

ANNUAL REPORT 2017



“Makes all the difference”





Cover Concept

The journey of Honda Atlas Cars (Pakistan) Limited has been a journey of progress, growth and prosperity. The visual depicts the very substance of that progress. It shows how things have been moving in the right direction and how the Company has been achieving one milestone after another with consistency.

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Vision Statement



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

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

Company Information

Board of Directors

Mr. Yusuf H. Shirazi
Chairman
Mr. Toichi Ishiyama
President/CEO
Mr. Aamir H. Shirazi
Director & Senior Advisor
Mr. Kenichi Matsuo
Mr. Akira Murayama
Mr. M. Naeem Khan
Mr. Nadeem Arshad Elahi
Mr. Shigeru Yamazaki
Mr. Yasutaka Uda

Company Secretary

Mr. Maqsood-ur-Rehman Rehmani

Chief Financial Officer

Mr. Ahmad Umair Wajid

Audit Committee

Mr. Aamir H. Shirazi
Chairman
Mr. Akira Murayama
Mr. M. Naeem Khan
Mr. Nadeem Arshad Elahi
Mr. Shigeru Yamazaki
Mr. Hamood-ur-Rahman
Secretary

Human Resource and Remuneration Committee

Mr. Aamir H. Shirazi
Chairman
Mr. Toichi Ishiyama
Mr. Kenichi Matsuo
Mr. Akira Murayama
Mr. M. Naeem Khan

Executive Committee

Mr. Toichi Ishiyama
Mr. Kenichi Matsuo
Mr. Maqsood-ur-Rehman Rehmani

Head of Internal Audit

Mr. Hamood-ur-Rahman

Bankers

Citibank N.A.
Deutsche Bank AG
Faysal Bank Limited
Habib Bank Limited
MCB Bank Limited
National Bank of Pakistan
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
The Bank of Tokyo-Mitsubishi UFJ, Limited
United Bank Limited

Auditors

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

Legal Advisor

Cornelius, Lane & Mufti
Bokhari Aziz & Karim

Share Registrar

M/s Hameed Majeed Associates
HM House, 7-Bank Square,
Lahore, Pakistan.
Tel: +92 42 37235081-82

Registered Office

1-Mcleod Road, Lahore, Pakistan.
Tel: +92 42 37225015-17
Fax: +92 42 37233518

Factory

43 Km, Multan Road,
Manga Mandi, Lahore, Pakistan.
Tel: +92 42 35384671-80
Fax: +92 42 35384691-92
E-mail: info@honda.com.pk

Regional Offices

Lahore
Asia House,
19-C&D, Block L, Gulberg III,
Main Ferozepur Road.
Tel: +92 42 35694851-53
Fax: +92 42 35694854

Karachi

C16, KDA Scheme No. 1,
Karsaz Road.
Tel: +92 21 34305411-3
Fax: +92 21 34305414

Web Site

www.honda.com.pk
www.facebook.com/hacpl



Board of Directors



Mr. Yusuf H. Shirazi
Chairman

Mr. Shirazi is a Law Graduate (LLB) with BA (Hons.) and JD (Diploma in Journalism) from Punjab University with Role of Honour and AMP Harvard. He served in the Financial Services of the Central Superior Services of Pakistan for eight years where he authored 50 reports as to how the businesses are carried and tax assessed. He was an instructor in the Finance Services Academy on Law and Accounts. He is the author of seven books including "Aid or Trade" adjudged by the Writers Guild as the best book of the year and continues to be a Columnist, particularly on matters – socio-politico-economic.

Mr. Shirazi is the Chairman of Atlas Group, which, among others, has Joint Ventures with Honda, GS Yuasa and MAN to name a few.

Mr. Shirazi has been the President of Karachi Chamber of Commerce and Industry for two terms. He

has been the Founder Member of Karachi Stock Exchange, Lahore Stock Exchange and International Chamber of Commerce and Industry. He has been on the Board of Harvard Business School Alumni Association and is the Founder President of Harvard Club of Pakistan and Harvard Business School Club of Pakistan. He has been a visiting Faculty Member at National Defense University, Navy War College and National School of Public Policy. He has been on the Board of Governors of LUMS, GIK and FC College (Chartered University) and Pakistan Institute of Management. Previously, he also served, among others, on the Board of Fauji Foundation Institute of Management and Computer Sciences (FFIMCS) and Institute of Space Technology – Space & Upper Atmosphere Research Commission (SUPARCO).

Mr. Shirazi has been awarded Sitara-e-Eisaar and Sitara-e-

Imtiaz, the top Civilian Awards. Sitara-e-Imtiaz conferred by the Government of Pakistan recognizes individuals who have made an "especially meritorious contribution to the security or national interests of Pakistan, world peace, cultural or other significant public endeavors". Sitara-e-Eisaar Award is in recognition of CSR activities in Pakistan. A Distinguished Formanite Award for outstanding achievements as an entrepreneur was awarded by Forman Christian College – University Lahore.

The Government of Japan also acknowledged Mr. Shirazi's contributions to promote economic relationship between the two countries by conferring the Japanese National Award.



Mr. Toichi Ishiyama
President & CEO

Mr. Toichi Ishiyama has been associated with Honda Motor Co., Japan for last 25 years. He joined Honda Motor Co., in 1992.

He is President of Honda Atlas Cars (Pakistan) Limited since April 1, 2015.

He has broad experience in the areas of product business planning and operations. He has worked in American Honda Motor's U.S.A for two years. He has also served in Asian Honda Motor Company, Thailand for three years and Honda Motor (China) Investment Company for four years.



Mr. Aamir H. Shirazi
Director & Senior Advisor

Mr. Aamir H. Shirazi is the President of Atlas Group. He graduated from Claremont Mckenna College, California and completed his OPM from Harvard Business School. He was the Chief Executive of Atlas Honda Limited for over eleven years. He was appointed as professional director on the Board of Lahore Stock Exchange for two consecutive terms by the Securities & Exchange Commission of Pakistan. He has been Honorary Consul

General of Japan, Lahore since 2002. He is also on the Board of Murree Brewery Company Limited and Total Parco Pakistan Limited.



Mr. Kenichi Matsuo
Director

Mr. Matsuo is associated with Honda Motor Company for last 37 years. He started his career as Engineer in Automobile Assembly, HM Japan and he has a vast experience of Automobile Assembly and Business Planning Operations.

He was appointed on the Board of Honda Atlas Cars (Pakistan) Limited on April 1, 2016 as Director & Vice President Production.

He has worked as Technical Advisor, Honda Cars India Limited for four years and Vice President of Honda Malaysia Sdn Bhd for two years.

Board of Directors



Mr. Akira Murayama
Director

Mr. Murayama has been associated with Honda Motor, Japan for last 28 years. He has vast experience of Financial Management and Business Planning operations. He has been working in Honda Motor, Japan and different Honda ventures and subsidiaries in Europe.

He has worked as Staff Manager in Honda Motor Europe Limited for four years and Manager Honda Motors, Japan. He has been

Director of Honda Motor Europe for two years before assuming the position of General Manager, Honda Motors in Europe region operations.

He joined as General Manager of Asian Honda Motor Co., Limited, Thailand and on the Board of Directors of Honda Atlas Cars (Pakistan) Limited in April 2017.



Mr. M. Naeem Khan
Director

Mr. M. Naeem Khan is an AMP from Harvard Business School, Boston, USA, a fellow member of both The Institute of Chartered Accountants of Pakistan and The Institute of Chartered Accountants in England & Wales. His association with the Atlas Group extends to over 25 years in various capacities. He has exposure in oil marketing, food, investment banking, power and capital markets.



Mr. Nadeem Arshad Elahi
Director

Mr. Nadeem Arshad Elahi has an extensive background in operations, general management and business development. He is amongst the co-founders of TRG and FTA Direct Incorporation. He also served as Director of Manufacturing for over seven years of Tanveer Textiles, involved in the production of finished textile fabrics in Pakistan.

He also serves as a member Executive Committee of the American Business Council

in Pakistan. He is the current President of the Harvard Business School Club of Pakistan, Member of the Board of Directors of OPEN Karachi Chapter and a member of the Corporate Leaders Advisory Board of the Institute of Business Administration (IBA), Karachi.

Mr. Nadeem Arshad Elahi has an MBA from Harvard Business School and a B.A in Mathematics and Economics from Brown University, USA.



Mr. Shigeru Yamazaki
Director

Mr. Yamazaki has been associated with Honda Motor, Japan for more than 35 years. He has experience of Sales, Product Planning, Marketing and diversified business operations. He has worked as Coordinator in Honda Motor Europe, UK and Honda Nederland, Holland. He has also worked in American Honda Motor, USA for six year in Auto Product Planning Division. He has worked as General Manager Automobile Business Division in Asian Honda Motor, Thailand and Sr. Vice

President, Marketing & Sales Division, Honda Car India Limited for three years.

Currently Mr. Yamazaki is working as General Manager, Overseas Operations (Asia & Oceania) in Honda Motor, Japan.

Mr. Yamazaki is graduate in Economic from Aoyama Gakuin University, Japan and joined on the Board of Honda Atlas Cars (Pakistan) Limited from April 1, 2016.



Mr. Yasutaka Uda
Director

Mr. Yasutaka Uda has vast experience in the automobile industry, having worked with Honda ventures, across the globe. In 2007, he assumed senior management role in the Honda Motor Company Limited, Japan and later on joined Honda South America Limited as the Director. Before taking over his current responsibilities, he was stationed as the Director in the Honda Motorcycle & Scooter India (Private) Limited. He has

diversified knowledge of Honda Products and has experience of working in different cultures. He is also serving as Vice President – Technical & a member of the Board of Atlas Honda Limited from March 2015. He joined on the Board of Honda Atlas Cars (Pakistan) Limited from April 1, 2016.

Key Management



Mr. Maqsood-ur-Rehman Rehmani

Vice President & Company Secretary
Human Resource & Admin

Mr. Rehmani has done MBA Marketing and is a Law graduate from University of Karachi. He has vast experience of Administration, Industrial relations, Human Resource, Logistics & Supply Chain operations and Vendor Development. He joined Atlas Honda Limited in 1989 and was transferred to Honda Atlas Cars (Pakistan) Limited in 2008 as GM Logistics. He was appointed as Vice President HR & Admin and Company Secretary in November 2014.



Mr. Muhammad Ashraf

Sr. General Manager
Model Planning & Production

Mr. Ashraf has more than 35 years experience of automobile production operations and new model development. He started his career with Awami Autos Limited in 1982 and has also worked with Pak Suzuki Motor Co for nine years. He joined Honda Atlas Cars (Pakistan) Limited in 1993 and has qualified Management Courses from AOTS Japan. He has worked in different management capacities and currently he is Head of Model Planning & Production Division.



Mr. Ayaz Hafeez

Sr. General Manager
After Sales

Mr. Ayaz holds a MBA degree. He has 23 years experience of Sales, Marketing, Dealers Development, Product & Business Planning and After Sales Service. He is associated with the company since 1994 and has qualified Management Courses from AOTS Japan. Prior to this, he served the Pakistan Army for eight years, held staff and instructional appointments, having attended courses in Pakistan and USA with distinction. Since Dec. 2015, he is Head of After Sales Division.



Mr. M. Sohail Nawaz

General Manager
Quality Control

Mr. Sohail holds BE Mechanical from UET, Lahore. He joined as Trainee Engineer Vehicle Quality (VQ) in 1993. He has more than 23 years experience of Vehicle Quality, Assembly Final, New Model & Specification Control, QC and Production operations. He has represented the Company for two years as Project Leader at Honda Automobiles (Thailand) Co., Ltd., Thailand. He has been Head of production operations for six years prior to his present role as Head of QC Division in 2015.



Mr. Nadeem Azam

General Manager
Sales & Marketing

Mr. Nadeem has done MBA in Marketing Management. He started his career with Honda in 1993 as Executive, Marketing & Planning Division. He has over 24 years experience of Sales, Marketing and Product Planning operations. He has also served as GM After Sales Division for more than 2 years. Currently he is working as Head of Sales & Marketing Division.



Mr. Iqbal Ahmed

General Manager
Import, Purchase & Logistics

Mr. Iqbal has BSc in Mechanical Engineering from UET, Lahore and Executive MBA from LUMS. He has more than 25 years experience of production, quality, manufacturing operations, stores and project management. He started his career as trainee engineer with Atlas Honda Limited and served in different management positions. He joined Honda Atlas Cars (Pakistan) Limited in November 2014 as Head of Import Purchase & Logistics Division.



Mr. Tadahihiro Hayakawa

General Manager
Production

Mr. Hayakawa has been associated with Honda Motor Co., Japan for more than 31 years. He has vast experience of different production operations. He has been head of Welding operations at Honda of UK Manufacturing Ltd., for eight years. He has also served as ELP at American Honda Motor Co., (HAM) for seven years. He was transferred to Honda Atlas Cars (Pakistan) Limited on April 1, 2015.



Mr. Asif Mahmood

General Manager
Purchasing

Mr Asif is Mechanical Engineer, graduated from UET Lahore. He joined HACPL in 1994 as trainee Engineer. Over the past 23 years, he served in Material Service, Production Planning & Control, ISO, New Model Control (NMC) & Spec Control. He has qualified Management courses from HIDA, Japan. In 2012, he was assigned the responsibilities in Purchasing & Quality Development department. Since Dec 2015, he is heading the Purchasing Division of the Company.



Mr. Ahmad Umair Wajid

Chief Financial Officer /
General Manager

Mr. Umair is an Associate Member of the Institute of Chartered Accountant of Pakistan and having more than 12 years post qualification experience. He has been involved in financial management, Budgeting, Strategic Business Planning, corporate compliance and risk management operations. Prior to joining HACPL, he has also worked as Manager - Assurance and Business Advisory services in A.F. Ferguson & Co., for more than 5 years.



Mr. Toshinori Awaya

General Manager
Chief Engineer Quality (CEQ)

Mr. Awaya has been associated with Honda Motor, Japan for last 36 years. He has vast experience of Quality Control, working in different Honda Motor plants in Japan and Thailand.

He has worked as VQ Manager in Honda Motor, Japan for two years, and as Chief Engineer Quality (CEQ) for five years in Honda Motor, Thailand.

Currently he is working as CEQ of Honda Atlas Cars (Pakistan) Limited from August 2016.



Mr. Zia ul Hassan Khan

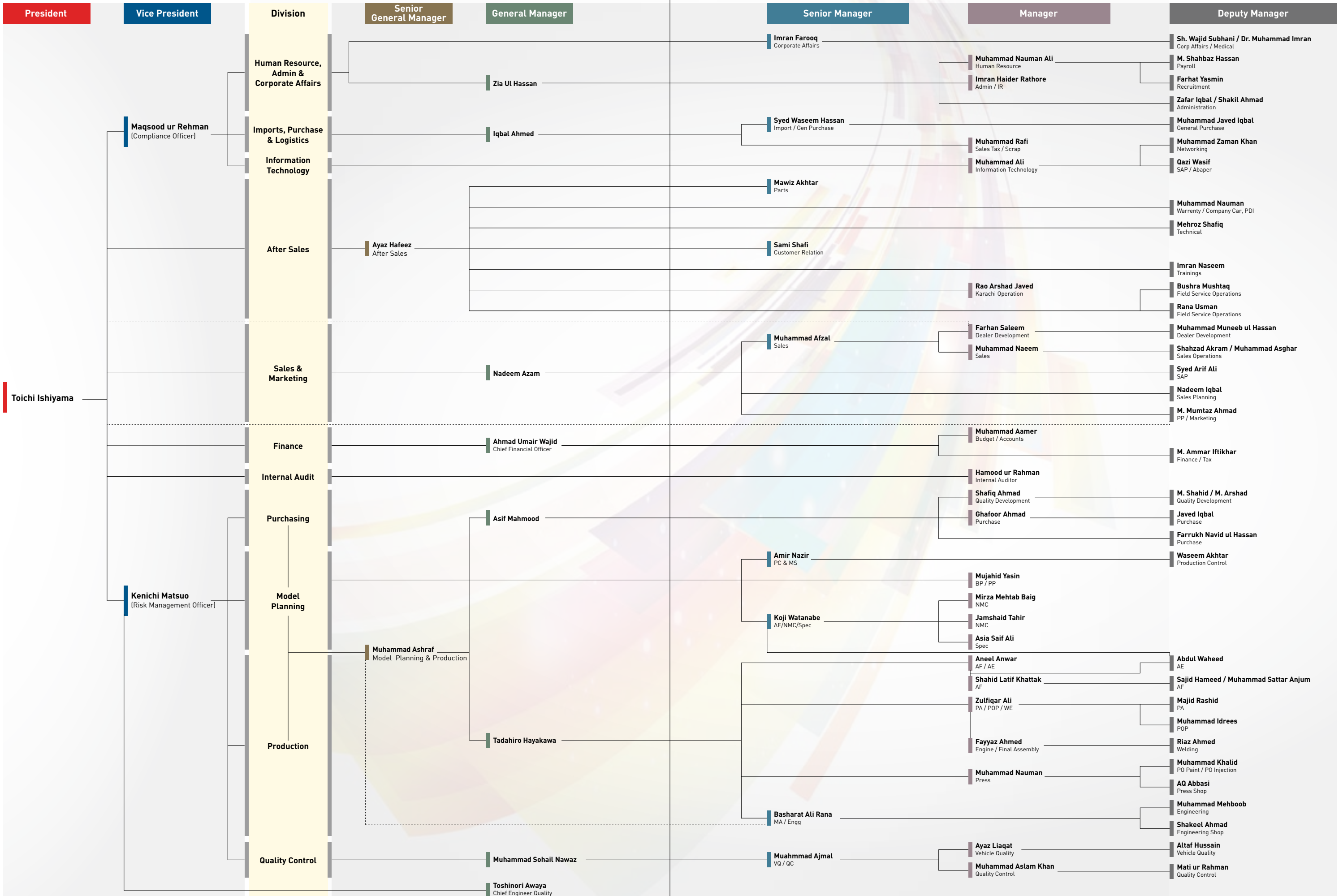
General Manager
HR & Administration

Mr. Zia holds BE Electrical Engineering from UET, Lahore, Diploma in Business Administration from IBA Karachi. He has more than 18 years of experience of Maintenance, Project Management and Production. He started his career as Assistant Manager Maintenance with Atlas Honda Limited and was transferred to Honda Atlas Cars (Pakistan) Limited in April 2017 as General Manager HR & Administration.

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Organization Chart



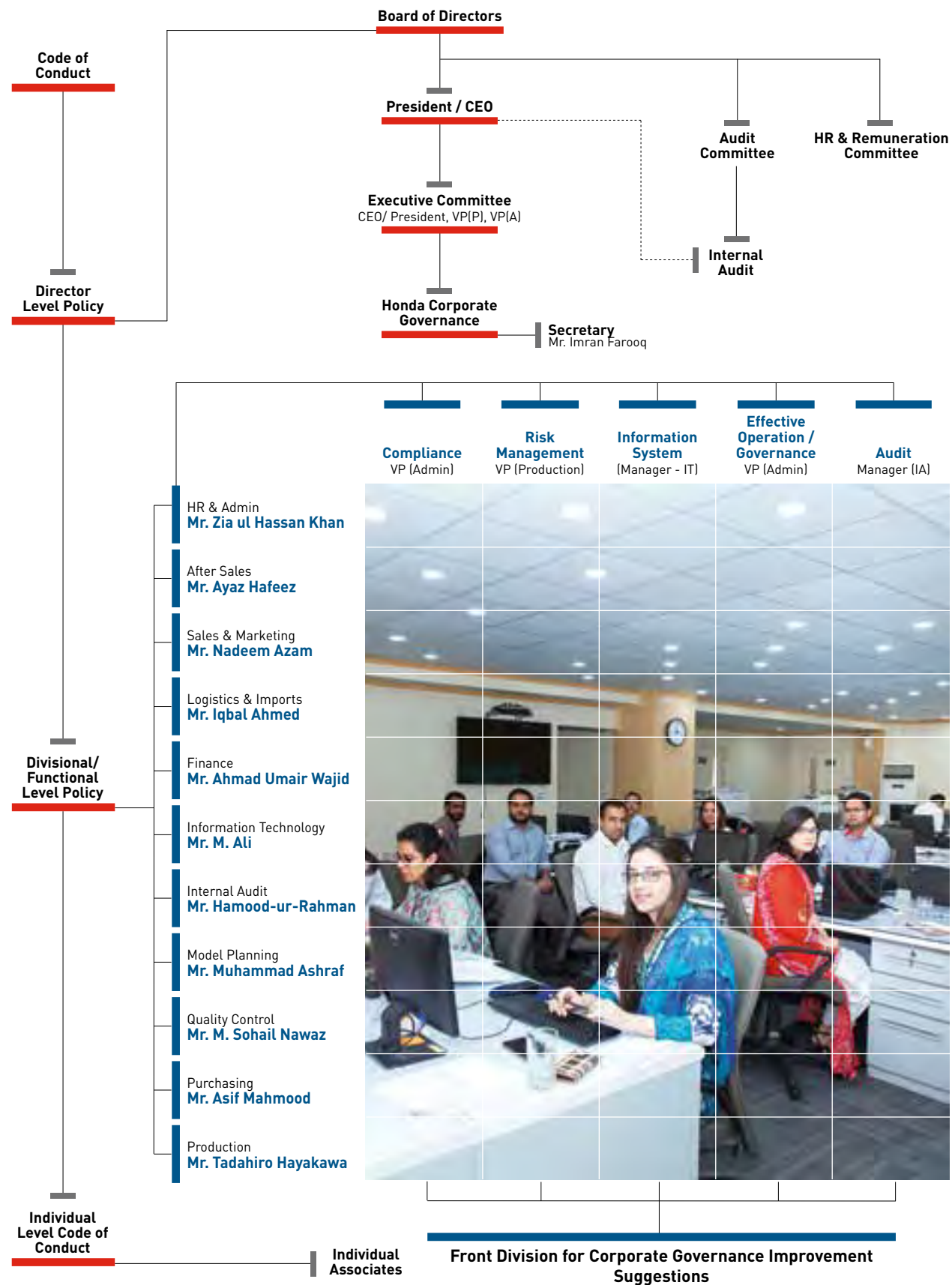
Kenichi Matsuo
(Risk Management Officer)

Muhammad Ashraf
Model Planning & Production

Muhammad Sohail Nawaz

Toshinori Aways
Chief Engineer Quality

Corporate Governance (Organization Structure)



Business Principles



Sitting (L to R) : Mr. Nadeem Azam, Mr. Ayaz Hafeez, Mr. Maqsood-ur-Rehman, Mr. Muhammad Ashraf, Mr. Muhammad Sohail Nawaz
 Standing (L to R) : Mr. Ahmad Umair Wajid, Mr. Iqbal Ahmad, Mr. Zia ul Hassan Khan, Mr. Asif Mahmood, Mr. Tadahiyo Hayakawa

HONDA MOTOR CO., LIMITED, JAPAN

Corporate Philosophy

Maintaining a global viewpoint, we are dedicated to supplying products of the highest quality, yet at a reasonable price for worldwide customer satisfaction.

Management Policy

1. Proceed always with ambition and youthfulness.
2. Respect sound theory, develop fresh ideas and make the most effective use of time.
3. Enjoy your work and encourage open communications.
4. Strive constantly for a harmonious flow of work.
5. Be ever mindful of the value of research and endeavor.

HONDA ATLAS CARS (PAKISTAN) LIMITED

Corporate Philosophy

1. Dynamic manufacturing and marketing of prestigious products to the entire satisfaction of customers.
2. Create ideal working environment for continuous development of products and personnel.
3. Provide adequate return to shareholders and fulfill corporate civic obligations.

Management Policy

1. Respect for all – man has priority over machine.
2. Man is the key in controlling i.e. machines, methods and materials.
3. Follow 3S spirit i.e. small, smart and speed.

4. Believe in 3A "Hands on Approach" i.e. be on Actual Spot, look at the Actual Spot and confront the Actual Situation.
5. Be a good corporate citizen; assume a responsible role in the community.

Priority Standards of Conduct

1. Safety: There can be no production without safety.
2. Quality: To achieve complete customers satisfaction by focusing on smart teamwork, meeting all applicable legal and regulatory requirements & continually improving our strategies and goals.
3. Productivity: With safety and quality each of us will strive to excel the performance in all fields of our activities i.e Production, Model Planning, Quality Control, Purchasing,

Sales & Marketing, After Sales, Finance, Import, Purchase & Logistics, IT, IA and Human Resources & Administration Division.

Human Resources and Succession Plan

Human Resources Policy is to hire young, fresh, energetic and active associates to meet the existing and future workforce requirements and providing its associates maximum opportunities for internal mobility through personal training and development to enable them to take higher positions.

Human Resource Division has succession plan for each key job/ area to make sure the continuity of operations in the relevant division and to fill the temporary/permanent vacancy.

Quality Policy

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

- Smart team work
- Meeting all applicable legal and regulatory requirements
- Continually improving our strategies and goals

Environment Policy

Honda Atlas Cars (Pakistan) Limited, being a responsible member of society, considers the preservation of the global environment as a crucial concern.

Our environmental philosophy is firmly based on the following principles:

1. Recognize the impacts of our activities, products and services on environment;
2. Formulate objectives and targets for pollution prevention, environmental impacts



Sitting (L to R) : Mr. Mawiz Akhtar, Mr. Sami Shafi, Mr. Basharat Ali Rana, Mr. Muhammad Ajmal, Mr. Koji Watanabe
 Standing (L to R) : Mr. Waseem Hassan, Mr. Amir Nazir, Mr. Imran Farooq, Mr. Muhammad Afzal

3. Operate in compliance with applicable legal and other requirements with the commitment to preserve global environment;
4. Create awareness and understanding about environmental issues amongst our associates;
5. Commitment to continuous improvement of the environmental performance and review of the environmental management system to ensure its suitability, adequacy and effectiveness;
6. Keep public and other interested parties informed on our environmental performance, if deemed necessary.

1. To comply with all applicable Government and internal health, safety and environmental requirements;
2. Design facilities and conduct operations in a way that avoids risk to human health, safety and the environment;
3. To examine and communicate the known hazards of operations with relevant health safety and environmental protection information to potentially affected persons.

