

ANNUAL REPORT 2021



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Vision

To be recognized as a leading organization that values customers' needs and provides motoring solutions with strong customer care

Mission

Develop products of superior value by focusing on the customer
Establish a refreshing and innovative company through teamwork
Strive for individual excellence through continuous improvement



COMES ALIVE

Here's a taste of excitement, driving pleasure, performance, safety and thrill you can expect. Feel unique as you cruise through our colour palette and make one your own.





Company Information

Board of Directors

Kinji Saito	Chairman
Masafumi Harano	Chief Executive
Tadashi Homma	Dy. Managing Director
Motohiro Atsumi	Director
Kensaku Imaizumi	Director
Moin M. Fudda	Director
Rukhsana Shah	Director

Chief Financial Officer

Miki Nakahara

Company Secretary

Abdul Nasir

Audit Committee

Moin M. Fudda	Chairman
Kinji Saito	Member
Motohiro Atsumi	Member

Human Resource and Remuneration

(HR & R) Committee

Rukhsana Shah	Chairman
Kinji Saito	Member
Masafumi Harano	Member

Auditors

KPMG Taseer Hadi & Co. Chartered Accountants

Registrar

CDC Share Registrar Services Limited
CDC House, 99 - B, Block "B", S.M.C.H.S, Main
Shahrah-e-Faisal Karachi-74400.

Legal Advisors

M/s Shahid Anwar Bajwa & Co.
ORR Dignam & Company

Bankers

Bank Alfalah Ltd.
Bank Al Habib Ltd.
Citibank N.A.
Habib Bank Ltd.
Habib Metropolitan Bank Limited
MCB Bank Ltd.
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Ltd.

Registered Office

DSU-13, Pakistan Steel Industrial
Estate, Bin Qasim, Karachi.
Tel No. (021) 34723551 - 58
Fax No. (021) 34723521 - 22
Website: www.paksuzuki.com.pk

Regional Offices

Lahore Office:

7-A, Aziz Avenue, Canal Bank Road,
Gulberg V, Lahore.
Tel No. (042) 35775456, (042) 35775457
Fax No. (042) 35775467

Rawalpindi Office:

3rd Floor, 112-B Mallahi Plaza,
Murree Road, Rawalpindi Cantt.
Tel No. (051) 5130230 - (051) 5130229
Fax No. (051) 5130232

Multan Office:

402, 4th Floor United Mall, Abdali Road Multan.
Tel No. (061)-4586499
Fax No. (061)-4516765





SPACE THAT'S STYLISH YET SENSIBLE

An evolution in vehicle packaging allows your Swift to meet the needs of drivers who want both style and space.

Company Profile

Location

Downstream Industrial Estate of Pakistan Steel, Karachi

Total Area

259,200 m² (64 acres)

Facilities

Press Shop, Welding Shop, Paint Shop, Plastic Shop, Engine and Transmission Assembly Shop, Final Assembly & Hi-Tech Inspection Shop. The Company has also established a modern Waste Water Treatment Plant as its contribution to the preservation of environment.

Cost

Rs. 33.145 billion

Production Capacity (double shift)

Car & LCV's Plant

150,000 units per annum

Motorcycles Plant

44,000 units per annum

Pak Suzuki Motor Company Limited (PSMCL) is a public limited company with its shares quoted on Pakistan Stock Exchange. The Company was formed in August 1983 in accordance with the terms of a joint venture agreement between Pakistan Automobile Corporation Limited (representing Government of Pakistan) and Suzuki Motor Corporation (SMC) Japan. The Company started commercial production in January 1984 with the primary objective of progressive manufacturing, assembling and marketing of Cars, Pickups, Vans and 4x4 vehicles in Pakistan. The Company's long term plans inter-alia include tapping of export markets.

The foundation stone laying ceremony of the Company's existing plant located at Bin Qasim was performed in early 1989 by the Prime Minister then in office. By early 1990, on completion of first phase of this plant, in-house assembly of all the Suzuki engines started. In 1992, the plant was

completed and production of the Margalla Car commenced.

Under the Government's privatization policy, the Company was privatized and placed under the Japanese management in September 1992. At the time of privatization, SMC increased its equity from 25% to 40%. Subsequently, SMC progressively increased its equity to 73.09% by purchasing remaining shares from PACO. The Suzuki Management immediately after privatization started expansion of the existing plant to increase its installed capacity to 50,000 per annum. The expansion was completed in July 1994.

However the capacity remained substantially under-utilized until 2002 because of economic recession. Thereafter realizing growth in demand, the Company increased capacity in phases. The first phase was completed in January 2005 when capacity was enhanced to 80,000 vehicles. The second phase was completed in January 2006 and capacity was raised to 120,000. The third phase was completed when on 6th February 2007, Prime Minister of Pakistan, Mr. Shaukat Aziz inaugurated 150,000 vehicles capacity expansion facilities.

On 25th April 2007, the Board of Directors of Pak Suzuki Motor Company Limited (PSMCL) and Suzuki Motorcycles Pakistan Limited (SMPL) approved Scheme of Arrangement (The Scheme) to amalgamate SMPL into PSMCL with effect from 1st January 2007. The scheme was approved by the shareholders of the respective Companies at the Extra - Ordinary General Meeting held on 30th June 2007. The scheme was sanctioned by the Honourable High Court of Sindh (the court) on 17th September 2007. The certified copy of the Order of the Court sanctioning the scheme was filed with the Registrar Companies Karachi on 1st October 2007, from which date the scheme became operative.

PSMCL and Suzuki Motor Corporation (SMC) Japan held 41% and 43% shares in SMPL respectively. Pak Suzuki issued and allotted 1,233,300 ordinary shares of Rs.10/- each to the qualifying shareholders of SMPL @ one



ordinary share in Pak Suzuki for every twenty one shares held by SMPL shareholders as on the date of final book closure i.e. 29th October 2007. The trading in shares of SMPL on Karachi and Lahore Stock Exchanges ceased from the same date.

The Company setup a new plant for motorcycles at Bin Qasim. All the operations of motorcycles have been shifted to the new plant effective from July 2011.

The Company continues to be in the fore-front of automobile industry of Pakistan. Over a period of time, the Company has developed an effective and comprehensive network of sales, service and spare parts dealers who cater to the needs of customers and render effective after-sale service country wide.

Joint Venture Agreement was signed between Pak Suzuki Motor Company Limited and Tecno

Pack Telecom (Private) Limited to set up Tecno Auto Glass Limited ("TAG"). TAG's main area of operations will be manufacturing, development and designing of Auto Glass products to cater local as well as international markets.

SAFETY THAT'S RELIABLE

Your protection is top priority for the Suzuki Swift which comes fitted with 6 power-packed SRS airbags set to deploy from both the front as well as the sides in case of collision keeping you secure from all sides.





Code of Conduct

The Code of Conduct shall be applied to all Directors, Officers and Employees of Suzuki Motor Corporation and its consolidated subsidiaries (hereinafter collectively referred to as "Suzuki Group")

Every Suzuki Group company should fully disseminate this Code of Conduct to its directors, officers and employees and oblige them to observe it in its internal rules and/or employment agreement and in case of their breach of this Code of Conduct, it will be dealt with in accordance with the applicable disciplinary provisions.

For our customers

Realization of products and services of superior value

Suzuki Group will provide customers with products and services exceeding their expectation as in line with the spirit "Develop products of superior value by focusing on the customer" which is listed as the first item in our "Mission Statement".

- We will make every effort to provide products and services that will satisfy our customers, by standing in our customers' place at all times.

Activities on Quality

Suzuki Group will develop and produce high quality products which customers can use in relief and will provide after-sales services considering customers' safety and security with first priority.

If by any chance a quality related problem occurs, Suzuki Group will devote its sincere efforts to react on customer's voice, grasp the problem at an early stage and take measures with thorough investigation into the causes so that the customer can continue using Suzuki products in relief.

- We will never neglect any quality related problem on our product that may affect our customers' safety or security, noticed during development, production or after-sales service.
- We will never lead to a conclusion in our own favour when reacting to indications from our

customers related to the quality on our products.

- We will treat aforesaid quality related problems and customers' indications on quality with utmost sincerity, and will devote our best efforts not to spoil customers' trust.

For a Better Working Environment

Respect of Human Right

Suzuki Group will be aware of international norms pertaining to human rights and respect fundamental human rights with reference to laws in each country or region.

- We will cooperate with each other as a member of Suzuki Group to create a working environment with no discrimination by personal attributes or harassment.

Occupational Safety - Traffic Safety

Suzuki Group will review the workplace environment to create safe workplace.

Suzuki Group will thoroughly carry out education on safety to prevent occurrence of occupational injury.

- We will strictly obey rules related to safety so that we can maintain safe workplace and prevent occurrence of occupational injury.
- We will immediately report to our supervisors for improvement when we notice any problem related to safety at our workplace.
- We will be conscious that we take part in the automobile industry, observe traffic rules, keep in mind to drive vehicles safely as a social norm, and endeavour to prevent traffic accidents while on duty or in private.

Promoting Kaizen Activities and Observing Basic Business Rules

Suzuki Group encourages employees to come up with inventive ideas to improve the workplace. Suggestions from employees on Kaizen will be evaluated and effective measures will be adopted and widespread



amongst Suzuki Group companies for a growth of the entire group.

Suzuki Group will create basic rules on our work for the employees to follow.

- We will always think seriously about our business, take the lead in action and make a proposal to the company when we notice any points of improvement.
- We will thoroughly enforce mutual understanding at our workplace and communicate over and over again until others comprehend sufficiently.
- We will always be conscious of overall optimization and make efforts to share information between departments and companies.
- We will observe the business rules provided from time to time in each workplace.

For Shareholders And All Other Stakeholders

Compliance

While Suzuki Group acknowledges the existence of difference in laws related to competition such as Antitrust Law and laws related to fair trading by each country or region, Suzuki Group will grasp the difference and carry out training on employees to observe laws and societal norms in their respective countries and regions.

- We will observe the content of the guidance and training provided by the company on laws and societal norms.
- We will immediately consult with our supervisors when we notice any noncompliance or suspected noncompliance by another employee.

In case we think it is improper to consult with our supervisors, we will report to the Consultation & Reporting Desk in our company or those provided by Suzuki Motor Corporation.

Environmental Activities

In order to succeed the beautiful earth and affluent society to the next generations, we must all realize that actions of each and every one of us have a great effect on our earth's future therefore Suzuki Group will make every effort to preserve global environment.

- We will endeavour to produce environmentally friendly products that will be required by our customers, by contributing to development and diffusion of environmentally friendly technology.
- We will reduce burden on the environment sourced from our workplace and devote our sincere efforts to maintain the environment of our workplace and local community.

Refusing relations with antisocial forces

- Suzuki Group will thoroughly refuse any relationships with antisocial forces* and organizations which are threatening the order and safety of civil society.
- We will never accept any unreasonable demand from antisocial forces* and organizations on our own decision and will always report to or consult with our supervisors or related department.

* "Antisocial forces" means any group or individuals pursuing illicit financial gain by violence, power and fraudulence.

Questions on Code of Conduct?

In case any query or question arose when following this Code of Conduct, please consult with your supervisor or other responsible person in your company. The person who was consulted must make every effort to correspond to the consulter. In case you could not solve the problem within your departments or within your company, please inform the related department or the Secretariat of Corporate Governance Committee at Suzuki Motor Corporation.

MILESTONES

1982 Joint Venture Agreement was signed between Suzuki Motor Corporation-Japan and Pakistan Automobile Corporation to set up Pak Suzuki Motor Co. Ltd. Locally assembled Suzuki SS-80 (FX) car launched.

1983 Pak Suzuki as a Public Limited Company incorporated. Industrial Collaboration Agreement executed with SMC - Japan.

1984 The Company started commercial operations.

1985 Mr. Osamu Suzuki, Chairman & CEO of Suzuki Motor Corporation was awarded "Sitara-e-Pakistan" by Government of Pakistan.

1988 1000 cc passenger car SWIFT SA-310, later on called KHYBER introduced through local manufacturing.

1989 Foundation stone of the new plant at Bin Qasim was laid by the Prime Minister of Pakistan, Mohtarma Benazir Bhutto.

1990 Operation of the first phase of the new plant at Bin Qasim started with engine and transmission assembly.

1992 New plant commissioned with the production of three box Sedan passenger car initially SF410 later on SF-413, known as MARGALLA. The Company was privatized with SMC acquiring additional 15% shares from PACO thus enhancing its shareholding to 40% and taking over the management.

