاہرہ

بورڈ نے ڈائریکٹرز کے مشاہرے 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۔ کمپنی 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 کمپنی کے ساتھ منسلک رکھنے کے لیے کمپنی نے انڈسٹری میں جاری رجحانات اور کاروباری طور طریقوں کے مطابق اپنے مشاہرے مقرر کر رکھے ہیں۔ سال 26-2025 میں ڈائریکٹرز اور چیف ایگزیکٹو آفیسرز کے مشاہروں کی معلومات کے لیے فنانشل اسٹیٹمنٹ کے نوٹس ملاحظہ کریں۔

ایکسٹرنل آڈیٹرز

سبکدوش ہونے والے آڈیٹرز میسرز شائن ونگ حمید چوہدری اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے اہل ہونے کی بنا پر خود کو دوبارہ تقرری کے لیے پیش کر دیا ہے۔ آڈٹ کمیٹی نے کمپنی کے لیے سال 27-2026 کے لیے ان کی دوبارہ تقرری کی سفارش کی ہے۔ بورڈ آف ڈائریکٹرز مالی سال 27-2026 کے لئے کمپنی کے آڈیٹرز کے طور پر ان کی دوبارہ تقرری کے لئے آڈٹ کمیٹی کی تجویز کی توثیق کرتے ہیں کہ وہ منظوری کے لئے شیئر ہولڈرز کو ارسال کریں گے۔

انٹرنل کنٹرول فریم ورک

انٹرنل کنٹرول فریم ورک پر رپورٹ، سالانہ رپورٹ میں پیش کی گئی ہے۔ کمپنی انٹرنل کنٹرولز کا ایک ٹھوس نظام برقرار رکھتی ہے جسے اثاثوں کے تحفظ، مالیاتی رپورٹنگ کی درستگی کو یقینی بنانے، اور متعلقہ قوانین وضوابط کی تعمیل کے لیے ڈیزائن کیا گیا ہے۔ یہ فریم ورک کمپنی کی آئی ٹی گورننس اور سائبر سیکیورٹی پالیسیوں کے مطابق انفارمیشن سسٹمز اور ڈیٹا کی حفاظت، بھروسہ مندی اور سالمیت کو یقینی بنانے کے لیے آئی ٹی کنٹرولز کا بھی احاطہ کرتا ہے۔

انٹرنل آڈٹ

کمپنی ایک خود مختار انٹرنل آڈٹ فنکشن رکھتی 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 فنکشنل طور پر آڈٹ کمیٹی کو رپورٹ کرتا ہے۔ بورڈ آڈٹ کمیٹی آڈٹ پلان کی منظوری دیتی ہے، جو کہ آپریٹنگ ایریاز کی سالانہ اور سہ ماہی کارکردگی پر مبنی ہوتا ہے۔ انٹرنل آڈٹ کا کام فنانشل، آپریشنل اور کمپلائنس کنٹرولز کا جائزہ لینا اور ان کے نتائج کی رپورٹ بورڈ آڈٹ کمیٹی، چیف ایگزیکٹو اور ڈویژنل مینجمنٹ کو فراہم کرنا ہے۔

اہم تبدیلیاں

31 مارچ 2026 سے رپورٹ کی تیاری تک کسی قسم کی کوئی بھی اہم تبدیلیاں نہیں کی گئی ہیں اور کمپنی نے اس مدت کے دوران ایسا کوئی معاہدہ نہیں کیا ہے جس سے کمپنی کی مالیاتی پوزیشن پر کسی قسم کے منفی اثرات مرتب ہوں گے۔

بنیادی خطرات اور غیر یقینی صورتحال

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

مواصلات

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

اسٹیک ہولڈرز کے ساتھ تعلقات اور روابط

کمپنی اپنے تمام اسٹیک ہولڈرز بشمول شیئر ہولڈرز، صارفین، ملازمین، سپلائرز، ریگولیٹرز اور وسیع تر کمیونٹی کے ساتھ تعمیری تعلقات برقرار رکھنے کی اہمیت کو تسلیم کرتی ہے۔ اسٹیک ہولڈرز کی توقعات کے مطابق مؤثر مواصلات، شفافیت اور جوابدہی کو یقینی بنانے کے لیے روابط کے باقاعدہ نظام موجود ہیں۔ کمپنی کے اس طریقہ کار کے بارے میں مزید تفصیلات اس سالانہ رپورٹ کے حصہ "کارپوریٹ گورننس" کے عنوان کے تحت فراہم کی گئی ہیں۔

ریکارڈز کا تحفظ

کمپنی اپنے مالیاتی اور آپریشنل ریکارڈز کو محفوظ رکھنے پر نہایت گہری توجہ دیتی ہے۔ کمپنی اپنی مالیاتی معلومات کو ریکارڈ کرنے کے لیے SAP-ERP کا استعمال کرتی ہے جس میں الیکٹرونک دستاویزات تک رسائی کو جامع password protected authorization matrix کے نفاذ کے ذریعے محفوظ کیا گیا ہے۔ اس کے علاوہ کمپنی دستاویزات کو محفوظ رکھنے کی ایک باقاعدہ پالیسی پر بھی عمل پیرا ہے جس کے بارے میں مزید تفصیلات اس سالانہ رپورٹ کے حصہ "کارپوریٹ گورننس" کے عنوان کے تحت فراہم کی گئی ہیں۔

آئی ٹی گورننس اور سائبر سیکیورٹی

کمپنی اپنی قیمتی معلومات کے تحفظ اور کاروباری تسلسل کو یقینی بنانے کے لیے مضبوط آئی ٹی گورننس اور سائبر سیکیورٹی کی کلیدی اہمیت کو تسلیم کرتی ہے۔ آئی ٹی کے خطرات کے انتظام، ڈیٹا کی سالمیت کے تحفظ اور غیر مجاز رسائی کو روکنے کے لیے مناسب کنٹرولز، پالیسیاں اور نظام موجود ہیں۔ آئی ٹی گورننس اور سائبر سیکیورٹی کے بارے میں رپورٹ اس سالانہ رپورٹ کے حصہ "آئی ٹی گورننس اور سائبر سیکیورٹی" کے عنوان کے تحت پیش کی گئی 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 بیک اپ server اور ڈیٹا کو برقرار رکھنے کے لیے ریموٹ ڈیزاسٹر ریکوری سائیٹس کا قیام عمل میں لایا گیا ہے۔

ہیومن ریسورس مینجمنٹ

ہیومن ریسورس پلاننگ اور مینجمنٹ کمپنی کی سینئر مینجمنٹ کی اہم توجہات میں سے ایک ہے۔ کمپنی نے ہیومن ریسورس اور ریمیونیریشن 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 ہائے کار میں بہتری کی سفارشات اور متواتر جائزے کے عمل میں شامل ہے۔ ہیومن ریسورس پالیسیوں کی تفصیلات sustainablity report میں پیش کی گئی ہیں جو کہ سالانہ رپورٹ کا ایک اہم حصہ ہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی مجموعی طور پر کاروباری حالات کے تناظر میں سماجی، ماحولیاتی اور اخلاقی معاملات کے بارے میں غور وخوض کرتی ہے۔ کمپنی اپنے تمام اسٹیک ہولڈرز کے بہترین مفاد میں کام کرنے کے لیے پُرعزم ہے، خاص طور پر اس کمیونٹی میں جس میں ہم رہتے ہیں اور جو ہمارے لیے کسٹمر بیس تشکیل دیتے ہیں۔ کارپوریٹ سوشل ریسپانسبلٹی پر رپورٹ جس میں کمپنی کی ہیلتھ اینڈ سیفٹی، ہیومن ریسورس، سوشل، انوائرمینٹل اور دیگر متعلقہ مسائل کی جانب سوچ کی عکاسی ہوتی ہے، اسے sustainablity report میں پیش کیا گیا ہے جو کہ سالانہ رپورٹ کا ایک اہم حصہ ہے۔

ای ایس جی پرفارمنس مقاصد

بورڈ فعال طور پر کمپنی کے ای ایس جی اقدامات کا حصہ ہے اور ان کی بھرپور حمایت کرتا ہے۔ کمپنی کی توجہ ای ایس جی کے تحفظات کو بنا کسی رکاوٹ کے اپنی حکمتِ 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۔ کمپنی کے اسٹریٹجک اہداف ماحول دوستی، سماجی ذمہ داری اور گورننس کی مہارت پر مبنی ہیں۔ ہم کاربن فٹ پرنٹس کو کم کرنے، وسائل کے تحفظ، سبز توانائی کے استعمال کو فروغ دینے اور فاضل مواد کو ماحول دوست طریقے سے ہینڈل کرنے جیسے اقدامات کے لئے پُرعزم ہیں۔ کمپنی کے فوکل پوائنٹس میں تنوع کا فروغ، ملازمین کی فلاح و بہبود اور کمیونٹی میں فعال طور پر حصہ لینا شامل ہے۔ کمپنی کی فیصلہ سازی اخلاقی اقدار، فراخی، شفافیت اور محتاط رسک مینجمنٹ پر مبنی ہوتی ہے۔ کارپوریٹ سماجی ذمہ داری میں اسٹریٹجک توجہ تعلیم، صحت کے تحفظ اور کمیونٹی کی خدمت پر مرکوز ہوتی ہے۔

صحت تحفظ اور ماحول

ہم صحت، تحفظ اور ماحول کے اعلیٰ معیار کو برقرار رکھنے پر پختہ 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 بنا سکیں۔ کمپنی کے کاروباری ماحولیات کے اثرات کو sustainablity report میں پیش کیا گیا ہے جو اس سالانہ رپورٹ کا ایک لازمی حصہ ہے۔

اسٹیٹمنٹ برائے ویلیو اڈیشن

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

شیئر ہولڈرز کے لیے ڈائریکٹر رپورٹ

شیئر ہولڈرز کے لیے ڈائریکٹر رپورٹ

کمپنی کے ڈائریکٹرز نہایت مسرت کے ساتھ اپنی رپورٹ بمعہ 31 مارچ 2026 کو ختم ہونے والے سال کے لیے کمپنی کی 62 ویں سالانہ رپورٹ اور آڈٹ شدہ مالیاتی بیانات پیش کر رہے ہیں۔

آپریٹنگ نتائج

کمپنی کے آپریٹنگ نتائج مختصراً مندرجہ ذیل ہیں:

	سال کا اختتام 31 مارچ 2026	سال کا اختتام 31 مارچ 2025
	(000' روپے میں)	
قبل از ٹیکس منافع	34,444,765	24,341,667
ٹیکس اور لیویز	13,324,307	9,090,052
بعد از ٹیکس منافع	21,120,458	15,251,615

منافع منقسمہ اور تصرفات

ڈائریکٹرز نے فائنل کیش ڈیویڈنڈ 56 روپے فی شیئر (2025: 42.00 روپے فی شیئر) کی سفارش کی ہے۔

	سال کا اختتام 31 مارچ 2026	سال کا اختتام 31 مارچ 2025
	(000' روپے میں)	
تصرفات کے لیے دستیاب منافع	41,449,154	29,560,355
تصرفات:		
عام ذخائر میں منتقلی	-	-
عبوری کیش ڈیویڈنڈ 460% (2025:320%)	5,708,045	3,970,814
فائنل کیش ڈیویڈنڈ 560% (2025:420%)	6,948,924	5,211,693
	12,656,969	9,182,507
غیر تصرف شدہ منافع آگے لایا گیا	28,792,184	20,377,848

اس کے مطابق منافع کا تصرف حسب ذیل ہوگا:

آمدنی فی شیئر

بنیادی اور diluted آمدنی بعد از ٹیکس فی شیئر 170.21 روپے (2025: 122.91 روپے) ہے۔

ہولڈنگ کمپنی

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

چیئرمین کا تجزیہ

چیئرمین 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 چیئرمین 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 2026 کو منعقدہ غیر معمولی اجلاس عام میں کیا گیا۔

انسانی وسائل اور مشاہرے (HR&R) کی کمیٹی

کمیٹی 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 اہم معاملات کی منظوری دینے کے لیے اجلاس منعقد کرتی ہے۔ کمپنی کے چیف ایگزیکٹو آفیسر اور اٹلس ہنڈا کے ہیومن ریسورس ہیڈ نے انسانی وسائل اور مشاہرے کی کمیٹی کے اجلاس میں شرکت کی۔ کمیٹی کا اجلاس سال 26-2025 کے دوران ایک بار منعقد کیا گیا۔

کمیٹی کے ارکان مندرجہ ذیل ہیں:

1۔ محترمہ مشمومہ زہرہ مجید (چیئرپرسن)
2۔ جناب عابد نقوی
3۔ جناب ثاقب ایچ 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 شیئر ہولڈرز کو مہیا کی جانے والی فنانشل اور نان فنانشل معلومات کا جائزہ لینے، اندرونی کنٹرول اور رسک مینجمنٹ کے نظام اور آڈٹ کے طریقہ کار جیسے امور انجام دینے میں معاونت فراہم کرتی ہے۔ اس کے پاس انتظامیہ سے معلومات حاصل کرنے اور براہ راست بیرونی آڈیٹرز یا مشیروں 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 چیئرمین بورڈ کو رپورٹ کرتے ہیں۔ سال 26-2025 کے دوران کمیٹی کے چار اجلاس منعقد ہوئے۔

کمیٹی کے ارکان مندرجہ ذیل ہیں:

1۔ محترمہ مشمومہ زہرہ مجید (چیئرپرسن)
2۔ جناب عابد نقوی
3۔ جناب اعظم فاروق

سال 26-2025 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 لسٹڈ کمپنیوں، بشمول اٹلس ہنڈا لمیٹڈ میں ان کی ڈائریکٹرشپس کی تعداد ذیل میں دی گئی ہے:

نمبر شمار	ڈائریکٹر	ڈائریکٹرشپ	اسٹیٹس	کمیٹی		حاضری		
				انسانی وسائل اور مشاہرے کی کمیٹی		بورڈ آف ڈائریکٹرز	بورڈ آڈٹ کمیٹی	انسانی وسائل اور مشاہرے کی کمیٹی
1.	جناب عامر ایچ شیرازی	4	13 مارچ 2026 کو دوبارہ منتخب ہوئے	-	-	5/5	-	-
2.	جناب ثاقب ایچ شیرازی	2	-do-	-	√	5/5	-	1/1
3.	جناب عابد نقوی	1	-do-	√	√	5/5	4/4	1/1
4.	محترمہ مشمومہ زہرہ مجید	2	-do-	√	√	5/5	4/4	1/1
5.	جناب کازوکی یامانا کا	1	-do-	-	-	5/5	-	-
6.	جناب ماسانوری کیٹو	1	-do-	-	-	4/5	-	-
7.	جناب اعظم فاروق	2	-do-	-	√	5/5	4/4	-
8.	جناب کوجی سوگیتا	1	-do-	-	-	5/5	-	-

بورڈ آف ڈائریکٹرز اور بورڈ کی کمیٹیوں کی کارکردگی کا جائزہ

کمپنی میں بورڈ کی نگرانی کے کردار اور اس کے مؤثر 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 کو 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۔

مکمل شدہ سوالنامے کی وصولی کے بعد کمپنی سیکریٹری 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 نمایاں کیا جاتا ہے۔

منصوبہ بندی کو بہتر بنا کر اور آؤٹ سورسنگ میں اضافے کے ذریعے پیداوار کو بڑھایا گیا۔ آٹومیشن کے اقدامات کے تحت روبوٹکس، خودکار گائیڈڈ گاڑیوں (AGVs) اور کنویئرز کا استعمال کیا گیا۔ ان اقدامات کے نتیجے میں پیداواری صلاحیت بہتر ہوئی اور لاگت کم کرنے میں مدد ملی۔ ملٹی سورسنگ، وینڈرز کی گنجائش میں اضافے اور مرکزی خریداری نظام کے ذریعے سپلائی چین کو مستحکم کیا گیا۔ ڈیجیٹل ٹُولز نے رابطے بہتر بنانے اور لاگت کم کرنے میں مدد کی۔ کوالٹی اسٹینڈرڈ کو وینڈر آڈٹ، بہتری کے پروگرامز اور Data-driven مانیٹرنگ کے ذریعے بہتر کیا گیا۔

ڈیجیٹل ٹرانسفارمیشن کے اقدامات کا سلسلہ جاری رہا، جن میں SAP S/4HANA آپٹیمائزیشن، BI انٹرپرائز ڈیشبورڈز اور ایک مشترکہ ڈیٹا ویئرہاؤس شامل ہیں۔ ان اقدامات نے بروقت، شفاف اور ڈیٹا پر مبنی فیصلہ سازی کو ممکن بنایا۔ کمپنی نے اپنے سسٹین ایبلٹی سے متعلق اقدامات کو مزید آگے بڑھایا۔ شمسی توانائی کے استعمال میں اضافہ ہوا جو مجموعی توانائی کے استعمال کے تقریباً 20 فیصد تک پہنچ گیا، جس سے کاربن کے اخراج میں کمی آئی۔ ESG اسیسمنٹس اور سپلائر سیفٹی آڈٹس کو مزید مضبوط بنایا گیا۔ کمپنی کے سسٹین ایبل اقدامات اور کمپنی کی مالی کارکردگی پر ان کے اثرات کی تفصیل سالانہ رپورٹ میں شامل ''سسٹین ایبلیٹی رپورٹ'' میں پیش کی گئی ہے جو کہ سالانہ رپورٹ کا ایک اہم/لازمی حصہ ہے۔

ایوارڈز

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

- وزارتِ صنعت وتجارت کی جانب سے آٹو پارٹس کے شعبے میں Highest exporter ایوارڈ حاصل کیا
- انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کی جانب سے کارپوریٹ رپورٹنگ ایوارڈ
- ICAP/ICMA کی جانب سے سسٹین ایبلٹی رپورٹنگ ایوارڈ
- نیشنل فورم فار انوائرمنٹ اینڈ ہیلتھ (NFEH) کی جانب سے سسٹین ایبلٹی رپورٹنگ ایوارڈ

مستقبل کے خدوخال

آگے چل کر پاکستان کا معاشی منظرنامہ محتاط طور پر پُر امید ہے، جسے مسلسل میکرو اکنامک استحکام، افراطِ زر میں کمی، مستحکم شرحِ مبادلہ اور آئی ایم ایف کے تعاون سے جاری اصلاحات کے لیے حکومت کے عزم سے تقویت مل رہی ہے۔ صنعتی سرگرمیوں میں بتدریج بحالی، بیرونی کھاتوں کے بہتر اشاریوں اور زیادہ سازگار مانیٹری صورتحال سے کاروباری اعتماد اور سرمایہ کاری کی سرگرمیوں میں مدد ملنے کی توقع ہے۔ ان عوامل کے ساتھ ساتھ یہ منظرنامہ بیرونی خطرات سے مشروط ہے، جن میں بڑھتے ہوئے جغرافیائی سیاسی تناؤ، بدلتی ہوئی تجارتی حرکیات، عالمی سطح پر اشیائے صرف اور توانائی کی قیمتوں میں اتار چڑھاؤ اور سپلائی چین کا ممکنہ تعطل شامل ہیں۔ ملکی سطح پر چیلنجز، خاص طور پر مستقل مالیاتی استحکام اور اسٹرکچرل اصلاحات کی ضرورت، طویل مدتی استحکام کے لیے بدستور انتہائی اہم ہیں۔ آگے چل کر برآمدات میں مسابقت کو مستحکم کرنا، پیداواری صلاحیت کو بڑھانا اور پالیسی ڈسپلن کو برقرار رکھنا ترقی کی رفتار کو برقرار رکھنے کے لیے کلیدی اہمیت کے حامل ہوں گے۔

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 پُرعزم 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۔

جوئندہ یابندہ
(One who seeks, gets it)

اظہارِ تشکر

اٹلس گروپ ہنڈا موٹر 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 اینچ شیرازی، سی ای او کی پُر اثر لیڈرشپ اور اپنے اسٹیک ہولڈرز، بینکرز، ڈیلرز، وینڈرز، ایسوسی ایٹس اور شیئر ہولڈرز کا بے حد ممنون و مشکور ہوں کہ جن کی مدد سے اٹلس ہنڈا لمیٹڈ کو گزشتہ 60 سالوں سے ایک ممتاز کمپنی کی حیثیت حاصل ہے۔

عامر اینچ شیرازی
بتاریخ: 30 اپریل 2026

ہے۔ اس کے علاوہ ایکسپیریشل مارکیٹنگ، ٹیسٹ رائڈ کیمپینز اور پُرکشش فنانسنگ و ایکسچینج آفرز کے ذریعے CB125F کی بھرپور تشہیر کی گئی۔ مستحکم ڈیجیٹل انگیجمنٹ اور مسلسل تشہیری سرگرمیوں کے ساتھ ان اقدامات نے تقریباً 47 فیصد کی سالانہ شرح نمو حاصل کرنے میں مدد دی، جس سے پرفارمنس پرمٹی کیٹیگری میں اس سگمنٹ کی پوزیشن مزید مستحکم ہوئی۔

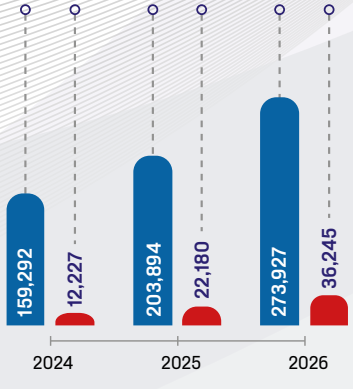
زیرِ جائزہ سال کے دوران CG150 کی لانچ کے بعد 150 سی سی کیٹیگری میں نمایاں تیزی دیکھی گئی، جو ایک منفرد ریٹرو۔کلاسک ڈیزائن اور مضبوط برانڈ پوزیشننگ کے ساتھ متعارف کروائی گئی۔ سرخ، ٹو-ٹون اور میٹ گرین ویریئنٹس میں پیش کیے گئے اس ماڈل کو مخصوص مارکیٹنگ اقدامات بشمول انفلوئنسر انگیجمنٹ، مال ایکٹیویشنز اور آن گراؤنڈ کیمپینز کے ذریعے سپورٹ فراہم کی گئی۔ مزید برآں، CB150 کے لیے متعارف کروائے گئے ایم ایم سیز نے اس پلیٹفارم کو مزید مستحکم بنایا۔ ان اقدامات نے مارکیٹ میں حوصلہ افزا ردعمل پیدا کیا اور زیادہ سی سی انجن والی کیٹیگری میں کمپنی کی موجودگی کو بہتر بنایا، جس سے بہتر کارکردگی اور پریمیم سواری کے تجربے کے خواہش مند صارفین کی ضروریات کو پورا کرنے میں مدد ملی۔

الیکٹرک بائیک ICON e کے ساتھ پاکستان کی الیکٹرک موبلٹی مارکیٹ میں کمپنی کی شمولیت ایک اہم سنگِ میل ہے۔ اس ماڈل کو مارکیٹ سے حوصلہ افزا ردعمل ملا، جسے آگاہی کی بھرپور کیمپینز، یونیورسٹیوں اور اداروں میں ٹیسٹ رائڈ پروگرامز، اور ای وی (EV) کے لیے موزوں ڈیلرشپ انفراسٹرکچر کی تیاری کے ذریعے بھرپور معاونت حاصل رہی۔

اسپیئر پارٹس کے شعبے کی کارکردگی مستحکم رہی اور اس میں فروخت کی آمدنی 26.3 ارب روپے تک پہنچ گئی، جو سالانہ بنیادوں پر 31 فیصد کی شرح نمو کو ظاہر کرتی ہے۔ اس اضافے کی بڑی وجوہات میں 40 نئے پارٹس کی لانچ کے ذریعے پروڈکٹ پورٹ فولیو میں توسیع اور اہم پرزہ جات کی بہتر دستیابی شامل ہے۔ کیو آر (QR) کوڈ پر مبنی تصدیقی عمل جیسے اقدامات نے صارفین کے اعتماد میں اضافہ کیا اور جعلی مصنوعات کی روک تھام کی کوششوں میں مدد دی۔ نیٹ ورک کی وسیع تر رسائی، سیکنڈری نیٹ ورک موبائل ایپلیکیشن کے ذریعے مکینکس کے ساتھ بہتر روابط اور 3S نیٹ ورک کی بڑھتی ہوئی معاونت نے مارکیٹ میں زیادہ رسائی ممکن بنائی۔ اسی دوران، سپلائی چین میں بہتری اور ہدف شدہ ڈیجیٹل اقدامات نے، جن کے ذریعے ماہانہ 35 لاکھ سے زائد صارفین تک رسائی حاصل کی گئی، صارفین کے ساتھ رابطے اور سروس کی فراہمی کو مزید مستحکم بنایا۔

مالی کارکردگی

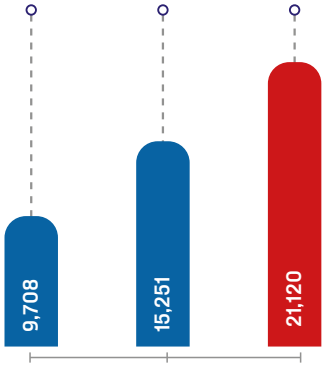
Sales & Gross Profit



کمپنی کی مالی حالت اور خالص اثاثے ایک مضبوط اور مستحکم کارکردگی کی عکاسی کرتے ہیں۔ کمپنی کی خالص فروخت بڑھ کر 273.9 ارب ہوگئی، جو گزشتہ سال کی اسی مدت کے مقابلے میں 34.3 فیصد کے زبردست اضافے کو ظاہر کرتی ہے۔ فروخت کے زیادہ حجم، بہتر سیلز مکس اور اشیائے صرف کی مستحکم قیمتوں کی بدولت مجموعی منافع 63.4 فیصد اضافے کے بعد 22.2 ارب روپے سے بڑھ کر 36.2 ارب روپے ہوگیا۔ سیلز اور مارکیٹنگ کے اخراجات 17.7 فیصد اضافے کے بعد 5.2 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، جس کی بڑی وجہ وسیع پیمانے پر جاری پروموشنل سرگرمیاں اور مال برداری (freight) کے اخراجات ہیں۔ کارپوریٹ سماجی ذمہ داری (CSR) کے اقدامات اور عمومی مہنگائی کے اثرات کے باعث انتظامی اخراجات میں بھی 15.6 فیصد اضافہ دیکھنے میں آیا۔

دیگر آمدنی، جس میں دیگر آپریٹنگ اخراجات اور مالیاتی چارجز کو منہا کرنے کے بعد خالص رقم شامل ہے، نے مؤثر ٹریژری مینجمنٹ کی بدولت کمپنی کے منافع میں 4.9 ارب روپے کی شاندار شراکت کی۔ ان تمام عوامل نے کمپنی کو قبل از ٹیکس اور لیویز 34.4 ارب روپے کا منافع حاصل کرنے میں مدد دی، جبکہ گزشتہ سال کی اسی مدت میں یہ منافع 24.3 ارب روپے تھا۔ نتیجتاً، بعد از ٹیکس منافع گزشتہ سال کی اسی مدت کے 15.25 ارب روپے کے مقابلہ میں 21.1 ارب روپے رہا، جو کہ 38.4 فیصد اضافہ ظاہر کرتا ہے۔ اس کے نتیجے میں فی حصص آمدنی بڑھ کر 170.20 روپے ہوگئی، جو کہ گزشتہ سال کی اسی مدت میں 122.91 روپے تھی۔

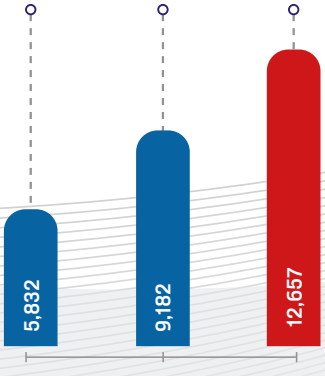
Profit After Tax



زیرِ جائزہ سال کے دوران کمپنی نے مختلف ٹیکسز اور لیویز کی مد میں حکومت اور اس کے اداروں کو 73.8 ارب روپے کی خطیر رقم ادا کی۔ اٹلس 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 ملک کے بڑے ٹیکس دہندگان میں اٹلس گروپ کی حیثیت مزید مستحکم ہوئی اور ملکی معاشی ترقی کے لیے اس کے غیر متزلزل عزم کی توثیق ہوئی۔

ڈیویڈنڈ پالیسی

Cash Dividend



کمپنی منافع کی تقسیم کے لیے ایک مستقل نکتۂ نظر برقرار رکھنے کے لیے پُرعزم ہے۔ ڈیویڈنڈ کی تقسیم کا فیصلہ کاروباری ضروریات، ترقی کے مواقع اور زرِ تدویراتی عوامل کو مدنظر رکھتے ہوئے کیا جاتا ہے۔ کمپنی کی ڈیویڈنڈ پالیسی کے مطابق بورڈ آف ڈائریکٹرز نے 56.0 روپے فی حصص حتمی نقد ڈیویڈنڈ کی تجویز دی ہے۔ اس سے قبل اکتوبر 2025 میں 46.0 روپے فی حصص عبوری ڈیویڈنڈ دیا گیا تھا، جس سے پورے سال کے لیے کل ڈیویڈنڈ 102 روپے فی حصص ہوگیا ہے۔

آپریشنز کا جائزہ

زیرِ جائزہ سال کے دوران کمپنی نے آپریشنل کارکردگی کو بڑھانے کے لیے مسلسل بہتری پر بھرپور توجہ برقرار رکھی۔ کمپنی کی کوششوں کا رخ پیداواری صلاحیت میں اضافے، لاگت میں کمی اور طریقہ ہائے کار میں کی بہتری کی طرف رہا۔ شفٹ کی

چیئرمین کا جائزہ

میں 31 مارچ، 2026 کو ختم ہونے والے سال کے لیے کمپنی کی 62 ویں سالانہ کارکردگی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔

میکرو اکنامک جائزہ

مشکل عالمی صورتحال کے باوجود ملکی معیشت نے پالیسی نظم وضبط اور اصلاحات میں تسلسل کی بدولت اہم اشاریوں میں حوصلہ افزا نمو کا مظاہرہ کیا۔ یہ پیش رفت بیرونی کھاتوں کے بہتر اشاریوں، افراطِ زر کے دباؤ میں کمی اور شرح مبادلہ کے استحکام کی صورت میں ظاہر ہوئی۔ آئی ایم ایف (IMF) کے ایکسٹنڈڈ فنڈ فیسلٹی (EFF) پروگرام کے ساتھ حکومت کی مسلسل وابستگی، جسے کثیر جہتی ذرائع سے مالی تعاون حاصل رہا، میکرو اکنامک بنیادوں کو مضبوط بنانے اور سرمایہ کاروں کا اعتماد بحال کرنے میں مددگار ثابت ہوئی ہے۔ نتیجتاً، مالی سال 2026 میں جی ڈی پی (GDP) کی شرح نمو گزشتہ سال کے 3.0 فیصد کے مقابلے میں بہتر ہو کر 3.6 فیصد تک پہنچنے کی توقع ہے، جو کہ معتدل اور وسیع البنیاد بحالی کے مرحلے کی جانب پیش رفت کی نشاندہی کرتی ہے۔ تاہم، اس بحالی کو برقرار رکھنے کے لیے مسلسل اسٹرکچرل اصلاحات کی ضرورت ہوگی۔ بیرونی حالات، خاص طور پر مشرق وسطیٰ میں جغرافیائی سیاسی تناؤ اور خطے پر اس کے ممکنہ اثرات کے خطرات غیر یقینی صورتحال کا باعث بنے ہوئے ہیں۔

مالی سال 2026 کے دوران پاکستان کے کرنٹ اکاؤنٹ میں بہتری آئی، جو 700 ملین امریکی ڈالر کے خسارے سے نکل کر 8 ملین امریکی ڈالر کے معمولی سرپلس پر آ گیا۔ مارچ 2026 میں 1.07 بلین امریکی ڈالر کا سرپلس بیرونی پوزیشن میں نسبتاً استحکام کی نشاندہی کرتا ہے۔ برآمدات زیادہ تر مستحکم رہیں جبکہ معاشی سرگرمیوں کے مطابق درآمدات میں معتدل اضافہ ہوا۔ سمندر پار پاکستانیوں کی ترسیلاتِ زر 10.5 فیصد اضافے کے ساتھ 26.5 بلین امریکی ڈالر تک پہنچ گئیں اور بیرونی کھاتوں کو سہارا دینا جاری رکھا۔ ترسیلاتِ زر نے تجارتی خسارے کو کم کرنے میں اہم کردار ادا کیا، جو 10.5 فیصد اضافے سے 26.5 بلین امریکی ڈالر ہو گئیں۔ افراطِ زر قابو میں رہا اور مالی سال 2026 کے پہلے نو ماہ کے دوران اوسطاً 5.7 فیصد ریکارڈ کیا گیا، جس کی بدولت اسٹیٹ بینک آف پاکستان (SBP) نے مارچ 2026 تک پالیسی ریٹ کو 10.5 فیصد پر برقرار رکھا۔ مالیاتی محاذ پر حکومت نے ٹیکس اصلاحات، ریونیو سسٹمز کی ڈیجیٹائزیشن اور اخراجات میں کمی کے ذریعے ایک محتاط اور نظم وضبط پر مبنی حکمتِ عملی برقرار رکھی، جس سے نمایاں مالیاتی استحکام حاصل ہوا۔ مالی سال 2026 کے پہلے نو ماہ کے دوران فیڈرل بورڈ آف ریونیو کی وصولیاں 9.3 ٹریلین روپے رہیں، جو گزشتہ سال کی اسی مدت کے 8.4 ٹریلین روپے کے مقابلے میں 10 فیصد اضافے کی عکاسی کرتی ہیں۔ اس اضافے کو بہتر نفاذ اور ٹیکس کے دائرہ کار میں توسیع سے تقویت ملی۔

زیر جائزہ سال کے دوران زرعی شعبے کی کارکردگی ملی جلی رہی، کیونکہ ناسازگار موسمی حالات اور پیداواری لاگت میں اضافے سے خریف کی فصلیں متاثر ہوئیں۔ ان چیلنجز کے باوجود یہ شعبہ دیہی آمدنی کے استحکام کا اہم ذریعہ بنا رہا اور مجموعی معاشی سرگرمیوں میں کلیدی حصہ دار رہا، جس سے کھپت پر مبنی شعبوں میں طلب کو مدد ملی۔ زرعی ان پٹس کی بہتر دستیابی اور معاون پالیسی اقدامات نے کاشتکاری کی سرگرمیوں کو تقویت دی ہے، جس کی عکاسی زرعی قرضوں میں 11.1 فیصد اضافے (1,649 بلین روپے) اور زرعی مشینری کی درآمدات میں 17.1 فیصد اضافے (90.8 ملین امریکی ڈالر) سے بخوبی ہوتی ہے۔ توقع ہے کہ یہ عوامل زرعی پیداواری صلاحیت کو بڑھانے اور دیہی معیشت کے استحکام میں مددگار ثابت ہوں گے۔

مالی سال 2026 کے دوران بڑے پیمانے کی پیداوار (LSM) میں بہتری ریکارڈ کی گئی، جس میں مالی سال 2026 کے ابتدائی 7 ماہ کے دوران 5.8 فیصد کی شرح نمو دیکھی گئی، جبکہ گزشتہ سال اسی مدت کے دوران 1.7 فیصد کی کمی ہوئی تھی۔ ترقی کے یہ اثرات تمام اہم شعبوں میں دیکھے گئے، جن میں آٹو موبائلز، ٹیکسٹائل، پیٹرولیم مصنوعات اور فوڈ شامل ہیں۔ مجموعی طور پر 22 میں سے 15 شعبوں نے ترقی ریکارڈ کی، جو صنعتی سرگرمیوں میں وسیع البنیاد بحالی کی نشاندہی کرتی ہے۔ پالیسی سپورٹ کے اقدامات نے اس بہتری میں اہم کردار ادا کیا، جن میں کیش ریزرو کی ضرورت میں کمی، برآمد کنندگان کے لیے مارک اپ کی کم شرح اور صنعتی شعبے کے لیے توانائی کے نرخوں میں ایڈجسٹمنٹ شامل ہے۔ تاہم، مستقبل کی صورتحال، خصوصاً مشرق وسطیٰ میں جاری سیاسی وجغرافیائی صورتحال کے تناظر میں اب بھی بیرونی طلب کے حالات اور توانائی کی قیمتوں میں اتار چڑھاؤ سے مشروط ہے۔

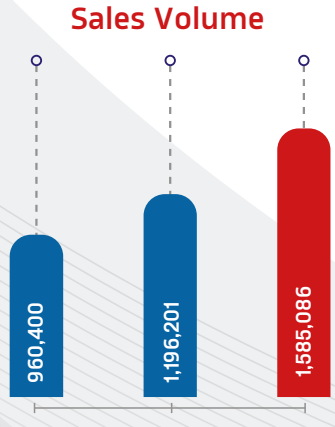
ٹو۔وہیلر صنعت

موٹر سائیکل کی صنعت نے سال کے دوران تقریباً 30 فیصد کی شرح نمو ریکارڈ کی۔ اس بہتری کو افراطِ زر میں کمی، ترسیلاتِ زر کی آمد میں اضافے اور زرعی شعبے میں بہتر لکویڈیٹی کی دستیابی سے سہارا ملا۔ سستی اور ایندھن بچانے والی سواری کی طلب، خاص طور پر دیہی اور نیم شہری منڈیوں میں مستحکم رہی۔ گزشتہ ادوار کی مؤخر شدہ طلب کی بحالی نے بھی مجموعی ترقی میں اہم کردار ادا کیا۔

کمپنی

چھ دہائیوں سے زائد کے تجربے کے ساتھ کمپنی قابلِ اعتماد، سستی اور اعلیٰ معیار کی سفری سہولیات کی فراہمی جاری رکھے ہوئے ہے۔ کمپنی پیداواری صلاحیت اور لاگت میں بہتری لانے کے لیے مینوفیکچرنگ کی جدید ٹیکنالوجیز بشمول آٹومیشن، روبوٹکس اور ڈیجیٹل سسٹمز میں سرمایہ کاری کر رہی ہے۔ اس کے ساتھ ساتھ کمپنی توانائی کی بچت کرنے والی ٹیکنالوجیز کی تلاش اور ماحولیاتی اثرات کو کم کرنے کلیئر موبلٹی کی جانب منتقلی پر بھی توجہ دے رہی ہے۔ مصنوعات کے پورٹ فولیو میں اضافہ، سیلز اور آفٹر سیلز نیٹ ورک کی توسیع اور بے مثال کسٹمر سروس کمپنی کی مارکیٹ پوزیشن کو مسلسل مضبوط بنا رہے ہیں۔ دورانِ سال کمپنی نے CG150 اور اپنی پہلی الیکٹرک موٹر سائیکل، ICON e متعارف کروائی، جو گرین موبلٹی اور جدید ٹیکنالوجی اپنانے کی جانب ایک اہم قدم ہے۔

فروخت کی کارکردگی



70 سی سی موٹر سائیکل کیٹیگری نے مارکیٹ میں اپنی برتری برقرار رکھی اور سالانہ 31 فیصد کی مستحکم نمو ظاہر کی۔ اس کارکردگی کو مختلف اسٹریٹجک اقدامات سے تقویت ملی، جن میں فصل سے قبل کی فنانسنگ اسکیمیں، ایکسچینج پروگرام اور ماس میڈیا و ڈیجیٹل مارکیٹنگ پر مسلسل توجہ شامل ہے۔ صارفین کی دلچسپی بڑھانے کے لیے ہدف شدہ اقدامات اور مصنوعات کی مسلسل دستیابی نے حجم میں اضافے کو مزید مستحکم کیا۔ مزید برآں، نئے ویریئنٹس کے اجرا نے مصنوعات کے فرق کو واضح کیا اور ویلیو کے حوالے سے شعور رکھنے والے اور جدید رجحانات کے دلدادہ صارفین کے لیے برانڈ کو پُرکشش بنایا، جس سے اس کیٹیگری کی مارکیٹ لیڈر شپ مزید مستحکم ہوئی۔

100 سی سی کیٹیگری میں "Pridor" نے سالانہ بنیادوں پر تقریباً 64 فیصد کی مضبوط شرح نمو ریکارڈ کی، جو مارکیٹ کے بہتر اعتماد کی عکاسی کرتی ہے۔ مخصوص اقدامات، بشمول "خصوصی کلر کیمپین" کے تحت منفرد نیلے رنگ کے ماڈل کے اجرا نے برانڈ کو نمایاں کرنے اور صارفین کی دلچسپی کو بڑھانے میں اہم کردار ادا کیا۔ مستقل بنیادوں پر مارکیٹنگ کی کوششوں، مقامی سطح پر رسائی اور مربوط پروموشنل سرگرمیوں سے اسے مزید مدد ملی، جس کی بدولت یہ کیٹیگری ایسے صارفین کے لیے اپ گریڈ کا ایک پرکشش آپشن بن گئی ہے جو بہتر معیار کے ساتھ آرام دہ سواری کے خواہش مند ہیں۔

125 سی سی کیٹیگری میں مستحکم ترقی کا سلسلہ جاری رہا، جسے زیادہ طاقتور اور جدید خصوصیات کی حامل موٹر سائیکلوں کے لیے صارفین کی بدلتی ہوئی ترجیحات سے مدد ملی۔ CG125، CG125S اور CG125 گولڈ اور کروم ایڈیشنز کے لیے ایم ایم سیز متعارف کروائے گئے، جنہیں مارکیٹ میں بھرپور پذیرائی ملی۔ زیرِ جائزہ سال کے دوران CG125 کی فروخت نے پہلی بار سالانہ 500,000 یونٹس کا سنگِ میل عبور کیا، جو اس موٹر سائیکل کی صارفین میں مسلسل پسندیدگی کا مظہر

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, 2026.

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. Mashmooma Zehra Majeed	Chairperson	Independent Director
Mr. Azam Faruque	Member	Independent Director
Mr. Abid Naqvi	Member	Independent Director

The Chairperson of the Committee is a seasoned professional having over 25 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. 18-19 of the Integrated Annual Report 2026.

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, 2026, and reports that:

- The financial statements of the Company for the year ended March 31, 2026, 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 2026.
- 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, INTERNAL CONTROLS AND SUSTAINABILITY REVIEW

- 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.

- The Company undertakes sustainability reviews to evaluate environmental, social and governance (ESG) considerations, assess sustainability-related risks and opportunities, and strengthen the integration of responsible and sustainable business practices across its operations and decision-making processes.

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, 2026, and review of the "Statement of Compliance with the Code of Corporate Governance" for the year ended March 31, 2026, and shall retire on the conclusion of the 62nd 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 62nd Annual General Meeting scheduled for June 29, 2026. 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 2027. The Committee being satisfied with the performance of external auditors has recommend them to the Board for reappointment for the year ending March 31, 2027.

INTEGRATED ANNUAL REPORT 2026

- 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 2026 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, 2026

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

1. Total number of Directors is eight (8) as per following:

a.	Male	Seven
b.	Female	One

2. 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

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including Atlas Honda Limited.

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures. Further certain significant policies as required under non-mandatory regulation no. 35 "Disclosure of significant policies on website" are published in this annual report which is also available on Company's website.

5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with the dates of approval or updating is maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.

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

9. 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.

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

a) Audit Committee

Ms. Mashmooma Zehra Majeed	Chairperson
Mr. Abid Naqvi	Member
Mr. Azam Faruque	Member

b) HR and Remuneration Committee

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

Separate Nomination Committee, 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, 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, while the functions of the Sustainability Committee are currently being overseen by the Board Audit Committee.

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, 2026

SW PAKISTAN

SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS

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, 2026, in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations 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, 2026.

Shinewing Hameed Chaudhri & Co.

SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
KARACHI;

Date: April 30, 2026

UDIN: CR202610104NVedQlHWb

CORPORATE GOVERNANCE AND COMPLIANCE

Atlas Honda remains committed to fostering a strong culture of corporate governance, recognising it as a key pillar of sustainable growth and responsible business conduct. The Company endeavours to maintain the highest standards of governance across its operations and decision-making processes, with transparency and accountability embedded throughout its 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.

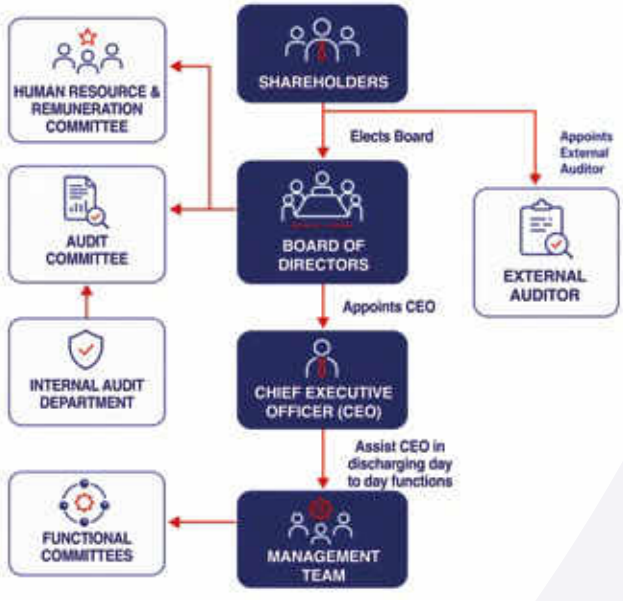
The Company has a total of eight (8) Directors on its Board

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 Friday, March 13, 2026. 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 90 respectively.

GOVERNANCE STRUCTURE



COMMITTEES OF THE BOARD AND TERMS OF REFERENCE

Committee	Roles and Responsibilities	Members	Frequency
Audit Committee	• 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 Remunera-tion Committee	• 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	Annual

INDEPENDENT DIRECTORS AND BASIS OF INDEPENDENCE

The Board includes Independent Directors in accordance with the requirements of section 166 of Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations. Mr. Azam Faruque and Ms. Mashmooma Zehra Majeed serve as Independent Directors on the Board and meet the independence criteria prescribed under applicable laws and regulations. They are individuals of high integrity and professional standing who are independent of management and free from any relationship or circumstances that could materially affect their judgment. Their presence on the Board strengthens objective decision-making, governance oversight and protection of stakeholders' interests.

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 Ms. Mashmooma Zehra Majeed as female member on its board in the election of Directors.

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. Executive Directors other than the CEO of the Company do not hold directorship position in any other Company.

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

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
- Effective representation and stakeholder management.

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.

CODE OF CONDUCT

The Company's Code of Conduct (the Code) provides guidelines on ethical standards. 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.

The Code is available on website, 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. For summery of the Code please refer page number 12 of this Annual Report.

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

ANNUAL EVALUATION OF PERFORMANCE OF THE BOARD, CEO AND BOARD COMMITTEES

The Board of Directors fulfills its fiduciary duties under the Companies Act, 2017 and Corporate Governance Regulations 2019, overseeing strategy, compliance, and sustainable growth. The evaluation process is aimed at assessing the effectiveness of governance structures, strategic oversight, leadership and decision-making processes to support continuous improvement.

The evaluation criteria for the Board include effectiveness in strategic guidance, oversight of management, risk management and internal controls, participation in meetings, quality of decision-making, governance practices, compliance with applicable laws and contribution towards the Company's long-term objectives. The performance of the Chairman is assessed based on leadership of the Board, effectiveness in conducting meetings, promotion of constructive dialogue and ensuring effective governance practices.

The Chief Executive Officer's performance is evaluated against approved business objectives, operational and financial performance, execution of strategic initiatives, leadership effectiveness, risk management and organizational development. The evaluation also considers performance in managing the Company's material impacts on the economy, environment and people, including matters relating to employee well-being, health and safety, environmental stewardship and stakeholder engagement.

Similarly, Board Committees are evaluated based on the effectiveness of their oversight responsibilities, quality of recommendations, frequency of meetings and contribution towards strengthening governance and internal control processes.

The outcome of the evaluation process is reviewed by the Board to identify areas for improvement and further strengthen the effectiveness of the Company's governance framework.

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	Members	Frequency
Management Committee	• 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	Fourteen	Monthly
Business Ethics Committee	• Effective communication and reinforcement of ethical values & best practices in the business • Ensuring compliance with the Company's 3R principles (Respect, Reward and Recognition)	Five	Twice a year
Treasury Committee	• 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	• Identifies and propose strategies to mitigate risks, on a timely basis, in accordance with a well-structured risk management process	Three	Monthly
EHS&S Committee	• Ensures compliance with applicable Environmental, Health, Safety and Security (EHS&S) laws and regulations • Ensures compliance with ESG Framework	Six	Monthly

BOARD'S PERFORMANCE EVALUATION

The performance evaluation of the Board is presently carried out internally by the Board in accordance with the requirements of the Listed Companies (Code of Corporate Governance) Regulations. The results of these evaluations are formally incorporated into remuneration decisions, including adjustments to compensation and incentive schemes, to reinforce performance-based accountability and alignment with the Company's long-term objectives.

The Board, periodically reviews its governance practices and may consider engaging an independent external consultant in future for further strengthening the evaluation process and governance framework.

Board members, including those overseeing sustainability issues, bring relevant experience in economic, environmental and social areas. To stay aware of new trends and changing expectations, AHL supports continuous capacity building through targeted training and participation in key national and international forums for both Board members and senior management.

EXTERNAL OVERSIGHT AND STRENGTHENING OF INTERNAL CONTROLS

The Company conducts independent third-party cybersecurity assessments to protect its information assets and systems against evolving cyber threats and vulnerabilities. These assessments are carried out by external specialists with expertise in information security and penetration testing to identify, evaluate and prioritize potential risks across the Company's digital infrastructure.

As part of its cybersecurity framework, the Company performs periodic external vulnerability scans of critical systems, including Product Design & Development and Supply Chain Management platforms, through Approved Scanning Vendors (ASVs) to ensure compliance with relevant industry standards. In addition, independent penetration testing is conducted annually, or whenever significant changes are made to the Company's IT infrastructure, to evaluate the resilience and security effectiveness of key systems and applications.

These independent assessments support the continuous strengthening of cybersecurity controls and help ensure that manufacturing systems, internal networks and customer-facing platforms remain secure, reliable and protected against potential cyber risks.

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.

DIRECTORS' ORIENTATION AND TRAINING

The Directors of the Company possess extensive experience and diversified professional backgrounds. Upon induction, every new director is provided with a comprehensive orientation regarding the Company's operations, governance framework and fiduciary responsibilities to enable effective participation in Board matters.

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.

RELATED PARTY TRANSACTIONS

Approved Policy for Related Party Transactions

Atlas Honda has established a formal policy and defined procedures for identification, review, approval and monitoring of related party transactions in accordance with the Companies Act, 2017, applicable accounting standards and the Listed Companies (Code of Corporate Governance) Regulations. All related party transactions are reviewed by the Audit Committee and approved by the Board of Directors where required.

Details of Related Party Transactions

The Company enters transactions with related parties including associated companies, group entities, joint venture partners and key management personnel in the ordinary course of business. Such transactions primarily include purchase and sale of goods, technical services, royalty, reimbursement of expenses and other operational transactions. The basis of relationship, including common directorships and shareholding percentages, is disclosed in note 38 of the financial statements on page 238-239 in accordance with applicable regulatory and accounting requirements.

Transactions other than Ordinary Course of Business

During the year, no material contract or arrangement with related parties outside the ordinary course of business or otherwise than on an arm's length basis was entered into by the Company. All related party transactions, where applicable, were conducted on normal commercial terms and in accordance with approved policies and governance procedures.