Operating Principles

1. Always keep the deadline
2. Never make excuses
3. Team work

Safety, Health and Environment

Honda Atlas Cars (Pakistan) Limited conducts its business responsibly and in a way to make sure health, safety and protection from environmental aspects of its associates and the society. We implement and maintain the programs that provide responsible assurance that the business will do the following:

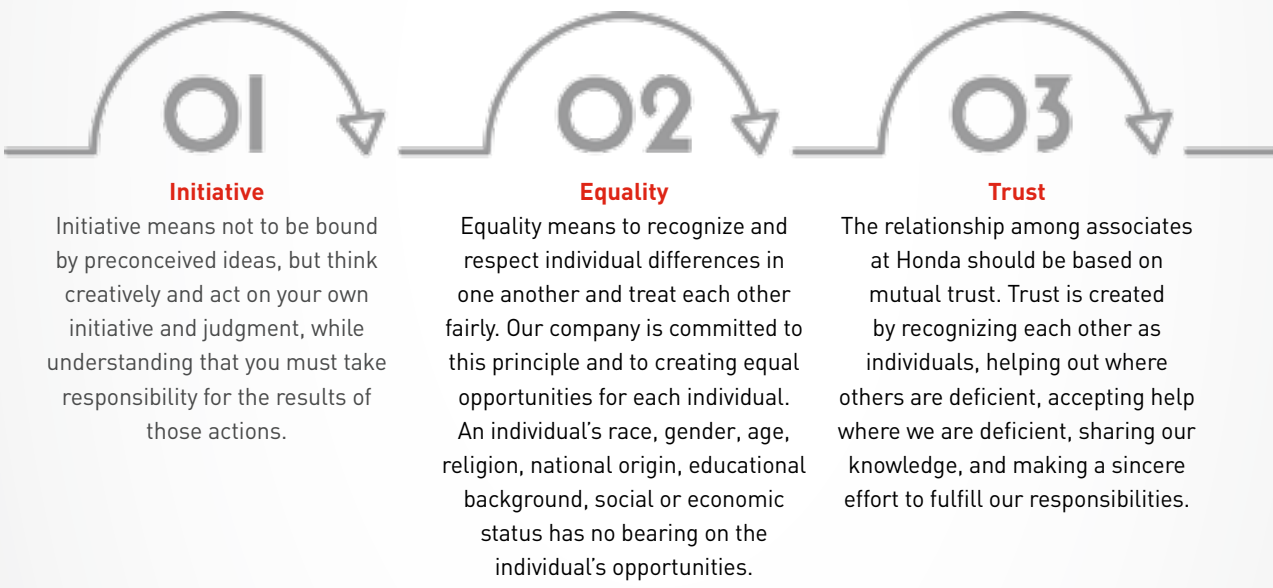


Honda Philosophy

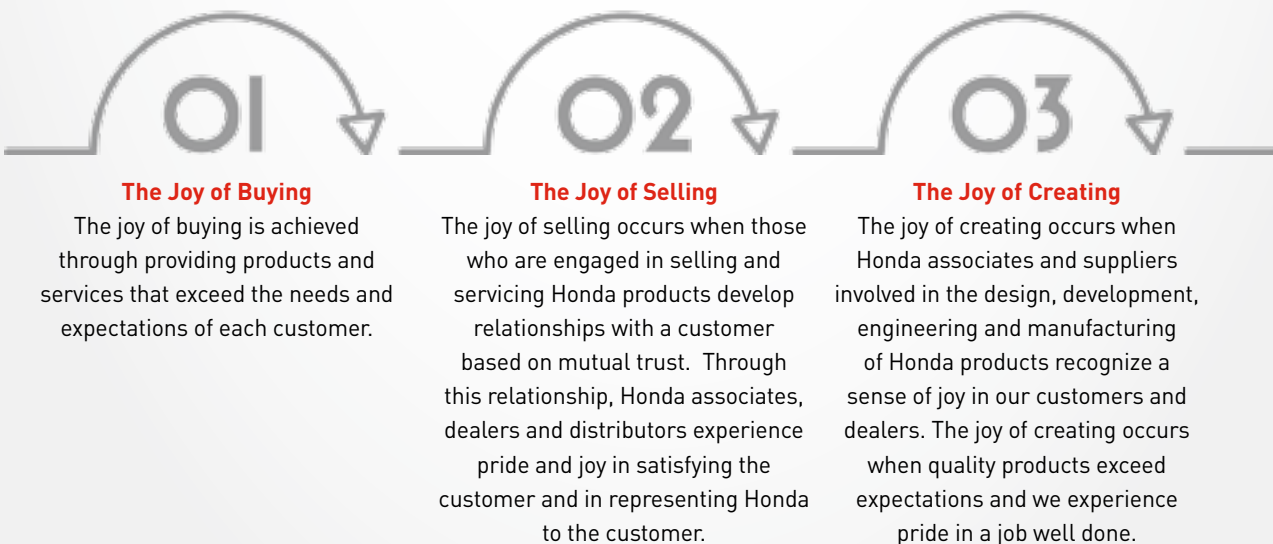


Fundamental Beliefs

Respect for the Individual



The Three Joys

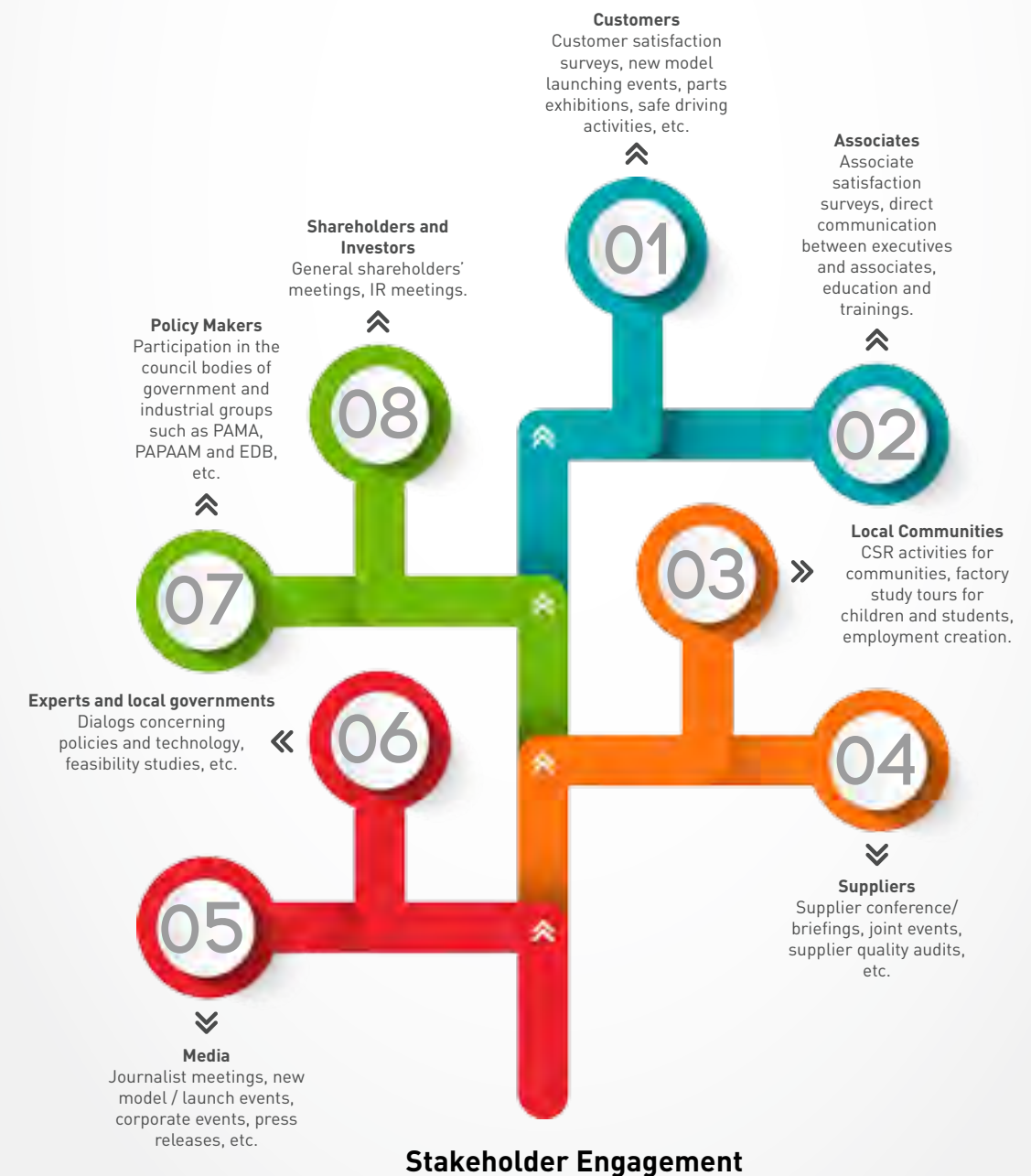


Honda and our Stakeholders

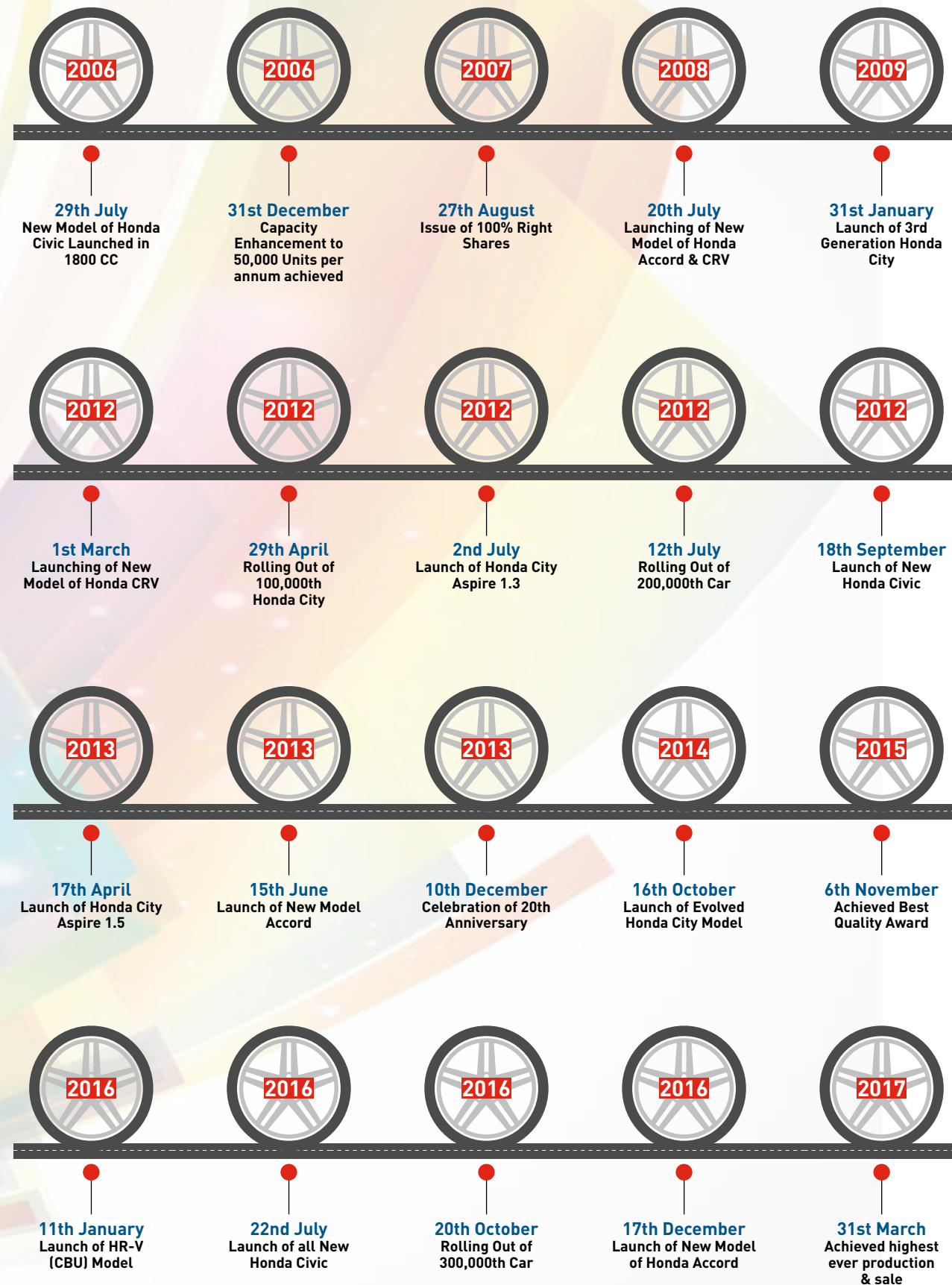
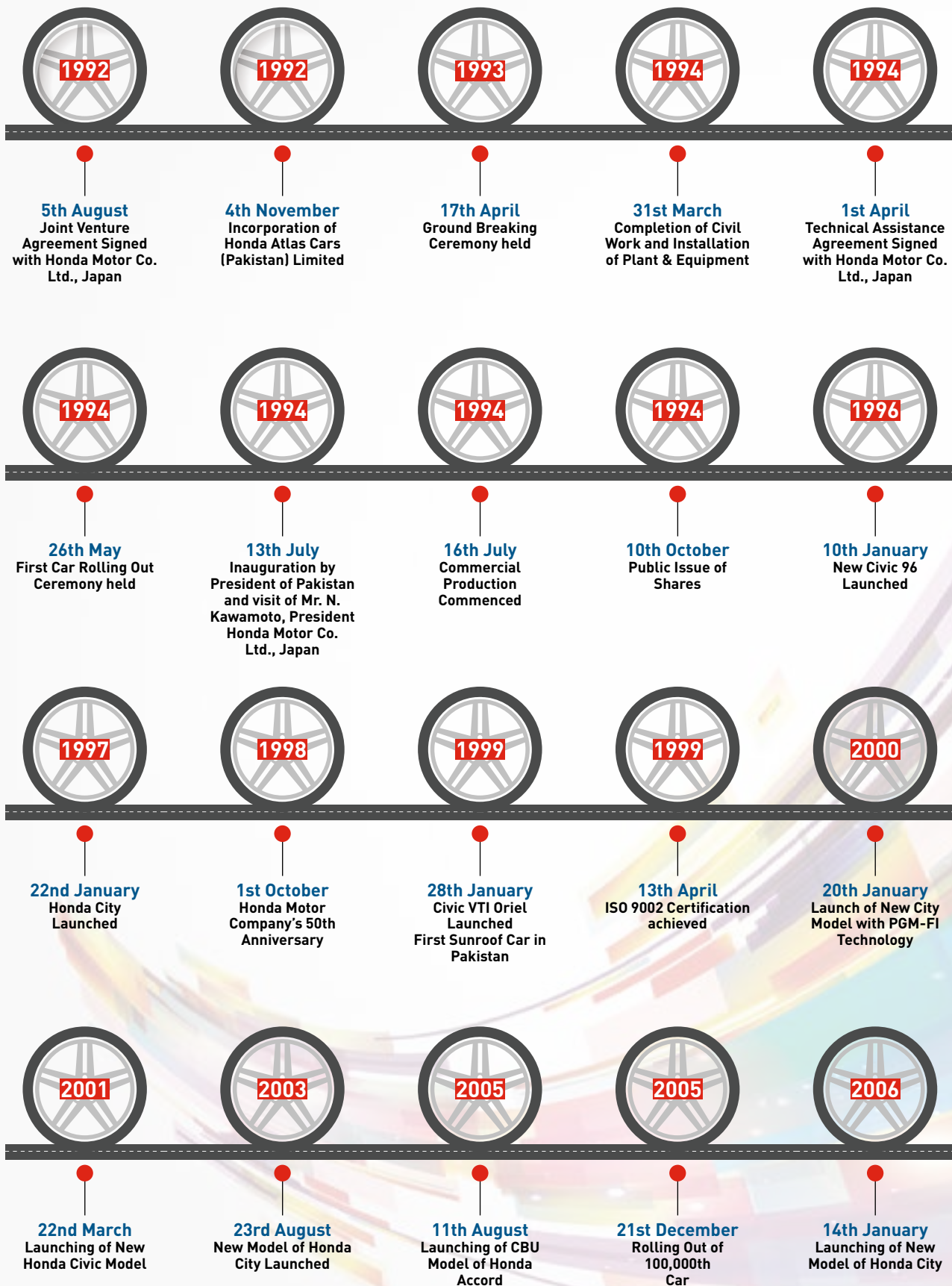
Our Approach to Stakeholder Engagement

To be "a company that society wants to exist," Honda must appropriately and accurately convey to society the sort of value that we seek to offer. Together with this, we must put into practice a communication cycle by which we engage in dialogues with diverse stakeholders to grasp and understand the demands and expectations placed on the company, translate these into concrete measures and finally listen to stakeholders' evaluations of our activities. Especially in recent years, the growing scale and globalization of companies, along with the rapid proliferation of IT, have heightened the impact of companies on society and of society on companies. As this process continues to accelerate, we believe that stakeholders dialogue is a beneficial tool that enable us to expand business opportunities and increase the company's customer base, while also giving us an understanding of changes and risks in the social environment.

With this awareness in mind, Honda engages in dialogs with stakeholders through a variety of opportunities, with our sales departments and Customer Relations Center acting as points of contact for customers, our purchasing departments doing so for suppliers, and our human recourse division establishing relations with local community.



Chronicle of Events



Pattern of Shareholding

As on March 31, 2017

Number of Shareholders	Shareholdings		Total Number of Shares Held	Percentage of Total Capital	
	From	To			
2097	1	-	100	99,771	0.07
813	101	-	500	277,207	0.19
1431	501	-	5000	2,220,887	1.56
160	5001	-	20000	1,630,668	1.14
52	20001	-	45000	1,704,321	1.19
23	45001	-	80000	1,445,400	1.01
9	80001	-	115000	898,500	0.63
1	115001	-	120000	116,234	0.08
1	125001	-	130000	125,700	0.09
2	130001	-	135000	263,950	0.18
2	140001	-	145000	285,510	0.20
4	145001	-	150000	596,800	0.42
1	150001	-	155000	153,000	0.11
3	155001	-	160000	466,800	0.33
1	160001	-	165000	165,000	0.12
1	165001	-	170000	166,200	0.12
1	170001	-	175000	175,000	0.12
1	175001	-	180000	179,600	0.13
1	180001	-	185000	183,800	0.13
2	185001	-	190000	375,200	0.26
1	190001	-	195000	192,000	0.13
1	195001	-	200000	199,800	0.14
1	200001	-	205000	202,500	0.14
1	205001	-	210000	207,000	0.14
1	215001	-	220000	218,600	0.15
1	220001	-	225000	222,600	0.16
1	225001	-	230000	227,400	0.16
1	230001	-	235000	233,500	0.16
1	295001	-	300000	300,000	0.21
1	310001	-	315000	313,300	0.22
1	330001	-	335000	332,700	0.23
2	340001	-	345000	342,000	0.24
1	350001	-	355000	704,900	0.49
1	360001	-	365000	364,705	0.26
1	370001	-	375000	370,800	0.26
1	385001	-	390000	388,925	0.27
1	635001	-	640000	635,600	0.45
1	780001	-	785000	781,200	0.55
1	795001	-	800000	796,840	0.56
1	845001	-	850000	850,000	0.60
1	1035001	-	1040000	1,039,500	0.73
1	1310001	-	1315000	1,313,043	0.92
1	2260001	-	2265000	2,263,489	1.59
1	2825001	-	2830000	2,826,000	1.98
1	43115001	-	43120000	43,118,650	30.20
1	72825001	-	72830000	72,825,400	51.00
4,633				142,800,000	100.00

Categories of Shareholders

As on March 31, 2017

Sr. No.	Description	Number of Shareholders	Shares Held	Percentage of Total Capital
1	Individuals	4,454	8,023,105	5.62
2	Joint Stock Companies	46	867,594	0.61
3	Financial Institutions	29	5,096,303	3.57
4	Foreign Company	1	72,828,000	51.00
5	Insurance Companies	5	1,892,200	1.33
6	Modarabas	2	7,850	0.01
7	Mutual Funds	55	8,765,976	6.14
8	Associated Undertakings/Companies	1	43,118,650	30.20
9	Investment Companies	10	1,101,610	0.77
10	Funds	16	705,802	0.49
11	Others	14	392,910	0.28
		4,633	142,800,000	100.00

Shareholding Information

as on March 31, 2017

Categories	Number of Shareholders	Shares Held
Associated Companies		
Honda Motor Company Limited ⁺	1	72,825,400
Shirazi Investments (Pvt) Limited ⁺	1	43,118,650
Atlas Insurance Limited	1	850,000
Mutual Funds		
M/s First Capital Mutual Fund	1	170
CDC - Trustee PICIC Investment Fund	1	67,200
CDC - Trustee PICIC Growth Fund	1	133,050
CDC - Trustee MCB Pakistan Islamic Stock Fund	1	22,500
CDC - Trustee Meezan Balanced Fund	1	218,600
CDC - Trustee First Dawood Mutual Fund	1	2,000
CDC - Trustee Faysal Balanced Growth Fund	1	8,900
CDC - Trustee AKD Index Tracker Fund	1	6,100
CDC - Trustee Pak. Int. Element Islamic Asset Allocation Fund	1	1,600
CDC - Trustee Al Meezan Mutual Fund	1	352,600
CDC - Trustee Meezan Islamic Fund	1	2,826,000
CDC - Trustee Faysal Asset Allocation Fund	1	1,150
CDC - Trustee UBL Stock Advantage Fund	1	185,800
CDC - Trustee Al-Ameen Shariah Stock Fund	1	222,600
CDC - Trustee Meezan Tahaffuz Pension Fund - Equity Sub Fund	1	227,400
CDC - Trustee Dawood Islamic Fund	1	2,000
CDC - Trustee Alfalah GHP Islamic Stock Fund	1	202,500
CDC - Trustee HBL - Stock Fund	1	199,800
CDC - Trustee Nafa Islamic Asset Allocation Fund	1	19,550
CDC - Trustee HBL Multi - Asset Fund	1	23,450
Morgan Stanley Investment Funds (975-6)	1	92,200
The Boeing Company Employee Retirement Plans [1380-6]	1	80,100
CDC - Trustee NIT-Equity Market Opportunity Fund	1	20,000
CDC - Trustee ABL Stock Fund	1	370,800
CDC - Trustee First Habib Stock Fund	1	6,500
CDC - Trustee Nafa Asset Allocation Fund	1	33,350
CDC - Trustee HBL Islamic Stock Fund	1	32,050
CDC - Trustee HBL IPF Equity Sub Fund	1	2,500
CDC - Trustee HBL PF Equity Sub Fund	1	3,800
CDC - Trustee KSE Meezan Index Fund	1	30,767
CDC - Trustee First Habib Islamic Stock Fund	1	4,500
MCBFSL - Trustee ABL Islamic Stock Fund	1	207,000
CDC - Trustee UBL Asset Allocation Fund	1	15,500
CDC - Trustee PIML Strategic Multi Asset Fund	1	6,500
CDC - Trustee First Capital Mutual Fund	1	3,000
CDC - Trustee Al-Ameen Islamic Asset Allocation Fund	1	32,100
CDC - Trustee PIML Islamic Equity Fund	1	5,500
CDC - Trustee Al-Ameen Islamic Ret. Sav. Fund - Equity Sub Fund	1	40,100
CDC - Trustee UBL Retirement Savings Fund - Equity Sub Fund	1	45,000
CDC - Trustee National Investment (Unit) Trust	1	2,263,489
CDC - Trustee PICIC Islamic Stock Fund	1	6,000
CDC - Trustee ABL Islamic Pension Fund - Equity Sub Fund	1	7,000
CDC - Trustee ABL Pension Fund - Equity Sub Fund	1	8,100
CDC - Trustee Nafa Islamic Stock Fund	1	183,800
CDC - Trustee PIML Value Equity Fund	1	3,500
CDC - Trustee NIT Islamic Equity Fund	1	105,600
CDC - Trustee NITIPF Equity Sub-Fund	1	11,000
CDC - Trustee Faysal Islamic Asset Allocation Fund	1	5,000
CDC - Trustee Al Ameen Islamic Dedicated Equity Fund	1	144,550
CDC - Trustee PIML Asset Allocation Fund	1	28,000
CDC - Trustee Nafa Islamic Active Allocation Equity Fund	1	106,800
ABA Ali Habib Securities (Pvt) Limited - MF	1	1,000
CDC - Trustee HBL Islamic Asset Allocation Fund	1	16,900
CDC - Trustee Meezan Asset Allocation Fund	1	44,000
MCBFSL Trustee ABL Islamic Dedicated Stock Fund	1	77,000
Directors, CEO, their Spouse and Minor Children		
Mr. Yusuf H. Shirazi	1	#
Mr. Aamir H. Shirazi	1	#
Mr. Kazuhisa Hirota	1	*
Mr. Toichi Ishiyama	1	*
Mr. Kenichi Matsuo	1	*
Mr. Shigeru Yamazaki	1	*
Mr. Yasutaka Uda	1	*
Mr. Muhammad Naeem Khan	1	500
Mr. Nadeem Arshad Elahi	1	500
Executives		
Public Sector Companies & Corporations (Joint Stock Companies)	9	6,875
Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension / Other Funds	46	867,594
Shareholders Holding 5% or more Voting Rights ⁺	61	7,953,765
Others	4,450	8,407,140
Total:	4,633	142,800,000

Note: + The above mentioned associated companies have 5% or more voting rights.
Mr. Yusuf H. Shirazi and Mr. Aamir H. Shirazi hold 500 qualification shares. The ultimate ownership remains with M/s. Shirazi Investments (Pvt) Limited.
* The shareholding of Honda Motor Co. Limited, Japan includes 4 directors holding 525 shares each and 1 director holding 500 shares (Total 2600) in the name of Mr. Toichi Ishiyama, Mr. Kenichi Matsuo, Mr. Kazuhisa Hirota, Mr. Shigeru Yamazaki and Mr. Yasutaka Uda in the capacity of its nominee directors. The ultimate ownership remains with Honda Motor Co., Limited, Japan.

Investor Relations Information

As on March 31, 2017



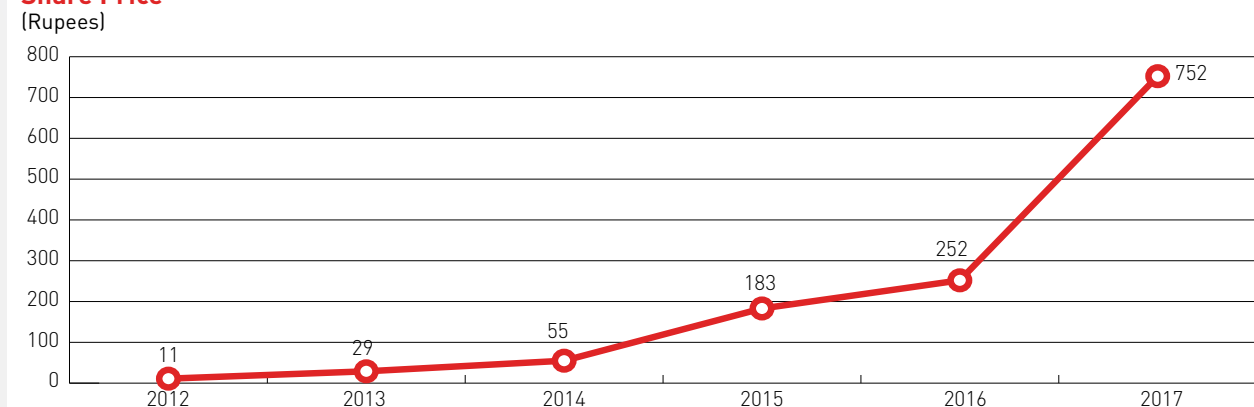
Company Information

Established **November 4, 1992**
 Line of Business **Automobiles**
 Fiscal Year-End **March 31**
 Auditor's **M/s. A.F. Ferguson & Company**
 Share Registrar **M/s. Hameed Majeed Associates (Pvt.) Ltd.**
 H.M. House, 7 - Bank Square, Lahore
 Phone: +92-42-3723 5081-82
 Email: info@hmconsultants.com
 Web Site **www.honda.com.pk**
www.facebook.com/hacpl

Stock Information

Security Code **HCAR**
 Number of Shares Authorized **200,000,000**
 Number of Shares Issued **142,800,000**
 Number of Shareholders **4,633 (March 31, 2017)**
 Number of Shares per Trading Unit **100 Shares**
 Stock Exchange Listing **Pakistan Stock Exchange Limited**
 General Meeting of Shareholders **June 23, 2017**
 Book Closing **June 15, 2017 to June 23, 2017 (both days inclusive)**
 Next Election of Directors **April 2018**

Share Price



+ 37% Sales Units 35,381	+ 33% Production Units 34,560	+ 73% Profit after Tax 6,135 (Rs in million)
+ 57% Sales Revenue 62,803 (Rs in million)	+ 72% Earnings per Share 42.96 (Rupees)	+ 86% Dividend Share 13 (Rupees)
+ 65% Shareholder Equity 13,065 (Rs in million)	+ 198% Share Price 752 (Rupees)	



Chairman's Review

As on March 31, 2017

I am pleased to present you the review on Annual Report of the Company for the year ended March 31, 2017.

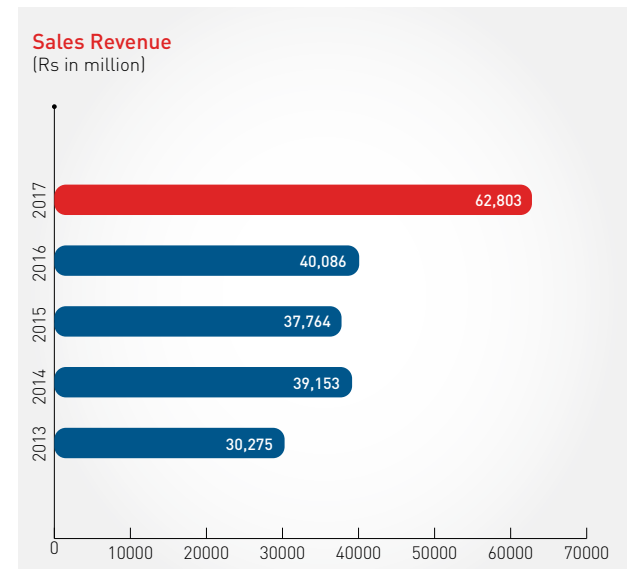
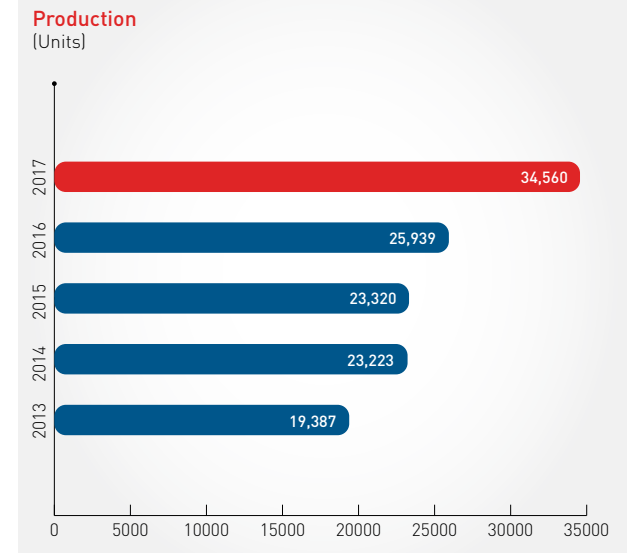
The Economy

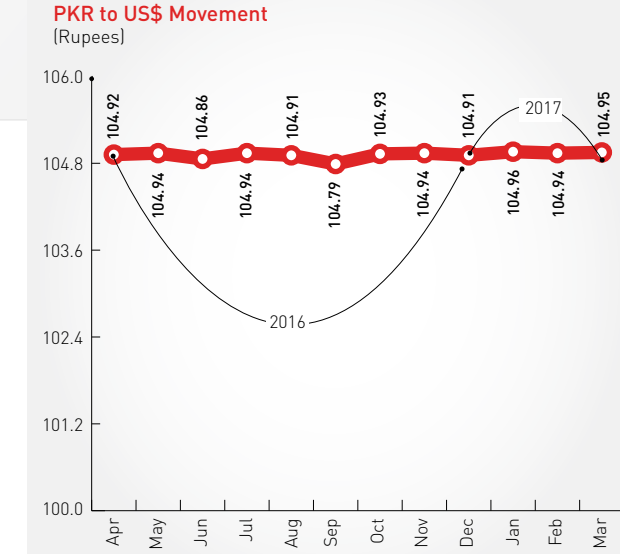
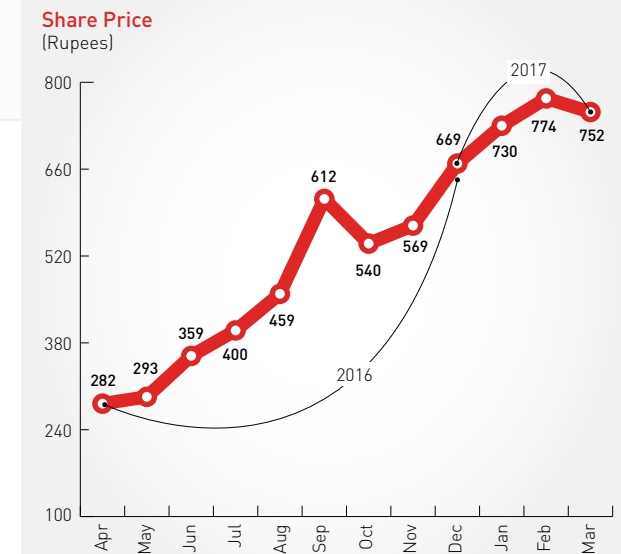
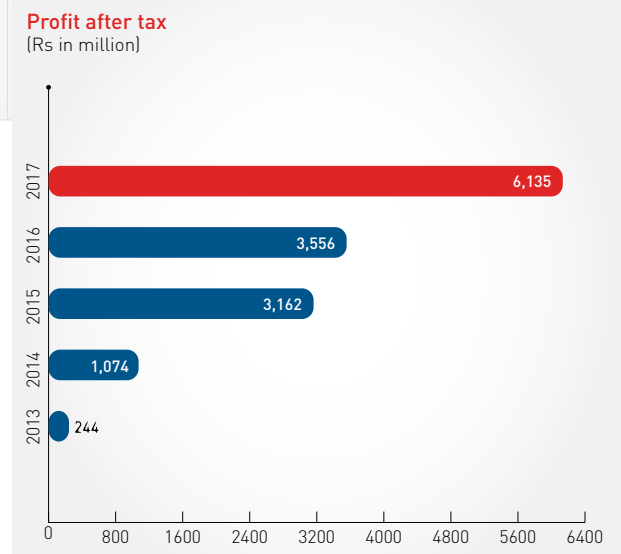
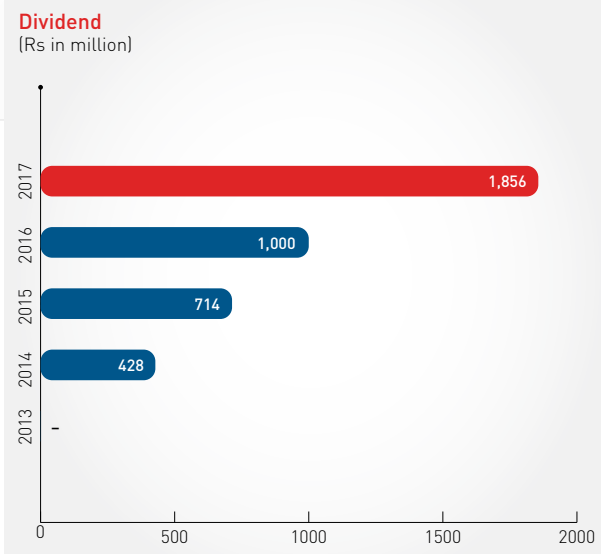
Pakistan's economy continued to show signs of promise with improvements seen in most of the economic indicators. The Gross Domestic Product (GDP) is expected to grow by 5.7% in the financial year 2016-17, compared to 4.7% of last year - highest during the past eight years. This growth expectation is driven through Government's economic and structural reforms, lower oil prices, better energy supply and improving law and order situation. On the external front, there has been a strong build up in forex reserves which has surpassed the record level of US\$ 23 billion. The strong reserves position has provided an extended period of stability to the rupee, which remained relatively firm despite weakening of regional currencies. In view of the improved economic outlook, Pakistan has issued various global bonds, including Eurobonds and Sukuks, all met by strong interest from international capital markets. The CPI remained stable under 5% due to low commodity prices and stable exchange rate. Keeping the encouraging indicators in perspective, the SBP has maintained a forty year low policy rate of 5.75% since May 2016. The MSCI decision to reclassify Pakistan as an Emerging Market together with PSX's divestment to a Chinese consortium, kept the momentum going in the capital market. This contributed to an overall bullish trend in stock market with index touching an all-time high of 50,192 points.