1993 The paid-up capital was doubled with issuance of 100% right shares which increased the capital to Rs. 250 million.

1994 Shifting of Head Office and production of all models to new plant completed.

1995 The paid-up capital was increased again with the issuance of 100% right shares, raising the capital to Rs. 490 million.

1996 Taking initiative to control environmental pollution, the Company set-up waste water treatment plant at a cost of Rs. 40 million. The Joint Venture Agreement ended, PACO divested its entire shareholding to SMC, raising SMC's equity to 72.8%.

1997 The 100,000th vehicle rolled out from the Bin Qasim Plant. 1300 cc BALENO was introduced replacing MARGALLA.

1999 Exports of RAVI pickups to Bangladesh commenced.

2000 1000 cc passenger car SF-310 CULTUS replacing KHYBER was introduced. 1000 cc passenger car ALTO was introduced.

2001 Reborn MEHRAN was introduced. CNG version of MEHRAN, BOLAN and RAVI were launched.

2002 New BALENO was introduced. CNG version of BALENO, ALTO and CULTUS launched. The milestone of 250,000th vehicle from the new plant crossed.

2003 The Company received ISO 9001 : 2000 certification from AIB-VINCOTTE International Limited Brussels, Belgium, 20th Anniversary Celebrations Commencement of Component export to Hungary, Sub-leasing of land to Vendors Industry of Pak Suzuki adjacent to its assembly plant.

2004 New Plastic Injection Molding Shop commenced production of Bumpers, Instrument Panels, Radiator Grills and Wheel Caps.

2005 Inauguration of first phase of capacity expansion (80,000 vehicles) by the Federal Minister for Production, Industries and Special Initiatives. Achieved milestone of 100,000 online factory fitted CNG Vehicles. The Company received ISO 14001 : 2004 and OHSAS 18001 : 1999 certification from AIB- VINCOTTE International Limited Brussels, Belgium.

2006 Second phase of capacity expansion (120,000 Vehicles) completed. Production of locally manufactured LIANA Car. Production of 100,000 vehicles crossed in a calendar year.

2007 Suzuki Motorcycles Pakistan Ltd. merged with Pak Suzuki Motor Company. Plant Capacity Expanded upto 150,000 Vehicles per year.

2009 The 1,000,000th vehicle rolled out from the Pak Suzuki Plant. Cargo Van was introduced.

2010 1300 cc locally manufactured car Swift was introduced.

2011 Inauguration of new motorcycle plant at Bin Qasim.

2012 Automatic version of Suzuki Swift 1300cc was introduced. New Suzuki Motorcycle "Raider 110cc" was launched replacing "Shogun". Complete range of Suzuki products was upgraded to Euro II technology.

2013 Suzuki Gear Oil marketing started. Suzuki motorcycle, GD 110 launched. Suzuki heavy bikes introduced.

2014 Suzuki WagonR introduced Suzuki Motorcycle GD 110S launched Suzuki Outboard Motors introduced.

2015 2400cc Suzuki KIZASHI car introduced. Heavy Bike Suzuki Inazuma Aegis Launched. Pak Suzuki awarded by Ozone Award from Govt. of Pakistan. Inauguration of Vendor Development Program II by Federal Minister. Inauguration of Expansion of Parts Manufacturing Facilities by Federal Minister. Inauguration of Resumption of CNG Fitted Vehicle (Mehran & Cultus) by Federal Minister.

2016 Introduction of Suzuki GS 150 SE. Inauguration of Suzuki Booking Office & Facilitation Centre. Achieving Highest Award from SMC-Japan on completion of 50,000 units to Government of Punjab under "Apna Rozgar Scheme". Introduced Suzuki Cultus Limited Edition. Launched Suzuki Vitara.

2017 Joint Venture Agreement was signed between Pak Suzuki Motor Company Limited and Tecno Pack Telecom (Private) Limited to set up Tecno Auto Glass Limited.

Introduction of Suzuki Ciaz, Suzuki Mega Carry and Heavy Bike Suzuki GSX-R600 Launching of New Suzuki Cultus and Suzuki GR150 Inauguration of New Delivery Yard at Port Qasim, Karachi.

2018 Landmark achievement of 2 million vehicles line - off achieved by Pak Suzuki, Chairman Suzuki and Advisor to PM graced the ceremony.

Pak Suzuki Launched Suzuki Finance Arrangement Program (SFAP).

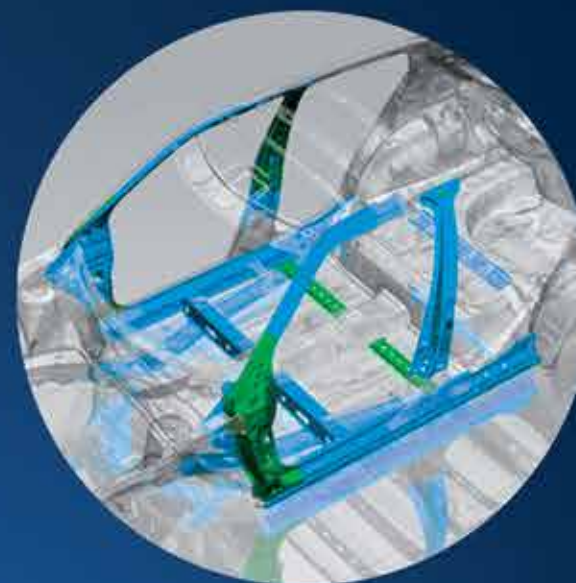
Pak Suzuki was Certified on ISO 9001:2015-QMS & ISO 14001:2015-EMS.

2019 Introduced All New Suzuki Alto 660cc and Suzuki Gixxer (The Street Sport Bike). Launched Suzuki Genuine Oil "Super-Efficient". Started export of leather gloves for Heavy Bikes customers to European and Japanese Market. Introduced an "Exchange Financing Scheme". Inaugurated corporate day care center for all female staff.

2020 Pak Suzuki achieved great milestone by selling more than twenty nine thousand units of all new alto. Pak Suzuki won "best short form web video" award.

2021 Pak Suzuki has launched its new website. Pak Suzuki has exported Bike Ride's apparel to Japan. Federal Minister rollout celebration of the highest production of New Alto. Pak Suzuki won Best Short from web video for the 2nd consecutive year. Pak Suzuki Motorcycles record-breaking sales of 32,384 while producing 32,203 units. Pak Suzuki crossing 100,000 Unit sales of All New Alto.

Minimum turning radius of 4.8m
for easier maneuverability



Light and highly rigid body
for agile driving and good
fuel economy



a heart-throbbing driving
pulse and uncompromising
fuel efficiency

Variable Valve Time (VVT)

1.2 Petrol Engine – More
Powerful Driving

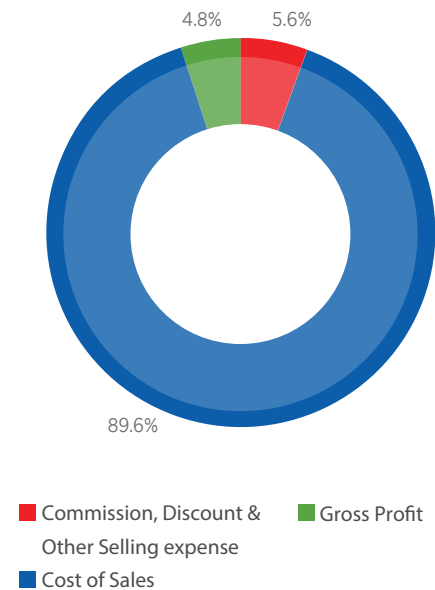




Highlights of the Accounts

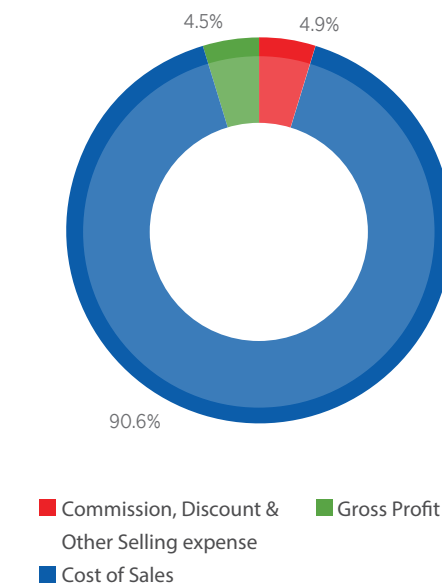
	2021	2020 (Restated)	Increase/(Decrease) Amount	%
----- (Rupees in '000) -----				
Production volume (Nos.)				
- Motorcar	121,882	49,528	72,354	146.1
- Motorcycle	32,143	16,530	15,613	94.5
Sales volume (Nos.)				
- Motorcar	122,922	59,281	63,641	107.4
- Motorcycle	32,384	17,111	15,273	89.3
Gross Sales	169,518,827	80,630,789	88,888,038	110.2
Other selling expenses as a % of gross sales	509,464 0.3	213,012 0.3	296,452	139.2
Selling Commission & Discount as a % of gross sales	8,927,108 5.3	3,697,645 4.6	5,229,463	141.4
Net Sales	160,082,255	76,720,132	83,362,123	108.7
Gross profit as a % of net sales	8,170,738 5.1	3,599,218 4.7	4,571,520	127.0
Distribution & marketing expenses as a % of net sales	2,943,268 1.8	1,639,791 2.1	1,303,477	79.5
Administration expenses as a % of net sales	2,480,801 1.5	1,790,825 2.3	689,976	38.5
Provision / (reversal) of Impairment on trade & installment sales as a % of net sales	69,548 0.0	33,551 0.0	35,997	107.3
Other operating expenses (WPPF & WWF) as a % of net sales	279,670 0.2	15,000 0.0	264,670	1,764.5

Gross Sale Revenue Breakup - 2021



	2021	2020 (Restated)	Increase/(Decrease) Amount	%
----- (Rupees in '000) -----				
Other income as a % of net sales	2,222,665 1.4	704,394 0.9	1,518,271	215.5
Finance Cost as a % of net sales	737,041 0.5	2,664,734 3.5	(1,927,693)	(72.3)
Share of loss of an associate as a % of net sales	87,668 0.1	47,765 0.1	39,903	(83.5)
Profit / (loss) before taxation as a % of net sales	3,795,407 2.4	(1,888,054) (2.5)	5,683,461	(301.0)
Profit / (loss) after taxation as a % of net sales	2,679,476 1.7	(1,378,115) (1.8)	4,057,591	(294.4)
Shareholders' equity	26,826,197	24,292,441	2,533,756	10.4
Earnings per share (Rs.)	32.56	(16.75)	49.31	(294.4)
Break-up value per share (Rs.)	325.96	295.17	30.79	10.4
Number of shares issued (000)	82,300	82,300	-	-
Exchange Rate (JPY to PKR)	1.4851	1.4639	0.0212	1.4
Exchange Rate (USD to PKR)	160.43	158.24	2.19	1.4