Directors' Interest in Related Party Transactions

The Company complies with the requirements of Section 205 of the Companies Act, 2017 regarding disclosure of directors' interests in contracts and arrangements. Directors are required to timely disclose any direct or indirect interest in matters relating to the Company, and such disclosures are appropriately recorded in the Board minutes. Where applicable, the concerned director abstains from participating in deliberations and decision-making on the relevant matter. The Company maintains appropriate governance practices and internal controls to ensure transparency, accountability and effective management of conflicts of interest.

BOARD APPROVED POLICIES

The Board of Directors holds overall responsibility for establishing, overseeing and periodically reviewing the Company's policy commitments and governance practices.

The Company is committed to conducting business in an ethical, transparent, and accountable manner, in line with applicable laws and internationally recognised standards. Its policy commitments include responsible business conduct, respect for internationally recognised human rights, compliance with legal and regulatory requirements, and acting with integrity in all business activities and relationships.

The Company communicates these policies to employees, directors and relevant stakeholders through formal channels including onboarding sessions, periodic trainings, internal communications, policy documents, and public disclosures on its website. These commitments apply across the Company's operations and, where relevant, extend to its business relationships. The Company expects suppliers, contractors, dealers and other business partners to adhere to similar standards of ethical business conduct, respect for human rights, and compliance with the laws and regulations.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 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 the Company associates are 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.

RISK MANAGEMENT AND INTERNAL CONTROL POLICIES

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.

DISCLOSURE OF THE MATERIAL INTERESTS BY THE BOARD MEMBERS

The Company ensures compliance with the requirements of Section 205 of the Companies Act, 2017, which requires every director having any direct or indirect interest in a contract or arrangement entered into, or proposed to be entered into, by the Company to disclose the nature of such interest to the Board of Directors in a timely manner.

Such disclosures are appropriately recorded in the minutes of the relevant Board meeting, and the interested director abstains from participation in deliberations and voting on the concerned matter, where applicable. The Company maintains appropriate governance mechanisms and internal controls to ensure transparency, accountability and avoidance of conflict of interest in all significant contracts and arrangements.

REMUNERATION OF NON-EXECUTIVE AND INDEPENDENT DIRECTORS

The Board has established a formal policy, supported by transparent procedures, for determining directors' remuneration. In line with the requirements of the Code of Corporate Governance, no director participates in decisions relating to the determination of his or her own remuneration. The Company does not remunerate non-executive directors other than payment of meeting fees for attendance at Board and committee meetings. Furthermore, to attract and retain

competent talent, the Company's remuneration framework is aligned with prevailing industry practices, market trends and the overall business environment.

RETENTION OF BOARD FEE BY EXECUTIVE DIRECTOR

Under the Companies Act, 2017, the Chief Executive Officer of the Company is regarded as an Executive Director on the Board. In addition to his role within the Company, the CEO also serves as a Non-Executive Director on the Boards of Honda Atlas Cars (Pakistan) Limited and thirteen other Atlas Group companies. Any fees received from these companies are determined in accordance with the respective remuneration policies approved by their Boards of Directors. Other than the CEO, none of the Company's Executive Directors hold directorship positions in any other company.

SECURITY CLEARANCE OF FOREIGN DIRECTORS

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

BOARD MEETINGS HELD OUTSIDE PAKISTAN

All the majority of the Board meetings during the year ended March 31, 2026, 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.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

The Company's Environmental Policy applies across all operational activities, including design, engineering, manufacturing, distribution and services. The policy emphasizes compliance with environmental laws and regulations, efficient resource and energy utilization, reduction of emissions and waste, safe disposal practices, and continuous improvement through "Kaizen Ala Mayar." It also promotes environmental awareness through training and extends sustainability initiatives across the value chain, including suppliers, parts manufacturers and dealers.

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 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.

COMMUNICATION WITH STAKEHOLDERS

The Company engages with its stakeholders through various communication channels, meetings, digital platforms, training programs, corporate briefings, awareness initiatives and regulatory interactions to ensure transparency, collaboration and effective stakeholder participation. These engagements enable the Company to understand stakeholder expectations, strengthen relationships and support informed decision-making. The annual, half yearly and quarterly results are approved by the Board of Directors and communicated to the shareholders on a timely basis.

Particulars	Date of Authorization	Timeline
First Quarterly Financial Statements	25th July 2025	Within one month
Half-yearly Financial Statements	30th October 2025	Within one month
Third Quarterly Financial Statements	29th January 2026	Within one month
Annual Financial Statements	30th April 2026	Within one month

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 healthy 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.

INVESTORS' RELATIONSHIP AND GRIEVANCES

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. Administration department 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 EHS&S Committee. Throughout the year, there were no complaints from interest groups or institutions at the relevant locations concerning public or social issues.

ASSOCIATES HEALTH, SAFETY AND PROTECTION

The Company prioritizes the health and safety of its associates, contractors, and visitors. In this regard comprehensive HSE policies 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 associates of the Company working at its premises.

The health and safety policies, procedures and protocols supported by clear safety signages displayed throughout the factory premises to promote awareness and ensure adherence to workplace safety standards. In addition, the Company actively encourages the reporting of near misses and unsafe conditions to the management so that potential risks can be timely assessed, investigated and mitigated before they result in major incidents or accidents. Incident reporting mechanism is defined in the work procedures of HSE and is followed rigorously. 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.

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. Further adequate safeguards are in place to protect the whistleblower from harassment, victimisation or unfair treatment. The process is overseen by the Board Audit Committee. During the year no such incidents were reported.

ANTI-HARASSMENT POLICY

The Company has implemented a comprehensive Anti Harassment Policy to ensure a safe, respectful, and inclusive work environment for all associates and stakeholders. This policy outlines clear procedures for reporting, investigating, and addressing all forms of workplace harassment in compliance with the Protection Against Harassment of Women at the Workplace Act, 2010 and relevant laws. It applies to all associates and third parties interacting with the Company and emphasizes confidentiality, non-retaliation, and strict disciplinary action against proven misconduct. An Inquiry Committee oversees impartial investigations, and all associates are expected to adhere to the Code of Conduct displayed across workplaces.

SAFETY OF RECORDS OF THE COMPANY

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 deems necessary to keep them.

PRIVACY 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 associates' data and to raise awareness about the importance of data protection and privacy through the Company's IT Governance protocols, the important aspects of which is summarized below:

- All associates are required to follow data confidentiality policy guidelines in respect to usage, distribution, retention and disposal of confidential data as per the confidentiality marking assigned.
- 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 associates, 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.

The Company has implemented appropriate internal controls, monitoring mechanisms and governance procedures, including periodic role rotation in sensitive functions to minimise the risk of unethical practices and conflict of interest. In addition, mandatory anti-bribery and anti-corruption clauses are incorporated in agreements and contractual arrangements with business partners, suppliers, vendors and other stakeholders to ensure compliance with the Company's ethical standards and applicable legal requirements.

Our communication strategy includes regular policy reminders through company newsletters, intranet portals, and town hall meetings. The system features clear escalation channels where associates report concerns to the Person in Charge (PIC), who then informs the Honda Corporate 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.

INSIDER TRADING POLICY

The Company has a clearly defined policy relating to insider trading which requires all the relevant associates to always maintain confidentiality of inside information. 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 entered in the statutory register maintained for this purpose.

HUMAN RESOURCE MANAGEMENT

Atlas Honda remains committed to attracting and retaining competent, qualified and experienced professionals. The Company continuously invests in its workforce through structured training and development initiatives aimed at enhancing employee capabilities, motivation and professional growth.

The Company also offers competitive compensation and benefits packages in line with prevailing market practices to support employee retention and engagement. In addition, Atlas Honda follows a progressive succession planning framework under the guidance of Atlas Group, with a focus on developing internal talent and preparing employees for future leadership and strategic roles within the Company and the Group. This approach supports organisational sustainability and ensures continuity of leadership across the business.

MERIT BASED RECRUITMENT

Atlas Honda is committed to a merit-based recruitment process that prioritises 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 organisational values and culture.

As part of its commitment to nurturing future leaders, the Company offers 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 organisation.

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 organisational 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 organisational success. The performance-based approach ensures that individual growth aligns with Company objectives, creating a culture where achievements are recognised 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 organisational 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.

PROMOTION, REWARD AND MOTIVATION

Atlas Honda recognises that employee motivation, recognition and career development are essential to building a committed, engaged and high-performing workforce. The Company's promotion, reward and motivation framework is founded on the principles of fairness, transparency and merit, with a strong emphasis on aligning individual performance with organisational objectives and values.

Career advancement opportunities are based on performance, competence, leadership potential and adherence to the Company's core values. Employees demonstrating consistent performance and commitment are provided opportunities for growth and progression within the organisation.

In addition to career advancement, the Company acknowledges and rewards exceptional contributions through various recognition and reward initiatives, including performance-based incentives, appreciation programs and achievement awards. These initiatives are aimed at fostering a culture of recognition, motivation and continuous improvement.

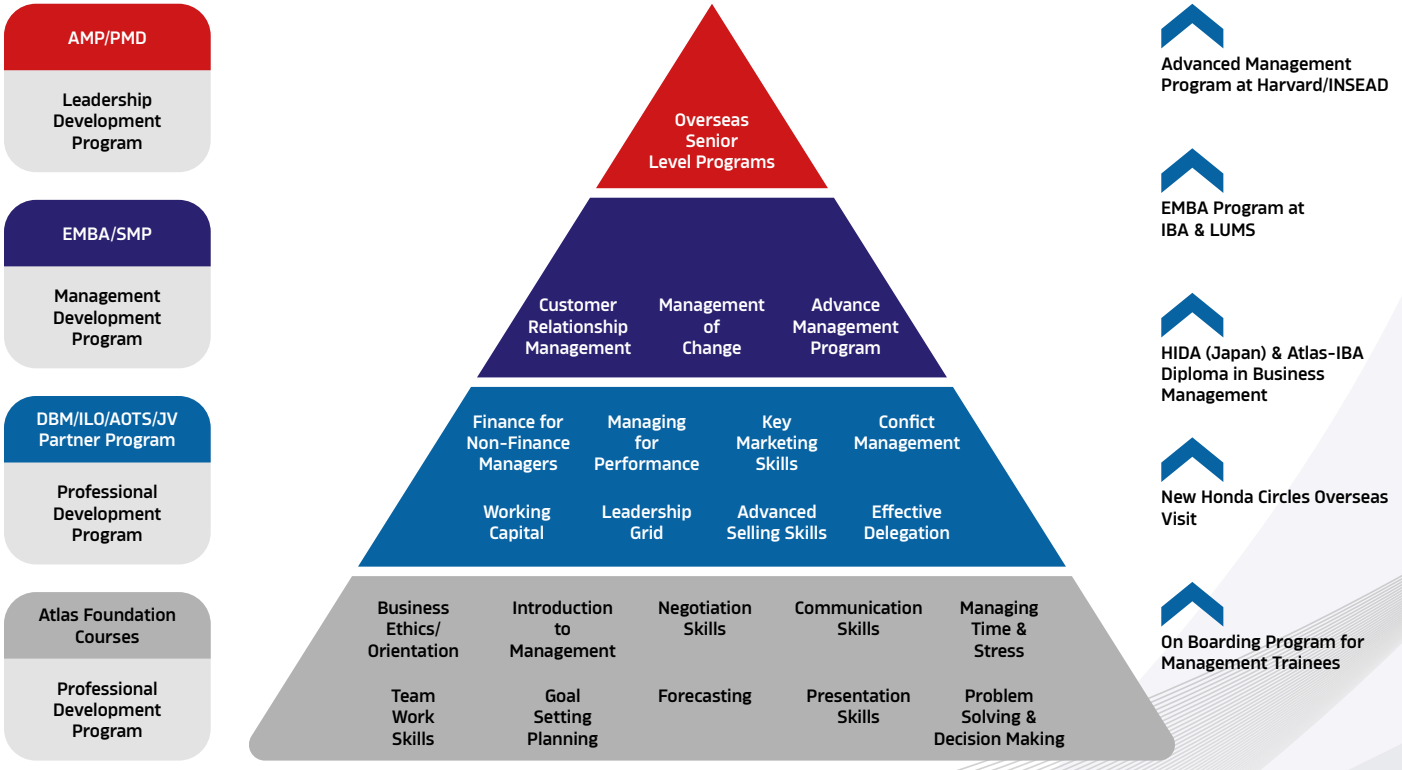
Atlas Honda also promotes employee motivation by creating an environment that encourages learning, innovation and professional development. Employees are provided with opportunities to undertake challenging assignments, enhance their capabilities through training programs and actively contribute towards the Company's

operational and strategic objectives. Through continuous feedback, employee engagement and leadership development initiatives, the Company strives to cultivate a motivated workforce capable of driving sustainable growth and organisational excellence.

EMPLOYEE TRAINING & DEVELOPMENT

Atlas Honda embraces the principle of Organisation Development Through Self Development', recognising 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 organisational priorities, the Company cultivate agile leaders and high-performing teams ready to navigate future challenges.

CAREER DEVELOPMENT PATH



DIVERSITY, EQUITY & INCLUSION

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 through its human resource policies for 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 1.95% of our workforce, spanning engineering, supply chain, and management. In order to increase women participation, we plan outreach programs, implement bias-free hiring, and offer 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. Gender pay gap statement under SECP circular 10 of 2024.

The Company is committed to supporting employees through life stages with inclusive parental leave policies. Atlas Honda prioritizes gender equality and workforce inclusion through targeted initiatives such as our on-site daycare centres at our Karachi plant, Sheikhupura plant and Corporate Office Lahore. These facilities support working mothers by reducing barriers to career advancement and fostering a more equitable workplace.

DISCLOSURE FOR 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.

Mean Gender Pay Gap: 54.64

	Male	Female
Mean Hourly Wage Rate	443.27	685.49

Median Gender Pay Gap: 72.51

	Male	Female
Median Hourly Wage Rate	255.64	457.05

EMPLOYEE ENGAGEMENT / FEEDBACK

Employee engagement at Atlas Honda is promoted through a culture of open communication, teamwork and continuous improvement. The Company encourages regular interaction between management and employees through feedback sessions, training programs, awareness initiatives and employee welfare activities. Various communication platforms and engagement initiatives are implemented to strengthen collaboration, enhance workplace satisfaction and foster a motivated workforce aligned with the Company's values and long-term objectives.

IT GOVERNANCE AND CYBERSECURITY

BOARD OF DIRECTORS' STATEMENT ON IT GOVERNANCE, CYBERSECURITY AND INFORMATION SECURITY

The Board of Directors at Atlas Honda continues to provide strategic leadership and oversight for IT governance, digital infrastructure, and cybersecurity, recognising their importance in ensuring operational resilience, regulatory compliance, and sustainable business growth.

During the year, the Board strengthened its governance focus on digital risk management and cyber resilience through investment in advanced infrastructure modernisation, data protection technologies, and cybersecurity awareness initiatives. The Board, assisted by the digital transformation and IT oversight committee, reviewed and endorsed key projects aimed at improving infrastructure reliability, data security, and enterprise continuity.

Key Responsibilities of the Board

- Reviewing and approving the IT Governance Framework, IT Strategy, Cybersecurity Strategy, and Digital Transformation Roadmap in alignment with the Company's long-term objectives.
- Ensuring an effective IT governance and organizational structure for secure and efficient technology deployment across business functions.
- Integrating technology and cybersecurity risks into the Enterprise Risk Management (ERM) framework to support business continuity and protection of critical information assets.
- Overseeing the independent IT audit function and monitoring key IT, cybersecurity, and digital transformation initiatives.
- Ensuring adequate allocation of resources, including people, processes, and technologies, to support operational efficiency and digital transformation goals.
- Reviewing and evaluating major technology projects impacting innovation, operational efficiency, and customer experience.

The Board also oversees management's compliance with applicable legal and regulatory requirements relating to information security, cybersecurity, data privacy, and protection of corporate information assets. Management periodically reports to the Board and relevant Board Committee on cybersecurity risks, compliance status, significant technology initiatives, and emerging digital threats. In the event of any significant cybersecurity incident or data breach, established incident escalation and reporting protocols require timely communication to senior management and the Board, enabling prompt assessment, response, remediation, and oversight of corrective actions.

POLICY FRAMEWORK

During the year, the Company enhanced governance controls through the introduction of new policies framework to address emerging technologies and cybersecurity challenges.

Key policy and governance documents include:

- IT Governance Policy
- Information Security and Cybersecurity Policy
- Business Continuity and Disaster Recovery Plan
- Acceptable Use Policy
- Data Privacy Management Framework
- AI Usage Policy

The newly introduced AI Usage Policy establishes governance principles for secure, ethical, and controlled use of AI solutions within the organization. It defines responsibilities, data handling requirements, approval mechanisms, and controls to prevent unauthorized or unsafe AI usage.

Key focus areas include:

- Protection of enterprise data and business systems from cyber threats
- Governance of emerging technologies including AI platforms
- Infrastructure modernisation and operational resilience
- Data protection and recovery assurance
- Security awareness and employee readiness

RISK OVERSIGHT OF CYBERSECURITY

The Board Audit Committee has been formally entrusted with oversight of cybersecurity risk management. The Committee periodically reviews cybersecurity risk assessments, technology investments, major incidents, remediation actions, and management's implementation of cybersecurity strategies before reporting key matters to the Board.

The Board monitored implementation of several resilience-enhancing controls during the year, including:

- Centralized log monitoring for early detection of security events

- Immutable backup architecture for protection against ransomware attacks
- Strengthening of physical data center controls
- Continuous user awareness and secure behavior programs
- AI governance controls to address emerging digital risks

The IT Steering Committee regularly reported progress to the Board on:

- Cybersecurity posture improvements
- Security incidents and response measures
- Infrastructure enhancement programs
- Data center risk mitigation activities
- Disaster recovery readiness
- AI adoption governance

Early Warning Systems

The Company strengthened proactive cyber threat monitoring by enhancing its early warning capabilities.

Key improvements include:

- Centralized SIEM-aligned log collection and monitoring
- Real-time alerting for suspicious activity
- Infrastructure audit tracking
- Security event correlation
- Backup integrity monitoring
- Endpoint threat detection

The centralized monitoring platform has enhanced visibility across critical systems through real-time alerting, security event correlation, endpoint threat detection, and continuous log monitoring, enabling faster identification, assessment, and response to potential cybersecurity incidents. Associates are encouraged to report suspicious emails or incidents promptly. Defined incident escalation and reporting procedures facilitate timely communication of significant cybersecurity risks and incidents to management and, where appropriate, the Board Audit Committee and Board of Directors, ensuring effective oversight, prompt remediation, and continuous strengthening of the Company's cyber resilience.

IT GOVERNANCE, BUSINESS CONTINUITY AND DISASTER RECOVERY PLANNING

The Board Audit Committee continued its oversight of IT governance through the review of digital transformation initiatives, business continuity readiness, information security controls, and infrastructure resilience.

Major enhancements completed during the year included:

A) CENTRALIZED LOG MANAGEMENT

A centralized log management server was deployed to consolidate security logs from servers, firewalls, endpoint systems, and applications. This platform improves threat visibility, audit readiness, incident investigation, and operational monitoring.

B) AI GOVERNANCE

An enterprise AI usage governance framework was introduced to regulate use of AI technologies. The policy establishes standards for data confidentiality, acceptable use, risk management, and ethical deployment of AI-enabled services.

C) BUSINESS CONTINUITY AND DISASTER RECOVERY

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

The Company further enhanced its business continuity capabilities by modernising infrastructure and strengthening backup resiliency.

Key improvements include:

i) Hyper-Converged Infrastructure Deployment

A new hyper-converged infrastructure platform was deployed to consolidate compute, storage, and virtualisation resources into an integrated environment. This has improved system availability, scalability, centralized management, and recovery performance.

ii) Immutable Data Protection

To strengthen protection against ransomware and accidental deletion, immutable storage-based backup protection was implemented. This ensures backup copies remain tamper-proof and recoverable during cyber incidents.

These improvements have substantially reduced recovery time objectives (RTO) and recovery point objectives (RPO), ensuring higher service continuity.

D) DATA CENTER INFRASTRUCTURE ENHANCEMENT

During the year, the Company completed major upgrades to its primary data center to improve environmental efficiency and operational reliability.

i) In-row Cooling Modernisation

High-efficiency in-row CRAC units were installed to improve precision cooling and support the increasing density of enterprise computing workloads.

ii) Hot Aisle / Cold Aisle Containment

Hot aisle and cold aisle containment architecture was implemented to optimize airflow management, improve energy efficiency, and maintain stable operating conditions for critical systems.

These improvements have strengthened data center resilience and provide a scalable foundation for future technology expansion.

E) INDEPENDENT SECURITY ASSESSMENTS

The Company continued conducting independent cybersecurity assessments to validate effectiveness of its security controls.

The annual independent assessment program includes:

- External vulnerability scanning
- Penetration testing
- Configuration reviews
- Backup recovery validation
- Security policy compliance reviews
- Infrastructure security posture reviews

The newly deployed infrastructure and protection systems were also independently assessed to ensure compliance with industry best practices. Most recent independent cybersecurity assessment was completed during FY2025-26, with management implementing corrective actions and recommendations arising from the review.

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.

During the year, the Company strengthened its digital transformation roadmap through the introduction of AI governance frameworks for the safe adoption of artificial intelligence solutions, enhancement of SAP S/4HANA through expanded utilization of its features across operations, deployment of hyper-converged infrastructure and modernised data center facilities to improve system reliability and service availability, and implementation of immutable backup solutions to further strengthen cyber resilience.

The Company currently relies on preventive controls, infrastructure resilience measures, disaster recovery capabilities, and cybersecurity governance frameworks to manage cyber risks and does not maintain standalone cyber insurance coverage at present. Management periodically reviews the adequacy of risk transfer mechanisms as part of its enterprise risk management process.

EDUCATION AND AWARENESS

Amid rapid technological advancements and increasing complexity of digital systems, cybersecurity risk management has become increasingly critical as digital platforms continue to support production, inventory management, customer engagement, online sales, and other business operations. To address evolving cyber threats, the Company has implemented comprehensive awareness and training programs for associates, customers, and stakeholders, while continuously strengthening its cybersecurity framework under the oversight of the IT Steering Committee to ensure alignment with emerging risks, technological developments, and industry best practices.

1. Cybersecurity Awareness & Associate Training

The Company's motto, "Organisation development through self-development," reflects its commitment to continuous learning and capability enhancement across the organisation. In line with this philosophy, regular cybersecurity awareness and training programs are conducted to equip associates with the knowledge and skills required to operate securely in an increasingly digital and technology-driven environment. These initiatives focus on secure digital practices, safe use of Company systems, protection against cyber threats, and responsible handling of information, particularly amid the growing adoption of

artificial intelligence technologies and emerging AI-related cybersecurity risks.

2. Phishing Simulation & Threat Preparedness

To assess and strengthen associate preparedness against cyber threats, the Company conducts periodic simulated phishing exercises and awareness campaigns. These practical assessments help associates identify suspicious activities, improve response capabilities, and reduce exposure to cyber risks. Outcomes from these exercises are evaluated to continuously enhance the effectiveness of the Company's cybersecurity awareness initiatives.

3. External Specialised Training & Knowledge Development

To further strengthen internal cybersecurity capabilities, the Company facilitates participation of associates in specialised external training programs, workshops, and professional forums covering areas such as ransomware, phishing attacks, data breaches, cyber risk management, and evolving digital security trends. These programs enable associates to develop advanced expertise, remain updated on emerging threats and technologies, and subsequently transfer knowledge and best practices within the organization to further enhance the Company's cybersecurity posture.

4. Information Security, Data Governance & Confidentiality

The Company maintains a comprehensive framework of cybersecurity, data governance, and information security policies to ensure secure and responsible use of digital platforms across all operations. Particular emphasis has been placed on strengthening associate understanding of data governance principles, confidentiality classifications and markings, and appropriate usage protocols to prevent unauthorized disclosure, misuse, or leakage of sensitive and business-critical information. These policies are regularly reviewed and updated in line with evolving technological developments, industry standards, regulatory requirements, and emerging digital risks.

DIGITAL TRANSFORMATION & INDUSTRY 4.0 ADVANCEMENT

ERP EXCELLENCE

Atlas Honda Limited continues to advance its digital transformation journey by progressively integrating Industry 4.0 technologies including Artificial Intelligence (AI), automation, business analytics, cloud-enabled enterprise systems, and intelligent digital platforms across key business operations. These initiatives are aimed at improving operational efficiency, transparency, governance, stakeholder connectivity, customer engagement, and long-term value creation.

Following the successful migration to SAP S/4HANA in the previous year, Atlas Honda focused on stabilising, optimising, and expanding the practical utilisation of the platform across key business functions. The Company actively explored and deployed various S/4HANA features and capabilities in line with evolving business requirements, enabling greater process integration, real-time visibility, improved reporting, and operational efficiency across finance, procurement, supply chain, production, sales, inventory management, and management reporting. Building upon this digital foundation, Atlas Honda also implemented multiple technology-driven initiatives aimed at process automation, compliance enhancement, data-driven decision making, and enterprise-wide operational integration.

The Company also implemented SAP Ariba to modernise procurement and vendor collaboration processes through digital supplier onboarding, quotation management, workflow automation, and approval integration. Atlas Honda will continue to explore and leverage additional SAP S/4HANA features and digital solutions to further enhance operational excellence, automation, and enterprise-wide integration in line with evolving business needs.

BUSINESS INTELLIGENCE

As part of its Industry 4.0 transformation strategy, Atlas Honda continued to strengthen its enterprise-wide business intelligence and analytics capabilities. While Power BI was

already being utilised across core business functions, the Company further expanded its digital analytics ecosystem during the year through the implementation of the Qlik Sense Business Intelligence Dashboard platform. The platform enhanced data analytics, reporting automation, and management decision-making capabilities by enabling real-time visualization of enterprise data, trend analysis, predictive insights, and operational monitoring across various business functions including sales, inventory, production, and financial performance. AI-assisted analytics and intelligent dashboards further improved management reporting, operational responsiveness, and data-driven decision-making throughout the organization.

E-INVOICE INTERGATION

The Company achieved successful FBR e-invoicing integration to enable automated and real-time sales invoice reporting as per the directives of Federal Board of Revenue, thereby strengthening regulatory compliance, transparency, governance, and reporting efficiency.

OTHER DIGITAL INITIATIVES

During the year, Atlas Honda also leveraged AI-enabled customer engagement technologies through implementation of chatbot solutions and digital customer interaction platforms to improve accessibility to product and service information, customer responsiveness, and digital

experience. Going forward, the Company plans to further strengthen AI adoption through AI-assisted customer care and call handling systems aimed at improving complaint management, response time, and overall customer service quality.

Furthermore, The Company further strengthened transparency and stakeholder engagement through revamping of its corporate website, digitalisation of safety training databases, and implementation of centralized promotional and advertising material management systems. Automation initiatives included dealer advance booking automation, vendor delivery challan digitalisation, and enhancement of the Dealer Relationship Management System to improve operational coordination, stakeholder connectivity, and service responsiveness across the nationwide dealer network.

CLOSING STATEMENT

Atlas Honda believes that continued adoption of Industry 4.0 technologies including AI, automation, data analytics, intelligent reporting systems, and integrated enterprise platforms will further improve operational agility, governance, reporting quality, manufacturing efficiency, stakeholder engagement, and long-term sustainable value creation while aligning the Company with evolving global best practices and future mobility trends.

FUTURE PLANS FOR AI ADOPTION

Atlas Honda Limited recognises Artificial Intelligence (AI), automation, analytics, and digital technologies as key drivers of operational excellence, customer engagement, manufacturing efficiency, and long-term competitiveness. As part of its digital transformation strategy, the Company plans to progressively expand AI-enabled solutions across sales, aftersales service, manufacturing operations, supply chain management, quality control, and customer interaction platforms.

During the year, the Company implemented the Qlik Sense Business Intelligence Dashboard platform to strengthen management reporting, analytical capabilities, and enterprise-wide data visualization. AI-powered chatbot solutions were also introduced on customer engagement platforms to improve responsiveness, accessibility to information, and overall digital customer experience.

Going forward, Atlas Honda plans to enhance the use of AI-driven analytics, intelligent dashboards, and automation to improve demand forecasting, production planning, inventory optimisation, operational monitoring, and decision-making efficiency. The Company also intends to strengthen AI-enabled customer support through expanded chatbot capabilities and AI-assisted customer care solutions aimed at improving complaint management, service accessibility, and response times.

In addition, the Company plans to explore advanced AI applications including computer vision-based quality control, manufacturing automation, predictive analytics, intelligent workflow management, and customer behaviour analysis to support operational excellence and future-ready mobility initiatives.

Long-Term Strategic Impact

The Company believes that the long-term integration of AI and digital technologies will play a strategic role in improving operational agility, strengthening supply chain resilience, enhancing product and service quality, and enabling faster response to changing customer preferences and market dynamics. These initiatives are also expected to support sustainable growth, improve cost efficiencies, strengthen data-driven decision-making capabilities, and reinforce Atlas Honda's competitive positioning in the evolving mobility and manufacturing landscape.

STAKEHOLDER'S RELATIONSHIP AND ENGAGEMENT

STAKEHOLDER ENGAGEMENT POLICY

The Company's business activities have considerable impact on the environment as well as on diverse groups of stakeholders. Simultaneously, the perspective, decisions and actions of these groups have an impact on the Company's overall performance and long-term success. The Company's stakeholder engagement framework is designed to ensure timely communication, active consultation and continuous collaboration with all stakeholder groups that influence or are influenced by the Company's operations. This allows the Company to understand the issues, formulate strategies and deliver according to their expectations.

IDENTIFICATION OF STAKEHOLDERS

The engagement process begins with the identification of stakeholders. The Company considers 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 obtain insights on topics which are of interest to stakeholders or which can significantly affect us. The outcomes 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	Mode of Engagement	Value Created	Strategy
Shareholders/ Investors	**Ongoing** ▪ Dedicated webpage for investors; ▪ Notices, circulars, announcements and interim reports **Annual** ▪ Annual general meeting ▪ Corporate briefing session ▪ Annual report	▪ Sustained good return on investment through strategic and organic growth; ▪ Exemplary governance practices; ▪ Sound risk management	▪ Strong leadership, commitment to growth & value creation ▪ Focus on good corporate governance
Employees	**Ongoing** ▪ Communication through immediate supervisors, management and intranet ▪ Newsletters and other communications ▪ Whistle blowing mechanism ▪ Training and development programs **Bi-Annual** ▪ Performance appraisals	▪ Remuneration and benefits, personal development, training and health & safety ▪ Clearly defined roles, responsibilities & goals, performance management and development	▪ Provision of competitive remuneration and benefits packages as per industry benchmarks ▪ Enforcement of stringent safety measures, on-going training and education programs, open communication

Stakeholders	Mode of Engagement	Value Created	Strategy
Customers	**Ongoing** ▪ Communication through sales service & warranty centres, conferences, exhibitions, events and seminars ▪ Dedicated customer care section on the Company's website and call centre ▪ Chatbots	▪ Product/service quality and availability ▪ Safe product use ▪ Correct product information ▪ Transparent communication	▪ Production of high-quality products ▪ Efficient supply chain ▪ Capacity expansion to meet demand ▪ Focus on after-sale service
Dealership Network	**Ongoing** ▪ B2B links connecting us with dealers ▪ Dealer training and education programs **Semi-Annual** ▪ Dealer's convention	▪ Return on investment, equal business opportunities & transparent communication	▪ Nurture and protect partnerships that result in mutually beneficial outcomes
Vendors	**Ongoing** ▪ Audits and visits for vendor development and compliance with quality standards ▪ B2B links connecting us with vendors **Annual** ▪ Vendor conventions and Vendor Excellence Awards (ALAMAYAR)	▪ Shared development ▪ Supply chain sustainability ▪ Contract terms that are reasonable and as per market norms ▪ Timely payment ▪ Opportunity for discussion and negotiation	▪ 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
Media	**Ongoing** ▪ 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	Mode of Engagement	Value Created	Strategy
Local Communities	**Ongoing** ▪ 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	▪ Undertake community development programs ▪ Support sports, cultural, art and other events and create opportunities for employment and business ▪ Undertake environmental protection initiatives
Government & Regulators	**Ongoing** ▪ 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	▪ Ensure compliance with legal and regulatory requirements ▪ Contribute to the economy through taxes and other payments
Industry Associations	**Ongoing** ▪ 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 remains committed to safeguarding the interests of all shareholders and ensuring equitable treatment, with particular emphasis on minority shareholders. To uphold principles of transparency, accountability and inclusive governance, the Company facilitates and encourages their active 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 also make arrangements 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 last Annual General Meeting (AGM) of the Company was held at the Avari Hotel, Mall Road on Tuesday, June 24, 2025, at 10:00 a.m. 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. The shareholders approved the financial statements and authorised the appointment of M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants, as the external auditors of the Company, along with the declaration of a cash dividend. 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.

To attract maximum local and international audience, CBS was held digitally through Zoom on July 25, 2025. 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/2025/08/CBS-Presentation-2025.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 feedback. 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.

CORPORATE BENEFITS TO SHAREHOLDERS

The Company continues to deliver sustained good return on investment to its shareholders through consistent dividend payouts and share price growth. The trend of investment ratios is provided on page number 181 of this Integrated Annual Report.

STRIVING FOR EXCELLENCE

Board Statement on Compliance with Financial Reporting Standards

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) have been approved by independent reviewer to the following standards:

- ISO 14001: 201 (Environmental Management System)
- ISO 401:2018 (Occupational Health & Safety Management)
- ISO 9001:201 (Quality Management System)

International Integrated Reporting Framework and Compliance with BCR

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. BCR criteria cross referred with page numbers of this integrated annual report is available on the Company's website in the financial reports page of the investor relations section.

Global Reporting Initiative (GRI) Standards

Sustainability report is integrated with the Annual Report of the Company which is prepared based on 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 14 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 in the announcements and declarations page of investor relation section of our website: www.atlashonda.com.pk

SUSTAINABILITY REPORT

ABOUT
THE REPORT

01
REPORTING PERIOD
Financial year 2026 (April 01, 2025 to March 31, 2026)

02
REPORTING CYCLE
Annual

03
DATE OF PUBLICATION
June 07, 2026

04
AVAILABLE VERSION
Online and printed versions are available in English. Online version can be accessed from www.atlashonda.com.pk

05
REPORT CONTENT
The contents of this report are based on the results of our engagement with stakeholders and requirements of the Global Reporting Initiative (GRI) Sustainability Reporting Standards 2021. All material topics which are important to our business strategy, represent impacts on economy, environment and society and are of interest to various stakeholders & the Company are included in this report.

06
GLOBAL REPORTING INITIATIVE
This report has been prepared in accordance with the GRI Standards 2021. The GRI content index is available on page 165.

07
ASSURANCE
The report was externally reviewed by Corporate Social Responsibility Center Pakistan (CSRCP), an independent reviewer, in compliance with GRI Standards and ISAE 3000 (Revised) standard. The statement of the independent external reviewer describing the activities carried out and the expression of opinion is provided on the page 163.

08
CONTACT FOR FEEDBACK
We value feedback and welcome comments on our reporting. For any questions or suggestions, Please get in touch with our sustainability team.
Address: 1-McLeod 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 170-171.

Environmental, Social & Governance

SUSTAINABILITY *TARGETS*

The Company has established the following targets as part of its continued commitment to responsible operations — ensuring the efficient and effective use of resources across all areas.

Target Horizon: 2027

Guided by **Honda Vision 2050** and its commitment to the objectives of the Paris Agreement, the Company has established a structured sustainability roadmap driven by the interim milestones of Honda Vision 2030. In line with the global framework adopted across all associated companies worldwide, annual KPIs are developed to accelerate progress toward long-term sustainability ambitions. Accordingly, the Company has defined measurable targets across five priority areas — Material, Energy, Emissions, Water, and Health & Safety — with performance tracked against baseline intensity ratios to deliver consistent, measurable, and verifiable improvements by 2027.

TARGET OVERVIEW

Material

Reduction in Waste Intensity Ratio

Achievement vs Target 0.6% vs 0.5%

- New Target: Achieve a 0.5% reduction in waste intensity ratio from the current year baseline.
- Current Year: A 0.6% reduction was achieved against target of 0.5%

Target Year: 2027 — Target Exceeded

Energy

Reduction in Per Unit Energy Consumption

Achievement vs Target 4.75% vs 4%

- New Target: Achieve a 5% reduction in energy intensity ratio from the current year.
- Current Year: Energy-saving initiatives delivered a 4.75% reduction — exceeding the set target. A commendable outcome driven by operational efficiency measures.

Target Year: 2027 — Target Exceeded

Emissions

Reduction in CO_2 Emissions Intensity

Achievement vs Target 2.75% vs 1.5%

- New Target: Achieve a 3% reduction in CO_2 emission intensity ratio in the next year.
- Current Year: A 2.75% reduction was achieved — surpassing the target. This was enabled by process optimisations and increased utilisation of renewable energy sources.

Target Year: 2027 — Target Exceeded

Water

Reduction in Water Consumption Per Unit

Achievement vs Target 3% vs 2%

- New Target: Achieve a 3% reduction in water consumption intensity from the current year.
- Current Year: A 3% reduction was achieved — exceeding the target through active process optimisations and robust water recycling measures.

Target Year: 2027 — Target Exceeded

Health & Safety

Zero Injury Commitment

Commitment Status Absolute Target

- Unwavering Commitment: The Company maintains a Zero Injury policy — the safety and well-being of every employee is a non-negotiable priority.
- This target reflects a culture of vigilance, continuous safety training, and a proactive approach to hazard identification and elimination across all facilities.

Target Year: 2027 — Zero Tolerance

0.6%	4.75%	2.75%	3%	Zero%
achieved	achieved	achieved	achieved	commitment
Waste Intensity Reduction	Energy Intensity Reduction	CO_2 Emissions Reduction	Water Intensity Reduction	Injury Target

ORGANISATION PROFILE

CORPORATE PROFILE AND OWNERSHIP STRUCTURE

Atlas Honda Limited is a public limited Company listed on the Pakistan Stock Exchange. The Company operates as a joint venture between Shirazi Investments (Private) Limited and Honda Motor Company Limited. As at March 31, 2026, Shirazi Investments (Private) Limited holds 52.43% of the Company's issued, subscribed, and paid-up share capital.

- Refer to page 15 for group structure and details of the holding, associated and joint venture companies.

VISION, MISSION & CORE VALUES

The Company's core values are anchored in the Group's philosophy, articulated through the "Atlas Way," which defines the guiding principles of both the "Atlas Culture" and the "Atlas System." These principles collectively shape the Company's organisational ethos, governance approach, and operational excellence, fostering a culture of integrity, accountability, and continuous improvement.

- Refer to pages 11–13 for an overview of the Group's philosophy.

OPERATIONAL FOOTPRINT

The Company operates in Pakistan and is principally engaged in the manufacturing and marketing of motorcycles, spare parts, and engine oil. Its registered office is located in Lahore, with manufacturing facilities in Sheikhupura and Karachi, supported by regional offices across major cities nationwide.

Atlas Honda Limited maintains an extensive network of approximately 9,659 customer touchpoints across Pakistan, ensuring broad accessibility to motorcycles, genuine spare parts, and after-sales services. Beyond its strong domestic presence, the Company exports motorcycles and spare parts to markets across Africa, South Asia, Central Asia, and the Middle East, reflecting its growing international footprint.

Islamabad
Sheikhupura
Lahore
Faisalabad
Multan
Rahim Yar Khan
Hyderabad
Karachi

Head Office:	Karachi
Registered Office:	Lahore
Manufacturing Facilities:	Karachi, Sheikhupura
Branch Offices & Customer Care Centres:	Lahore, Multan, Islamabad, Hyderabad, Faisalabad, Rahim Yar Khan
Showroom:	Karachi
Exports Regions:	Africa, Central Asia, South Asia, Middle East

DEALERSHIPS & DISTRIBUTION NETWORK

Atlas Honda's Dealerships are spread all over Pakistan. Complete details are available at www.atlashonda.com.pk

BUSINESS SCALE AND VALUE CREATION INDICATORS

During the year ended March 31, 2026, the Company recorded net sales of Rs. 273.93 billion, with total sales volume of 1,585,289 units. Net profit for the year amounted to Rs. 21.07 billion. As at March 31, 2026, total assets stood at Rs. 105.52 billion, with equity of Rs. 46.51 billion.

The Company's workforce comprised 2,888 permanent employees as at the reporting date.
The Company does not offer part-time employment; core activities are carried out by full-time employees. We have outsourced certain non-technical operational functions to service providers who employ a total workforce of 4,081 personnel as at the said date; however, to ensure that quality standards are maintained, all such activities are closely supervised and monitored by the supervisors who are permanent employees of the Company.

Net Sales (PKR)
274bn
(2025: 204bn)

Net Profit (PKR)
21bn
(2025: 15bn)

Volume (Units)
1.59m
(2025: 1.19m)

Total Assets (PKR)
106bn
(2025: 87bn)

Equity (PKR)
46bn
(2025: 36bn)

PRODUCTS, SERVICES & MARKET PRESENCE

As market leader in two-wheelers sector of Pakistan, the Company takes pride in serving its primary customers comprising a nationwide network of dealers as well as institutions. It manufactures and markets a diverse range of motorcycles across multiple engine capacities, including 70cc, 100cc, 125cc, and 150cc, supported by an extensive dealer network across the country. In addition to motorcycles, the Company markets spare parts and engine oil and provides comprehensive after-sales services through its established dealer network.

During the year, in a significant development for Pakistan's two-wheeler market, the Company launched two new models — the CG150 motorcycle and its first-ever electric scooter, ICON e: marking its first major product expansion in over six years. This dual launch not only strengthens the Company's position in the conventional motorcycle segment but also represents its entry into Pakistan's electric vehicle market in alignment with the National Electric Vehicle Policy (NEVP).

The introduction of these models reflects the Company's continued focus on innovation, product diversification, and evolving customer preferences, while reinforcing its commitment to sustainable mobility solutions. The Company does not sell any products that are banned in any market

- Refer to page 22-25 for comprehensive details about Company's products

INTEGRATED SUPPLY CHAIN ECOSYSTEM

The Company's supply chain encompasses an integrated network of local and international vendors, supporting the procurement of machinery, raw materials, semi-finished and finished components, as well as essential services and other inputs. This network enables the efficient transformation of inputs into finished motorcycles and parts, which are distributed to customers through a well-established nationwide dealer network.

The Company's supply chain operations are both capital- and labor-intensive, reflecting the scale and complexity of its manufacturing and distribution processes. During the year, the Company maintained strong engagement with its supply chain partners, with total payments of Rs. 133.34 billion made for the procurement of goods and services.

CORPORATE RECOGNITION & INDUSTRY ACCOLADES

During the year, the Company earned numerous recognitions and accolades in acknowledgement of its continued commitment to sustainability excellence, economic contribution, and responsible business practices. For details, please refer to page 26

CORPORATE AFFILIATIONS, MEMBERSHIPS & EXTERNAL INITIATIVES

Atlas Honda Limited actively participates in a range of industry associations and engages with externally established voluntary initiatives that support sound economic, environmental, and social management practices. Through these affiliations, the Company contributes to industry dialogue, promotes responsible business conduct, and aligns its operations with evolving best practices and regulatory expectations.

The Company 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
   - Sheikhupura
   - Overseas Investors
5. Management Association of Pakistan
6. Marketing Association of Pakistan

The Company does not provide financial contributions to these associations beyond routine membership arrangements. However, it actively engages with these bodies through participation in industry events, including exhibitions, seminars, and workshops, contributing to knowledge sharing and industry development.

In addition to its internally established policies, codes of conduct, and governance frameworks, the Company is committed to a range of externally developed initiatives, charters, and principles that support responsible business practices across economic, environmental, and social dimensions.

- Refer to page 98-101 for further details on the Company's policy commitments and external initiatives.

MATERIAL CHANGES IN THE COMPANY'S BUSINESS MODEL

There were no material changes in the Company's business model, activities, or value chain during the year under review. The Company continues to operate on a well-established business model centered on the manufacturing and marketing of motorcycles and related products through an integrated nationwide network of suppliers and dealers.

During the year, the Company continued to strengthen and refine its existing business model through sustained investments in research and development, localisation initiatives, and process optimisation, enhancing operational efficiency and long-term value creation. The introduction of new models, including entry into the electric mobility segment, represents a strategic extension of the Company's product portfolio and does not constitute a fundamental change in the underlying business model or value chain.

SUSTAINABILITY STRATEGY FRAMEWORK

The Company's Corporate Social Responsibility philosophy is that it aims to be a Company that society wants to exist. Aligning with this belief, the Company's sustainability framework is centred around four key pillars. These pillars are cohesive with Honda's Global Sustainability Framework which include protecting the environment through efficient resource use and reduced emissions; addressing the needs of local communities by contributing to their social and economic development; promoting traffic safety to safeguard lives and encourage responsible road use; and supporting our youth for the future by investing in education, skills development, and opportunities for the next generation. Through these focus areas, the Company aims to create sustainable value for both society and the environment, in line with global best practices and Honda's overarching vision.

LINKAGE WITH MATERIAL TOPICS

In line with GRI 3 Material Topics 2021, the Company's sustainability strategy is informed by a structured process to identify, assess, and prioritise its most significant impacts across its activities and business relationships. Material topics represent those areas where the Company has the greatest actual and potential impact on the economy, environment, and people, including human rights.

These material topics form the foundation of the Company's sustainability priorities and are embedded into its business strategy, risk management processes, and performance evaluation mechanisms.

STRATEGIC PILLARS

The Sustainability Strategy Framework is structured around three interrelated pillars that reflect the Company's material impacts and strategic priorities:

ENVIRONMENTAL STEWARDSHIP

Focused on minimising environmental impact through efficient resource utilisation, emissions reduction, energy optimisation, and responsible waste and water management. The Company also supports the transition towards cleaner mobility solutions through product innovation.

SOCIAL RESPONSIBILITY

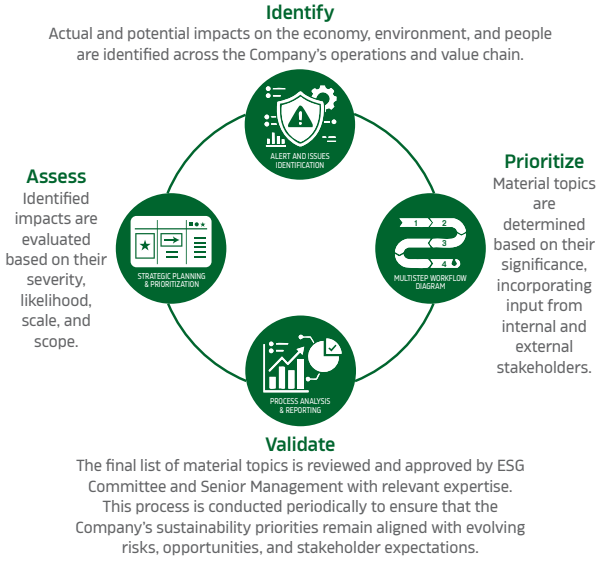
Centered on creating positive social impact by ensuring workforce well-being, promoting safe and inclusive workplaces, supporting community development, and upholding human rights across operations and the supply chain.

GOVERNANCE AND ETHICAL CONDUCT

Committed to maintaining high standards of corporate governance, transparency, and ethical business conduct, supported by robust compliance systems, internal controls, and accountability mechanisms.

MATERIALITY DETERMINATION PROCESS

The Company follows a structured and iterative process to determine its material topics, consistent with GRI 3 requirements:



INTEGRATION WITH BUSINESS STRATEGY

The identified material topics directly inform the Company's strategic direction, operational priorities, and resource allocation. The Company integrates these topics into:

- Risk management frameworks
- Business planning and decision-making processes
- Short, medium, and long-term performance targets

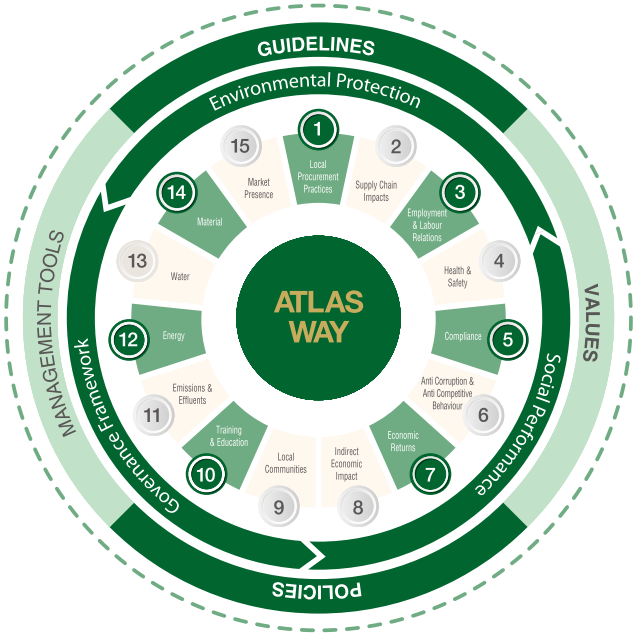
This ensures that sustainability considerations are embedded into the Company's core business model and value creation processes.

CONTINUOUS IMPROVEMENT AND REVIEW

The Company continuously reviews its material topics and sustainability strategy to ensure relevance in a changing external environment. The most recent assessment confirmed that the Company's material topics remain consistent with the previous reporting period, reflecting the stability of its business model while continuing to evolve in response to emerging trends and stakeholder expectations. The following diagram summarizes the Company's framework and approach to sustainability:

The material matters outlined in this report inform and shape Company's strategy, the evolution of its business model, and its short, medium, and long-term targets. We continuously assess the list of material matters to ensure that our strategy remains relevant in the constantly changing external environment. The most recent evaluation, conducted in 2025-2026 with input from stakeholders, resulted in no changes to the list of material topics.

- The Company's approach to managing material impacts, including associated policies, commitments, governance mechanisms, actions undertaken, and performance monitoring processes, is explained in the relevant sections of this report.



Area	Material Topic	Why is the topic material?
Economic	Economic returns	Direct impact on the Company's ability to generate sustainable returns, support stakeholders, and contribute to national economic growth
	Indirect economic impacts	Influence on local economic development, infrastructure, and livelihoods in communities where the Company operates
	Market presence	Contribution to employment generation, local hiring, and regional economic inclusion
	Procurement practices	Impact on local supplier development, economic circulation, and responsible sourcing
	Anti-corruption and anti-competitive behavior	Risk of legal, financial, and reputational damage affecting fair market practices and stakeholder trust
	Marketing & Labeling	Impact on customer trust, safety, and compliance with regulatory requirements
Environment	Energy	Consumption of non-renewable resources and associated environmental footprint
	Emissions	Contribution to air pollution and climate change through operational and product-related emissions
	Materials	Depletion of natural resources and environmental impact of material sourcing and usage
	Effluents & Waste	Environmental impact arising from waste generation, disposal, and potential pollution
	Water	Pressure on water resources and potential contribution to water scarcity
Social	Human rights	Potential impact on fundamental rights across operations and supply chain
	Local communities	Social and economic impact of operations on surrounding communities
	Health & Safety	Impact on employee well-being, productivity, and consumer safety
	Employment and labor relations	Workforce stability, fairness, and compliance with labor standards
	Training & Education	Impact on employee capability, productivity, and long-term organisational performance
Environment & Social	Supply chain impacts	Environmental and social impacts arising from supplier activities and business relationships

REPORTING FRAMEWORK & *IFRS SDS ALIGNMENT*

Financial Year Ended March 31, 2026 — Voluntary alignment with IFRS S1 and IFRS S2 in preparation for mandatory sustainability disclosures commencing April 1, 2026.