On the other hand, the current account deficit for the second half of the year 2017 has widened significantly to US\$ 5.5 billion, compared to US\$ 1.9 billion during the same period of last year. This is mainly due to deterioration in trade deficit to a level of US\$ 20.2 billion, up by 34.6% year on year basis. Exports, which have been on a declining trend, reduced by 3.9% over last year, while imports rose by 16%, mainly due to CPEC related activity. After years of strong performance, remittances are projected to close with a decline of around 2% for the financial year 2016-17. Tax collections for the half year have also reportedly fallen by 8% against target, making the full year tax collection target of Rs. 3.6 trillion challenging. Accordingly, the fiscal deficit target of 3.8% for the year 2017 remains ambitious, as it will require significant reduction in government expenditure.

Agriculture

The agriculture sector continues to improve. The production of major Kharif crops, including cotton,





sugarcane and maize has provided the much needed drive to the crop sector during the Kharif season. The output of wheat, being the major Rabi crop, is also expected to remain close to the last year's bumper crop of 25.4 million tons. Moreover, improved water situation from January 2017 onwards, an increase in fertilizer off-take by 33% and higher credit disbursement during Rabi season also indicate better performance. Other components of agriculture like livestock, fishing and forestry are also showing progressive growth. Resultantly, the demand for consumer durables has started picking up pace in the rural areas.

Large Scale Manufacturing (LSM)

LSM exhibited signs of continued progress and posted growth of 3.9% during first half of financial year 2017. Major contributions came from food, steel, cement, pharmaceutical and electronics industries. The improvement was primarily driven through accommodating monetary and fiscal policies, improved energy supplies, better availability of raw materials and rising domestic demand owing to ongoing CPEC related power and infrastructure projects. In addition, recently announced export package is expected to provide much needed support to export industries.

The Automobile Industry

The annual automobile production grew by a meager 3.6% to 186,080 units against 179,679 units in the same period of corresponding year. However, last year numbers include Punjab Government acquisition of 45,000 units

under 'Apna Rozgar Scheme'. If impact of these units is adjusted, total industry production & sales grew by 34.4% & 29.4% respectively for the year ended March 31, 2017. A similar 'Orange Cab' scheme is also expected this year, which will create demand of locally manufactured vehicles in the country. These numbers could have been much higher but for the continuing import of reconditioned cars which still hold about 20% market share with import of 33,857 units in the first eight months of FY 2016-17.

It may not be out of place to mention that apart from affecting local production numbers, these reconditioned cars are a drain on the foreign exchange resources of the country as well as costing heavily to the national exchequer. Whilst we welcome the Auto policy 2016-21 which we believe will develop the industry, yet, the tariff incentives offered to new entrants are unprecedented which may out price the existing industry and thus end up at cross-purposes to the policy.

Your Company

Your company achieved highest ever production and sales during the year under review. Overall, production improved by 33.2% to 34,560 units against 25,939 units, last year. Sales improved to 35,381 units against 25,800 units of last year, up by 37.1%! New model of Honda Civic attracted customers all around and registered a growth of 148.9% over last year, whereas Honda City, which has now strengthened position in its class, also remained high in demand during the year under review.





Launching ceremony of New Honda Civic

Launch of All New Honda Civic

The company launched the much-awaited all-new Honda Civic in July 2016. With a fierce new shape and distinctive cut lines, the all-new 10th-generation Honda Civic has never looked better. It boasts a big and wide profile and

a long wheelbase, giving it a sporty look. The distinctive LED Daytime Running Lights and the rear taillight design incorporates the unique C-shaped taillights. The new Honda Civic comes with a choice of two engines available in normally-aspirated 4 cylinder 1.8 liter engine and 1.5 liter turbocharged engine, providing a roaring 127KW ensuring robust performance and high cruise efficiency. Other features like cruise control, smart entry, one-push start system, electric parking brake, Auto brake-hold, Anti-lock Braking System (ABS) with Electronic Brake-force Distribution (EBD) and remote engine starter (in 1.5 liter turbocharged engine only) are salient features of new Civic. Your company continued to have the privilege of introducing new technologies for its customers in Pakistan and the Honda Civic will set new benchmarks for the industry.



Customer receiving Car from Honda Dealer



Celebration of Independence Day



Celebrating 300,000th Production Car

Achieving Milestones

The current year has been memorable for many reasons. The company achieved a number of milestones and achieved records in production & sales. A few of them are mentioned below:

- Production of 300,000th Unit!

In October 2016, the company achieved production milestone of 300,000th unit, having started its operations in May 1994. To commemorate this occasion, Mr. Takahiro Hachigo, President and CEO, Honda Motor, Japan, along with other distinguished dignitaries from Honda Motor, Japan & Thailand and Atlas Group were present at the line-off ceremony of 300,000th production unit. It may be mentioned that during this period, the company has introduced a variety of models of Civic and City, providing 'Joy of Buying' to our valued customers.

- Highest Sales in a Financial Year!

In the financial year ended March 31, 2017, the company achieved another milestone of selling 35,381 units, the highest in any year. It had sold record 30,719 units in the financial year ended March 31, 2006, which was bettered this year by 15.2%. The company owes this success to its customers who have always reposed trust and confidence in its products.

- Highest Sales of Civic & City

The company improved its record of highest unit sale of Civic and City in a fiscal year. During the year, all new Honda Civic attracted overwhelming response from valued customers and recorded a sale of 15,592 units against the previous best of 12,594 units achieved in 2006, up by 23.8%. Similarly, Honda City sales were also highest at 19,712 units against 19,496 units sold in 2016.

- Increase in Production

In response to the overwhelming orders from customers on the launch of new Honda Civic, the company started double shift operations in the third quarter of the financial year to speed up deliveries and reduce waiting period of its valued customers. To cater the requirements of second shift, total workforce was increased by 45%. During the year, the company achieved the highest daily production of 180 units per day, in two shifts, which is almost double of the per day production, a year ago! The company is cognizant of the pressing demand and is geared up to meet future targets as well.



Ground breaking ceremony of New PO Injection Shop



Inauguration of New Press Machine

Financial Results

Net sales revenue for the year improved to Rs 62,802.7 million against Rs 40,085.5 million of last year. Gross profit also improved to Rs 9,121.7 million against Rs 6,046.8 million, an increase of 50.9%! However GP margin was slightly reduced from 15.1% of last year to 14.5% mainly due to increase in material cost. General administrative & selling expenses rose to Rs 1,039.6 million from Rs 684.9 million due to variable costs associated with additional workforce, sales and promotions activities. However in absolute terms, it reduced from 1.71% of sales to 1.66% of sales revenue.

Other income improved significantly to Rs 1,115.2 million against Rs 309.8 million which was 260% better than last year. This was all possible with better cash and treasury management of an improved liquidity.

Financial and other charges increased to Rs 560.9 million against Rs 492.8 million due to statutory provisions of WPPF and WWF for the FY-17. All these factors contributed to the bottom line and the company achieved the highest ever profit before tax of Rs 8,636.3 million against Rs 5,178.9 million of last year, showing increase of 66.8%. After necessary tax provisions, the profit after tax improved to a record Rs 6,135.0 million against Rs 3,555.8 million, up by 72.5%. Earning per Share improved to Rs 42.96 against Rs 24.90 of last year!

During the year, the Company contributed an amount of Rs. 25.13 billion to the Government exchequer in the

shape of sales tax, custom duty, excise duty and other government levies. For this it was awarded 1st position as highest tax paying company in the Punjab region by the Custom Authorities, Lahore. Last year the company paid government levies of Rs 12.49 million, showing an increase of 101.2%. The company has so far paid an amount of Rs 141.7 billion to government exchequer, since the start of commercial operations.

Investments

The increase in localization has been a top priority of the management. During the year, the company has expanded its press shop operations with installation of another 1500 ton press machine, in addition to already installed 1200 ton machine, with a total cost of Rs 240 million. The new press machine has started operations. On the other hand, the company is in process of expansion of its Plastic Injection Shop, with installation of new 3500 ton machine on a total cost of Rs 252 million. The both initiatives will help to increase the local contents in the cars and reduce cost of production.

Business Conferences

Every year, the company holds meetings and conferences with its vendors and dealers whom it considers an integral part of the Honda family, and to whom the company owes its success as well. These serve as effective liaison for coordination and to provide updates on new business development and plans. During the year, the Dealers, Service & Parts Managers meeting was held in April



Vendor Conference 2016

2016, Dealers conference in September 2016, and Vendor conference was held in October 2016. The dealers-vendors were apprised of the business plans and the strategy to achieve ever increasing sales demand for the year. Vendors were awarded with commemorating shields on their outstanding performance in Quality, Cost, Delivery, Management, Safety and Supply Chain management.

Training & Development

In order to maintain a competitive edge in the growing market, the company keeps on investing in the training & development of its associates. Human Resources Department focuses on both, training of associates for their current jobs and developing skills for new roles & responsibilities. Focusing on future needs, the company started extensive training program for associates during last year. The successors for the key positions were provided business management education and trainings from the renowned Business Institutions. The associates are also sent on "The Overseas Human Resource & Industry Development" (HIDA) trainings held in Japan and regional training courses conducted by Asian Honda Motors, Thailand, apart from other group and open-enrollment trainings offered by local organizations.

Changes on the Board

During the year there was one change in the Board of Directors of the Company. Mr. Kazuhisa Hirota resigned and Mr. Akira Murayama joined as his successor on the Board. Accordingly, changes in the Audit Committee

were also approved. The Board recognizes the valuable contribution made by Mr. Kazuhisa Hirota and welcome Mr. Akira Murayama on the Board & Audit Committee.

Future Outlook

The overall economic environment continues to remain conducive for growth. Availability of energy supplies and improvement in law and order situation has promoted business climate. There is optimism on the domestic demand owing to higher expected public sector spending, pre-election year and greater pace of development projects. The recent trend of external ratings will play a key role in bringing opportunities for Pakistan. The CPEC is now a reality and is expected to bring significant investments for infrastructure projects, especially road networks and energy projects. This will have a ripple effect for overall economic growth. However, there are few indications that the economy may be wavering from its budding stability. There is urgency in the area of tax reforms, where determined initiatives are needed to contain fiscal deficit and improve tax to GDP ratio significantly. The recent rise in oil prices is a concern given that the non-oil imports are expected to remain high, while exports are yet to show any recognizable recovery. The exchange rate will be tested as the repayment phase approaches. On the other hand, bright agricultural prospects and timely supportive measures by the Government are expected to bring positive results to the economy.



Participants of one day training session "Motivation: From Ordinary to Extraordinary"

The company has strong demand of its products in the market and continued to experience increase in customer's inflow. The challenging target for next year have been set and the company is geared up make that happen. The production team is continuously working to increase production through process re-engineering and removing production bottle-necks. The company is passing through a dynamic phase where skills, technologies and scales are being developed and getting built for next phase. With increasing productivity and improved competitiveness, the Company is well placed to strengthen its market position.

جسے اللہ رکھے اُسے کون چکھے

Acknowledgement

I would like to thank our valued customers for their continued strong support and believe in the company products. I would also like to congratulate Mr. Toichi Ishiyama and his team for achieving remarkable results for the year. I take this opportunity to thank our dealers, vendors, bankers, government institutions, shareholders and Honda Motors - Atlas Group for their continued support. I wish the company all the success in the coming years.

YUSUF H. SHIRAZI

Chairman

Karachi, May 30, 2017



Directors' Report

On behalf of the Company, I would like to express my heartfelt thanks to all of our shareholders and customers for your continued interest and support of our business activities, enhancing us to mark historic financial performance in fiscal year 2016-17.



The directors feel pleasure to present you the Annual Audited Financial Statements for the year ended March 31, 2017, together with the Auditors' Report thereon.

Financial results for the year are as follows:

Rupees in million	Year ended March 31, 2017	Year ended March 31, 2016
Profit before tax for the year	8,636.32	5,178.88
Taxation	(2,501.33)	(1,623.10)
Profit after tax	6,134.99	3,555.78
Other comprehensive loss for the year	(11.49)	(20.58)
Un-appropriated profit brought forward	7.35	21.75
Un-appropriated profit	6,130.85	3,577.53
Appropriations:*		
Transfer to general reserves	(4,200.00)	(2,550.00)
Proposed dividend 130% (2016: 70%)	(1,856.40)	(999.60)
	(6,056.40)	(3,549.60)
Un-appropriated profit carried forward	74.45	7.35
Earning per share – basic and diluted (Rupees)	42.96	24.90

* The Board of Directors has proposed these appropriations, which are not reflected in the financial statements in compliance with the Fourth schedule of the Companies Ordinance 1984.

Financials

The company earned record profit after tax of Rs 6,135.0 million for the year, improved by 72.5% against Rs 3,555.8 million in the same corresponding last year. Earnings per share grew to Rs 42.96 against Rs 24.90 of last year.

Dividend

We regard returning profit to shareholders as one of the top management priorities. The company recognizes the necessity of having internal reserves for strengthening balance sheet structure as well as future business expansion. With this approach, the company's financial structure would be stronger in future to absorb an unexpected business recession period. From the perspective of long term growth, we believe in appropriate & consistent dividend payment to the shareholders.

Therefore, the Board of Directors have recommended a cash dividend of Rs 13/- per share (130%) for the year ended March 31, 2017 against cash dividend of Rs 7/- per share (70%) paid during last year, showing an increase of 86%.





Inauguration of computer lab at a school



Free Medical Camp at Manga Mandi



Medicines distribution to patients

CSR Activities

The company has sought to contribute to society and customers by creating quality products and technologies, while co-existing harmoniously with the local community that host its operations.

During the year, the company continued working on realization of its dream **“to become a company that society wants to exist”** and has taken initiatives in the areas of education, health and traffic safety.

- Renovation of Computer Lab

During the year, the company renovated computer laboratory of a primary school, being run by a government organization. The previous computers in the school lab had been depleted and the students were deprived of getting computer education. The company, in liaison with the school management, renovated the computer laboratory and provided new desk top computers, with complete networking setup.

- Free Medical Camps

The company continued to conduct free medical camps in the vicinity of its factory. Last year, we arranged four medical camps in Talab Saraie, Manga Mandi, Kot Asadullah and Village Bhat. The company medical officer give medical advices and provide free medicines to the patients. The local community consist mostly poor people, including daily wagers, farmers, contract workers and people doing odd jobs. Appropriate medication facilities are not available in these areas and in case of illness, people mostly rely on self-medication or most of the times, no medication.

So far, the company have arranged fourteen medical camps in these areas, since start of this activity in 2013. We have provided free medicines and medical assistance to more than 8,000 patients so far.

- Safe Driving Trainings

The company has been regularly arranging traffic safety education and training sessions to company associates in liaison with our associated company. Training sessions are also arranged for company coaster drivers, who provide pick and drop services to associates in the morning/night shifts. The company associates who drive four/two wheelers also attend these training sessions.



Annual General Meeting of 2016

Before start of winter season, a special safe driving session is arranged for drivers/associates, providing safe driving techniques in foggy days. It has been particularly helpful for the company to reduce accident incidents last year.

Honda Code of Conduct

In order to earn the trust of customers and society and grow sustainably, companies must not only comply with laws and regulations but also go beyond those legal structures by practicing ethical corporate conduct. Recognizing this, in 2003 Honda formulated the Honda Conduct Guidelines, which was shared and implemented in the company.

In light of the rising importance of legal compliance, the Honda Conduct Guidelines were revised on April 1, 2016, outlining the behaviors to be practiced by people working at Honda. The revised Honda Code of Conduct was implemented on all associates through actions such as the distribution of leaflets and trainings.

Corporate and Financial Reporting Framework

In compliance with the provisions of the listing regulations of Stock Exchanges, the Board members are pleased to place the following statements on record:

- The financial statements for the year ended March 31, 2017 present fairly its state of affairs, the results of its operations, cash flow and changes in equity;

- Proper books of accounts have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements for the year ended March 31, 2017 and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements;
- The systems of internal control is sound in design and has been effectively implemented and monitored;
- There are no significant doubts about the company's ability to continue as a going concern;
- There has been no material departure from the best practices of corporate governance, as detailed in listing regulations as on March 31, 2017;
- The book value of investments held by Employees Provident Fund and Employees Gratuity Fund as on March 31, 2017 were Rs. 396 million and Rs. 335 million respectively.

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

The Board of Directors

The Board of Directors is composed of nine members, which includes one independent director as required by the Code of Corporate Governance 2014. The independent director was added after approval in general meeting of Shareholders in April 2015.

The board is responsible for making decisions with respect to important management matters, including the execution of important business activities and other matters as prescribed by law. These decisions are made after deliberating such matters according to established criteria, assessing risks and giving such matters due consideration. The board is also responsible for supervising and monitoring conduct guidelines.

Board Meetings

During the year under review, four meetings of the Board of Directors were held from April 01, 2016 to March 31, 2017. The attendance of the Board members was as follows:

Sr. No.	Name of Director	No of Meetings attended
1.	Mr. Yusuf H. Shirazi	4
2.	Mr. Toichi Ishiyama	4
3.	Mr. Kenichi Matsuo	4
4.	Mr. Aamir H. Shirazi	4
5.	Mr. M. Naeem Khan	3
6.	Mr. Kazuhisa Hirota	3
7.	Mr. Shigeru Yamazaki	3
8.	Mr. Yasutaka Uda	4
9.	Mr. Nadeem Arshad Elahi	3
	Mr. Maqsood ur Rehman Rehmani (Company Secretary)	4
	Mr. Ahmad Umair Wajid (CFO)	4

Leave of absence was granted to the members not attending the Board meetings.

During the year, three nominee directors of Honda Motor Company Limited, Japan were replaced. Mr. Hisatada Tachi, Mr. Takayoshi Koyama and Mr. Hironobu Yoshimura were succeeded by Mr. Kenichi Matsuo, Mr. Yasutaka Uda and Mr. Shigeru Yamazaki on the Board on April 1, 2016. To fulfill the requirement of qualification, 525 nominee shares each were transferred in the name of new directors during the year.

There was no other reported transaction of sale or purchase of shares of the company by Directors, Company Secretary, Chief Financial Officer and their spouses or minor children during the period under review.

The Board approved the remuneration of Chairman (Non-executive director) at Rs. 33.5 million (2016-17: Rs. 29.2 million), which includes allowances and other benefits for the year ending March 31, 2018.

President/CEO will be paid an amount of Rs. 14.4 million (2016-17: Rs 11.7 million) and one full-time director will be paid an amount of Rs. 15.1 million (2016-17: Rs 6.6 million for one director), which includes allowances and other benefits for the year ending March 31, 2018.

Audit Committee

Audit Committee comprises of five non-executive directors, including one independent director.

During the year, Audit Committee held eight meetings, each before the Board of Directors meeting to review the financial statements, internal audit reports, compliance with the best practices of the Corporate Governance requirements and other associated matters. These meetings included meeting with external auditors before and after completion of audit for the year ended March 31, 2017 and other statutory meetings as required by the Code of Corporate Governance.

Human Resource & Remuneration Committee

The Board has formed a Human Resource & Remuneration Committee (HR&R) which consist of five members. As required, the Chairman of the HR&R Committee is a Non-Executive director. Last year, the Committee held one meeting to discuss and approve the matters falling under the terms of reference of the Committee.

Honda Code of Corporate Governance

The company strives to enhance corporate governance as one of the most important tasks for its management, based on our Fundamental Beliefs, in order to strengthen the trust of our shareholders, investors, customers and society, **"to become a company that society wants to exist"**. The company continued to comply with the requirements of all applicable regulations as well as the Honda Code of Corporate Governance (HCG), based on the fundamental corporate philosophy of Honda.

Chairman's Review

The accompanied Chairman's review deals with the performance of the company for the year ended March 31, 2017 and future outlook. The directors of the company endorse the contents of the review.

Holding Company

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

Statement of Compliance with the Code of Corporate Governance

The company has fully complied with the requirements of the Code of Corporate Governance as contained in the Listing Regulation of the Stock Exchanges. A statement to this effect is annexed with this report.

Pattern of Shareholding

The pattern of shareholding as on March 31, 2017 and its disclosure, as required by the Code of Corporate Governance is annexed with this report.

Auditors

The present auditors Messer's A. F. Ferguson & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment for the year ending March 31, 2018. Their reappointment has been recommended by the Audit Committee,

For and on behalf of
The Board of Directors



Toichi Ishiyama
President/CEO

Karachi, May 30, 2017



Statement of Compliance

with the Code of Corporate Governance for the year ended March 31, 2017

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 5.19 of listing regulations of Pakistan Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the Code of Corporate Governance in the following manner:

1. The company encourages the representation of independent non-executive directors on its Board of Directors. At present the Board includes:

Sr No	Category	Names
1	Executive Directors	Mr. Toichi Ishiyama
2		Mr. Kenichi Matsuo
3	Non-Executive Directors	Mr. Yusuf H. Shirazi
4		Mr. Aamir H. Shirazi
5		Mr. Muhammad Naeem Khan
6		Mr. Kazuhisa Hirota
7		Mr. Shigeru Yamazaki
8		Mr. Yasutaka Uda
9	Independent Director	Mr. Nadeem Arshad Elahi

The independent director meets the criteria of independence under clause 5.19.1(b) of the Code of Corporate Governance.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFII or, being a member of stock exchange, has been declared as a defaulter by that stock exchange.
4. Three casual vacancies occurred on the Board of Directors from April 01, 2016 to March 31, 2017 and were filled up by the Directors within 14 days thereof.
5. 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.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer (CEO), other executive and non-executive directors, have been taken by the board/shareholders.
8. The meetings of the Board were presided over by the Chairman and in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. During the year, no Directors' Training Program was arranged for the directors.
10. During the year, there was no change in the position of Company Secretary, Chief Financial Officer (CFO) & Head of Internal Audit.
11. The directors' report for the year ended March 31, 2017 has been prepared in compliance with the requirements of the Code of Corporate Governance applicable as on March 31, 2017 and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance.



[L to R] : Mr. Kenichi Matsuo, Mr. Toichi Ishiyama, Mr. Maqsood-ur-Rehman

15. The Board has formed an Audit Committee. It comprises of five members including one independent director and four non-executive directors including Chairman.
16. The meetings of the Audit Committee were held at least once every quarter prior to the approval of interim and final results of the company as required by the Code. The Board has already approved the terms of references of the committee & advised to the Committee for compliance.
17. The Board has formed a HR and Remuneration Committee. It comprises of five members, of whom three are non-executive directors and the Chairman of the Committee is a Non-Executive director.
18. The board has set up an effective internal audit function manned by suitably qualified and experienced personnel who are conversant with the policies and procedures of the company and are involved in the internal audit function on full time basis.
19. 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 (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of ethics as adopted by Institute of Chartered Accountants of Pakistan (ICAP).
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim / final results and business decisions which may materially affect the market price of company's securities, was determined and intimated to directors, employees and Pakistan Stock Exchange.
22. Material/price sensitive information has been disseminated among all market participants at once through Pakistan Stock Exchange.
23. The company has complied with the requirements 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.
24. We confirm that all other material principles enshrined in the Code of Corporate Governance 2012 have been complied with.

TOICHI ISHIYAMA
President/CEO

Lahore, May 22, 2017

Auditors' Review Report to the Members

on the Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the 'Code') prepared by the Board of Directors of Honda Atlas Cars (Pakistan) Limited (the 'Company') for the year ended March 31, 2017, to comply with the requirements of Clause No. 5.19 of the Regulations of the Pakistan Stock Exchange Limited where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

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 Code 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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 best practices contained in the Code as applicable to the Company for the year ended March 31, 2017.

A. F. FERGUSON & CO.
Chartered Accountants

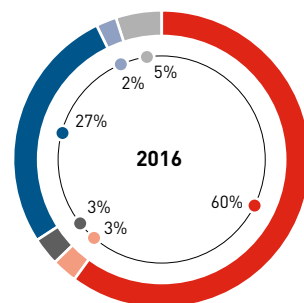
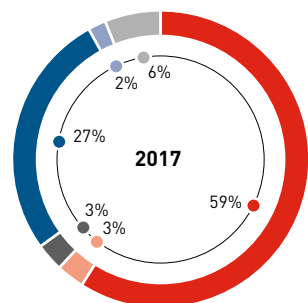
Lahore: May 23, 2017

Engagement Partner: Khurram Akbar Khan



Revenue Application

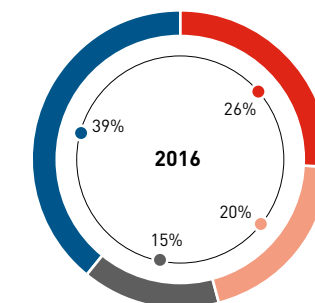
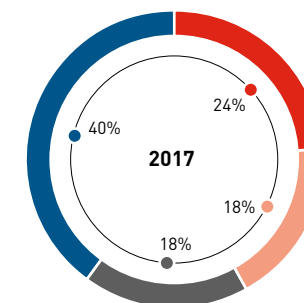
Rupees in thousand	2017	2016
REVENUE		
Gross sales	75,086,840	47,911,220
Other income	1,115,189	309,777
Total	76,202,029	48,220,997
APPLICATION		
Product Cost		
Cost of sales (excluding employees' remuneration and government levies)	45,254,569	28,725,171
Other costs		
Operating expenses (excluding employees' remuneration)	628,509	464,074
Dealers' commission	1,443,681	941,355
Financial charges	23,443	6,991
	2,095,633	1,412,420
Employees		
Workers' profit participation fund	457,137	278,262
Employees' remuneration	1,486,796	1,021,141
	1,943,933	1,299,403
Government		
Workers' welfare fund	49,285	108,099
Sales tax	10,840,406	6,884,344
Custom duties	7,393,370	4,633,263
Income tax	2,501,335	1,623,100
	20,784,396	13,248,806
Shareholders		
Dividend	1,856,400	999,600
Retained in Business		
Profit retained	4,267,098	2,535,597
Total	76,202,029	48,220,997
Percentage		
APPLICATION		
Product cost	59	60
Other costs	3	3
Employees	3	3
Government	27	27
Shareholders	2	2
Profit retained	6	5
Total	100	100



● Product Cost ● Other Cost ● Employees ● Government ● Shareholders ● Profit Retained

Value Added and its Distribution

Rupees in thousand	2017	2016
VALUE ADDED		
Net sales	62,802,753	40,085,521
Other income	1,115,189	309,777
Cost of sales (excluding employees' remuneration)	(52,647,939)	(33,358,434)
Operating expenses (excluding employees' remuneration)	(628,509)	(464,074)
Finance cost	(23,443)	(6,991)
Total	10,618,051	6,565,799
DISTRIBUTION		
To Government		
Workers' welfare fund	49,285	108,099
Income tax	2,501,335	1,623,100
	2,550,620	1,731,199
To Employees		
Workers' profit participation fund	457,137	278,262
Employees' remuneration	1,486,796	1,021,141
	1,943,933	1,299,403
To Shareholders		
Dividend	1,856,400	999,600
Retained in Business		
Profit retained	4,267,098	2,535,597
Total	10,618,051	6,565,799
Percentage		
DISTRIBUTION		
Government	24	26
Employees	18	20
Shareholders	18	15
Retained in business	40	39
Total	100	100