Gross Sale Revenue Breakup - 2020





Highlights of the Accounts Segment Wise

	CAR DIVISION				MOTORCYCLE DIVISION				TOTAL			
	2 0 2 1	(Restated)	INCREASE/ DECREASE	%	2 0 2 1	(Restated)	INCREASE/ DECREASE	%	2 0 2 1	(Restated)	INCREASE/ DECREASE	%
		2 0 2 0				(Rupees in thousand)				2 0 2 0		
Production volume (Nos.)	121,882	49,528	72,354	146%	32,143	16,530	15,613	94%	154,025	66,058	87,967	133%
Sales volume (Nos.)	122,922	59,281	63,641	107%	32,384	17,111	15,273	89%	155,306	76,392	78,914	103%
Gross Sales	163,495,496	77,565,958	85,929,538	111%	6,023,331	3,064,831	2,958,500	97%	169,518,827	80,630,789	88,888,038	110%
Other selling expenses as a % of gross sales	267,015 0.2	65,375 0.1	201,640 0.1	308% 0.1	242,449 4.0	147,637 4.8	94,812 0.0	64% (0.8)	509,464 0.3	213,012 0.3	296,452 0.0	139% 0
Selling Commission & Discount as a % of gross sales	8,912,627 5.5	3,692,239 4.8	5,220,388 0.7	141% 0.7	14,481 0.2	5,406 0.2	9,075 0.0	168% 0.0	8,927,108 5.3	3,697,645 4.6	5,229,463 0.7	141% 0.7
Net Sales	154,315,854	73,808,344	80,507,510	109%	5,766,401	2,911,788	2,854,613	98%	160,082,255	76,720,132	83,362,123	109%
Gross profit as a % of net sales	7,742,189 5.0	3,400,278 4.6	4,341,911 0.4	128% 0.4	428,549 7.4	198,940 6.8	229,609 0.6	115% 0.6	8,170,738 5.1	3,599,218 4.7	4,571,520 0.4	127% 0.4
Distribution & marketing expenses as a % of net sales	2,848,769 1.8	1,586,419 2.1	1,262,350 (0.3)	80% (0.3)	94,499 1.6	53,372 1.8	41,127 (0.2)	77% (0.2)	2,943,268 1.8	1,639,791 2.1	1,303,477 (0.3)	79% (0.3)
Administration expenses as a % of net sales	2,177,617 1.4	1,559,441 2.1	618,176 (0.7)	40% (0.7)	303,184 5.3	231,384 7.9	71,800 (2.6)	31% (2.6)	2,480,801 1.5	1,790,825 2.3	689,976 (0.8)	39% (0.8)
Provision / (Reversal) of Impairment on trade & installment sales as a % of net sales	60,879 0.0	(500) 0.0	61,379 0.0	12276% 0.0	8,669 (0.2)	34,051 (1.2)	25,382 1.0	-75% 1.0	69,548 0.0	33,551 0.0	35,997 0.0	107% 0
Other expenses (WWF & WPPF) as a % of net sales	279,670 0.2	15,000 0.0	264,670 0.2	1764% 0.2	0 0.0	0 0.0	0 0.0	0% 0.0	279,670 0.2	15,000 0.0	264,670 0.0	1764% 0
Other income as a % of net sales	1,854,791 1.2	481,165 0.7	1,373,626 0.5	285% 0.5	367,874 6.4	223,229 7.7	144,645 (1.3)	65% (1.3)	2,222,665 1.4	704,394 0.9	1,518,271 0.5	216% 0.5
Finance Cost as a % of net sales	727,878 0.5	2,656,716 3.6	(1,928,838) (3.1)	-73% (3.1)	9,163 0.2	8,018 0.3	1,145 (0.1)	14% (0.1)	737,041 0.5	2,664,734 3.5	(1,927,693) (3)	-72% (3)
Share of loss of an associate as a % of net sales	87,668 0	47,765 0	39,903 0.0	84% 0.0	0 -	0 -	0 0.0	0% 0.0	87,668 0	47,765 0	39,903 0	84% 0
Profit / (Loss) before taxation as a % of net sales	3,414,499 2.2	(1,983,398) (2.7)	5,397,897 4.9	272% 4.9	380,908 6.6	95,344 3.3	285,564 3.3	300% 3.3	3,795,407 2.4	(1,888,054) (2.5)	5,683,461 5	301% 5
Profit / (Loss) after taxation as a % of net sales	2,298,568 1.5	(1,473,459) (2.0)	3,772,027 3.5	256% 3.5	380,908 6.6	95,344 3.3	285,564 3.3	300% 3.3	2,679,476 1.7	(1,378,115) (1.8)	4,057,591 3.5	294% 3.5
Number of shares issued (000)	82,300	82,300	0	0%	82,300	82,300	0	82,300	82,300	82,300	0	0%



6 Years at a Glance

	2021	2020	2019	2018	2017	2016
	(Restated)					
	----- (Rupees in '000) -----					
OPERATING RESULTS						
Production volume (Nos.)						
- Motorcar	121,882	49,528	107,999	143,239	132,725	111,979
- Motorcycle	32,143	16,530	22,737	23,014	19,603	18,374
Sales volume (Nos.)						
- Motorcar	122,922	59,281	113,270	140,313	132,548	110,000
- Motorcycle	32,384	17,111	22,589	23,160	19,901	17,946
SALES REVENUE	160,082,255	76,720,132	116,548,013	119,853,898	101,811,611	76,516,040
Gross profit	8,170,738	3,599,218	1,984,527	7,044,865	9,652,573	7,348,577
Profit/(loss) before taxation	3,795,407	(1,888,054)	(4,951,744)	2,082,936	5,619,214	4,415,236
Profit/(loss) after taxation	2,679,476	(1,378,115)	(2,920,485)	1,298,108	3,825,821	2,772,635
Dividends (cash/bonus shares)	534,949	-	-	260,068	1,530,777	452,649
Profit retained	2,144,527	(1,378,115)	(2,920,485)	1,038,040	2,295,044	2,319,986
CAPITAL EMPLOYED						
Share capital	822,999	822,999	822,999	822,999	822,999	822,999
Reserves	23,403,121	25,137,763	28,069,713	27,109,749	24,898,931	22,619,294
Unappropriated profit	2,600,077	(1,668,321)	(2,941,826)	1,300,117	3,827,786	2,774,614
Shareholders' equity	26,826,197	24,292,441	25,950,886	29,232,865	29,549,716	26,216,907
Non-Current Liabilities	3,324,103	755,858	515,679	215,730	-	-
Current Liabilities	61,839,670	41,599,057	51,193,261	32,061,254	21,360,751	11,635,058
	91,989,970	66,647,356	77,659,826	61,509,849	50,910,467	37,851,965
REPRESENTED BY:						
Fixed Assets	15,544,426	13,038,601	15,685,850	15,654,827	8,800,002	6,672,057
Other Non - Current Assets	9,382,090	7,971,217	3,828,757	2,173,188	1,104,378	661,665
Net Current Assets	67,063,454	45,637,538	58,145,219	43,681,834	41,006,087	30,518,243
	91,989,970	66,647,356	77,659,826	61,509,849	50,910,467	37,851,965



	2021	2020	2019	2018	2017	2016
	(Restated)					
	----- (Rupees in '000) -----					
PROFITABILITY RATIOS						
Gross profit as a % of net sales	5.1%	4.7%	1.7%	5.9%	9.5%	9.6%
Profit before taxation as a % of net sales	2.4%	-2.5%	-4.2%	1.7%	5.5%	5.8%
Profit/(loss) after taxation as a % of net sales	1.7%	-1.8%	-2.5%	1.1%	3.8%	3.6%
Earning/(loss) per Share (Rs.)	32.6	(16.7)	(35.5)	15.8	46.5	33.7
LIQUIDITY & LEVERAGE RATIOS						
Current ratio	1.08	1.10	1.14	1.36	1.92	2.62
Quick ratio	0.66	0.66	0.40	0.44	0.79	1.21
Liabilities as a % of total assets	71%	64%	67%	52%	42%	31%
Equity as a % of total assets	29%	36%	33%	48%	58%	69%
EFFICIENCY RATIOS						
Inventory turn over ratio	5.8	4.1	3.1	3.8	3.8	4.2
No. of days stock held	63	90	120	95	95	86
No. of days sales in trade debts	0.4	2.4	2.2	0.7	0.8	5.7
Total assets turn over ratio	1.7	1.2	1.5	1.9	2.0	2.0
Net worth turn over ratio	6.0	3.2	4.5	4.1	3.4	2.9
EQUITY RATIOS						
Break up value per share (Rs.)	325.96	295.17	315.32	355.20	359.05	318.55
Cash Dividend as a % of capital	65%	0%	0%	32%	186%	55%
Dividend payout ratio (%)	20%	0%	0%	20%	40%	16%
Plough-back ratio (%)	80%	100%	100%	80%	60%	84%
OTHER DATA						
Permanent employees strength (Nos.)	2,178	2,102	1,964	2,024	1,345	1,269
Number of shares	82,299,851	82,299,851	82,299,851	82,299,851	82,299,851	82,299,851



Horizontal Analysis of Balance Sheet

	2021	%	2020	%	2019	%	2018	%	2017	%	2016	%
	(Restated)											
	----- (Rupees in Millions) -----											
Fixed assets	15,929	19.9	13,285	(17.1)	16,031	1.7	15,768	75.5	8,985	33.2	6,745	46.8
Right to use of Assets	112	(9.7)	124	(14.5)	145	-	-	-	-	-	-	-
Long-term investments	190	(31.7)	278	(14.7)	326	(0.9)	329.00	58.2	208	-	-	-
Long-term loans	6	20.0	5	25.0	4	-	4	100.0	2	(99.1)	231	2,210.0
Long-term deposits, prepayments and other receivables	567	21.9	465	23.0	378	(17.1)	456	19.4	382	1,217.2	29	16.0
Long-term installment sales receivables	777	59.9	486	78.7	272	130.5	118	(18.6)	145	51.0	96	(15.8)
Deferred taxation	7,345	15.4	6,366	169.9	2,359	104.8	1,152	386.1	237	1.3	234	20.0
Stores, spares and loose tools	364	44.4	252	(3.1)	260	76.9	147	27.8	115	3.6	111	12.1
Stock-in-trade	26,225	45.9	17,974	(52.1)	37,517	27.6	29,397	22.8	23,947	47.0	16,289	24.5
Trade debts	197	(60.9)	504	(27.1)	691	190.3	238	12.8	211	(82.5)	1,205	(22.9)
Current portion of long-term installment sales receivables	2,028	62.9	1,245	55.8	799	45.3	550	71.3	321	10.3	291	(16.4)
Loans and advances	164	36.7	120	118.2	55	34.1	41	10.8	37	(81.6)	201	1.5
Trade deposits and short term prepayments	2,685	74.0	1,543	453.0	279	(79.4)	1,357	40.5	966	1,154.5	77	8.5
Accrued profit on bank deposits	-	-	-	-	-	(100.0)	269	827.6	29	(76.0)	121	(37.3)
Other receivables	938	52.0	617	76.8	349	-	-	(100.0)	93	(27.9)	129	48.3
Sales tax and excise duty adjustable	6,575	193.9	2,237	(71.0)	7,701	76.2	4,370	282.0	1,144	(30.7)	1,651	493.9
Taxation - net	4,616	38.7	3,327	(54.0)	7,226	24.6	5,798	18.3	4,900	158.7	1,894	19.1
Cash and bank balances	23,271	30.6	17,818	445.2	3,268	115.6	1,516	(83.5)	9,190	7.5	8,548	(43.0)
Non-current assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	91,990	38.0	66,647	(14.2)	77,660	26.3	61,510	20.8	50,910	34.5	37,852	1.1
Share capital	823	-	823	-	823	-	823	-	823	-	823	-
Reserves	26,003	10.8	23,469	(6.6)	25,128	(11.6)	28,410	(11)	28,727	13.1	25,394	6.4
Total Equity	26,826	10.4	24,292	(6.4)	25,951	(11.2)	29,233	(11)	29,550	12.7	26,217	6.2
Trade and other payables	20,056	49.4	13,421	4.1	12,887	(10.6)	14,410	26.6	11,378	80.6	6,300	(2.2)
Advances	35,356	257.9	9,878	559.9	1,497	(34.2)	2,276	(57.3)	5,332	228.1	1,625	(61.5)
Accrued mark-up	-	-	-	-	-	-	-	-	-	-	-	-
Short-term finance	0	(100.0)	12,621	(61.1)	32,411	186.6	11,310	-	-	-	-	-
Security deposits	4,058	0.7	4,029	(3.2)	4,164	(1.4)	4,222	(8.2)	4,601	25.3	3,673	77.6
Unclaimed Dividend	19	-	19	-	19	(13.6)	22	-	-	-	-	-
Lease liability	130	(4.4)	136	(8.1)	148	-	-	-	-	-	-	-
Provision for custom duties and sales tax	2,371	27.0	1,867	220.2	583	1,519.4	36	-	36	-	36	-
Long term loan	1,737	-	-	-	-	-	-	-	-	-	-	-
Deferred Government Grant	870	-	-	-	-	-	-	-	-	-	-	-
Employee Benefit Obligations	569	47.8	385	-	-	-	-	-	-	-	-	-
Total Equity and Liabilities	91,990	38.0	66,647	(14.2)	77,660	26.3	61,510	20.8	50,910	34.5	37,852	1.1