- IFRS S1 Aligned
- IFRS S2 Aligned
- TCFD Framework
- SDG Linked

A FRAMEWORK BUILT FOR LONG-TERM RESILIENCE

This section of the Report has been prepared by Atlas Honda Limited ("Atlas Honda" or "the Company") for the financial year ended March 31, 2026. The Securities and Exchange Commission of Pakistan ("SECP"), through its adoption order dated December 31, 2024, has mandated the application of the IFRS Sustainability Disclosure Standards ("IFRS SDS") for annual reporting periods commencing on or after July 1, 2025.

Accordingly, the Company will be subject to mandatory sustainability-related disclosures from the financial year beginning April 1, 2026. In preparation for future compliance, the Company has voluntarily aligned this section with the principles of IFRS S1 and IFRS S2 to strengthen its sustainability reporting framework, enhance internal reporting capabilities, and support the identification of sustainability-related risks and opportunities.

- IFRS S1 — General Requirements
- IFRS S2 — Climate Disclosures
- SECP Mandate from FY2026
- Voluntary Early Adoption FY2025

FY 2026 PERFORMANCE HIGHLIGHTS

13.90%
Reduction in Scope 1 Emissions Intensity

4.45%
Improvement in Energy Intensity Ratio
322 KJ/Motorcycle vs 337 KJ/Motorcycle

21.12%
Increase in Workforce Gender Diversity
1.95% vs 1.61%

46%
CO_2 Reduction Target vs 2020 Baseline
Target Year: 2030

IFRS S1 — General Requirements for Disclosure of Sustainability-related Financial Information

S1

SUSTAINABILITY REPORTING UNDER IFRS S1

Atlas Honda recognises that sustainable business practices are fundamental to long-term value creation. Disclosures span the four core pillars of governance, strategy, risk management, and metrics & targets, systematically integrating sustainability into decision-making processes and aligning with global best practices.

01
GOVERNANCE
Board-level oversight and executive accountability structures.

02
STRATEGY
Long-term resilience and competitive advantage through SDG alignment.

03
RISK MANAGEMENT
Structured identification, assessment, and mitigation of ESG risks.

04
METRICS & TARGETS
Quantitative progress tracking against ESG commitments and targets.

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 is supported by the Audit Committee, which is responsible for overseeing the Company's sustainability-related strategies, reviewing and guiding sustainable business policies, and ensuring alignment with the Board's fiduciary duties to all stakeholders.

Tier 1 — Oversight

Board of Directors
Sets sustainability vision, fiduciary accountability and strategic direction for all ESG matters.

Tier 2 — Review

Audit Committee
Evaluates ESG risks and opportunities, reviews sustainability policies, and reports to the Board on progress.

Tier 3 — Execution

ESG Working Group
Cross-functional team from manufacturing, supply chain, sales, HR, and finance driving day-to-day initiatives.

Strategic ESG Oversight
The Audit Committee evaluates sustainability-related risks and opportunities as part of its strategic mandate, ensuring ESG considerations are embedded in all corporate decision-making processes.

Cross-Functional Sustainability Leadership
Day-to-day sustainability initiatives are led by a cross-functional Working Group ensuring compliance with local regulations and global standards across all business functions.

Stakeholder Engagement
Transparent communication with investors, regulators, employees, and communities through annual sustainability reports and structured stakeholder consultations.

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 and international Sustainable Development Goals (SDGs). The Company conducts scenario analyses to assess how sustainability trends—such as stricter emissions regulations and EV adoption—could impact its business model over the next decade.

Pillar I

Environmental Sustainability

- **Carbon Neutrality Roadmap:** Energy-efficient manufacturing, solar power adoption, and logistics optimisation to reduce fuel consumption.
- **Circular Economy:** Enhanced recycling and reuse of metal scrap and packaging to minimise waste generation.
- **Eco-friendly Motorcycles:** R&D investment in low-emission products aligned with global decarbonisation trends.

Pillar II

Social Responsibility

- **Workforce Development:** Safe working conditions, upskilling programmes, and promotion of gender diversity in manufacturing roles.
- **Community Impact:** CSR programmes in education, healthcare, road safety, and women's empowerment through riding training.
- **Ethical Supply Chain:** Partnering with suppliers who adhere to labour and environmental standards.decarbonisation trends.

Pillar III

Economic Value Creation

- **Cost Efficiency:** Sustainable practices reduce operational costs through lower energy and material consumption.
- **Market Leadership:** Strengthening brand reputation among ESG-conscious consumers and investors.
- **Scenario Analysis:** Systematic assessment of sustainability trends impacting the 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. All identified risks are integrated into the Enterprise Risk Management (ERM) framework, with mitigation strategies reviewed quarterly by the Board.

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

Supply Chain Risks
Raw material traceability (conflict-free minerals) and building supplier resilience against climate and geopolitical disruptions across a diversified vendor chain.

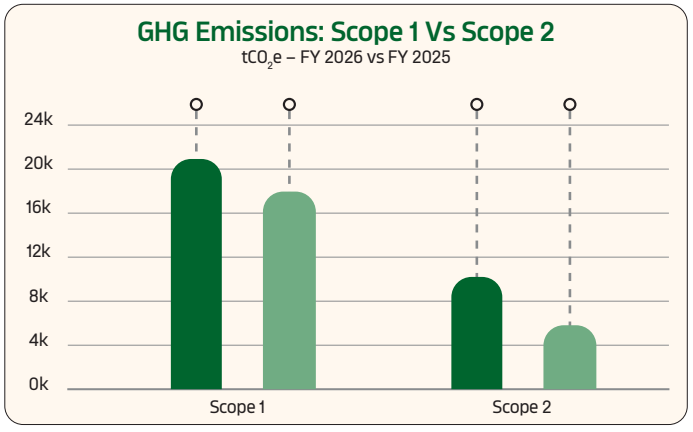
Regulatory Risks
Proactive monitoring of changes in laws and regulations to ensure timely compliance, with dedicated regulatory tracking embedded in the ESG Working Group mandate.

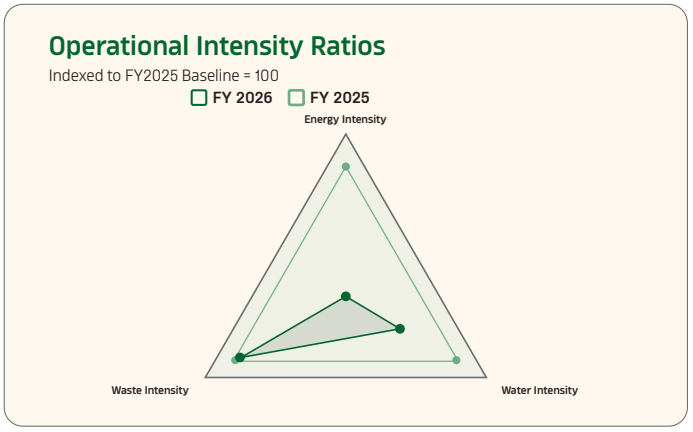
"These risks are integrated into Atlas Honda's Enterprise Risk Management framework, with mitigation strategies reviewed quarterly by the Board, ensuring sustainability risks are treated with the same rigour as financial and operational risks."

4. METRICS & TARGETS: MEASURING PROGRESS

Environmental Metric	FY 2026 (Current)	FY 2025 (Prior Year)
Scope 1 Emissions (tCO_2e)*	20,742	18,025
Scope 2 Emissions (tCO_2e)	10,609	6,108
Energy Intensity Ratio (KJ / Motorcycle)	322	337
Water Intensity Ratio (litres / Motorcycle)	469	483
Waste Intensity Ratio (KG / Motorcycle)	6.75	6.79

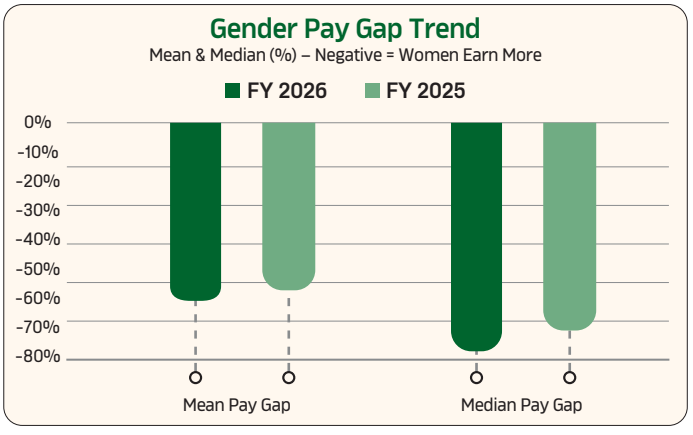
** Tonnes of carbon dioxide equivalent*

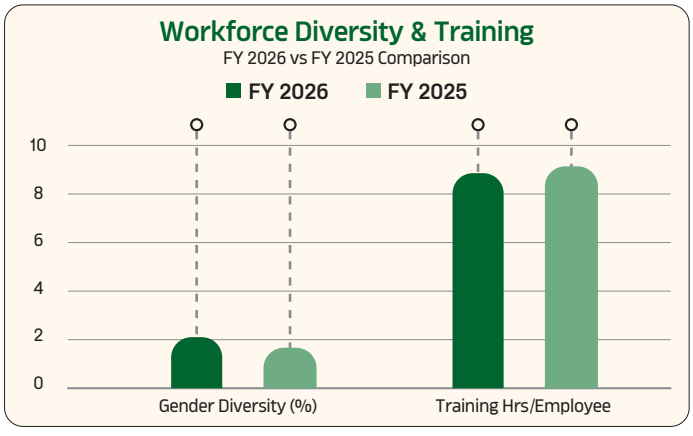




SOCIAL METRICS

Social Metric	FY 2026 (Current)	FY 2025 (Prior Year)
Workforce Gender Diversity (%)	1.95	1.61
Training Hours per Employee	8.7 hrs	8.9 hrs
Mean Gender Pay Gap (%)	(54.64)	(52.08)
Median Gender Pay Gap (%)	(78.79)	(72.51)





GOVERNANCE METRICS

Strong governance practices form the foundation of Atlas Honda's sustainability approach. The Company promotes ethical business conduct, regulatory compliance, transparency, accountability, and effective oversight through its governance framework. Sustainability-related matters are regularly reviewed by management and the Audit Committee of the Board, ensuring that environmental, social, and governance considerations are integrated into decision-making processes and long-term business strategy.

Board Gender Diversity	Board Minorities	Independent Directors	ESG Committee
FY 2025 *12.5%*	FY 2025 *37.5%*	FY 2025 *25%*	FY 2025 *Active*
FY 2026 **12.5%**	FY 2026 **37.5%**	FY 2026 **25%**	FY 2026 **ACTIVE**
Female Board Representation	Minority Representation on Board	Board Independence Ratio	Minority Representation on Board

LONG-TERM TARGETS

As Pakistan's largest two-wheeler manufacturer, Atlas Honda is committed to measurable long-term sustainability outcomes.

Target Year: 2030	Baseline: 2020	Ongoing
EV	**46%**	**H_2O**
Nationwide sales share of electrified entry-level products, aligned with CO_2 intensity target for product use.	Reduction in total CO_2 emissions from corporate activities against the 2020 baseline.	Continuous reduction in industrial water consumption, addressing supply and depletion risks at production facilities.

As the nation's largest two-wheeler manufacturer, Atlas Honda is committed to supporting a low-carbon future through environmentally responsible products and operations.

To advance its carbon neutrality journey, the Company has established environmental targets. By 2030, Atlas Honda aims to reduce product-use CO_2 emissions through increased sales of electrified entry-level products. In its operations, the Company targets a 46% reduction in CO_2 emissions from the 2020 baseline through energy efficiency, resource optimisation, and greater use of renewable energy.

Looking ahead, Atlas Honda aspires to achieve net-zero emissions by 2050 through carbon neutrality across its operations and product life cycle, while pursuing 100% utilisation of sustainable materials and renewable energy, subject to feasibility and availability of technological resources.

The Company also continues to implement water conservation initiatives and efficient technologies to reduce industrial water consumption and strengthen water stewardship.

Through climate action, renewable energy, sustainable materials, and responsible water management, Atlas Honda aims to create long-term value for stakeholders and contribute to a more sustainable future.

IIFRS S2 — Climate-related Disclosures

SUSTAINABILITY REPORTING UNDER IFRS S2

Atlas Honda discloses climate-related financial risks and opportunities across governance, strategy, risk management, and metrics, in alignment with the IFRS S2 standard and the Task Force on Climate-related Financial Disclosures (TCFD) framework.

1. GOVERNANCE

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

2. RISK MANAGEMENT & CLIMATE SCENARIO ANALYSIS

At Atlas Honda, climate change-related risks are positioned as one of the Company-wide priority risks. The Company has defined multiple scenarios—including 1.5°C and 4°C—to anticipate future risks posed by climatic changes. These analyses identify transition and physical risks and opportunities and assess their financial impact over the short, medium, and long term.

1.5°C

Transition / Managed Pathway

- Carbon neutrality by 2050 promoted globally, leading to widespread use of carbon-free products and renewable energy across all sectors.
- Regulations on fuel efficiency and zero-emission vehicles tighten in the automotive and two-wheeler sectors. Circular economy transitions accelerate.
- Shift in consumer demand toward carbon-free products, including EVs and related mobility services, becomes structural.
- Advances in renewable energy and energy-saving clean technologies gain mainstream adoption, reducing the cost of transition.

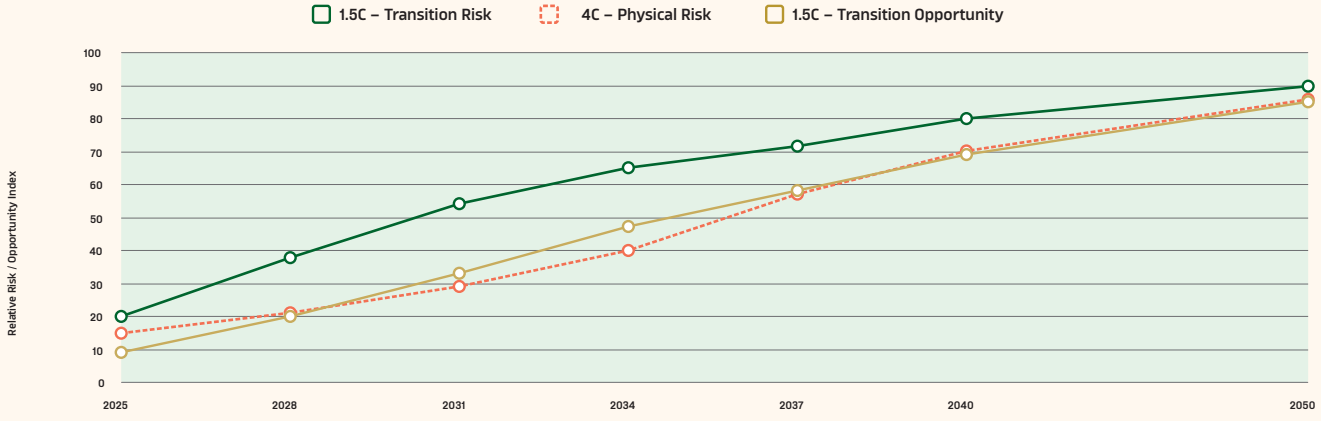
4°C

Physical / Unmanaged Pathway

- Irreversible environmental changes occur, leading to more frequent and more severe natural disasters—floods, extreme heat events, and ecosystem disruption.
- Production bases and supply chains face heightened disruption risk from acute physical events and chronic climate shifts.
- Absence of coordinated policy response leaves business to navigate a more volatile and unpredictable operating environment.
- Adaptation and resilience investments become critical to sustaining operational continuity at both production sites.

Climate Risk Horizon: Transition Vs Physical Exposure

Illustrative risk profile under 1.5C and 4C scenarios across time horizons



3. TRANSITION RISKS & OPPORTUNITIES

Policy & Regulations / Changing Consumer Preferences

Risk

Governments worldwide are imposing tighter emissions limits, carbon taxes, and mandatory carbon disclosures, increasing compliance costs. These regulatory changes could reduce demand for internal combustion engine (ICE) models as consumers and fleet operators pivot to electric alternatives to avoid future penalties or obsolescence. Enhanced reporting requirements may also expose financial risks such as stranded assets and retrofitting expenses, further eroding the competitiveness of ICE motorcycles in key markets. Proactively adapting through electrification, carbon-neutral fuels, or circular economy strategies will be critical to sustaining sales and compliance.

Opportunity

Tightening climate regulations and shifting consumer preferences present a significant opportunity to pioneer sustainable mobility solutions. By investing in EV technology and bio-fuel alternatives, the Company can position itself as a leader in low-carbon transportation. This enables the Company to:

- Expand into growing EV markets and benefit from government subsidies and tax incentives for clean vehicles.
- Enhance brand reputation as a sustainability-driven innovator, attracting environmentally conscious consumers.
- Build partnerships to access new and diversified revenue streams.
- Improve operational efficiency by adopting circular economy practices including material recycling and re-manufacturing.

CHANGES IN TECHNOLOGY

Risk
Advancements in EV technology could narrow—and ultimately close—the price gap with ICE technology, potentially rendering ICE platforms uncompetitive. The core risk is not about EVs improving, but about ICE technology becoming structurally obsolete in an evolving regulatory and market landscape where carbon intensity is increasingly priced and penalised.

Opportunity
This presents the Company with an opportunity to create a parallel market alongside its existing technology base. The Company continuously monitors technological advancements and explores pathways to embrace innovation aligned with its low-carbon strategy. The energy transition is inevitable, but must be affordable. The Company's extensive localisation affords its ICE technology a competitive edge over imported lithium-ion technology, indicating sustained ICE growth while capacity-constrained consumers transition at their own pace. Flexi-fuel vehicles further present new revenue stream opportunities.

4. PHYSICAL RISKS & OPPORTUNITIES

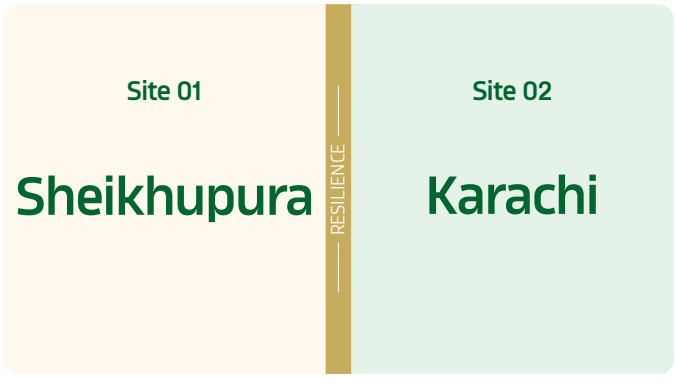
Climate-Related Physical Risks

Risk
Extreme climatic events, including floods, heatwaves, and natural disasters, may damage the Company's production base or cause disruption across its supply chain, materially affecting manufacturing output and delivery commitments.

Opportunity
The Company operates a stable two-site production system—Lahore and Karachi—providing geographic resilience. A diversified vendor chain across Pakistan reduces single-source dependency for key components and raw materials. This structure also presents a strategic opportunity to partner with key suppliers in adopting sustainable and climate-resilient practices throughout the value chain.

PRODUCTION RESILIENCE: DUAL-SITE MANUFACTURING

Two geographically distributed production facilities provide operational continuity against localised climate events.



CLIMATE-RELATED FINANCIAL IMPACT ASSESSMENT

The Company has assessed the potential financial implications of climate-related and other sustainability risks, including evolving environmental regulations, energy transition requirements, and supply chain disruptions. To meet current and anticipated regulatory compliance requirements, the Company may incur additional capital expenditure; however, sufficient financial resources are available to support such investments without adversely impacting its financial stability.

These risks may also lead to an increase in operating costs, particularly in relation to energy consumption and compliance obligations. The Company actively manages these impacts through the implementation of energy efficiency initiatives, process optimisation, and strategic supply chain sourcing, thereby mitigating cost pressures while enhancing operational resilience and supporting sustainable growth.

A more detailed assessment of climate-related financial risks and opportunities is currently under consideration. Given the complexity and evolving nature of climate-related financial modelling, the process requires careful evaluation, scenario analysis, stakeholder engagement, and further data collection. The Company will provide updates as the assessment progresses.

ENVIRONMENTAL STEWARDSHIP

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. In 1992, Honda established the "Honda Environment Statement," which also serves as the guiding framework for all our environmental initiatives. This statement organized and clarified our fundamental stance on reducing environmental impact throughout the entire product lifecycle, including material procurement, design, development, production, transportation, sales, usage, and disposal. To further advance its global environmental initiatives and remain a "Company society wants to exist," Honda globally established the "Honda Environmental and Safety Vision" in 2011. This vision aims to achieve the "joy and freedom of mobility" and a "sustainable society where people can enjoy life." Across its operations, Atlas Honda is committed to reducing all forms of environmental impact. Our efforts include reducing Greenhouse Gas (GHG) emissions, which are considered one of the causes of climate change, as well as lowering energy consumption, improving resource efficiency for water and minerals, proper waste management and reduction, and preserving biodiversity as part of our commitment to protecting the global environment. Atlas Honda shares this Environment Statement not only within the Company but also with its business partners and all other stakeholders associated with the Company. By doing so, we aim to achieve our vision through collaborative efforts with all the business partners.

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.

ATLAS HONDA'S ENVIRONMENTAL AND SAFETY VISION

Realizing the joy and freedom of mobility and a sustainable society where people can enjoy life.

ATLAS HONDA'S ENVIRONMENTAL STATEMENT

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

1. We will make efforts to recycle materials and conserve resources and energy at every stage of our products' lifecycle - from research, design, production and sales to services and disposal.

2. We will make every effort to minimise and find appropriate methods to dispose of waste and contaminants that are produced through the use of our products, and in every stage of the lifecycle of these products.

3. As both a member of the Company and of society, each associate will focus on the importance of making efforts to preserve human health and the global environment and will do his or her part to ensure that the Company as a whole acts responsibly.

4. We will consider the influence that our corporate activities have on the regional environment and society, and endeavor to improve the social standing of the Company.

ENVIRONMENTAL IMPACTS RECOGNISED BY THE COMPANY

Atlas Honda recognises that all business activities have environmental impacts. To address these challenges, it is important to consider the environmental impacts at each stage of the product lifecycle. The Company identifies the main environmental impacts as: CO_2 emissions, use of fossil fuel-derived energy, extensive resource extraction and waste, and impacts on biodiversity.

MAIN ENVIRONMENTAL IMPACTS IN THE PRODUCT LIFECYCLE

Atlas Honda, aiming for sustainable business practices, has set achieving a "Zero Environmental Impact Society" as one of its Company-wide priority issues. To comprehensively reduce interlinked environmental impacts, The Company has established four materialities to guide its efforts.

TRIPLE ACTION TO ZERO

In our efforts to achieve a "Zero Environmental Impact Society," we are working towards our vision 2050 of Achieving net zero emissions through 100% utilization of carbon free energy, and 100% use of sustainable materials. These visions are encapsulated in the concept of "Triple Action to ZERO," a concept that consolidates three key initiatives: "Carbon Neutrality," "Clean Energy," and "Resource Circulation". We position "Triple Action to ZERO" as the core concept in guiding our efforts.

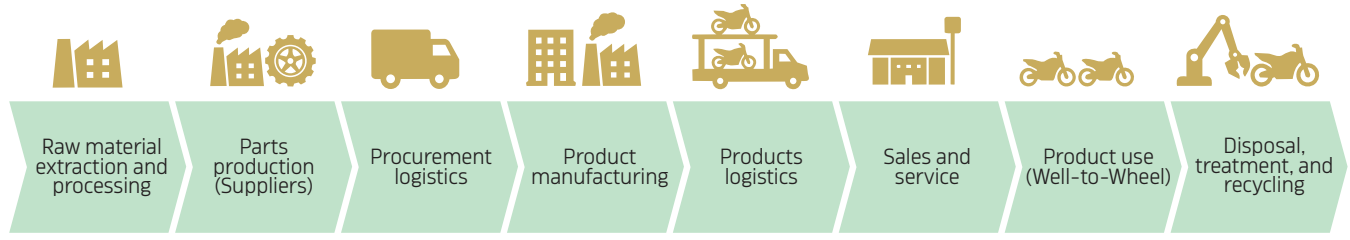
The three initiatives of "Triple Action to ZERO" are closely related and we aim to maximise synergistic benefits by considering their linkages.

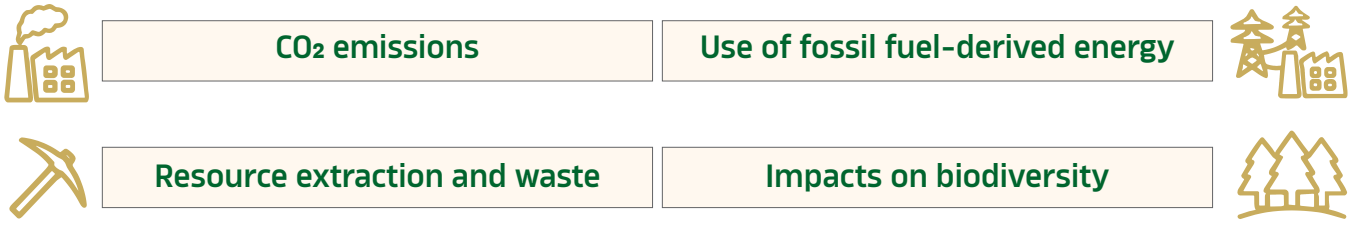
ZERO ENVIRONMENTAL IMPACT SOCIETY

VISION

Realising a Zero Environmental Impact Society

To address these challenges, it is essential to divide corporate activities into each stage of the product life cycle and consider the environmental impacts at each stage. As per the Honda's Global Guidelines, Atlas Honda has identified the main environmental impacts as CO_2 emissions, use of fossil fuel-derived energy, extensive resource extraction and waste, and impacts on biodiversity.





Priority Issue

Realising a zero environmental impact society

Materialities

Addressing climate change	Addressing energy issues	Efficient utilization of resources	Biodiversity conservation

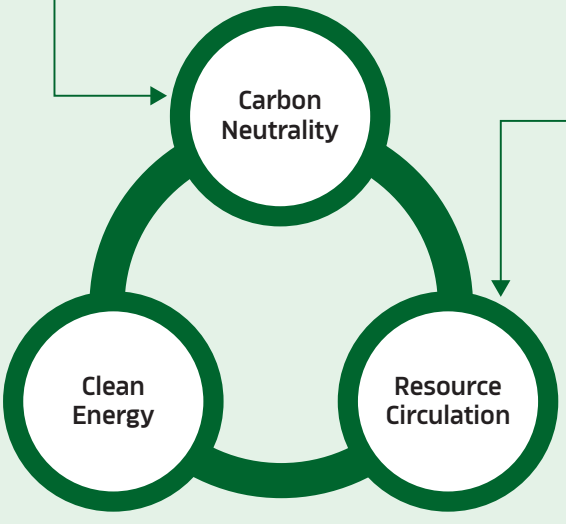
Atlas Honda's Vision 2050

CARBON NEUTRALITY FOR ALL OF HONDA PRODUCTS AND CORPORATE ACTIVITIES

Net Zero Emissions

In "addressing climate change," Honda aims to achieve net-zero CO_2 emissions from both of it's corporate activities and the product lifecycle, with the goal of limiting the global average temperature rise to 1.5ºC compared to pre-industrial levels

Triple Action to ZERO



100% Use of Sustainable Material

In addressing the "efficient utilisation of resources," Honda will strive to develop products and establish systems that use sustainable materials with no environmental impact. In corporate activities, we aim to achieve zero industrial water intake and zero industrial waste at Honda plants by 2050.

100% utilisation of carbon free energy

In "addressing energy issues," Honda aims to use clean energy during product use and corporate activities.

INITIATIVES FOR TRIPLE ACTION TO ZERO

Environment Management System

EMS is intended to formalise procedures for managing and reducing environmental footprint. It helps the Company organise and analyse, 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 the 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.

Energy Consumption

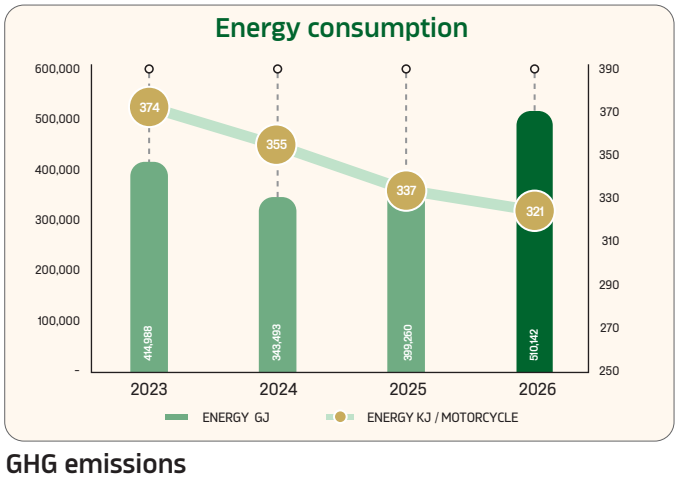
The Company consistently monitors its energy consumption and emissions to identify best practices and enhance its energy management efforts. Both manufacturing facilities are strategically situated away from protected areas to reduce the impact of CO_2 and other greenhouse gases on these sensitive zones. The Company's main energy sources include grid electricity, RLNG, Diesel, and Renewable energy sources.

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 510,142 GJ, of which 79,417 GJ - 15.6% of total energy consumption came from renewable sources, as compared to 9% last year. During the current year, energy consumption increased by 28%, despite 34% increase in production. Energy consumption per motorcycle decreased to 321 KJ, representing a 4.75% reduction from the previous year, owing to new energy-saving initiatives, Electrification of production processes and process optimisations 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 organisation. 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

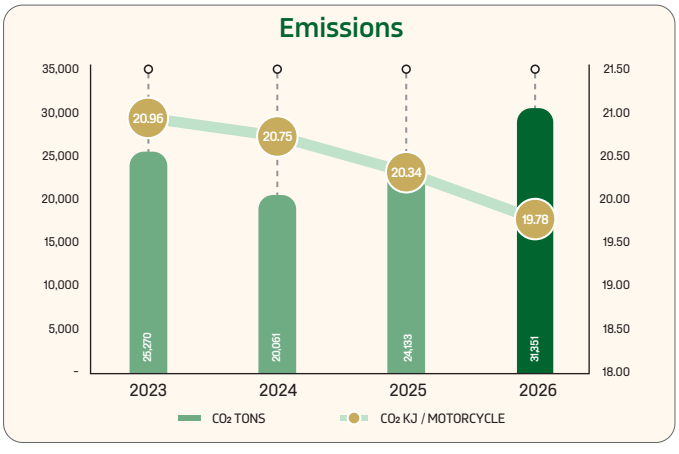
- The Company's products adhere to the standards set by the Pakistan Standards and Quality Control Authority (PSQCA) regarding CO_2 emissions, noise levels and smoke. All our products meet EURO II carbon emission standards. Greenhouse gas (GHG) emissions are regulated by limits established by the Environmental Protection Agency (EPA), and the Company ensures compliance by regularly monitoring total emissions at each of its locations. Efforts are underway to minimise 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.

- The Company measures and reports both Scope 1 (direct) and Scope 2 (indirect energy-related) emissions, ensuring comprehensive coverage of its operational impact. Direct CO_2 emissions arise from combustion activities to generate heat, electricity and steam. Indirect emissions that are caused from the use of Grid electricity, with other greenhouse gases (GHGs), are monitored at each location of the Company and consolidated into the Company's total GHG emissions inventory. The global warming potential (GWP) of relevant gases is based on data from the United Nations Framework Convention on Climate Change (UNFCCC), while emission factors are derived from the International Energy Agency (IEA) Announced Pledges Scenario (APS) 2024.

- The Company does not generate biogenic CO_2 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 (NOx), 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 31,351 tons, primarily consisting of CO_2. Scope 1 Emissions: 20,742 tons and Scope 2 Emissions: 10,609 tons. During the year, the Emissions have increased by 30% from last year primarily on account of 34% increase in production. Resultantly, emissions per motorcycle were reduced to 19.78 kg per unit, marking a 2.75% reduction compared to last year. 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.



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 below energy efficiency measures across its production facilities and offices, significantly reducing energy consumption and CO_2 emissions.

- **Modification in fuel tank painting process:** Paint removal burning process was replaced with hammering process which significantly reduced paint consumption and led to reduction in CO_2 emissions by 3.75 tons this year.

- **Scrap aluminum** generated from the gate cutting process was recycled through an authorised contractor, contributing to resource conservation and reducing the requirement for virgin aluminum. This initiative supports the Company's commitment to minimising environmental impact and promoting circular material use.

- **A new mist collection system** was installed on the Kira machine to improve air quality and reduce particulate

emissions within the facility. This initiative enhances workplace safety, minimises environmental impact by capturing and filtering airborne contaminants, and supports compliance with regulatory standards on emissions control. This initiative resulted in a reduction of approximately 29.8 tons of CO_2 emissions.

- An energy-saving feature was introduced through the installation of an **automatic shut down system** on machines when idle. This initiative reduces unnecessary energy consumption, lowers greenhouse gas emissions associated with electricity use, and enhances operational efficiency. By minimising idle power usage, the Company demonstrates its commitment to sustainable resource management.

- To **conserve RLNG/LPG consumption** in the Pressure Die Casting process, burner efficiency was optimised through the use of a flue gas analyser. This initiative reduced fuel consumption, lowered associated greenhouse gas emissions, and improved overall energy efficiency.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Reduction of CO_2 Emissions from product use

CO_2 emissions from product use (Scope 3 Category 11) primarily result from the combustion of fossil fuels in Internal Combustion Engines (ICE). Atlas Honda considers the expansion and proliferation of electric products as an effective measure to reduce CO_2 emissions from product use. By increasing the sales ratio of electric products, Atlas Honda aims to achieve reductions in CO_2 emissions for Scope 3 Category 11, for which we have launched ICON – E during the current year.

In the short to medium term, Atlas Honda plans to continue selling ICE products, while maintaining our efforts to improve the environmental performance of our motorcycles, and actively working to reduce current CO_2 emissions. While the electrification of products will contribute to reducing CO_2 emissions, some emissions from the use of electric products may remain depending on the availability and adoption of renewable energy in the country. Therefore, Atlas Honda is committed not only to utilising renewable energy within its own operations but also to engaging in advocacy efforts to promote and accelerate the transition to clean energy. Atlas Honda will work towards contributing to the promotion and expansion of clean energy across society, while also exploring direct involvement in supplying clean energy to customers, with the aim of reducing CO_2 emissions from the use of electric products.

ACTIONS FOR CLEAN ENERGY

Atlas Honda 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 different locations of the Company, including its factories and warehouses. This initiative aims to derive clean & affordable energy to reduce greenhouse gas emissions and Company'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 15.6% of its total energy consumption and more than 25% of total electricity consumption.

Energy Management System (EMS)

As part of our energy efficiency and digitalisation initiatives, We have deployed Weintek's Energy Management System (EMS) to enhance the performance of our solar power infrastructure. The system enables real-time monitoring of solar generation, energy consumption, and system health, allowing for timely identification of inefficiencies and optimisation opportunities. By aligning energy usage with peak solar generation periods and integrating data-driven insights into operational decisions, the EMS supports improved energy yield, reduced reliance on grid power, and lower greenhouse gas emissions, contributing to our overall sustainability objectives.

7 AFFORDABLE AND CLEAN ENERGY

MATERIAL, EFFLUENTS & WASTE

Sustainable consumption and production require the responsible use of natural resources within the planet's ecological limits, ensuring that economic activities remain aligned with the Earth's capacity to provide essential ecosystem services and support long-term environmental sustainability. 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 minimise 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	2023	2024	2025	2026
Non-renewable	Ferrous	Ton	67,825	59,278	72,766	97,203
Non-renewable	Non-Ferrous	Ton	7,337	6,092	7,478	9,989
Non-renewable	Oil paints	Ton	263	230	282	377
Non-renewable	Lubricants	KL	1,465	1,280	1,571	2,099
Both	Rubber	Ton	5,032	4,398	5,399	7,212
Non-renewable	Plastic	Ton	3,660	3,199	3,927	5,246

Waste Management & Circular Resource Practices

Recognising the environmental significance of responsible waste handling and disposal, the Company continues to strengthen its waste management practices through controlled treatment, recycling, recovery, and safe disposal mechanisms.

To mitigate water-related environmental impacts, wastewater generated during manufacturing operations is treated through the Company's waste water treatment Plant prior to discharge into sewerage systems, ensuring compliance with applicable environmental standards and promoting the protection of surrounding ecosystems. In parallel, solid and hazardous waste streams are managed through environmentally responsible channels including recycling, reuse, incineration, landfill management, and disposal through certified and legitimate waste contractors. During the year, the Company generated 10,694 tons of waste while achieving a reduction in waste intensity of 0.6% per motorcycle, reflecting continued progress toward operational efficiency and resource optimisation. The Company further strengthened its circular resource management efforts by diverting approximately 97% of it's non-hazardous waste (7,727 out of 7,991 tons) away from landfill through recycling and reuse initiatives. In addition, hazardous waste amounting to 112 tons was safely treated through controlled incineration processes.

The Company also maintained strong environmental compliance throughout the year, with no significant spills reported during operations or through the external stakeholder grievance reporting mechanisms in place. Through these initiatives, the Company continues to reinforce its commitment toward responsible resource utilisation, pollution prevention, and long-term environmental sustainability.

Hazardous/Non-Hazardous	Waste by disposal method	Unit	2023	2024	2025	2026
Non-Hazardous	Recycling/Reuse (metal scrap, packing, plastic)	Ton	7,727	6,143	7,602	10,278
Non-Hazardous	Landfill (waste sludge)	Ton	264	88	73	54
Hazardous	Incineration - mass burn (sludge, oil contaminated waste)	Ton	132	115	132	112
Non-Hazardous	On-site storage (in-house scrap yard)	m3	250	250	250	250

The Company adopts a structured approach to waste management, ensuring segregation, tracking, and responsible handling of all waste streams. Waste is classified as hazardous and non-hazardous in line with applicable regulations and is further analysed based on its final treatment, including diversion through recycling and recovery, or disposal through landfill and incineration. All of the waste for Recycled/Reuse was transferred to authorised third party contractors and no material recycling/recovery was carried out on-site during the reporting period.

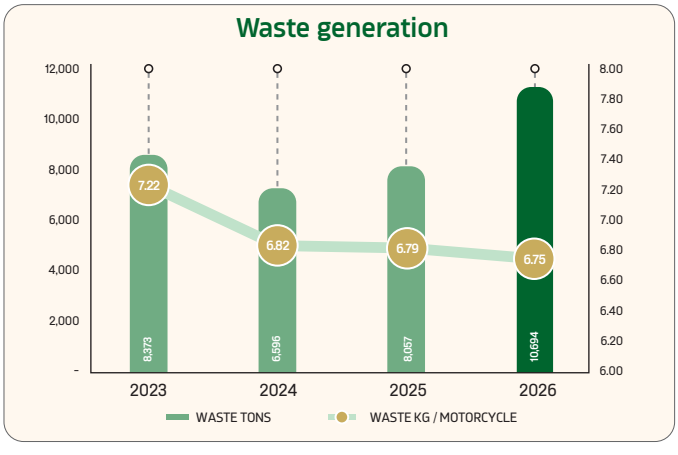
Waste Directed from Disposal

Waste Category	Type of Treatment	Quantity (tons)
Hazardous	Recovery	1,504
Hazardous	Recycling / Reuse	16
Non-Hazardous	Recovery	1,423
Non-Hazardous	Recycling / Reuse	7,334

Waste Directed to Disposal

Waste Category	Disposal Method	On-Site	Off-Site
Non-Hazardous	Landfill	54	250
Non-Hazardous	Incineration	-	-
Hazardous	Landfill	-	-
Hazardous	Incineration	-	112

The chart below demonstrates the Company's waste management performance through both absolute waste generation and waste intensity metrics relative to production volumes.



Recycling, Waste Control and Wastage Reduction

At Atlas Honda, resource efficiency and responsible material management are integral to our operational approach.

The Company is committed to minimising environmental impact through the reduction, reuse, and recycling of materials across its own operations.

In particular, Atlas Honda actively promotes material recycling, encouraging the responsible handling of waste and the recovery and reuse of materials wherever feasible.

A key waste reduction measure implemented by the Company is the recycling of aluminium waste generated from its operations. During the year aluminium waste was recycled which represents 11.7% of total ferrous casting material consumed by the Company, reflecting the Company's focus on resource efficiency and circular material use.

This approach is embedded within the Company's environmental management practices and is supported by internal processes and employee awareness initiatives.

In addition to its own operations, the Company recognises that waste-related impacts also arise across its upstream and downstream value chain, including from suppliers, contractors, and product lifecycle stages.

While Atlas Honda undertakes initiatives such as supplier engagement, promotion of material conservation, and encouragement of recycling practices across its supply chain, these waste-related impacts are currently not measured or included within the scope of reported disclosures.

The Company is working towards enhancing its data collection and monitoring systems to improve visibility and reporting of such impacts over time.

WATER

The Company seeks to reduce its water footprint by promoting water-saving practices and adopting water-efficient technologies and equipment wherever possible. Recognising water as a shared resource, the Company considers the potential impacts of its water withdrawal and discharge on surrounding communities, ecosystems, and other users of water resources. Water is primarily sourced from groundwater in areas not designated as water-stressed or protected, and operations are managed to avoid adverse impacts on local water availability and quality.

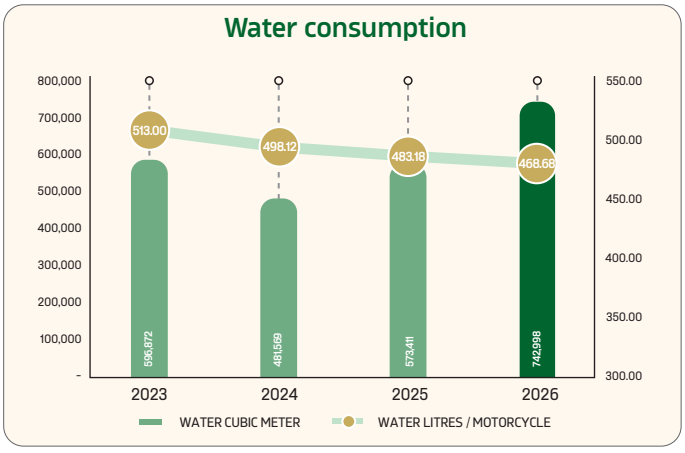
The Company engages with relevant stakeholders, including regulatory authorities and local communities, to promote responsible water use and compliance with applicable environmental standards. Water consumption and discharge are monitored through flow meters installed at key locations, including water storage tanks and treatment facilities. During the year, 742,998 cubic meters of water was withdrawn, with a reduction in intensity of 3.0% compared to the previous year.

Water used in production processes is treated through effluent treatment systems to meet the limits prescribed under National Environmental Quality Standards (NEQS) prior to discharge. The treatment process address pollutants such as chemical contaminants, oil and grease, nutrients, and suspended solids, ensuring safe discharge into the sewerage system.

The Company also undertakes periodic monitoring of water quality and potential environmental impacts to minimise risks to ecosystems and surrounding communities.

While the Company's operations are not located in water-stressed areas and no withdrawals occur from protected sources, management remains committed to strengthening assessment of water-related impacts and enhancing stakeholder engagement practices to support sustainable water resource management

During the year, 185,750 cubic meters (20%) 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, using two waste water treatment plants at manufacturing sites of the Company. This water is drained in to the national drainage system after treatment trough the waste water treatment plants. The Company, as a responsible organisation complies by the legal requirements related to wastewater discharge, including the requirements set out by "National Environmental Quality Standards" and other regulatory authorities.

This year, 689,148 cubic meters of water was treated and safely drained in to the sewerage system.

WATER CONSERVATION AND REUSE

During the year, a series of initiatives were implemented to optimise water usage, leading to a significant reduction in overall water consumption by a total of 62,663 cubic meters. These measures were designed to both minimise waste and promote the efficient use of available water resources across various operations.

- Waste-water generated from the RO showering process is recycled to be used in pre-treatment process, which is high water intensive process. This measure resulted in estimated annual water savings of 57,600 cubic meters.
- Waste-water generated from pre-treatment lines is recycled and used to refill the sedimentation tank of a paint spray booth, resulting in estimated annual water saving of 2,162 cubic meters.
- Sedimentation tank at the metal paint shop is now refilled from the water recycled from rinsing tank of the Alodine line, resulting in estimated annual water saving of 2,115 cubic meters.
- Waste-water generated from RO filtration process is recycled and used in sedimentation tank of Metal paint shop, resulting in estimated annual water saving of 786 cubic meters.

BIODIVERSITY

The Company has clear vision from the onset of its business related to environmental protection, therefore both of the manufacturing plants have been located away from protected areas to minimise the effects of CO_2 and greenhouse gases on the protected areas.

With reference to the Environment statement, the Company considers biodiversity conservation initiatives as imperative part of its 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 minimised 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.

Plant For Pakistan

Atlas Honda Limited continues to advance its Plant for Pakistan campaign in partnership with the Lahore Development Authority (LDA), demonstrating its commitment to environmental sustainability and greener urban spaces. The latest plantation drive at LDA City resulted in the planting of 13,000 trees, contributing to improved air quality, biodiversity, and climate resilience. Atlas Honda actively collaborates with government institutions to ensure maximum impact and effectiveness of such initiatives. The event also included a symbolic exchange of memorabilia, reflecting the strength of this public–private partnership. Through these efforts, Atlas Honda supports ecological restoration and promotes a more sustainable future for Lahore.

During the year the Company was awarded 1st positions in three different categories for 167th Annual Spring Flower Show 2025 by Horticultural Society of Pakistan.

ENVIRONMENTAL GUIDELINES ACROSS OUR SUPPLY CHAIN

In order to provide customers with a timely, stable supply of better products and services, it is necessary to put significant effort into developing and optimising supply chains with suppliers around the world while also taking into account environmental and human rights issues. The Company shares its policies with the suppliers in the form of supplier sustainability guidelines and works with the suppliers on key issues such as product safety, quality, human rights, labor, environment, responsible procurement, compliance and information disclosure.

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 supply chain;
- Reduce GHG emissions to prevent climate change;
- Reduce waste disposal and transportation emissions by optimising 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 all the new suppliers were evaluated for compliance with the Company's supplier sustainability guidelines 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.

Suppliers' ESG Assessment Using Ecovadis

Atlas Honda has deployed the EcoVadis platform to assess the environmental, social, and governance (ESG) performance of its key suppliers as part of its responsible sourcing practices.

EcoVadis is globally recognised platform that provides sustainability rating for Companies based on their ESG performance.

Through a structured evaluation process based on detailed questionnaires and supporting evidence such as approved policies, procedures, and certifications. Suppliers are assessed across critical sustainability areas including environment, labor and human rights, ethics, and sustainable procurement. The assessment is carried out by EcoVadis specialists and presented in a form of scorecard. This approach enables Atlas Honda to systematically monitor suppliers' performance, identify risks, and drive continuous improvement across the supply chain, strengthening alignment with the Company's overall sustainability commitments.

Comprehensive Supplier Evaluation

EcoVadis assesses suppliers across four key ESG themes which allows Atlas Honda to identify high risk suppliers and take corrective actions:

- **Environment**
- **Labor & Human Rights**
- **Ethics**
- **Sustainable Business Practices**

Evidence Based Scorecards

Suppliers are evaluated based on customised questionnaires. Each supplier receives a scorecard based on responses, evidences and policies. This allows us to:

- **Benchmark ESG performance**
- **Identify gaps & risks**
- **Prioritize supplier engagement & improvement**

Scope-3 Emissions & Carbon Risk

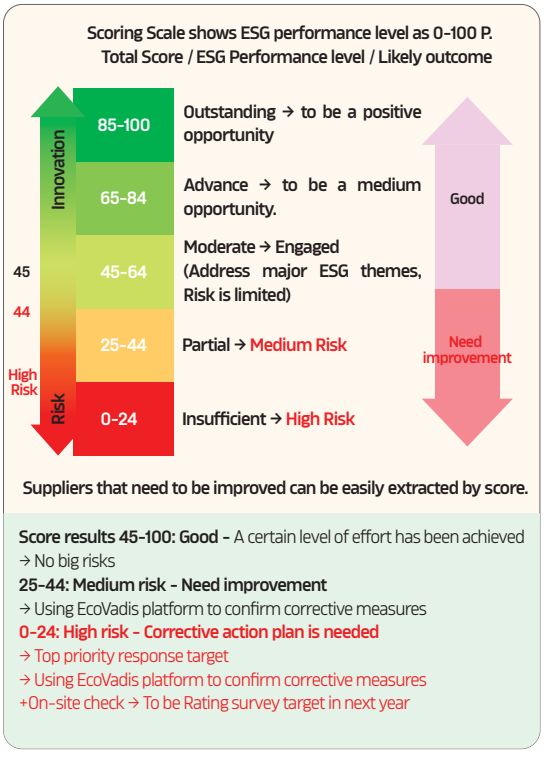
EcoVadis will help us in measuring our scope-3 Emissions by collecting and analysing supplier specific emissions. This information will be used for:

- **Decarbonisation strategies**
- **Regulatory compliance**
- **Climate-related risk mitigation**

Actionable Insights & Improvement Plan

The Company also receives customised recommendations to improve ESG performance across our supply chain. These insights can be used to:

- **Develop internal risk management plans**
- **Strengthen sustainability governance**
- **Align with global sustainability reporting standards.**



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 its supply chain. Since then, our supply chain team has worked closely with key vendors to implement strategies focused on minimising their environmental footprint. We provide technical support for process innovations that enhance production efficiency, promote energy conservation, encourage material recycling and reuse, and reduce CO_2 emissions, all in line with our commitment to sustainability and responsible business practices. A total of 32 vendors from both plants participated in the initiative, representing 77% of our total purchases.

Environmental Safety Audits Under BAKKA Program

To ensure environmental safety and compliance within its production premises, Atlas Honda conducts BAKKA audits as part of its proactive monitoring framework. During the year, BAKKA audits were carried out across key operational areas, including the Painting Area, Paint Booth, Paint Mixing Room, Phosphating Area, and Oil and Paint Storage Area. The audits assessed adherence to environmental controls, handling practices, and safety standards, and all areas were found to be operating satisfactorily. This reflects the Company's continued commitment to maintaining safe operations and minimising environmental risks across its manufacturing facilities.

SOCIAL IMPACT & INCLUSION

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. These initiatives are designed in alignment with key stakeholder priorities identified through ongoing engagement with employees, customers, suppliers, and local communities, particularly in areas such as employment generation, workplace well-being, and community development.