● Government ● Employees ● Shareholders ● Retained in business

Financial Highlights

		2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
PROFIT AND LOSS ACCOUNT											
Sales	Rs in million	62,803	40,086	37,764	39,153	30,275	16,600	22,026	15,854	14,150	14,715
Gross profit / (loss)	Rs in million	9,122	6,047	4,773	2,857	1,447	[44]	199	[240]	177	627
Operating profit / (loss)	Rs in million	8,660	5,186	3,786	2,135	716	[347]	[93]	[533]	[400]	297
Profit / (loss) before tax	Rs in million	8,636	5,179	3,767	2,097	525	[499]	[245]	[988]	[622]	64
Profit / (loss) after tax	Rs in million	6,135	3,556	3,162	1,074	244	[532]	[298]	[852]	[402]	75
Proposed dividend	Rs in million	1,856	1,000	714	428	43	-	-	-	-	-
BALANCE SHEET											
Share capital	Rs in million	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428
Shareholders' equity	Rs in million	13,065	7,941	5,120	2,391	1,365	1,128	1,677	1,976	2,828	3,230
Capital expenditure	Rs in million	1,812	1,346	662	239	466	397	55	29	2,129	188
Fixed assets - at cost	Rs in million	11,454	9,844	8,531	8,150	7,957	8,202	7,821	7,786	7,783	5,979
Fixed assets - net	Rs in million	4,974	3,781	2,933	3,041	3,503	3,668	3,945	4,594	5,406	4,010
Non current liabilities	Rs in million	440	226	64	56	43	110	417	1,333	1,500	500
Total assets	Rs in million	51,465	16,205	13,926	12,317	15,146	9,489	10,573	8,946	9,942	6,817
Working capital	Rs in million	8,419	4,300	1,806	[1,043]	[3,180]	[3,622]	[2,816]	[2,125]	[1,685]	[652]
Capital employed	Rs in million	13,065	7,941	5,120	2,391	1,365	1,294	2,511	3,476	4,328	3,730
SIGNIFICANT RATIOS											
Profitability											
Gross profit / (loss) margin	%	14.5	15.1	12.6	7.3	4.8	[0.3]	0.9	[1.5]	1.3	4.3
Operating profit / (loss) margin	%	13.8	12.9	10.0	5.5	2.4	[2.1]	[0.4]	[3.4]	[2.8]	2.0
Profit / (loss) before tax	%	13.7	12.9	9.9	5.4	1.7	[3.0]	[1.1]	[6.2]	[4.4]	0.4
Profit / (loss) after tax	%	9.8	8.9	8.4	2.7	0.8	[3.2]	[1.4]	[5.4]	[2.8]	0.5
Liquidity											
Current ratio	Times	1.2	1.5	1.2	0.9	0.8	0.6	0.7	0.6	0.7	0.8
Quick ratio	Times	1.0	1.0	0.6	0.5	0.4	0.2	0.2	0.2	0.2	0.2
Long term debt to equity	Times	-	-	-	-	-	0.2	0.5	0.8	0.5	0.2
Total liabilities to equity	Times	3.9	2.0	2.7	5.2	11.1	8.4	6.3	4.5	3.5	2.1
Activity											
Total assets turnover	Times	1.2	2.5	2.7	3.2	2.0	1.7	2.1	1.8	1.4	2.2
Fixed assets turnover	Times	12.6	10.6	12.9	12.9	8.6	4.5	5.6	3.5	2.6	3.7
Stock turnover ratio	Times	10.1	7.1	7.0	8.9	8.0	5.3	7.6	6.1	6.1	6.5
Interest cover (BT)	Times	369.4	741.8	202.8	56.1	3.7	[2.3]	[0.6]	[1.2]	[1.8]	1.3
Interest cover (AT)	Times	262.7	509.6	170.4	29.2	2.3	[2.5]	[1.0]	[0.9]	[0.8]	1.3
Number of days stock	Days	36	51	52	41	46	69	48	60	60	56
Earning											
Return on capital employed	%	58.4	54.5	84.2	57.2	18.4	[28.0]	[10.0]	[21.8]	[10.0]	1.7
Return on equity (BT)	%	82.2	79.3	100.3	111.7	42.1	[35.6]	[13.4]	[41.1]	[20.5]	2.3
Return on equity (AT)	%	58.4	54.5	84.2	57.2	19.6	[37.9]	[16.3]	[35.5]	[13.3]	2.6
Earning / (loss) per share (BT)	Rs.	60.5	36.3	26.4	14.7	3.7	[3.5]	[1.7]	[6.9]	[4.4]	0.5
Earning / (loss) per share (AT)	Rs.	43.0	24.9	22.1	7.5	1.7	[3.7]	[2.1]	[6.0]	[2.8]	0.5
Price earning ratio (AT)	Times	17.5	10.1	8.3	7.3	17.1	[3.0]	[4.8]	[2.7]	[4.3]	88.0
Dividend per ordinary share	Rs.	13.0	7.0	5.0	3.0	0.3	-	-	-	-	-
Dividend pay out ratio	%	30.3	28.1	22.6	39.9	17.6	-	-	-	-	-
OTHER INFORMATION											
Break up value per share	Rs.	91	56	36	17	10	8	12	14	20	23
Market value per share	Rs.	752	252	183	55	29	11	10	16	12	44
Contribution to national exchequer	Rs in million	25,130	12,488	11,758	13,750	10,664	6,281	8,229	6,316	6,452	4,958
Units produced	Units	34,560	25,939	23,320	23,223	19,387	11,040	16,440	11,980	12,780	15,080
Units sold	Units	35,381	25,800	23,311	23,310	18,915	11,406	16,467	12,344	12,502	15,604
Manpower (permanent+contractual)	Nos.	2,033	1,256	1,160	1,122	1,003	934	975	857	955	946
Exchange rates at year end date											
¥ to \$	¥	112	113	120	104	94	82	83	94	98	100
Rs to \$	Rs.	104.95	104.85	101.94	98.53	98.57	90.75	85.50	84.18	80.45	62.77
Rs to ¥	Rs.	0.94	0.93	0.85	0.95	1.05	1.11	1.03	0.90	0.82	0.63

Horizontal Analysis

	2017	2016	2015	2014	2013	2012	2017 vs 2016	2016 vs 2015	2015 vs 2014	2014 vs 2013	2013 vs 2012
	Rupees in thousand						Percentage				
BALANCE SHEET											
EQUITY AND LIABILITIES											
SHARE CAPITAL AND RESERVES											
Issued, subscribed and paid up capital	1,428,000	1,428,000	1,428,000	1,428,000	1,428,000	1,428,000	-	-	-	-	-
Reserves	5,506,000	2,956,000	526,000	76,000	76,000	249,500	86.27	461.98	592.11	-	(69.54)
Unappropriated profit / (loss)	6,130,847	3,556,949	3,165,752	887,220	(139,326)	(549,676)	72.36	12.36	256.82	(736.79)	(74.65)
NON-CURRENT LIABILITIES											
Long-term finances - secured	-	-	-	-	-	83,333	-	-	-	-	(100.00)
Deferred liability - Gratuity	61,645	82,824	52,552	44,425	37,834	26,393	(25.57)	57.60	18.29	17.42	43.35
Deferred taxation	367,144	134,108	-	-	-	-	173.77	100.00	-	-	-
Deferred revenue	10,842	8,835	11,623	11,709	4,800	-	22.72	(23.99)	(0.73)	143.94	100.00
CURRENT LIABILITIES											
Current portion of deferred revenue	4,480	6,194	4,651	-	-	-	(27.67)	33.18	100.00	-	-
Current portion of long-term finances	-	-	-	-	-	83,334	-	-	-	-	(100.00)
Short term borrowings - secured	-	-	-	-	-	-	-	-	-	-	-
Accrued mark-up	14,218	669	1,762	13,790	91,986	65,496	2,025.26	(62.03)	(87.22)	(85.01)	40.45
Income tax payable	305,126	-	-	-	-	-	100	-	-	-	-
Trade and other payables	37,637,055	8,031,319	8,735,729	9,856,245	13,646,869	8,102,678	368.63	(8.06)	(11.37)	(27.78)	68.42
	51,465,357	16,204,898	13,926,069	12,317,389	15,146,163	9,489,058	217.59	16.36	13.06	(18.68)	59.62
ASSETS											
NON-CURRENT ASSETS											
Property, plant and equipment	4,402,000	2,511,897	2,822,852	2,873,067	3,355,778	3,255,755	75.25	(11.02)	(1.75)	(14.38)	3.07
Intangible assets	373,092	71,035	71,373	86,431	139,556	56,366	425.22	(0.47)	(17.42)	(38.07)	147.59
Capital work-in-progress	199,194	1,198,229	38,776	81,293	7,857	355,812	(83.38)	2,990.13	(52.30)	934.66	(97.79)
Long term loans and advances	107,251	81,547	62,438	52,772	37,189	33,855	31.52	30.60	18.32	41.90	9.85
Long term deposits	4,042	4,042	4,042	4,042	4,042	4,042	-	-	-	-	-
Deferred taxation	-	-	378,307	393,238	1,042,794	1,154,027	-	(100.00)	(3.80)	(62.29)	(9.64)
CURRENT ASSETS											
Stores and spares	134,569	122,954	132,724	116,205	115,646	112,139	9.45	(7.36)	14.22	0.48	3.13
Stock-in-trade	6,658,735	4,009,825	5,523,796	3,852,540	4,311,552	2,853,523	66.06	(27.41)	43.38	(10.65)	51.10
Trade debts	17,859	86,242	44,224	-	-	-	(79.29)	95.01	100.00	-	-
Advances, prepayments and other receivables	9,088,890	1,006,233	1,489,154	2,503,651	2,105,102	1,581,062	803.26	(32.43)	(40.52)	18.93	33.14
Short term investments	20,943,345	1,149,777	-	-	491,680	-	1,721.51	100.00	-	(100.00)	100.00
Cash and bank balances	9,536,380	5,963,117	3,358,383	2,354,150	3,534,967	82,477	59.92	77.56	42.66	(33.40)	4,186.00
	51,465,357	16,204,898	13,926,069	12,317,389	15,146,163	9,489,058	217.59	16.36	13.06	(18.68)	59.62
PROFIT AND LOSS ACCOUNT											
Sales	62,802,753	40,085,521	37,764,159	39,153,254	30,274,604	16,599,608	56.67	6.15	(3.55)	29.33	82.38
Cost of sales	(53,681,061)	(34,038,741)	(32,991,341)	(36,296,009)	(28,827,522)	(16,643,607)	57.71	3.17	(9.10)	25.91	73.20
Gross profit / (loss)	9,121,692	6,046,780	4,772,818	2,857,245	1,447,082	(43,999)	50.85	26.69	67.04	97.45	(3,388.90)
Distribution and marketing costs	(542,321)	(333,046)	(434,257)	(340,556)	(218,707)	(130,550)	62.84	(23.31)	27.51	55.71	67.53
Administrative expenses	(497,269)	(351,863)	(319,940)	(287,026)	(201,908)	(158,943)	41.32	9.98	11.47	42.16	27.03
Other operating income	1,115,189	309,777	218,979	270,548	213,434	204,456	260.00	41.46	(19.06)	26.76	4.39
Other operating expenses	(537,523)	(485,775)	(451,897)	(364,890)	(524,117)	(217,842)	10.65	7.50	23.84	(30.38)	140.60
Profit / (loss) from operations	8,659,768	5,185,873	3,785,703	2,135,321	715,784	(346,878)	66.99	36.99	77.29	198.32	(306.35)
Finance cost	(23,443)	(6,991)	(18,666)	(38,075)	(190,967)	(151,926)	235.33	(62.55)	(50.98)	(80.06)	25.70
Profit / (loss) before taxation	8,636,325	5,178,882	3,767,037	2,097,246	524,817	(498,804)	66.76	37.48	79.62	299.61	(205.22)
Taxation	(2,501,335)	(1,623,100)	(604,660)	(1,023,576)	(280,530)	(33,409)	54.11	168.43	(40.93)	264.87	739.68
Profit / (loss) after taxation	6,134,990	3,555,782	3,162,377	1,073,670	244,287	(532,213)	72.54	12.44	194.54	339.51	(145.90)

Vertical Analysis

	2017	2016	2015	2014	2013	2012	2017	2016	2015	2014	2013
	Rupees in thousand						Percentage				
BALANCE SHEET											
EQUITY AND LIABILITIES											
SHARE CAPITAL AND RESERVES											
Issued, subscribed and paid up capital	1,428,000	1,428,000	1,428,000	1,428,000	1,428,000	1,428,000	2.77	8.81	10.25	11.59	9.43
Reserves	5,506,000	2,956,000	526,000	76,000	76,000	249,500	10.70	18.24	3.78	0.62	0.50
Unappropriated profit / (loss)	6,130,847	3,556,949	3,165,752	887,220	(139,326)	(549,676)	11.91	21.95	22.73	7.20	(0.92)
NON-CURRENT LIABILITIES											
Long-term finances - secured	-	-	-	-	-	83,333	-	-	-	-	-
Deferred liability - Gratuity	61,645	82,824	52,552	44,425	37,834	26,393	0.12	0.51	0.38	0.36	0.25
Deferred taxation	367,144	134,108	-	-	-	-	0.71	0.83	-	-	-
Deferred revenue	10,842	8,835	11,623	11,709	4,800	-	0.02	0.05	0.08	0.10	0.03
CURRENT LIABILITIES											
Current portion of deferred revenue	4,480	6,194	4,651	-	-	-	0.04	0.04	0.03	-	-
Current portion of long-term finances	-	-	-	-	-	83,334	-	-	-	-	-
Short term borrowings - secured	-	-	-	-	-	-	-	-	-	-	-
Accrued mark-up	14,218	669	1,762	13,790	91,986	65,496	0.03	-	0.01	0.11	0.61
Income tax payable	305,126	-	-	-	-	-	0.59	-	-	-	-
Trade and other payables	37,637,055	8,031,319	8,735,729	9,856,245	13,646,869	8,102,678	73.13	49.56	62.73	80.02	90.10
	51,465,357	16,204,898	13,926,069	12,317,389	15,146,163	9,489,058	100.00	100.00	100.00	100.00	100.00
ASSETS											
NON-CURRENT ASSETS											
Property, plant and equipment	4,402,000	2,511,897	2,822,852	2,873,067	3,355,778	3,255,755	8.55	15.50	20.27	23.33	22.16
Intangible assets	373,092	71,035	71,373	86,431	139,556	56,366	0.72	0.44	0.51	0.70	0.92
Capital work-in-progress	199,194	1,198,229	38,776	81,293	7,857	355,812	0.39	7.39	0.28	0.66	0.05
Long term loans and advances	107,251	81,547	62,438	52,772	37,189	33,855	0.21	0.50	0.45	0.43	0.25
Long term deposits	4,042	4,042	4,042	4,042	4,042	4,042	0.01	0.02	0.03	0.03	0.03
Deferred taxation	-	-	378,307	393,238	1,042,794	1,154,027	-	-	2.72	3.19	6.88
CURRENT ASSETS											
Stores and spares	134,569	122,954	132,724	116,205	115,646	112,139	0.26	0.76	0.95	0.94	0.76
Stock-in-trade	6,658,735	4,009,825	5,523,796	3,852,540	4,311,552	2,853,523	12.94	24.74	39.67	31.28	28.47
Trade debts	17,859	86,242	44,224	-	-	-	0.03	0.53	0.32	-	-
Short term investments	20,943,345	1,149,777	-	-	491,680	-	40.69	7.10	-	-	3.25
Advances, prepayments and other receivables	9,088,890	1,006,233	1,489,154	2,503,651	2,105,102	1,581,062	17.66	6.21	10.69	20.33	13.90
Cash and bank balances	9,536,380	5,963,117	3,358,383	2,354,150	3,534,967	82,477	18.53	36.80	24.12	19.11	23.34
	51,465,357	16,204,898	13,926,069	12,317,389	15,146,163	9,489,058	100.00	100.00	100.00	100.00	100.00
PROFIT AND LOSS ACCOUNT											
Sales	62,802,753	40,085,521	37,764,159	39,153,254	30,274,604	16,599,608	100.00	100.00	100.00	100.00	100.00
Cost of sales	(53,681,061)	(34,038,741)	(32,991,341)	(36,296,009)	(28,827,522)	(16,643,607)	(85.48)	(84.92)	(87.36)	(92.70)	(95.22)
Gross profit	9,121,692	6,046,780	4,772,818	2,857,245	1,447,082	(43,999)	14.52	15.08	12.64	7.30	4.78
Distribution and marketing costs	(542,321)	(333,046)	(434,257)	(340,556)	(218,707)	(130,550)	(0.86)	(0.83)	(1.15)	(0.87)	(0.72)
Administrative expenses	(497,269)	(351,863)	(319,940)	(287,026)	(201,908)	(158,943)	(0.79)	(0.88)	(0.85)	(0.73)	(0.67)
Other operating income	1,115,189	309,777	218,979	270,548	213,434	204,456	1.78	0.77	0.58	0.69	0.70
Other operating expenses	(537,523)	(485,775)	(451,897)	(364,890)	(524,117)	(217,842)	(0.86)	(1.21)	(1.20)	(0.93)	(1.73)
Profit from operations	8,659,768	5,185,873	3,785,703	2,135,321	715,784	(346,878)	13.79	12.94	10.02	5.45	2.36
Finance cost	(23,443)	(6,991)	(18,666)	(38,075)	(190,967)	(151,926)	(0.04)	(0.02)	(0.05)	(0.10)	(0.63)
Profit before taxation	8,636,325	5,178,882	3,767,037	2,097,246	524,817	(498,804)	13.75	12.92	9.98	5.36	1.73
Taxation	(2,501,335)	(1,623,100)	(604,660)	(1,023,576)	(280,530)	(33,409)	(3.98)	(4.05)	(1.60)	(2.61)	(0.93)
Profit after taxation	6,134,990	3,555,782	3,162,377	1,073,670	244,287	(532,213)	9.77	8.87	8.37	2.74	0.81

Financial Statements

For the year ended March 31, 2017

Auditors' Report to the Members

We have audited the annexed balance sheet of Honda Atlas Cars (Pakistan) Limited (the 'Company') as at March 31, 2017 and the related profit and loss account, statement of comprehensive income, statement of changes in equity and cash flow statement together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, statement of changes in equity and cash flow statement together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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, 2017 and of the profit, total comprehensive income, changes in equity and its cash flows for the year then ended; and
- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

A. F. Ferguson & Co.

Chartered Accountants

Lahore: May 30, 2017

Engagement Partner: Khurram Akbar Khan

Balance Sheet

As at March 31, 2017

Rupees in thousand	Note	2017	2016
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 200,000,000 (2016: 200,000,000) ordinary shares of Rs 10 each		2,000,000	2,000,000
Issued, subscribed and paid up share capital 142,800,000 (2016: 142,800,000) ordinary shares of Rs 10 each	5	1,428,000	1,428,000
Reserves	6	5,506,000	2,956,000
Un-appropriated profit		6,130,847	3,556,949
		13,064,847	7,940,949
NON-CURRENT LIABILITIES			
Deferred liabilities	7	61,645	82,824
Deferred taxation	8	367,144	134,108
Deferred revenue		10,842	8,835
		439,631	225,767
CURRENT LIABILITIES			
Current portion of deferred revenue		4,480	6,194
Short term borrowings - secured	9	-	-
Accrued mark up	10	14,218	669
Income tax payable		305,126	-
Trade and other payables	11	37,637,055	8,031,319
		37,960,879	8,038,182
CONTINGENCIES AND COMMITMENTS			
	12		
		51,465,357	16,204,898

The annexed notes 1 to 42 form an integral part of these financial statements.

Rupees in thousand	Note	2017	2016
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13	4,402,000	2,511,897
Intangible assets	14	373,092	71,035
Capital work-in-progress	15	199,194	1,198,229
Long term loans and advances	16	107,251	81,547
Long term deposits		4,042	4,042
		5,085,579	3,866,750
CURRENT ASSETS			
Stores and spares	17	134,569	122,954
Stock-in-trade	18	6,658,735	4,009,825
Trade debts	19	17,859	86,242
Loans, advances, prepayments and other receivables	20	9,088,890	1,006,233
Short term investments	21	20,943,345	1,149,777
Cash and bank balances	22	9,536,380	5,963,117
		46,379,778	12,338,148
		51,465,357	16,204,898



Yusuf H. Shirazi
Chairman



Toichi Ishiyama
Chief Executive

Profit & Loss Account

For the year ended March 31, 2017

Rupees in thousand	Note	2017	2016
Sales	23	62,802,753	40,085,521
Cost of sales	24	(53,681,061)	(34,038,741)
Gross profit		9,121,692	6,046,780
Distribution and marketing costs	25	(542,321)	(333,046)
Administrative expenses	26	(497,269)	(351,863)
Other income	27	1,115,189	309,777
Other expenses	28	(537,523)	(485,775)
		(461,924)	(860,907)
Profit from operations		8,659,768	5,185,873
Finance cost	29	(23,443)	(6,991)
Profit before taxation		8,636,325	5,178,882
Taxation	30	(2,501,335)	(1,623,100)
Profit after taxation		6,134,990	3,555,782
Earnings per share - basic and diluted (Rupees)	34	42.96	24.90

The annexed notes 1 to 42 form an integral part of these financial statements.



Yusuf H. Shirazi
Chairman



Toichi Ishiyama
Chief Executive

Statement of Comprehensive Income

For the year ended March 31, 2017

Rupees in thousand	2017	2016
Profit after taxation	6,134,990	3,555,782
Other comprehensive loss		
Items that may be reclassified subsequently to profit or loss	-	-
Items that will not be subsequently reclassified to profit or loss:		
Remeasurement of net defined benefit liability	(16,655)	(30,272)
Income tax on remeasurement of net defined benefit liability	5,163	9,687
	(11,492)	(20,585)
Total comprehensive income for the year	6,123,498	3,535,197

The annexed notes 1 to 42 form an integral part of these financial statements.



Yusuf H. Shirazi
Chairman



Toichi Ishiyama
Chief Executive

Statement of Changes in Equity

For the year ended March 31, 2017

Rupees in thousand	Share capital	Capital Reserve		Revenue Reserve		Total
		Share premium	General reserve	Un-appropriated profit		
Balance as on April 01, 2015	1,428,000	76,000	450,000	3,165,752		5,119,752
Transfer to general reserve	-	-	2,430,000	(2,430,000)		-
Profit for the year	-	-	-	3,555,782		3,555,782
Other comprehensive loss for the year	-	-	-	(20,585)		(20,585)
Total comprehensive income for the year	-	-	-	3,535,197		3,535,197
Transactions with owners, recognized directly in equity						
Cash dividend for the year ended March 31, 2015 @ Rs 5 per share	-	-	-	(714,000)		(714,000)
Balance as on March 31, 2016	1,428,000	76,000	2,880,000	3,556,949		7,940,949
Transfer to general reserve	-	-	2,550,000	(2,550,000)		-
Profit for the year	-	-	-	6,134,990		6,134,990
Other comprehensive loss for the year	-	-	-	(11,492)		(11,492)
Total comprehensive income for the year	-	-	-	6,123,498		6,123,498
Transactions with owners, recognized directly in equity						
Cash dividend for the year ended March 31, 2016 @ Rs 7 per share	-	-	-	(999,600)		(999,600)
Balance as on March 31, 2017	1,428,000	76,000	5,430,000	6,130,847		13,064,847

The annexed notes 1 to 42 form an integral part of these financial statements.



Yusuf H. Shirazi
Chairman



Toichi Ishiyama
Chief Executive

Cash Flow Statement

For the year ended March 31, 2017

Rupees in thousand	Note	2017	2016
Cash flows from operating activities			
Cash generated from operations	31	28,054,830	6,643,016
Finance cost paid		(574)	(823)
Employees' retirement benefits and other obligations paid		(116,300)	(58,555)
Net increase in loans to employees		(35,989)	(25,501)
Income tax paid		(1,970,541)	(223,489)
Royalty paid		(745,859)	(784,680)
Increase in deferred revenue		6,487	3,407
Net cash generated from operating activities		25,192,054	5,553,375
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,526,330)	(1,241,591)
Purchase of intangible assets		(172,821)	(103,909)
Proceeds from sale of property, plant and equipment		81,605	17,095
Purchase of short term investments		(4,755,563)	(400,000)
Realized gain on short term investments		13,623	-
Proceeds from disposal of short term investments		250,000	-
Interest received		617,331	235,826
Net cash used in investing activities		(5,492,155)	(1,492,579)
Cash flows from financing activities			
Dividend paid		(995,796)	(710,685)
Net cash used in financing activities		(995,796)	(710,685)
Net increase in cash and cash equivalents		18,704,103	3,350,111
Cash and cash equivalents at the beginning of the year		6,708,494	3,358,383
Cash and cash equivalents at the end of the year	32	25,412,597	6,708,494

The annexed notes 1 to 42 form an integral part of these financial statements.



Yusuf H. Shirazi
Chairman



Toichi Ishiyama
Chief Executive

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

1. LEGAL STATUS AND NATURE OF BUSINESS

Honda Atlas Cars (Pakistan) Limited (the 'Company') is a public limited company incorporated in Pakistan on November 4, 1992. The Company is a subsidiary of Honda Motor Co., Ltd., Japan. The Company's ordinary shares are listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at 1-Mcleod Road, Lahore, and its manufacturing facility is located at 43 km, Multan Road, Manga Mandi, Lahore. Its principal activities are assembling and progressive manufacturing and sale of Honda vehicles and spare parts. The Company commenced commercial production from July 1994.

2. BASIS OF PREPARATION

2.1 These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by Securities and Exchange Commission of Pakistan ('SECP') differ with the requirements of IFRS or IFAS, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives prevail.

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

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

2.2.1 Standards, amendments and interpretations to approved accounting standards that are effective in current year

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on April 1, 2016 but are considered not to be relevant or to have any significant effect on the company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements, except for the following:

- IAS 1, 'Presentation of financial statements' (Amendment). The amendments provide clarifications on a number of issues, including:

- Materiality – an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals – line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes – confirmation that the notes do not need to be presented in a particular order.
- Other comprehensive income arising from investments accounted for under the equity method – the share of other comprehensive income arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.
- IAS 19 (Amendment), 'Employee benefits'. The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, not the country where they arise. The assessment of whether there is a deep market in high-quality corporate bonds is based on corporate bonds in that currency, not corporate bonds in a particular country. Similarly, where there is no deep market in high-quality corporate bonds in that currency,

government bonds in the relevant currency should be used. The amendment is retrospective but limited to the beginning of the earliest period presented. The company's current accounting treatment is already in line with the requirement of this standard.

The company's current accounting treatment is already in line with the requirements of these standards.

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

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for companies having accounting periods beginning on or after April 1, 2017 but are considered not to be relevant or to have any significant effect on the company's operations and are, therefore, not detailed in these financial statements, except for the following:

- IFRS 15, 'Revenue from contracts with customers' (effective for periods beginning on or after January 1, 2018). This standard is yet to be notified by the SECP. This standard deals with revenue recognition and establishes principles for reporting useful information to users of the financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18, 'Revenue', and IAS 11, 'Construction contracts', and related interpretations. The company is yet to assess the full impact of the standard.

- IAS 7, 'Cashflow statements: Disclosure initiative' (effective for periods beginning on or after January 1, 2017). This amendment requires disclosure to explain changes in liabilities for which cash flows have been, or will be classified as financing activities in the statement of cash flows. The amendment only covers balance sheet items for which cash flows are classified as financing activities. In case other items are included within the reconciliation, the changes in liabilities arising from financing activities will be identified separately. A reconciliation of the opening to closing balance is not specifically required but instead the information can be provided in other ways. In the first year of adoption, comparative information need not be provided. It is unlikely that the amendment will have any significant impact on the company's financial statements.

- IFRS 9, 'Financial instruments' (effective for periods beginning on or after January 1, 2018). This standard is yet to be notified by the SECP. This standard replaces the guidance in IAS 39, 'Financial instruments: Recognition and measurement'. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model. The company is yet to assess the full impact of the standard.

- IFRIC 22, 'Foreign currency transactions and advance consideration' (effective for periods beginning on or after January 1, 2018). This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payments/receipts are made. The guidance aims to reduce diversity in practice. The company is yet to assess the full impact of the standard.

-IFRS 16 'Leases': This standard replaces the current guidance in IAS 17 and is a far reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. The company is yet to assess the full impact of the standard.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

3. BASIS OF MEASUREMENT

3.1 These financial statements have been prepared under the historical cost convention as modified by the recognition of certain employee retirement benefits at present value and certain financial instruments at fair value.

3.2 The Company's significant accounting policies are stated in note 4. Not all of these significant policies require the management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies the management considers critical because of their complexity, judgment and estimation involved in their application and their impact on these financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates which have been explained as follows:

a) Employee retirement benefits

The Company uses the valuation performed by an independent actuary as the present value of its retirement benefit obligations. The valuation is based on assumptions as mentioned in note 4.1.

b) Provision for taxation

The Company takes into account the current income tax law and the decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its views on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

c) Useful lives and residual values of property, plant and equipment and intangible assets

The Company reviews the useful lives and residual values of property, plant and equipment and intangible assets on regular basis. Any change in estimates in future years might affect the carrying amounts of respective items of property, plant and equipment and intangible assets with a corresponding effect on the depreciation / amortization charge and impairment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Employees' retirement benefits and other obligations

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

4.1.1 Defined benefit plan

The Company operates a funded defined benefit gratuity scheme for all its permanent employees. Under the scheme, gratuity is payable on the basis of last drawn basic salary at the following rates:

Service in the Company	Per completed year of service
0 - 4 years and 364 days	Nil
5 - 9 years and 364 days	15 days
10 years or more	30 days

Contributions under the scheme are made to this fund on the basis of actuarial recommendation at the rate of 6.8% (2016: 6.6%) per annum of basic salary. The latest actuarial valuation for the scheme was carried out as at March 31, 2017.

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

The amount recognized in balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of the plan assets.

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

Discount rate	9.25% per annum
Expected increase in eligible pay	8.25% to 14% per annum
Expected rate of return on plan assets	9.25% per annum

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

The Company is expected to contribute Rs 36.61 million to the gratuity fund in the next year.

4.1.2 Accumulating compensated absences

Accruals are made annually to cover the obligation for accumulating compensated absences on the basis of accumulated leaves and the last drawn salary. These are charged to profit.

4.1.3 Defined contribution plan

The Company operates a defined contributory provident fund for all its permanent employees. Contributions are made equally by the Company and the employees at the rate of 10% per annum of the basic salary subject to completion of minimum qualifying period of service as determined under the rules of the fund.

4.2 Taxation

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for taxation made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply for the year when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except in the case of items credited or charged to other comprehensive income or equity in which case it is included in other comprehensive income or equity.

4.3 Property, plant and equipment

Property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at cost less any identified impairment loss.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

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

Percentage	Rate
Buildings on freehold land	5
Plant and machinery	9 to 32
Furniture and office equipment	20
Vehicles	20
Tools and equipment	20
Computers	35

Depreciation on additions to property, plant and equipment is charged from the month in which an asset is available for use while no depreciation is charged for the month in which the asset is disposed off.

The assets' residual values and useful lives are continually reviewed by the Company and adjusted if impact on depreciation is significant. The Company's estimate of the residual value of its property, plant and equipment as at March 31, 2017 has not required any adjustment.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 4.6).

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

The profit or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

4.4 Intangible assets

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

Amortization is charged to profit on the straight line method so as to write off the cost of an asset over its estimated useful life. Amortization on additions is charged from the month in which an asset is available for use while no amortization is charged for the month in which the asset is disposed off. Amortization is charged at the annual rates given below:

Percentage	Rate
License fees and drawings	17 to 22
Computer software	20 to 30

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 4.6).

4.5 Capital work-in-progress

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

4.6 Impairment of non-financial assets

Assets that have an indefinite useful life - for example, goodwill or intangible assets not ready to use - are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

4.7 Leases

The Company is the lessee:

4.7.1 Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit on a straight line basis over the lease term.