Horizontal Analysis of Profit or Loss Account

	2021	%	2020	%	2019	%	2018	%	2017	%	2016	%
	(Restated)											
	----- (Rupees in Millions) -----											
Sales	160,082	108.7	76,720	(34.2)	116,548	(2.8)	119,854	17.7	101,812	33.1	76,516	(9.5)
Cost of sales	(151,912)	107.75	(73,121)	(36.2)	(114,563)	1.6	(112,809)	22.4	(92,159)	33.2	(69,167)	(5.3)
Gross profit	8,171	127.04	3,599	81.3	1,985	(71.8)	7,045	(27.0)	9,653	31.4	7,349	(36.0)
Distribution and selling costs	(2,943)	79.45	(1,640)	(35.4)	(2,539)	(6.2)	(2,707)	(3.5)	(2,804)	39.9	(2,004)	3.0
Administrative expenses	(2,481)	38.53	(1,791)	(29.8)	(2,551)	9.8	(2,323)	45.2	(1,600)	3.9	(1,540)	25.1
(Provision) / Reversal of impairment losses	(70)	105.88	(34)	(247.8)	23	-	-	-	-	-	-	-
Other expenses	(280)	1766.67	(15)	-	-	(100.0)	(154)	(62.8)	(414)	24.0	(334)	(48.9)
Other income	2,223	215.77	704	215.7	223	(60.6)	566	(34.6)	865	(16.8)	1,040	(1.7)
Operating profit	2,677	1882.96	135	(104.4)	(3,083)	(225.9)	2,449	(57.0)	5,699	26.3	4,511	(48.2)
Share of loss of equity accounted investee	(88)	83.33	(48)	1,500.0	(3)	-	(3)	-	-	-	-	-
Finance cost	(737)	(72.35)	(2,665)	27.6	(2,088)	475.2	(363)	433.8	(68)	(29.2)	(96)	209.7
Profit before taxation	3,795	(301.01)	(1,888)	(61.9)	(4,952)	(337.7)	2,083	(62.9)	5,619	27.3	4,415	(49.2)
Taxation	(1,116)	(318.82)	510	(74.9)	2,031	(358.7)	(785)	(56.2)	(1,793)	9.1	(1,643)	(42.2)
Profit after taxation	2,679	(294.41)	(1,378)	(52.8)	(2,920)	(325.0)	1,298	(66.1)	3,826	38.0	2,773	(52.5)



Statement of Value Addition and its Distribution

	2021		2020	
	(Rupees in '000)	%	(Rupees in '000)	%
Wealth Generated				
Total net revenue and other income	162,304,920		77,424,526	
Brought in materials and services	127,314,785		56,092,220	
	34,990,135	100	21,332,306	100
Wealth distribution to stakeholders				
To Employees				
Salaries, wages ,other cost including retirement benefits and WPPF	3,251,861	9.29	2,073,423	9.72
To Government				
Income tax, sales tax, excise duty, development surcharge, WWF	25,518,484	72.93	15,024,951	70.43
To Society				
Donation	11,182	0.03	12,559	0.06
To Shareholders				
Dividend	-	0.00	-	0.00
To providers of finance				
Finance charges for borrowed funds	124,215	0.36	2,037,671	9.55
To Company				
Depreciation, amortisation and retained profit/ (loss)	6,084,393	17.39	2,183,702	10.24
	34,990,135	100.00	21,332,306	100.00

SUZUKI EXCHANGE

CAR TRADE-IN PROGRAM

KEY TO KEY EXCHANGE

- ◆ Get free evaluation of your car
- ◆ Pay difference amount
- ◆ Drive out in your new Suzuki

No additional charges
Priority Delivery
Right price for your old vehicle





ACTIVE GETS HANDS ON

The racecar-like D-shaped steering wheel, help form a sporty and quality environment that unifies car and driver.

Push a single button to start this powertrain and begin your pleasure drive.





Visits & Events



Inauguration ceremony of highest production of New Alto 660cc

Federal Minister for Industries & Production Mr. Makhdoom Khusro Bukhtiar along with Mr. Toshikazu Isomura, Consul General of Japan in Karachi & other officials of Ministry & Engineering Development Board (EDB), visited Pak Suzuki on 9th September, 2021. Mr. Makhdoom Khusro Bukhtiar inaugurated the roll out Celebration of highest production of New Alto 660cc in 2021.



Beach cleaning campaign:

Carried out on 26th November 2021 at Seaview Clifton.



Pakistan Digital Awards:

Pak Suzuki won Digital Awards (PDA) for the second consecutive year 2021, in the category of best short Form Web Video.



Inauguration of Dealerships



Suzuki Fateh Jang Motors



Suzuki Canal Lahore Motors



Suzuki Wazirabad Motors



Suzuki Sanghar Motors



Suzuki Crown Motors



Suzuki Modern Motors



SHIFT THAT REWARDS

CVT Transmission with sports mode

Stay firmly in control thanks to the Continuously Variable Transmission (CVT) that seamlessly transitions power. Engage sports mode at the touch of a button, to rev up to a faster, powerful overall response.



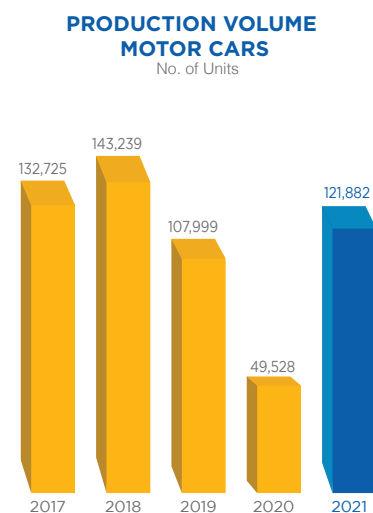
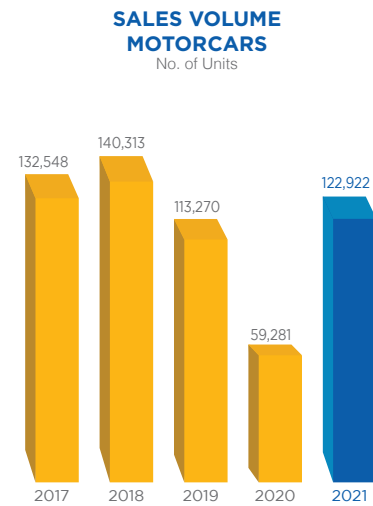
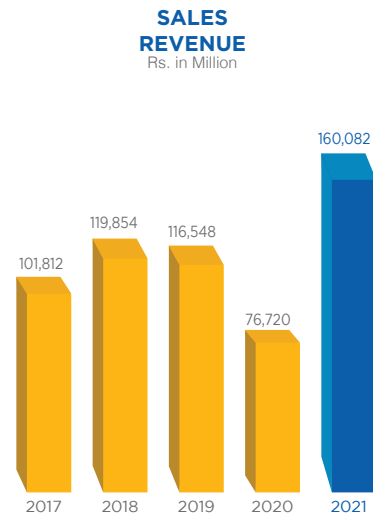
Chairman's Review

I am pleased to report that your Company handled the challenging operating environment with dedicated support of its employees and business partners. I hereby present review on the performance of the Company for the year ended December 31, 2021.

The Economy

Pandemic of Coronavirus (COVID-19) triggered world-wide socio-economic challenges including Pakistan. However, overall situation in Pakistan remained under control in 2021 due to effective and timely policy measures taken by Federal Government as well as Provincial Governments. Despite the spread of Omicron variant in last quarter of 2021 and early 2022, global economic activities remained stable. Economy of Pakistan has recovered due to better handling with the COVID-19 pandemic. Large scale manufacturing (LSM) sector including demand for automobiles has rebounded. LSM sector witnessed growth around 7.5% during the period Jul - Dec 2021 over same period of last year.

Exports have registered strong growth during financial year 2021-22. Exports worth US\$ 17.7 billion were achieved during the period Jul 2021 - Jan 2022 as compared to exports of US\$ 13.9 billion in the same period of last financial year. Textiles and textile articles remained the principal contributor for exports of country. Remittances remained consistent on the back of supportive policy steps taken by the SBP under the Digital Pakistan account. During the period July 2021 - February 2022, total remittances of US\$ 20.1 billion were received against US\$ 18.7 billion in same period of last year (SPLY). However, imports continued to surge which widened the trade deficit. Trade deficit surged to US\$ 25 billion for the period Jul 2021 - Jan 2022, increased by 83% year on year. Consequently, Pakistan's current account deficit (CAD) surged to US\$11.6 billion during the period Jul 21 - Jan 22 against a surplus of US\$1.0 billion in SPLY. It resulted in downslide in Pak Rupee to all-time low parity with US\$, exceeding PKR 178. The impact of higher global commodity prices and recent PKR depreciation have begun to reflect in higher inflation. Average inflation during the period Jul 21 - Feb 22 arrives at 10.5% YoY vis-à-vis 8.3% YoY in SPLY. Headline inflation continues to hover in the double digit with pressure primarily



emanating from food and transport categories. SBP initiated steps for monetary tightening to counter these trends with first increase in policy rate in September 2021 since the onset of COVID. Policy rate was increased to 9.75% in 'Monetary Policies' announced during Sep - Dec 2021. SBP kept policy rate unchanged at 9.75% in Monetary Policy Statements announced during Jan - Mar 2022.

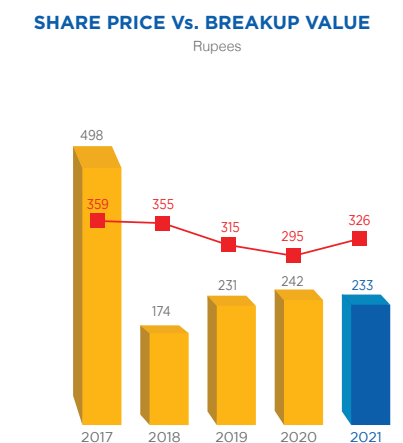
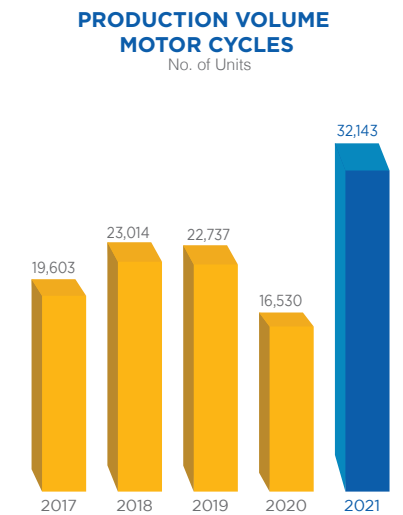
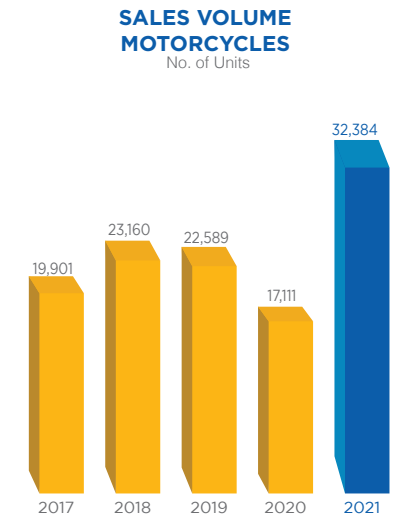
INDUSTRY

Automobile industry started its recovery in 2021 well supported with Government incentives announced in Federal Budget 2022. However, OEMs still faced with massive supply chain constraints, both component imports (due to intermittent shutdowns in exporting countries) as well as substantial increase in transportation costs and delayed freight schedules. In the year 2021, sales volume of auto industry (PAMA member companies) for cars and light commercial vehicles was recorded at 237,419 units compared to 124,088 units in last year, registering massive increase of 91%. The main factors that contributed to recovery of automobile sector were increase in car financing volumes driven by low interest rates, increase in disposable income in the hand of customers due to increase in foreign remittances and improved agricultural income. However, SBP brought amendment in prudential regulations to limit auto financing on Sep 23, 2021 impacting financing sales which discouraged auto financing customers' demand and over all automobile sales during Oct-Dec 2021 compared to earlier periods.

During 2021, the organized market (PAMA member companies) for motorcycles and three wheelers increased from 1,521,056 units in 2020 to 1,891,416 units which represents 24% increase in sales volume over last year.