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. The significance of these impacts is evaluated in the context of national development priorities and recognised external benchmarks, including industry best practices and relevant United Nations Sustainable Development Goals (SDGs). 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

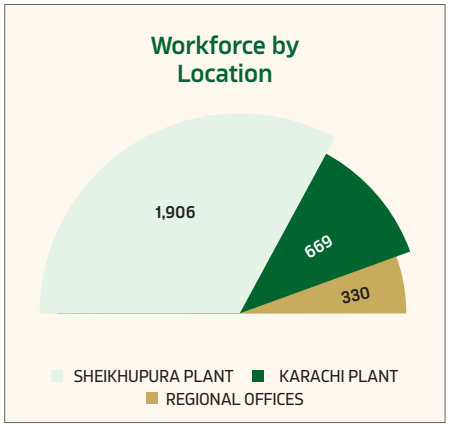
The Company ensures long-term employee development by strategically aligning talent acquisition, capability enhancement, and career growth with organisational objectives. Guided by the principles of the Atlas Way, the Company has established a corporate culture focused on continuous learning, leadership development, and value creation. The Company's 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 labour regulations, strictly prohibiting forced, compulsory or child labour while upholding fair working conditions and human rights.

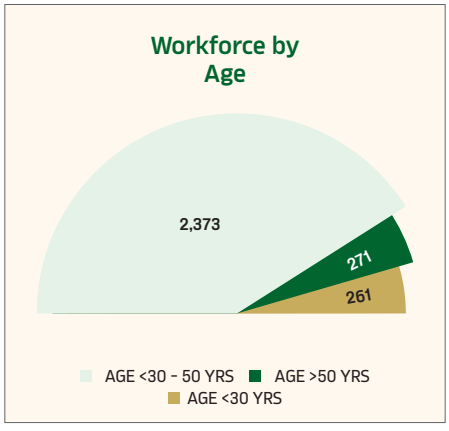
A strong emphasis on gender equality and diversity forms the foundation of Company's talent strategy, enabling individuals from all backgrounds to realise their full potential and grow into leadership roles. The Company continuously enhances its HR systems, practices and service quality through regular 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.

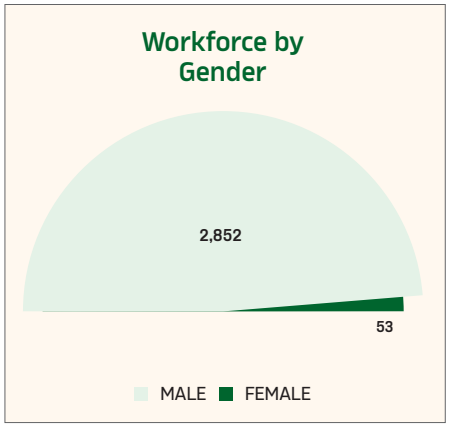
To sustain its market leadership position, the Company has implemented robust talent acquisition and retention strategies anchored by its flagship Management Trainee Program. This structured initiative involves nationwide recruitment drives across Pakistani universities to identify and nurture high-potential graduates, providing them with accelerated career pathways. Our 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 standardised 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 familiarise them with Company's culture, values and operational processes, ensuring smooth organisational integration from day one.

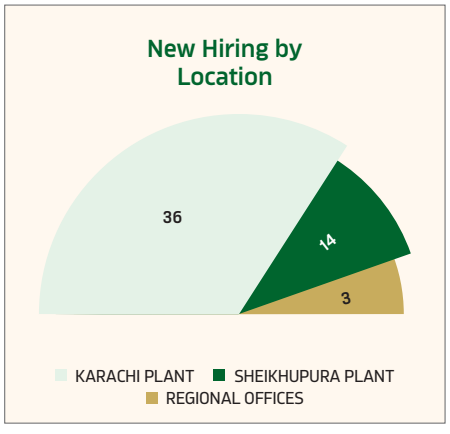
Employee Composition

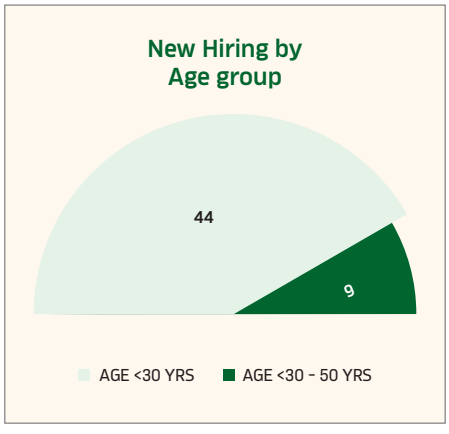
The Company's employees' composition is as follows. No major variations have been reported. Further, the data has been compiled by the Company's human resource department as per actual and no assumptions have been made. During the year, the hiring rate was 1.70% while the turnover rate was 2.01%.

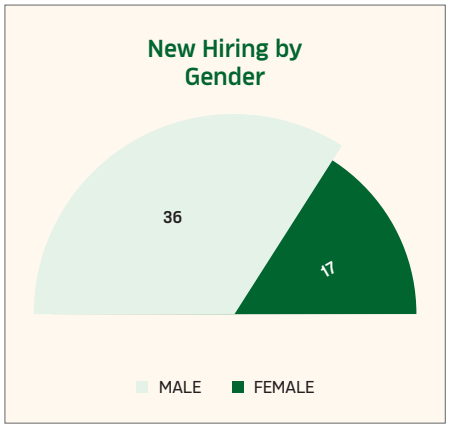


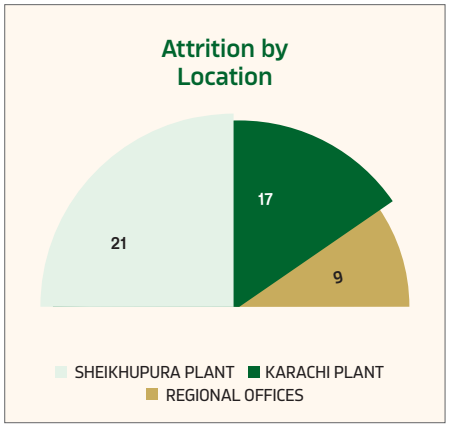


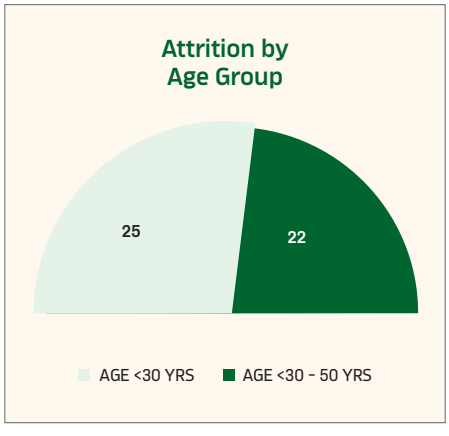


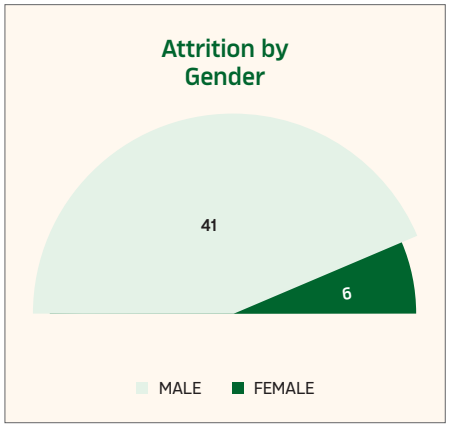


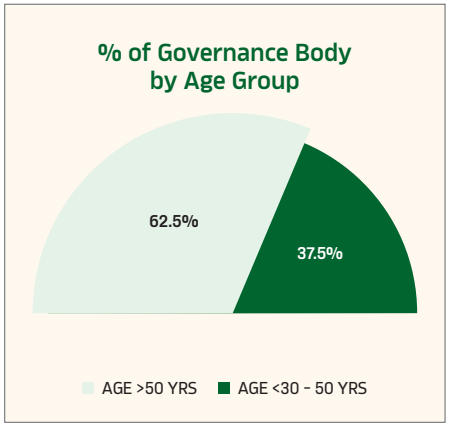


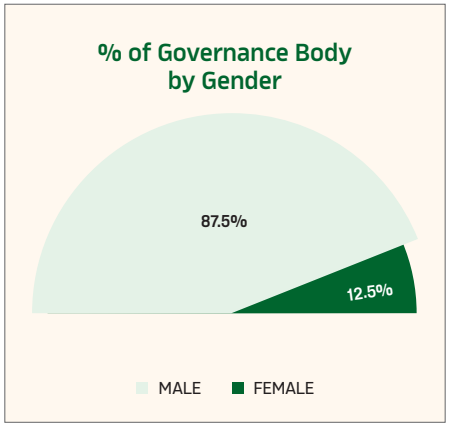


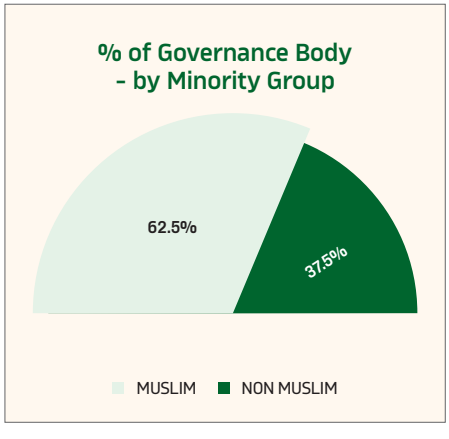












Work Life Balance and Parental Support

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, 2 female employees and 326 male employees were entitled to maternity and paternity leaves, respectively. All of such entitled leaves were granted and utilised. The table below details annual trends in leave utilisation:

	Female	Male
Employees that availed leaves	2	326
Employees that returned to work	2	326
Employees that returned to work are still employed 12 months after their return	2	323
Return to work and retention rate	100%	99%

These policies reinforce Company's dedication to gender equality and employee well-being while maintaining operational continuity.

Career Development And Training

Guided by the principle of 'Organisation Development through Self-Development, the Company implements a holistic 70:20:10 learning model (70% experiential, 20% coaching, and 10% formal training) to support continuous employees' skills development and capability enhancement.

Company's comprehensive development programs are designed to upgrade technical, managerial, and behavioral competencies and span the following initiatives:

- On-boarding orientation programs for management trainees
- On-job learning and global rotation programs to build cross-functional expertise
- Mentorship initiatives and executive coaching to support leadership development
- International training programs, including collaborations with the Association of Overseas Technical Cooperation & Sustainable Partnerships (AOTS), Harvard Business School, and INSEAD
- External training workshops covering areas such as Leadership Grid Seminars, Critical Thinking and Analytical Skills, Power BI, Organisational Skills, Conflict Management, Team Building, Lean Six Sigma, and Negotiation Skills
- In-house training workshops focused on multiple technical and soft skills development

These programs collectively support employees in enhancing their professional capabilities, adapting to technological and operational changes, and strengthening overall workforce competency in line with the Company's strategic objectives

The table below details Company's training investments and participation across all the permanent employee levels:

Internal Training Programs	146
No. of Persons trained in internal training	3,026 (Female: 50)
External Training Programs	66
No. of Persons trained in external trainings	159 (Female: 12)
Trainings days	3,123 (Female: 62)
Training hours	25,232 (Female: 496)
Average training hours per year per employee	7.9 (Female: 8.0)
Average training days per employee	1.0 (Female: 1.0)

Performance Appraisal and Reward System

The Company complies with all labour laws, including minimum wage and other 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 allowance, and retirement benefits) align with industry standards. Performance evaluations influence salary adjustments.

The Board of Directors approves the remuneration policy, which is periodically reviewed by the HR and Remuneration Committee to ensure competitiveness. The Company pays above minimum wage, with entry-level salaries exceeding 1.35x the minimum at key locations.

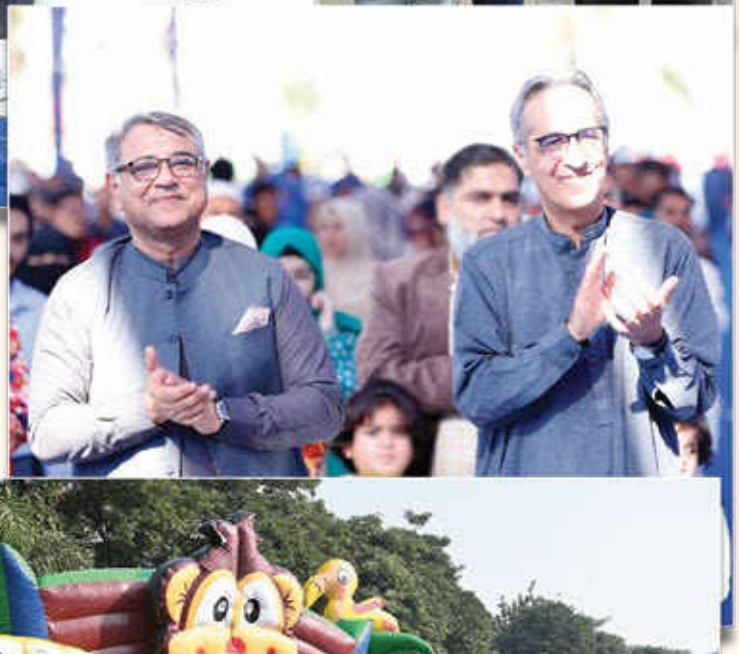
All of the employees undergo biannual performance reviews by line managers, identifying the training needs under the Individual Development Program for leadership growth.

ATLAS
FAMILY DAY

Family Day events were organised separately at the Company's Karachi and Sheikhupura facilities during the third quarter, bringing together associates, their families, retired associates, and the Company's leadership in a warm and engaging environment. The events reflected the Company's commitment to strengthening the bond between associates, their families, and the workplace.

A variety of recreational activities, games, musical performances, refreshments, and hospitality arrangements were organised to create a memorable experience for all participants. The events also recognised associates for their long-term dedication and contributions to the Company.

Through this extended experience, the Company continued to promote a culture where associates and their families feel valued, connected, and part of the broader Atlas Honda family.



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 labour, fair working hours, diversity, and workplace safety are consistently upheld. Regular operational reviews and an efficient grievance system ensure compliance with the policies, 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 unionised staff.

The Company respects employees' rights to representation and collective bargaining, engaging in constructive dialogue with unions.

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.

For the employees that are not covered under collective bargaining agreements, their working conditions, roles and responsibilities are guided by internally developed human resource policies and procedures.

The Company is responsible for creation of an environment free of discrimination and harassment, in which all individuals are treated with respect, equality and dignity and have equal opportunities.

Human rights violations of any sort are not tolerated. Key management practices, including the prohibition of forced labour, compliance with working hours requirements, respect for diversity, and workplace health and safety, are continuously reinforced across the Company.

The Company makes every effort to engage in sincere discussions with its employees about any issues that exist or might arise. This helps in maintaining a relationship of mutual trust. Moreover, the Company complies with all local statutory and operational requirements with regard to the provision of information to employees.

An appropriate notification period is allowed before implementation of any change that can have an impact on employees. The Company recognises the rights of employees to set up their representation and carry out collective bargaining to regulate working conditions. Constructive dialogue, negotiations and consultations are carried out with labour unions, when needed, at both manufacturing facilities.

All non-management employees are covered under CBA, which cover more than 9.4% of the total permanent employees.

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 labour within its operations nor is it aware of any such cases across its supply chain. There were no complaints reported during the year related to violation of human rights.

OCCUPATIONAL HEALTH & SAFETY

The Company prioritises the health and safety of its employees, contractors, and visitors. In this regard a comprehensive Health, Safety & Environment (HSE) policies and guidelines have been developed at all the locations of the Company which are supported by the robust management system. These policies are established under the guidelines of ISO 45001:2018, and are supported by the 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 committee is established under the Industrial Relations Act. This committee also includes representation of the workers.

Safety and Health Policy

Safety and Health Principles

Honda's safety principle of "No safety, no production," is based on the concept of how important and precious it is for each and every associate to be able to work safely and to the best of their ability in both physical and mental health, and the Company will strive to be progressive in its actions to achieve a safe workplace.

Safety and Health Policy

Aiming for a safe, healthy, and lively workplace, we will conduct safety and health management activities listed below, based on the Company-wide safety policy with the aim of fostering and spreading a culture of safety among all associates: from "safety that is given to us" to "safety that we protect ourselves and safety that we create for ourselves."

1. We will perform the risk evaluation of work related business operations, and invest resources as much as necessary to prevent occupational accidents
2. We will disseminate the Safety and Health Policy, and all associates will perform safe and secure workplace by implementing safety training and safety activities.
3. We will observe the related regulations and internal standards and work on all aspects of accident prevention and health maintenance promotion
4. We will implement and operate this policy and the safety and health management manual accordingly and perform the improvement of safety awareness for all associates
5. We will support mental and physical health maintenance and promotion positively and practice health management (well-being)
6. We will have the awareness and responsibilities as associates of Honda and eradicate four pernicious traffic violations and positively act on "Zero traffic accidents"

The committee is involved in the development, implementation and evaluation of the HSE system. Monthly meetings of committee are conducted for monitoring and evaluation purposes. This committee is responsible for identification and evaluation of work-related hazards and the risks of ill-health on periodic basis and takes counter measures to minimise 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 applicable laws and regulations.

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's 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** was performed for hazardous areas to ensure good health of associates and prevent them from diseases in which 1,907 associates were tested through 8-step verification: Blood test, Eye examination, Urine test, Chest X-ray, Heart ECG, Spirometry, Audiometry, and other vital test.

- During the year, a **Safety Development Skills Training** program was conducted for 36 supervisors in collaboration with an external trainer. The training focused on leading safety initiatives, observing safety behaviour, and enhancing communication for greater impact. It also covered practical areas such as manual handling and workstation exercises to reduce risks, along with the concept of a "Supervisor Internal Compass" to promote safety focused decision making and a proactive safety culture.

- During the year, a **Fire evacuation drill training** was conducted across the Company's various business locations to enhance emergency preparedness. The training equipped participants with the necessary knowledge and practical skills to respond effectively to fire incidents, including safe evacuation procedures, hazard identification, and emergency coordination.

- During the year, a **Forklift Operations Training program** was conducted for 40 participants to enhance operational safety and competency. The training covered key areas including the purpose of the course, forklift safety, stacking, loading, parking, stability triangle, lifting, operating on ramps, loading, unloading procedures, and detailed pre-operation inspections. Participants were assessed through a formal test, and only those who successfully passed were authorised to operate forklifts, ensuring adherence to safety standards and minimising workplace risks.

- Atlas Honda conducted a **Safe Handling of Trolleys training session** across its production areas, attended by 27 participants. The training focused on safe maneuvering techniques, proper loading and unloading practices, and risk awareness to prevent workplace injuries and material damage.

- The certifications for **ISO 9001, 14001 & 45001** under integrated management system, were renewed by an independent reviewer.

LRQA

Certificate of Approval

This is to certify that the Management System of:

Atlas Honda Limited

1-McLeod Road, Lahore 54000, Punjab, Pakistan.

has been approved by LRQA to the following standards:

ISO 14001:2015, ISO 45001:2018, ISO 9001:2015

Approval number(s): ISO 14001 – 00027940, ISO 45001 – 00029111, ISO 9001 – 00042881

This certificate is valid only in association with the certificate schedule bearing the same number on which the locations applicable to this approval are listed.

The scope of this approval is applicable to:

Manufacture of Honda Motorcycles.

Luis Cunha

Area Operations Manager - North Asia & SAMEA

Issued by: LRQA Limited

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, whether created internally or by vendors, adhere to local laws and uphold human rights principles.

To protect employees' 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 at 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 requirements

- Prohibit forced labour and guarantee voluntary employment to employees who are free leave their jobs any time after serving the contractual notice period

- 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 off-days and paid annual vacations

- 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 the 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. These initiatives are designed to address key stakeholder priorities and contribute positively to socio-economic development and community well-being. The Company has integrated this perspective into its development plans and overall strategy to garner the trust 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 impacts on the society as a whole.

Atlas Honda's social contribution activities are centered on four core policies: supporting our youth for the future; protecting the global environment; promoting traffic safety; and addressing local community needs. Based on these policies, Company engages in activities that recognise the value of its bonds with local communities. Atlas Honda pursues a variety of activities, taking maximum advantage of its resources particularly its dealership network, in line with Honda's Global Policy for social contribution activities.

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. Sustainable value creation involves establishing operations that can be maintained independently, without dependence on subsidies and grants. During the year,

the Company did not receive any direct or indirect financial assistance from the government, apart from the tax credits and rebates that are 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 socio-economic 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
Atlas Honda remains committed to developing future professionals through its internship program, offering students practical exposure alongside academic learning. In collaboration with leading universities such as LUMS, NUST, NED, UET and others. This program bridges the gap between theory and real-world experience by engaging interns in meaningful projects under professional mentorship. Participants gain technical knowledge as well as essential soft skills like teamwork and communication. During the year, **204** students successfully completed their internships, reflecting the Company's dedication to youth development and career readiness.

Approved Employer for Chartered Accountants Trainees
Atlas Honda is an ICAP Approved Employer for Chartered Accountancy training, reflecting its commitment to developing future finance leaders and promoting professional excellence. Through structured training programs, practical workplace experience and comprehensive mentorship, the Company provides aspiring accountants with a strong foundation to develop the technical, professional, and ethical competencies required for successful careers. This recognition highlights Atlas Honda's dedication to nurturing talent and supporting the advancement of the accounting profession. Further, the Company is also an Approved Employer of ACCA for future finance professionals fostering a culture of continuous learning and excellence.

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 organisation, 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 organisations of repute in the field of Health, Education and General Welfare. In this regard, the Company 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 commitments, during the current year Atlas Honda contributed **Rs. 294 Million** to the Atlas Foundation.

Industrial Visits
The Company facilitates students and officials from various institutes and organisations to visit its Karachi and Sheikhupura 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 spare parts. Visitors took keen interest in the assembly line and appreciated the precision exhibited by the workers.

Flood Relief Program
Atlas Honda undertook a significant and compassionate CSR intervention during the devastating 2025 flood emergency, reaffirming its longstanding commitment to supporting communities in times of national crisis. The unprecedented floods severely impacted thousands of households across multiple regions.

In response, Atlas Honda mobilised its resources, utilising its vast dealership network to reach some of the hardest-hit areas across South Punjab, KPK, and Gilgit Baltistan.

As part of this extensive relief effort, the Company distributed 3,000 flood-relief packages, containing essential food and medical supplies. Through this initiative, Atlas Honda reinforced its belief in standing beside communities when they needed it the most, highlighting the Company's continued dedication to humanitarian values and its role as a responsible corporate citizen working for the well-being of people across Pakistan.

Support To LRBT
Atlas Honda participated as a Silver Sponsor in the annual Layton Rahmatulla Benevolent Trust (LRBT) Golf Tournaments held at the Karachi Golf Club.

Atlas Honda has repeatedly joined other major corporate brands to back this fundraising event. The primary goal of these tournaments is to gather corporate funds to provide free eye-care treatments, surgeries and vision restoration for underprivileged individuals across Pakistan. Atlas Honda continued its CSR efforts by sponsoring **Rs. 1 million** towards the event, reinforcing its commitment to supporting initiatives that promote access to essential medical services.

Atlas Honda further strengthened its support for the LRBT by donating five motorcycles to enhance its operational efficiency. These motorcycles will facilitate improved mobility for LRBT's teams, enabling timely delivery of services and support to patients in need. This contribution reflects Atlas Honda's commitment to empowering partner organisations and advancing access to essential healthcare services.

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.

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 recognise their vital role in the organisation. 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 recognising 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 towards health education and awareness.

Blood Donation Camps

As part of its ongoing commitment to corporate social responsibility and community welfare, Atlas Honda organised 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.

Representatives from Indus Hospital were present at the event to manage the donation process, ensuring safety hygiene, and proper medical protocols. Many Atlas Honda's employees enthusiastically participated in the camp, donating blood and showing solidarity with those in need. This meaningful collaboration reflects Company's dedication to giving back to society and fostering a culture of compassion and civic duty within its workforce.

SAFETY FOR EVERYONE

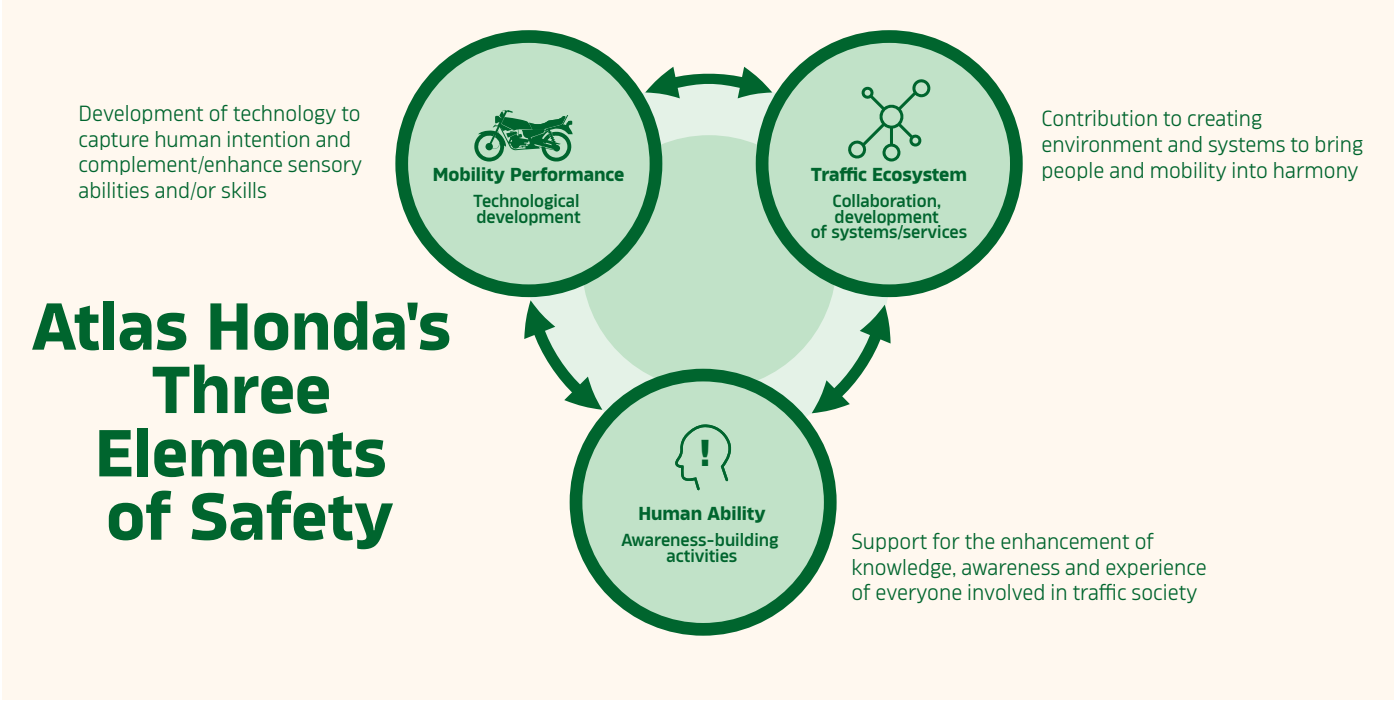
Management Approach

Mobility is a key driver of improved quality of life, enabling people to access work, education, and essential services. While advancements in digital technologies are gradually reducing the need for physical movement, transportation remains critical particularly in developing countries like Pakistan. Motorcycles, in this context, serve as an essential and accessible mode of transport, widely used by students and professionals to commute, supporting daily activities, and earn their livelihood. Beyond convenience, they form an integral part of the country's social and economic infrastructure.

Building on the importance of mobility, Atlas Honda believes that this need must be fulfilled in a safe and secure manner. Safety is essential to ensure that individuals can freely pursue education, work, and daily activities with confidence. From a young age, the ability to explore and engage with the world is a natural part of life, and a secure environment enables this experience to flourish. Therefore, ensuring safety in mobility remains a fundamental priority in creating a reliable and inclusive transportation ecosystem.

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

Atlas Honda is addressing various factors leading to collisions by evolving and combining "Human Ability (awareness-building activities)," "Mobility Performance (technological development)," and "Traffic Ecosystem (collaboration, development of systems/services)."—collectively referred to as the three elements of safety. These measures align with the "Safe System Approach" recently recommended by the United Nations to various countries, which is to promote safety measures with technologies and activities in various areas in response to a single collision case. Additionally, these three elements of safety are established as material issues that Atlas Honda must address.



Towards 2030 – Atlas Honda recognises the need to reduce fatal collisions involving motorcycles in emerging countries as a major challenge towards 2030. To address this issue, Atlas Honda will continue to actively develop instructor training programs, corporate trainings and trainings in collaboration with regulatory authorities and schools for individuals in "Human Ability **(awareness building activities)."**

In **"Mobility Performance (technological development),"** for motorcycles, Atlas Honda will expand the application of advanced braking systems such as "ABS" and "CBS (Combined Braking System)" as well as lights with high visibility for both riders and other road users.

In **"Traffic Ecosystem (collaboration, development of systems/services)"**, we are strengthening our collaboration with institutions and concerned regulatory authorities in relation to traffic safety. We support safety policies such as institutional reform, awareness-building and infrastructure development by providing the knowledge and know-how cultivated through our long-standing with Honda's safety programs carried out throughout the world.

Action towards road safety and awareness

Safety Riding Training and 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 the 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 **362** Master Trainers 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.

During the year, Atlas Honda's safety programs achieved significant reach:

- Trained **32,184 customers** at dealerships
- Educated **30,594 students** through institutional partnerships
- Conducted sessions for **9,306 government and corporate officials**
- Served **36,868 customers** in road safety awareness campaigns
- Distributed **161,405 safety brochures**.

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.

During the current year, the Company trained 1,601 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, the Company is breaking barriers and creating role models. "Women In-Charge" demonstrates how corporate initiatives can drive meaningful social change while supporting national development goals.

Development Of Safety Stars

Atlas Honda conducted a road safety education activity for Grade 4–5 students, where they learned essential traffic rules, road discipline, and safe practices through fun and interactive sessions, along with a creative drawing competition themed "Road Safety Starts With Me." These young Atlas Safety Stars pledged to promote road safety by positively influencing their friends, families, and communities, reflecting Atlas Honda's commitment to nurturing responsible behavior and building a safer future from an early age.

ATLAS HONDA'S ADVOCACY FOR DEDICATED LANES FOR MOTORCYCLES

Recognising 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 institutionalise motorcycle lane planning in all future road development projects, creating safer commuting corridors for Pakistan's millions of daily riders.

ATLAS HONDA SHOWCASES SDG 12 LEADERSHIP AT CERB SUSTAINABILITY SUMMIT

At the Business Action for Sustainability Summit 2025, organised by the Centre of Excellence in Responsible Business (CERB), Atlas Honda participated as an SDG 12 Leader, contributing to a two-day engagement focused on sustainability reporting and performance. The summit brought together around 70 participants, including sustainability practitioners and industry representatives, to promote knowledge sharing and best practices.

Atlas Honda delivered a focused presentation on **SDG 12 – Responsible Consumption and Production,** highlighting its approach to resource efficiency, waste management, sustainable operations within its value chain and its sustainability reporting process. The session fostered meaningful dialogue among participants and reflected Atlas Honda's commitment to advancing responsible business practices and supporting sustainability capacity-building in Pakistan.

PROMOTING CLEAN MOBILITY THROUGH ELECTRIC SCOOTER INITIATIVE

Atlas Honda reinforced its commitment to sustainable and clean mobility by donating five locally assembled ICON e: electric scooters to leading universities. This initiative aims to promote environmental awareness and encourage the adoption of eco-friendly transportation among students and academic communities. By introducing electric mobility solutions within educational institutions, Atlas Honda supports the transition toward reduced carbon emissions and sustainable commuting practices, while also contributing to innovation and learning in the field of green technologies.

ATLAS
SPORTS GALA 2025

Atlas Honda organised a Sports Gala for its employees to promote a culture of health, teamwork, and employee engagement. The event provided a platform for employees across departments to participate in a variety of sports and recreational activities, fostering collaboration, morale, and a sense of community within the organisation. Such initiatives reflect the Company's commitment to employee well-being and the creation of a positive and inclusive workplace environment.

GOVERNANCE

FOR SUSTAINABLE VALUE CREATION

At Atlas Honda Limited, strong governance and ethical leadership remain central to the Company's long-term sustainability vision. The Board of Directors and those charged with governance bring extensive industry expertise, strategic acumen and diversified professional experience to ensure effective oversight, accountability, and responsible decision-making across the organisation. For Directors' profiles, please refer to page 18-19.

Driven by integrity, transparency, and regulatory compliance, the Company has established robust internal policies, governance controls and compliance frameworks that reinforce ethical business practices and embed ESG considerations into key strategic and operational decisions. For internal policies and governance frameworks, please refer to page 98-101.

SUSTAINABILITY LEADERSHIP ARCHITECTURE

Oversight, Accountability and Execution.
Board Stewardship of Sustainability

The Board is responsible for approving and periodically reviewing the Company's sustainability vision, strategic priorities, policies, targets and governance mechanisms. Sustainability considerations, including climate-related risks and opportunities, are integrated into the Company's broader governance and decision-making processes.

To strengthen oversight, the Board has entrusted the Board Audit Committee with responsibility for monitoring sustainability-related impacts, risks, opportunities and disclosures. This expanded mandate includes oversight of:

- Sustainability and climate-related risks
- ESG performance monitoring
- Diversity, equity, and inclusion initiatives
- Compliance with evolving sustainability reporting frameworks
- Integrity and transparency of sustainability disclosures

The Board receives periodic updates on sustainability performance, strategic progress, emerging ESG trends and implementation status of key initiatives. Performance of the Committee and respective management teams is evaluated against established sustainability objectives and governance expectations.

Strengthening ESG Accountability

The Board Audit Committee, chaired by an Independent Director, serves as the principal Governance Body overseeing sustainability matters across the organisation. The Committee is responsible for:

- Reviewing sustainability strategy and ESG priorities
- Monitoring progress against sustainability commitments and targets
- Overseeing climate-related governance and disclosures
- Approving the annual sustainability report and related disclosures
- Evaluating sustainability performance across business functions
- Ensuring alignment with national and international reporting frameworks
- Recommending to the Board how sustainability related initiatives may be reflected in executive compensation

The Committee also recommends the appointment of an independent external assurance provider for the review of the sustainability report.

The current report has been independently reviewed by Corporate Social Responsibility Center Pakistan in accordance with the requirements of the International Standard on Assurance Engagements (ISAE) 3000, reinforcing the credibility, transparency, and reliability of disclosures.

Board Commitment to Responsible Growth

The Board of Directors affirms its commitment to embedding sustainability principles into the Company's long-term strategy, operations and stakeholder engagement approach.

As a leading player in Pakistan's two-wheeler industry, the Company recognises its responsibility to contribute positively toward economic development, environmental stewardship, and social well-being. The Board believes that

sustainable business practices are fundamental to strengthening operational resilience, enhancing competitiveness, and creating enduring stakeholder value. The Company has voluntarily adopted the SECP ESG Guidelines 2023 and continues to align its governance approach with globally recognised sustainability frameworks and evolving best practices.

Sustainability initiatives such as resource optimisation, waste reduction, operational efficiency, and responsible supply chain management continue to support:

- Improved operational resilience
- Cost optimisation and resource efficiency
- Enhanced stakeholder confidence
- Brand reputation and market competitiveness
- Long-term financial sustainability

Advancing ESG Transparency & Strategic Integration

The Board remains committed to integrating ESG considerations into the Company's strategic objectives and decision-making processes. Sustainability priorities are aligned with the Company's ambition to deliver sustainable growth while generating positive outcomes for customers, employees, shareholders, business partners, and communities.

Recognising the increasing importance of transparent sustainability-related financial disclosures, the Company has voluntarily aligned its reporting approach with:

- IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 – Climate-related Disclosures

This alignment reflects the Company's commitment to enhancing transparency, accountability and investor confidence while supporting informed stakeholder decision-making.

Enterprise-wide Sustainability Management

Sustainability principles are embedded across the Company's governance systems, policies, internal controls, and enterprise risk management framework.

The Company's risk management and materiality assessment processes identify and evaluate key sustainability-related impacts, risks and opportunities that may influence long-term business performance and stakeholder value.

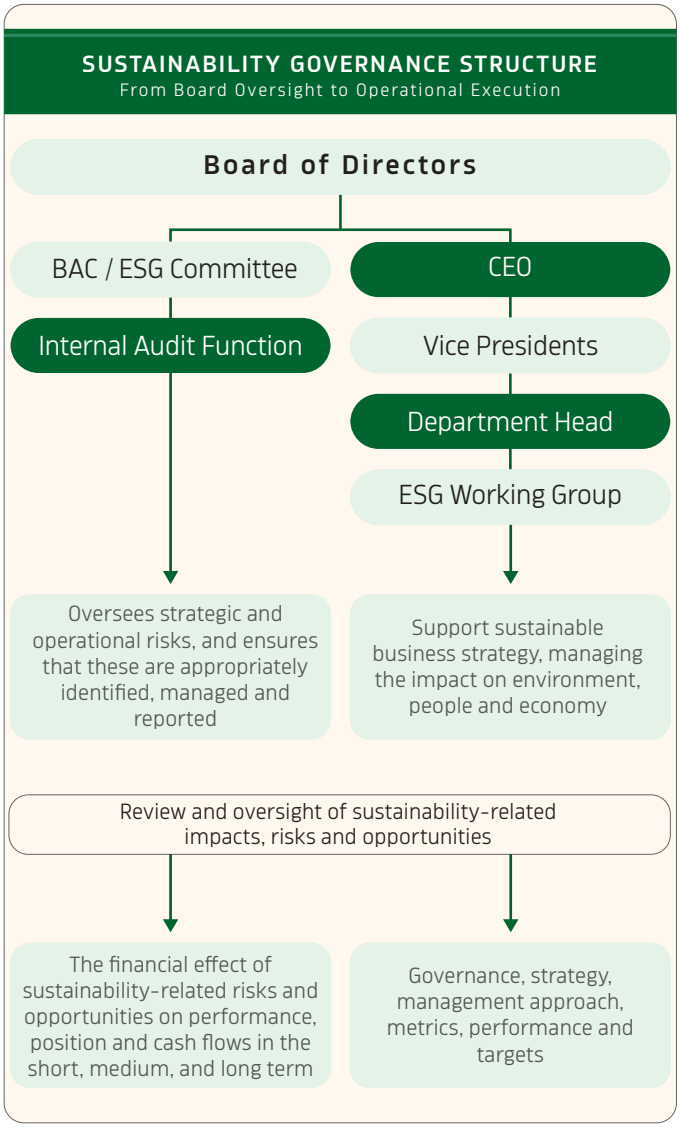
Senior management oversees the implementation of internal control systems designed to:

- Monitor material sustainability risks and opportunities
- Strengthen governance and compliance practices
- Safeguard organisational assets
- Support informed resource allocation
- Enhance operational resilience

The Company has established a dedicated Sustainability Department to guide and coordinate sustainability initiatives, with overall accountability resting with the CEO for integrating sustainability into business strategy. The department oversees implementation, cross-functional coordination, and performance monitoring. All the Departmental heads are responsible for executing policies, ensuring compliance, and improving sustainability performance within their areas.

The Company's sustainability strategy sets clear targets through 2030, with progress linked to KPIs, performance reviews, and compensation, reinforcing accountability. A cross-functional working group supports implementation and reporting, while external audits and certifications provide independent oversight, with key findings integrated into risk management and escalated to Board Committees when required.

The CEO reviews material sustainability matters and approves external assurance engagements, while the ESG Committee evaluates sustainability performance and advises leadership on emerging ESG priorities and strategic responses.



DRIVING SUSTAINABLE MOBILITY WITH EXCELLENCE

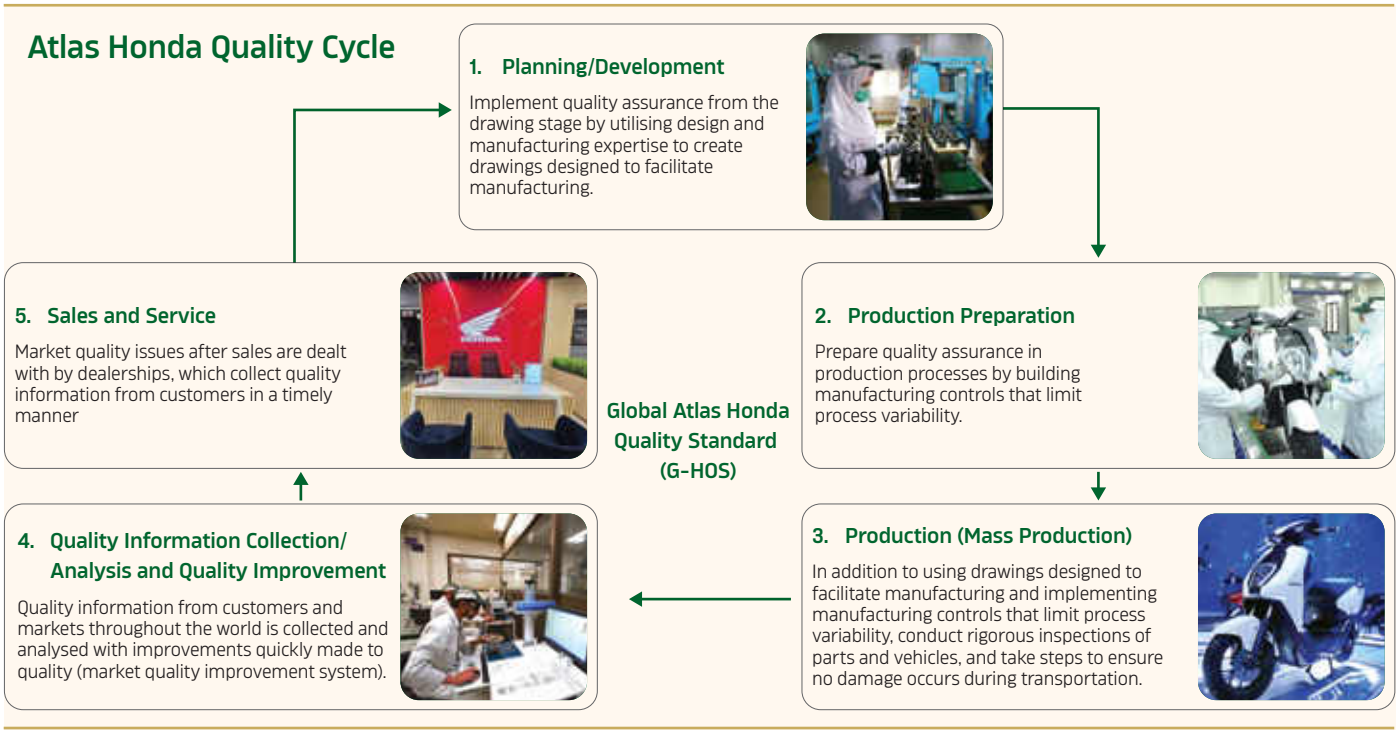
Quality

The Company remains committed to advancing sustainable mobility through high-quality products, customer-centric innovation and responsible business practices.

Through continuous investment in product quality, dealer capability enhancement, after-sales services and network expansion, the Company strives to make reliable mobility solutions more accessible across Pakistan.

The Company's quality framework is aligned with Global Honda Quality Standard (G-HQS) aimed at increasing the quality of Honda brand products and services. Honda has created a Global Quality Cycle to provide a continuous focus on quality enhancement and improvement at every stage, encompassing planning, development, production, sales and after-sales service.

The aim of this initiative is to apply and reflect design and development expertise at the production preparation and production (mass production) stages. Ultimately, the goal is to achieve an outstanding level of quality by creating drawings designed to facilitate manufacturing and by developing manufacturing quality control techniques that limit process variability.



Product Labelling Requirements and Marketing Communications

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. 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.

Continuous Improvement Across the Value Chain

The Company's quality management philosophy is built upon a continuous improvement model that integrates customer feedback, engineering excellence, operational discipline, and manufacturing precision.

Quality assurance activities are coordinated across functions to ensure consistent quality standards throughout product development, manufacturing, distribution, and after-sales services.

This approach enables the Company to:

- Reduce process variability
- Strengthen manufacturing efficiency
- Improve product reliability and safety
- Enhance customer experience
- Support innovation and continuous improvement

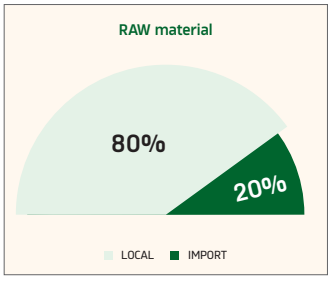
Building a Responsible & Resilient Supply Chain

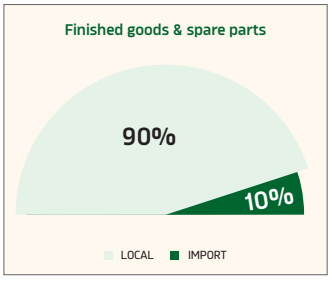
The Company's goal is to achieve a sustainable society across the supply chain. Based on Honda's Global Philosophy, the Company has established the Purchasing Belief and Three Purchasing Principles and engages in fair, equitable, and highly transparent business practices.

The Company has also compiled points that should be followed by each and every associate engaging in purchasing activities as the Code of Conduct for Purchasing Associates. By following these Rules, the Company ensures building trust and sound relationships with its suppliers.

Advancing Local Value Creation

Atlas Honda maintained its strategic emphasis on enhancing supply chain resilience and operational efficiency through increased localisation efforts during the year under review. As per the procurement composition, approximately 80% of the Company's raw materials were sourced from local vendors, while 20% were procured from international suppliers. Locally sourced inputs primarily comprise 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 optimisation, quality assurance, and strengthening local industry capability risk mitigation, while also contributing to the broader objective of indigenisation and industrial development within Pakistan.





Vendor Excellence & Capability Development

The Company continues to strengthen supplier capabilities through structured development initiatives, technical support, and operational improvement programs.

Vendor Improvement Program (VIP)

Atlas Honda's Vendor Improvement Program focuses on enhancing suppliers' operational efficiency, quality systems and overall manufacturing performance. Through dedicated cross-functional teams, regular assessments, follow-ups and technical evaluations are conducted to drive continuous improvement. During the year, 20 vendors were engaged under this initiative. Key focus areas included quality management systems, process optimisation, operational efficiency, technical capability enhancement, compliance, governance and the adoption of continuous improvement practices.

Transparent Engagement & Digital Collaboration

The Company promotes open, transparent, and consistent engagement with vendors through:

- Regional vendor forums
- Quarterly business reviews
- Technical engagement sessions
- Industry collaboration platforms
- Dedicated Business-to-Business communication channels

These engagement mechanisms strengthen collaboration, improve responsiveness, and support long-term strategic partnerships across the supply chain ecosystem.

A Culture of Learning & ESG Excellence

Throughout the year, management and cross-functional teams participated in ESG-focused trainings, governance workshops, and sustainability development programs to strengthen organisational capability and awareness.

Leadership teams also actively engage in local and international conferences, knowledge forums, and professional development initiatives to remain aligned with evolving governance, sustainability, and climate-related expectations.

The Board receives regular briefings on emerging regulatory developments, ESG trends and evolving stakeholder expectations to support informed governance and strategic oversight.

SUSTAINABILITY GOVERNANCE AT A GLANCE

Leading with Integrity, Operating with Responsibility and Growing with Purpose.

Strategic Priorities

- Responsible governance
- Climate resilience
- Product quality & safety
- Ethical supply chain management
- Stakeholder trust & transparency
- Sustainable value creation

Governance Enablers

- Board oversight
- Independent assurance
- ESG integration
- Enterprise risk management
- Continuous improvement culture
- Transparent reporting frameworks

Long-Term Outcomes

- Enhanced resilience
- Sustainable growth
- Operational excellence
- Stronger stakeholder confidence
- Positive societal impact
- Enduring corporate value

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 2026 (April 1, 2025 to March 31, 2026). 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 2021 and ISAE 3000 (Revised);
- published and freely available for download from the publication section of the company website (www.atlashonda.com.pk).

Office No. 01,
3rd Floor, VIP Square,
I-8 Markaz, Islamabad.
Phone: +92-51-4861116
Fax: +92-51-4938022
E-mail: enquiry@csrcp.com
Web: www.csrcp.com

Independent Assurance Statement for the Atlas Honda Limited Sustainability Report 2026

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 2026 ("the subject matter") referring to the period from April 01, 2025, through March 31, 2026. The report was co-reviewed by Muhammad Imran & Co., Cost & Management Accountants.

Assurance scope	Level of assurance	Assurance criteria
1. Atlas Honda Limited's declared adherence to the GRI's Standards 2021 – In accordance	Limited assurance	Global Reporting Initiative's (GRI) Standards 2021
2. Review of the policies, initiatives, practices, and performance (qualitative and quantitative information) reported and referenced in the report.	Limited assurance	Completeness and accuracy of selected reported policies, initiatives, and performance data

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 criteria 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 our assessment of 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 conducts a strict conflict-of-interest check to confirm our independence in working 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 their effectiveness.

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 requirements 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;
- Elaboration of the adjustment report; and
- Final review of the report content.

Use of GRI Standards 2021

Atlas Honda Limited declares that the report is 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 the absence of a response, Atlas Honda Limited provides omission statements in accordance with the requirements of the GRI 1 Foundation 2021.

Limitations and exclusions

Excluded from the scope of our work is any verification of information relating to:

- Verification of financial figures and sustainability performance data;
- Positional statements (expression of opinion, belief, aim, or future intention of Atlas Honda Limited and statements of future commitment.

Statement of conclusion

Assurance Scope I - Atlas Honda Limited's declared adherence to the GRI's Standards 2021 – In accordance

Nothing has come to our attention that causes us to believe that Atlas Honda Limited's Sustainability Report 2026 does not meet the "in accordance " criteria of the GRI Standards 2021. Compliance with the GRI Standards is disclosed in more detail in the GRI Content Index, which includes omission statements 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 2026 is not fairly stated in all material aspects.