4.8 Financial assets

4.8.1 Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if expected to be settled within twelve months, otherwise, they are classified as non-current.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise loans, advances, deposits and other receivables and cash and cash equivalents in the balance sheet.

c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investments within twelve months from the balance sheet date.

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d) Held to maturity

Financial assets with fixed or determinable payments and fixed maturity, where management has the intention and ability to hold till maturity are classified as held to maturity and are stated at amortized cost.

4.8.2 Recognition and measurement

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognized on trade-date; the date on which the Company commits to purchase or sell the asset. Financial assets are initially recognized 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 recognized at fair value and transaction costs are expensed in the profit and loss account. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held to maturity investments are carried at amortized cost using the effective interest rate method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit and loss account in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the profit and loss account as part of other income when the Company's right to receive payments is established.

Changes in the fair value of securities classified as available-for-sale are recognized in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the profit and loss account as gains and losses from investment securities. Interest on available-for-sale securities calculated using the effective interest method is recognized in the profit and loss account. Dividends on available-for-sale equity instruments are recognized in the profit and loss account when the Company's right to receive payments is established.

The fair values of quoted investments are based on current prices. If the market for a financial asset is not active (and for unlisted securities), the Company measures the investments at cost less impairment in value, if any.

The Company assesses at each balance sheet date whether there is an 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 is removed from equity and recognized in the profit and loss account. Impairment losses recognized in the profit and loss account on equity instruments are not reversed through the profit and loss account. Impairment testing of trade debts and other receivables is described in note 4.19.

4.9 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

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

4.10 Offsetting of financial assets and financial liabilities

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

4.11 Stores and spares

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

4.12 Stock-in-trade

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

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to be incurred in order to make the sale.

4.13 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit and loss account over the period of the borrowings using the effective interest method. Finance costs are accounted for on an accrual basis and are reported under accrued mark up to the extent of the amount remaining unpaid.

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

4.14 Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs are capitalized as part of the cost of that asset up to the date of its commissioning.

4.15 Foreign currency transactions and translation

a) Functional and presentation currency

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

b) Transactions and balances

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. 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 recognized in the profit and loss account.

4.16 Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable on the following basis:

Sales of vehicles and spare parts are recognized as revenue when goods are dispatched and invoiced to the customers.

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Return on deposits is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return.

4.17 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an 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 balance sheet date and adjusted to reflect the current best estimate.

4.18 Long term deposits

These are stated at cost which represents the fair value of consideration given.

4.19 Trade debts and other receivables

Trade debts and other receivables are recognized initially at invoice value, which approximates fair value, and subsequently measured at amortized cost using the effective interest method, less provision for doubtful debts. A provision for doubtful debts is established when there is objective evidence that the Company will not be able to collect all the amount due according to the original terms of the receivable. The provision is recognized in the profit and loss account. When a trade debt is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the profit and loss account.

4.20 Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

4.21 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts and short term borrowings are shown in current liabilities on the balance sheet.

4.22 Dividend

Dividend distribution to the Company's members is recognized as a liability in the period in which it is approved by the members.

4.23 Segment reporting

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

4.24 Share capital

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

4.25 Deferred revenue

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

5. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

	2017	2016		2017	2016
	Number of shares			Rupees in thousand	
	111,400,000	111,400,000	Ordinary shares of Rs 10 each fully paid in cash	1,114,000	1,114,000
	31,400,000	31,400,000	Ordinary shares of Rs 10 each issued as fully paid bonus shares	314,000	314,000
	142,800,000	142,800,000		1,428,000	1,428,000

5.1 72,828,000 (2016: 72,828,000) ordinary shares of the Company are held by Honda Motor Co., Ltd., Japan, the holding company.

5.2 Ordinary shares of the Company held by associated companies as at year end are as follows:

Number of shares	2017	2016
Atlas Insurance Limited	850,000	850,000
Shirazi Investments (Private) Limited	43,119,650	43,119,650
	43,969,650	43,969,650

Rupees in thousand	Note	2017	2016
6. RESERVES			
Movement in and composition of reserves is as follows:			
Capital			
Share premium	6.1	76,000	76,000
Revenue			
General reserve			
- At the beginning of the year		2,880,000	450,000
- Transferred from un-appropriated profit		2,550,000	2,430,000
		5,430,000	2,880,000
		5,506,000	2,956,000

6.1 This reserve can be utilized by the Company only for the purposes specified in section 83(2) of the Companies Ordinance, 1984.

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Rupees in thousand	2017	2016
7. DEFERRED LIABILITIES		
This represents gratuity. The amounts recognized in the balance sheet are as follows:		
Present value of defined benefit obligation	396,551	327,013
Fair value of plan assets	(334,906)	(244,189)
Closing net liability	61,645	82,824
Opening net liability	82,824	52,552
Current service cost	25,875	18,066
Net interest on defined benefit liability	7,869	5,255
Past service cost	-	30,322
Net remeasurements for the year	16,655	30,272
Payments to fund during the year	(71,578)	(53,643)
Closing net liability	61,645	82,824
The movement in the present value of defined benefit obligation is as follows:		
Opening value of defined benefit obligation	327,013	228,461
Past service cost	-	30,322
Current service cost	25,875	18,066
Interest cost	30,789	22,781
Benefits paid during the year	(5,845)	(1,303)
Remeasurements on obligation:		
- Actuarial losses from changes in financial assumptions	18,611	12,271
- Experience adjustments	108	16,415
Closing value of defined benefit obligation	396,551	327,013
The movement in the fair value of plan assets is as follows:		
Opening fair value of plan assets	244,189	175,909
Expected return on plan assets	22,920	17,526
Contributions	71,578	53,643
Benefits paid during the year	(5,845)	(1,303)
Remeasurements on fair value of plan assets	2,064	(1,586)
Closing fair value of plan assets	334,906	244,189
Plan assets are comprised as follows:		
Debt	152,068	135,414
Mutual funds	70,538	29,904
Cash	112,300	78,871
	334,906	244,189

The actual return on the plan assets during the year was Rs 25.05 million (2016: Rs 15.80 million).

Comparison of present value of defined benefit obligation, the fair value of plan assets and the surplus or deficit of gratuity fund for five years is as follows:

Rupees in thousand	2017	2016	2015	2014	2013
As at March 31					
Present value of defined benefit obligation	(396,551)	(327,013)	(228,461)	(193,099)	(162,057)
Fair value of plan assets	334,906	244,189	175,909	148,674	124,223
Deficit	(61,645)	(82,824)	(52,552)	(44,425)	(37,834)
Experience adjustment:					
- on obligation	5%	9%	3%	4%	7%
- on plan assets	1%	-1%	-1%	1%	0%

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

Rupees in thousand	Impact on defined benefit obligation		
	Change in assumptions	Increase in assumption	Decrease in assumption
Discount rate	1.00%	359,208	440,139
Salary growth rate	1.00%	440,534	358,200

The average duration of the defined benefit obligation is 10 years.

Rupees in thousand	Note	2017	2016
8. DEFERRED TAXATION			
Deferred tax is calculated in full on temporary differences under the balance sheet liability method			
Opening deferred tax liability / (asset)		134,108	(378,307)
Credited to other comprehensive income		(5,163)	(9,687)
Charged to profit and loss account for the year	30	238,199	522,102
Closing deferred tax liability		367,144	134,108
The deferred tax liability comprises of temporary differences arising due to:			
Accelerated tax depreciation		338,617	171,070
Unrealised gain on short term investments		38,177	2,938
Others		(9,650)	(39,900)
		367,144	134,108

9. SHORT TERM BORROWINGS - SECURED

Short term borrowings available from commercial banks under mark up arrangements amount to Rs 4,460 million (2016: Rs 4,460 million). These arrangements carry mark up ranging from 6.62% to 7.12% per annum (2016: 6.98% to 9.00%). The aggregate short term borrowings are secured by first pari passu hypothecation charge over current assets of the Company.

Of the aggregate facility of Rs 2,234 million (2016: Rs 2,233 million) for opening letters of credit, the amount utilized at March 31, 2017 was Rs 242.01 million (2016: Rs 72.28 million). The aggregate facility for opening letters of credit is secured by lien over import documents.

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Of the aggregate facility of Rs 900 million (2016: Rs 500 million) for guarantees, which is available as a sub-limit of the above mentioned facilities for short term borrowings, the amount utilized at March 31, 2017 was Rs 394.32 million (2016: Rs 249.01 million).

Rupees in thousand	Note	2017	2016
10. ACCRUED MARK UP			
Accrued mark up on:			
Short term borrowings - secured		-	8
Advances from customers		14,218	661
		14,218	669
11. TRADE AND OTHER PAYABLES			
Creditors	11.1	1,386,940	847,306
Accrued liabilities		940,410	432,271
Bills payable	11.2	5,656,403	2,317,210
Deposits against display cars	11.3	1,452,357	1,567,157
Accumulating compensated absences	11.4	45,848	43,914
Advances from customers	11.5	26,572,808	1,786,670
License fee, technical fee and royalties	11.6	999,723	288,115
Provision for custom duties		32,169	32,169
Unclaimed dividends		14,582	10,778
Punjab sales tax payable		96,017	76,331
Withholding tax payable		45,312	70,745
Workers' welfare fund		151,035	203,866
Workers' profit participation fund	11.7	-	278,262
Others		243,451	76,525
		37,637,055	8,031,319

11.1 Creditors include amounts due to related parties (associated companies) of Rs 49.88 million (2016: Rs 125.69 million).

11.2 Bills payable include amounts due to related parties (associated companies) of Rs 5,608.09 million (2016: Rs 2,317.21 million).

11.3 These represent interest free deposits from dealers against display cars and are repayable on demand.

Rupees in thousand	2017	2016
11.4 Accumulating compensated absences		
Opening balance	43,914	29,167
Provision for the year	46,656	49,981
Payments made during the year	(44,722)	(35,234)
Closing balance	45,848	43,914

11.5 Advances from customers include Rs 26,572.81 million (2016: Rs 1,779.43 million) against the sale of vehicles. Upto June 30, 2016, such advances carried markup at the rate of 7.87% per annum being the weighted average rate of three months' market treasury bills, in accordance with the directive dated September 17, 2002 issued by the Engineering Development Board (EDB), Ministry of Industries and Production, Government of Pakistan. The markup was payable if vehicles were delivered after sixty days from the receipt of such advances. However, after

introduction of the Automotive Development Policy (2016-2021) during the year by EDB which is effective from July 2016, customers who have given these advances, are entitled to discount at the rate of Karachi Interbank Offer Rate (KIBOR) (prevailing on the date of delivery) plus 2%, in case the delivery is delayed over two months.

11.6 License fee, technical fee and royalties include amounts due to related parties (associated companies) of Rs 928.77 million (2016: Rs 273.67 million).

Rupees in thousand	Note	2017	2016
11.7 Workers' profit participation fund			
Opening balance		278,262	202,230
Provision for the year	28	457,137	278,262
Interest for the year	29	-	145
Payments during the year		(735,399)	(202,375)
Closing balance		-	278,262

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

(i) Claims against the Company not acknowledged as debt by the Company amount to Rs 9.79 million (2016: Rs 9.79 million). As the management is confident that the matter would be settled in its favor, consequently, no provision has been made in these financial statements in respect of the above mentioned disputed liabilities.

(ii) In the previous years, the Company received notices from custom authorities for payment of custom duty and sales tax in respect of certain components of Honda Cars imported during prior years. Custom authorities interpreted that Completely Built Unit (CBU) rate of duty was applicable on such components and thus raised a demand of Rs 110 million. It included Rs 96 million on account of custom duty and Rs 14 million on account of sales tax.

The Company approached custom authorities on the grounds that the components specified in the above mentioned notices included certain components which were duly appearing in the indigenization program of the Company for the relevant period. Hence, CBU rate of duty was not applicable on import of these components. The Company has made a provision of Rs 32 million against the total demand of Rs 110 million. As the management is confident that the matter would be settled in its favor, consequently, no provision for the balance amount has been made in these financial statements in respect of the above mentioned notices.

(iii) Custom, Excise and Sales Tax Appellate Tribunal (Appellate Tribunal) endorsed the demand of Rs 1,105.04 million earlier raised against the Company on account of custom duty, sales tax and income tax on the grounds that 'license fee' and 'royalty' paid to M/s Honda Motor Co., Ltd., Japan was includable in the 'import value' of 'completely knocked down' kits of vehicles assembled by the Company and parts thereof.

Based on company's appeal before the Honourable Lahore High Court, the matter has been remanded back to Appellate Tribunal. Furthermore, the Custom authorities have been refrained from enforcing the recovery of the amount adjudged against the Company. No provision on this account has been made in these financial statements as the Company's management considers that its stance is founded on meritorious grounds. In this respect, it is the Company's contention that subject amount of 'royalty' and 'license fee' were relatable to the Company's manufacturing facilities and not the goods imported by it and hence such amounts cannot be considered as part and parcel of import value.

In addition to above, another demand of Rs 110.93 million, raised on substantially similar grounds in respect of imports affected during the period from June 2008 to March 2009, have been endorsed by Collector (Appeals) and the Company has preferred an appeal before Appellate Tribunal against such demand. No liability on this

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account has been recognized in these financial statements as management considers that its stance is founded on meritorious grounds, as explained above.

Similarly, the Company has preferred an appeal before Appellate Tribunal against another demand of Rs 523.72 million endorsed by Collector (Appeals) on substantially similar grounds in respect of imports affected during the period from April 2009 to December 2010. No liability on this account has been recognized in these financial statements as management considers that its stance is founded on meritorious grounds, as explained above.

(iv) Bank guarantees of Rs 394.32 million (2016: Rs 249.01 million) have been issued in favour of third parties.

12.2 Commitments in respect of

- (i) Letters of credit and purchases for capital expenditure aggregating Rs 193.61 million (2016: Rs 52.78 million).
- (ii) Letters of credit and purchases, other than capital expenditure aggregating Rs 2,711.94 million (2016: Rs 607.87 million).

13. PROPERTY, PLANT AND EQUIPMENT

Rupees in thousand	2017							
	Freehold land	Buildings on freehold land	Plant and machinery	Furniture and office equipment	Vehicles	Tools and equipment	Computers	Total
At April 01, 2016								
Cost	417,319	2,009,440	5,102,312	166,083	283,087	125,863	116,538	8,220,642
Accumulated depreciation	-	930,418	4,418,197	106,117	108,268	70,852	74,893	5,708,745
Net Book Value	417,319	1,079,022	684,115	59,966	174,819	55,011	41,645	2,511,897
Year ended March 31, 2017								
Opening net book value	417,319	1,079,022	684,115	59,966	174,819	55,011	41,645	2,511,897
Additions at cost	-	6,485	2,098,221	34,282	256,759	23,335	41,958	2,461,040
Disposals								
Cost	-	-	86,019	1,498	111,220	1,647	2,070	202,454
Accumulated depreciation	-	-	85,173	861	51,515	1,272	1,714	140,535
	-	-	846	637	59,705	375	356	61,919
Depreciation for the year	-	54,029	344,305	14,810	61,051	12,484	22,339	509,018
Closing net book value	417,319	1,031,478	2,437,185	78,801	310,822	65,487	60,908	4,402,000
At March 31, 2017								
Cost	417,319	2,015,925	7,114,514	198,867	428,626	147,551	156,426	10,479,228
Accumulated depreciation	-	984,447	4,677,329	120,066	117,804	82,064	95,518	6,077,228
Net Book Value	417,319	1,031,478	2,437,185	78,801	310,822	65,487	60,908	4,402,000

Rupees in thousand	2016							
	Freehold land	Buildings on freehold land	Plant and machinery	Furniture and office equipment	Vehicles	Tools and equipment	Computers	Total
At April 01, 2015								
Cost	417,319	2,003,643	5,080,310	157,856	247,988	114,702	103,041	8,124,859
Accumulated depreciation	-	873,864	4,136,147	95,670	77,475	58,841	60,010	5,302,007
Net Book Value	417,319	1,129,779	944,163	62,186	170,513	55,861	43,031	2,822,852
Year ended March 31, 2016								
Opening net book value	417,319	1,129,779	944,163	62,186	170,513	55,861	43,031	2,822,852
Additions at cost	-	5,797	22,544	13,024	58,073	11,161	17,611	128,210
Disposals								
Cost	-	-	542	4,797	22,974	-	4,114	32,427
Accumulated depreciation	-	-	399	2,804	7,387	-	4,035	14,625
	-	-	143	1,993	15,587	-	79	17,802
Depreciation for the year	-	56,554	282,449	13,251	38,180	12,011	18,918	421,363
Closing net book value	417,319	1,079,022	684,115	59,966	174,819	55,011	41,645	2,511,897
At March 31, 2016								
Cost	417,319	2,009,440	5,102,312	166,083	283,087	125,863	116,538	8,220,642
Accumulated depreciation	-	930,418	4,418,197	106,117	108,268	70,852	74,893	5,708,745
Net Book Value	417,319	1,079,022	684,115	59,966	174,819	55,011	41,645	2,511,897

13.1 Plant and machinery includes dies and moulds having book value of Rs 235.83 million (2016: Rs 77.53 million) which are in possession of various vendors of the Company as these dies and moulds are used by the vendors for producing certain parts for supply to the Company.

13.2 The depreciation charge has been allocated as follows:

Rupees in thousand	Note	2017	2016
Cost of sales - own manufactured goods	24	442,121	369,613
Cost of sales - trading goods		-	214
Distribution and marketing costs	25	24,635	17,234
Administrative expenses	26	42,262	34,302
		509,018	421,363

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13.3 Disposal of property, plant and equipment

Rupees in thousand		2017				
Particulars of assets	Sold to	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal
Furniture and office equipment	Assets written off	1,498	861	637	-	Assets written off
Vehicles	Directors					
	Muhammad Naeem Khan	2,247	1,190	1,057	1,125	
	Employees					
	Tariq Rasheed (ex-employee)	1,619	685	934	961	As per Company policy
	Shafiq Ahmad	1,536	889	647	675	-do-
	Zulfiqar Ali	2,049	1,169	880	877	-do-
	Basharat Rana	2,180	1,243	937	973	-do-
	Imran Farooq	2,183	1,245	938	973	-do-
	Nadeem Azam - related party (key management personnel)	2,183	1,245	938	973	-do-
	Sami Shafi	2,183	1,245	938	973	-do-
	Asif Mahmood - related party (key management personnel)	2,183	1,245	938	973	-do-
	Maqsood Ur Rehman Rehmani - related party (key management personnel)	2,238	1,276	962	1,022	-do-
	Ayaz Hafeez - related party (key management personnel)	2,238	1,276	962	1,022	-do-
	Muhammad Ashraf - related party (key management personnel)	2,238	1,276	962	1,022	-do-
	Sohail Nawaz - related party (key management personnel)	2,238	1,276	962	1,022	-do-
	Abdul Waheed	1,536	900	636	661	-do-
	Muhammad Ajmal	2,023	998	1,025	1,035	-do-
	Aneel Anwar	2,023	998	1,025	1,035	-do-
	Jamshaid Tahir	2,023	998	1,025	1,035	-do-
	Muhammad Waseem Hassan	2,023	998	1,025	1,035	-do-
	Ayaz Liaqat	1,548	763	785	813	-do-
	Hamood Ur Rehman	1,548	763	785	813	-do-
	Shahid Latif Khattak	1,548	763	785	813	-do-
	Muhammad Afzal	2,080	763	1,317	1,470	-do-
	Ahmad Umair Wajid - related party (key management personnel)	2,079	762	1,317	1,470	-do-
	Muhammad Nauman	1,956	717	1,239	1,327	-do-
	Muhammad Rafi	1,985	652	1,333	1,406	-do-
	Iqbal Ahmed - related party (key management personnel)	2,129	646	1,483	1,704	-do-
	Asia Saif Ali Rizvi	1,475	447	1,028	1,134	-do-
	Fayyaz Ahmad	1,475	447	1,028	1,134	-do-
	Mawiz Akhter	2,064	521	1,543	1,835	-do-
	Muhammad Aamer	1,925	370	1,555	1,682	-do-
	Imran Haider Rathore	1,923	370	1,553	1,682	-do-
	Noman Ali	1,923	370	1,553	1,682	-do-
	Mujahid Yasin	1,923	370	1,553	1,682	-do-
	Aslam Khan	1,927	371	1,556	1,682	-do-
	Amir Nazir	2,027	390	1,637	1,866	-do-
	Rao Arshad	1,913	368	1,545	1,682	-do-
	Muhammad Ali	1,912	308	1,604	1,752	-do-
	Maqsood Ur Rehman Rehmani - related party (key management personnel)	1,640	497	1,143	1,228	-do-

Rupees in thousand		2017				
Particulars of assets	Sold to	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal
	Outsiders					
	Muhammad Arif Hameed	1,232	1,122	110	1,100	Auction
	Nasir Mahmood Sindhu	823	803	20	460	-do-
	Muhammad Idrees	786	725	61	615	-do-
	Muhammad Ashfaq	2,170	1,336	834	1,512	-do-
	Farooq-e-Azam	2,126	705	1,421	1,722	-do-
	Muhammad Asghar	2,237	1,377	860	1,472	-do-
	Adnan Naseer	2,227	1,371	856	1,500	-do-
	Irfan Ahmad	2,227	1,371	856	1,436	-do-
	Adnan Naseer	2,227	1,371	856	1,396	-do-
	Amir Hameed	1,557	1,400	157	956	-do-
	Riaz Mahmood Bhatti	1,888	627	1,261	1,636	-do-
	Irfan Ahmad	1,394	1,339	55	511	-do-
	Atlas Insurance Limited - related party (associated company)	7,339	2,214	5,125	7,085	Insurance Claim
	Atlas Honda Limited - related party (associated company)	9,044	4,944	4,100	4,180	Negotiation
Plant and machinery	Outsiders					
	Asian Parts Manufacturing Company Limited Thailand - related party (associated company)	73,064	73,064	-	9,592	Negotiation
	Assets written off	12,955	12,109	846	-	Assets written off
Tools and equipment	Assets written off	1,647	1,272	375	-	Assets written off
Computers	Employees					
	Shojiro Iga - related party - ex employee (key management personnel)	196	125	71	10	As per Company policy
	Jamshaid Ali	98	84	14	10	-do-
	Mehtab Baig	97	79	18	10	-do-
	Zohaib Aslam	72	64	8	5	-do-
	Atif iqbal	98	79	19	10	-do-
	Ayaz Liaqat	118	96	22	10	-do-
	Abdul Qudoos Abbasi	97	80	17	10	-do-
	Sami Shafi	118	97	21	10	-do-
	Muhammad Fahad	118	96	22	10	-do-
	Ahmed Butt	97	80	17	10	-do-
	Mehmood Murad	66	62	4	5	-do-
	Mehmood Ali	58	53	5	5	-do-
	M. Ajmal	73	65	8	5	-do-
	Sami Ullah Akhter	97	80	17	10	-do-
	Muhammad Imran	72	65	7	5	-do-
	Moaz Ahmed	98	85	13	10	-do-
	Sajid Hameed	98	80	18	10	-do-
	Muhammed Javed	66	62	4	5	-do-
	Mehroz Shafiq	118	98	20	10	-do-
	M. Nouman	118	99	19	10	-do-
	Ahsan Naeem	97	85	12	10	-do-
Total		202,454	140,535	61,919	81,605	

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

Rupees in thousand		2016				
Particulars of assets	Sold to	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal
Plant and machinery	Assets written off	542	399	143	-	Assets written off
Furniture and office equipment	Outsiders					
	Zaheer & Brothers	270	230	40	68	Auction
	NRS Company	1,761	744	1,017	306	-do-
	Malik Traders	700	407	293	144	-do-
	Malik Traders	700	389	311	144	-do-
	Malik Traders	700	389	311	144	-do-
	Zaheer Brothers	222	215	7	17	-do-
	Zaheer Brothers	222	215	7	17	-do-
	Zaheer Brothers	222	215	7	17	-do-
Vehicles	Employee					
	Aamir Nazir	2,050	949	1,101	1,097	As per company policy
	M. Aamer	1,477	191	1,286	1,418	-do-
	Imran Rathore	1,475	191	1,284	1,418	-do-
	Nouman Ali	1,477	191	1,286	1,418	-do-
	Mujahid Yasin	1,475	191	1,284	1,418	-do-
	Aslam Khan	1,477	191	1,286	1,418	-do-
	Arshad Javed	1,477	191	1,286	1,418	-do-
	Muhammad Scheraz (ex-employee)	1,955	353	1,602	1,722	-do-
	Outsiders					
	Malik Traders	835	829	6	198	Auction
	Malik Traders	835	829	6	189	-do-
	Muhammad Shaheryar	3,257	1,165	2,092	1,400	-do-
	Muhammad Imran	3,270	1,169	2,101	1,512	-do-
	Muhammad Ammar	1,914	947	967	1,612	-do-
Computers	Assets written off	4,114	4,035	79	-	Assets written off
		32,427	14,625	17,802	17,095	

14. INTANGIBLE ASSETS

Rupees in thousand		2017		
	License fees and drawings	Computer softwares	Total	
At April 01, 2016				
Cost	364,822	60,184	425,006	
Accumulated amortization	343,100	10,871	353,971	
Net Book Value	21,722	49,313	71,035	
Year ended March 31, 2017				
Opening net book value	21,722	49,313	71,035	
Additions	348,974	1,370	350,344	
Amortization for the year	36,640	11,647	48,287	
Closing net book value	334,056	39,036	373,092	
At March 31, 2017				
Cost	713,796	61,554	775,350	
Accumulated amortization	379,740	22,518	402,258	
Net Book Value	334,056	39,036	373,092	
Rupees in thousand		2016		
	License fees and drawings	Computer softwares	Total	
At April 01, 2015				
Cost	364,822	2,347	367,169	
Accumulated amortization	294,036	1,760	295,796	
Net Book Value	70,786	587	71,373	
Year ended March 31, 2016				
Opening net book value	70,786	587	71,373	
Additions	-	57,837	57,837	
Amortization for the year	49,064	9,111	58,175	
Closing net book value	21,722	49,313	71,035	
At March 31, 2016				
Cost	364,822	60,184	425,006	
Accumulated amortization	343,100	10,871	353,971	
Net Book Value	21,722	49,313	71,035	

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

Rupees in thousand	Note	2017	2016
14.1	The amortization charge has been allocated as follows:		
Cost of sales	24	36,432	48,837
Administrative expenses	26	11,855	9,338
		48,287	58,175
15. CAPITAL WORK-IN-PROGRESS			
Plant and machinery [including in transit Rs 57.38 million (2016: Rs 274.72 million)]		106,450	1,123,349
Civil works		63,487	-
Other tangible assets		26,953	-
Intangible assets		2,304	74,880
		199,194	1,198,229
15.1	The reconciliation of the carrying amount is as follows:		
Opening balance		1,198,229	38,776
Additions during the year		1,812,349	1,357,098
Transfers during the year		(2,811,384)	(197,645)
Closing balance		199,194	1,198,229
16. LONG TERM LOANS AND ADVANCES			
Loans to employees - considered good			
- Executives	16.1	82,342	54,521
- Others		65,831	57,663
		148,173	112,184
Current portion shown under current assets			
- Executives		(20,845)	(13,013)
- Others		(20,077)	(17,624)
	20	(40,922)	(30,637)
		107,251	81,547
16.1 Executives			
Opening balance		54,521	47,007
Disbursements during the year		54,226	29,352
Repayments during the year		(26,406)	(21,838)
		82,342	54,521

Loans to employees mainly comprise of staff welfare loan, associate loan and car loan.

Staff welfare loans carry interest at the rate of 7.0% per annum (2016: 7.0% per annum) and are recoverable within a period of 7 years commencing from the date of disbursement through monthly deductions from salaries.

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

Car loans carry interest ranging from 1% to 4% per annum and are recoverable within a maximum period of 6 years commencing from the date of disbursement through monthly deductions from salaries.

All of these loans are secured against retirement benefits of employees and their guarantors and are granted to the employees of the Company in accordance with their terms of employment.

The maximum aggregate amount due from executives at the end of any month during the year was Rs 78.46 million (2016: Rs 57.04 million).

17. STORES AND SPARES

Most of the items of stores and spares are of interchangeable nature and can be used as machine spares or consumed as stores. Accordingly, it is not practicable to distinguish stores from spares until their actual usage.

Spares amounting to Rs 13.75 million (2016: Rs 12.25 million) are in the possession of various vendors which relate to the dies and moulds. Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.

Rupees in thousand	Note	2017	2016
18. STOCK-IN-TRADE			
Raw materials [including in transit Rs 3,894.19 million (2016: Rs 1,276.56 million)]	18.1	5,328,519	2,034,451
Work-in-process		537,655	330,953
Finished goods:			
- Own manufactured	18.2	240,812	1,323,386
- Trading stock [including in transit Rs 88.63 million (2016: Rs 29.28 million)]		551,749	321,035
		6,658,735	4,009,825

18.1 Raw materials amounting to Rs 95.21 million (2016: Rs 74.81 million) are in the possession of various vendors of the Company for further processing into parts to be supplied to the Company.

18.2 Finished goods amounting to Rs 16.18 million (2016: Rs 774.87 million) are in the possession of various dealers as consignment stock for display at dealerships.

Rupees in thousand	2017	2016
19. TRADE DEBTS		
Considered good	17,859	86,242
Considered doubtful	16,142	16,142
Provision for doubtful debts	(16,142)	(16,142)
	-	-
	17,859	86,242

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

Rupees in thousand	Note	2017	2016
20. LOANS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Current portion of loans to employees	16	40,922	30,637
Advances - considered good:			
- to employees	20.1	370	674
- to suppliers and contractors	20.2	634,740	534,140
		635,110	534,814
Due from related parties - unsecured and considered good	20.3	13,364	4,853
Recoverable from government authorities:			
- Income tax		-	89,584
- Sales tax		3,508,785	229,763
- Custom duty		39,152	39,152
		3,547,937	358,499
Prepayments		22,149	16,153
Margin held against imports		4,701,200	-
Profit receivable on bank deposits		76,786	28,978
Other receivables - considered good	20.4	51,422	32,299
		9,088,890	1,006,233

20.1 Included in advances to employees is an amount of Rs 0.02 million (2016: Nil) due from director and Rs 0.35 million (2016: Nil) due from executives.

20.2 Includes advances against supplies to Atlas Honda Limited, a related party (associated company), amounting to Nil (2016: Rs 5.49 million). Also includes interest bearing advances to suppliers and contractors aggregating Rs 210.36 million (2016: Rs 188.62 million). Such advances carry markup at the rate of 3 months KIBOR plus 1.25% (2016: 7.70%). Markup rates charged during the year on the outstanding balances ranged from 7.30% to 7.70% (2016: 7.70%).