Operating Results of the Company

Sales volume for cars and light commercial vehicles strongly rebounded in 2021. Sales volume of Company during the year 2021 increased by 107% from 59,281 units to 122,922 units, outperforming the increase in industry trend. Strong demand for smaller vehicles improved market share of Company from 48% in year 2020 to 52% in 2021. The production volume of automobile and motorcycles were adjusted according to the





demand. Company operated at 81% capacity utilization and achieved production volume of 121,882 units of automobiles. Sales volume for motorcycles increased by 89%, indicating shift in customers' preference for higher engine capacity motorcycles. Company achieved sales volume of 32,384 units as compared to sales volume of 17,111 units in corresponding period of last year.

Net sales revenues increased by Rs. 83,362 million from Rs. 76,720 million to Rs. 160,082 million. Sales revenue increased by 109% in current year over last year due to improved sales volume. Gross profit increased in absolute terms by Rs. 4,572 million from Rs. 3,599 million to Rs. 8,171 million. Gross profit margins as a percentage of net sales improved from 4.7% to 5.1%. Increase in sales volume contributed improved margins in 2021. Company earned net profit of Rs. 2,679 million as compared to net loss Rs. 1,378 million in last year. Major reason for turnaround during the year was due to recovery in sales volume.

MARKETING & EXPORTS

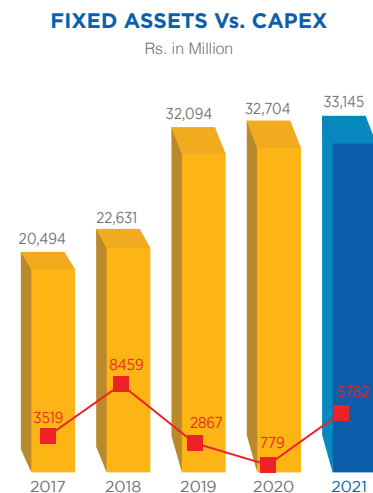
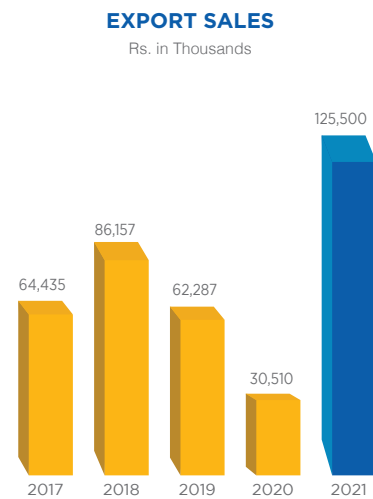
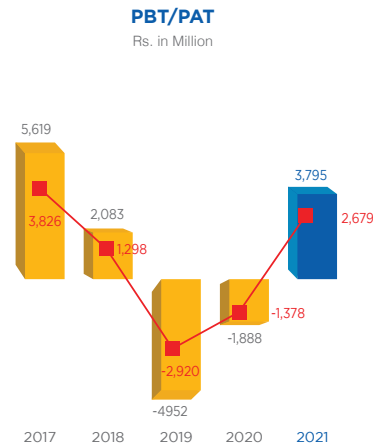
Automobile Market:

Pak Suzuki unveiled its premium Hatchback - THE ALL-NEW SWIFT on Feb 24, 2022. All New Swift is positioned to change the peoples' perception of hatchback, from economical to stylish "PROUD TO OWN Premium Hatchback". With a trendy new design, stylish and refined interior and offering premium features that are not available in any local cars in this segment. Added features are going to attract multiple customer segments. Initial response from customers has been very encouraging.

We aim to provide quality products to customers supported by 3S (Sales, Service & Spare Parts) Dealerships' network, spread all over Pakistan. Strong dealership network ensured efficient services to customers including reliable after sales service and availability of spare parts. Company has been continuously enhancing and strengthening the dealership network. As of December 31, 2021, dealership network expanded to 168 sales outlets in 100 cities.

Pak Suzuki has established 7 booking offices all over Pakistan which facilitated customers by giving them the opportunity of booking vehicles with the initial advance payment.

Considering the prevailing low interest rate, Pak Suzuki concentrated on auto financing sales and joined hands with partner banks in providing "Value Addition Services" to the



customers by offering free registration, free one year maintenance, competitive mark-up and insurance rates on selected models. This exercise was started from Jan 2021 to July 2021 and results were quite encouraging. Due to reduction of taxes and duties in Budget 2021-22, it provided impetus to automobile sales.

Motorcycle Market:

Motorcycle market in Pakistan is dominated by motorcycle with engine capacity of 70cc. Pak Suzuki markets motorcycles with engine capacities of 110cc and above. The Company expects that motorcycle demand in Pakistan will gradually shift towards higher engine capacity like other countries in the region and market for Suzuki motorcycles will improve. Company is trying to expand its business in this segment by offering quality products and efficient services to customers through strong authorized dealership network spread all over Pakistan. Further, 1 'Company operated showroom' and 4 'franchise outlets' were added to the network in 2021. Consequently, total 17 'Company operated showrooms' and 14 'franchise outlets' at dealerships are in operation where customers are provided sales and after sales service for motorcycles.

Exports:

During the year, KD parts worth Rs. 39 million were exported to sister concerns Vietnam Suzuki Corporation (VISUCO), and Suzuki Indomobil Motors (SIM), Indonesia compared to KD parts exports of Rs. 26.5 million in 2020. KD parts were exported for mass production of Suzuki mini-truck model in Vietnam and Suzuki WagonR Car model in Indonesia. Accessories of Rs. 9 million were exported to Suzuki Motor Corporation, Japan & VISUCO. Accessories included Suzuki Gloves, Jackets & Trousers.

AFTERSALES (Parts & Service):

Aftersales operations continued to ensure customers' satisfaction, retention through quality service by trained staff and ensuring smooth dealers' operations by timely availability of parts at dealerships. The aftersales network continued to expand specially in small cities and towns with 153 workshops nationwide.

As a result:

- Total number of automobile service jobs (services provided to customers for schedule maintenance, running repairs, mechanical

repairs, body and dent jobs) reached up to one million.

- The motorcycle aftersales market also showed positive trend in business operations. Total 258,070 service jobs were served in 2021.
- Total automobile Spare Parts sales achievement was 3,468 million with growth of 29% as compared to last year.
- In motorcycle Spare Parts the sales achievement was also on growth trend, total 302 million sales recorded with growth of 31% as compared to last year.
- Furthermore, we have also implemented Global Customer Satisfaction + Service Reminder (CS+SR) system at 153 dealerships nationwide to ensure customer satisfaction, customer feedback and retention by close monitoring & follow-up.

Customers' Feedback System:

- Our Customer Relation Centre facilitated our valued customers by replying and resolving their day-to-day queries and ensure timely resolution of their complaints.
- We also enhanced customer satisfaction at dealerships by regular follow-ups to customers and improving dealers' services by timely feedback to respective dealers.

Dealers' Staff Skill Development & Motivation:

- Company gives high priority for skill development, motivation and retention of dealers' staff, through skills enhancement maximum number of dealers' technical staff are being trained and providing services to customers on global standard.
- To enhance overall customer experience at dealership Suzuki Service Advisor Training (SSAT) has been introduced.

To motivate and retain trained and experienced staff, measures including policy making for dealer employee facilitation, incentives and competitive salary structure are being recommended to ensure staff retention amidst strong competition. Digital learning content has been developed, integrated with learning management system for online usage of training material.

LOCALIZATION

- Pak Suzuki Motor Company Ltd. (PSMCL) is the proud custodian of Made in Pakistan. Pak



Suzuki is honored to be the pioneer of local engineering development in the country. We have invested for the localization of parts in creating value addition. We proudly claim that majority of the parts you can touch and see in our flagship products are localized. The auto sector in Pakistan has around 3 million employees, associated directly and indirectly. Auto industry is furthering this commitment towards industry and country. PSMC has a strategy of progressive localization, not just in upcoming models, but also in existing ones. Our main success during the year 2021 was successful localization of GD110 Phase-V. Moreover, we successfully managed All New Swift start of production. However, this time around, we were faced with another great challenge. Our engineers had to manage the entire development process remotely, owing to local and international travel restrictions. Managing the entire development remotely is a challenge in itself, but doing so while ensuring no compromise in quality is another achievement that we are proud of.

Post COVID Lockdown Impact

- Being the largest manufacturing industry, the whole auto sector plunged into a deep crisis during the nationwide lockdown because of COVID-19. The momentum started picking up since July 2021 and, due to overwhelming demand, the company went for double-shift production, which helped meet demand and reduced delivery lead time. Pak Suzuki has been striving to meet the expectations of its customers and one of them is offering earliest delivery.

Supplier Improvement Program

- The Company assists its suppliers in improving quality and operations through various initiatives especially the Supplier improvement program. Certificates are awarded to suppliers at the time of completion of the program. Program included Supplier Improvement, Supply Chain Challenges, Supplier Upgradation and Enhancing Technical Expertise.

Guidelines to Suppliers

- Corporate Social Responsibility (CSR) is embedded in the Company's day to day operations in a clear and practical manner. All products and services are regularly monitored for their impact on society

and the environment. Given the increased expectations regarding sustainability, the Company recognizes that it is essential to share its approach to sustainability with its suppliers. In this regard, guidelines have been issued to suppliers. The Company believes that these guidelines help its suppliers in maintaining a shared understanding of sustainability, to carry out initiatives proactively and to continue growing together.

FACILITY ENHANCEMENT

For the local development of model New Swift, plant facility's modifications and upgradation has been completed. Accordingly, development of new Hemming Dies for all doors and hood carried out. Subsequently, New Robotic Welding line has been designed and installed. Apart from this, modifications in our existing painting, assembling, tester and engine assembly lines were executed. To enhance the inhouse plastic parts production, molds of front, rear bumper, and front grille were arranged.

To achieve the cost saving, new facility for the assembling of Alto AGS Transmission was installed.

HUMAN RESOURCE

Our employees are not only part of the Suzuki Family but are also considered the backbone of the Company's efforts in achieving and maintaining highest standards of productivity, work ethics and conducive environment.

Company is committed to provide an environment which facilitates the employees in performing to their maximum potential while maintaining required amount of work life balance. At the same time, it is also ensured that with the passage of time the employees get substantial opportunities to develop themselves in terms of skills through specially designed programs for training and development. Company rigorously followed all safety measures and extends its efforts to curb the transmission of COVID-19 by taking extra safety measures and arranging inhouse vaccination drives for the safety and wellbeing of its employees.

Training and Development:

Your Company strives to provide its employees with inspiring training and education experiences that broaden and enhance skills and uncover new concepts and ideas. Talent development takes many forms at Pak Suzuki Motor Company,



including training sessions for key functional areas. During this pandemic the company continuously strived to equip and upskill its employees by providing them outclass e-learning experience through LinkedIn Learning. During the year 2021, 131 employees completed 2,517 e-learning training courses. HR Department extended its efforts to upskill capabilities for operational excellence through Internal Certified Trainer Program for 27 technical employees. PSMCL Certified trainers conducted 18 in-house training sessions and upskilled 131 technical workers.

Health and Safety:

Arrangements of inhouse COVID-19 Vaccination for staff of the Company

Considering the wellbeing of our employees and to ensure effective cessation of spreading of virus among company employees, Company makes in house arrangements in collaboration with Sindh Health Department, for administration of COVID 19 vaccine for staff of the company. Moreover, Rapid Antigen Test Kits were also procured for use in dispensary against suspected individuals as a preventive measure for quick identification of infected individuals and to prevent the proliferation of virus.

COVID SOP Monitoring Rounds

Pak Suzuki is committed to avoid the spread of COVID 19 disease among employees. Therefore, regular COVID SOP monitoring rounds are being conducted throughout the company to keep check on employees to maintain their health and safety at workspace.

Labor and Management Relations

At Pak Suzuki, Labor-Management relations aim to protect the interests of labor and management, hence strong and cordial relations between labor and management are considered as key for a conducive environment and essential for moving towards for achievement of desired goals.

In the year 2021, when the global pandemic made the world suffer due to outbreak of another COVID variant and disturbance in supply chain resulting in hampered production, labor and management of PSMCL worked in collaboration to ensure smooth functioning of business operations while not compromising the health of company employees and workers. Management of PSMCL ensured to follow SOPs of COVID-19, as issued by concerned government authorities

from time to time and continued its operations with complete support and coordination of its workers.