Restricted use

This report is intended solely for Atlas Honda Limited 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, 2026

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 Limited has reported in accordance with the GRI Standards for the period 01 April 2025 to 31 March 2026
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	121-122			
	2-2 Entities included in the organisation's sustainability reporting	162			
	2-3 Reporting period, frequency and contact point	128			
	2-4 Restatements of information	162			
	2-5 External assurance	163 – 164			
	2-6 Activities, value chain and other business relationships	30 - 33, 122-123			
	2-7 Employees	122, 143			
	2-8 Workers who are not employees	122			
	2-9 Governance structure and composition	18 - 19, 93 - 94			
	2-10 Nomination and selection of the highest Governance Body	93			
	2-11 Chair of the highest Governance Body	18, 94, 97			
	2-12 Role of the highest governance body in overseeing the management of impacts	74 - 76, 93 - 94, 158 – 159			
	2-13 Delegation of responsibility for managing impacts	94 - 95, 158 - 159			
	2-14 Role of the highest Governance Body in sustainability reporting	158			
	2-15 Conflicts of interest	97, 101			
	2-16 Communication of critical concerns	99 – 100			
	2-17 Collective knowledge of the highest Governance Body	18 – 21, 161			
	2-18 Evaluation of the performance of the highest Governance Body	99			
	2-19 Remuneration policies	95, 238			
	2-20 Process to determine remuneration	93, 102 – 103			
	2-21 Annual total compensation ratio		a, b, c	Sensible Information	This information is not disclosed due to confidentiality constraints. AHL continues to review its disclosure practices and may consider enhanced transparency in future.
	2-22 Statement on sustainable development strategy	PRESIDENT / CWEO'S MESSAGE			
	2-23 Policy commitments	12 – 13, 98			
	2-24 Embedding policy commitments	98			
	2-25 Processes to remediate negative impacts	99 - 100, 114			
	2-26 Mechanisms for seeking advice and raising concerns	99 – 100			
	2-27 Compliance with laws and regulations	133, 140, 142, 148			
	2-28 Membership associations	121 – 123			
	2-29 Approach to stakeholder engagement	111 – 114			
	2-30 Collective bargaining agreements	148			

GRI Standard/Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
Material Topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	124-125			
	3-2 List of material topics	124-125			
Economic Performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	125, 74–80			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	198			
	201-2 Financial implications and other risks and opportunities due to climate change	131	a iii-v		System to estimate financial implications does not exist at the time of this report
	201-3 Defined benefit plan obligations and other retirement plans	229			
	201-4 Financial assistance received from government	150			
Market Presence					
GRI 3: Material Topics 2021	3-3 Management of material topics	51-52, 125			
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	145			
	202-2 Proportion of senior management hired from the local community	142			
Indirect Economic Impacts					
GRI 3: Material Topics 2021:	3-3 Management of material topics	125, 150			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	150-156			
	203-2 Significant indirect economic impacts	142, 150-156			
Procurement Practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	125, 160 – 161			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	161			
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	12–13, 98, 125			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	70, 98			
	205-2 Communication and training about anti-corruption policies and procedures	98			
	205-3 Confirmed incidents of corruption and actions taken	98			
Emission					
GRI 3: Material Topics 2021	3-3 Management of material topics	125, 132–134			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	135			
	305-2 Energy indirect (Scope 2) GHG emissions	135			
	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	135			
	305-5 Reduction of GHG emissions	135–136			
	305-6 Emissions of ozone-depleting substances (ODS)	135			
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	135			

GRI Standard/Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	125, 132–134			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	135			
	302-2 Energy consumption outside of the organisation		a, b, c	Information unavailable / incomplete	AHL does not calculate the energy consumption outside the organization.
	302-3 Energy intensity	135			
	302-4 Reduction of energy consumption	135-136			
	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 in a manner that is consistent with the requirements of this disclosure
Materials					
GRI 3: Material Topics 2021	3-3 Management of material topics	125, 134, 137			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	137			
	301-2 Recycled input materials used	138			
	301-3 Reclaimed products and their packaging materials	138			
Water					
GRI 3: Material Topics 2021	3-3 Management of material topics	125, 138			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	138			
	303-2 Management of water discharge-related impacts	138–139			
	303-3 Water withdrawal	138	b, c	Information unavailable / Incomplete	This information is not available at the time of preparation of this report
	303-4 Water discharge	139	b, c	Information unavailable / incomplete	This information is not available at the time of preparation of this report
	303-5 Water consumption	138-139	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	125, 137			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	137–138			
	306-2 Management of significant waste-related impacts	140–141	a	Information unavailable / incomplete	We do not measure waste related impact across our supply chain
	306-3 Waste generated	137			
	306-4 Waste diverted from disposal	138			
	306-5 Waste directed to disposal	138			

GRI Standard/Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
Supply Chain Impacts					
GRI 3: Material Topics 2021	3-3 Management of material topics	125, 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	140			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	150			
	414-2 Negative social impacts in the supply chain and actions taken	150			
Employment and Labor Relations					
GRI 3: Material Topics 2021	3-3 Management of material topics	102–103, 125			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	143			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	102–103			
	401-3 Parental leave	144			
GRI 402: Labor Management Relations 2016	402-1 Minimum notice periods regarding operational changes	144			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of Governance Bodies and employees	143			
	405-2 Ratio of basic salary and remuneration of women to men	145			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	143–144			
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	148, 150			
Health and Safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	125, 148			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	148–149			
	403-2 Hazard identification, risk assessment, and incident investigation	148–149			
	403-3 Occupational health services	148–149			
	403-4 Worker participation, consultation, and communication on occupational health and safety	148–149			
	403-5 Worker training on occupational health and safety	149-150			
	403-6 Promotion of worker health	149–150			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	149–150			
	403-8 Workers covered by an occupational health and safety management system	151			
	403-9 Work-related injuries	151			
	403-10 Work-related ill health	152			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	160			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	160			
Training					
GRI 3: Material Topics 2021	3-3 Management of material topics	102-103			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	145	a ii	Information incomplete	Information is not complete to fulfill requirement of this disclosure.
	404-2 Programs for upgrading employee skills and transition assistance programs	103, 144			
	404-3 Percentage of employees receiving regular performance and career development reviews	145			

GRI Standard/Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
Human Rights					
GRI 3: Material Topics 2021	3-3 Management of material topics	125, 148, 150			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	148, 150			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	148, 150			
Local Communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	125, 150–156			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	150–156			
	413-2 Operations with significant actual and potential negative impacts on local communities	98			
Marketing and Labeling					
GRI 3: Material Topics 2021	3-3 Management of material topics	160			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	160			
	417-2 Incidents of non-compliance concerning product and service information and labeling	160			
	417-3 Incidents of non-compliance concerning marketing communications	160			

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	135, 150-156	203-2, 305-1, 305-2, 305-6, 305-7, 306-1, 306-2, 306-3, 403-8, 403-9, 403-10
	18-21, 145, 161	2-17, 404-1
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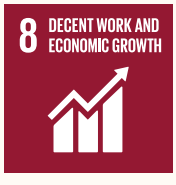	102-103, 122, 135-136, 142-145, 148, 150-152, 156, 198	2-7, 2-30, 201-1, 202-1, 202-2, 203-2, 302-1, 302-3, 302-4, 303-5, 401-1, 401-2, 402-1, 403-8, 403-9, 403-10, 404-1, 404-2, 404-3, 405-1, 407-1, 408-1
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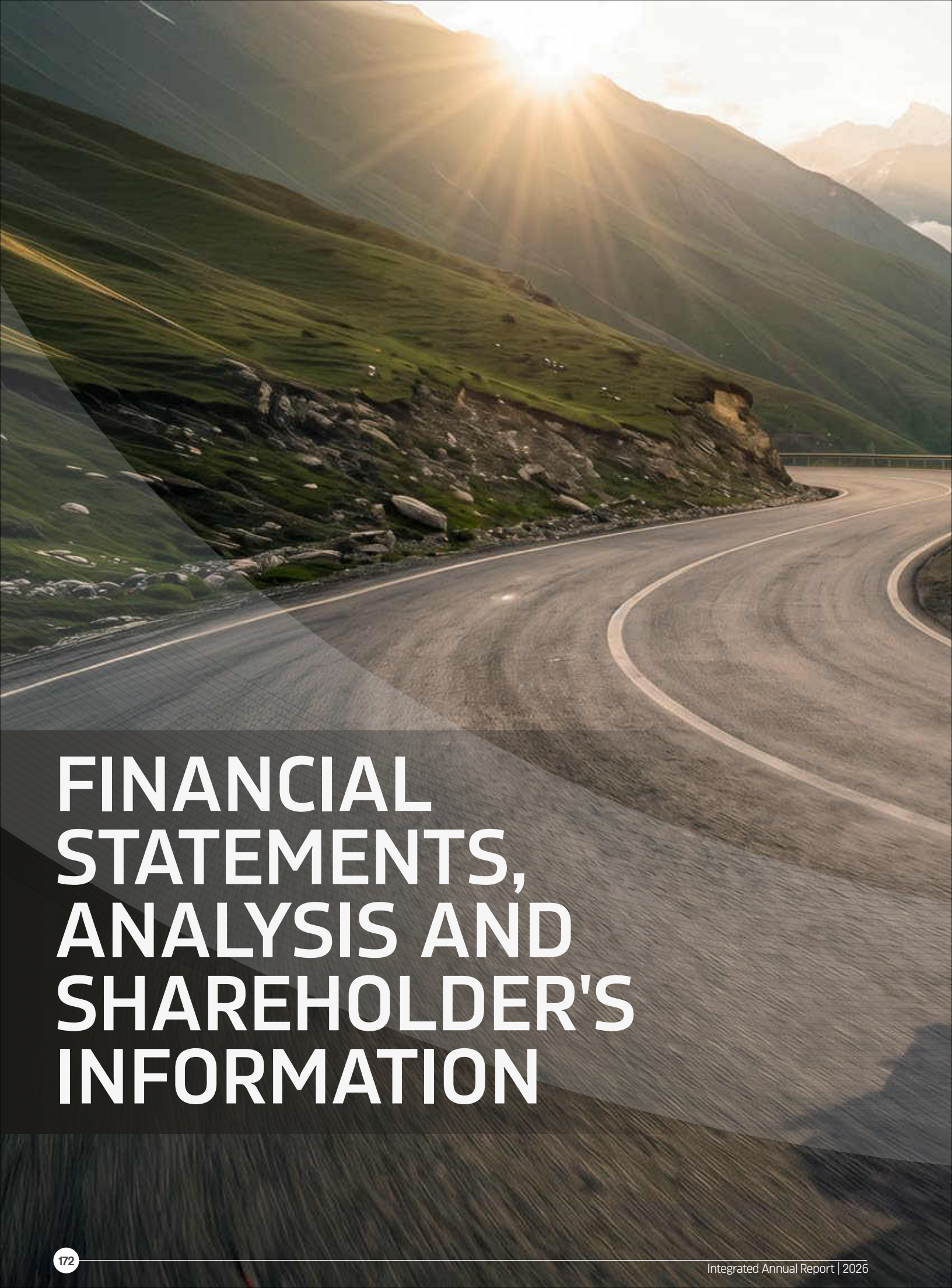


FINANCIAL STATEMENTS, ANALYSIS AND SHAREHOLDER'S INFORMATION

HONDA

ANALYSIS OF
FINANCIAL PERFORMANCE

The Company embraces a comprehensive approach to performance management, balancing both financial and non-financial objectives. On the financial side, the focus lies on critical measures such as revenue growth, cost efficiency, and effective liquidity management.

The Company conducts a continuous and detailed evaluation of its financial performance through comparative analysis. Actual outcomes are consistently measured against both the prior year's corresponding period and the approved budget. This analysis highlights trends, variances, and areas requiring management focus. By assessing results from both historical and planning viewpoints, the Company strengthens data-driven decision-making, enhances operational efficiency, and reinforces accountability across all business functions.

COMPANY'S BUDGET

The Company follows a structured, forward-looking approach to budgeting. The process begins with the distribution of detailed budget guidelines to all departments, outlining key assumptions such as market demand forecasts, foreign exchange trends, cost optimisation targets, and priorities aligned with long-term strategic objectives. Guided by these directives, each department—including sales, production, supply chain, IT, and others—prepares and submits relevant budget data. These inputs are consolidated into a comprehensive annual budget, which is presented to the Board of Directors for review. Following thorough deliberation and alignment with corporate priorities, the Board approves the final budget.

To remain agile in a dynamic business environment, the Company supplements the annual plan with a rolling budget mechanism. This involves quarterly updates and revisions to projections based on evolving internal and external conditions, with each update subject to Board approval. In addition, the Company maintains strict oversight of key financial indicators such as cash flows, liquidity and long term sustainability, enabling early detection of variances and proactive corrective measures to keep performance within acceptable thresholds.

The Company achieved the following results against the rolling budget for the year ended March 31, 2026:

	Actual 2026	Rolling Budget 2026	Variance	Actual 2025	Variance
Sales Volume (Units)	1,585,289	1,550,000	2.3%	1,196,201	32.5%
	--------- Rupees in '000 ---------		%	Rupees in '000	%
Revenue	273,926,855	268,557,425	2.0%	203,894,438	34.3%
Less: Cost of sales	(237,682,305)	(233,685,073)	1.7%	(181,714,342)	30.8%
Gross Profit	36,244,550	34,872,352	3.9%	22,180,096	63.4%
Less : Operating expenses	(6,690,469)	(6,530,486)	2.4%	(5,714,919)	17.1%
Add : Other Income - net of other expenses	4,890,684	5,029,112	-2.8%	7,876,490	-37.9%
Profit Before Tax	34,444,765	33,370,978	3.2%	24,341,667	41.5%
Less: Taxation	(13,324,307)	(12,796,094)	4.1%	(9,090,052)	46.6%
Profit After Tax	21,120,458	20,574,884	2.7%	15,251,615	38.5%

COMMENTS ON PERFORMANCE AGAINST THE BUDGET

The Company achieved revenue surpassing its budgeted targets for the year, driven by robust sales performance and favorable market dynamics. Gross profit also exceeded expectations, reflecting an improved sales mix, volume impact and the realisation of cost reduction initiatives including material cost efficiencies. Operating expenses were also increased in line the volume. Despite elevated taxation, the Company delivered profitability above the budgeted targets.

COMMENTS ON PERFORMANCE AGAINST THE LAST YEAR ACTUAL RESULTS

The Company's performance compared to the prior year, including a detailed analysis of the financial statements, as well as vertical and horizontal reviews of the statement of financial position, statement of profit and loss, and statement of cash flows, has been comprehensively presented in the relevant sections of this report.

FINANCIAL CAPITAL

Atlas Honda Limited maintains a robust financial position, underpinned by a sound capital structure and a resilient balance sheet. This strong foundation empowers the Company to finance its operations independently, pursue strategic growth initiatives, and withstand market volatility with confidence.

To safeguard sustainable growth, the Company exercises rigorous oversight of its financial performance through established internal controls and review mechanisms. These practices ensure disciplined deployment of financial capital, aligning resource allocation with strategic priorities and reinforcing the creation of long-term shareholder value.

Key Indicators	2026	2025
Sales revenue (billion)	Rs. 273.93	Rs. 203.89
Gross profit (billion)	Rs. 36.24	Rs. 22.18
Profit before tax (billion)	Rs. 34.45	Rs. 24.34
Net profit margin	7.71%	7.48%
Earnings per share	Rs. 170.21	Rs. 122.91
EBITDA margin	13.28%	12.80%
Return on equity	51.0%	46.8%
Dividend per share	Rs. 102	Rs. 74
Market value of share	Rs. 1532.71	Rs. 943.66
Capital Expenditure (billion)	Rs. 2.76	Rs. 1.81

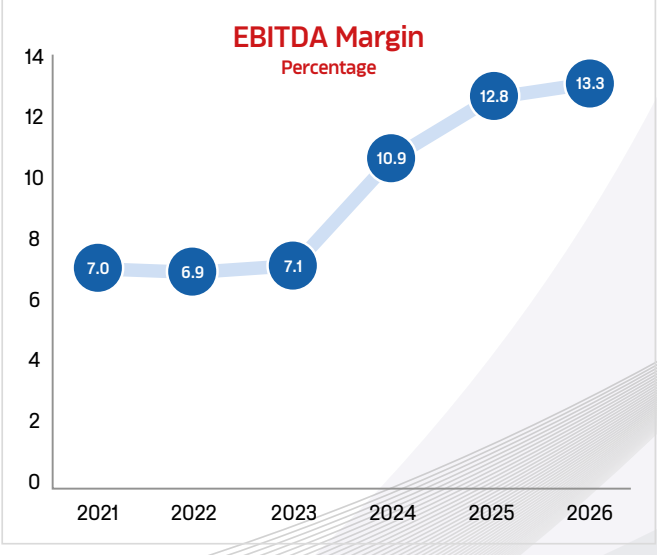
METHODS AND ASSUMPTIONS USED IN COMPILING THE INDICATORS:

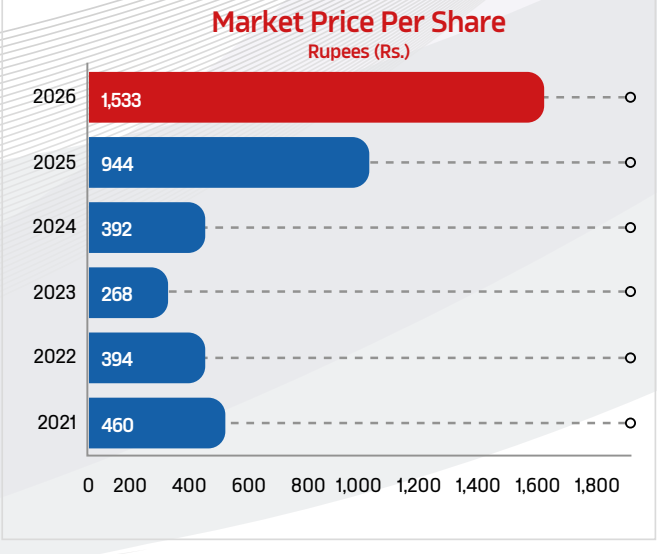
Key performance indicators provide a clear reflection of the Company's overall performance. In developing these indicators, the Company evaluates its market position, competitive landscape, and prevailing market conditions. Regular assessments are carried out on sales, gross profit, profit after tax, and earnings per share to measure operational success. These metrics serve as fundamental indicators of financial health and profitability. Additionally, market price represents how the Company is perceived externally, while the gap between book value and market value highlights the level of investor confidence.

The Company manages its dividend policy with the objective of enhancing shareholder wealth. Dividends represent the portion of profits allocated for distribution to shareholders in cash form. The payment of dividends serves as a measure of how effectively earnings support such distributions. Decisions regarding cash or stock dividends are made in consideration of prevailing market conditions, share price performance, and applicable 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

The Company places equal importance on the non-financial priorities which include enhancing brand equity, investing in human capital development, customer satisfaction, expanding business operations, and reinforcing the Company's commitment to responsible corporate citizenship. This commitment is reflected in environmental stewardship, active community engagement, and unwavering adherence to high ethical standards.

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 recognises that long-term business performance is deeply rooted in the skills, commitment, and well-being of its employees. In 2026, 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	2026	2025
Employees	2,888	2,782
Training Hours	25,232	23,792
Joiners	53	47
Revenue / Employee	Rs. 94.9 Million	73.3 Million
Production / Employee	549 Units	426 Units

MANUFACTURED CAPITAL

Atlas Honda's manufacturing capital forms the foundation of its operational strength and industry leadership. With two strategically positioned plants, the Company consistently meets rising demand while adhering to international benchmarks of quality and efficiency. Continued investments in automation and process improvements ensure that Atlas Honda's production infrastructure remains flexible, scalable, and responsive to shifting market trends.

Key Indicators	2026	2025
Number of Manufacturing Plants	2	2
Annual Production Capacity (units)	1.6 Million	1.5 Million
Motorcycles Produced (units)	1,585,289	1,186,746
Localisation Ratio	90%+	90%+
Capacity Utilization Rate	99%	80%

*In High Selling Models

INTELLECTUAL CAPITAL

Atlas Honda's intellectual capital is founded on its long-standing partnership with Honda Motor Co., Ltd., providing access to advanced technology, engineering expertise, manufacturing excellence, and product know-how. Through decade of technology transfer, proprietary product designs and trademarks, an expanded product portfolio, and modern digital platforms, the Company has developed strong technical capabilities that support product quality, operational efficiency, and sustainable growth.

Key Indicators	2026	2025
Market Share	60%+	60%+
Product Portfolio	10 Models	8 Models
Customer Satisfaction Index	84.7%	84.5%

SOCIAL AND RELATIONSHIP CAPITAL

Atlas Honda operates an extensive dealer network that guarantees product availability, customer care, and after-sales support across both urban and rural regions. The Company also collaborates closely with a diverse range of vendors, strengthening local industry development and ensuring a resilient supply chain. By continuing to invest in strong partnerships, Atlas Honda reinforces its market leadership while upholding its commitment to social responsibility. Each year, the Company contributes through donations, making a meaningful impact within society.

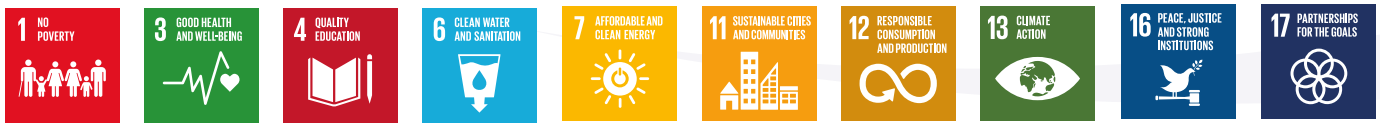
Key Indicators	2026	2025
Dealer Network	790	780
Local Vendor Base	124	124
Donations	Rs. 294.5 Million	Rs. 207.4 Million
Wealth Distributed	Rs. 108.4 Billion	Rs. 79.8 Billion

NATURAL CAPITAL

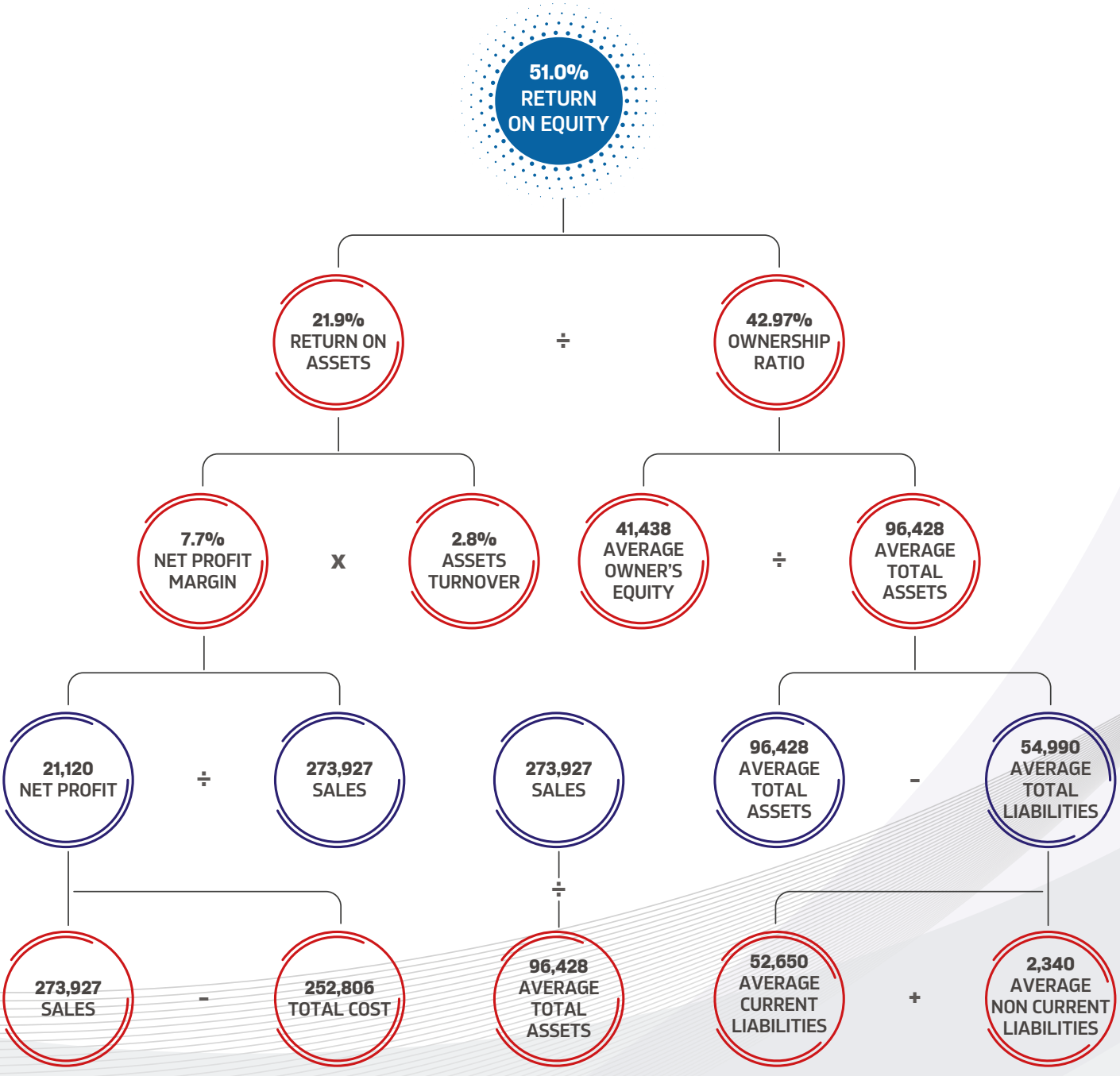
Atlas Honda recognises the importance of preserving natural resources and minimising its environmental footprint. As part of its sustainability strategy, the Company closely monitors resource consumption across its manufacturing operations and actively explores opportunities for efficiency and conservation.

Atlas Honda's operations are guided by environmental best practices and fully comply with national regulations. The Company actively works to reduce energy and water consumption through process optimisation, adoption of energy-efficient technologies, and recycling initiatives. It also promotes responsible material sourcing and fosters environmental awareness among its workforce. Each year, dedicated expenditures are allocated to CSR activities, reinforcing the Company's commitment to contributing positively to society.

Key Indicators	2026	2025
Emission Intensity Ratio (CO_2 kg / unit)	19.78	20.34
Waste Intensity Ratio (kg / unit)	6.75	6.79
Energy Intensity Ratio (kg / unit)	321	337
Water Intensity Ratio (litres / unit)	468.68	483.18
Water Recycled	187,750 m^3	103,214 m^3



DUPONT ANALYSIS



Net sales of the Company recorded a 34% increase over the preceding period, driven primarily by higher sales volumes compared to the previous year. In addition, the Company's total assets grew by 21% compared to previous year, largely due to an expansion in the asset base stemming from higher bank balances, property, plant and equipment (PPE), inventory, and short-term investments. As a result, the return on assets ratio stood at 21.9%.

The Company's asset turnover improved from 2.5 in 2025 to 2.8 in 2026, highlighting more efficient utilization of assets in generating sales revenue. Owners' equity closed at PKR 41,438 million, lifting the ownership ratio to 42.9%, up from 39.9% in 2025. Overall, Return on Equity rose by 4.1% year-on-year, underscoring enhanced profitability and growth in shareholders' wealth.

DUPONT ANALYSIS	2026	2025
Tax Rate	38.7%	37.3%
Interest Burden	0.5%	0.5%
EBIT	12.6%	12.0%
Asset Turnover	2.8	2.5
Debt Ratio	55.9%	58.4%
ROE	51.0%	46.8%

SIX YEARS ANALYSIS OF FINANCIAL STATEMENTS
FINANCIAL RATIOS

Particulars	UoM	2026	2025	2024	2023	2022	2021
Profitability Ratios							
Gross profit margin	%	13.2	10.9	7.7	7.1	7.5	7.4
Profit before tax margin	%	12.6	11.9	9.9	6.0	5.9	5.5
Net profit margin	%	7.7	7.5	6.1	3.7	4.2	3.9
Return on capital employed	%	78.7	70.6	57.9	35.3	37.4	27.7
Return on equity - after tax	%	51.0	46.8	37.7	22.8	28.2	20.4
Shareholders' funds	%	44.1	41.6	37.9	32.5	44.3	43.3
Return on Shareholders' funds	%	45.4	41.9	33.7	22.0	26.6	19.3
Return on assets	%	21.9	18.7	13.3	8.5	12.3	9.7
Earnings before interest, tax, depreciation and amortization (EBITDA)	Rs in million	36,383.0	26,104.1	17,378.9	9,566.7	9,123.8	6,481.9
EBITDA margin	%	13.3	12.8	10.9	7.1	6.9	7.0
Operating leverage ratio	%	120.7	194.5	533.1	141.2	122.7	169.1
Equity Ratios							
Cash dividend per share (declared)	Rs.	102.0	74.0	47.0	24.0	27.0	17.5
Earning per share	Rs.	170.2	122.9	78.2	40.3	45.0	29.0
Price earning ratio	Times	9.0	7.7	5.0	6.6	8.8	15.9
Price to book ratio	Times	1.8	1.3	0.6	0.5	1.0	1.3
Market price per share for the year	Rs.	1,532.7	943.7	392.3	268.1	394.0	460.0
- maximum value	Rs.	1,931.0	943.7	431.4	412.0	540.0	530.0
- minimum value	Rs.	834.4	462.9	238.1	258.0	385.0	340.0
Break up value per share	Rs.	374.8	293.0	231.8	183.6	169.5	150.1
Dividend yield	%	6.7	7.8	12.0	9.0	6.9	3.8
Dividend cover	Times	1.7	1.7	1.7	1.7	1.7	1.7
Dividend pay out	%	59.9	60.2	60.1	59.5	60.0	60.4
Efficiency Ratios							
Assets turnover	Times	2.8	2.5	2.2	2.3	2.9	2.5
Fixed assets turnover	Times	20.8	16.2	12.9	12.0	13.1	9.3
Inventory turnover	Times	21.2	18.2	14.9	15.1	20.0	16.8
Debtors turnover	Times	101.7	115.6	175.1	140.8	100.4	80.4
Creditors turnover	Times	4.5	3.9	3.3	3.6	5.1	4.8
Capital employed turnover	Times	6.3	5.9	5.8	5.9	6.3	4.9
Operating Cycle							
Period of inventory holding	Days	17	20	24	24	18	22
Period of collection from debtors	Days	4	3	2	3	4	5
Period of payments to creditors	Days	(80)	(93)	(112)	(103)	(72)	(76)
Operating cycle	Days	(60)	(70)	(85)	(76)	(50)	(50)
Liquidity / Leverage Ratios							
Current ratio	Times	1.6	1.5	1.4	1.2	1.5	1.4
Quick ratio	Times	1.4	1.3	1.2	1.1	1.2	1.2
Debt to equity / financial leverage ratio	Times	---------- Debt Free ----------				0.01	0.02
Cash flow coverage Ratio	Times	---------- Debt Free ----------				32.92	33.02
Weighted average cost of debt	%	-	-	-	1%	1%	-
Total liabilities to equity	Times	1.3	1.4	1.6	2.1	1.3	1.3
Cash to current liabilities	Times	0.7	0.6	0.8	0.8	0.7	0.6
Cash flow from operations to sales	%	7.9	8.0	5.2	16.6	4.7	15.5
Cash flow to capital expenditure	Times	7.8	9.0	4.8	6.7	3.4	13.4
Others							
Spare inventory as % of assets cost	%	1.2	1.1	1.4	1.5	2.1	1.5
Maintenance cost as % of operating expenses	%	0.8	0.7	0.7	0.5	0.5	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 the ever highest profitability, driven by several factors. The turnover increased to Rs 273.97 billion during the year as compared to Rs. 203.89 billion in 2025 due to Company's strong market position and expansion in market size. The gross profit increased from Rs. 22.18 billion to Rs. 36.24 billion, up by 63.4%. The increase was primarily attributed to a favourable sales volume, model mix, relatively lower material costs and cost reduction. Accordingly, the gross profit margin increased from 7.7% to 10.9%.

Through optimised operating expenses and impressive other income, the Company was able to achieve the highest profit before tax and profit after tax of Rs. 34.44 billion and Rs. 21.12 billion respectively. Resultantly, the profit before tax margin increased from 9.9% to 11.9% and net profit margin increased from 6.1% to 7.5%. These achievements reflect the successful execution of Company's strategic initiatives and its ability to capitalize on favourable market conditions.

The return on equity increased from 46.8% to 51.0% in 2026, highlighting the Company's ability to generate optimum returns on shareholders' equity. Similarly, return on capital employed increased from 70.6% to 78.7% in 2026, reflecting an efficient use of capital to generate profits.

Return on shareholders' funds strengthened from 41.9% in 2025 to 45.4% in 2026, underscoring enhanced profitability relative to the equity invested by shareholders. This improvement reflects the Company's ability to generate greater value from its capital base. In parallel, return on assets rose by 3.2%, highlighting more effective utilization of assets to drive income. The gains are attributable to operational efficiency, disciplined cost management, and prudent resource deployment, collectively reinforcing investor confidence in the Company's long-term financial resilience. The operating leverage ratio declined during the year, reflecting a more balanced cost structure and reduced sensitivity of earnings to changes in sales volumes. Despite the lower ratio, the Company achieved strong growth in EBITDA and EBITDA margin, demonstrating improved operational efficiency and profitability.

LIQUIDITY RATIOS

The current ratio improved from 1.5 times to 1.6 times due to increase in current asset base, maintaining an average of 1.4 times over past six years. Quick Ratio was recorded at 1.4 times as compared to 1.3 times in 2025, maintaining an average of 1.2 times over 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.

The Company's total liabilities to equity position improved from 1.40 times in 2025 to 1.27 times in 2026, reflecting a more conservative capital structure with increased reliance on shareholders' equity. This strengthening of the equity base underscores prudent financial management and enhances long-term stability.

Cash to current liabilities ratio was recorded at 0.7 times, compared to 0.6 times during the previous year, demonstrating a healthy liquidity position of the Company. The cash flow to capital expenditure ratio remained strong at 7.8 times indicating the Company's robust capacity to finance capital expenditures through operating cash flows.

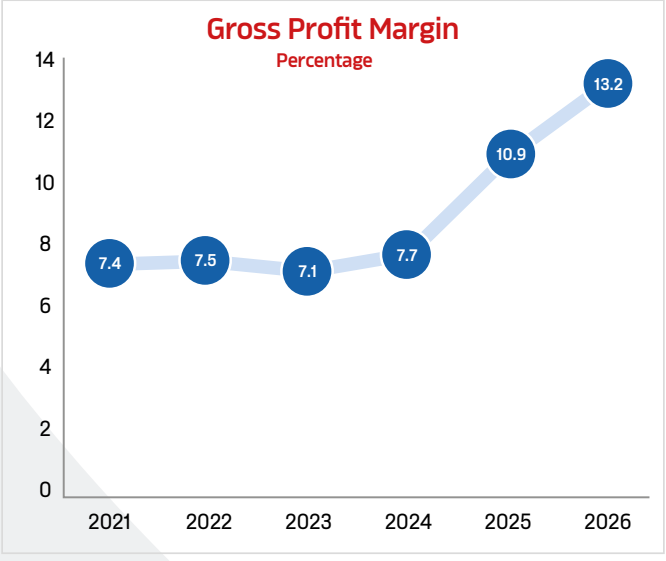
EFFICIENCY RATIOS

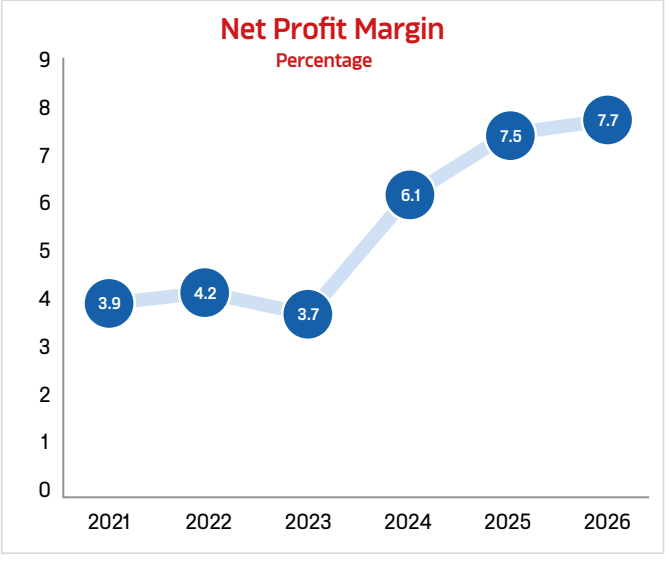
The asset turnover ratio improved from 2.5 times in 2025 to 2.8 times in 2026, driven by a 34.3% increase in sales revenue, underscoring effective utilization of assets to generate higher sales. Fixed asset turnover advanced from 16.2 to 20.8 times, highlighting efficient use of property, plant, and equipment to support revenue growth. Inventory turnover also strengthened, rising from 18.2 times to 21.2 times, reflecting increased production levels to meet growing demand for motorcycles. Debtor and creditor turnover days stood at 101.7 and 4.5 respectively, effectively supporting supply chain and growth objectives within budgetary targets. Collectively, these improvements reduced the overall operating cycle to 60 days, compared to 70 days last year, reinforcing operational effectiveness and financial resilience.

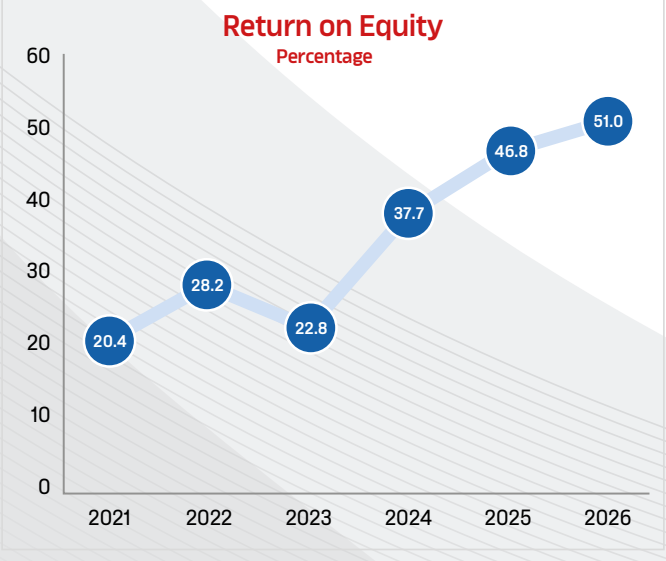
EQUITY RATIOS

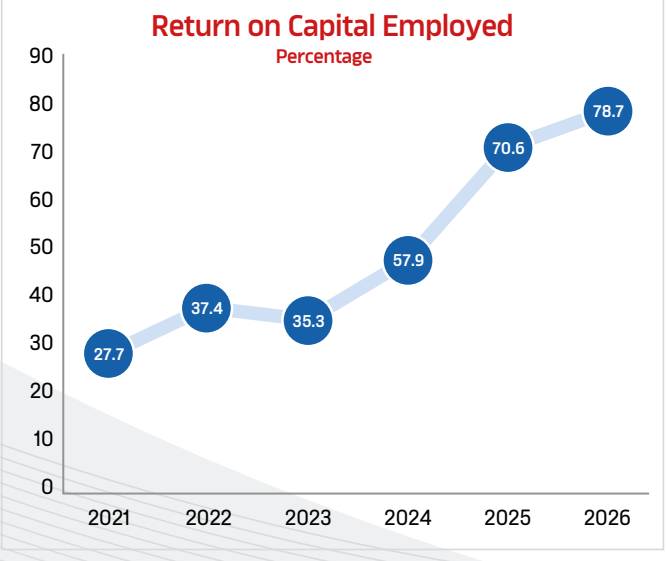
Earnings per share rose by 38.5%, reaching Rs. 170.21 in 2026 compared to Rs. 122.91 in the preceding year, driven by enhanced profitability. In line with the strengthening equity base, breakup value per share increased to Rs. 374.8. Market value of shares also advanced from Rs. 944 to Rs. 1,532, resulting in a price-to-earnings ratio of 9.0 for the year. The Company remains committed to a consistent and balanced profit allocation strategy, considering business requirements, growth opportunities, and long-term objectives. Accordingly, a dividend payout ratio of 60% was declared, with cumulative cash dividends (interim and final) of Rs. 102 per share in 2026, compared to Rs. 74 per share in the prior year.

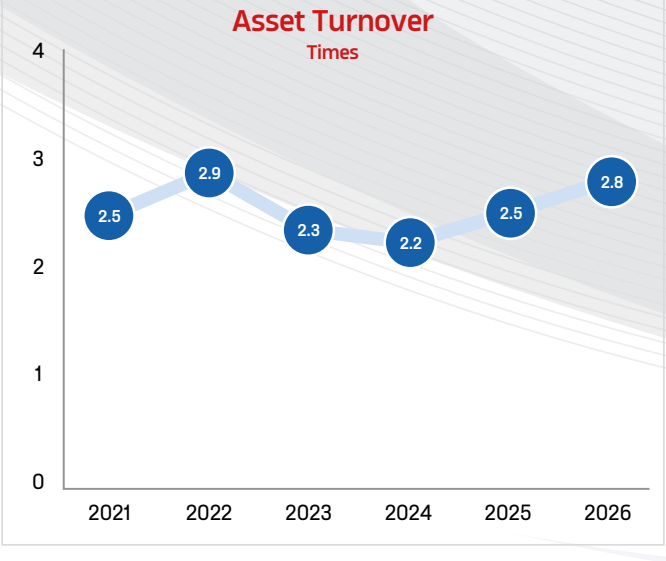
GRAPHICAL PRESENTATION OF FINANCIAL RATIOS

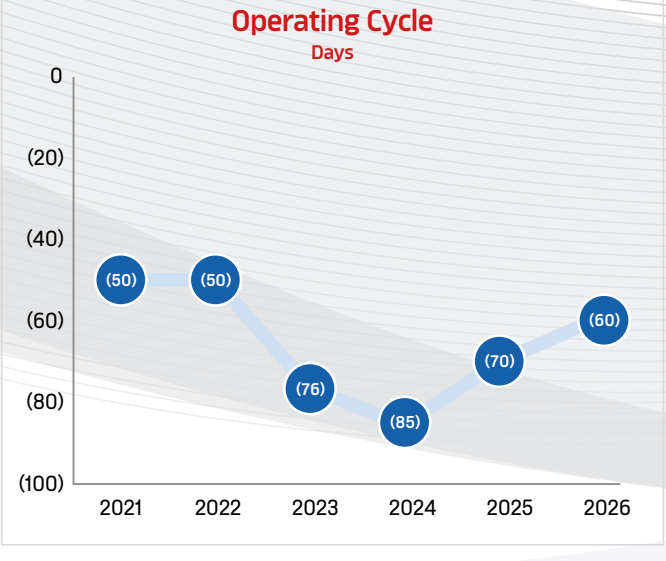




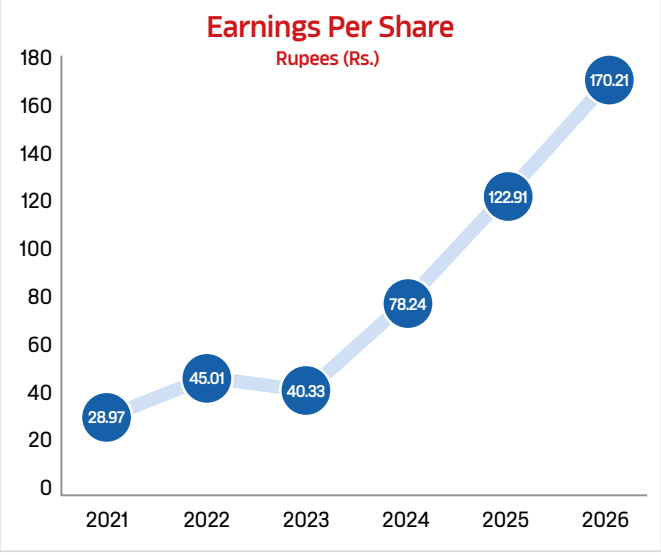


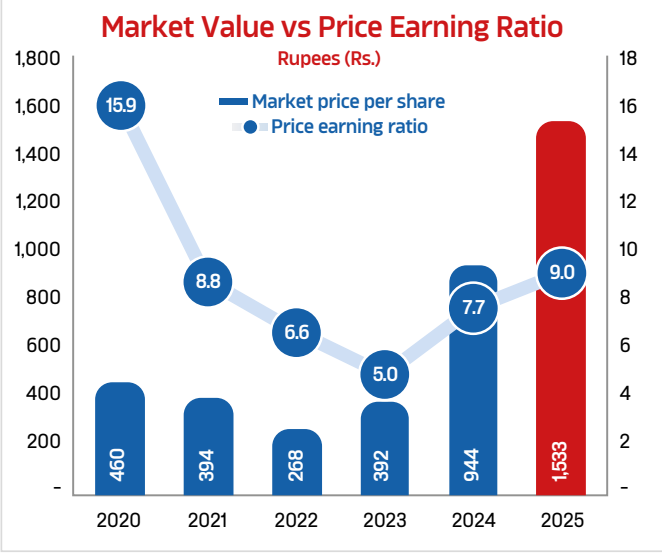


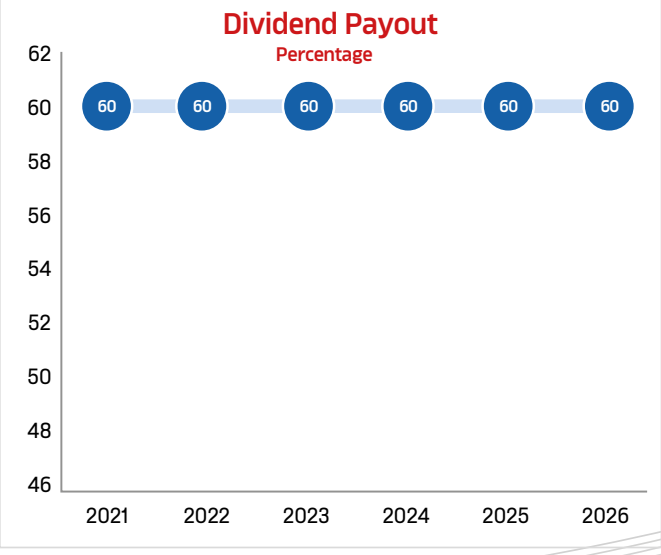


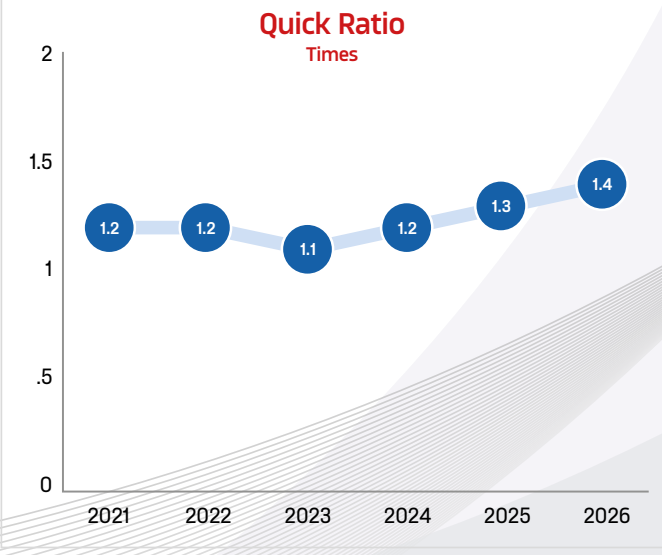


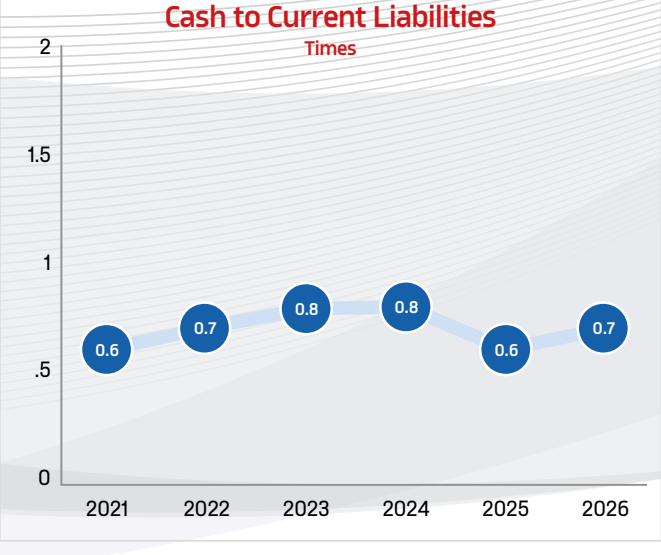
GRAPHICAL PRESENTATION OF FINANCIAL RATIOS

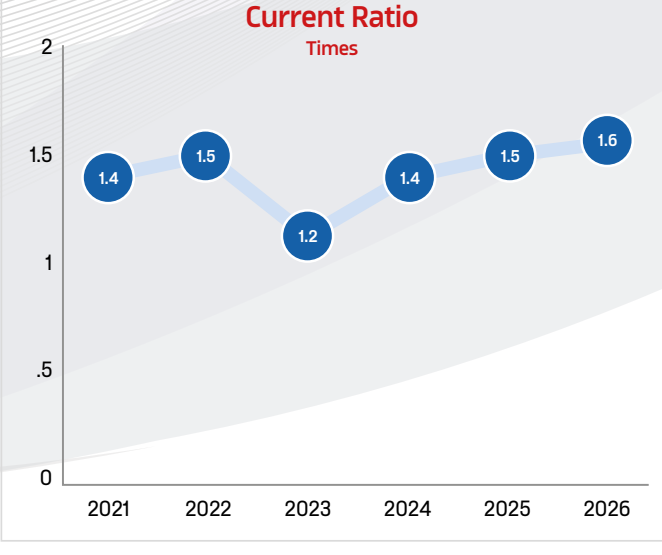












SIX YEARS ANALYSIS OF FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION

Particulars	2026	2025
	---------- Rupees in '000 ----------	
Assets		
Non-Current Assets		
Property, plant & equipment	13,697,870	12,629,323
Intangible asset	20,585	23,959
Long term investments	456,204	400,519
Long term loans	122,653	119,841
Long term deposits	43,726	43,887
Total non current assets	14,341,038	13,217,529
Current Assets		
Stores, spares and loose tools	1,316,616	993,123
Stock-in-trade	11,695,941	8,369,639
Trade debts	2,881,796	2,506,086
Loans and advances	104,919	102,015
Trade deposits and prepayments	397,541	290,415
Accrued mark-up / interest	69,536	1,063,361
Other receivables	534,966	650,643
Taxation - net	3,488,848	811
Short term investments	31,400,849	30,048,664
Bank balances	39,282,991	30,099,343
Total current assets	91,174,003	74,124,100
Total assets	**105,515,041**	**87,341,629**
Equity & Liabilities		
Equity		
Share capital	1,240,879	1,240,879
Reserves	45,273,227	35,121,659
Total equity	46,514,106	36,362,538
Non-Current Liabilities		
Lease liabilities	375,072	355,322
Long term borrowings	-	-
Deferred income - government grant	-	-
Staff retirement benefits	897,523	743,615
Deferred taxation	1,381,928	927,367
Total non-current liabilities	2,654,523	2,026,304
Current Liabilities		
Trade and other payables	56,268,221	48,900,502
Current portion of lease liabilities	78,191	52,285
Current portion of long term borrowings	-	-
Current portion of deferred income - government grant	-	-
Taxation - net	-	-
Total current liabilities	56,346,412	48,952,787
Total equity and liabilities	**105,515,041**	**87,341,629**

SIX YEARS ANALYSIS OF FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION

2024	2023	2022	2021
---------- Rupees in '000 ----------			
12,445,718	12,158,765	10,251,485	9,788,162
7,826	35,311	56,255	101,813
350,593	340,816	343,534	329,669
106,531	75,469	64,159	48,253
41,672	41,662	14,077	12,071
12,952,340	12,652,023	10,729,510	10,279,968
1,027,714	1,083,666	998,612	647,035
9,621,651	8,005,452	6,541,711	4,026,612
1,021,954	797,382	1,126,808	1,501,925
89,211	94,502	59,889	47,429
229,118	2,242,128	1,491,756	1,388,594
656,355	343,803	19,540	14,657
16,137	1,874	2,583	1,754
-	-	208,547	770,419
13,959,667	10,114,241	8,819,083	10,063,915
36,369,606	34,702,516	17,424,657	14,288,180
62,991,413	57,385,564	36,693,186	32,750,520
75,943,753	**70,037,587**	**47,422,696**	**43,030,488**
1,240,879	1,240,879	1,240,879	1,240,879
27,526,690	21,539,063	19,786,759	17,389,648
28,767,569	22,779,942	21,027,638	18,630,527
289,306	148,102	151,561	168,616
-	-	-	187,382
-	-	-	3,525
663,559	559,591	484,855	393,569
877,658	633,022	533,022	528,062
1,830,523	1,340,715	1,169,438	1,281,154
44,049,984	45,813,308	25,014,674	22,832,604
57,987	53,617	23,446	39,610
-	-	183,975	226,135
-	-	3,525	20,458
1,237,690	50,005		
45,345,661	45,916,930	25,225,620	23,118,807
75,943,753	**70,037,587**	**47,422,696**	**43,030,488**

HORIZONTAL ANALYSIS OF
FINANCIAL POSITION

Particulars	2026 vs 2025	2025 vs 2024	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020
	----------	----------	----------	----------	----------	----------
Assets						
Non-Current Assets						
Property, plant & equipment	8.46	1.48	2.36	18.60	4.73	(2.52)
Intangible asset	(14.08)	206.15	(77.84)	(37.23)	(44.75)	(24.65)
Long term investments	13.90	14.24	2.87	(0.79)	4.21	2.31
Long term loans	2.35	12.49	41.16	17.63	32.96	31.58
Long term deposits	(0.37)	5.32	0.02	195.96	16.62	(7.32)
Total non-current assets	8.50	2.05	2.37	17.92	4.37	(2.55)
Current Assets						
Stores, spares and loose tools	32.57	(3.37)	(5.16)	8.52	54.34	(5.28)
Stock-in-trade	39.74	(13.01)	20.19	22.38	62.46	(17.63)
Trade debts	14.99	145.22	28.16	(29.24)	(24.98)	84.52
Loans and advances	2.85	14.35	(5.60)	57.80	26.27	10.94
Trade deposits and prepayments	36.89	26.75	(89.78)	50.30	7.43	102.27
Taxation - net	100.00	100.00	-	(100.00)	(72.93)	(48.21)
Accrued mark-up / interest	(93.46)	62.01	90.91	1,659.48	33.32	(34.54)
Other receivables	(17.78)	3,931.99	761.10	(27.45)	47.26	(99.47)
Short term investments	4.50	115.25	38.02	14.69	(12.37)	91.76
Bank balances	30.51	(17.24)	4.80	99.16	21.95	126.49
Total current assets	23.00	17.67	9.77	56.39	12.04	59.67
Total assets	20.81	15.01	8.43	47.69	10.21	38.54
Equity & Liabilities						
Equity						
Share capital	-	-	-	-	-	-
Reserves	28.90	27.59	27.80	8.86	13.78	13.36
Total equity	27.92	26.40	26.28	8.33	12.87	12.36
Non-Current Liabilities						
Lease liabilities	5.56	22.82	95.34	(2.28)	(10.11)	(19.38)
Long term borrowings	-	-	-	-	(100.00)	100.00
Deferred income - government grant	-	-	-	-	(100.00)	100.00
Staff retirement benefits	20.70	12.06	18.58	15.41	23.19	14.88
Deferred taxation	49.02	5.66	38.65	18.76	0.94	(12.60)
Total non-current liabilities	31.00	10.70	36.53	14.65	(8.72)	10.83
Current Liabilities						
Trade and other payables	15.07	11.01	(3.85)	83.15	9.56	71.77
Current portion of lease liabilities	49.55	(9.83)	8.15	128.68	(40.81)	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	15.10	7.95	(1.24)	82.02	9.11	73.52
Total equity and liabilities	20.81	15.01	8.43	47.69	10.21	38.54

VERTICAL ANALYSIS OF
FINANCIAL POSITION

Particulars	2026	2025	2024	2023	2022	2021
	----------%----------					
Assets						
Non Current Assets						
Property, plant & equipment	12.98	14.46	16.39	17.36	21.62	22.75
Intangible asset	0.02	0.03	0.01	0.05	0.12	0.24
Long term investments	0.43	0.46	0.46	0.49	0.72	0.77
Long term loans	0.12	0.14	0.14	0.11	0.14	0.11
Long term deposits	0.04	0.05	0.05	0.06	0.03	0.03
Total non current assets	13.59	15.13	17.06	18.06	22.63	23.89
Current Assets						
Stores,spares and loose tools	1.25	1.14	1.35	1.55	2.11	1.50
Stock-in-trade	11.08	9.58	12.67	11.43	13.79	9.36
Trade debts	2.73	2.87	1.35	1.14	2.38	3.49
Loans and advances	0.10	0.12	0.12	0.13	0.13	0.11
Trade deposits and prepayments	0.38	0.33	0.30	3.20	3.15	3.23
Taxation - net	3.31	0.00	-	-	0.44	1.79
Accrued mark-up / interest	0.07	1.22	0.86	0.49	0.04	0.03
Other receivables	0.51	0.74	0.02	0.00	0.01	0.00
Short term investments	29.76	34.40	18.38	14.44	18.60	23.39
Bank balances	37.23	34.46	47.89	49.55	36.74	33.20
Total current assets	86.41	84.87	82.94	81.94	77.37	76.11
Total assets	100.00	100.00	100.00	100.00	100.00	100.00
Equity & Liabilities						
Equity						
Share capital	1.18	1.42	1.63	1.77	2.62	2.88
Reserves	42.91	40.21	36.25	30.75	41.72	40.41
Total equity	44.08	41.63	37.88	32.53	44.34	43.30
Non Current Liablities						
Lease liabilities	0.36	0.41	0.38	0.21	0.32	0.39
Long term borrowings	-	-	-	-	-	0.44
Deferred income - government grant	-	-	-	-	-	0.01
Staff retirement benefits	0.85	0.85	0.87	0.80	1.02	0.91
Deferred taxation	1.31	1.06	1.16	0.90	1.12	1.23
Total non current liablities	2.52	2.32	2.41	1.91	2.47	2.98
Current Liabilities						
Trade and other payables	53.33	55.99	58.00	65.41	52.75	53.06
Current portion of lease liabilities	0.07	0.06	0.08	-	0.05	0.09
Current portion of long term borrowings	-	-	-	-	0.39	0.53
Current portion of deferred income - government grant	-	-	-	-	0.01	0.05
Total current liabilities	53.40	56.05	59.71	65.56	53.19	53.73
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 rose from Rs. 10.28 billion in 2021 to Rs. 14.34 billion in 2026, marking a 40% increase primarily driven by investments in Property, Plant, and Equipment (PPE). These investments include capacity enhancement, modernisation and replacement of machinery, dies and jigs, as well as localisation and cost reduction initiatives. The Company's strategic focus on PPE has strengthened operational capabilities and positioned it for sustained long term growth.