Rupees in thousand	2017	2016
20.3 Due from related parties - unsecured and considered good		
Honda Motor Co., Limited., Japan - holding company	526	221
Honda Automobile (Thailand) Company Limited - associated company	12,629	4,415
Honda Malaysia SDN. BHD. Malaysia - associated company	77	80
P.T Honda Prospect Motor Indonesia - associated company	26	71
Honda Parts Manufacturing Corporation Philippines - associated company	-	5
Honda Trading Asia Co., Limited - associated company	106	61
	13,364	4,853

20.3.1 These are in the normal course of business and are interest free.

20.4 Other receivables include an amount of Rs 0.63 million (2016: Rs 0.79 million) due from Atlas Insurance Limited, a related party (associated company). It is in the normal course of business and is interest free.

Rupees in thousand	Note	2017	2016
21. SHORT TERM INVESTMENTS			
At fair value through profit or loss:			
- Units of mutual funds	21.1	5,067,128	404,400
- Treasury bills	21.2	15,876,217	745,377
		20,943,345	1,149,777

Rupees in thousand	Note	2017	2016
21.1 Units of mutual funds			
- Atlas Money Market Fund	21.1.1	1,026,121	253,165
1,957,238 units (2016: 480,699 units)			
Cost: Rs 1,000 million (2016: Rs 250 million)			
- Atlas Income Fund	21.1.1	1,815,075	-
3,411,986 units (2016: Nil)			
Cost: Rs 1,750 million (2016: Nil)			
- ABL Cash Fund		-	50,886
Nil units (2016: 4,870,067 units)			
Cost: Nil (2016: Rs 50 million)			
- ABL Income Fund		53,391	-
5,103,162 units (2016: Nil)			
Cost: Rs 51.375 million (2016: Nil)			
- NAFA Money Market Fund		1,545,469	100,349
149,866,589 units (2016: 9,749,820 units)			
Cost: Rs 1,500 million (2016: Rs 100 million)			
- NAFA Income Opportunity Fund		627,072	-
55,825,546 units (2016: Nil)			
Cost: Rs 604.071 million (2016: Nil)			
		5,067,128	404,400

21.1.1 Atlas Money Market Fund and Atlas Income Fund are managed by Atlas Asset Management Limited, a related party (associated company).

21.2 This represents investment in 3 and 6 months Government Treasury Bills which bear markup ranging from 5.85% to 5.97% per annum.

21.3 Changes in fair values of financial assets at fair value through profit or loss are recorded in profit and loss account. Unrealized gain of Rs 244.18 million (2016: Rs 10.33 million) and realized gain of Rs 132.90 million (2016: Rs 14.98 million) was recorded in the current year in other income.

Rupees in thousand	Note	2017	2016
22. CASH AND BANK BALANCES			
At banks on :			
- Current accounts		60,496	56,592
- Deposit accounts	22.1	6,473,750	4,903,092
- Term deposits	22.2	3,000,000	1,000,000
		9,534,246	5,959,684
Cash in hand		2,134	3,433
		9,536,380	5,963,117

22.1 Balances in deposit accounts bear mark up which ranges from 3.75% to 5.75% (2016: 4.00% to 7.55%) per annum.

22.2 These bear mark up which ranges from 5.75% to 6.25% (2016: 5.90% to 7.80%) per annum.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

Rupees in thousand	Note	2017	2016
23. SALES			
Sales - Own manufactured goods		73,049,582	46,090,268
Sales tax		(10,612,338)	(6,696,525)
Commission to dealers		(1,440,244)	(939,055)
Discount to customers	23.1	(179,274)	-
		60,817,726	38,454,688
Sales - Trading goods		2,216,532	1,820,952
Sales tax		(228,068)	(187,819)
Commission to dealers		(3,437)	(2,300)
		1,985,027	1,630,833
		62,802,753	40,085,521

23.1 This represents discount to customers from July 2016 as explained in note 11.5 to these financial statements.

Rupees in thousand	Note	2017	2016
24. COST OF SALES			
Raw material consumed		47,882,352	30,544,709
Stores and spares consumed		130,809	74,065
Salaries, wages and benefits	24.1	1,033,122	680,307
Fuel and power		170,024	129,771
Insurance		55,016	45,920
Travelling and vehicle running		133,113	98,826
Freight and handling		159,623	71,197
Repairs and maintenance		80,742	49,741
Technical assistance		32,615	29,717
Depreciation on property, plant and equipment	13.2	442,121	369,613
Amortization on intangible assets	14.1	36,432	48,837
Royalty		1,358,524	889,086
Canteen subsidy		59,025	33,989
Other expenses		5,789	4,537
		51,579,307	33,070,315
Opening stock of work-in-process		330,953	514,259
Closing stock of work-in-process		(537,655)	(330,953)
		(206,702)	183,306
Cost of goods manufactured		51,372,605	33,253,621
Own work capitalized		(104,186)	(42,411)
Cost of damaged cars		(5,591)	(1,086)
		51,262,828	33,210,124
Opening stock of finished goods		1,323,386	1,058,478
Closing stock of finished goods		(240,812)	(1,323,386)
		1,082,574	(264,908)
Cost of sales - Own manufactured goods		52,345,402	32,945,216
Cost of sales - Trading goods		1,335,659	1,093,525
		53,681,061	34,038,741

Rupees in thousand	2017	2016
24.1 Salaries, wages and benefits include following amounts in respect of gratuity:		
Current service cost	16,875	11,600
Past service cost	-	19,465
Net interest on defined benefit liability	5,132	3,372
	22,007	34,437

In addition to above, salaries, wages and benefits include Rs 26.93 million (2016: Rs 19.72 million) on account of provident fund contributions.

24.2 Cost of sales include Rs 9.90 million (2016: Rs 6.70 million) on account of operating lease rentals and certain stock-in-trade items written off amounting Nil (2016: Rs 36.48 million).

Rupees in thousand	Note	2017	2016
25. DISTRIBUTION AND MARKETING COSTS			
Salaries, wages and benefits	25.1	158,337	118,844
Fuel and power		4,684	3,980
Insurance		8,543	6,880
Travelling and vehicle running		30,255	22,699
Freight and handling		17,597	14,885
Repairs and maintenance		10,424	6,688
Printing and stationery		12,158	6,973
Warranty costs		16,258	18,359
Advertising and sales promotion		212,033	86,300
Depreciation on property, plant and equipment	13.2	24,635	17,234
Training expenses		3,023	2,358
Canteen subsidy		6,264	4,298
Free service claims		7,577	6,317
Rent, rates and taxes	25.2	15,999	6,542
Other expenses		14,534	10,689
		542,321	333,046

25.1 Salaries, wages and benefits include following amounts in respect of gratuity:		
Current service cost	4,151	2,834
Past service cost	-	4,757
Net interest on defined benefit liability	1,262	825
	5,413	8,416

In addition to above, salaries, wages and benefits include Rs 5.65 million (2016: Rs 4.26 million) on account of provident fund contributions.

25.2 This represents operating lease rentals.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

Rupees in thousand	Note	2017	2016
26. ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	26.1	283,845	201,406
Fuel and power		5,517	5,452
Insurance		8,160	6,029
Travelling and vehicle running		35,267	29,033
Repairs and maintenance		34,858	17,622
Printing and stationery		7,486	6,365
Communications		8,065	5,560
Postage		1,116	3,163
Advertising		8,448	652
Auditors' remuneration	26.2	6,086	5,119
Legal and professional charges		11,268	5,467
Depreciation on property, plant and equipment	13.2	42,262	34,302
Amortization on intangible assets	14.1	11,855	9,338
Fees and subscription		1,755	1,817
Canteen subsidy		9,826	6,638
Security expenses		3,211	3,158
Other expenses		18,244	10,742
		497,269	351,863
26.1 Salaries, wages and benefits include following amounts in respect of gratuity:			
Current service cost		4,849	3,632
Past service cost		-	6,100
Net interest on defined benefit liability		1,475	1,058
		6,324	10,790

In addition to above, salaries, wages and benefits include Rs 8.22 million (2016: Rs 5.94 million) on account of provident fund contributions.

Rupees in thousand	2017	2016
26.2 Auditors' remuneration		
The charges for professional services include the following in respect of auditors' services for:		
Statutory audit	1,639	1,490
Half yearly review	484	440
Taxation services	2,318	1,853
Royalty audit, certificates for remittance of foreign currency and sundry services	1,078	996
Out of pocket expenses	567	340
	6,086	5,119

26.3 Administrative expenses includes operating lease rentals of Rs 3.27 million (2016: Rs 2.95 million).

Rupees in thousand	Note	2017	2016
27. OTHER INCOME			
Income from financial assets:			
Profit on bank deposits		643,692	219,232
Profit on loans to employees		4,722	4,357
Gain on financial assets at fair value through profit or loss:			
- Realized		132,898	14,975
- Unrealized		244,189	10,328
		377,087	25,303
		1,025,501	248,892
Income from non-financial assets:			
Profit on disposal of property, plant and equipment		19,686	-
Profit on advances to suppliers		16,725	17,843
Liabilities no longer payable written back		654	1,470
Freight income		42,102	39,599
Others		10,521	1,973
		89,688	60,885
		1,115,189	309,777
28. OTHER EXPENSES			
Workers' welfare fund		49,285	108,099
Workers' profit participation fund	11.7	457,137	278,262
Exchange loss		31,101	98,707
Loss on sale of property, plant and equipment		-	707
		537,523	485,775
29. FINANCE COST			
Interest and mark up on:			
- Short term borrowings		-	394
- Advances from customers		14,123	661
- Workers' profit participation fund	11.7	-	145
Bank charges		9,320	5,791
		23,443	6,991
30. TAXATION			
Current			
- For the year		2,108,765	1,044,536
- Prior years		154,371	56,462
		2,263,136	1,100,998
Deferred	8	238,199	522,102
		2,501,335	1,623,100

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

Percentage	2017	2016
30.1 Tax charge reconciliation		
Numerical reconciliation between the average effective tax rate and the applicable tax rate.		
Applicable tax rate as per Income Tax Ordinance, 2001	31.00	32.00
Tax effect of:		
- change in prior years' tax	1.78	1.09
- change in tax rate	(0.53)	(0.54)
- tax credit	(2.46)	(0.07)
- lower tax rates / final tax regime and others	(0.83)	(1.14)
	(2.04)	(0.66)
Average effective tax rate charged to profit and loss account	28.96	31.34

Rupees in thousand	Note	2017	2016
31. CASH GENERATED FROM OPERATIONS			
Profit before taxation		8,636,325	5,178,882
Adjustments for:			
Depreciation on property, plant and equipment		509,018	421,363
(Profit) / loss on disposal of property, plant and equipment		(19,686)	707
Profit on bank deposits		(643,692)	(219,232)
Profit on advances to suppliers		(16,725)	(17,843)
Profit on loans to employees		(4,722)	(4,357)
Gain on short term investments		(170,788)	(4,400)
Liabilities no longer payable written back		(654)	(1,470)
Finance cost		14,123	1,200
Provision for employees' retirement benefits and other obligations		80,400	73,302
Amortization on intangible assets		48,287	58,175
Amortization of deferred revenue		(6,194)	(4,652)
Royalty		1,234,983	889,086
Working capital changes	31.1	18,394,155	272,255
		28,054,830	6,643,016

31.1 Working capital changes			
(Increase) / decrease in current assets			
- Stores and spares		(11,615)	9,770
- Stock-in-trade		(2,648,910)	1,513,971
- Trade debts		68,383	(42,018)
- Loans, advances, prepayments and other receivables		(8,114,148)	(419,173)
		(10,706,290)	1,062,550
Increase / (decrease) in current liabilities			
- Trade and other payables		29,100,445	(790,295)
		18,394,155	272,255

Rupees in thousand	Note	2017	2016
32. CASH AND CASH EQUIVALENTS			
Cash and cash equivalents included in the cash flow statement comprise of the following balance sheet amounts:			
Cash and bank balances	22	9,536,380	5,963,117
Short term investments - Treasury bills	21	15,876,217	745,377
		25,412,597	6,708,494

33. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits to the chief executive, certain directors and other executives of the Company is as follows:

Rupees in thousand	Chief Executive		Executive Director		Non Executive Directors		Executives	
	2017	2016	2017	2016	2017	2016	2017	2016
Managerial remuneration	753	784	1,078	746	11,206	9,282	185,511	126,183
House rent and utilities	3,336	3,136	3,328	3,146	6,160	5,102	109,491	73,706
Bonus	-	-	-	-	7,236	4,489	117,674	61,752
Reimbursement of medical expenses	-	3	14	107	-	-	4,177	3,692
Employees' retirement benefits	-	-	-	-	3,027	2,811	40,076	33,921
Other allowances and expenses	7,586	1,874	2,164	13,276	1,554	1,648	46,658	33,403
	11,675	5,797	6,584	17,275	29,183	23,332	503,587	332,657
Meeting fee	-	-	-	-	120	120	-	-
	11,675	5,797	6,584	17,275	29,303	23,452	503,587	332,657
Number of persons	1	1	1	1	2	2	175	120

33.1 The Chief Executive, certain directors and executives of the Company are provided with free use of company maintained cars and furnished accommodation.

34. EARNINGS PER SHARE

	2017	2016	
34.1 Basic earnings per share			
Net profit for the year	Rupees in thousand	6,134,990	3,555,782
Weighted average number of ordinary shares	Number in thousand	142,800	142,800
Basic earnings per share	Rupees	42.96	24.90

34.2 Diluted earnings per share

A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at March 31, 2017 and March 31, 2016 which would have any effect on the earnings per share if the option to convert is exercised.

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For the year ended March 31, 2017

35. OPERATING SEGMENTS

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). Segment performance is generally evaluated based on certain key performance indicators including business volume and gross profit.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

35.1 The management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic and business decisions.

(a) Manufacturing

This segment relates to the sale of locally manufactured cars and parts.

(b) Trading

This segment relates to the trading of Completely Built Units (CBUs) and parts.

35.2 Segment information

Rupees in thousand	Manufacturing		Trading		Total	
	2017	2016	2017	2016	2017	2016
Segment revenue	60,817,726	38,454,688	1,985,027	1,630,833	62,802,753	40,085,521
Segment expenses						
- Cost of sales	(52,345,402)	(32,945,216)	(1,335,659)	(1,093,525)	(53,681,061)	(34,038,741)
Gross profit	8,472,324	5,509,472	649,368	537,308	9,121,692	6,046,780
Distribution and marketing costs					(542,321)	(333,046)
Administrative expenses					(497,269)	(351,863)
Other income					1,115,189	309,777
Other expenses					(537,523)	(485,775)
Finance cost					(23,443)	(6,991)
Profit before taxation					8,636,325	5,178,882
Taxation					(2,501,335)	(1,623,100)
Profit after taxation					6,134,990	3,555,782

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

36. FINANCIAL RISK MANAGEMENT

36.1 Financial risk factors

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

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company's finance department evaluates and hedges financial risks based on principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity, provided by the Board of Directors.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD), Japanese Yen (JPY), Thai Baht (THB), Euro (EUR), Singapore Dollar (SGD) and Great Britain Pound (GBP). Currently, the Company's foreign exchange risk exposure is restricted to the amounts receivable from / payable to foreign entities. The Company's exposure to currency risk is as follows:

In thousand	2017	2016
Cash and bank balances - USD	688	664
Other receivables - USD	75	16
Trade and other payables - USD	(48,147)	(20,355)
Net exposure - USD	(47,384)	(19,675)
Other receivables - JPY	494	180
Trade and other payables - JPY	(769,440)	(313,071)
Net exposure - JPY	(768,946)	(312,891)
Other receivables - THB	931	1,044
Trade and other payables - THB	(24,556)	(31,112)
Net exposure - THB	(23,625)	(30,068)
Other receivables - EUR	9	-
Trade and other payables - EUR	(37)	-
Net exposure - EUR	(28)	-
Other receivables - SGD	-	-
Trade and other payables - SGD	(55)	-
Net exposure - SGD	(55)	-
Other receivables - GBP	-	-
Trade and other payables - GBP	(63)	-
Net exposure - GBP	(63)	-

If the functional currency, at reporting date, had weakened / strengthened by 1% against the USD, JPY, THB, EUR, SGD and GBP with all other variables held constant, the impact on post tax profit for the year would have been Rs 40.23 million (2016: Rs 16.59 million) lower / higher, mainly as a result of exchange losses / gains on translation of foreign exchange denominated financial instruments.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity price risk since there are no direct investments in equity instruments traded in the market at the reporting date. The Company is also not exposed to commodity price risk since it does not hold any financial instrument based on commodity prices.

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For the year ended March 31, 2017

(iii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the balance sheet date, the interest rate profile of the Company's significant interest bearing financial instruments was:

Rupees in thousand	Note	2017	2016
Fixed rate instruments			
Financial assets			
Long term loans and advances		126,527	91,124
Short term investments - Treasury bills	21.2	15,876,217	745,377
Cash at bank		9,473,750	5,903,092
		25,476,494	6,739,593
Financial liabilities			
		-	-
Net exposure		25,476,494	6,739,593
Floating rate instruments			
Financial assets			
		-	-
Financial liabilities			
		-	-
Net exposure		-	-

Fair value sensitivity analysis for fixed rate instruments

'As at March 31, 2017, if market interest rates had been 1% higher / lower with all other variables held constant, post-tax profit for the year would have been higher / lower by Rs 57.35 million (2016: Rs 2.72 million).

Cash flow sensitivity analysis for variable rate instruments

As at March 31, 2017, the Company does not hold any variable rate financial instruments.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk of the Company arises from deposits with banks, trade debts, investments, loans and advances and other receivables.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Rupees in thousand	2017	2016
Long term deposits	4,042	4,042
Trade debts	17,859	86,242
Loans, advances and other receivables	4,842,772	66,130
Short term investments	20,943,345	1,149,777
Balances with banks	9,534,246	5,959,684
	35,342,264	7,265,875

Rupees in thousand

	2017	2016
As of March 31, age analysis of trade debts was as follows:		
Neither past due nor impaired	-	-
Past due but not impaired - 1 to 180 days	17,859	86,242
	17,859	86,242

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The Company believes that it is not exposed to major concentration of credit risk as its exposure is spread over a significant number of counter parties.

(ii) Credit quality of financial assets

The credit quality of financial assets (mainly bank balances and investments in mutual funds) that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counter party default rate:

Banks	Rating		Rating Agency	2017	2016
	Short term	Long term		Rupees in thousand	
Citibank N.A.	P-1	A1	Moody's	156,904	295,237
Deutsche Bank A.G.	P-2	Baa2	Moody's	33,000	22,280
Faysal Bank Limited	A1+	AA	PACRA	2,030,769	21,507
Habib Bank Limited	A-1+	AAA	JCR-VIS	6,009	4,293
MCB Bank Limited	A1+	AAA	PACRA	464,218	168,426
National Bank of Pakistan	A-1+	AA+	JCR-VIS	716	716
Soneri Bank Limited	A1+	AA-	PACRA	6,266,140	4,550,624
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	518,326	351,375
The Bank of Tokyo - Mitsubishi UFJ, Limited	P-1*	A1	Moody's	47,811	522,075
United Bank Limited	A-1+	AAA	JCR-VIS	10,353	23,151
				9,534,246	5,959,684
Mutual Funds					
ABL Cash Fund	A1+	AA+	PACRA	-	50,886
ABL Income Fund	A1+	AA+	PACRA	53,391	-
NAFA Income Opportunity fund	N/A	A(f)	PACRA	627,072	-
NAFA Money Market Fund	N/A	AA(f)	PACRA	1,545,469	100,349
Atlas Money Market Fund	N/A	AA(f)	PACRA	1,026,121	253,165
Atlas Income Fund	N/A	AA-(f)	PACRA	1,815,075	-
				5,067,128	404,400

Due to the Company's long standing business relationships with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Furthermore, the holding company, Honda Motor Co., Ltd., Japan,

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through its associated company has provided liquidity support to the Company in form of credit on some of the CKD material supplies. At March 31, 2017, the Company had Rs 4,460 million available borrowing limits from financial institutions and Rs 9,536 million cash and bank balances.

The table below analyzes the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows as the impact of discounting is not significant.

Rupees in thousand	Carrying amount	Less than one year	One to five years	More than five years
At March 31, 2017				
Accrued mark up	14,218	14,218	-	-
Trade and other payables	10,288,400	10,288,400	-	-
	10,302,618	10,302,618	-	-
At March 31, 2016				
Accrued mark up	669	669	-	-
Trade and other payables	5,417,343	5,417,343	-	-
	5,418,012	5,418,012	-	-

36.2 Fair value estimation

The different levels for fair value estimation used by the Company have been explained as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the financial assets and liabilities that are measured at fair value at March 31, 2017:

Rupees in thousand	Level 1	Level 2	Level 3	Total
Assets				
At fair value through profit or loss				
Short term investments	5,067,128	15,876,217	-	20,943,345
Liabilities				
	-	-	-	-

The following table presents the financial assets and liabilities that are measured at fair value at March 31, 2016:

Rupees in thousand	Level 1	Level 2	Level 3	Total
Assets				
At fair value through profit or loss				
Short term investments	404,400	745,377	-	1,149,777
Liabilities				
	-	-	-	-

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value a financial instrument are observable, those financial instruments are classified under level 2. If one or more of the significant inputs is not based on observable market data, the financial instrument is classified under level 3. The Company has no such type of financial instruments as on March 31, 2017.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

36.3 Financial instruments by categories

Rupees in thousand	At fair value through profit or loss	Loans and receivables	Total
As at March 31, 2017			
Assets as per balance sheet			
Long term loans and advances	-	107,251	107,251
Long term deposits	-	4,042	4,042
Trade debts	-	17,859	17,859
Loans, advances and other receivables	-	4,883,694	4,883,694
Short term investments	20,943,345	-	20,943,345
Cash and bank balances	-	9,536,380	9,536,380
	20,943,345	14,549,226	35,492,571

As at March 31, 2016			
Assets as per balance sheet			
Long term loans and advances	-	81,547	81,547
Long term deposits	-	4,042	4,042
Trade debts	-	86,242	86,242
Loans, advances and other receivables	-	96,767	96,767
Short term investments	1,149,777	-	1,149,777
Cash and bank balances	-	5,963,117	5,963,117
	1,149,777	6,231,715	7,381,492

Rupees in thousand	Financial liabilities at amortized cost	
	2017	2016
Liabilities as per balance sheet		
Accrued mark up	14,218	669
Trade and other payables	10,288,400	5,417,343
	10,302,618	5,418,012

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36.4 Offsetting financial assets and financial liabilities

(a) Financial assets

The following financial assets are subject to offsetting, enforceable master netting arrangements and similar agreements:

Rupees in thousand	Gross amount of recognized financial assets	Gross amount of recognized financial liabilities off set in balances sheet	Net amount of financial assets presented in balance sheet	Related amount not off set in balance sheet	Net amount	Financial assets not in scope of off setting disclosure
As at 31 March 2017	A	B	C=A+B	D	E=C+D	
Long term loans and advances	-	-	-	-	-	107,251
Long term deposits	-	-	-	-	-	4,042
Trade debts	46,543	(46,543)	-	17,859	17,859	-
Loans, advances, prepayments and other receivables	-	-	-	-	-	4,883,694
Short term investments	-	-	-	-	-	20,943,345
Cash and bank balances	-	-	-	-	-	9,536,380
	46,543	(46,543)	-	17,859	17,859	35,474,712

Rupees in thousand	Gross amount of recognized financial assets	Gross amount of recognized financial liabilities off set in balances sheet	Net amount of financial assets presented in balance sheet	Related amount not off set in balance sheet	Net amount	Financial assets not in scope of off setting disclosure
As at 31 March 2016	A	B	C=A+B	D	E=C+D	
Long term loans and advances	-	-	-	-	-	81,547
Long term deposits	-	-	-	-	-	4,042
Trade debts	25,857	(25,857)	-	86,242	86,242	-
Loans, advances, prepayments and other receivables	-	-	-	-	-	96,767
Short term investments	-	-	-	-	-	1,149,777
Cash and bank balances	-	-	-	-	-	5,963,117
	25,857	(25,857)	-	86,242	86,242	7,295,250

(b) Financial liabilities

The following financial liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements:

Rupees in thousand	Gross amount of recognized financial liabilities	Gross amount of recognized financial assets off set in balances sheet	Net amount of financial liabilities presented in balance sheet	Related amount not off set in balance sheet	Net amount	Financial liabilities not in scope of off setting disclosure
As at 31 March 2017	A	B	C=A+B	D	E=C+D	
Accrued mark up	-	-	-	-	-	14,218
Trade and other payables	245,203	(46,543)	198,660	10,089,740	10,288,400	-
	245,203	(46,543)	198,660	10,089,740	10,288,400	14,218

Rupees in thousand	Gross amount of recognized financial liabilities	Gross amount of recognized financial assets off set in balances sheet	Net amount of financial liabilities presented in balance sheet	Related amount not off set in balance sheet	Net amount	Financial liabilities not in scope of off setting disclosure
As at 31 March 2016	A	B	C=A+B	D	E=C+D	
Accrued mark up	-	-	-	-	-	669
Trade and other payables	81,700	(25,857)	55,843	5,361,500	5,417,343	-
	81,700	(25,857)	55,843	5,361,500	5,417,343	669

36.5 Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for members and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to members, issue new shares and other measures commensurate to the circumstances. The Company monitors the capital structure on the basis of gearing ratio. However as at March, 31 2017 and March 31, 2016, there are no borrowings and the entire capital is represented by equity as shown in the balance sheet.

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

37. TRANSACTIONS WITH RELATED PARTIES

The related parties include the holding company, subsidiaries and associates of the holding company, associated companies/undertakings, key management personnel of the Company and its holding company and post employment benefit plans (Gratuity Fund and Provident Fund). The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables. Significant related party transactions have been disclosed in respective notes in these financial statements other than the following:

Rupees in thousand	Holding Company	Other related parties	Total
For the year ended March 31, 2017			
Purchase of goods	5,456,508	25,702,424	31,158,932
Purchase of property, plant and equipment	74,516	701,670	776,186
Sale of property, plant and equipment	-	10,877	10,877
Purchase of intangible assets	16,017	11,156	27,173
Sale of goods	-	159,217	159,217
Insurance premium	-	361,566	361,566
Insurance claims	-	34,322	34,322
License fee	209,802	-	209,802
Royalty	1,219,019	2,653	1,221,672
Technical assistance and training charges	23,592	18,074	41,666
Key management personnel remuneration	-	158,267	158,267
Dividend paid	509,796	307,788	817,584

For the year ended March 31, 2016

Purchase of goods	3,046,738	13,506,769	16,553,507
Purchase of property, plant and equipment	30,200	854,243	884,443
Purchase of intangible assets	-	48,219	48,219
Sale of goods	-	151,033	151,033
Insurance premium	-	252,281	252,281
Insurance claims	-	12,998	12,998
License fee	-	6,470	6,470
Royalty	769,838	2,499	772,337
Technical assistance and training charges	8,437	19,993	28,430
Key management personnel remuneration	-	131,750	131,750
Dividend paid	345,933	194,038	539,971

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Number	Capacity		Production	
	2017	2016	2017	2016
38. PLANT CAPACITY AND ACTUAL PRODUCTION				
Motor vehicles	50,000	50,000	34,560	25,939

The Company has a capacity of producing 50,000 motor vehicles per annum on double shift basis. The Company has commenced double shift from December 2016 owing to the overwhelming demand of certain products. The under utilization of capacity is due to single shift operations for the first 8 months of the current year.

Number	2017	2016
39. NUMBER OF EMPLOYEES		
Total number of employees (Including contractual labour) as at March 31	2,033	1,256
Average number of employees (Including contractual labour) during the year	1,620	1,221

Rupees in thousand	2017	2016
40. DISCLOSURES RELATING TO PROVIDENT FUND		
(i) Size of the Fund	395,610	334,197
(ii) Cost of investments made	327,606	276,957
(iii) Percentage of investments made	91.08%	91.31%
(iv) Fair value of investments	360,330	305,157
Break up of investments		
Bank balances	103,184	55,072
Term Finance Certificates	4,446	5,343
Government securities	118,706	176,511
Listed securities	133,994	68,231

Percentage of size of the Fund	2017	2016
Break up of investments		
Bank balances	26.08	16.48
Term Finance Certificates	1.12	1.60
Government securities	30.01	52.82
Listed securities	33.87	20.42

The figures for 2017 are based on the un-audited financial statements of the Provident Fund. Investments out of Provident Fund have been made in accordance with the provisions of section 227 of the Ordinance and the rules formulated for this purpose.

41. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on May 30, 2017 by the Board of Directors of the Company.

42. EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors have proposed a final cash dividend for the year ended March 31, 2017 of Rs 13.0 (2016: Rs 7.0) per share, amounting to Rs 1,856.40 million (2016: Rs 999.60 million) and a transfer of Rs 4,200.00 million (2016: Rs 2,550.00 million) to General Reserve at their meeting held on May 30, 2017 for approval of the members at the Annual General Meeting to be held on June 23, 2017. These financial statements do not include the effect of the above appropriations which will be accounted for in the period in which they are approved.

Through the Finance Bill 2017 announced on May 26, 2017, super tax has been proposed to be enacted for Tax Year 2017 that is subject to Parliament's approval. In the Company's case, the amount of super tax for Tax Year 2017 comes out to be Rs 224.61 million that will be accounted for in the subsequent period when it is enacted by the Parliament.



Yusuf H. Shirazi
Chairman



Toichi Ishiyama
Chief Executive

Notice of Annual General Meeting

Notice is hereby given that 25th Annual General Meeting of shareholders of Honda Atlas Cars (Pakistan) Limited will be held on Friday, June 23, 2017 at 10:30 a.m. at Faletti's Hotel, 24-Egerton Road, The Mall, Lahore to transact the following business:

1. To confirm the minutes of the Annual General Meeting held on Friday, July 19, 2016;
2. To approve and adopt the annual audited financial statements for the year ended March 31, 2017 together with the Directors' and Auditors' reports thereon;
3. To approve cash dividend @ 130% (Rs 13/- per share) for the year ended March 31, 2017 as recommended by the Board of Directors;
4. To appoint Auditors for the next financial year and fix their remuneration.