INFORMATION TECHNOLOGY

Information Technology is orchestrating business journey through digital innovations. Pak Suzuki joins hands with Suzuki Motor Corporation in the new era of standardization of business processes across Suzuki Group companies under Project SG-1 SUZUKI GLOBAL - One New Excellence. It is pride and honor for Pak Suzuki to take lead in this vision and will become a success story for other Suzuki subsidiaries in coming years.

This transformation will facilitate to lift SUZUKI to next sustainable level in procuring demands and quicker delivery of supplies, accelerating its overall productivity in the challenging circumstances especially like prevailing pandemic with exceeding customer satisfaction.

Maintain Business Continuity during COVID-19

Our business continuity planning and disaster recovery arrangements have proven their strength during the COVID-19 pandemic situation. To prioritize people safety on their continuous engagement, we trained and equipped Team SUZUKI with the best communication and collaboration tools to maximize our availability for our customers.

ECONOMIC CONTRIBUTION

The Company has a distinctive position in the automobile industry as a leading contributor to the public exchequer. The duties and taxes paid and the foreign exchange saved by the Company in its last six years of operations are as follows:

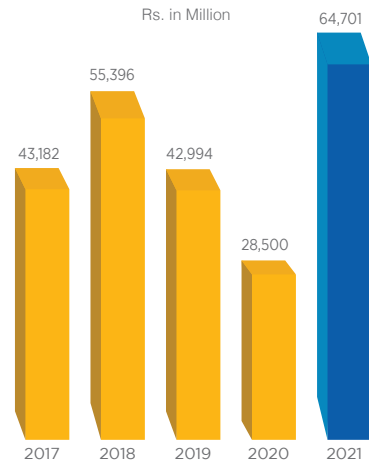
Year (Jan-Dec)	Duties & taxes	Foreign exchange Savings *
(Rupees in billion)		
2016	24.448	36.457
2017	35.162	43.182
2018	41.218	55.396
2019	42.994	43.448
2020	26.738	28.500
2021	51.726	64.701

*Converted into Pak Rupees at year end exchange rate.

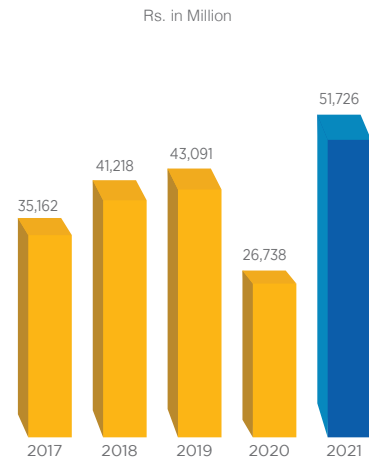
FUTURE OUTLOOK & CONCLUSION

Long term consistent policies are vital for growth of auto industry. The Automotive Development Policy 2016-21(ADP) ended in June 2021. Under

FOREIGN EXCHANGE SAVINGS



DUTIES & TAXES



Macroeconomic indicators of the country are still challenging for the auto industry, such as disruption in supply chain, higher global commodity and energy prices and recent PKR depreciation etc., yet the Company is endeavoring to improve sales, profitability and diversity in its operations by offering quality products to customers at competitive prices through an efficient network of authorized dealers.

In conclusion, I on behalf of the Board and shareholders would like to express my appreciation to the management, executives, workers, dealers, suppliers and Suzuki experts for their efforts and contribution to the affairs of the Company. My sincere hope is that all the government departments continue their support to the automobile industry.

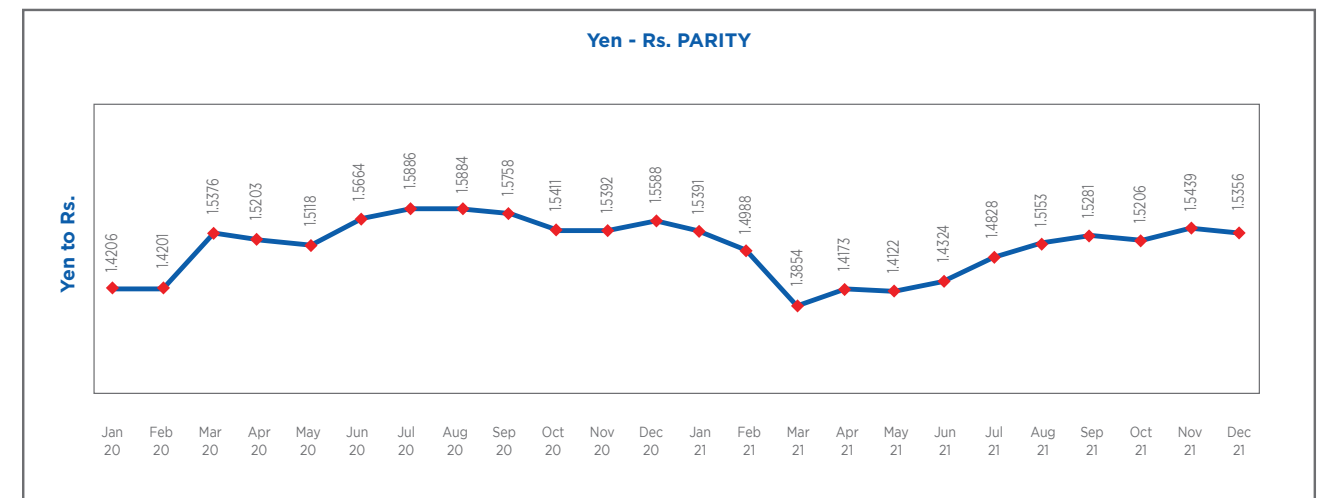
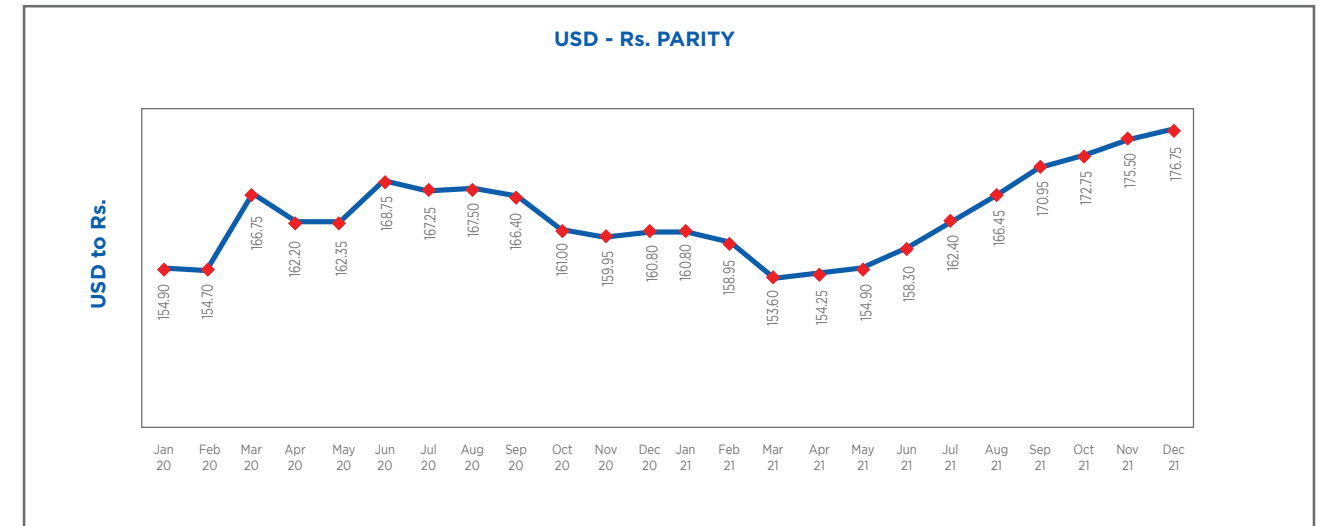
KINJI SAITO
Chairman

Karachi. March 22, 2022.

this ADP total 21 companies were awarded green field status, out of which only 7 companies became operational till to date.

The government has recently announced Auto Industry Development and Export Policy 2021-26 (AIDEP). The new policy focused on promotion of new technologies like Electric and Hybrid vehicles. AIDEP also introduced reduction in duty and taxes upto 1000cc vehicles to lower the cost of new models for completely locally manufactured vehicles under "Meri Garri Scheme". The AIDEP also gives emphasis on exports by local OEMs and Parts Manufacturers. We are very thankful to the government for their help and support in steering the growth of auto sector.

Exchange Rates Movement



32000+ UNITS HIGHEST EVER PRODUCTION AND RECORD SALES IN 1 YEAR

Suzuki Pakistan is proud to achieve the milestone of highest ever production and having record sales of more than 32,000 units in a single year.





Directors' Report

The Directors of the Company are pleased to submit their report together with audited financial statements and Auditors' Report thereon, for the year ended December 31, 2021.

Accounts

	(Rs in 000)
Profit before taxation	3,795,407
Taxation	(1,115,931)
Profit after taxation	2,679,476
Retained earnings of prior years	(79,399)
Net profit available for appropriation	2,600,077
Less: Appropriations	
Transfer to General Reserve	2,065,000
Proposed Cash Dividend Rs. 6.5 @ 65%	534,949
	(2,599,949)
Retained earnings carried forward	128

Earnings per Share

The profit per share for the year was Rs. 32.56

Holding Company

Suzuki Motor Corporation, incorporated in Japan, is the holding company of Pak Suzuki Motor Company Limited with 73.09% shares.

Chairman's Review

The Chairman's review on page 36 to 42 deals with the year's activities and the directors of the Company endorse contents of the same.

Corporate Governance

The management of the Company is committed to good corporate governance and complying with the best practices. As required under Code of Corporate Governance, Directors are pleased to state as follows: -

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts have been maintained by the Company.
- During the year the company has revised its accounting policy retrospectively in respect of valuation of specific categories of stock

from specific consignment basis to weighted average. The effect of the retrospective application of change in accounting policy is stated in note 4.21 to the accounts.

- Appropriate accounting policies have been consistently applied in preparation of financial statements 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 system of internal controls is sound in design and has been effectively implemented and monitored.
- There are no doubts upon the Company's ability to continue as a going concern.
- Appropriate whistleblower protection mechanism is in place.
- The Company places priority to safety and health of its employees. Provide proper medical cover and carry out periodical medical screening of employees.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

Key Operating and Financial Data

The key operating and financial data of the Company for six years are summarized on page No. 22.

Government Taxes

Outstanding taxes and levies have been explained in note 31 to the annexed audited financial statements.

Investments of Employees' Retirement Funds

The following were the values of investments held by employees' retirement benefits fund at the year-end:

	Dec 2021	Dec 2020
Provident Fund	Rs. 1,301.65 million	Rs. 1,007.03 million



Gratuity Fund	Rs. 652.33 million	Rs. 604.95 million
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Board of Directors Meetings

During the year four (4) meetings of the Board of Directors were held. Attendance of each director was as follows:

	No of meetings attended
Mr. Kinji Saito	4
Mr. Masafumi Harano	4
Mr. Tadashi Homma	4
Mr. Hisashi Takeuchi/Takahiko Hashimoto	4
Mr. Shigeo Takezawa/Takayuki Sugiyama	4
Mr. Moin M. Fudda	4
Ms. Rukhsana Shah	4

Audit Committee Meetings

During the year four (4) meetings of the Audit Committee was held. Attendance of each director is as follows:

	No of meetings attended
Mr. Moin M. Fudda	4
Mr. Kinji Saito	4
Mr. Shigeo Takezawa/Takahiko Hashimoto	4

Human Resource & Remuneration Committee Meetings

During the year one (1) meeting of the Human Resource & Remuneration Committee was held. Attendance of each director is as follows:

	No of meetings attended
Ms. Rukhsana Shah	1
Mr. Kinji Saito	1
Mr. Masafumi Harano	1

Directors' Training Program

All the directors on the Board are fully conversant with their duties and responsibilities as directors

of corporate bodies. In accordance with the criteria specified in regulation 19 of the Code, two directors of the Company have certification under Directors' Training Program and one director of the Company has the exemption from the requirement of Directors' Training Program.

Pattern of Shareholdings

The pattern of shareholdings as of December 31, 2021 is given on pages 146 to 148.

Trading in Shares of the Company by Directors and Executives

During the year no directors, executives and their spouses and minor children have carried out trading in shares of the Company.