CURRENT ASSETS

Current assets grew significantly over the past six years, rising by 178% from Rs. 32.75 billion in 2021 to Rs. 91.17 billion in 2026, driven by increased operational activity in line with business expansion. Higher stock levels, including stores and spares, reflect enhanced production capacity, while trade debts rose from Rs. 1.50 billion to Rs. 2.88 billion due to greater credit sales, with efficient recovery maintained. Short term investments surged from Rs. 10.06 billion to Rs. 31.40 billion, underscoring stronger liquidity and effective cash optimisation. Additionally, the bank balance increased by 174.9% over 6 years, reinforcing liquidity strength and supporting the Company's ability to meet obligations and fund future growth.

EQUITY

Atlas Honda has delivered strong and consistent growth in shareholders' equity, rising from Rs. 18.63 billion in 2021 to Rs. 46.51 billion in 2026, a 149.7% increase over six years. This sustained upward trajectory reflects solid financial performance, driven by retained earnings and continued profitability. The strengthening equity base enhances financial resilience, supports future growth initiatives, and reinforces long term shareholder value.

NON-CURRENT LIABILITIES

Non-current liabilities increased steadily from Rs. 1.28 billion in 2021 to Rs. 2.65 billion in 2026, representing a growth of 107.2%. This rise was mainly driven by long term lease obligations, deferred taxation, and retirement benefits. Lease liabilities are recognized in accordance with IFRS 16 against right of use assets, while retirement benefits primarily reflect the accumulation of employee leave balances.

CURRENT LIABILITIES

Current liabilities rose from Rs. 23.1 billion in 2021 to Rs. 56.3 billion in 2026, reflecting growth of 143.7% primarily due to higher creditors and customer advances driven by increased operational activity. Despite this rise, the Company has maintained robust current and quick ratios, ensuring adequate liquidity to meet short term obligations.

VERTICAL ANALYSIS

PROPERTY, PLANT AND EQUIPMENT

Property, Plant, and Equipment (PPE) as a share of total assets decreased from 22.8% in 2021 to 13.0% in 2026. While absolute investment in PPE rose by Rs. 3.90 billion over the six year period, reflecting efficient capital management and a continued focus on strengthening operational capacity.

STORES AND STOCK-IN-TRADE

Stock-in-trade increased from 10.9% in 2021 to 12.3% in 2026 of total assets, reflecting stable demand–supply alignment and disciplined working capital management. While inventory levels have been maintained proportionately, higher stock in absolute terms is being carried out to support increased production and meet rising demand.

TRADE DEBTS

Trade debts increased from Rs. 1.50 billion in 2021 to Rs. 2.88 billion in 2026, reflecting overall business growth and higher institutional sales. However, as a proportion of total assets, trade debts declined from 3.5% to 2.7% of the total assets, highlighting improved receivables management and a stronger liquidity position.

SHORT TERM INVESTMENTS

Short-term investments increased from 23.4% to 29.8% of total assets, reflecting stronger liquidity and effective cash management. This growth highlights the Company's strategy to optimise idle cash while maintaining flexibility to support operational and strategic needs.

CASH AND CASH EQUIVALENTS

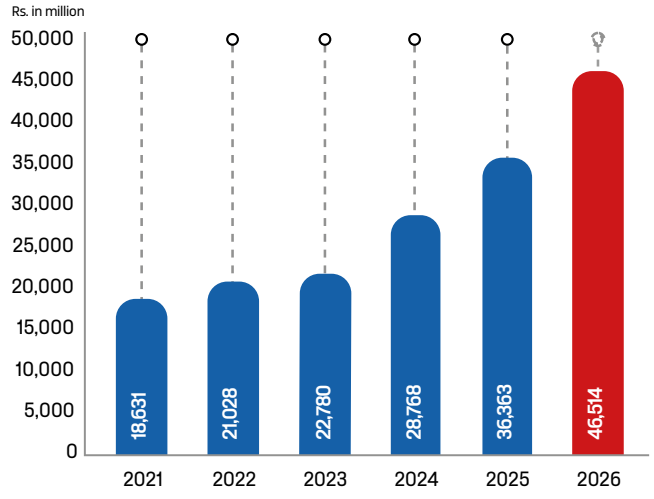
Cash and cash equivalents increased from 33.2% of total assets in 2021 to 37.2% in 2026, reflecting consistent liquidity management. This steady position indicates disciplined treasury practices, ensuring sufficient funds to meet operational requirements while avoiding idle accumulation. The stability underscores effective cash flow planning and supports the Company's ability to sustain growth without compromising financial flexibility, ultimately resulting in an increase in retained earnings.

TRADE AND OTHER PAYABLES

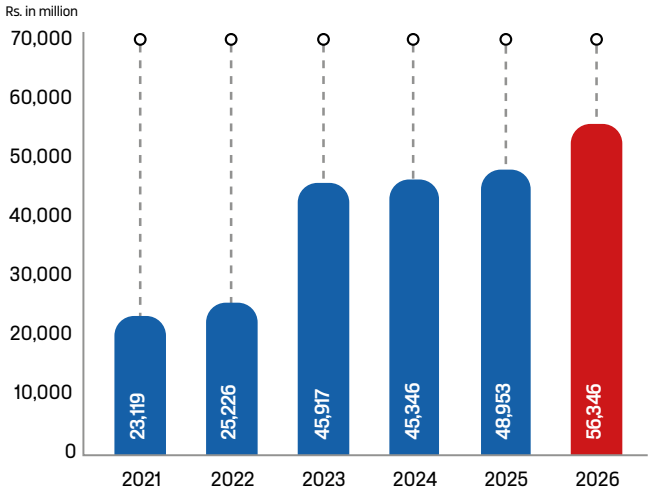
The proportion of trade and other payables compared to total equity and liabilities increased from 53.1% in 2021 to 53.3% in 2026. This rise is primarily attributed to higher creditors because of increased operational activity and larger volumes of purchases of goods and services during the period. Further, the increase is also due to an increase in customer advances.

GRAPHICAL PRESENTATION OF
STATEMENT OF FINANCIAL POSITION

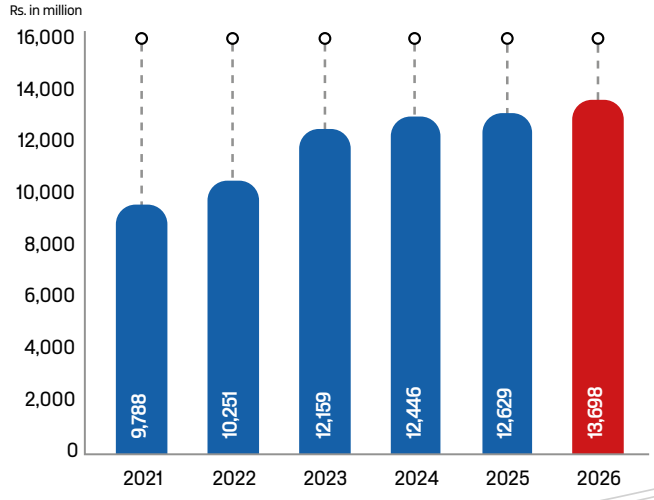
Equity Growth



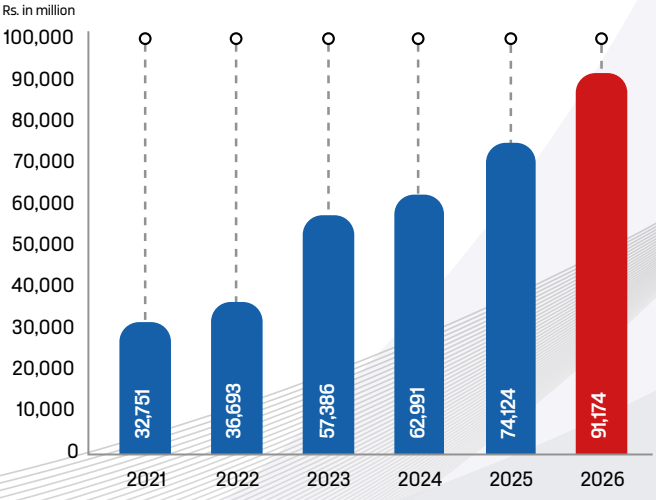
Current Liabilities



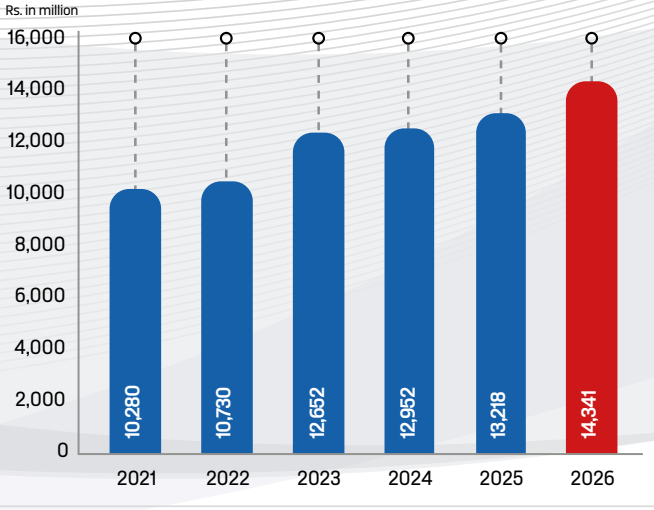
Property, Plant & Equipment



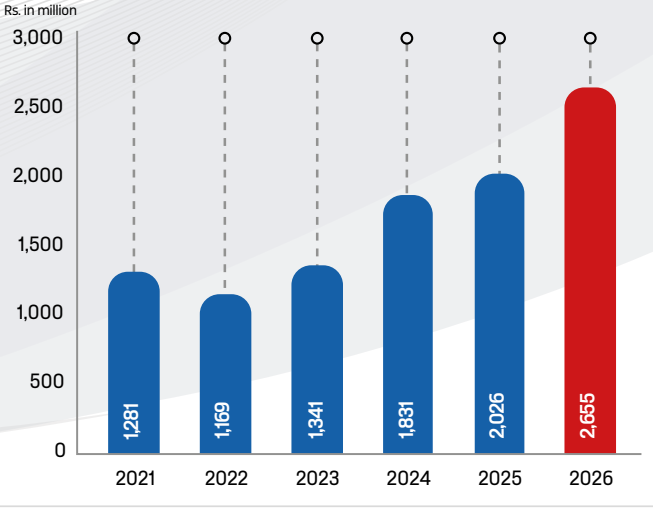
Current Assets



Non-Current Assets



Non-Current Liabilities



SIX YEARS ANALYSIS OF FINANCIAL STATEMENTS
STATEMENT OF PROFIT OR LOSS

Particulars	2026	2025
	----------Rupees in '000----------	
Sales	273,926,855	203,894,438
Cost of sales	(237,682,305)	(181,714,342)
Gross Profit	**36,244,550**	**22,180,096**
Sales and marketing expenses	(5,181,268)	(4,408,844)
Administrative expenses	(1,509,201)	(1,306,075)
Other income	6,892,836	9,192,365
Other operating expenses	(1,907,415)	(1,245,028)
Share of net profit of an Associated Company	72,405	54,638
Profit from operations	**34,611,907**	**24,467,152**
Finance cost	(167,142)	(125,485)
Profit before taxation and levies	**34,444,765**	**24,341,667**
Taxation and levies	(13,324,307)	(9,090,052)
Profit after taxation and levies	**21,120,458**	**15,251,615**

Horizontal Analysis

Particulars	2026 vs 2025	2025 vs 2024	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020
	----------%----------					
Sales	34.35	28.00	17.57	2.69	41.62	9.89
Cost of sales	30.80	23.56	16.89	3.09	41.46	9.68
Gross Profit	**63.41**	**81.40**	**26.42**	**(2.15)**	**43.68**	**12.49**
Sales and marketing expenses	17.52	20.73	20.44	12.80	38.79	(3.24)
Administrative expenses	15.55	21.68	24.73	11.68	13.13	7.75
Other income	(25.02)	1.45	98.90	120.55	48.34	1.57
Other operating expenses	53.20	69.32	(65.90)	242.63	40.44	15.19
Share of net profit of an Associated Company	32.52	337.98	3,774.22	(98.10)	81.21	109.97
Profit from operations	**41.46**	**54.46**	**93.67**	**3.80**	**51.08**	**16.71**
Finance cost	33.20	22.91	34.29	27.44	(5.18)	10.92
Profit before taxation and levies	**41.51**	**54.67**	**94.22**	**3.62**	**51.77**	**16.79**
Taxation and levies	46.58	50.75	94.59	38.68	43.46	16.81
Profit after taxation and levies	**38.48**	**57.10**	**94.00**	**(10.40)**	**55.37**	**16.77**

SIX YEARS ANALYSIS OF FINANCIAL STATEMENTS
STATEMENT OF PROFIT OR LOSS

2024	2023	2022	2021
		Rupees in '000	
159,292,229	135,485,652	131,930,193	93,156,958
(147,065,100)	(125,813,871)	(122,045,479)	(86,277,404)
12,227,129	**9,671,781**	**9,884,714**	**6,879,554**
(3,651,933)	(3,032,096)	(2,688,082)	(1,936,861)
(1,073,333)	(860,548)	(770,535)	(681,124)
9,061,152	4,555,670	2,065,562	1,392,482
(735,293)	(2,156,059)	(629,260)	(448,068)
12,475	322	16,905	9,329
15,840,197	**8,179,070**	**7,879,304**	**5,215,312**
(102,099)	(76,027)	(59,655)	(62,913)
15,738,098	**8,103,043**	**7,819,649**	**5,152,399**
(6,030,053)	(3,098,888)	(2,234,484)	(1,557,601)
9,708,045	**5,004,155**	**5,585,165**	**3,594,798**

Vertical Analysis

Particulars	2026	2025	2024	2023	2022	2021
			%			
Sales	100.00	100.00	100.00	100.00	100.00	100.00
Cost of sales	(86.77)	(89.12)	(92.32)	(92.86)	(92.51)	(92.62)
Gross Profit	**13.23**	**10.88**	**7.68**	**7.14**	**7.49**	**7.38**
Sales and marketing expenses	(1.89)	(2.16)	(2.29)	(2.24)	(2.04)	(2.08)
Administrative expenses	(0.55)	(0.64)	(0.67)	(0.64)	(0.58)	(0.73)
Other income	2.52	4.51	5.69	3.36	1.57	1.49
Other operating expenses	(0.70)	(0.61)	(0.46)	(1.59)	(0.48)	(0.48)
Share of net profit of an Associated Company	0.03	0.03	0.01	0.00	0.01	0.01
Profit from operations	**12.64**	**12.00**	**9.94**	**6.04**	**5.97**	**5.60**
Finance cost	(0.06)	(0.06)	(0.06)	(0.06)	(0.05)	(0.07)
Profit before taxation and levies	**12.57**	**11.94**	**9.88**	**5.98**	**5.93**	**5.53**
Taxation and levies	(4.86)	(4.46)	(3.79)	(2.29)	(1.69)	(1.67)
Profit after taxation and levies	**7.71**	**7.48**	**6.09**	**3.69**	**4.23**	**3.86**

SIX YEARS ANALYSIS OF FINANCIAL STATEMENTS
STATEMENT OF PROFIT OR LOSS

HORIZONTAL ANALYSIS

SALES & COST OF SALES

The Company achieved a significant milestone with annual revenue reaching Rs. 273.93 billion. Sales have demonstrated a sustained growth trajectory over the past six years, recording a compound annual increase of 24.1% since 2021. This performance has been driven by strong demand for motorcycles, underpinned by a reliable riding experience and adherence to the highest quality standards. Despite volatility in raw material prices and inflationary pressures, the Company continued to offer motorcycles at competitive prices, ensuring accessibility to a wider customer base.

The cost of production registered an average annual increase of 22.5% since 2021, primarily due to rising raw material costs and labor expenses as well as higher sales volume. However, through energy efficiency initiatives and disciplined cost management, the Company successfully aligned production costs with sales growth, thereby sustaining value delivery to customers.

GROSS PROFIT

Over the past six years, the Company has consistently strengthened its profitability margins, achieving an impressive compound annual growth rate (CAGR) of 39.4%. Gross profit increased from Rs. 6.88 billion in 2021 to Rs. 36.24 billion in 2026, marking a substantial improvement in profitability. This growth has been driven by robust cost reduction initiatives, continuous monitoring of overheads, strategic process optimisations, and the successful launch of new models.

SELLING, MARKETING & ADMINISTRATIVE EXPENSES

Selling, marketing and administrative expenses increased from Rs. 2.62 billion in 2021 to Rs. 6.69 billion in 2026, reflecting a cumulative average growth rate of 21.1% over the six year period. This rise was primarily attributable to expanding operations on account of higher volumes, inflationary pressures, and enhanced spending on marketing campaigns and CSR activities. Other operating expenses grew from Rs. 0.45 billion in 2021 to Rs. 1.91 billion in 2026, representing a cumulative average growth rate of 34%. These expenses mainly comprise provisions for workers' welfare funds and workers' profit participation funds, both directly linked to profitability.

OTHER OPERATING INCOME

Other operating income recorded substantial growth, rising from Rs. 1.39 billion in 2021 to Rs. 6.89 billion in 2026, representing a compound annual growth rate of 37.7% over the six year period. This increase was driven by the Company's strong liquidity position, favorable movements in policy rates, and significant contributions from profits of associates. The growth in operating income has enhanced overall financial performance, strengthened profitability, and reinforced the Company's solid financial foundation for sustainable long term growth.

TAXATION

Tax charges have generally mirrored the Company's profitability trends over the years. In 2026, the effective tax rate rose to 38.7%, compared to 30.2% in 2021, primarily due to the imposition of super tax on high earning companies. Despite the higher tax burden, the Company continued to avail available tax credits, including those on donations, to keep the effective tax rate aligned with budgetary targets. The Company remains committed to sustaining profitability and operational efficiency while navigating the evolving tax landscape in Pakistan.

VERTICAL ANALYSIS

GROSS PROFIT

The gross profit margin improved significantly from 10.9% in the previous year to 13.2% in the current year, supported by lower raw material prices, stable exchange rates, higher volumes, and a more favorable sales mix. As a result, gross profit increased from Rs. 22.18 billion to Rs. 36.25 billion, reflecting stronger operational efficiency and enhanced profitability.

OPERATING PROFIT

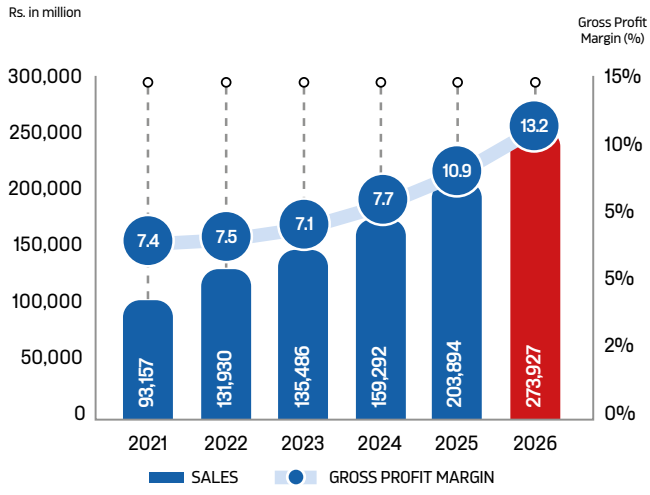
The operating profit margin improved from 12.0% in 2025 to 12.6% in 2026, primarily driven by the increase in gross profit as explained above. This was partially offset by higher selling, marketing and administrative expenditure, in line with expanded production volumes. Additional pressure came from increased other operating expenses, mainly due to higher provisions for Workers' Profit Participation Fund (WPPF) and Workers' Welfare Fund (WWF), reflecting stronger profitability. As a result, operating profit rose from Rs. 24.47 billion in 2025 to Rs. 34.61 billion in 2026.

PROFIT FOR THE YEAR

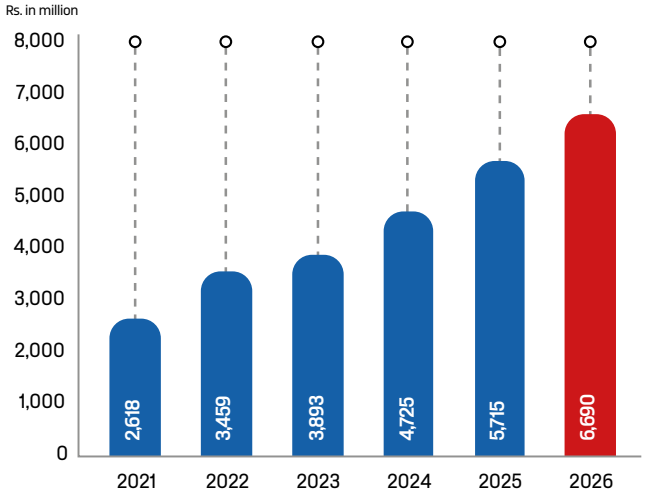
The Company achieved a Profit After Tax (PAT) of Rs. 21.12 billion in 2026, compared to Rs. 15.25 billion in the previous year, reflecting a solid year on year performance. The growth in PAT was primarily driven by higher sales volumes during the year, underscoring the Company's strong market position and operational resilience.

GRAPHICAL PRESENTATION OF
STATEMENT OF PROFIT OR LOSS

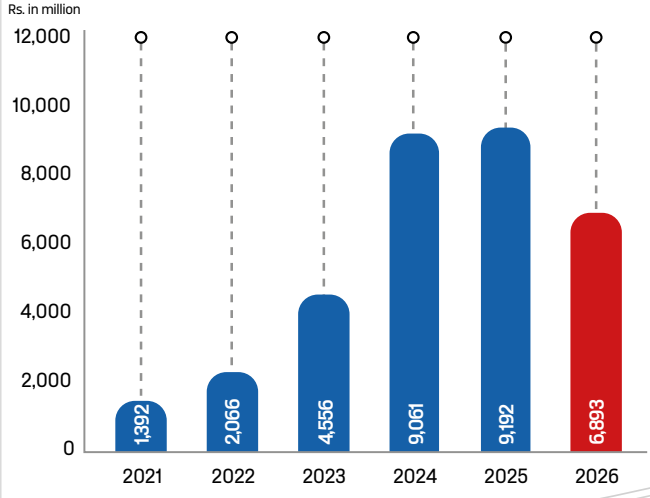
Sales and Gross Profit Margin



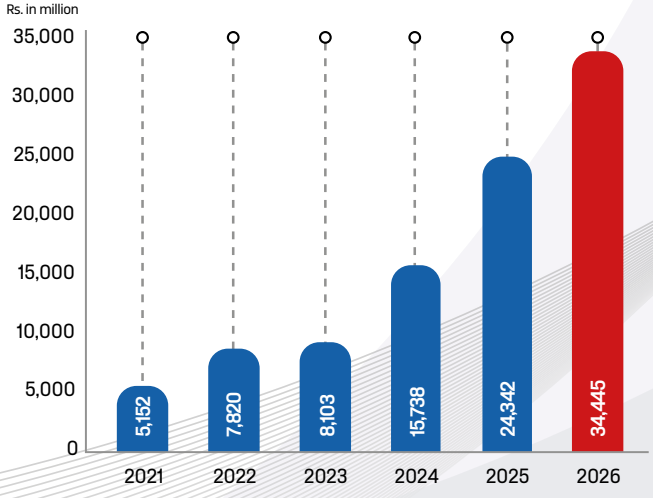
Selling and Administrative Expenses



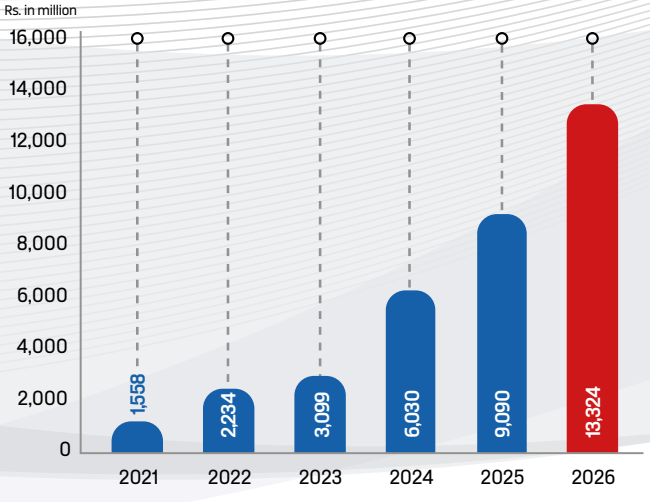
Other Operating Income



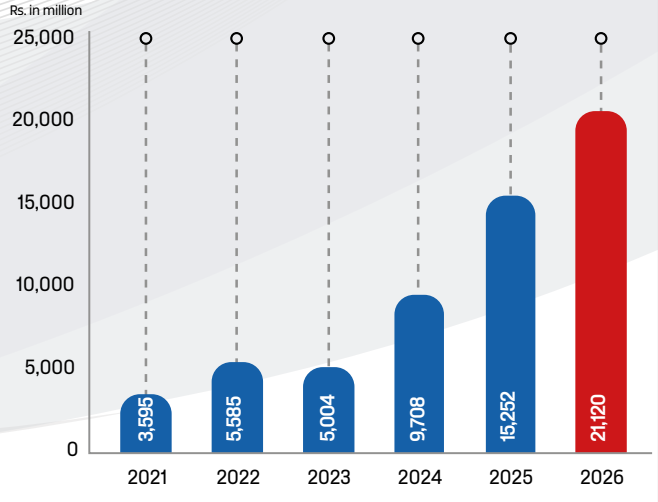
Profit Before Taxation



Taxation



Profit After Taxation



SIX YEARS ANALYSIS OF FINANCIAL STATEMENTS
STATEMENT OF CASH FLOW

Particulars	2026	2025	2024	2023	2022	2021
	----------Rupees in '000----------					
Cash Flow Statement						
Cash flows from operating activities	21,613,214	16,298,014	8,361,519	22,438,316	6,171,564	14,444,377
Cash flows from investing activities	(1,411,323)	(14,049,972)	(2,494,051)	(2,818,103)	415,164	(5,301,626)
Cash flows from financing activities	(11,018,243)	(8,518,305)	(4,200,378)	(2,342,354)	(3,450,251)	(1,163,187)
Net increase / (decrease) in cash & cash equivalent	9,183,648	(6,270,263)	1,667,090	17,277,859	3,136,477	7,979,564

	Horizontal						Vertical					
Particulars	2026 vs 2025	2025 vs 2024	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020	2026	2025	2024	2023	2022	2021
	----------%						----------					
Cash Flows From:												
Operating activities	32.61	94.92	(62.74)	263.58	(57.27)	524.47	235.34	(259.93)	501.56	129.87	196.77	181.02
Investing activities	(89.95)	463.34	(11.50)	(778.79)	(107.83)	234.33	(15.37)	224.07	(149.61)	(16.31)	13.24	(66.44)
Financing activities	29.35	102.80	79.32	(32.11)	196.62	(38.74)	(119.98)	135.85	(251.96)	(13.56)	(110.00)	(14.58)
Net increase / (decrease) in cash & cash equivalent	(246.46)	(476.12)	(90.35)	450.87	(60.69)	(781.12)	100.00	100.00	100.00	100.00	100.00	100.00

Free Cash Flows

Particulars	2026	2025	2024	2023	2022	2021
	----------Rupees in '000----------					
Profit before taxation	34,444,765	24,341,667	15,738,098	8,103,043	7,819,649	5,152,399
Adjustment non cash items	171,360	(930,971)	(1,829,938)	1,020,775	663,310	468,906
Changes in working capital	3,069,106	3,704,391	(1,068,261)	16,061,320	(651,544)	9,864,810
	37,685,231	27,115,087	12,839,899	25,185,138	7,831,415	15,486,115
Less: Capital expenditure	(2,906,720)	(1,815,095)	(1,755,582)	(3,217,425)	(1,722,697)	(1,027,728)
Free cash flows	34,778,511	25,299,992	11,084,317	21,967,713	6,108,718	14,458,387

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 exhibited notable fluctuations since 2021. Net cash generated from operations increased to Rs. 21.6 billion in 2026, compared to Rs. 14.4 billion in 2021, reflecting a cumulative average growth rate of 8.4%. This improvement primarily stems from variations in working capital requirements, underscoring the Company's ability to sustain operational liquidity while navigating dynamic market conditions.

CASH FLOWS FROM INVESTING ACTIVITIES

Cash flows utilized in investing activities amounted to Rs. 1.4 billion in 2026, compared to Rs. 5.3 billion in 2021, reflecting a cumulative average decrease of 23.2%. The higher cash outflows in 2021 were primarily attributable to capacity enhancement initiatives undertaken during that period. The lower outflow in 2026 mainly reflects short-term investments and essential capital expenditures, which remained the key components of investing activities. These allocations demonstrate the Company's continued focus on maintaining production efficiency and supporting long-term growth through prudent investment decisions.

CASH FLOWS FROM FINANCING ACTIVITIES

Net cash flows from financing activities primarily comprised lease rental payments under IFRS-16 and dividend distributions. Consequently, cash outflows rose significantly from Rs. 1.1 billion in 2021 to Rs. 11.0 billion in 2026, representing a cumulative average increase of 56.7%. This reflects the Company's commitment to honoring shareholder returns while maintaining compliance with lease obligations, thereby reinforcing a balanced approach to capital management.

LIQUIDITY AND FINANCING ARRANGEMENTS

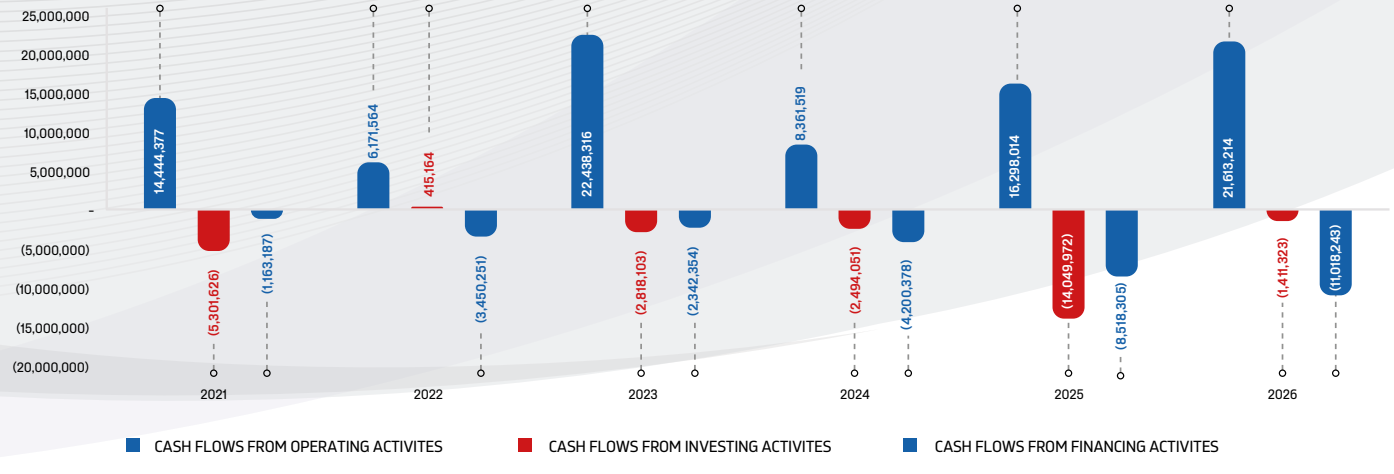
The Company maintains a prudent financial policy, prioritizing the funding of operations and strategic investments through internally generated cash flows rather than reliance on long-term borrowings. Consistent with this approach, the Company has largely remained debt-free over the past six years, reflecting its strong cash generation capacity and disciplined capital management.

LIQUIDITY MANAGEMENT AND REPAYMENT OF FINANCIAL LIABILITIES

The Company maintains a robust treasury function, ensuring effective working capital management and liquidity optimisation. Through disciplined cash flow forecasting, anticipated inflows and planned outflows are proactively monitored, enabling informed decision-making and maximising treasury income. This strategic approach ensures that capital expenditures remain aligned with long-term business objectives while safeguarding financial stability.

The Company remains self-sufficient in meeting liquidity needs, with cash primarily generated from customer bookings against sales. As at year-end, the Company held cash and cash equivalents of Rs. 39.2 billion, reflecting a strong liquidity position. Being debt-free, the Company has no long-term borrowings requiring repayment. Other financial liabilities are settled within agreed timelines through internally generated cash flows, demonstrating the Company's strong liquidity position and prudent financial management.

Surplus funds are prudently deployed across short- and long-term government securities, mutual funds, Term Deposit Receipts (TDRs), and other investment schemes at competitive rates, ensuring optimal returns while preserving capital security.



STATEMENT OF CASH FLOWS
DIRECT METHOD

	2026	2025
	---- Rupees in '000 ----	
Cash Flows From Operating Activities		
Cash receipts from customers	278,886,436	204,198,814
Mark-up / interest received	2,044,846	264,786
Payments to trade suppliers, service providers and employees	(241,204,022)	(177,099,252)
Income taxes paid	(16,326,358)	(10,302,376)
Contributions made to gratuity funds	(538,182)	(78,542)
Compensated absences paid	(120,356)	(33,008)
Workers' profit participation fund paid	(665,097)	(384,717)
Workers' welfare fund paid	(464,053)	(267,691)
Net cash generated from operating activities	21,613,214	16,298,014
Cash Flows From Investing Activities		
Payments for property, plant and equipment	(3,102,985)	(1,919,954)
Proceeds from sale of property, plant and equipment	196,265	104,859
Payments for intangible assets	(13,164)	(28,457)
Payments for investments	(28,725,349)	(31,897,212)
Proceeds from sale of investments	30,203,920	18,081,513
Dividend received	29,990	1,609,279
Net cash used in investing activities	(1,411,323)	(14,049,972)
Cash Flow From Financing Activities		
Lease rentals paid	(156,977)	(130,261)
Dividend paid	(10,861,266)	(8,388,044)
Net cash used in financing activities	(11,018,243)	(8,518,305)
Net increase / (decrease) in cash and cash equivalents	9,183,648	(6,270,263)
Cash and cash equivalents at beginning of the year	30,099,343	36,369,606
Cash and cash equivalents at end of the year	**39,282,991**	**30,099,343**

SHARE PRICE SENSITIVITY ANALYSIS

The Market Capitalisation of the Company at the end of the year was Rs. 209 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 the 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 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.

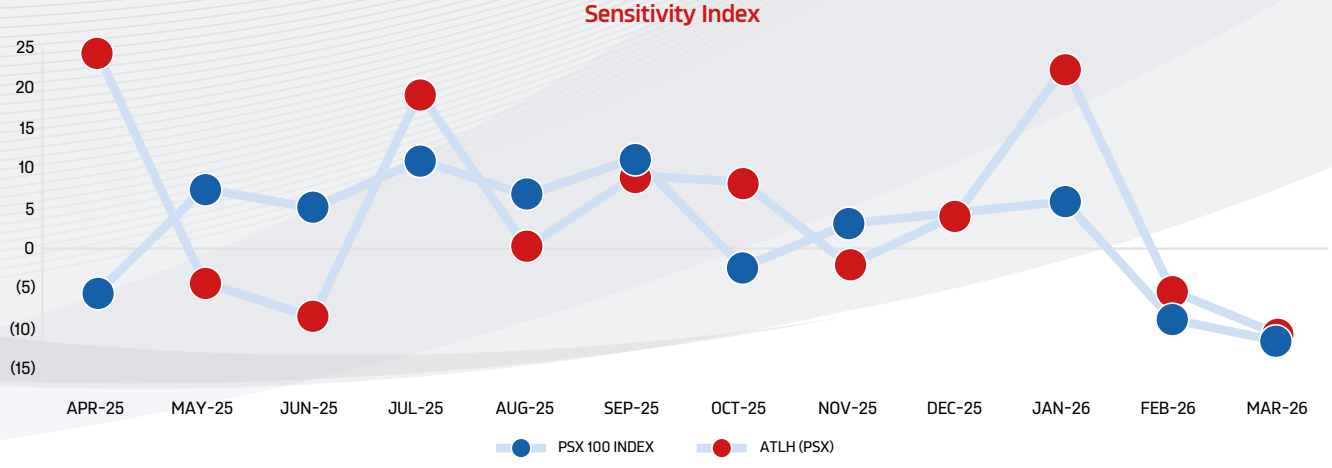
Capital and money markets: The Company holds short-term investments worth Rs. 31 billion, primarily consisting of investments in open-ended mutual funds and T-Bills. These funds predominantly invest in capital and money markets. The performance of these markets directly influences the Net Asset Value (NAV) of these funds, which in turn impacts the financial performance of the Company.

Interest Rate: The Company has maintained a strong liquidity position through effective and efficient treasury management, with funds of approximately Rs. 31 billion invested in bank savings accounts, term deposit receipts, treasury bills, and Pakistan Investment Bonds, generating treasury income. During the year, the State Bank of Pakistan gradually reduced the policy rate, which remained relatively stable at around 11% towards the end of the period. The decline in interest rates may impact returns on the Company's treasury investments; however, lower financing costs may support motorcycle sales through improved consumer financing affordability.

Law and Order: Favorable and consistent political system provides ideal environment for business to thrive. On the other hand, an unstable law and order situation jeopardizes 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 Prices: The availability and cost of electricity and gas remained key challenges for the manufacturing sector during the year. Interruptions in energy supply and rising utility tariffs can increase operating costs and adversely affect production efficiency. To mitigate energy-related risks and reduce dependence on conventional power sources, the Company continues to explore and utilize alternative energy solutions, including solar power initiatives, where feasible. However, reliance on backup energy sources and fluctuations in energy availability may still impact operational performance and profitability, which could ultimately influence the Company's share price.

Act of God: Unexpected events such as floods, earthquakes, pandemics, or other natural disasters remain beyond the Company's control and may disrupt business operations, supply chains, and market activity. Such events can adversely affect financial performance and investor confidence, leading to fluctuations in the Company's share price.

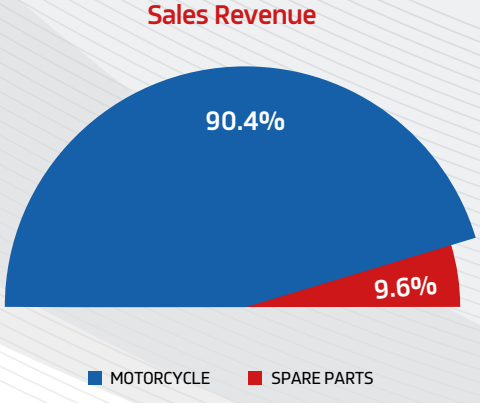


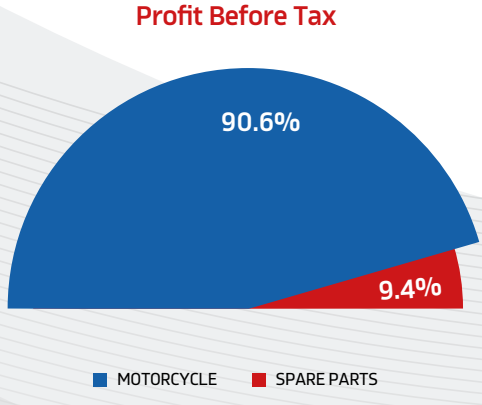
SEGMENTAL
PERFORMANCE ANALYSIS

Atlas Honda Limited generates the majority of its revenue from the sale of motorcycles and associated spare parts. The Company does not provide segment reporting under IFRS 8 – Operating Segments, as the quantitative thresholds outlined in the standard are not met. For internal management and decision-making purposes, the business is regarded as a single operating segment.

Currently, the Company does not maintain separate identification of assets and liabilities specifically attributable to spare parts, and overall financial performance is assessed on a consolidated basis. Nevertheless, efforts to enhance customer convenience have driven consistent growth in spare parts sales in recent years. Given this positive trajectory, the spare parts business may, in time, qualify as a distinct reportable segment. In anticipation of such a development, and to provide greater transparency, the Company has presented a breakdown of revenue and profitability for motorcycles and spare parts below. This information is shared for disclosure purposes only and does not represent formal segment reporting under IFRS 8.

	Motorcycle	Spare Parts	Company Level
	----------Rupees in '000----------		
Sales Revenue	247,622,511	26,304,344	273,926,855
Profit Before Tax	31,206,680	3,238,085	34,444,765
Profit Before Tax margin	12.6%	12.3%	12.6%





HUMAN RESOURCE ACCOUNTING

Atlas Honda recognises its human capital as one of the Company's most valuable assets and a key driver of sustainable growth, operational excellence and long-term competitiveness. The Company continuously invests in the development, training and well-being of its employees to enhance professional capabilities, leadership competencies and organisational effectiveness.

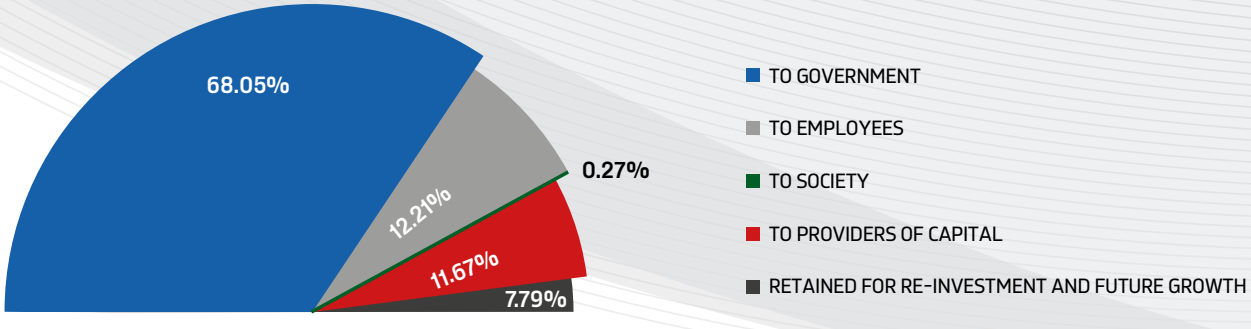
The Company's human resource framework focuses on merit-based recruitment, succession planning, performance management, employee engagement, technical and managerial training, workplace safety and continuous learning. Through structured development programs, leadership initiatives and employee welfare measures, Atlas Honda aims to build a skilled, motivated and future-ready workforce aligned with the Company's strategic objectives and corporate values.