Special business:

5. To approve remuneration of Chairman & Executive directors for the year 2017-18 and adopt the following resolution:
 "The remuneration of Chairman (Non-executive director) amounting to Rs 33.55 million (2016-17: Rs 29.20 million), which includes allowances and other benefits be and is hereby approved for the year ending March 31, 2018."
 "The President/CEO amounting to Rs 14.40 million (2016-17: Rs 11.70 million) and one full-time director will be paid an amount of Rs 15.10 million (2016-17: Rs 6.60 million) which includes allowances and other benefits, be and is hereby approved for the year ending March 31, 2018."
6. To transact any other business with permission of the Chairman.

By order of the Board



(Maqsood ur Rehman Rehmani)

Company Secretary & Vice President (Admin.)

Lahore: June 1, 2017

NOTES:

1. The share transfer books of the company will remain closed from June 15, 2017 to June 23, 2017 (both days inclusive).
2. A member entitled to attend and vote at the Annual General Meeting may appoint another member as a proxy to attend and vote on his/her behalf. The proxy forms must be received at Registered Office of the Company duly stamped, signed and witnessed; not later than 48 hours before the time of the meeting.

3. Any individual Beneficial Owner of Central Depository Company of Pakistan Ltd. (CDC), entitled to attend and vote at this meeting, must bring his/her CNIC or passport along with CDC account number to prove his/her identity and in case of proxy must enclose attested copy of his/her CNIC or passport. Representatives of corporate members should bring the usual documents required for such purpose.
4. Members are requested to immediately inform company's share registrar "M/s Hameed Majeed Associates, HM-House, 7-Bank Square, Lahore." of any change in their address.
5. Members are requested to provide copy of their CNIC or passport (in case of foreigner) unless it has been provided earlier enabling the company to comply with the relevant laws.

Statement under section 160(1)(b) of the Companies Ordinance 1984;

As per requirements of the new Code of Corporate Governance 2012 and Articles of Association of the Company, approval of Chairman's remuneration is required as 'non-executive director' from shareholders. Further remuneration of two executive directors is also required to be approved by Shareholders. The remuneration of Chairman and executive directors has already been approved by the board of directors in their meeting held on May 30, 2017.

There is no specific interest of the directors in this special resolution, except that mentioned therein.

Authorized Sales, Service & Spare Parts 3S Dealers

KARACHI

Honda Shahrah-e-Faisal

13-Banglore Town,
Main Shahrah-e-Faisal
Tel: (021) 34547113-6,
34527070, 34527373,
34527474, 34527575
Fax: (021) 34526758

Honda Defence

67/1, Korangi Road
Near HINO Circle.
Tel: (021) 35805291-4
Fax: (021) 35389648

Honda SITE

C-1, Main Manghopir Road, SITE.
Tel: (021) 32577411-2, 32564926,
32570301, 32569381
Fax: (021) 32577412

Honda South

1-B/1, Sec. 23, Korangi Industrial Area.
Tel: (021) 35050251-4
Fax: (021) 35064599

Honda Drive In

118-C, Rashid Minhas Road.
Tel: (021) 34992832-7, 34992824-5
Fax: (021) 34992823

Honda Quaideen

233-A-2, PECHS.
Tel: (021) 34556071-3, 34556510-12
Fax: (021) 34554644

HYDERABAD

Honda Palace

Shahbaz Town,
Jamshoro Road.
Tel: (0223) 667178-9, 667032
Fax: (0223) 667519

RAHIM YAR KHAN

Honda Rahim Yar Khan

Shahbazpur Road, Cantt. Chowk.
Tel: (068) 5674446-8
Fax: (068) 5674445

LAHORE

Honda City Sales

75-B, Block L, Gulberg III,
Ferozepur Road.
Tel: (042) 35841100-06
Fax: (042) 35841107

Honda Fort

32 Queens Road.
Tel: (042) 36314162-3, 36309062-3,
36313925
Fax: (042) 36361076

Honda Point

Main Defence Road.
Tel: (042) 35700994-5, 35700997
Fax: (042) 35700993

Honda Gateway

15 - Km, Multan Road,
Tel: (042) 111 333 789
Fax: (042) 37511075

ISLAMABAD

Honda Classic

Plot 179, I 10/3,
Industrial Area.
Tel: (051) 4438801-5
Fax: (051) 4436446

Honda Avenue

1-Km, Koral Chowk,
Islamabad Highway,
Opp. Judicial Colony.
Tel: (051) 2326121-4, 0320 5007373
Fax: (051) 2326126

RAWALPINDI

Honda Centre

300, Peshawar Road.
Tel: (051) 5125181-5
UAN: (051) 111 300 123
Fax: (051) 5125186

MULTAN

Honda Breeze

63 Abdali Road.
Tel: (061) 4588871-3, 4547484
Fax: (061) 4588874

FAISALABAD

Honda Faisalabad

East Canal Road.
Tel: (041) 8731741-4
Fax: (041) 8524029

Honda Chenab

123 JB Raja Wala,
Green View Colony.
Tel: (041) 2603449, 2603549
Fax: (041) 2603549

SARGODHA

Honda Citrus Fields

7-Km Lahore Road.
Tel: (048) 3225186-7
Fax: (048) 3225869

GUJRANWALA

Honda Gujranwala

G.T. Road.
Tel: (055) 3893481-3
Fax: (055) 3893484

SIALKOT

Honda Falcon

Pakki Kotli, Daska Road.
Tel: (052) 3252000, 3251251-4
Fax: (052) 3563203

MIRPUR

Honda Empire

Mian Muhammad Road, Quaid-e-Azam
Chowk, Mirpur Azad Kashmir
Tel: (05827) 451501-3
Fax: (05827) 451500

PESHAWAR

Honda North

Main University Road.
Tel: (091) 5854901, 5700807, 5700808
Fax: (091) 5854753

DERA GHAZI KHAN

Honda HiSun

Multan Road, Dera Ghazi Khan
Tel: (064) 111-690-690
Fax: (064) 2689009

Authorized Service & Spare Parts 2S Dealers

KARACHI

Nazimabad Honda

1-J8/B Muslim League Quarter,
Main Road Nazimabad No.1.
Tel: 021-36603336-7, 0321-9299884

LAHORE

Johar Town Honda

892-R-1 Main Boulevard, Johar Town.
Tel: 042-35313366, 0300-4008080,
0305-5224145

Aabpara Honda

16 Wahdat Road,
Aabpara Market.
Tel: 042-35866932, 0300-4403400

Samanabad Honda

Plot No.29/30 - 21 Acre Scheme
Samnabad.
Tel: 042-7530563, 7530579,
0300-8880096

Cavalry Honda

18-Commerical Area,
Cavalry Ground, Lahore Cantt.
Tel: 042-36663117, 0321-8488841

FAISALABAD

Jaranwala Road Honda

Jaranwala Road.
Tel: 041-8710616, 8541097
0321-9665859

Civil Lines Honda

21/1 Jail Road, Civil Lines.
Tel: 041-2641925, 2409394,
0307-7775888

MIRPURKHAS

Mirpurkhas Honda

Plots # A-3 & A-4, Mustafa Town,
Hyderabad Ring Road.
Tel: 0334-3301575

SUKKAR

Clock Tower Honda

Hussaini Road, Near Gurdwara.
Tel: 071-5812083

RAWALPINDI

Royal Honda

CB-940-A ,Meherabad,
Peshawar Road.
Tel: 051-5462464, 5496 022, 5496077,
0333-5145445

BAHAWALPUR

Horizon Honda

Near Zam Zam PSO Petrol Pump,
Multan Road.
Tel: 062-2885129, 0301-6817729

ISLAMABAD

AMX Honda (Pvt) Ltd.

Plot No 141, I-9/2, Opposite
Islamabad Dry Port.
Tel: 051-4444337, 051-4444338,
0333-5488898

MULTAN

Prime Honda

1- Mushtaq Colony, Industrial Estate
Road, Near Nadirabad Railway Crossing.
Tel: 061-6538112, 0300-8631111

OKARA

Modern Autos Honda

Karmanwala, G. T. Road.
Tel: 0300-7530400, 0322-7000229

GUJRAT

River Edge Honda

Near Edhi Center, G.T. Road.
Tel: 053-3523511, 0300-6202195
0314-4545450

Authorized Spare Parts 1S Dealers

KARACHI

Sugoi Parts Center

Shop No. 1&2 Amber Electronics
Market, M.A Jinnah Road.
Tel: 021-32778211 & 2

Sugoi Sunset Parts Center

Plot No. 12-C, 12th Commercial Street,
Phase II, Extension D.H.A.
Tel: 021-35312766 & 68 / 0300-2000727

LAHORE

Sugoi Potohar Parts Center

Shop No. 4-6, Shamyil Center,
4-Montgomery Road.
Tel: 042-36370121 & 042-36375900

Sugoi Defence Parts Center

Shop No. 1 Corner 26/26
Main Walton Road. Lahore Cantt.
Tel: 042-36626987 & 89/0300-9404774

RAWALPINDI

Sugoi Potohar Parts Center

3 Rahim Plaza Opp. Chaklala
Cantonment Board Main Murree Road.
Tel: 051-5130340-41/ 0321-5552656

MULTAN

Sugoi Multan Parts Center

103/9 Iqbal Plaza Opp. RTO Office,
Near Feasta Garden, LMQ Road.
Tel: 061-4586160-61 / 0303-6666712

آڈیٹرز

کمپنی کے سیکرٹری ہونے والے آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے اہلیت کی بنا پر خود کو 31 مارچ 2018 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کے لیے پیش کیا ہے اور آڈٹ کمپنی نے بھی اس کی سفارش کی ہے۔

بھگم بورڈ آف ڈائریکٹرز



جناب توپچی اسپہیما
صدر ای سی ای او

کراچی، 30 مئی 2016

ہنڈا کے بنیادی کارپوریٹ لٹے کے بنیاد پر کمپنی تمام تر لاگو قواعد و ضوابط کی ضروریات کے ساتھ ساتھ ہنڈا کے کوڈ آف کارپوریٹ گورننس کی تعمیل جاری رکھے گی۔

جیتز مین کا جائزہ

31 مارچ 2017 کو ختم شدہ سال کے لیے جیتز مین کا جائزہ کمپنی کی کارکردگی اور مستقبل کے خدو خال بتاتا ہے۔ کمپنی کے ڈائریکٹرز نے اس کے مندرجات کی تائید کی ہے۔

ہولڈنگ کمپنی

میسرز ہنڈا موٹر کمپنی لمیٹڈ 51 فیصد شیئرز کے ساتھ ہولڈنگ کمپنی ہے اور یہ جاپان میں قائم ہے۔

کوڈ آف کارپوریٹ گورننس کے ساتھ اسٹینڈ آف کمپلائنس

اسٹاک ایکسچینج کی لسٹنگ ریگولیشنز کے مطابق کمپنی کوڈ آف کارپوریٹ گورننس پر پوری طرح عمل درآمد کرنے کے لیے ہر طرح سے لیس ہے۔ اس سلسلے میں اس رپورٹ کے ساتھ ایک علیحدہ اسٹینڈنگ شلگ ہے۔

شیئر ہولڈنگ کا پینل

31 مارچ 2017 کو ختم شدہ سال کے لیے شیئر ہولڈنگ کا پینل اور اس کی تشہیر جو کہ کوڈ آف کارپوریٹ گورننس کی جانب سے درکار ہے۔ اس رپورٹ کے ساتھ شلگ ہے۔

31 مارچ 2018 کو ختم ہونے والے مالی سال کے لیے صدر ایگزیکٹو آفیسر کو 14.4 ملین روپے (17-2016: 11.7 ملین روپے) مشاہرے کی ادائیگی کی جائے گی جبکہ ایک نکل وقتی ڈائریکٹرز کو 15.1 ملین روپے (17-2016: 6.6 ملین) روپے جس میں دیگر مراعات اور الائنس بھی شامل ہیں کی منظوری دی۔

آڈٹ کمپنی

آڈٹ کمپنی پانچ نان ایگزیکٹو ڈائریکٹرز بشمول ایک آزاد ڈائریکٹرز پر مشتمل ہے۔

اس سال کے دوران، آڈٹ کمپنی نے 18 اجلاس منعقد کیے۔ یہ اجلاس بورڈ آف ڈائریکٹرز کے اجلاس سے پہلے منعقد کیے گئے تاکہ مالیاتی اسٹینڈنس، انٹرنل آڈٹ رپورٹس، کارپوریٹ گورننس کے بہترین طریقہ کار کی تعمیل کی ضروریات اور دیگر متعلقہ امور کا جائزہ لیا جاسکے۔ ان اجلاس میں 31 مارچ 2017 کو ختم شدہ سال کے لیے آڈٹ کی تعمیل سے پہلے اور بعد میں ایکسٹرنل آڈیٹرز کے ساتھ اجلاس بھی شامل ہیں اور اس کے علاوہ کوڈ آف کارپوریٹ گورننس کے لیے درکار قانونی اجلاس کا انعقاد بھی کیا گیا۔

انسانی وسائل اور معاوضے کی کمیٹی

بورڈ نے انسانی وسائل اور معاوضے کی کمیٹی (Human Resource & Remuneration Committee) بھی تشکیل دی ہے جو 5 اراکین پر مشتمل ہے جیسا کہ ضروری ہے، HR&R کمیٹی کا جیتز مین نان ایگزیکٹو ڈائریکٹر ہے۔ گزشتہ سال کمیٹی نے 16 اجلاس منعقد کیے جس میں کمیٹی کے حوالے سے شرائط کے تحت معاملات پر تبادلہ خیال کیا گیا اور منظوری دی گئی۔

ہنڈا کوڈ آف کارپوریٹ گورننس

کمپنی اپنے بنیادی اصولوں کے مطابق کارپوریٹ گورننس کو بہتر بنانے کے لیے کوششیں کر رہی ہیں۔ یہ اس کی انتظامیہ کی اہم ذمہ داریوں میں سے ایک ہے۔ جس کے ذریعے ہمارے شیئر ہولڈرز، سرمایہ کاروں، صارفین اور سوسائٹی کے ساتھ تعلقات کو مضبوط بنایا جاتا ہے اور کمپنی ایک ایسے ادارے کے طور پر ابھر کے آتی ہے جس کا وجود خود معاشرہ چاہتا ہے۔"

نمبر شمار	ڈائریکٹرز کا نام	شرکت کردہ اجلاس کی تعداد
1	جناب یوسف اسحاق شیرازی	4
2	جناب توپچی اسپہیما	4
3	جناب کنی جی مستو	4
4	جناب عامر اسحاق شیرازی	4
5	جناب ایم جم خان	3
6	جناب کازو ساہیروتا	3
7	جناب شی گیرو یاما زاک	3
8	جناب یاسوتا کا ادا	4
9	جناب مدیم الہی	3
	جناب مقصود الرحمن (کمپنی سیکریٹری)	4
	جناب احمد عمیر واجد (سی ایف او)	4

بورڈ مینٹگ میں شرکت نہ کرنے کے لیے چھٹیوں کی اجازت اراکین کو ہاتھ دہی گئی تھی۔

اس سال کے دوران ہنڈا موٹر کمپنی لمیٹڈ، جاپان کے ڈائریکٹرز کو تہنیل کیا گیا۔ کم پریل 2016 کو بورڈ میں جناب ہسا تا دا تاچی، جناب تاکا یوشی کو یاما اور جناب بیرو نو بو کو جناب کنی جی مستو، جناب یاسوتا کا ادا اور جناب شی گیرو یاما زاک سے تہنیل کیا گیا۔ ڈائریکٹرز نے کے لیے درکار ضروریات کو پورا کرنے کے لیے 525 شیئرز اس سال کے دوران سے ڈائریکٹرز کے نام پر منتقل کیے گئے۔

زیر جائزہ مدت کے دوران کمیٹی کے ڈائریکٹرز، کمپنی سیکریٹری، چیف فنانس اور ان کے ممبران ایوی یا تا بالغ بچوں کی جانب سے کمپنی کے شیئرز کی خرید و فروخت کی کوئی کارروائی رپورٹ نہیں کی گئی۔

بورڈ نے 31 مارچ 2018 کو ختم ہونے والے مالی سال کے لیے جیتز مین (نان ایگزیکٹو) کی تنخواہ 33.5 ملین روپے (17-2016: 29.2 ملین روپے) جس میں دیگر مراعات اور الائنس بھی شامل ہیں کی منظوری دی۔

ڈیوڈنڈ

کمپنی کے لیے اپنے قابل قدر حصص داران کو منافع کی ادائیگی سب سے اہم 3 مہینوں میں ایک ہے۔ کمپنی بلیٹس شیٹس اسٹریکچر کو مضبوط بنانے کے ساتھ ساتھ مستقبل میں کاروبار کو توسیع دینے کے لیے امداد دینی ذخائر کو محکمہ رکھنے کی اہم ضرورت کو بخوبی سمجھتی ہے۔ اس نقطہ نظر کے ساتھ، کمپنی کا مالیاتی خود خال اتنا مضبوط و محکم ہوگا کہ مستقبل میں آنے والے کسی بھی غیر متوقع کاروباری نقصان کو با آسانی برداشت کیا جاسکے۔ طویل المدت ترقی کے نقطہ نظر سے، ہم اپنے حصص داران میں مناسب اور مستقل ڈیویڈنڈ کی ادائیگی پر یقین رکھتے ہیں۔

اسی لیے بورڈ آف ڈائریکٹرز نے 31 مارچ 2017 کو رقم ہونے والے سال کے لیے 13 روپے فی حصص (130%) کی تجویز دی ہے، جبکہ گزشتہ سال 7 روپے فی حصص (70%) تھا، جو کہ 86 فیصد اضافہ ظاہر کرتا ہے۔

کارپوریٹ سوشل ریسپانسیبلٹی

کمپنی نے پوری کوشش کی ہے کہ اعلیٰ معیاری مصنوعات کی تیاری اور نیک نیتی کے مدد سے معاشرے اور صارفین کو فائدہ پہنچائے جبکہ جس کیونٹی میں اپنے آپریٹرز کو انجام دیتا ہے وہاں امن بٹائے باہمی کے لیے سرگرم رہے۔

اس سال کے دوران، کمپنی نے اپنے اس عظیم مقصد کی جانب کوششیں جاری رکھیں جو کہ کمپنی کا خواب ہے، اور وہ ہے "ایسا ادارہ بنانا جس کا وجود خود معاشرہ چاہتا ہے"۔ اس سلسلے میں تعلیم، صحت عامہ اور ٹریک کے حفاظتی اصولوں کے لیے خدمات انجام دی گئیں۔

مفت میڈیکل کیمپ

کمپنی نے اپنے گروہوں کے علاقے میں مفت میڈیکل کیمپ لگانے کا سلسلہ جاری رکھا۔ ہم نے گزشتہ سال تالاب سرائی، منگلا منڈی، کوٹ اسمد اللہ اور بھٹ گاؤں میں چار مفت میڈیکل کیمپ لگائے۔ کمپنی کے میڈیکل آفیسرز نے مریضوں کو مفت طبی مشورے اور مفت ادویات دیں۔ مقامی کیونٹی زیادہ تر غریب لوگوں پر مشتمل تھی جن میں روزانہ اجرت

پر کام کرنے والے، کسان، کنٹریکٹ ورکرز اور محنت مزدوری کرنے والے لوگ شامل تھے۔ ان علاقوں میں صحت کی مناسب سہولیات میسر نہیں ہیں جس کے سبب بیماری کی صورت میں لوگ خود سے ادویات کا استعمال کرتے ہیں یا پھر کسی بھی قسم کی ادویات کا استعمال نہیں کیا جاتا۔

سال 2013 میں مفت میڈیکل کیمپ کی سرگرمی کے آغاز سے اب تک کمپنی ان علاقوں میں چودہ میڈیکل کیمپ لگا چکی ہے۔ ہم اب تک 8,000 سے زائد مریضوں کو مفت طبی سہولیات فراہم کر چکے ہیں۔

کمپیوٹریز کی ترقی و آرائش

اس سال کے دوران، کمپنی نے حکومت کی زیر نگرانی چلنے والے ایک سرکاری اسکول کی کمپیوٹریز کی ترقی و آرائش کی۔ اسکول یب میں دستیاب پرانے کمپیوٹرز اور ناقابل مرمت ہو چکے تھے اور اسکول کے بچے کمپیوٹر سے تعلیم حاصل کرنے سے قاصر تھے۔ کمپنی نے اسکول انتظامیہ کے ساتھ معاہدے کے تحت کمپیوٹریز کی ترقی و آرائش کی اور کمپیوٹر نیٹ ورکنگ سیٹ اپ کے ساتھ بارہ عدد نئے ڈیسک ٹاپ کمپیوٹرز میا کیے۔

محفوظ ڈرائیونگ کی تربیت

کمپنی اپنی متعلقہ کمپنی کے ساتھ رابطے میں باقاعدگی کے ساتھ اپنے کمپنی ایسوسی ایشن کے لیے محفوظ ڈرائیونگ کی تعلیم اور تربیت کے سیشن منعقد کر رہی ہے۔ یہ تربیت سیشن کمپنی کے ان کونٹریڈرائیورز کے لیے بھی منعقد کیے گئے جو صبح اوقات کی شفٹ میں ایسوسی ایشن کو پک ایف ڈراپ کرنے کے فرائض انجام دیتے ہیں۔ وہ کمپنی ایسوسی ایشن موٹر سائیکل یا گاڑی چلاتے ہیں انہوں نے بھی اس ٹریننگ میں شرکت کی۔

موسم سرما کے آغاز سے قبل، ڈرائیورز ایسوسی ایشن کے لیے محفوظ ڈرائیونگ کا خصوصی سیشن منعقد کیا گیا جس میں کھراہند کے دوران ڈرائیونگ کے محفوظ طریقوں کے بارے میں آگاہی فراہم کی گئی۔ یہ عمل کمپنی کے لیے نہایت ضروری تھا تاکہ گزشتہ سال ہونے والے حادثات کی تعداد میں کمی کو یقین بنایا جاسکے۔

ہنڈا ضابطہ اخلاق

صارفین اور معاشرے کا اعتماد حاصل کرنے اور استحکام کو فروغ دینے کے لیے کمپنیوں کو نہ صرف قانون اور قواعد و ضوابط پر عمل پیرا ہونا چاہئے بلکہ لیگل اسٹریکچر سے بھی آگے بڑھتے ہوئے اخلاقی کارپوریٹ ملز عمل پر عملدرآمد ہونے کے لیے عملی اقدامات کرنے چاہئے ہیں۔ اس بات کی اہمیت کو سمجھتے ہوئے ہنڈا نے سال 2013 میں ہنڈا ضابطہ اخلاق کا نینڈ اسٹریٹجیکل وی تھس جسے کمپنی میں لاگو کیا گیا۔

قانون کی پاسداری کی بروہتی ہوئی ضروریات کو مد نظر رکھتے ہوئے ہنڈا ضابطہ اخلاق کا نینڈ لائنز پر یکم اپریل 2016 کو نظر ثانی کی گئی، اور ہنڈا میں کام کرنے کے لیے درکار برتاؤ اور رویوں کو واضح کیا گیا۔ اس نظر ثانی شدہ ضابطہ اخلاق کو لاگو کرنے کے لیے تمام ایسوسی ایشن میں کتناہے تقسیم کیے گئے اور ٹریننگ سیشن منعقد کی گئیں۔

کارپوریٹ اور فنانشیل رپورٹنگ فریم ورک

اسٹاک ایکسچینج کی لسٹنگ ریگولیشنز کی پرویز کی تعمیل میں، بورڈ آف ڈائریکٹرز نہایت مسرت کے ساتھ مندرجہ ذیل بیانات کو رکھنے کے لیے راضی ہیں۔

- 31 مارچ 2017 کو رقم ہونے والے سال کے لیے فنانشیل اسٹینڈنٹ، کمپنی کے اسٹینڈنٹ آف انٹرنل ریزر، آپریٹرز کے نتائج، کیش کا بہاؤ اور ایکٹیوٹی میں تبدیلیوں کو متعلقہ قیاس پیش کرتا ہے۔
- اکاؤنٹس کی مناسب کتب کو برقرار رکھا گیا ہے۔
- 31 مارچ 2017 کو رقم شدہ سال کے لیے فنانشیل اسٹینڈنٹ کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ اعزاز سے مستقول اور آئیندہ فیصلے کی بنیاد پر مبنی ہیں۔
- فنانشیل اسٹینڈنٹس کی تیاری میں پاکستان میں لاگو انٹرنیشنل فنانشیل رپورٹنگ اسٹینڈنڈز کا استعمال کیا گیا ہے۔
- امداد دینی کٹروں کا نظام نہایت بہترین ہے اور اس پر موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔

• کمپنی کی قابلیت کے بارے میں کوئی شک و شبہات نہیں ہیں۔

• 31 مارچ 2017 تک کی لسٹنگ ریگولیشنز کے مطابق کارپوریٹ گورنس کے بہترین طریقوں میں کوئی مادی روایتگی (material departure) عمل میں نہیں آئی ہے۔

• 31 مارچ 2017 تک ایسپلائر پروڈونٹ فنڈ اور ایسپلائر گریجویٹ فنڈ کی سرمایہ کاری کی book values با ترتیب 396 ملین روپے اور 335 ملین روپے ہے۔

• گزشتہ 10 سالوں کا اہم آپریٹنگ اور فنانشیل ڈیٹا اس رپورٹ میں درج کیا گیا ہے۔

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز 9 اراکین پر مشتمل ہے جس میں کوڈ آف کارپوریٹ گورنس 2014 کی ضروریات کے مطابق ایک آزاد ڈائریکٹر ہے۔ آزاد ڈائریکٹر کا اضافہ مئی 2015 میں شیئر ہولڈرز کے عام اجلاس میں منظوری کے بعد کیا گیا۔

بورڈ اہم انتظامی معاملات کی فیصلہ سازی کے لیے ذمہ دار ہے۔ اس میں اہم کاروباری امور پر عمل درآمد اور قانون کی جانب سے مقرر کردہ معاملات بھی شامل ہیں۔ یہ فیصلہ سازی، سٹے کردہ معیار، خطرات کا اندازہ اور ان معاملات کے لیے درکار ضروریات کے بعد کی جاتی ہے۔ بورڈ فرائض کی انجام دہی کی دیکھ بھال اور نگرانی کے لیے بھی ذمہ دار ہے۔

بورڈ کے اجلاس

زیر جائزہ سال کے دوران، یکم اپریل 2016 تا 31 مارچ 2017 تک بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد کیے گئے۔ بورڈ کے اراکین کی حاضری مندرجہ ذیل ہے:

ڈائریکٹرز کی رپورٹ

31 مارچ 2017

ڈائریکٹرز 31 مارچ 2017 کو ختم ہونے والے سال کے لیے سالانہ آڈٹ کروہ مالیاتی اسٹیٹمنٹ بمعہ ڈیٹیلز رپورٹ نہایت مسرت کے ساتھ پیش کرتے ہیں۔

اس سال کے لیے مالیاتی نتائج درج ذیل ہیں

2016 مارچ 31	2017 مارچ 31	روپے ملین میں
کو ختم ہونے والا سال	کو ختم ہونے والا سال	
5,178.88	8,636.32	سال کے لیے کل انریکس منافع
(1,623.10)	(2,501.33)	ٹیکس جات
3,555.78	6,134.99	بعد از ٹیکس منافع
(20.58)	(11.49)	سال کے لیے دیگر جامع نقصان
21.75	7.35	آگے کیا گیا جمع شدہ منافع
3,577.53	6,130.85	جمع شدہ منافع
		تصرفات:
(2,550.00)	(4,200.00)	عام ذرائع میں منتقلی
(999.60)	(1,856.40)	مجوزہ ڈیویڈنڈ 130% (2016:70%)
(3,549.60)	(6,056.40)	
7.35	74.45	آگے لایا گیا جمع شدہ پرافٹ
24.90	42.96	آمدنی فی شیئر۔ بنیادی اور dilute (روپے)

یہ تصرفات بورڈ آف ڈائریکٹرز کی جانب سے تجویز کی گئی تھیں۔ ان کی عکاسی کنٹینر آرڈیننس 1984 کے چوتھے شیڈیول کی قیود میں مالیاتی اسٹیٹمنٹ میں نہیں ہوتی ہیں۔

کمپنی نے اس سال کے لیے بعد از ٹیکس 6,135.0 ملین روپے منافع کمایا، جو کہ گزشتہ سال اسی مدت کے دوران کمائے گئے 3,555.8 ملین روپے کے مقابلے میں 72.5 فیصد زیادہ ہے۔ آمدنی فی شیئر جو کہ گزشتہ سال 24.90 روپے تھی وہ اس سال کے لیے 42.96 روپے رہی۔

ٹیکنالوجی میں اگلے مراحل کے لیے جدت لائی جا رہی ہے۔ پیداوار اور مسابقت میں اضافے کے ساتھ کمپنی مارکیٹ میں اپنی پوزیشن مضبوط بنانے کی۔

ان کی جگہ سنبھالی۔ اسی طرح آڈٹ کمپنی میں بھی تبدیلی کی منظوری دی گئی۔ بورڈ نے جانے والے ڈائریکٹرز کی قابل قدر خدمات کو بے حد سراہا اور بورڈ اینڈ آڈٹ کمپنی میں آنے والے نئے اراکین کو خوش آمدید کہا۔

مستقبل کے خدو خال

جسے اللہ رکھے اُسے کون پھکے

انتہا تشکر

میں اپنے معزز کسٹمرز کا کمپنی کی مصنوعات کو مسلسل سپورٹ کرنے اور ہمیشہ اعتماد قائم رکھنے پر شکر یہ ادا کرتا ہوں۔ جناب توپچی اسپیا ما اور ان کی ٹیم کا اس سال بہترین نتائج دینے کے لیے مبارک باد کے مستحق ہیں۔ اس موقع پر میں اپنے تمام ڈیپارٹمنٹس، مینجمنٹ، مینجنگ ڈیپارٹمنٹ، شیئر ہولڈرز اور ہنڈ امونرز۔ ٹیکس گروپ کی جانب سے مسلسل حمایت و راہنمائی پر تشکر بھی کرتا ہوں۔ میں کمپنی کے لیے آئندہ آنے والے سالوں میں کامیابیوں کی تئنا رکھتا ہوں۔