Business Risk Management System

Formal risk management framework is in place to assess the risks faced in the context of the broader political, operational and macroeconomic environment. The risk management system identifies risks related to each aspect of business operations. The purpose of risk management is to make informed decisions regarding risks and having processes in place to effectively manage and respond to risks in pursuit of a company's objectives by maximizing opportunities and minimizing adverse effects. Business Risk Management Meetings are held regularly to discuss the risk status and countermeasures taken to mitigate the risk

Directors' Evaluation

Effective mechanism has been put in place to review the Board's performance on self-assessment basis. Board of Directors continued to provide valuable guidance to ensure effective governance.

Remuneration for Non- Executive and Independent Directors

Through the Articles of Association of the Company, the Board of Directors is authorized to fix the remuneration of independent and non-executive directors for attending meetings of the Board of Directors and its Committees from time to time.

Appointment of Auditors

The present Auditors M/s. KPMG Taseer Hadi & Co., Chartered Accountants, retire and offer themselves for re-appointment. The Audit Committee has recommended for their re-appointment for the year ending December 31, 2022. The Directors endorse recommendation of Audit Committee.

Related Party Transactions

All transactions with related parties have been executed at arm's length and in normal course of business, which have been disclosed in the financial statements under relevant notes.

Moreover, the Company had obtained approval from shareholders authorizing the Board of Directors of the Company to approve transactions with related parties for the financial year ended December 31, 2021, which will then be placed before the shareholders for their ratification/ approval in the next annual general meeting (AGM). The Company will place the related party transactions carried out during the year ended December 31, 2021 for shareholders' approval in the AGM.

Related party transactions were duly recommended by Audit Committee and approved by the Board of directors in accordance with section 208 of the Companies Act 2017.

Changes in Board, Audit Committee and Human Resource & Remuneration Committee

Elections of the Board were held on January 29, 2021 and following persons were elected as directors of the Company for the period of three (3) years with effect from February 7, 2021:

1. Mr. Kinji Saito (Non-Executive Director)
2. Mr. Masafumi Harano (Executive Director)
3. Mr. Tadashi Homma (Executive Director)
4. Mr. Hisashi Takeuchi (Non-Executive Director)
5. Mr. Shigeo Takezawa (Non-Executive Director)
6. Mr. Moin M. Fudda (Independent Director)
7. Ms. Rukhsana Shah (Independent Female Director)

Mr. Kinji Saito and Mr. Masafumi Harano have been re-elected as Chairman of the Board

and Chief Executive Officer respectively. Consequently, the Audit Committee and Human Resource & Remuneration Committee (HR&R) have been reorganized and the Board nominated the following directors as members of the Audit Committee & HR&R:

Audit Committee:	Human Resource and Remuneration Committee
1. Mr. Moin M. Fudda	1. Ms. Rukhsana Shah
2. Mr. Kinji Saito; &	2. Mr. Kinji Saito; &
3. Mr. Shigeo Takezawa	3. Mr. Masafumi Harano

On July 12, 2021, Mr. Takahiko Hashimoto and Mr. Takayuki Sugiyama were appointed on the Board as member in place of Mr. Hisashi Takeuchi and Mr. Shigeo Takezawa who had resigned as members. Mr. Takahiko Hashimoto was also appointed as member of Audit Committee.

As at December 31, 2021 the Board comprised of the following directors: -

1. Mr. Kinji Saito
2. Mr. Masafumi Harano
3. Mr. Tadashi Homma
4. Mr. Takahiko Hashimoto
5. Mr. Takayuki Sugiyama
6. Mr. Moin M. Fudda
7. Ms. Rukhsana Shah

Total Number of Directors

a) Male directors	Six (6)
b) Female director	One (1)

Composition

i. Independent directors	Two (2)
ii. Non-executive directors	Three (3)
iii. Executive directors	Two (2)

Subsequent to the year end, on February 15, 2022, Mr. Motohiro Atsumi and Mr. Kensaku Imaizumi were appointed on the Board as members in place of Mr. Takahiko Hashimoto and Mr. Takayuki Sugiyama who had resigned as members. Mr. Motohiro Atsumi was also appointed as member of Audit Committee.

Corporate Social Responsibility (CSR)

The company being a responsible corporate organization, is committed to well-being of the society through its contribution in the field of education, health (including rehabilitation centers) and environment as a whole to improve



the quality of life of people. Following are some of the projects executed under Corporate Social Responsibility Program of Pak Suzuki:

Education & Technical Support Program

Construction Project at Government Boys Sindhi Primary School Pipri

Pak Suzuki successfully completed the Construction of Suzuki Block-II Project in Government Boys Sindhi Primary School, Pipri. The Project includes construction of new Suzuki Block-II with three classrooms, and furniture (i.e. benches, chairs, tables, books racks) and Play rides, etc. The project was inaugurated by Mr. Masafumi Harano, MD & CEO of Pak Suzuki on 10th September, 2021;

Safe Driving Techniques (SDT) Awareness Session

Pak Suzuki conducted "SAFE DRIVING TECHNIQUES" training sessions in the company for Car Carriers' Owner, Managers, Supervisors and Drivers, on 17th March, 2nd July & 8th October, 2021. Objective of these sessions was to enhance the Safety Level of Car Carrier Team to ensure their safe journey. A total of 88 participants attended the session; Certificates of Participation were also given to them.



Higher Secondary Scholarship

Pak Suzuki announced Higher Secondary Scholarships on 22nd October, 2021 for Government Schools & Colleges students. MD & CEO Pak Suzuki distributed 95 scholarships for Grade 11 & 12 selected students.

Health (Rehabilitation Centers)

Donation to Hospitals

Pak Suzuki has donated COVID protection items, medical items and AC standing units to three



different Hospitals, including GDA Hospital Gwadar, Tayyip Erdogan Hospital, DHQ Hospital, Faisalabad and Koohi Goth Women's Hospital.

Pak Suzuki has donated stock of Moist Plus Wound Dressing (Large & Small sizes) to Burns Centre, Civil Hospital, Karachi on 4th June, 2021, for more effective and less painful treatment of burn patients.

Others:

In addition to COVID protection items, Pak Suzuki has also donated fully equipped Suzuki Bolan Van (as Ambulance) to SAIBAN NGO-Muzaffarabad-Azad Kashmir.

Environment

Pak Suzuki executed plantation activity along DSU-13A (Delivery Yard) & in Government schools at Haji Natho & Pipri with 390 saplings





at several locations. It also carried out 'Beach Cleaning Campaign' on 26th November, 2021 at Seaview Clifton.

Others

Donation of Furniture and Fans

Pak Suzuki donated furniture and fans to Govt. Boys & Girls Higher Sec. School, Pakistan Sweet Homes, Koochi Goth Women Hospital, Govt. Boys Sindhi Primary School Pipri & Govt. Girls Secondary School Natho Khoso.

Handing over GW-250JP Bikes

For serving community, as a gesture of goodwill Pak Suzuki Motor Co. donated GW-250JP bikes as follows:

- Karachi Police, Sindh,
- Capital City Police, Peshawar,
- Traffic Police, Punjab.

BY ORDER OF THE BOARD

MASAFUMI HARANO

KINJI SAITO

Chief Executive

Chairman

Karachi

March 22, 2022



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

For the year ended December 31, 2021

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

1. The total number of directors are 7 (seven) as per the following:
 - b. Male 6 (six)
 - c. Female 1 (one)
2. At the year ended December 31, 2021, the composition of the Board of Directors (the Board) is as follows:

a) Independent Director*

1. Mr. Moin M. Fudda

b) Independent Female Director*

2. Ms. Rukhsana Shah

c) Non-Executive Directors

3. Mr. Kinji Saito (Chairman)
4. Mr. Takahiko Hashimoto
5. Mr. Takayuki Sugiyama

d) Executive Directors

6. Mr. Masafumi Harano (Chief Executive Officer)
7. Mr. Tadashi Homma

***Fractional requirement for independent directors has not been round up to one as the virtue of fraction below 0.5 has been considered as zero.**

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and these Regulations with respect to frequency, recording and circulating minutes of the meeting of the Board;
8. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. During the year, Board has not arranged any directors' training program, as three out of seven directors are compliant with the training requirements;
10. There has been no change in the position of Chief Financial Officer, Company Secretary and Head of Internal Audit during the year;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed Committees comprising of members given below:

a) Audit Committee

- | | |
|------------------------|----------|
| Mr. Moin M Fudda | Chairman |
| Mr. Kinji Saito | Member |
| Mr. Takahiko Hashimoto | Member |

b) HR & Remuneration Committee

- Ms. Rukhsana Shah Chairman
- Mr. Kinji Saito Member
- Mr. Masafumi Harano Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
14. The frequency of meetings of the committees during the year were as follows:
 - Board Audit Committee: Four quarterly meetings during the financial year ended December 31, 2021.
 - Board HR& Remuneration Committee: One meeting during the financial year ended December 31, 2021.
15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan and registered with

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

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6,7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

Kinji Saito
Chairman
March 22, 2022

Notice of Meeting

Notice is hereby given that the 39th Annual General Meeting of the shareholders of Pak Suzuki Motor Company Limited will be held virtually via video link facility on Tuesday, April 26, 2022 at 10:00 a.m. to transact the following business:

ORDINARY BUSINESS

- 1- To confirm minutes of Annual General Meeting held on April 22, 2021.
- 2- To confirm minutes of Extra Ordinary General Meeting held on August 31, 2021
- 3- To receive, consider and adopt the audited accounts of the Company for the year ended December 31, 2021, together with Directors' and Auditors' reports thereon.
- 4- To approve the payment of final cash dividend at the rate of Rs. 6.5/- per share i.e 65% for the year ended December 31, 2021 as recommended by the Board of Directors.
- 5- To appoint auditors for the year ending December 31, 2022 and fix their remuneration. Messrs KPMG Taseer Hadi & Co., Chartered Accountants, retire and being eligible have offered themselves for re-appointment.

SPECIAL BUSINESS

- 6- To ratify and approve transactions conducted with the Related Parties for the year ended December 31, 2021 by passing the following special resolution with or without modification:
 - **“Resolved that** the transactions conducted with the Related Parties as disclosed in the note 44 of the audited financial statements for the year ended December 31, 2021 and specified in the Statement of Material Facts under Section 134(3) be and are hereby ratified, approved and confirmed.”
- 7- To authorize the Board of Directors of the company to approve transaction with the Related Parties for the financial year ending December 31, 2022 by passing the following special resolution with or without modification:
 - **“Resolved that** the Board of Directors of the company be and is hereby authorized to approve the transactions to be conducted

with the related parties for the financial year ending December 31, 2022.”

“Further resolved that these transactions by the Board of Directors shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification / approval.”

A Statement of Material Facts under Section 134(3) (b) of The Companies Act 2017 covering the above-mentioned special businesses is being sent to the shareholders along with a copy of this notice.

ANY OTHER BUSINESS

- 8- To consider any other business with the permission of the Chair.

BY ORDER OF THE BOARD

ABDUL NASIR
COMPANY SECRETARY
Karachi: April 04, 2022

Notes:

1. The share transfer books of the Company will remain closed from April 19, 2022 to April 26, 2022 (both days inclusive) and no transfer will be accepted for registration during this period. Transfers received in order till close of business on April 18, 2022 will be accepted for transfer.
2. Only those persons whose names appear in the Register of Members of the Company as at April 18, 2022 will be entitled to attend / participate in / vote at the Annual General Meeting and for the purpose of payment of final dividend to the transferees.
3. An instrument of proxy applicable for the Meeting is being provided with the Notice sent to members. Further copies of the instrument of proxy may be obtained from the Registered Office of the Company during normal office hours. Proxy form may also be downloaded from the Company's website: <http://www.suzukipakistan.com>.
4. A member entitled to attend and vote at this meeting may appoint another member as



- his/her proxy to attend the meeting and vote for him/her. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
5. As per section 72 of the Companies Act 2017, the company is required to replace its physical shares with the book entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of this Act.
 6. The shareholders having physical shareholding are encouraged to open account with the Central Depository Company (CDC) to place their physical share into scrip less form.
 7. Members are requested to notify change in their address, if any, to the Company's share registrar CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S. Main Shahrah-e-Faisal, Karachi - 74400.
 8. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in the Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.
- For Attending the Meeting**
- i. In case of individuals, the account holders or sub account holders and/ or the person whose securities are in group account and their registration detail are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.
 - ii. In case of corporate entity, the Board of Directors' resolution/power of attorney in favor of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.
- For Appointing Proxies**
- i. In case of individuals, the account holders or subaccount holders and / or the person whose securities are in group account and their registration detail is uploaded as per the regulations, shall submit the proxy form as per the above requirement.
 - ii. The proxy form shall be witnessed by the person whose name, address and CNIC number shall be mentioned on the form.
 - iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iv. The proxy shall produce his / her original CNIC or original passport at the time of Meeting.
 - v. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
 8. SECP vide its SRO 779(1)/2011 dated August 18, 2011 has made it mandatory for the companies to provide CNIC numbers of the shareholders on dividend warrants. Therefore, members who have not yet submitted photocopies of their valid CNICs to the Company are again requested to immediately submit the same directly to Company's share registrar CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S. Main Shahrah-e-Faisal, Karachi - 74400. Dividend Warrants of the shareholders who will not submit the copies of their CNICs will be withheld by the the Company.
 9. Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. In order to receive dividends directly into their bank account, shareholders, who own physical shares, are requested to fill in Electronic Credit Mandate Form available on Company's website and send duly signed form along with a copy of CNIC to the Registrar of the Company. In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker/participant/CDC account services.
 10. Dividend income on shares is liable to deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001. Withholding of tax on dividend based on 'Active' and 'Non-Active' status

of shareholders shall be @ 15% and 30% respectively. 'Active' means a person whose name appears on the Active Taxpayers List available at e-portal of FBR (<http://www.fbr.gov.pk/>) and 'Non-Active' means a person whose name does not appear on the Active Taxpayers List.