	2026	2025
	------- Rs. In '000' -------	
Staff salaries, wages and other benefits	11,612,531	9,273,786
Travelling, conveyance and entertainment	463,248	472,988
Vehicle running expenses	348,502	293,590
Canteen	471,364	362,243
Training and development	32,088	62,861
Staff compensated absences	201,562	178,979
Gratuity expense	165,952	532,604
Staff welfare	292,980	160,828
Total	13,588,227	11,337,879

STATEMENT OF VALUE ADDITION

	%	Year ended March 31,2026	%	Year ended March 31,2025
		Rupees in '000		
Value Addition				
Net sales including sales tax	97.52%	273,926,855	95.66%	203,894,438
Other operating income	2.48%	6,965,241	4.34%	9,247,003
	100.00%	280,892,096	100.00%	213,141,441
Bought in materials and services	-61.40%	(172,478,797)	-62.56%	(133,339,474)
Value added	38.60%	108,413,299	37.44%	79,801,967
Value Distribution				
To Government				
Income tax, sales tax, custom & excise duties, workers funds, EOBI & social security contribution and local taxes	68.05%	73,775,266	68.56%	54,714,325
To Employees				
Remuneration & benefits	12.21%	13,238,374	12.93%	10,315,586
To Society				
Donations	0.27%	294,506	0.26%	207,381
To Providers of capital				
Dividends for shareholders	11.67%	12,656,969	11.51%	9,182,506
Retained for re-investment and future growth	7.79%	8,448,183	6.74%	5,382,169
Total Value Distributed	**100.00%**	**108,413,299**	**100.00%**	**79,801,967**

Value Distribution

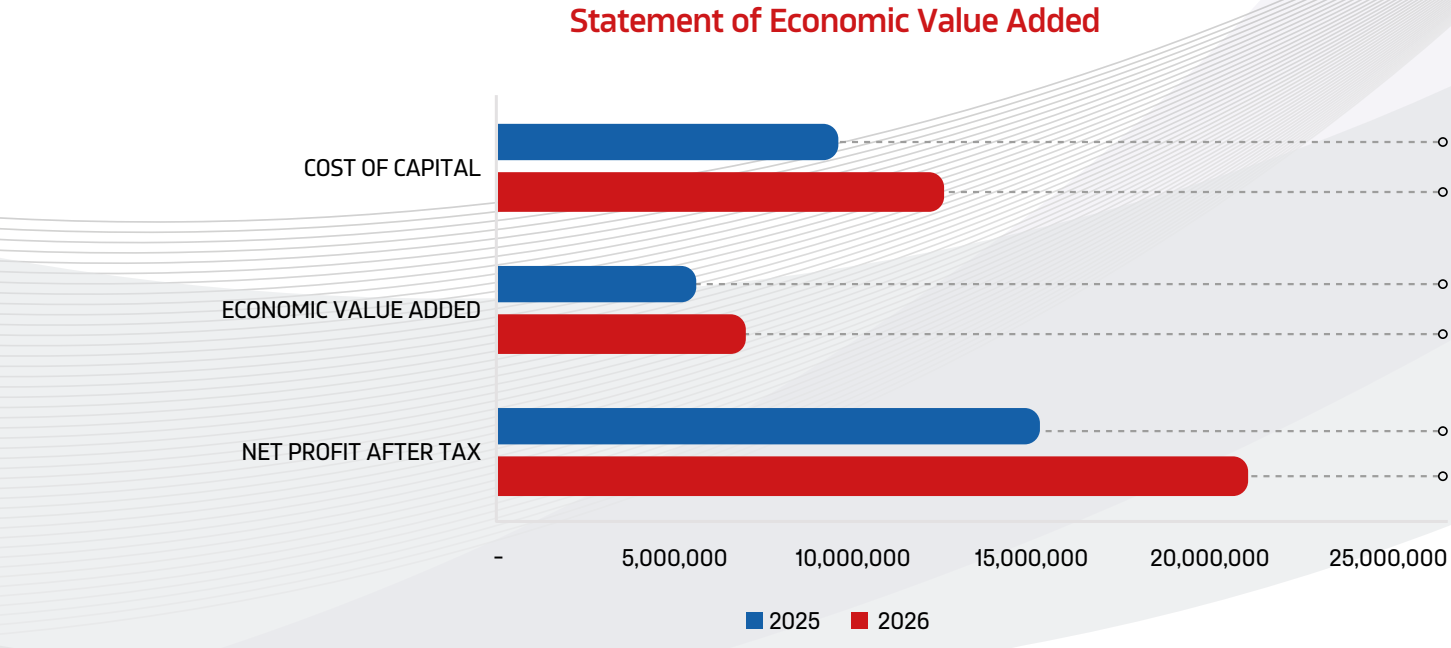


STATEMENT OF
ECONOMIC VALUE ADDED

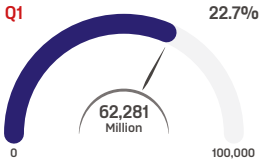
	2026	2025
	----------Rupees in '000----------	
Net Profit After Tax	21,120,458	15,251,615
Cost Of Capital	(14,121,115)	(9,628,320)
Economic value added	**6,999,343**	**5,623,295**
Cost of capital		
Total Assets	105,515,041	87,341,629
Total Liabilities	(59,000,935)	(50,979,091)
Capital Invested	46,514,106	36,362,538
Weighted Average Cost of Capital	27.04%	26.48%
Cost of Capital	12,578,458	9,628,320

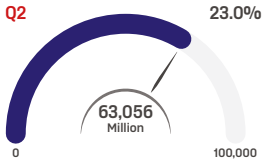
Comments on Economic Value Added

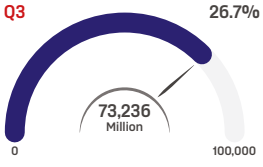
Compared to last year, the Company delivered robust shareholder returns, evidenced by a substantial rise in Economic Value Added (EVA). EVA increased to Rs. 6.99 billion from Rs. 5.62 billion, marking a 24% growth driven by a Rs. 5.8 billion increase in Net Profit After Tax, despite a higher weighted average cost of capital at 27.04%. This performance highlights enhanced profitability, disciplined capital allocation, and efficient resource utilization. The sustained upward trend in EVA reinforces our commitment to maximising shareholder wealth through strategic investments and superior operational execution.

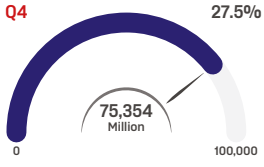


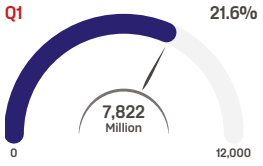
QUARTERLY PERFORMANCE ANALYSIS

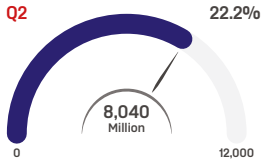


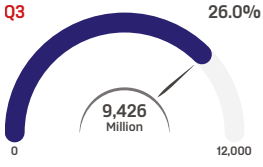


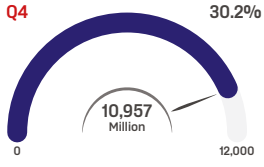










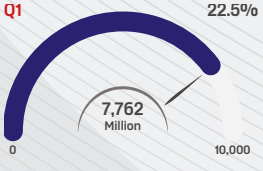


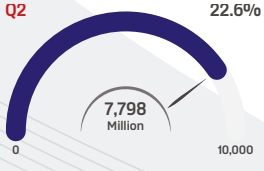
SALES

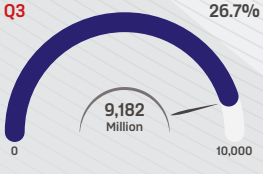
The Company commenced the year with strong momentum, achieving sales of 360,667 units in Q1. Production was progressively scaled up to 366,698 units in Q2, 423,657 units in Q3, and 434,267 units in Q4. By effectively utilising 99% of its installed capacity, the Company delivered a robust 33.5% increase in production during the year, underscoring operational efficiency and sustained growth.

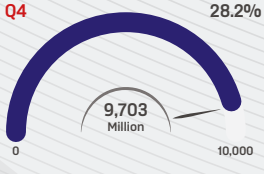
GROSS PROFIT

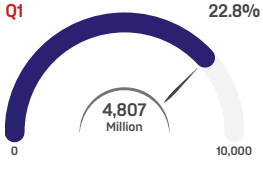
The company has consistently achieved stronger gross profit margins, driven by disciplined execution and sustainable growth strategies. This continued progress reflects our ability to optimise operations, refine our product mix, and enhance efficiency—positioning us for long-term profitability and greater shareholder value. Over the year, we have implemented targeted cost-reduction initiatives, particularly through improved sourcing of raw materials, further strengthening our operational resilience.

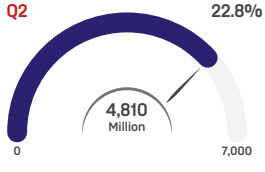


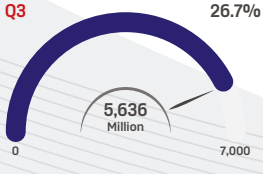


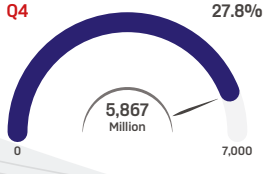












PROFIT BEFORE TAX (PBT)

Sales, marketing, and administrative expenses (SM&A) increased by Rs. 0.77 billion compared to last year, primarily due to inflationary pressures and higher sales volumes. Despite this rise, SM&A remained efficient at below 3% of sales. Overall, profit before tax mirrored the trajectory of gross profit, reaching Rs. 34.4 billion for the year, with a PBT margin of 12.6%.

PROFIT AFTER TAX (PAT)

Profit after tax (PAT) remained broadly aligned with profit before tax (PBT) on a quarter-to-quarter basis, with the effective tax rate recorded at 38.6%. Overall, PAT increased by 38.4% as compared to previous year, closing at Rs. 21.12 billion. This strong performance translated into earnings per share of Rs. 170.21 for the year, representing a 38.4% uplift.

ANALYSIS OF VARIATION IN INTERIM RESULTS AND FINAL ACCOUNTS

The Company recorded a gross margin of 12.66% and a net margin before tax of 7.6% in the first half of the financial year. As the year advanced, increase in market share led to higher production and sales. Additionally, an improved sales mix and effective cost reductions contributed to a rise in gross profit margin, which increased from 12.66% in the first half to 13.2% in the second half. The Company also achieved a net margin before tax of 7.7% in the latter half, compared to 7.6% in the earlier period.

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

Basis for Opinion

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

Key Audit Matter

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

Following is the Key Audit Matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1.	**Revenue recognition** Refer notes 4.18 and note 27 to the financial statements. The Company is engaged in manufacturing and sale of motorcycles and related spare parts. The Company recognized revenue from the sale aggregating to Rs.273,926,855 thousand for the year ended March 31, 2026, as compared to Rs.203,894,438 thousand for the year ended March 31, 2025. We identified recognition of revenue as a key audit matter as it includes a large number of transactions involving a large number of customers spread in various geographical locations. Further, revenue is one of the key performance indicators of the Company.	We performed following audit procedures in respect of this area: Understood the Company's processes and related internal controls for revenue recognition and on a sample basis, tested the operating effectiveness of those controls; Assessed the appropriateness of the Company's revenue accounting policies and their compliance with applicable financial reporting standard; Compared a sample of revenue transactions recorded during the year with sales orders, applicable sale value, sales invoices, receipt vouchers, delivery orders and other relevant underlying documents;

Performed cut-off procedures on near year end sales to ensure revenue has been recorded in the correct period;

Assessed that sales prices are approved by appropriate authority;

Verified, on a test basis, discounts and commission with supporting documentation; and

Considered the adequacy of the related disclosures and assessed these are in accordance with the applicable financial reporting standards and the Companies Act, 2017.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Company's Annual Report for 2026, 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, 2026

UDIN : AR202610104Xejwn2lQ3

STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2026

ASSETS	Note	2026	2025
		---- Rupees in '000 ----	
Non current assets			
Property, plant and equipment	6	13,697,870	12,629,323
Intangible assets	7	20,585	23,959
Long term investments	8	456,204	400,519
Long term loans	9	122,653	119,841
Long term deposits	10	43,726	43,887
		14,341,038	13,217,529
Current assets			
Stores, spares and loose tools	11	1,316,616	993,123
Stock-in-trade	12	11,695,941	8,369,639
Trade debts	13	2,881,796	2,506,086
Loans and advances	14	104,919	102,015
Trade deposits and prepayments	15	397,541	290,415
Accrued mark-up / interest		69,536	1,063,361
Other receivables including sales tax refundable	16	534,966	650,643
Taxation - net		3,488,848	811
Short term investments	17	31,400,849	30,048,664
Bank balances	18	39,282,991	30,099,343
		91,174,003	74,124,100
		105,515,041	87,341,629
EQUITY AND LIABILITIES			
Equity			
Share capital	19	1,240,879	1,240,879
Reserves	20	45,273,227	35,121,659
		46,514,106	36,362,538
Liabilities			
Non current liabilities			
Lease liabilities	21	375,072	355,322
Staff retirement benefits	22	897,523	743,615
Deferred taxation	23	1,381,928	927,367
		2,654,523	2,026,304
Current liabilities			
Trade and other payables	24	56,006,308	48,697,061
Unclaimed dividend		261,913	203,441
Current portion of lease liabilities	21	78,191	52,285
		56,346,412	48,952,787
		59,000,935	50,979,091
Contingencies and commitments	26		
		105,515,041	87,341,629

The annexed notes 1 to 48 form an integral part of these financial statements.

Aamir H. Shirazi	Saquib H. Shirazi	Danyal Ahmed Rasheed
Chairman	Chief Executive Officer	Chief Financial Officer

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2026

	Note	2026	2025
		--- Rupees in '000 ---	
Sales	27	273,926,855	203,894,438
Cost of sales	28	(237,682,305)	(181,714,342)
Gross profit		36,244,550	22,180,096
Sales and marketing expenses	29	(5,181,268)	(4,408,844)
Administrative expenses	30	(1,509,201)	(1,306,075)
Other income	31	6,892,836	9,192,365
Other operating expenses	32	(1,907,415)	(1,245,028)
Share of net profit of an Associate		72,405	54,638
Operating profit		34,611,907	24,467,152
Finance costs	33	(167,142)	(125,485)
Profit before levies and income tax		34,444,765	24,341,667
Minimum tax differential	34.1	(11,150)	(19,281)
Final taxes	34.2	(28,465)	(274,153)
Profit before income tax		34,405,150	24,048,233
Income tax			
Current tax - for the year		(12,506,352)	(8,382,988)
- for the prior year		(292,354)	(387,453)
Deferred tax - for the year		(485,986)	(26,177)
		(13,284,692)	(8,796,618)
Profit for the year		21,120,458	15,251,615
Other comprehensive (loss) / income:			
Items that will not be reclassified to profit or loss			
Re-measurements of staff retirement benefit obligation		(80,577)	60,338
Income tax relating to the re-measurements		31,425	(23,532)
Other comprehensive (loss) / income for the year - net of tax		(49,152)	36,806
Total comprehensive income for the year		21,071,306	15,288,421
		-------- Rupees --------	
Earnings per share - basic and diluted	35	170.21	122.91

The annexed notes 1 to 48 form an integral part of these financial statements.

Aamir H. Shirazi	Saquib H. Shirazi	Danyal Ahmed Rasheed
Chairman	Chief Executive Officer	Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2026

	Share capital	Capital reserves		Revenue reserves		Total
		Share premium	Gain on sale of land	General reserve	Unappropriated profit	
	---------- Rupees in '000 ----------					
Balance as at April 1, 2024	1,240,879	39,953	165	9,492,000	17,994,572	28,767,569
Transactions 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
Transactions with owners in their capacity as owners						
Final dividend for the year ended March 31, 2025 at the rate of Rs.42 per share	-	-	-	-	(5,211,693)	(5,211,693)
Interim dividend for the half year ended September 30, 2025 at the rate of Rs.46 per share	-	-	-	-	(5,708,045)	(5,708,045)
Total comprehensive income for the year ended March 31, 2026						
Profit for the year	-	-	-	-	21,120,458	21,120,458
Other comprehensive loss	-	-	-	-	(49,152)	(49,152)
	-	-	-	-	21,071,306	21,071,306
Balance as at March 31, 2026	1,240,879	39,953	165	9,492,000	35,741,109	46,514,106

The annexed notes 1 to 48 form an integral part of these financial statements.

Aamir H. Shirazi	Saquib H. Shirazi	Danyal Ahmed Rasheed
Chairman	Chief Executive Officer	Chief Financial Officer

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2026

	Note	2026	2025
		--- Rupees in '000 ---	
Cash Flows From Operating Activities			
Cash generated from operations	36	37,685,231	27,115,087
Income taxes paid		(16,326,358)	(10,302,376)
Contribution made to gratuity funds	24.6.9	(538,182)	(78,542)
Compensated absences paid	22.1	(120,356)	(33,008)
Mark-up / interest received		2,044,846	264,786
Workers' profit participation fund paid	24.4	(665,097)	(384,717)
Workers' welfare fund paid	24.5	(464,053)	(267,691)
Long term loans and advances - net		(2,812)	(13,310)
Long term deposits - net		(5)	(2,215)
Net cash generated from operating activities		21,613,214	16,298,014
Cash Flows From Investing Activities			
Payments for property, plant and equipment		(3,102,985)	(1,919,954)
Proceeds from sale of property, plant and equipment	6.4	196,265	104,859
Payments for intangible assets		(13,164)	(28,457)
Payments for investments		(28,725,349)	(31,897,212)
Proceeds from sale of investments		30,203,920	18,081,513
Dividend received		29,990	1,609,279
Net cash used in investing activities		(1,411,323)	(14,049,972)
Cash Flow From Financing Activities			
Lease rentals paid	21	(156,977)	(130,261)
Dividend paid		(10,861,266)	(8,388,044)
Net cash used in financing activities		(11,018,243)	(8,518,305)
Net increase / (decrease) in cash and cash equivalents		9,183,648	(6,270,263)
Cash and cash equivalents at beginning of the year		30,099,343	36,369,606
Cash and cash equivalents at end of the year	18	39,282,991	30,099,343

The annexed notes 1 to 48 form an integral part of these financial statements.

Aamir H. Shirazi	Saquib H. Shirazi	Danyal Ahmed Rasheed
Chairman	Chief Executive Officer	Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

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, 2026 and is also an ultimate parent of the Company.

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
Manufacturing plant	
Karachi	F-36, Estate Avenue, S.I.T.E., Karachi
Sheikhupura	26-27 Km, Lahore-Sheikhupura Road, Sheikhupura
Regional office	Building # 12/2 - A, Block - XX, Phase 3C, DHA, Lahore
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
Rahim Yar Khan	Makhdoom Altaf Road, West Sadiq Canal Bank, Near City School, Rahimyar Khan
Dubai, United Arab Emirates	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:

- IFRS Accounting Standards 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, directives and notifications issued under the Act.

Where provision of, directives and notifications issues under the Act differ from the IFRS, the provision of, directives and notifications 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 4.16]; and

(vi) Estimation of current and deferred tax [note 4.17].

3. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

3.1 Standards, amendments to approved accounting standards effective in current year

The new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on April 1, 2025 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and therefore have not been presented there.

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, 2025 and have not been early adopted by the Company:

(a) IFRS 7 IFRS 9 — Classification and Measurement of Financial Instruments — Effective date: 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).

(b) 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.

(c)	IFRS S1 IFRS S2	**General requirements for disclosure of sustainability-related financial information** **Climate-related disclosures**	**Effective date: 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 up to 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 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 an impairment loss shall not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

4.4 Investments in equity instruments of an Associate

Investment in an Associate is accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the Company's share of profit or loss of the investee after the date of acquisition.

The Company's share of post acquisition profit or loss is recognised in the statement of profit or loss, and its share of post acquisition movements in other comprehensive income is recognised in other comprehensive income with the corresponding adjustment to the carrying amount of the investment. When the Company's share of losses in an Associate equals or exceeds its interest in the Associate, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the Associate.

The Company determines at each reporting date whether there is any objective evidence that the investment in the Associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the Associate and its carrying value and recognises the amount adjacent to share of profit / loss of an Associate in the statement of profit or loss.

4.5 Financial assets

The details of accounting policies after the application of IFRS 9 is as follows.

4.5.1 Classification

The Company has classified its financial assets into following categories: financial assets at amortised cost, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. The financial assets are classified at initial recognition based on the business model used for managing the financial assets and contractual terms of the cash flows.

(a) Financial assets at amortised cost

A financial asset shall be classified as financial asset at amortised cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets at fair value through other comprehensive income

Debt instruments where contractual cash flows are solely payments of principal and interest and the objective of the Company is achieved by both collecting cash flows and selling the financial assets.

Equity investment that are not held for trading and the Company made an irrevocable election at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit or loss.

(c) Financial assets at fair value through profit or loss

All equity instruments are to be classified as financial assets at fair value through profit or loss, except for those equity instruments for which the Company has elected to present value changes in other comprehensive income.

A debt instrument can be classified as a financial asset at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different basis.

4.5.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

After initial recognition, financial assets are measured at fair value or amortised cost.

Gains or losses arising from changes in fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of profit or loss within 'other income / other operating expenses' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of profit or loss as part of 'other income' when the Company's right to receive payments is established.

Gains or losses arising from changes in fair value of the 'financial assets at fair value through other comprehensive income' category are recognised in other comprehensive income with only dividend income recognised in the statement of profit or loss.

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the statement of profit or loss. Impairment losses recognised in the statement of profit or loss on equity instruments are not reversed through the statement of profit or loss. Impairment testing of other receivables is described in note 4.10.

4.6 Financial liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value less directly attributable transactions costs, if any, and subsequently measured at amortised cost using effective interest method.

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

4.7 Off setting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

4.8 Stores, spares and loose tools

Stores, spares and loose tools are stated at lower of cost and net realisable value. The cost of inventory is based on weighted average cost. Items-in-transit are stated at cost accumulated up to 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 up to 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 expatriates, 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.

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 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.

4.15 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.

4.16 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.

4.17 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.

4.18 Revenue from contracts with customers and other income

The Company recognises revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those good and services. The Company recognises revenue in accordance with that core principle by applying the following steps:

Employee's entitlement to annual leave is recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

- 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.

5. SUMMARY OF OTHER ACCOUNTING POLICIES

5.1 Share capital

Ordinary shares are classified as equity and recognised at their face value.

5.2 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.

5.3 Research and development costs

Research and development costs are recognised in the statement of profit or loss as and when incurred.

5.4 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.

5.5 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.

5.6 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	2026	2025
		--- Rupees in '000 ---	
Operating fixed assets	6.1	12,813,731	12,105,062
Capital work-in-progress	6.5	528,838	186,636
Right of use assets	6.6	355,301	337,625
		13,697,870	12,629,323

6.1 Operating fixed assets

	Freehold lands	Leasehold lands	Buildings on freehold land	Buildings on lease-hold land	Plant and machinery	Dies and jigs	Factory equipment	Office equipment	Computers and acces-sories	Furniture and fixtures	Electric and gas fittings	Vehicles	Total
	---------- Rupees in '000 ----------												
At April 1, 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 value	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 value	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
	-	-	-	-	(17,644)	(46,394)	(544)	-	(2,356)	-	(1,198)	(92,534)	(160,670)
Written-off (note 32)													
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
	-	(575)	-	(936)	(66,020)	-	(3,954)	(83)	(243)	-	(1,819)	-	(73,630)
Depreciation charge (note 6.3)	-	(513)	(110,468)	(41,198)	(669,568)	(363,442)	(51,006)	(3,576)	(68,737)	(4,261)	(63,759)	(166,549)	(1,543,077)
Closing net book value	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 value	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
Year ended March 31, 2026													
Opening net book value	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
Additions	-	-	107,144	90,706	835,145	713,685	228,781	16,449	221,388	11,460	53,656	482,369	2,760,783
Disposals (note 6.4)													
Cost	-	-	-	-	(64,570)	(67,634)	(38,737)	-	(11,084)	-	-	(320,575)	(502,600)
Accumulated depreciation	-	-	-	-	51,341	58,143	28,185	-	6,077	-	-	145,766	289,512
	-	-	-	-	(13,229)	(9,491)	(10,552)	-	(5,007)	-	-	(174,809)	(213,088)
Written-off (note 32)													
Cost	-	-	-	-	-	(592,695)	-	-	-	-	-	-	(592,695)
Accumulated depreciation	-	-	-	-	-	403,024	-	-	-	-	-	-	403,024
	-	-	-	-	-	(189,671)	-	-	-	-	-	-	(189,671)
Depreciation charge (note 6.3)	-	(497)	(107,753)	(44,246)	(638,488)	(450,916)	(57,446)	(4,459)	(86,859)	(5,796)	(66,442)	(186,453)	(1,649,355)
Closing net book value	1,408,917	17,403	989,388	486,907	6,297,158	1,144,208	649,121	21,194	321,780	19,032	620,843	837,780	12,813,731
At March 31, 2026													
Cost	1,408,917	33,210	2,334,655	848,965	13,776,097	2,471,233	1,072,790	90,043	661,613	136,212	1,156,876	1,349,932	25,340,543
Accumulated depreciation	-	(15,807)	(1,345,267)	(362,058)	(7,478,939)	(1,327,025)	(423,669)	(68,849)	(339,833)	(117,180)	(536,033)	(512,152)	(12,526,812)
Net book value	1,408,917	17,403	989,388	486,907	6,297,158	1,144,208	649,121	21,194	321,780	19,032	620,843	837,780	12,813,731
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 Sheikhupura with an area of 528,224 square yards and leasehold lands of the Company are located at Karachi with an area of 27,543 square yards.

6.3 Depreciation charge has been allocated as follows:

	Note	2026	2025
		--- Rupees in '000 ---	
Cost of sales	28.1	1,397,170	1,325,726
Sales and marketing expenses	29	99,367	91,300
Administrative expenses	30	152,818	126,051
		1,649,355	1,543,077

6.4 Details of operating fixed assets disposed-off during the year:

Description	Cost	Accumulated depreciation	Net book amount	Sale proceeds	(Loss) / gain	Method of disposal	Sold to:
	---------- Rupees in '000 ----------						
Assets with individual net book amount exceeding Rs.500,000 each							
Plant and machinery							
	20,833	(16,019)	4,814	354	(4,460)	Scrap	ZZ Engineering and Trading, Burj Atari, Al-Rehman Garden, Phase 7, Sheikhupura
	8,595	(7,798)	797	146	(651)		
	8,532	(7,510)	1,022	145	(877)		
	3,700	(2,680)	1,020	165	(855)	Scrap	Universal Engineering Ltd, Plot # 124, Block-A, Shershah, Karachi
	9,547	(8,298)	1,249	43	(1,206)	Scrap	Malik Shaheen Scrap Dealer, Sargodha Road, Sheikhupura
	10,635	(7,110)	3,525	200	(3,325)		
	61,842	(49,415)	12,427	1,053	(11,374)		
Dies and Jigs							
	50,615	(41,125)	9,490	1,438	(8,052)	Scrap	Roshan Traders, Lahore-Sheikhupura Road, Sheikhupura
Factory Equipment							
	10,952	(6,846)	4,106	4,914	808	Scrap	Roshan Traders, Lahore-Sheikhupura Road, Sheikhupura
	7,049	(4,407)	2,642	3,163	521		
	5,258	(3,500)	1,758	2,359	601		
	900	(236)	664	95	(569)	Scrap	Universal Engineering Ltd, Plot # 124, Block-A, Shershah, Karachi
	24,159	(14,989)	9,170	10,531	1,361		
Vehicles							
	4,676	-	4,676	4,676	-	Company Policy	Atlas Engineering (Private) Limited, a related party
	6,583	(2,282)	4,301	4,301	-	Company Policy	Shirazi Trading Company (Private) Limited, a related party
	5,587	(2,190)	3,397	3,397	-	Company Policy	Atlas Engineering (Private) Limited, a related party
	4,084	(1,497)	2,587	2,587	-	Company Policy	Shirazi Investments (Private) Limited, a related party
	3,580	(2,022)	1,558	1,558	-	Company Policy	Atlas Engineering (Private) Limited, a related party
	2,330	(1,126)	1,204	1,204	-	Company Policy	Atlas Engineering (Private) Limited, a related party
							Employees of the Company
	7,680	(1,280)	6,400	6,400	-	Company Policy	Mr. Sajid Saleem (Key Management Personnel)
	7,849	(2,892)	4,957	4,957	-	Company Policy	Mr. Hasan Mushtaq Cheema (Key Management Personnel)
	5,627	(2,605)	3,022	3,022	-	Company Policy	Mr. Danyal Ahmed Rasheed (Key Management Personnel)
	6,112	(3,599)	2,513	2,513	-	Company Policy	Mr. Afaq Ahmad (Key Management Personnel)
	3,938	(2,367)	1,571	1,571	-	Company Policy	Mr. Faisal Mahmud (Key Management Personnel)
	3,882	(2,332)	1,550	1,550	-	Company Policy	Mr. Rashid Ahmed (Key Management Personnel)
	3,938	(2,396)	1,542	1,542	-	Company Policy	Mr. Muhammad Rashad Rashid (Key Management Personnel)
	3,580	(2,074)	1,506	1,506	-	Company Policy	Mr. Muhammad Ammar (Key Management Personnel)
	3,583	(2,127)	1,456	1,456	-	Company Policy	Mr. Saadullah Ejaz (Key Management Personnel)
	8,871	(3,154)	5,717	5,717	-	Company Policy	Mr. Muhammad Zafar Iqbal (Key Management Personnel)

Description	Cost	Accumulated depreciation	Net book amount	Sale proceeds	Loss	Method of disposal	Sold to:
	---------- Rupees in '000 ----------						
Vehicles							**Employees of the Company**
	3,024	(1,308)	1,716	1,716	-	Company Policy	Mr. M. Ahmed Masood Noori
	3,024	(1,339)	1,685	1,685	-	Company Policy	Mr. Muhammad Daniyal Alam
	2,612	(1,048)	1,564	1,564	-	Company Policy	Mr. Anique Sajjad
	2,324	(882)	1,442	1,442	-	Company Policy	Mr. Osman Hassan Butt
	3,632	(2,209)	1,423	1,423	-	Company Policy	Mr. Anwar Ahmed Malik
	2,940	(1,585)	1,355	1,355	-	Company Policy	Mr. Najeebullah Soomro
	3,580	(2,230)	1,350	1,350	-	Company Policy	Mr. Majid Shami
	2,330	(1,102)	1,228	1,228	-	Company Policy	Mr. Fattah Haider
	2,330	(1,147)	1,183	1,183	-	Company Policy	Mr. Zulfiqar Ali
	2,330	(1,149)	1,181	1,181	-	Company Policy	Mr. Bilal Ahmad Salar
	3,370	(2,213)	1,157	1,157	-	Company Policy	Mr. Faheem Haider
	3,370	(2,213)	1,157	1,157	-	Company Policy	Mr. Muhammad Yawar Farooq
	1,598	(490)	1,108	1,108	-	Company Policy	Mr. Ali Mohsin
	1,733	(784)	949	949	-	Company Policy	Mr. Zulfiqar Ali Khan
	1,733	(818)	915	915	-	Company Policy	Mr. Rana Sohaib Aslam
	2,592	(1,748)	844	844	-	Company Policy	Mr. Asif Hussain
	1,730	(1,001)	729	729	-	Company Policy	Mr. Muhammad Irfan Qureshi
	1,730	(1,013)	717	717	-	Company Policy	Mr. Shakeel Ahmed
	1,730	(1,039)	691	691	-	Company Policy	Mr. Nazim Ahmed
	1,780	(1,122)	658	658	-	Company Policy	Mr. Syed Sheraz Iqbal
	1,730	(1,077)	653	653	-	Company Policy	Mr. Ghulam Jilani
	1,780	(1,157)	623	623	-	Company Policy	Mr. Manoj Kumar Sharma
	1,780	(1,157)	623	623	-	Company Policy	Mr. Kashif Saeed
	1,780	(1,157)	623	623	-	Company Policy	Mr. Nawab Khan
	1,780	(1,157)	623	623	-	Company Policy	Mr. Nadeem Bashir
	1,120	(529)	591	591	-	Company Policy	Mr. Umar Javed
	1,780	(1,190)	590	590	-	Company Policy	Mr. Miqdad Hussain
	1,395	(807)	588	588	-	Company Policy	Mr. Fida Mohammad
	1,395	(817)	578	578	-	Company Policy	Mr. Naeem Ahmed
	1,395	(817)	578	578	-	Company Policy	Mr. Abdul Shakeel Khan
	1,395	(828)	567	567	-	Company Policy	Mr. Asif Imran
	1,395	(828)	567	567	-	Company Policy	Mr. Abdul Waheed
	1,395	(838)	557	557	-	Company Policy	Mr. Syed Munawar Ali
	1,395	(838)	557	557	-	Company Policy	Mr. Muhammad Altaf Hussain
	1,395	(838)	557	557	-	Company Policy	Mr. Syed Faraz Hussain
	1,395	(838)	557	557	-	Company Policy	Mr. Ikram Khan
	1,395	(838)	557	557	-	Company Policy	Mr. Muhammad Zuhaib Hanif
	1,335	(783)	552	552	-	Company Policy	Mr. Dawood Zubair
	1,335	(794)	541	541	-	Company Policy	Mr. Muhammad Nisar
	1,395	(858)	537	537	-	Company Policy	Mr. Tanweer Anwar
	1,395	(859)	536	536	-	Company Policy	Mr. Abid Zahoor
	1,395	(859)	536	536	-	Company Policy	Mr. Nasir Afridi
	1,395	(859)	536	536	-	Company Policy	Mr. Muhammad Waris Rehman
	1,395	(869)	526	526	-	Company Policy	Mr. Muhammad Farooq
	3,228	(613)	2,615	2,615	-	Company Policy	Ms. Samina Naz
	3,580	(2,178)	1,402	1,402	-	Company Policy	Mr. Majid Saleem
	3,580	(2,178)	1,402	1,402	-	Company Policy	Mr. Muhammad Asim
	3,580	(2,178)	1,402	1,402	-	Company Policy	Mr. Ahsan Younas
	2,330	(1,126)	1,204	1,204	-	Company Policy	Mr. Muhammad Zunair Nawaz
	2,330	(1,126)	1,204	1,204	-	Company Policy	Mr. Abdul Waheed
	2,330	(1,126)	1,204	1,204	-	Company Policy	Mr. Muhammad Kashif
	1,733	(784)	949	949	-	Company Policy	Mr. Farhad Ali Taimoor
	2,552	(1,767)	785	785	-	Company Policy	Mr. Azhar Muneer
	1,780	(1,134)	646	646	-	Company Policy	Mr. Tariq Javed Shaheen
	1,395	(818)	577	577	-	Company Policy	Mr. Muhammad Fahad Anwar

Description	Cost	Accumulated depreciation	Net book amount	Sale proceeds	Loss	Method of disposal	Sold to:
	---------- Rupees in '000 ----------						
Vehicles							**Ex-Employees of the Company**
	7,006	-	7,006	5,605	(1,401)	Company Policy	Mr. Tahir Naseem
	5,485	(823)	4,662	4,662	-	Company Policy	Mr. Talha Ahsun Siddiqui
	6,279	(1,831)	4,448	4,448	-	Company Policy	Mr. Mohammad Faheem
	5,186	-	5,186	4,149	(1,037)	Company Policy	Mr. M. Sarwar Naseem
	7,832	(2,861)	4,971	3,976	(995)	Company Policy	Mr. Muhammad Saeed Anwar
	4,896	(1,558)	3,338	3,338	-	Company Policy	Mr. Muhammad Irfan
	4,671	(1,365)	3,306	3,306	-	Company Policy	Mr. Syed Sikandar Raza
	4,916	(1,905)	3,011	3,011	-	Company Policy	Mr. Fahad Mazhar Ali
	4,084	(1,361)	2,723	2,723	-	Company Policy	Mr. Hafiz Waleed Raza
	2,385	(40)	2,345	2,345	-	Company Policy	Mr. M. Mujeded Alvi
	2,707	(791)	1,916	1,916	-	Company Policy	Mr. Shaikh Mohammad Tahir
	2,612	(900)	1,712	1,712	-	Company Policy	Mr. Muhammad Murtaza Khan
	4,218	(2,118)	2,100	1,680	(420)	Company Policy	Mr. Abdul Wahid
	3,632	(2,341)	1,291	1,291	-	Company Policy	Mr. Rahimullah Shah
	1,745	(535)	1,210	1,210	-	Company Policy	Mr. Javed Iqbal Toor
	3,580	(2,126)	1,454	1,163	(291)	Company Policy	Mr. Syed Aftab Ghous Gillani
	1,733	(801)	932	746	(186)	Company Policy	Mr. Tarique Mehmood
	2,552	(1,706)	846	676	(170)	Company Policy	Mr. Shahid Subhan
	780	(117)	663	663	-	Company Policy	Mr. Ali Ameen
							Ex-Employees of the Company
	1,780	(1,211)	569	569	-	Company Policy	Mr. Rafi Raza
	1,395	(828)	567	567	-	Company Policy	Ms. Farah Nadeem
	1,395	(828)	567	567	-	Company Policy	Mr. Muhammad Irfan Younas
	1,395	(828)	567	567	-	Company Policy	Mr. Faisal Javed
	597	(40)	557	557	-	Company Policy	Mr. Syed Ali Abbas Jafri
	679	(139)	540	540	-	Company Policy	Mr. Muhammad Tariq
	1,395	(859)	536	536	-	Company Policy	Mr. Muhammad Salman Sharif
	1,745	(1,230)	515	412	(103)	Company Policy	Mr. Kaleemullah Shaikh
	281,835	(126,145)	155,690	151,087	(4,603)		
	418,451	(231,674)	186,777	164,109	(22,668)		
Various assets having net book amount upto Rs. 500,000 each	84,149	(57,838)	26,311	32,156	5,845		
Year Ended: March 31, 2026	502,600	(289,512)	213,088	196,265	(16,823)		
Year Ended: March 31, 2025	669,711	(509,041)	160,670	104,859	(55,811)		

6.5 Capital work-in-progress

	Note	2026	2025
		--- Rupees in '000 ---	
Building on freehold / leasehold land	6.5.2	342,395	101,242
Plant and machinery		94,611	-
Dies and jigs		46,683	-
Factory equipment		14,094	6,400
Computers and accessories		11,298	921
Furniture and fixtures		4,885	45,197
Electric and gas fittings		-	19,000
Vehicles		14,872	13,876
		528,838	186,636

6.5.1 Movement in capital work-in-progress

Balance at beginning of the year		186,636	86,621
Additions during the year		3,102,985	1,919,954
Transferred to operating fixed assets	6.1	(2,760,783)	(1,819,939)
Balance at end of the year		528,838	186,636

6.5.2 This includes an amount of Rs.53,006 thousand (2025: Nil) pertaining to ACL Capital (Private) Limited, a related party.

6.6 Right of use assets	Note	2026	2025
		--- Rupees in '000 ---	
Balance at beginning of the year		337,625	296,597
Additions during the year		122,876	122,583
Less: depreciation charged during the year	6.6.1	105,200	81,555
Net book value at end of the year		355,301	337,625

6.6.1 Depreciation charge relating to right of use assets has been allocated as follows:			
Sales and marketing expenses	29	96,814	73,169
Administrative expenses	30	8,386	8,386
		105,200	81,555

7. INTANGIBLE ASSETS	Software licenses	SAP implementation and support cost	License fee	Total
	---------- Rupees in '000 ----------			
At April 1, 2024				
Cost	118,296	38,041	196,386	352,723
Accumulated amortisation	(110,470)	(38,041)	(196,386)	(344,897)
Net book value	7,826	-	-	7,826
Year ended March 31, 2025				
Opening net book value	7,826	-	-	7,826
Additions	10,845	17,612	-	28,457
Amortisation charge (note 28.1)	(11,176)	(1,148)	-	(12,324)
Closing net book value	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 value	7,495	16,464	-	23,959
Year ended March 31, 2026				
Opening net book value	7,495	16,464	-	23,959
Additions	13,164	-	-	13,164
Amortisation charge (note 28.1)	(11,038)	(5,500)	-	(16,538)
Closing net book value	9,621	10,964	-	20,585
At March 31, 2026				
Cost	142,305	55,653	196,386	394,344
Accumulated amortisation	(132,684)	(44,689)	(196,386)	(373,759)
Net book value	9,621	10,964	-	20,585
Annual rate of amortisation (%)	50	33.33	20	

8. LONG TERM INVESTMENTS	2026	2025
	--- Rupees in '000 ---	
Associate - equity accounted investment - Atlas Hitec (Private) Limited		
Balance at beginning of the year	400,519	350,593
Share of profit for the year - net of tax	72,405	54,638
Dividend received during the year	(16,720)	(4,712)
Balance at end of the year	456,204	400,519

8.1 Investment in Atlas Hitec (Private) Limited (AHPL) represents 19,000,000 fully paid ordinary shares of Rs.10 each representing 29.23% (2025: 29.23%) of its issued, subscribed and paid-up capital as at March 31, 2026. 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.

8.2 The summary of financial information / reconciliation of AHPL as of March 31, 2026 is as follows:

	2026	2025
Summarised Statement of Financial Position	**--- Rupees in '000 ---**	
Non current assets	665,850	572,000
Current assets	1,845,450	1,589,701
	2,511,300	2,161,701
Non current liabilities	83,700	5,000
Current liabilities	882,200	801,800
	965,900	806,800
Net assets	1,545,400	1,354,901
Reconciliation of carrying amount		
Opening net assets	1,354,901	1,184,102
Profit for the year	253,990	177,700
Other adjustments	(6,291)	9,199
Dividend paid during the year	(57,200)	(16,100)
Closing net assets	1,545,400	1,354,901
Company's share %	29.23%	29.23%
Company's share	451,733	396,048
Goodwill	4,471	4,471
Carrying amount of investment	456,204	400,519
Summarised Statement of profit or loss		
Revenue	6,193,000	4,689,500
Profit before tax	400,500	260,600
Profit after tax	253,990	177,700

8.3 The financial information of AHPL is based on un-audited financial statements for the year ended March 31, 2026.

9. LONG TERM LOANS AND ADVANCES

	Note	**2026**	2025
		--- Rupees in '000 ---	
Considered good			
Loans and advances to:			
Related parties - Key Management Personnel		6,852	2,640
Other employees		220,495	218,800
	9.1	227,347	221,440
Less: amounts due within twelve months and grouped under current assets:			
Related parties - Key Management Personnel		4,821	2,362
Other employees		99,873	99,237
	14	104,694	101,599
		122,653	119,841

9.1 These represent interest free loans and advances provided to employees as per the terms of employment. Loans aggregating Rs.184,477 thousand (2025: Rs.173,966 thousand) are provided for purchase of motorcycles and are repayable in forty eight equal monthly installments for management staff and forty to sixty equal monthly installments 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 installments.

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, 2026 was Rs.7,794 thousand (2025: Rs.6,391 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 (2025: Rs.28,000) to Atlas Energy Limited, a related party.

11. STORES, SPARES AND LOOSE TOOLS

	Note	2026	2025
		--- Rupees in '000 ---	
Consumable stores			
- in hand		248,079	227,236
- held with vendors		15,342	7,912
Maintenance spares		752,518	583,502
Loose tools		481,165	349,484
		1,497,104	1,168,134
Provision for slow moving inventories	12.1	(180,488)	(175,011)
		1,316,616	993,123

12. STOCK-IN-TRADE

Raw materials and components			
- in hand		6,607,696	5,317,868
- held with vendors		350,404	305,629
		6,958,100	5,623,497
Finished goods			
- motorcycles		86,011	100,422
- spare parts		2,699,212	2,241,672
		2,785,223	2,342,094
Items in transit		2,070,448	502,512
		11,813,771	8,468,103
Provision for slow moving inventories	12.1	(117,830)	(98,464)
		11,695,941	8,369,639

12.1 Movement of provision for slow moving inventories

	Stores, spares and loose tools		Stock-in-trade	
	2026	2025	2026	2025
	---------- Rupees in '000 ----------			
Balance at beginning of the year	175,011	149,417	98,464	100,864
Provision made during the year	31,904	50,641	68,750	265
Provision reversed due to disposal during the year	(26,427)	(25,047)	(49,384)	(2,665)
Balance at end of the year	180,488	175,011	117,830	98,464

12.2 Stock-in-trade and trade debts upto a maximum amount of Rs.13,990,000 thousand (2025: Rs.16,305,334 thousand) are under hypothecation of commercial banks as security for short term finance facilities (note 25).

13. TRADE DEBTS

	Note	2026	2025
		--- Rupees in '000 ---	
Considered good			
Export - secured	13.1	31,567	4,819
Local - unsecured		2,850,229	2,501,267
		2,881,796	2,506,086
Considered doubtful		7,333	5,225
		2,889,129	2,511,311
Less: expected credit loss allowance		7,333	5,225
		2,881,796	2,506,086

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.1,504,499 thousand (2025: Rs.1,129,540 thousand).

13.3 At March 31, 2026, trade debts aggregating to Rs.55,325 thousand (2025: Rs.208,629 thousand) were past due but not impaired. These relate to various customers for which there is no recent history of default. The ageing analysis of these trade debts is as follows:

	Note	2026	2025
		--- Rupees in '000 ---	
Past due within 30 days		43,820	208,153
Past due beyond 30 days		11,505	476
		55,325	208,629

14. LOANS AND ADVANCES

	Note	2026	2025
		--- Rupees in '000 ---	
Considered good			
Current portion of long term loans and advances to key management personnel and other employees	9	104,694	101,599
Loans to employees	14.1	225	416
		104,919	102,015

14.1 These represent interest free welfare and festival loans provided to employees in accordance with Company's policy and have maturities upto ten months.

14.2 The carrying values of loans and advances are neither past due nor impaired. The credit quality of these financial assets can be assessed with reference to negligible defaults in recent history.

15. TRADE DEPOSITS AND PREPAYMENTS

	Note	2026	2025
		--- Rupees in '000 ---	
Trade deposits - unsecured and considered good		26,782	38,727
Prepayments	15.1	255,471	224,003
Margin against letters of credit		115,288	27,685
		397,541	290,415

15.1 Includes prepayments of Rs.150,552 thousand (2025: Rs.115,948 thousand), Rs.7,859 thousand (2025: Rs.21,659 thousand) and Rs.324 thousand (2025: Rs.295 thousand) to Atlas Insurance Limited, Shirazi Investments (Private) Limited and Atlas Foundation, related parties respectively.

16. OTHER RECEIVABLES INCLUDING SALES TAX REFUNDABLE

	2026	2025
	--- Rupees in '000 ---	
Sales tax refundable - net	531,457	646,321
Others	3,509	4,322
	534,966	650,643

17. SHORT TERM INVESTMENTS

2026	2025			2026	2025
--- Number of units ---		Related parties	Note	--- Rupees in '000 ---	
At fair value through profit or loss					
27,831,282	16,168,484	Atlas Money Market Fund		15,378,314	9,246,368
364,780	356,731	Atlas Islamic Stock Fund		507,512	453,128
8,572,134	7,660,530	Atlas Income Fund		4,869,912	4,557,065
15,883,264	14,068,405	Atlas Liquid Fund		8,580,085	7,872,523
				29,335,823	22,129,084
		Others			
4,804,829	4,298,952	Lakson Money Market Fund		530,737	494,760
3,249,520	2,850,364	Lakson Income Fund		356,133	329,885
10,844,806	9,712,447	UBL Money Market Fund		1,178,156	1,094,945
				31,400,849	24,048,674
		At amortised cost - treasury bills		-	5,999,990
				31,400,849	30,048,664

18. BANK BALANCES

Cash at banks in:			
- current accounts	18.1	1,291,209	801,316
- saving deposit accounts	18.2	1,157,898	2,172,994
- term deposit receipts	18.3	195,654	70,382
- treasury bills and Pakistan investment bonds	18.4	36,638,230	27,054,651
		39,282,991	30,099,343

18.1 Includes foreign currency accounts amounting to US$ 4,141 thousand (2025: US$ 3,662 thousand) and AED 37 thousand (2025: AED 16 thousand).

18.2 Saving deposit accounts carry mark-up upto 9.00% (2025: 10.50%) per annum.

18.3 Represents term deposit receipts valuing AED 2,570 thousand (2025: AED 915 thousand) have maturity upto 91 days (2025: 91 days) from date of acquisition and carry mark-up rates ranging from 3.33% to 3.49% (2025: 4.15%) per annum.

18.4 These have maturity of 1 to 30 days (2025: 6 to 364 days) from respective date of acquisition and carry mark-up at the rates ranging from 10.70% to 11.65% (2025: 12.10% to 20.60%) per annum.

19. SHARE CAPITAL

19.1 Authorised capital

2026	2025		2026	2025
--- Number of shares ---			--- Rupees in '000 ---	
150,000,000	150,000,000	Ordinary shares of Rs.10 each	1,500,000	1,500,000

19.2 Issued, subscribed and paid-up capital

2026	2025			
--- Number of shares ---				
6,352,748	6,352,748	Ordinary shares of Rs.10 each fully paid in cash	63,528	63,528
117,475,887	117,475,887	Ordinary shares of Rs.10 each issued as fully paid bonus shares	1,174,758	1,174,758
259,300	259,300	Ordinary shares of Rs.10 each issued as fully paid for consideration other than cash	2,593	2,593
124,087,935	124,087,935		1,240,879	1,240,879

19.3 Ordinary shares of the Company held by the holding company / associated companies as at March 31,	2026	2025
	-- Number of shares --	
Shirazi Investments (Private) Limited	65,064,831	65,064,831
Honda Motor Company Limited, Japan	43,430,778	43,430,778
Atlas Insurance Limited	3,518,073	3,518,073
Atlas Foundation	1	1
	112,013,683	112,013,683

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

	2026	2025
	--- 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	35,741,109	25,589,541
	45,233,109	35,081,541
	45,273,227	35,121,659

21. LEASE LIABILITIES

Balance at beginning of the year	407,607	347,293
Recognised during the year	122,876	122,583
Interest accrued	79,757	67,992
Repaid / adjusted during the year	(156,977)	(130,261)
	453,263	407,607
Current portion grouped under current liabilities	(78,191)	(52,285)
Balance at end of the year	375,072	355,322

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.52,735 thousand (2025: Rs.27,078 thousand) due to Atlas Foundation and Rs.259,772 thousand (2025: Rs.242,959) 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 two to five years	Over five years	Total 2026	Upto one year	From two to five years	Over five years	Total 2025
	---------- Rupees in '000 ----------							
Minimum lease payments	150,004	503,784	95,118	748,906	122,169	457,239	181,590	760,998
Finance cost allocated to future periods	(71,813)	(218,621)	(5,209)	(295,643)	(69,884)	(255,433)	(28,074)	(353,391)
Present value of minimum lease payments	78,191	285,163	89,909	453,263	52,285	201,806	153,516	407,607

22. STAFF RETIREMENT BENEFITS

	Note	2026	2025
		--- Rupees in '000 ---	
Compensated absences	22.1	783,302	702,096
Provision for gratuity	24.6	114,221	41,519
		897,523	743,615

22.1 Compensated absences

Balance at beginning of the year		702,096	556,125
Provision for the year		201,562	178,979
		903,658	735,104
Encashed during the year		(120,356)	(33,008)
Balance at end of the year	22.1.1	783,302	702,096

22.1.1 Includes liability in respect of key management personnel aggregating to Rs.80,443 thousand (2025: Rs.68,367 thousand).

23. DEFERRED TAXATION - Net

	2026	2025
	--- Rupees in '000 ---	
The liability for deferred taxation comprises temporary differences relating to:		
Accelerated tax depreciation and investments	2,201,419	1,805,296
Provision for slow moving inventories & doubtful debts	(119,203)	(108,693)
Compensated absences	(305,487)	(273,818)
Warranty obligations and infrastructure cess	(244,258)	(242,042)
Staff retirement benefit - gratuity	(112,338)	(226,083)
Lease liabilities - net	(38,205)	(27,293)
	1,381,928	927,367

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	Total
	---------- Rupees in 000 ----------						
At April 1, 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	1,805,296	(108,693)	(273,818)	(242,042)	(226,083)	(27,293)	927,367
Charged / (credited) to:							
Statement of profit or loss	396,123	(10,510)	(31,669)	(2,216)	145,170	(10,912)	485,986
Other comprehensive income	-	-	-	-	(31,425)	-	(31,425)
	396,123	(10,510)	(31,669)	(2,216)	113,745	(10,912)	454,561
At March 31, 2026	2,201,419	(119,203)	(305,487)	(244,258)	(112,338)	(38,205)	1,381,928

24. TRADE AND OTHER PAYABLES

	Note	2026	2025
		--- Rupees in '000 ---	
Creditors		15,150,167	12,222,950
Accrued liabilities	24.1	4,692,208	4,830,148
Royalty payable	24.2	3,438,332	5,126,099
Warranty obligations		104,697	115,314
Contract liabilities - advances from customers	24.3	27,566,883	22,231,592
Workers' profit participation fund	24.4	979,533	665,097
Workers' welfare fund	24.5	687,670	450,820
Payable to staff retirement benefit funds - gratuity	24.6	173,827	538,182
Provision for custom duty		917,735	917,735
Provision for Sindh government infrastructure fee	24.7	2,150,245	1,483,630
Retention money		2,095	2,095
Others	24.8	142,916	113,399
		56,006,308	48,697,061

24.1 Includes Rs.15,531 thousand (2025: Rs.16,422 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.6,093 thousand (2025: Rs.4,321 thousand) due to related parties. Revenue aggregating Rs.22,231,592 thousand has been recognised for preceding year contract liabilities - advance from customers.