یوسف ایچ شیرازی

چیئرمین

کراچی 30 مئی 2017

مجموعی طور پر اقتصادی ترقی کے لیے ماحول سازگار رہا۔ توانائی کی دستیابی اور امن و آمان کی صورت حال میں بہتری نے کاروباری ماحول کو فروغ دیا۔ پبلک سیکٹر میں کیے جانے والے زیادہ خرچہ منصوبوں کی تیز رفتار تکمیل اور انکیشن سے قبل سال کی وجہ سے مقامی طلب میں مثبت رجحان رہا۔ ایکسٹرنل ریٹنگ کا حالیہ رجحان پاکستان میں زیادہ سے زیادہ مواقع لانے میں کلیدی کردار ادا کرے گا۔ CPEC اب حقیقت کا روپ دھار چکا ہے اور توقع ہے کہ اس کی وجہ سے انٹرنیشنل کے متعدد پروجیکٹس جیسے سڑکوں کا جال اور توانائی کے پروجیکٹس میں بڑے پیمانے پر سرمایہ کاری ہوگی۔ اس سے مجموعی طور پر اقتصادی ترقی کی ایک لہر آنے کی۔ تاہم، چند اشارے ایسے بھی ہیں جس سے ابھرتی ہوئی مصیبت میں اونچ نیچ ہو سکتی ہے۔ ٹیکس اصلاحات میں فوری طور پر بہتری کی ضرورت ہے، ایسے اقدامات کرنے ضروری ہیں جو مالیاتی خسارے پر مشتمل ہوں اور نمایاں طور پر شرح نمو کے تناسب سے ٹیکس کو بہتر بنانے میں مدد ملے۔ تیل کی قیمتوں میں حالیہ اضافہ تشویش کا باعث ہے، جس سے نان-آئل سپورٹ کے زیادہ رہنے کی توقع ہے جبکہ ایک سپورٹ کو تاحال قابل شناخت بحالی دکھانے کی ضرورت ہے۔ ایکسیجیو ریٹ کی جانچ دوبارہ ادا ٹیکسوں کا وقت آنے پر کی جائے گی۔ دوسری جانب، ذراعت کے شعبے میں روشن امکانات اور حکومت کی جانب سے بروقت مدد کے سبب کئی مصیبت میں مثبت نتائج لانے کی توقع ہے۔

سال 2016 میں پیش کی گئی آٹو ڈیولپمنٹ پالیسی کے تحت، مارکیٹ میں نئے OMEs کے کچھ نئے کھلاڑیوں کی آمد کی اطلاعات ہیں۔ یہ پالیسی ان نئے آنے والوں کو متحد و فوٹو ایکٹو مہیا کرے گی، جس میں CKD پر کم شرح میں کسٹم ڈیوٹی اور ڈیوٹی فری پلانٹ اور مشینری کی درآمد شامل ہے۔ اگرچہ مقابلہ ہمیشہ صحت مند ماحول مہیا کرتا ہے جس میں صارفین کو فائدہ حاصل ہوتا ہے لیکن ایسا ضروری ہے کہ اس میں شامل تمام شرکاء کے ساتھ انصاف ہو اور تمام OMEs کے لیے ایک جیسے ٹیکس اور ڈیوٹی کی شرح لاگو کی جائے۔

کمپنی کی مصنوعات کی مارکیٹ میں بہترین طلب ہے اور مزید صارفین کے آمد جاری ہے۔ آئندہ آنے والے سال کے لیے نہایت مشکل ہدف کا تعین کیا گیا ہے اور کمپنی اس کے حصول کے لیے سرگرمیوں میں لگی ہوئی ہے۔ پروڈکشن ٹیم پیداوار میں اضافے کے لیے انجینئرنگ کے شعبے میں جدت اور پروڈکشن سے متعلق مشکلات کے خاتمے کے لیے تیزی کے ساتھ سرگرم عمل ہے۔ کمپنی ایک ایسے نہایت متحرک دور سے گزر رہی ہے، جس میں صلاحیتوں اور

آپ کی کہنی

زیر جائزہ سال کے دوران کہنی نے ریکارڈ پیداوار اور فروخت حاصل کی ہے۔ مجموعی طور پر، پروڈکشن 33.2 فیصد اضافے کے ساتھ 34,560 یونٹس رہی جو کہ گزشتہ سال 25,939 یونٹس تھی۔ فروخت میں بھی بہتری آئی اور 35,381 یونٹس فروخت کیے گئے جبکہ گزشتہ سال یہی تعداد 25,800 یونٹس تھی، یہ اضافہ 37.1 فیصد ہے۔

ہنڈا سوک کے نئے ماڈل نے کسٹمرز کی بڑی تعداد کو اپنی جانب متوجہ کیا اور گزشتہ سال کے مقابلے میں 148.9 فیصد اضافہ دیکھا گیا، جس سے ہنڈا ایشیا کی اپنی کٹنگری میں پوزیشن مستحکم ہوئی ہے اور زیر جائزہ مدت میں طلب بھی بے پناہ بڑھی ہے۔

نئی ہنڈا سوک کا لانچ

کہنی نے جولائی 2016 میں ہنڈا سوک کا نیا ماڈل متعارف کروایا جس کا صارفین کو شدت سے انتظار تھا۔ نئے خود خال، جسامت، نمایاں کٹ لائٹس کے ساتھ، بالکل نئی 10 ویں جرنیشن ہنڈا سوک نہایت شاندار ہے۔ اس کا لمبا ڈیکل میں اسے اسپورٹی شکل دیتا ہے۔ نمایاں LED ڈائنامک رنگ لائٹس اور کھلی ٹیل لائٹ ڈیزائن کو مندرجہ C-shaped ٹیل لائٹ میں لگا دیا گیا ہے۔ نئی ہنڈا سوک دو طرح کے انجن میں دستیاب ہے، ایک 4 سلینڈر 1.8 لیٹر انجن اور دوسری 1.5 لیٹر ٹریو چارج انجن، جو کہ 127KW زبردست پاور مہیا کرتے ہوئے بے مثال کارکردگی کو یقینی بناتا ہے۔ اس کے ساتھ ساتھ کروڈ کنٹرول، اسمارٹ اینٹری، ون پش اسٹارٹ سسٹم، الیکٹریک پارکنگ بریک، آؤ بریک ہولڈ، اینٹی لاک بریکنگ سسٹم (ABS) بریک لیکشز، بریک فورس ڈسٹری بیوٹن (EBD) اور ریمورٹ اسٹارٹر انجن (صرف 1.5 لیٹر ٹریو چارج انجن میں) نئی سوک کی منفرد اور ممتاز خصوصیات ہیں۔ آپ کی کہنی کو پاکستانی صارفین کے لیے سب سے پہلے نئی ٹیکنالوجی متعارف کروانے کا اعزاز حاصل ہے اور نئی ہنڈا سوک انڈسٹری میں جدت کا نیا معیار قائم کرنے کے لیے بالکل تیار ہے۔

اہم سنگ میل کا حصول

موجودہ سال کی وجوہات کے سبب بہت یادگار رہا۔ کہنی نے متعدد اہم سنگ میل عبور کیے اور پیداوار اور فروخت میں ریکارڈ قائم کیے۔ ان میں سے کچھ مندرجہ ذیل ہیں۔

300,000 ویں یونٹ کی پروڈکشن

اس سال کے دوران، کہنی نے مئی 1994 کے آغاز سے اب تک اکتوبر 2016 میں نہایت کامیابی کے ساتھ 300,000 ویں پروڈکشن کھلی کی۔ اس موقع پر جناب تاکا ہیرو ٹیکو، صدر اور سی ای او ہنڈا موٹر جاپان، تھائی لینڈ اور ایشیا گروپ کے معزز مہمان بھی

300,000 ویں یونٹ کی لائن آف تقریب کے موقع پر موجود تھے۔ یہاں یہ بات بھی واضح کرنا ضروری ہے کہ اس عرصے کے دوران کہنی نے سوک اور سٹی کے متعدد ماڈل متعارف کرواتے ہوئے اپنے معزز صارفین کو "Joy of buying" (خریداری کی خوشی) مہیا کی ہے۔

مالیاتی سال میں سب سے بلند ترین فروخت

کہنی نے 31 مارچ 2017 کو ختم ہونے والے مالی سال کے دوران، کہنی کی تاریخ میں سب سے زیادہ 35,381 یونٹس کی فروخت کا سنگ میل عبور کیا ہے۔ اس سے قبل مالی سال 2006 میں سب سے زیادہ 30,719 یونٹس کی فروخت کا ریکارڈ تھا، جو کہ اس سال 15.2 فیصد بہتر رہا۔ کہنی اپنی اس کامیابی کو اپنے معزز صارفین کے نام کرتی ہے جنہوں نے ہمیشہ کہنی پر بھروسہ کرتے ہوئے اس کی مصنوعات پر اعتماد کیا۔

سوک اور سٹی کی ریکارڈ فروخت

موجودہ مالی سال کے دوران کہنی نے سوک اور سٹی کی بلند ترین تعداد میں فروخت کا ریکارڈ قائم کیا ہے۔ نئی ہنڈا سوک کو معزز صارفین کی جانب سے بے حد پزیرائی حاصل ہوئی اور 15,592 یونٹس کی ریکارڈ سیلز ہوئی جبکہ اس سے قبل سب سے زیادہ تعداد میں فروخت کا ریکارڈ سال 2006 میں 12,594 یونٹس کی فروخت کا قائم کیا گیا تھا، اس تعداد میں 23.8 فیصد اضافہ ہوا۔ اسی طرح، ہنڈا سٹی سب سے زیادہ تعداد میں 19,712 یونٹس فروخت ہوئی جبکہ سال 2016 میں 19,496 یونٹس فروخت ہوئے تھے۔

پروڈکشن میں اضافہ

نئی ہنڈا سوک کے لانچ پر معزز کسٹمرز کی جانب سے ملنے والے غیر معمولی ردعمل اور پینگی آرڈر کے سبب مالی سال کی تیسری سہ ماہی میں ڈبل شفٹ آپریشنز کا آغاز کیا گیا تاکہ صارفین کے انتظار کے وقت کو کم از کم کرتے ہوئے گاڑیوں کی بروقت ڈیلیوری کو یقینی بنایا جائے۔ دوسری شفٹ کی ضروریات کو پورا کرنے کے لیے، انسانی وسائل میں 45 فیصد اضافہ کیا گیا۔ اس سال کے دوران کہنی نے دو شفٹوں میں پیداوار کا بلند ترین ریکارڈ 180 یونٹس فی دن حاصل کیا، جو کہ نصف ایک سال قبل کی جانے والی فی دن پروڈکشن کا دو گنا ہے۔ کہنی بروقتی ہوئی طلب کو پورا کرنے کے لیے تمام وسائل سے حزمین ہے اور مستقبل میں بھی پروڈکشن کے بلند اہداف کے حصول کے لیے تیار ہے۔

مالیاتی نتائج

کہنی نے گاڑیوں کی فروخت، اضافی پوزہ جات کی فروخت، دیگر آمدنی اور منافع کے تمام مالیاتی شعبوں میں اب تک کی بہترین کارکردگی دکھائی ہے۔ گزشتہ کئی سالوں کے دوران،

کہنی کو متعدد مشکلات کا سامنا کرنا پڑا ہے، جس کا کہنی نے نہایت کامیابی کے ساتھ مقابلہ کیا ہے۔ ہم نے اپنے ایسوسی ایشن کی انتھک محنت پر نہایت فخر ہے، جس کی مدد سے ہم نے تمام مشکلات پر قابو پایا ہے۔

اس سال نیٹ سیلز ریونیو میں 62,802.7 ملین روپے کی بہتری آئی ہے جبکہ گزشتہ سال یہی آمدنی 40,085.5 ملین روپے تھی گزشتہ سال کے 6,046.8 ملین روپے گروس پروڈکٹ کے مقابلے میں اضافے کے ساتھ 9,121.7 ملین روپے رہا جو کہ 50.9 فیصد اضافہ ظاہر کرتا ہے۔ جبکہ GP مارجن میں گزشتہ سال کے 15.1 فیصد کے مقابلے میں 14.5 فیصد رہا۔ اس کی اہم وجہ خام مال کی قیمتوں میں اضافہ ہے۔ عام انتظامی اور فروخت کے اخراجات گزشتہ سال کے 684.9 ملین روپے کے مقابلے میں 1,039.6 ملین روپے رہے، اس اضافے کی وجہ اضافی انسانی وسائل، فروخت اور ترقیاتی سرگرمیاں ہیں۔ تاہم مطلق شرائط میں یہ فروخت کے 1.71 فیصد سے کم ہو کر سیلز ریونیو کا 1.66 فیصد رہا۔

دیگر آمدنی میں واضح طور پر بہتری کے ساتھ 1,115.2 ملین روپے رہی جو کہ گزشتہ سال 309.8 ملین روپے تھی، اس طرح دیگر آمدنی میں 260 فیصد بہتری آئی ہے۔ یہ سب ٹیکوینیٹی کی پوزیشن، بہتر کیش اور ریجری مینجمنٹ سے ممکن ہوا ہے۔

مالی سال 2017 میں فنانشل اور دیگر چارجز WPPF اور WWF کی قانونی دفعات کے سبب گزشتہ سال کے 492.8 ملین روپے کے مقابلے میں 560.9 ملین روپے رہے۔ ان تمام عناصر نے کہنی کو اب تک کا سب سے زیادہ قبل از ٹیکس منافع 8,636.3 ملین روپے کمانے میں معاونت کی، جو کہ گزشتہ سال 5,178.9 ملین روپے تھا، یہ اضافہ 66.8 فیصد بہتری کی نشاندہی کرتا ہے۔ تمام ضروری ٹیکس دفعات کے بعد، منافع بعد از ٹیکس گزشتہ سال کے 3,555.8 ملین روپے کے مقابلے میں 72.5 فیصد بہتری کے ساتھ 6,135.0 ملین روپے رہا۔ آمدنی فی حصص گزشتہ سال کے 24.90 روپے کے مقابلے میں 42.96 روپے رہی۔

اس سال کے دوران، کہنی نے حکومتی خزانے میں سیلز ٹیکس، کسٹمز ڈیوٹی اور دیگر حکومتی واجبات کی صورت میں 25.13 بلین روپے جمع کروائے۔ کہنی کو پنجاب ریجن میں کسٹم اتھارٹیز، لاہور کی جانب سے سب سے زیادہ ٹیکس ادا ہونے پر پہلا انعام بھی دیا گیا۔ گزشتہ سال کہنی کی جانب سے ادا کیے جانے والے واجبات 12.49 ملین روپے تھے جو کہ اب 101.2 فیصد اضافے کو ظاہر کرتے ہیں۔ کہنی اپنے تجارتی امور کے آغاز سے تا حال حکومتی خزانے میں 141.7 بلین روپے جمع کروا چکی ہے۔

سرمایہ کاری

مقامی سطح پر پوزہ جات کی تجارتی ہمیشہ سے انتظامیہ کی اولین ترجیحات میں شامل رہی

ہے۔ اس سال کے دوران، کہنی نے ایک اور 1500 ٹن پریس مشین کی تحصیل کیے ساتھ اپنے پریس آپریشنز میں توسیع کی ہے جبکہ پہلے سے ہی 1200 ٹن مشین نصب ہے، اس منصوبے پر 240 ملین روپے لاگت آئی ہے۔ نئی پریس مشین نے کام کا آغاز کر دیا ہے۔ دوسری جانب، کہنی 3500 ٹن مشین کی تحصیل کے سارگ پلاسٹک انجکشن شاپ کے توسیعی منصوبے پر کام کر رہی ہے جس پر مجموعی لاگت 252 ملین روپے آئے گی۔ ان دونوں اقدامات کے سبب کاروں کی تیاری میں میں مقامی سطح پر تیار پوزہ جات زیادہ سے زیادہ استعمال ہوں گے اور تیاری کی لاگت میں کمی ہوگی۔

کاروباری کانفرنسیں

ہر سال کہنی اپنے ڈیلرز اور ریٹیلرز کے ساتھ میٹنگز منعقد کرتی ہے جو ہنڈا خاندان کا اہم جز ہیں اور کہنی انہیں اپنی کامیابی میں برابر کا شراکت دار مانتی ہے۔ کہنی انہیں موثر شراکت داری، تعاون اور بزنس ڈویلپمنٹ اینڈ پلان پر تازہ ترین اطلاعات فراہم کرتی ہے۔ اس سال کے دوران، اپریل 2016 میں ڈیلرز، سروس اینڈ پارٹس شیجرز میٹنگ کا انعقاد کیا گیا، جبکہ ستمبر 2016 میں ڈیلرز کا کنفرنس منعقد کی گئی اور اکتوبر 2016 میں ریٹیلرز کا کنفرنس منعقد ہوئی۔ ڈیلرز، ریٹیلرز نے کاروباری منصوبوں کو بے حد سراہا اور سال کے لیے سب سے زیادہ فروخت کی طلب کا ریکارڈ قائم کرنے کی حکمت عملی بھی شیئر کی۔ ویٹلرز کو کوآپنی، کاسٹ، ڈیلیور، مینجمنٹ، سٹیفٹی اور سٹائی جین مینجمنٹ میں اعلیٰ کارکردگی دکھانے پر اسٹاؤ سے نوازا گیا۔

ٹریڈنگ اینڈ ڈویلپمنٹ

تجربہ سے بڑھتی ہوئی مارکیٹ میں مسابقتی فائدہ حاصل کرنے کے لیے کہنی اپنے ایسوسی ایشن کی ٹریڈنگ اور ڈویلپمنٹ پر سرمایہ کاری کرتی ہے۔ ہیومن ریسیورس ڈیولپمنٹ ایسوسی ایشن کی موجودہ ملازمت کے لیے درکار صلاحیتوں اور آئندہ توقع ذمہ داریوں کے لیے صلاحیتوں کی تعمیر پر توجہ دیتا ہے۔ مستقبل کی ضروریات کو مد نظر رکھتے ہوئے کہنی نے گزشتہ سال کے دوران ایسوسی ایشن کی ٹریڈنگ کے لیے جامع ٹریڈنگ سیشنز کا انعقاد کیا۔ اعلیٰ عہدوں کے لیے کامیابی حاصل کرنے والوں کو معروف کاروباری اداروں سے بزنس مینجمنٹ اور ٹریڈنگ میٹا کروائی گئی۔ ایسوسی ایشن کو مقامی اداروں کی جانب سے پیش کی جانے والی open-enrollment ٹریڈنگ کے ساتھ ساتھ جاپان میں منعقدہ "اور سیز ہیومن ریسیورس اینڈ انڈسٹری ڈویلپمنٹ" اور انٹیشن ہنڈا موٹرز، تھائی لینڈ کی جانب سے منعقدہ علاقائی ٹریڈنگ کورسز میں شرکت کے لیے بھیجا گیا۔

بورڈ میں تبدیلی

عالمی سطح پر انسانی وسائل میں ردوبدل کے طور پر، کہنی کے بورڈ آف ڈائریکٹرز میں ایک تبدیلی کی گئی۔ جناب کاوہسا ہیروتا مستعفی ہوئے اور جناب آکیو میورا یا مانے بورڈ میں

چیمبر میں کا جائزہ

31 مارچ 2017 کو ختم ہونے والے سال کے لیے:

اور کئی نے خریف کے بیزنس میں فصل کے شعبوں کو اہم ضروری محرکات فراہم کیے ہیں۔ گندم ریلج کی فصلوں میں سب سے اہم ہے اور توقع کی جاتی ہے کہ اس کی پیداوار گزشتہ سال ہونے والی 25.4 ملین ٹن پیداوار کے برابر ہی ہوگی۔ مزید یہ کہ جنوری 2017 کے بعد سے ہونے والی پانی کی بہتر صورت حال، فریٹلائزرز کی قیمتوں میں 33 فیصد کمی اور بڑے پیمانے پر قرضوں کی فراہمی بھی بہتر کارکردگی کی نشاندہی کرتی ہے۔ زراعت کے دیگر شعبے جیسے لائیو اسٹاک، فلٹنگ اور جنگلات بھی بہتر کارکردگی کی نشاندہی کرتے ہیں۔ ان سب عوامل کے نتیجے میں دیہی علاقوں کے اندر زور مرہ استعمال کی اشیاء کی طلب میں اضافہ ہوا ہے۔

بڑے پیمانے پر مینوفیکچرنگ

بڑے پیمانے پر مینوفیکچرنگ میں ترقی کی نشانیوں کا ہر کس اور مالی سال 2017 کی پہلی ششماہی میں 3.9 فیصد ترقی کی۔ اہم شراکت داری خوراک، اسٹیل، فارماسیوٹیکل اور الیکٹرونکس کی صنعتوں کی جانب سے رہی۔ بہتری کی بنیادی وجہ مانیٹری اور مالیاتی پالیسیاں، توانائی کی سپلائی میں بہتری، خام مال کی بہتر دستیابی اور CPEC سے منسلک توانائی اور انفراسٹرکچر کے پروجیکٹس میں بڑھتی ہوئی مقامی طلب ہے۔ اس کے ساتھ ساتھ حالیہ اعلان کردہ برآمدی ٹیکس، برآمدات کے شعبے کو ضروری درکار دہا دیا کرے گا۔

آٹوموبائل انڈسٹری

آٹوموبائل انڈسٹری کی سالانہ پیداوار گزشتہ سال کی پیداوار 179,679 یونٹس کے مقابلے میں 186,080 یونٹس رہی جو کہ 3.6 فیصد اضافے کو ظاہر کرتا ہے۔ تاہم، گزشتہ سال ان نتائج پر حکومت پنجاب کے اقدام "انہارڈ ڈگار اسکیم" مثبت اثرات مرتب کیے جس کے تحت تقریباً 45,000 یونٹس کی خریداری کی گئی تھی۔ اگر ان یونٹس کے اثرات کو ایڈجسٹ کیا جائے یہ نمبر اور زیادہ ہو سکتے تھے لیکن گزشتہ مالی سال 2016-17 کے پہلے آٹھ مہینوں میں ری کنڈیشنڈ گاڑیوں کی درآمد 33,857 یونٹس کے ساتھ مارکیٹ شیئر کا 20 فیصد رہی۔ یہاں یہ کہنا ہے جاننا ہوگا کہ مقامی پیداوار پر اثر انداز ہونے کے علاوہ نہ صرف ری کنڈیشنڈ گاڑیاں قومی خزانے پر بھاری بوجھ ہیں بلکہ غیر ملکی درآمدات کے ذخائر کے ضیاع کا بھی سبب ہیں۔

اہم آٹو پالیسی 2016-21 کا خیر مقدم کرتے ہیں جس میں نئے آنے والوں کو دیئے جانے والے فوائد کے مثال ہیں لیکن ایسا بھی ممکن ہے کہ اس کا ضمنی اثر موجودہ کمپنیوں پر پڑے اور پالیسی انڈسٹری کی ترقی کے بجائے اس کی تنزلی کا سبب بن جائے۔

31 مارچ 2017 کو ختم ہونے والے سال کے لیے تو انڈسٹری کی مجموعی پروڈکشن اور سیکڑ میں بالترتیب 34.4 فیصد اور 29.4 فیصد اضافہ ہوا۔ اسی طرح اس سال "میریٹ ٹیپ" کا منصوبہ بھی اس سال متوقع ہے، جس سے ملک میں مقامی سطح پر تیار گاڑیوں کی طلب میں اضافہ ہوگا۔

میں نہایت سرت کے ساتھ 31 مارچ 2017 کو ختم ہونے والے سال کے لیے کھینچی کی سالانہ رپورٹ پیش کر رہا ہوں۔

معیشت

پاکستانی معیشت نے معاشی اشاروں میں ہونے والی بہتری کے سبب مثبت علامات دکھانے کا سلسلہ جاری رکھا ہے۔ مالی سال 2016-17 میں شرح نمو بڑھ کر 5.7 فیصد رہی جو کہ گزشتہ سال 4.7 فیصد تھی، یہ گزشتہ آٹھ سالوں میں سب سے زیادہ ہے۔ توقعات کے مطابق شرح نمو میں اضافے کا سبب حکومت کی جانب سے معاشی اور عدو خالی کی اصلاحات، تیل کی کم قیمتیں، توانائی کی بہتر سپلائی اور اسمن و آمان کی صورت حال میں بہتری ہے۔ بیرونی محاذ پر زور مہاوار کے ذخائر مضبوط تر ہوتے ہوئے 23 بلین ڈالر کی ریکارڈ سطح پر چاہیے۔ ذخائر کی معقول پوزیشن سے طویل مدت تک روپے کی قدر کے استحکام کو یقین بنایا اور روپے کی دیگر علاقائی کرنسیوں کے کز دور ہونے کے باوجود بھی اپنی جگہ مستحکم رہا۔ بہتر معاشی صورت حال کو دیکھتے ہوئے پاکستان نے متعدد گلوبل بانڈز بشمول بیرو بانڈز اور منسکوس کا اجراء کیا، جس میں بین الاقوامی سٹیٹل مارکیٹ نے بھرپور دلچسپی لی۔ CPI کوڑنی کی کم قیمتوں اور مستحکم آنکھنچ ریش کے سبب مستحکم رہے ہوئے 5 فیصد کے اندر رہا۔ حوصلہ افزا اشاروں کو مد نظر رکھتے ہوئے، اسٹیٹ بینک آف پاکستان نے مئی 2016 سے پالیسی ریٹ 5.75 فیصد رکھا جو کہ گزشتہ چالیس سالوں میں سب سے کم ہے۔ MSCI کا پاکستان کو ایمرنگ مارکیٹ میں رتی نکال سفاکی کرنے کا فیصلہ اور پاکستان اسٹاک ایکسچینج میں چائنیز کنٹورنٹ کی شراکت داری کے سبب سٹیٹل مارکیٹ اضافے کا رجحان برقرار رہا۔ اس سبب عوامل کے سبب اسٹاک مارکیٹ میں تیزی کا سلسلہ جاری رہا اور انڈیکس نے 50,192 یونٹس کی بلند ترین سطح کو چھوا لیا۔

دوسری جانب کرنٹ اکاؤنٹ خسارہ سال 2017 کی دوسری ششماہی میں واضح طور پر بڑھ کر 5.5 بلین ڈالر ہو گیا جو کہ گزشتہ سال اسی مدت کے دوران 1.9 بلین ڈالر تھا۔ جس کی بنیادی وجہ تھہرتی خسارے میں 20.2 بلین ڈالر کی سطح پر ہونے والا بگاڑ ہے جو کہ سال کی بنیاد پر 34.8 فیصد اضافہ ہے۔ برآمدات میں کمی کا رجحان جاری رہا اور گزشتہ سال کے مقابلے میں 3.9 فیصد کمی واقع ہوئی جبکہ CPEC سے منسلک سرگرمیوں کی وجہ سے درآمدات میں 16 فیصد اضافہ ہوا۔ سالوں تک بہترین کارکردگی دکھانے کے بعد بیرون ملک سے بھیجی جانے والی ترسیلات زر میں تقریباً 2 فیصد کمی واقع ہوئی۔ ششماہی کے دوران ٹیکس وصولیوں میں 8 فیصد کمی آئی جس سے 3.6 ٹریلین روپے ٹیکس وصولیوں کا ہدف مشکل بن گیا۔ اسی طرح سال 2017 کے لیے مانی خسارے کا 3.8 فیصد ہدف حاصل نہ ہو سکا، اس سلسلے میں حکومتی اخراجات میں کمی نہایت ضروری ہے۔

زراعت

زری شعبے میں بہتری واقع ہوئی ہے۔ زیادہ تر خریف کی فصلوں کی پیداوار بشمول کپاس، گنا

Form of Proxy

For the year ended March 31, 2017

Secretary,
Honda Atlas Cars (Pakistan) Ltd.,
1-Mcleod Road, Lahore.

I/We _____ of _____
being member(s) of Honda Atlas Cars (Pakistan) Ltd.,
having Folio No. / CDC Participant I.D No. _____ and having _____ number of shares, hereby appoint
Mr./Ms. _____ of _____
who is also a member of the Company having Folio No. / CDC Participant I.D No _____ and _____
number of shares, as my/our proxy in my/our absence to attend and vote for me/us on my/our behalf at the 25th Annual
General Meeting of the Company to be held on Friday, June 23, 2017 at 10:30 a.m. at Faletti's Hotel, 24-Egerton Road, The
Mall, Lahore and at any adjournment thereof.

Signed this _____ day of _____ 2017.

Witness 1:

Signed: _____

Name: _____

Address: _____

CNIC / Passport No. _____

Witness 2:

Signed: _____

Name: _____

Address: _____

CNIC / Passport No. _____

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint a proxy to attend and vote instead of his/her. No person shall act, as a proxy who is not a member of the Company except that a corporation may appoint a person who is not a member.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his constituted attorney or if such appointer is a corporation or Company, under the common seal of such corporation or Company.
3. The Form of Proxy, duly completed, must be deposited at Company's registered office, 1-Mcleod Road, not less than 48 hours before the time of holding the meeting.

Signature of Shareholder

Signature of shareholder should
match the specimen signature
registered with the Company

Affix Rs. 5/-
Revenue
Stamp here

AFFIX
CORRECT
POSTAGE

Secretary,
Honda Atlas Cars (Pakistan) Limited
1-Mcleod Road,
Lahore.

Honda Atlas Cars (Pakistan) Limited

Dear Shareholder,

DIVIDEND MANDATE FORM

This is to inform you that under Section 250 of the Companies Ordinance, 1984 a shareholder may, if so desire, directs the Company to pay dividend through his/her/its bank account.

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan vide Circular No. 18 of 2012 dated June 05, 2012, we request you, being the registered shareholder of **Honda Atlas Cars (Pakistan) Limited**, to hereby authorize the Company to directly credit your cash dividends if any, declared by the Company in future directly in your bank account.

PLEASE NOTE THAT THIS DIVIDEND MANDATE IS OPTIONAL AND NOT COMPULSORY, IN CASE YOU DO NOT WISH YOUR DIVIDEND TO BE DIRECTLY CREDITED INTO YOUR BANK ACCOUNT, THEN THE SAME SHALL BE PAID TO YOU THROUGH THE DIVIDEND WARRANT.

Do you wish the future cash dividend declared by the Company, if any, is directly credited in your bank account instead of issue of dividend warrants? Please tick "✓" any of the following boxes:

YES

NO

In case of "YES", please provide the following information:

SHAREHOLDER DETAIL	
Title of Bank Account	
Bank Account Number	
Bank's Name	
Branch Code, Name & Address	
Cell number of shareholder	
Landline number of shareholder if any,	
CNIC number (enclose attested copy also)	
Passport No. (in case foreign shareholder)	

It is stated that the above mentioned information is correct and confirmed, I shall immediately inform the changes in the above mentioned information to the Company and the concerned Share Registrar as soon as it occurs.

Signature of Shareholder _____

Name _____ S/O, D/O, W/O _____

Folio - CDC A/c No. _____

NOTE: Shareholders having physical shares are requested to please submit the Dividend Mandate Form duly completed to the Share Registrar/Company. In case of CDC account holder, please submit this Mandate Form to the concerned Participant/Broker.

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-  Online Quizzes



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HONDA

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