24.4 Workers' profit participation fund (the Fund)

	Note	2026	2025
		--- Rupees in '000 ---	
Balance at beginning of the year		665,097	492,062
Allocation for the year		976,348	666,752
Adjustment for prior year		-	(109,000)
	32	976,348	557,752
Interest on funds utilised in the Company's business	33	3,185	-
		1,644,630	1,049,814
Paid to trustees of the Fund		(665,097)	(384,717)
Balance at end of the year		979,533	665,097

24.5 Workers' welfare fund

Balance at beginning of the year		450,820	267,495
Charge for the year		687,670	450,820
Adjustment for prior year		13,233	196
	32	700,903	451,016
		1,151,723	718,511
Payment made during the year		(464,053)	(267,691)
Balance at end of the year		687,670	450,820

24.5.1 The Additional Commissioner Inland Revenue (ACIR), Zone-III, Range-B, Large Taxpayers' Office, Karachi has passed amended assessment orders for tax years 2023, 2024 and 2025 under section 122(5A) of the Income Tax Ordinance, 2001. These amendments include levy of Workers Welfare Fund (WWF) under the federal law amounting to Rs.130,121 thousand, Rs.263,231 thousand and Rs.457,387 thousand, respectively, by disregarding amounts already paid to the provincial authorities.

The Company is of the view that, having discharged its WWF obligations under the applicable provincial statutes, it is not liable to make any further payment under the federal statute as this would amount to discharging the same statutory obligation twice. The Company has filed appeals against these amended assessment orders before the Commissioner Inland Revenue (Appeals) for tax years 2023 and 2025 and before the Appellate Tribunal Inland Revenue for tax year 2024; these appeals are pending adjudication.

Based on the advice of its legal and tax consultants, management believes that the Company has a fair chance of success in these appeals. Accordingly, no provision has been recognised in these financial statements in respect of the above matter.

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, 2026 were carried out using the 'Projected Unit Credit Method'. Details of the Funds as per the actuarial valuations are as follows:

24.6.4 Reconciliation

	Management		Non-management		Total	
	2026	2025	**2026**	2025	**2026**	2025
	Rupees in '000					
Present value of defined benefit obligation at March 31 - note 24.6.5	1,565,207	1,356,837	44,461	48,407	1,609,668	1,405,244
Fair value of plan assets at March 31 - note 24.6.6	(1,084,913)	(639,261)	(132,647)	(128,398)	(1,217,560)	(767,659)
Receivable from related parties in respect of transferees	(104,060)	(57,884)	-	-	(104,060)	(57,884)
	376,234	659,692	(88,186)	(79,991)	288,048	579,701
Less: payable within next twelve months	173,827	538,182	-	-	173,827	538,182
	202,407	121,510	(88,186)	(79,991)	114,221	41,519

24.6.5 Movement in the present value of defined benefit obligation

Balance at beginning of the year	1,356,837	702,728	48,407	57,291	1,405,244	760,019
Benefits paid	(161,945)	(53,218)	(12,289)	(12,859)	(174,234)	(66,077)
Current service cost	92,570	77,639	1,552	1,777	94,122	79,416
Past service cost	-	371,378	-	-	-	371,378
Interest expense	166,572	161,952	5,342	7,629	171,914	169,581
Re-measurement on obligation	75,917	42,446	1,449	(5,431)	77,366	37,015
Payable to related parties in respect of transferees	35,256	53,912	-	-	35,256	53,912
Balance at end of the year	1,565,207	1,356,837	44,461	48,407	1,609,668	1,405,244

24.6.6 Movement in the fair value of plan assets

Balance at beginning of the year	639,261	461,310	128,398	109,878	767,659	571,188
Contributions	538,182	78,542	-	-	538,182	78,542
Benefits paid	(161,945)	(53,218)	(12,289)	(12,859)	(174,234)	(66,077)
Interest income	85,315	72,787	14,769	14,984	100,084	87,771
Re-measurement	(4,980)	80,958	1,769	16,395	(3,211)	97,353
Amount in respect of inter group transfer	(10,920)	(1,118)	-	-	(10,920)	(1,118)
Balance at end of the year	1,084,913	639,261	132,647	128,398	1,217,560	767,659

	Management		Non-management		Total	
	2026	2025	**2026**	2025	**2026**	2025
	---------- Rupees in '000 ----------					
24.6.7 Expense / (income) recognised in the statement of profit or loss						
Current service costs	92,570	77,639	1,552	1,777	94,122	79,416
Past service cost	-	371,378	-	-	-	371,378
Net interest expense / (income)	81,257	89,165	(9,427)	(7,355)	71,830	81,810
	173,827	538,182	(7,875)	(5,578)	165,952	532,604
24.6.8 Re-measurement recognised in other comprehensive income						
Gain from change in financial assumptions	-	(17,882)	590	(702)	590	(18,584)
Experience loss / (gain)	75,917	60,328	860	(4,729)	76,777	55,599
Loss / (gain) on re-measurement of plan assets	4,980	(80,958)	(1,770)	(16,395)	3,210	(97,353)
Net re-measurements	80,897	(38,512)	(320)	(21,826)	80,577	(60,338)
24.6.9 Net recognised liability						
Net liability / (asset) at beginning of the year	659,692	238,564	(79,991)	(52,587)	579,701	185,977
Charge / (income) for the year	173,827	538,182	(7,875)	(5,578)	165,952	532,604
Contributions made during the year	(538,182)	(78,542)	-	-	(538,182)	(78,542)
Re-measurement recognised in other comprehensive income	80,897	(38,512)	(320)	(21,826)	80,577	(60,338)
Recognised liability / (asset) as at March 31	376,234	659,692	(88,186)	(79,991)	288,048	579,701
Less: payable within next twelve months	173,827	538,182	-	-	173,827	538,182
	202,407	121,510	(88,186)	(79,991)	114,221	41,519
24.6.10 Actual return on plan assets	80,335	153,745	16,538	31,379	96,873	185,124
24.6.11 Plan assets comprise of:						
Fixed income instruments	29,844	29,023	-	-	29,844	29,023
Mutual fund securities	1,054,700	610,125	108,451	94,800	1,163,151	704,925
Others	369	113	24,196	33,598	24,565	33,711
	1,084,913	639,261	132,647	128,398	1,217,560	767,659

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	
		2026	2025	**2026**	2025
		-- % per annum --		-- % per annum --	
Discount rate at March 31		12.75	12.50	12.50	12.50
Expected rate of increase in future salaries	- first year	13.00	11.50	11.50	11.50
	- long term	11.75	11.50	11.50	11.50
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%	(140,341)	163,621
Future salary increase	1.00%	155,743	(136,082)
Withdrawal rates : moderate		12,013	
Withdrawal rates : heavy		20,283	

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. 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 Expected charge and income to management and non-management gratuity plans for the year ending March 31, 2027 are Rs.161,842 thousand and Rs.8,850 thousand respectively.

24.6.15 The weighted average duration of defined benefit obligation for management and non-management plans is 8.86 years and 3.84 years respectively. The expected maturity analysis of undiscounted retirement benefits is as follows:

March 31, 2026	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 - 10 years	Total
	---------- Rupees in '000 ----------				
Management staff	84,651	235,272	446,141	913,410	1,679,474
Non-management staff	13,924	8,164	21,791	21,092	64,971
Total	98,575	243,436	467,932	934,502	1,744,445

24.6.16 Historical information

	2026	2025	2024	2023	2022
	---------- Rupees in '000 ----------				
Present value of defined benefit obligation	1,609,668	1,405,244	760,019	637,517	587,800
Fair value of plan assets	1,217,560	767,659	571,188	436,631	411,683
Deficit provided in financial statements	392,108	637,585	188,831	200,886	176,117

24.6.17 Payable to staff retirement benefit funds - gratuity includes liability in respect of key management personnel aggregating to Rs.238,955 thousand (2025: Rs.198,853 thousand).

24.7 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. Pursuant to the 27th Constitutional Amendment, the matter now stands transferred to and is presently pending before the Federal Constitutional Court of Pakistan.

As at March 31, 2026, the Company has provided bank guarantees amounting Rs.2,162,660 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.

24.8 Other liabilities include vehicle deposits under Company's vehicle policy aggregating Rs.76,606 thousand (2025: Rs.61,595 thousand).

25. SHORT TERM BORROWINGS - Secured

Short term finance facilities available from various commercial and Islamic banks under mark-up arrangements aggregate to Rs.10,490,000 thousand (2025: 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.13,990,000 thousand (2025: Rs.16,305,334 thousand). The rates of mark-up of these facilities during the year ranged from 10.68% to 13.66% (2025: 12.19% to 23.62%) per annum. These facilities are expiring on various dates by March 31, 2027.

Ijarah facilities aggregating Rs.3,083,040 thousand.(2025: Rs.2,566,421 thousand) {including Rs.885,214 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 0.15% to 0.65% per annum.

The facilities for opening letters of credit as at March 31, 2026 aggregated to Rs.15,750,000 thousand (2025: Rs.15,150,000 thousand) of which the amount remained unutilised at year end was Rs.6,541,612 thousand (2025: Rs.8,839,752 thousand).

26. CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

26.1.1 Various cases have been filed against the Company by some former employees for reinstatement of service and are pending in different courts of Pakistan. The management is confident that outcome of these cases will be in favour of the Company and hence no provision is made in these financial statements.

26.2 Outstanding bank guarantees

26.2.1 Guarantees aggregating to Rs.5,075,416 thousand (2025: Rs.3,859,614 thousand) have been issued by commercial banks to government and semi government institutions for import of raw materials and supply of goods.

26.3 Commitments

26.3.1 Commitments outstanding for letters of credit relating to capital expenditure, raw materials and components as at March 31, 2026 aggregated to Rs.9,208,388 thousand (2025 : Rs.6,310,248 thousand).

26.3.2 Commitments outstanding for capital expenditure other than through letters of credit as at March 31, 2026 aggregated to Rs.408,609 thousand (2025: Rs.88,960 thousand).

26.3.3 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:

	2026	2025
	--- Rupees in '000 ---	
Not later than one year	464,602	490,099
Later than one year and not later than five years	1,672,448	1,377,675
More than five years	995	151,463
	2,138,045	2,019,237

27. SALES - Net

Gross sales		
- local	326,626,674	236,242,307
- export	3,890,913	6,931,026
	330,517,587	243,173,333
Less:		
- trade discount and commission	1,858,832	1,080,521
- duties and taxes	54,731,900	38,198,374
	56,590,732	39,278,895
	273,926,855	203,894,438

28. COST OF SALES

	Note	2026	2025
		--- Rupees in '000 ---	
Opening stock of finished goods		2,342,094	2,993,078
Cost of goods manufactured	28.1	216,910,573	164,897,045
Purchases during the year		21,214,861	16,166,313
		238,125,434	181,063,358
Closing stock of finished goods		(2,785,223)	(2,342,094)
		237,682,305	181,714,342

28.1 Cost of goods manufactured

Raw materials and components consumed	28.2	183,891,894	139,160,571
Staff salaries, wages and other benefits including direct labour	28.3	10,184,584	7,901,436
Technical directors' remuneration		4,784	5,941
Stores consumed		1,940,198	1,578,067
Fuel and power		3,009,607	2,648,443
Insurance		293,463	256,630
Rent, rates and taxes including Ijarah rentals	28.4	527,652	602,646
Repair and maintenance		1,687,338	1,164,588
Royalty including provincial taxes	28.5	12,691,896	9,188,752
Technical assistance fee		90,141	68,915
Travelling, conveyance and entertainment		158,481	169,792
Postage and telephone		12,584	15,191
Printing and stationery		79,270	62,903
Vehicle running expenses		170,851	134,557
Depreciation on operating fixed assets	6.3	1,397,170	1,325,726
Canteen		471,364	362,243
Newspapers, magazines and subscriptions		7,565	4,614
Amortisation	7	16,538	12,324
Provision for slow moving inventories - net	12.1	24,843	23,194
Marking fee		248,460	184,159
Staff training		1,640	26,330
Other manufacturing expenses		250	23
		216,910,573	164,897,045

28.2 Raw materials and components consumed

Opening stock	5,623,497	5,067,798
Purchases during the year	185,226,497	139,716,270
	190,849,994	144,784,068
Closing stock	(6,958,100)	(5,623,497)
	183,891,894	139,160,571

28.3 Include Rs.364,334 thousand (2025: Rs.723,056 thousand) in respect of staff retirement benefits.

28.4 Include expense related to short term leases aggregating to Rs.31,323 thousand (2025: Rs.24,806 thousand).

28.5 Royalty charged in these financial statement pertains to Honda Motor Company Limited having registered office at 1-1, Minami-Aoyama 2-Chome, Minato-ku, Tokyo 107-8556, Japan.

29. SALES AND MARKETING EXPENSES

	Note	2026	2025
		--- Rupees in '000 ---	
Directors' remuneration		115,371	97,869
Staff salaries and other benefits	29.1	1,175,987	1,028,348
Travelling, conveyance and entertainment		257,736	265,623
Vehicle running expenses		116,462	109,772
Rent, rates and taxes	29.2	52,642	53,846
Advertisement and sales promotion		990,500	783,545
Repairs and maintenance		70,511	44,653
Gas and electricity		61,813	54,535
Freight outward		1,665,080	1,314,587
Printing and stationery		8,834	8,201
Postage and telephone		36,294	31,158
First free service charges		314,419	366,771
Depreciation on operating fixed assets	6.3	99,367	91,300
Depreciation on right of use assets	6.6.1	96,814	73,169
Insurance		112,739	80,701
Newspapers, magazines and subscriptions		6,386	4,619
Others		313	147
		5,181,268	4,408,844

29.1 Include Rs.95,097 thousand (2025: Rs.94,002 thousand) in respect of staff retirement benefits.

29.2 Include expense related to short term leases aggregating to Rs.13,853 thousand (2025: Rs.17,845 thousand).

30. ADMINISTRATIVE EXPENSES

	Note	2026	2025
		--- Rupees in '000 ---	
Non executive / independent directors' fee		4,350	3,900
Staff salaries and other benefits	30.1	746,502	683,809
Travelling, conveyance and entertainment		47,031	37,573
Rent, rates and taxes		12,582	11,051
Insurance		23,089	20,178
Repairs and maintenance		38,560	28,166
Legal and professional charges		48,099	55,318
Gas and electricity		6,586	7,191
Newspapers, magazines, fees and subscriptions		11,503	11,997
Postage and telephone		5,218	3,855
Printing and stationery		18,334	15,427
Vehicle running expenses		61,189	49,261
Staff training		30,448	36,531
Depreciation on operating fixed assets	6.3	152,818	126,051
Depreciation on right of use assets	6.6.1	8,386	8,386
Donation	30.2	294,506	207,381
		1,509,201	1,306,075

30.1 Include Rs.58,482 thousand (2025: Rs.65,507 thousand) in respect of staff retirement benefits.

30.2 Donation of Rs.294,506 thousand (2025: Rs.207,381 thousand) charged in these financial statements is paid to Atlas Foundation, 2nd Floor, Federation House, Shara-e-Firdousi, Clifton, Karachi - a related party.

31. OTHER INCOME

	Note	2026	2025
		--- Rupees in '000 ---	
Income from financial assets			
Mark-up / interest on savings deposit accounts and term deposit receipts	31.1	1,040,816	420,572
Mark-up / interest on Government securities		10,205	251,220
Gain on trade of investment in treasury bills and Pakistan investment bonds		2,875,827	4,519,739
Gain on sale of investments at fair value through profit or loss		50,804	1,249
Fair value gain on investments at fair value through profit or loss		144,904	151,032
Dividend income		1,498	31,440
Income from investments in related parties			
Gain on sale of investments at fair value through profit or loss		557,579	1,200,720
Fair value gain on investments at fair value through profit or loss		2,077,469	920,297
Dividend income		11,772	1,573,127
Income from assets other than financial assets			
Commission income		55	-
Scrap sales		121,907	122,969
		6,892,836	9,192,365

31.1 Mark-up / interest at the rates ranged from 3.33% to 20.54% (2025: 4.15% to 22.39%) per annum has been earned during the year on savings deposit accounts, term deposit receipts, treasury bills and Pakistan investment bonds.

32. OTHER OPERATING EXPENSES

	Note	2026	2025
		--- Rupees in '000 ---	
Workers' profit participation fund	24.4	976,348	557,752
Workers' welfare fund	24.5	700,903	451,016
Auditors' remuneration	32.1	13,053	10,424
Expected credit loss allowance on trade debts		2,108	1,005
Exchange fluctuations loss - net		8,509	95,390
Assets written off	6.1	189,671	73,630
Loss on disposal of operating fixed assets	6.4	16,823	55,811
		1,907,415	1,245,028

32.1 Auditors' remuneration

	2026	2025
	--- Rupees in '000 ---	
Fee for:		
- audit of annual financial statements	5,800	4,600
- review of half yearly financial information	670	531
- review of Code of Corporate Governance	286	227
- audits of retirement funds and workers' profit participation fund	828	657
- certifications for payment of royalty, technical fee, dividend etc.	3,476	2,757
- out of pocket expenses	1,026	814
Provincial taxes on fee	967	838
	13,053	10,424

33. FINANCE COSTS

	Note		
Interest on lease liabilities		79,757	67,992
Bank and other financial charges		84,200	57,493
Interest on workers' profit participation fund	24.4	3,185	-
		167,142	125,485

34. LEVIES AND INCOME TAXATION

34.1 This represents minimum tax differential paid under section 148 of the Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

34.2 This represents final taxes paid under sections 150 and 6A of the 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:

	2026	2025
	--- Rupees in '000 ---	
Current tax liability for the year as per applicable tax laws	12,545,967	8,676,422
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(12,506,352)	(8,382,988)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(39,615)	(293,434)
	-	-

34.3 Relationship between tax expense and accounting profit for the year is as follows:

Profit before income tax expense	34,444,765	24,341,667
Tax at the applicable rate 29%	9,988,982	7,059,083
Tax effect of:		
- amounts not deductible for tax purposes	798,079	779,014
- amounts deductible for tax purposes but not taken to the statement of profit or loss	(879,281)	(580,965)
- income not subject to tax / income subject to final tax regime / tax credits	(652,058)	(779,439)
- Associate's result reported net of tax	(18,489)	(15,138)
Adjustments of super taxes	3,308,734	2,213,867
Adjustment of IFRIC 21/IAS 37	(39,615)	(293,434)
	12,506,352	8,382,988

35. EARNINGS PER SHARE

35.1 Basic earnings per share

Net profit for the year	21,120,458	15,251,615
	--- Number of shares ---	
Weighted average ordinary shares in issue	124,087,935	124,087,935
	-------- Rupees --------	
Earnings per share	170.21	122.91

35.2 Diluted earnings per share

No figures for diluted earnings per share have been presented as the Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

36. CASH GENERATED FROM OPERATIONS

	Note	2026	2025
		--- Rupees in '000 ---	
Profit before taxation		34,444,765	24,341,667
Adjustments for:			
Depreciation		1,754,555	1,624,632
Amortisation	7	16,538	12,324
Long term deposits written off		166	-
Asset written off	6.1	189,671	73,630
Provision for compensated absences	22.1	201,562	178,979
Provision for gratuity	24.6.9	165,952	532,604
Provision for slow moving inventories - net	12.1	24,843	23,194
Mark-up / interest on saving deposit accounts, term deposit receipts and others	31	(1,051,021)	(671,792)
Gain on sale of investments at fair value through profit or loss	31	(608,383)	(1,201,969)
Fair value gain on investments at fair value through profit or loss	31	(2,222,373)	(1,071,329)
Exchange fluctuations loss - net	32	8,509	95,390
Dividend income	31	(13,270)	(1,604,567)
Workers' profit participation fund	24.4	979,533	557,752
Workers' welfare fund	24.5	700,903	451,016
Loss on disposal of operating fixed assets	32	16,823	55,811
Share of net profit of an Associate		(72,405)	(54,638)
Interest on lease liabilities	33	79,757	67,992
Changes in working capital	36.1	3,069,106	3,704,391
		37,685,231	27,115,087

36.1 Changes in working capital

(Increase) / decrease in current assets		
- Stores, spares and loose tools	(328,970)	8,997
- Stock-in-trade	(3,345,668)	1,254,412
- Trade debts	(375,710)	(1,484,132)
- Loans and advances	(2,904)	(12,804)
- Trade deposits and prepayments	(107,126)	(61,297)
- Other receivables	115,677	(634,506)
	(4,044,701)	(929,330)
Increase in current liabilities:		
- Trade and other payables	7,113,807	4,633,721
	3,069,106	3,704,391

36.2 Cash flows from operating activities

Receipts from customers	278,886,436	204,198,814
Mark-up / interest received	2,044,846	264,786
Payments to trade suppliers, service providers and employees	(241,204,022)	(177,099,252)
Income taxes paid	(16,326,358)	(10,302,376)
Contributions made to gratuity funds	(538,182)	(78,542)
Compensated absences paid	(120,356)	(33,008)
Workers' profit participation fund paid	(665,097)	(384,717)
Workers' welfare fund paid	(464,053)	(267,691)
	21,613,214	16,298,014

37. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amounts charged during year in respect of remuneration and fee, including certain benefits, to the Chief Executive Officer, Directors and Executives of the Company are given below:

	Directors				Executives	
	Chief Executive Officer		Others			
	2026	2025	**2026**	2025	**2026**	2025
	Rupees in '000					
Managerial remuneration and fee	48,970	41,501	9,134	9,840	778,114	605,081
Rent and utilities	23,420	19,848	-	-	372,141	288,829
Bonus	37,560	32,100	-	-	576,427	461,190
Retirement benefits	4,684	3,970	-	-	71,708	57,502
Medical and other reimbursable expenses	737	450	-	-	46,223	22,472
	115,371	97,869	9,134	9,840	1,844,613	1,435,074
Number of persons	1	1	5	6	275	217

37.1 The Chief Executive Officer, two Directors and two ex-patriate executives are provided with free use of Company maintained cars and telephones at residences. Two ex-patriate executives are also provided with furnished accommodation.

38. RELATED PARTIES

Related parties comprise of the Holding Company, Associated Companies, staff retirement funds, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties at mutually agreed terms and conditions. Detail of related parties to whom the Company have transacted along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

38.1 Name and nature of relationship

a) The Holding Company

Shirazi Investments (Private) Limited - 52.43% shares held in the Company

b) Associated Companies due to significant influence based on holding

Honda Motor Company Limited, Japan - 35.00% shares held in the Company

Atlas Hitec (Private) Limited - 29.23% shares held by the Company

c) Associated Companies due to common directorship

Atlas Engineering (Private) Limited

Honda Atlas Cars (Pakistan) Limited

Atlas GCI (Private) Limited

Atlas Energy Limited

Shirazi Trading Company (Private) Limited

Atlas Vocational Training Institute

Atlas Power Limited

Atlas Battery Limited

Atlas DID (Private) Limited

Atlas Global, FZE, Jebal Ali, UAE

ACL Capital (Private) Limited

d) Associated companies under common management / group companies

Atlas Insurance Limited

Atlas Solar Limited

Integration Xperts (Private) Limited

Honda Atlas Power Products (Private) Limited

Atlas World Wide General Trading LLC

Atlas Asset Management Limited

Atlas Foundation

e) Directors

Mr. Aamir H.Shirazi	Mr. Saquib H. Shirazi
Mr. Azam Faruque	Mr. Abid Naqvi
Ms. Mashmooma Zehra	Mr. Kazushi Yamanaka
Mr. Koji Sugita	Mr. Masanori Kito

f) Key management personnel

Mr. Afaq Ahmed	Mr. Rashid Ahmed
Mr. Saadullah Ejaz	Mr. Danyal Ahmed Rasheed
Mr. Muhammad Ammar	Mr. Sajid Saleem
Mr. Tahir Nazir	Mr. Zia Ul Hassan Khan
Mr. Muhammad Rashad Rashid	Mr. Faisal Mahmud
Mr. Muhammad Tahir Khan	Mr. Hassan Mushtaq Cheema

38.2 Transactions with related parties

	2026	2025
	--- Rupees in '000 ---	
The holding company		
Sales of:		
- goods and services	3,250	4,724
- operating fixed assets	2,587	-
Purchase of:		
- operating fixed assets	7,153	238
- goods	47,252	64,977
Rent	58,378	40,729
Dividend paid	5,725,705	4,034,020
Associated companies		
Sales of:		
- goods and services	3,874,160	2,735,710
- operating fixed assets	15,029	18,343
Purchases of:		
- goods and services	64,960,563	49,315,480
- operating fixed assets	631,572	641,230
Sale of units in mutual funds	22,233,535	17,825,612
Purchase of units in mutual funds	26,795,221	24,241,369
Royalty paid	14,405,969	10,918,059
Technical assistance fee	73,165	60,143
Commission income	55	-
Commission paid	128,453	59,707
Lease rentals paid	40,475	36,799
Insurance premium paid	1,063,278	888,710
Insurance claims received	84,832	40,928
Reimbursement of expenses - net	23,514	21,650
Dividend paid	4,131,499	2,910,829
Donation paid	293,417	207,381
Dividend received	28,492	1,577,839
Other related parties		
Contributions paid to:		
- gratuity funds	538,182	78,542
- provident funds / pension schemes	200,344	170,982
Key Management Personnel		
- salaries and other employment benefits	367,380	326,402
- sale of operating fixed asset	30,802	1,943

The related party status of outstanding balances as at March 31, 2026 is included in 'Property, plant and equipment - note 6', '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', 'Lease liabilities - note 21', 'Staff retirement benefits - note 22' and 'Trade and other payables - note 24' respectively. These are settled in ordinary course of business.

39. FINANCIAL RISK MANAGEMENT

39.1 Financial risk factors

The Company has exposure to the following risks from its use of financial instruments:

- market risk (including foreign exchange risk, interest rate risk and price risk);

- credit risk; and

- liquidity risk.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risk management is carried out by a treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investment of excess liquidity.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument shall fluctuate because of changes in foreign exchange rates.

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Japanese Yen, the US Dollar, 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:

	2026				2025			
	Japanese Yen	**U.S. Dollars**	**AED**	**CNY**	Japanese Yen	U.S. Dollars	AED	CNY
	in '000				in '000			
Cash at bank	-	4,141	2,607	-	-	3,662	16	-
Trade debts	-	113	-	-	-	17	915	-
Trade and other payables	(5,820)	(2,044)	-	(297)	(1,368,967)	(1,143)	-	(40)
Net exposure	(5,820)	2,210	2,607	(297)	(1,368,967)	2,536	931	(40)

The following significant exchange rates have been applied:

	2026	2025	**2026**	2025
	Average rate		**reporting date rate**	
	Rupees			
Pakistani Rupee to Japanese Yen	1.87	1.83	1.75	1.86
Pakistani Rupee to U.S. Dollar	281.17	278.56	279.15	280.16
Pakistani Rupee to Chinese Yuan	39.73	38.64	40.41	38.57
Pakistani Rupee to AED	76.55	75.84	76.01	76.27

At March 31, 2026 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:	2026	2025
	--- Rupees in '000 ---	
Pakistani Rupee to Japanese Yen	509	127,314
Pakistani Rupee to U.S. Dollar	(30,846)	(35,524)
Pakistani Rupee to AED	(9,908)	(61)
Pakistani Rupee to Chinese Yuan	600	77
	(39,645)	91,806

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. 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, 2026, the Company's interest bearing financial assets amounted to Rs.37,991,782 thousand (2025: Rs.35,298,017 thousand) and interest bearing financial liabilities amounting to Rs.453,263 thousand (2025: Rs.407,607 thousand).

At March 31, 2026, if the interest rate had been 1% higher / lower with other variables held constant, profit before tax for the year would have been higher / (lower) by Rs.375,385 thousand (2025: Rs.348,904 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.31,400,849 thousand (2025: Rs.24,048,674 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, 2026, 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.1,570,042 thousand (2025: Rs.1,202,434 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 as at March 31, 2026 and are as follows:

	2026	2025
	--- Rupees in '000 ---	
Long term loans and advances	122,653	119,841
Long term deposits	43,726	43,887
Trade debts	2,881,796	2,506,086
Loans and advances	104,919	102,015
Trade deposits	26,782	38,727
Accrued mark-up / interest	69,536	1,063,361
Other receivables	3,509	4,322
Short term investments	31,400,849	30,048,664
Bank balances	39,282,991	30,099,343
	73,936,761	64,026,246

The maximum exposure to credit risk for trade debts at the reporting date by geographic region is as follows:

	2026	2025
	--- Rupees in '000 ---	
Pakistan	2,857,562	2,506,492
Japan	-	123
Nigeria	-	4,696
Angola	31,567	-
	2,889,129	2,511,311

The maximum exposure to credit risk for trade debts by type of counter party as at reporting date is as follows:

	2026	2025
	--- Rupees in '000 ---	
Government departments	11,692	51,632
Defence institutions	1,858,910	1,389,855
Others (including exports)	1,018,527	1,069,824
	2,889,129	2,511,311

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 99% (2025: 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		
Banks	**Short term**	**Long term**	**Agency**
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
Habib Bank Limited	A1+	AAA	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	VIS

	Rating		
Banks	**Short term**	**Long term**	**Agency**
Shariah Compliant			
BankIslami Pakistan Limited	A1	AA-	PACRA
Meezan Bank Limited	A1+	AAA	VIS
Faysal Bank Limited	A1+	AA+	PACRA
MCB Islamic Bank Limited	A1	A+	PACRA

	Rating	Agency
Mutual Funds		
Atlas Income Fund	AA-(f)	PACRA
Atlas Money Market Fund	AA+(f)	PACRA
Atlas Liquid Fund	AA+(f)	PACRA
Atlas Islamic Stock Fund	Un-rated	Un-rated
Lakson Income Fund	A+(f)	PACRA
Lakson Money Market Fund	AA+(f)	PACRA
UBL Money Market Fund	AAA(f)	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, 2026, the Company had Rs.10,490,000 thousand available borrowings limits from banks / financial institutions, marketable securities of Rs.31,400,849 and bank balances of Rs.39,282,991 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 between two to five years	Maturity more than five years
	---------- Rupees in '000 ----------				
March 31, 2026					
Lease liabilities	453,263	748,906	150,004	503,784	95,118
Trade and other payables	56,006,308	56,006,308	56,006,308	-	-
Unclaimed dividend	261,913	261,913	261,913	-	-
	58,081,972	59,137,423	57,054,314	1,089,074	994,035

	Carrying amount	Contractual cash flows	Maturity upto one year	Maturity between two to five years	Maturity more than five years
	---------- Rupees in '000 ----------				
March 31, 2025					
Lease liabilities	407,607	760,998	122,169	457,239	181,590
Trade and other payables	48,697,061	48,697,061	48,697,061	-	-
Unclaimed dividend	203,441	203,441	203,441	-	-
	49,308,109	49,661,500	49,022,671	457,239	181,590

39.2 Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. The Board of Directors monitors the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders and / or issue new shares. There was no change to the Company's approach to capital management during the year.

39.3 Financial instruments by category

	Amortised cost		At fair value through profit or loss	
Financial assets as per statement of financial position	**2026**	2025	**2026**	2025
	--- Rupees in '000 ---		**--- Rupees in '000 ---**	
Long term loans	122,653	119,841	-	-
Long term deposits	43,726	43,887	-	-
Trade debts	2,881,796	2,506,086	-	-
Loans and advances	104,919	102,015	-	-
Trade deposits	26,782	38,727	-	-
Accrued mark-up / interest	69,536	1,063,361	-	-
Other receivables including sales tax refundable	3,509	4,322	-	-
Short term investments	-	5,999,990	31,400,849	24,048,674
Bank balances	39,282,991	30,099,343	-	-
	42,535,912	39,977,572	31,400,849	24,048,674

Financial liabilities as per statement of financial position	Financial liabilities measured at amortised cost	
	2026	2025
	--- Rupees in '000 ---	
Lease liabilities	453,263	407,607
Trade and other payables	56,006,308	48,697,061
Unclaimed dividend	261,913	203,441

39.4 Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

The carrying values of all financial assets and liabilities reflected in the financial statements are a reasonable approximation of their fair values.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (un-adjusted) 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, un-observable inputs) [Level 3].

The following table presents the Company's financial assets that are measured at fair value at March 31, 2026 and March 31, 2025.

	March 31, 2026			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets - Recurring fair value measurement	**---------- Rupees in '000 ----------**			
Financial assets at fair value through profit or loss				
Short term investments	31,400,849	-	-	31,400,849

	March 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets - Recurring fair value measurement	---------- Rupees in '000 ----------			
Financial assets at fair value through profit or loss				
Short term investments	24,048,674	-	-	24,048,674

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 maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to measure fair value of an instrument are based on observable market data, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

There were no transfers amongst the levels during the current and preceding year. The Company's policy is to recognise transfer into and transfers out of fair value hierarchy levels as at the end of the reporting periods.

40. ENTITY-WISE INFORMATION

40.1 The Company markets and sells motorcycles and spare parts. Breakdown of net revenues for both the products of the Company is as follows:

	2026	2025
	--- Rupees in '000 ---	
Motorcycles	247,622,511	183,694,363
Spare parts	26,304,344	20,200,075
	273,926,855	203,894,438

40.2 Export sales are made to Japan, Afghanistan, Bangladesh, Thailand, Nigeria, Kyrgyzstan and Turkey. Result of the Company's revenue from external customers in Pakistan is Rs.270,035,942 thousand (2025: Rs.196,963,412 thousand) and total revenue from external customers from other countries is Rs. 3,890,913 thousand (2025: Rs.6,931,026 thousand).

40.3 All the non-current assets of the Company are located in Pakistan.

40.4 The Company's customer base is diverse with no single customer accounting for more than 10% of net revenue.

41. PLANT CAPACITY AND ACTUAL PRODUCTION

	2026	2025
	--- Number of units ---	
Capacity - Motorcycles	1,600,000	1,500,000
Production	1,585,289	1,186,746

The capacity of the plants are determined based on a certain product mix and number of working days. During the year, the Company mitigated certain production bottlenecks by outsourcing selected activities to its vendors, resulting in an overall increase in plant capacity.

42. NUMBER OF EMPLOYEES

	Numbers	
	2026	2025
Total number of employees	2,888	2,782
Average number of employees	2,909	2,789

43. PROVIDENT FUND RELATED DISCLOSURE

The Company operates defined contribution provident fund (the Fund) maintained for its permanent employees. Equal monthly contributions at the rate of 11% of the basic salary are made to the Fund both by the Company and the employees. The following information is based on un-audited financial statements of the Fund for the year ended March 31, 2026:

	(Un-Audited) 2026	Audited 2025
	--- Rupees in '000 ---	
Size of the Fund - Total assets	1,047,042	1,118,648
Fair value of investments	1,034,851	1,101,569
Cost of investments	973,445	981,671
Percentage of investments made	92.97%	87.76%

43.1 The investments out of provident fund have been made in accordance with the provisions of section 218 of the Act and conditions specified thereunder.

44. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Lease liability	Unclaimed / unpaid dividend	Total
	---------- Rupees in 000 ----------		
Balance at beginning of the year	407,607	203,441	611,048
Changes from financing cash flows			
Payment of lease rental	(156,977)	-	(156,977)
Dividend paid	-	(10,861,266)	(10,861,266)
	(156,977)	(10,861,266)	(11,018,243)
Liability - related to other changes			
Interest on lease liability	79,757	-	79,757
Dividend declared	-	10,919,738	10,919,738
Recognised	122,876	-	122,876
	202,633	10,919,738	11,122,371
Balance at end of the year	453,263	261,913	715,176

45. SHARIAH DISCLOSURES UNDER CLAUSE VII OF PART I OF SCHEDULE IV OF THE COMPANIES ACT, 2017

		Note	2026	2025
			--- Rupees in '000 ---	
	Statement of the Financial Position - Liability Side			
(i)	Financing (long-term, short-term, or lease financing) obtained as per Islamic mode		-	-
(ii)	Interest or mark-up accrued on any conventional loan or advance		-	-
	Statement of the Financial Position - Asset Side			
(iii)	Long term and short term Shariah compliant investments:			
	- Long term investments	8	456,204	400,519
	- Shot term investments		507,512	453,128
(iv)	Shariah compliant bank deposits, bank balances, and TDRs		14,055	35,708
	Statement of Comprehensive Income			
(v)	Revenue earned from a Shariah compliant business segment	27	273,926,855	203,894,438
(vi)	Break-up of late payments or liquidated damages		-	-
(vii)	Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah compliant associates:			
	- Gain / loss or dividend earned		56,150	195,205
	- Share of profit from an associate	8	72,405	54,638
(viii)	Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs		25,110	54,597
(ix)	Exchange gain earned from actual currency		-	-
(x)	Exchange gains earned using conventional derivative financial instruments		-	-
(xi)	Profit paid on Islamic mode of financing		-	-
(xii)	Total interest earned on any conventional loan or advance		-	-
(xiii)	Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income:			
	Shariah - compliant income:			
	- Commission income	31	55	-
	- Scrap sales	31	121,907	122,969
	Non - shariah compliant income:		-	-

(xiv) Relationship with Shariah compliant financial institutions, including banks, takaful operators and their windows:

The Company maintains relationships with various Shariah-compliant financial institutions, including Faysal Bank Limited, MCB Islamic Bank Limited, Meezan Bank Limited, Bank Islami Limited, Askari Bank Limited - Islamic Banking, HBL Islamic Banking, Atlas Islamic Stock Fund and Atlas Insurance Limited - Window Takaful Operations.

46. CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary for the purposes of comparison and better presentation the effect of which is not material.

47. EVENT AFTER REPORTING PERIOD

The Board of Directors, in their meeting held on April 30, 2026, proposed a final cash dividend of Rs. 56 (2025: Rs.42) per share amounting to Rs. 6,948,924 thousand (2025: Rs.5,211,693 thousand) for the year ended March 31, 2026 for approval of the members at the Annual General Meeting to be held on June 29, 2026.

The financial statements for the year ended March 31, 2026 do not include the effect of the proposed appropriations, which will be accounted for in the financial statements for year ending March 31, 2027.

48. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on April 30, 2026 by the Board of Directors of the Company.

Aamir H. Shirazi	Saquib H. Shirazi	Danyal Ahmed Rasheed
Chairman	Chief Executive Officer	Chief Financial Officer

PATTERN OF SHAREHOLDING
AS AT MARCH 31, 2026

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	30,822	0.02%
IDBP (ICP Unit)	1	683	0.00%
	2	31,505	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. Koji Sugita	1	1	0.00%
Mr. Masanori Kito	1	1	0.00%
Mr. Abid Naqvi	1	701	0.00%
Ms. Mashmooma Zehra Majeed	1	501	0.00%
	8	1,707	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.	21	195,294	0.16%
Individuals	4,596	11,529,536	9.29%
Others	35	316,210	0.25%
Total	4,666	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, 2026

No. of shareholders	Shareholdings				Total shares held
3123	From	-	To	100	73,420
783	From	101	To	500	190,187
231	From	500	To	1,000	167,582
319	From	1,001	To	5,000	702,881
65	From	5,001	To	10,000	478,956
39	From	10,001	To	15,000	490,648
17	From	15,001	To	20,000	292,125
10	From	20,001	To	25,000	224,553
8	From	25,001	To	30,000	218,414
9	From	30,001	To	35,000	291,252
4	From	35,001	To	40,000	145,251
4	From	40,001	To	45,000	174,470
3	From	45,001	To	50,000	142,214
5	From	50,001	To	55,000	266,737
1	From	55,001	To	60,000	56,253
2	From	60,001	To	65,000	125,588
3	From	65,001	To	80,000	231,682
1	From	80,001	To	90,000	85,874
2	From	80,001	To	95,000	183,668
1	From	90,001	To	95,000	91,045
4	From	95,001	To	100,000	392,769
2	From	100,001	To	110,000	203,821
4	From	110,001	To	120,000	464,872
3	From	120,001	To	130,000	375,972
3	From	130,001	To	140,000	407,358
1	From	140,001	To	150,000	147,288
4	From	150,001	To	180,000	609,484
4	From	180,001	To	210,000	769,936
1	From	210,001	To	235,000	212,209
3	From	235,001	To	380,000	828,496
1	From	380,001	To	695,000	387,819
1	From	695,001	To	700,000	696,700
1	From	700,001	To	720,000	711,240
1	From	720,001	To	1,235,000	1,233,489
1	From	1,235,001	To	3,520,000	3,518,073
1	From	3,520,001	To	43,435,000	43,430,778
1	From	43,435,001	To	65,065,000	65,064,831
4,666					124,087,935

PATTERN OF SHAREHOLDING
AS AT MARCH 31, 2026

Categories of Shareholders	Number of shareholder(s)	Shares held	Percentage
Directors, CEO their spouse and minor children and Associates	8	1,707	0.00
* Associated Companies, undertakings and related parties	4	112,013,683	90.27
NIT and ICP	2	31,505	0.03
Banks, Development Finance Institutions,			
Non-Banking Finance Institutions			
Insurance Companies			
Modarabas and Mutual Funds	21	195,294	0.17
General Public			
Local	4596	11,529,536	9.30
Foreign			
Others			
Joint Stock Companies	33	315,044	0.25
Cooperative Society	1	1,165	0.00
Trustee of Iftikhar Shirazi Family Trust	1	1	0.00
	4666	124,087,935	100.00

*** Note : Included in Associated Companies**

Name of Company
Atlas Insurance Ltd. 3,518,073 shares
Honda Motor Company Ltd. 43,430,778 shares
Shirazi Investments (Pvt) Ltd. 65,064,831 shares

NOTICE OF THE 62nd ANNUAL GENERAL MEETING

Notice is hereby given that the Sixty-second (62nd) Annual General Meeting (AGM) of the shareholders of Atlas Honda Limited will be held on Monday, June 29, 2026, 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 EOGM held on March 13, 2026.

2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2026, 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, 2026 @ 560% i.e. Rs. 56 per share as recommended by the Board. This is in addition to 460% i.e. Rs. 46.00 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

Maheen Fatima
Karachi: June 08, 2026
Company Secretary

NOTES:

i. Closure of Share Transfer Books

The share transfer books of the Company will remain closed from Tuesday, June 16, 2026, to Monday, June 29, 2026 (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 Monday, June 15, 2026 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 AGM (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 Thursday, June 25, 2026. 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 2026.

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 2026:

The Financial Statements of the Company for the year ended March 31, 2026, along with reports have been placed on the website of the Company and can be viewed through the below link/ QR Code:

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

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, 2014, soft copies of the Annual Report 2026 and Notice of Annual General Meeting are being emailed to those members whose email addresses are available with the Company. Other members who wish to receive the Annual Report 2026 via email may file an application as per the form provided on the Company's website i.e. 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 Friday, June 12, 2026, 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 2025 - 26 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 29, 2026
Time: 10:00 A.M.
Venue: Avari Hotel, Mall Road, Lahore.

Financial Calendar

June:
- Audited Annual Results for the year ended March 31, 2026
- Mailing of Integrated Annual Reports
- Annual General Meeting

July:
- Un-audited first quarter financial results
- Corporate Briefing Session

October: - Un-audited half year financial results

January: - Un-audited third quarter financial results

Dividend Announcement

The Board of Directors in its meeting held on April 30, 2026 is pleased to recommend a final cash dividend of Rs. 56.0 per share (560%) for the year ended March 31, 2026, subject to approval by shareholders of the Company at the forthcoming Annual General Meeting, taking the total distribution for the year to Rs. 102.0 per share i.e. a payout of 1020%.

The total distribution for the last year was Rs. 74 per share i.e. a payout of 740%.

Dates of Book Closure

The register of the members and shares transfer books of the Company will remain closed from June 16, 2026, to June 29, 2026 (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 29, 2026.

Last year, the Company transferred the final cash dividend on June 25, 2025, after approval from shareholders at the 61st 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 12, 2026, 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 e-mail address, if any to the share registrar of the Company:
M/s. Hameed Majeed Associates (Pvt.) Limited.
H.M. House, 7-Bank Square, Shahrah-e-Quaid-e-Azam, Lahore
Phone: +92 (42) 37235081-82
Fax: +92 (42) 37358817

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 105 Billion and net worth of Rs. 46 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.

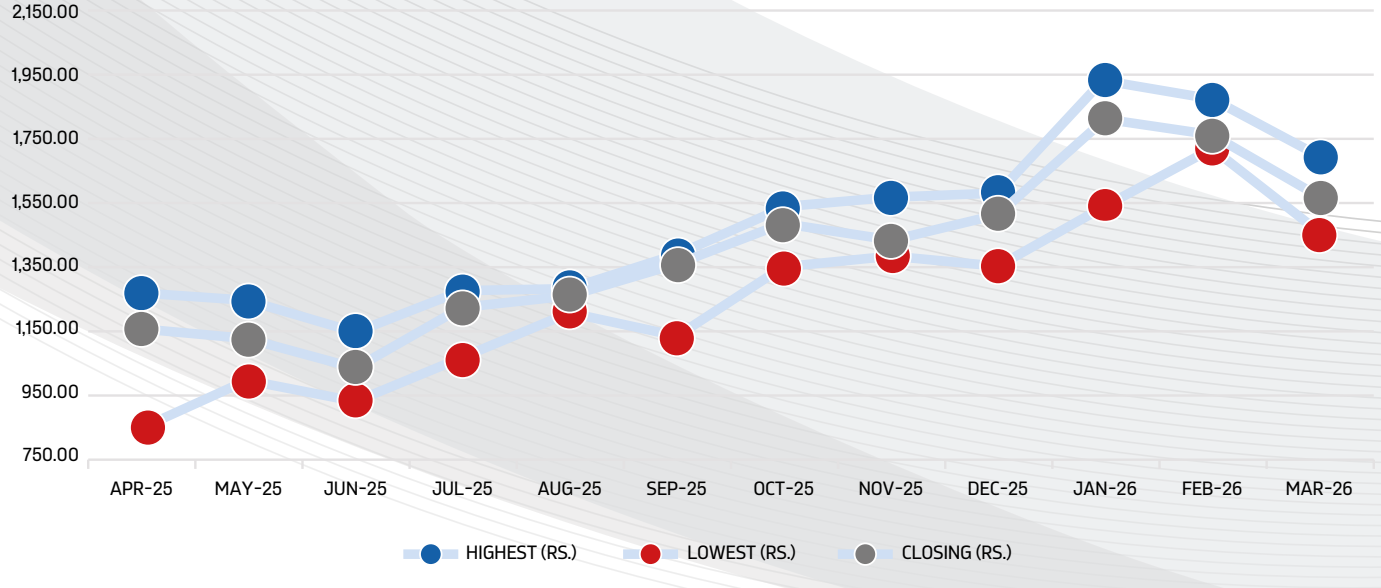
Details of shares held by Directors / Sponsors / Executives are given in the Pattern of Shareholding.

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, 2026:

Months	Highest (Rs.)	Lowest (Rs.)	Closing (Rs.)	No. of shares traded	Market Capitalization in Value* (Rs. in billion)
Apr-25	1,227.50	834.43	1,174.54	357,721	152.32
May-25	1,200.00	992.66	1,126.05	257,909	148.91
Jun-25	1,142.00	913.00	1,030.57	215,527	141.71
Jul-25	1,260.00	1,021.07	1,230.31	515,061	156.35
Aug-25	1,260.00	1,176.00	1,230.41	150,071	156.35
Sep-25	1,379.90	1,105.00	1,342.30	228,527	171.23
Oct-25	1,475.90	1,344.20	1,454.71	288,314	183.14
Nov-25	1,544.99	1,401.00	1,424.42	141,153	191.71
Dec-25	1,558.00	1,350.00	1,482.65	179,913	193.33
Jan-26	1,931.00	1,425.00	1,816.69	253,208	239.61
Feb-26	1,847.99	1,670.00	1,717.98	75,242	229.31
Mar-26	1,685.00	1,420.00	1,532.71	192,095	209.09

*Based on highest price



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 Modernisation and Replacement
BSR	Best Sustainability Report
BOD	Board of Director
CAGR	Compound Average Growth Rate
CBA	Collective Bargaining Agent
CBS	Corporate Briefing Session
CCG	Code of Corporate Governance
CDC	Central Depository Company of Pakistan Limited
CDS	Central Depository System
CEO	Chief Executive Officer
CFA	Chartered Financial Analyst
CFO	Chief Financial Officer
CKD	Completely Knocked Down
CNIC	Computerized National Identity Card
COO	Chief Operating Officer
CSR	Corporate Social Responsibility
CSRCP	Corporate Social Responsibility Centre Pakistan
CO_2	Carbon di oxide
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

Acronym	Description
ESG	Environmental, Social and Governance
E-Voting	Electronic Voting
FBR	Federal Board of Revenue
FRM	Financial Risk Manager
FAQs	Frequently Asked Questions
GDP	Gross Domestic Product
GRI	Global Reporting Initiative
GHG	Green House Gases
GJ	Gigajoule
HCG	Honda Corporate Governance
HMC	Honda Motor Company
HSE	Health Safety Environment
HR	Human Resource
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
IFAS	Islamic Financial Accounting Standards
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IoBM	Institute of Business Management
IP	Intellectual Property
IPO	Intellectual Property Organisation
ISO	International Standardization Organisation
ISAE	International Standard on Assurance Engagements
IT	Information Technology
KPI	Key Performance Indicators
KJ	Kilojoule
KW	Kilo Watt
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
LTD	Limited
LSM	Large Scale Manufacturing
LUMS	Lahore University of Management Sciences

Acronym	Description
m3	Cubic meter
MIS	Management Information System
MMC	Minor Model Change
MOU	Memorandum of Understanding
MTO	Management Trainee Officer
MUFAP	Mutual Funds Association of Pakistan
MW	Mega Watt
NAV	Net Asset Value
NED	NED University of Engineering and Technology
NEQS	National Environmental Quality Standards
NFEH	National Forum for Health & Environment
NGO	Non-Governmental Organization
NTN	National Tax Number
NUST	National University of Science and Technology
OGRA	Oil and Gas Regulatory Authority
OPM	Owner/President Management
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
QA	Quality Assurance
QC	Quality Control
QMS	Quality Management System
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
SOPs	Standard Operating Procedures
SP	Spare Parts
SRO	Statutory Regulatory Order
SWOT	Strength Weaknesses Opportunities Threats
SNG	Synthetic Natural Gas
TDR	Term Deposit Receipt
UET	University of Engineering and Technology
UN	United Nations

Acronym	Description
USB	Universal Serial Bus
VIP	Vendor Improvement Program
VP	Vice President
WHO	World Health Organization
WPPF	Workers Profit Participation Fund
WWF	Workers Welfare Fund

Feedback Form

Sustainability Report 2026

Details of information provided on issues covered in the report

☐ Comprehensive ☐ Adequate ☐ Not adequate

Clarity of the information provided in the report

☐ High ☐ Medium ☐ Low

The quality of design and layout of the report

☐ Excellent ☐ Good ☐ Average

Your comments for adding value to the report

_____

_____

_____

Name : _____

Designation : _____

Organization : _____

Contact Details : _____

Telephone : _____

Please mail your feedback to : _____

Email: ahl.suggestions@atlashonda.com.pk

AFFIX
POSTAGE

The Company Secretary
Atlas Honda Limited
1 - McLeod Road,
Lahore – 54000

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Fold Here

Fold Here

Fold Here

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