Further, according to clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on Active / Non-Active status of principal shareholder as well as joint-holder(s) based on their shareholding proportions, in case of joint accounts.

All shareholders who hold shares with joint shareholders are requested to provide shareholding proportions of principal shareholder and joint-holder(s) in respect of shares held by them to our share registrar by the close of business on April 18, 2022, as per the following format:

Name of Principal Share-holders/ Joint Holders	Share-holding proportions (%)	CNIC No. (Copy to be attached)	Folio / CDC Account No.	Total Shares	Signature

11. Members can avail video conference facility. In this regard, please fill the following and submit to registered address of the Company 10 days before holding of the Meeting. If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location other than Karachi, to participate in the meeting through video conference at least 10 days prior to date of the meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

In this regard, members are requested to send duly signed request as per the following format:

"I/We, _____ of _____, being a member of Pak Suzuki Motor Company Limited, holder of _____ ordinary share(s) as per Registered Folio No. _____ hereby opt for video conference facility at _____."

In pursuance of SECP's Circular No. 5 dated March 17, 2020, Circular No. 10 dated April 1, 2020, Circular No.33 dated November 05, 2020, Circular No. 4 of 2021 dated February 15, 2021 and Circular No. 6 of 2021 dated

March 04, 2021 respectively pertaining to Regulatory Relief to dilute the impact of Corona Virus (COVID 19) for the Corporate Sector, Companies have been advised to modify their usual planning for annual general meetings for the well-being of the shareholders and avoid large gatherings by provision of video link facilities.

In the wake of prevailing situation due to the 5th wave of COVID-19/OMICRON, the Company intends to convene this AGM with minimal physical interaction with shareholders while ensuring compliance with quorum requirements and requests the Members to consolidate their attendance and voting at the AGM through proxies. The Company has therefore made arrangements to ensure that all participants, including shareholders, can also participate in the AGM proceeding via video link. We recognize that our shareholders value the AGM as an opportunity to engage with the Board; however, the Company must ensure to put safety first and protect all stakeholders in these exceptional circumstances

The shareholders who are willing to attend and participate at the meeting through video link are required to register their particulars by sending an email at (company.secretary@paksuzuki.com.pk). Such shareholders are requested to register by providing their credentials i.e Name, Folio Number, Scanned copy of CNIC (both sides), Cell phone number and Number of shares held in their name through email with the subject "Registration for PSMC AGM". Video link and login details will be shared with only those members whose emails, containing all the required particulars are received at the given email address before 05:00 on April 24, 2022. The members can also provide their comments and suggestion to the agenda item of the AGM at the email address: (company.secretary@paksuzuki.com.pk).

The login facility will be opened at 9:45 a.m. on April 26, 2022 enabling the shareholders to join the meeting which will start at 10:00 a.m. sharp

12. Notice of the Annual General meeting and Annual Report of the company for the year ended December 31, 2021 have been placed on the website of the company, <https://www.suzukipakistan.com>.



Statement of Material Facts under Section 134(3)(b) of The Companies Act 2017.

Item No. 6 of the Notice:

Transactions conducted with all related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on quarterly basis pursuant to clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. Since majority of the Company's Directors were interested in transactions with the Group companies due to their employment relationship with the holding company (Suzuki Motor Corporation Japan), the quorum of directors could not be formed for approval of these transactions pursuant to section 207 of the Companies Act, 2017. During the 38th Annual General Meeting of the Company, in

order to promote transparent business practices, the shareholders had authorized the Board of Directors to approve transactions with the related parties from time-to-time on case to case basis for the year ended December 31, 2021 and such transactions were deemed to be approved by the shareholders. Such transactions were to be placed before the shareholders in next AGM for their formal approval / ratification. Accordingly, these transactions are being placed before the AGM for the formal approval / ratification by shareholders.

All transactions with related parties to be ratified have been disclosed in the note 44 to the audited financial statements for the year ended December 31, 2021. The details of such related party transactions are given below:

	Holding Company	Other related parties	Total
	----- (Rupees in '000) -----		
For the year ended 31 December 2021			
Purchases of components	39,488,342	32,418,580	71,906,922
Purchases of operating fixed assets	43,141	2,637	45,778
Export sales	63,069	39,092	102,161
Markup on parental loan	45,747	-	45,747
Sales Promotional & Development Expenses	14,644	-	14,644
Royalties and technical fee	3,121,153	-	3,121,153
Travelling expenses of supervisors	238,156	-	238,156
Staff retirement benefits		188,147	188,147
Commission income from TAG	-	3,500	3,500
Remuneration to key management personnel	-	71,560	71,560

The company carries out transaction with its related parties on an arm length basis as per the approved policy with respect to "transaction with related parties" in the normal course of business. All transactions entered into with the related parties requires the recommendation of the Audit Committee which is chaired by an independent director. Upon the recommendation of the Audit Committee, such transactions are placed before the approval of the Board of Director.

Item No. 7 of the Notice:

The Company shall be conducting transactions with its related parties during the year ending December 31, 2022 on an arm's length basis as per approved policy with respect to 'transactions with related parties' in the normal course of business. The majority of Directors are interested

in these transactions due to their relationship with the parent company. In order to promote the transparent business practices, the shareholders authorize the Board of Directors to approve transactions with the related parties from time-to-time basis for the year ending December 31, 2022, which transactions shall be deemed to be approved by the shareholders. The nature and scope of such related party transactions is explained in the note 44 of the Financial Statement for the year ended December 31, 2021. These transactions shall be placed before the Shareholders in the next AGM for their formal ratification / approval.

The Directors are interested in the resolution only to the extent of their relationship with such related parties.



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Find 168 outlets in 91 cities.



WARRANTY
Enjoy 3 years or 60,000 km warranty.



EXTENDED WARRANTY
Peace of mind with complementary services.



GENUINE SPARE PARTS
Convenience of easy availability of spare parts, nationwide.



GENUINE SPARE PARTS
Convenience of easy availability of spare parts, nationwide.



LARGEST SERVICE SHOP GRID
Experience the country's largest service shop network.



FIRST TWO FREE SERVICES
Get the first two services absolutely free.



SUZUKI ROADSIDE ASSISTANCE
Always ready to support in case of a car breakdown, our technically equipped, highly trained staff is one you can count on.



Your unshakable relationship with Suzuki is backed, by a country-wide network of sales, service and spare parts. Wherever you may be, you can trust there is a comprehensive eco-system you can rely on.





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Chartered Accountants
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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pak Suzuki Motor Company Limited
Review Report on the Statement of Compliance contained in Listed Companies
(Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Pak Suzuki Motor Company Limited ("the Company") for the year ended 31 December 2021 in accordance with the requirements of Regulation No. 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 31 December 2021.

Date: 24 March 2022

Karachi

UDIN: CR202110096SPNMbVGeq

KPMG Taseer Hadi & Co.
Chartered Accountant



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INDEPENDENT AUDITORS' REPORT

To the members of Pak Suzuki Motor Company Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Pak Suzuki Motor Company Limited** (the Company), which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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



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Following are the Key audit matters:

S No.	Key audit matters	How the matters were addressed in our audit
1.	Revenue recognition	
	<p>Refer notes 4.12 and 33 to the financial statements.</p> <p>The Company's revenue for the year ended 31 December 2021 was Rs. 160.08 billion.</p> <p>Revenue is recognized when control of the underlying product has been transferred to the customer.</p> <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk that revenue may not have been recognized in the appropriate period.</p>	<p>Our audit procedures to assess the recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none"> assessed the design, implementation and operating effectiveness of the key internal controls over the Company's system which governs the revenue recognition; assessed the appropriateness of the Company's accounting policies for revenue recognition including those related to discounts including its compliance with applicable accounting standards; inspected a sample of sales contracts to understand and assess the terms and conditions therein which may affect the recognition of revenue; tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue was recognized in the appropriate accounting period; and tested revenue transactions recorded during the current year, on sample basis, with underlying documentation including invoices and delivery documents to assess whether the revenue was recognized in accordance with Company's revenue recognition accounting policies.



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S No.	Key audit matters	How the matters were addressed in our audit
2.	Valuation of Stock-in-trade	
	<p>Refer notes 4.6, 4.21 and 14 to the financial statements.</p> <p>The Company's stock-in-trade as at 31 December 2021 was Rs. 26.22 billion.</p> <p>Stock-in-trade forms a significant part of the Company's total assets. Stock-in-trade comprises of raw material, work in process, finished goods and trading stocks which are stated at lower of cost and estimated net realizable value.</p> <p>We identified the valuation of stock-in-trade as a key audit matter as it directly affects the profitability of the Company and determining an appropriate write-down as a result of net realizable value (NRV) being lower than the cost and provisions for obsolete and slow moving stock-in-trade involves significant management judgement and estimation. Further, in the current year, Company has changed its accounting policy relating to valuation of stock-in-trade from specific consignment to weighted average method to make the accounting policies of the Company conform to those of the Holding Company.</p>	<p>Our audit procedures to assess the valuation of stock-in-trade, amongst others, included the following:</p> <ul style="list-style-type: none"> obtained an understanding of and assessed the design and implementation of management's controls over valuation of stock-in-trade including identification of slow moving and obsolete stock in trade and estimation of NRV; assessed that valuation of stock in trade has been appropriately done at lower of cost and net realizable value by testing on a sample basis, management's assessment of the NRV of stock-in-trade by comparing to its recent sales prices and executed orders for future sales, if any; tested the accuracy of provision for slow moving and obsolete stock-in-trade with the help of aging report and underlying documentation; and assessed the adequacy of the disclosures in the notes to the financial statements including disclosure related to change in accounting policy.



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Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditors' report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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



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

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

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

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

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



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Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is **Amyr Malik**.

KPMG Taseer Hadi & Co.
Chartered Accountants

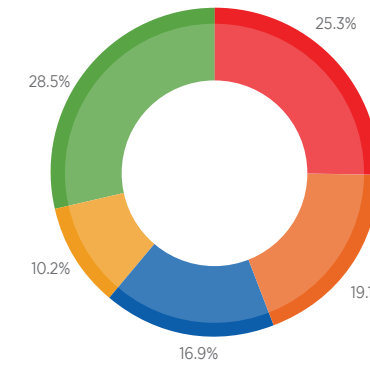
Date: 24 March 2022

Karachi
UDIN: AR202110096iytm9XxDF



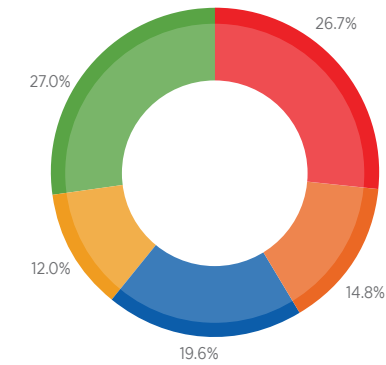
Financial Statement

Assets - 2021



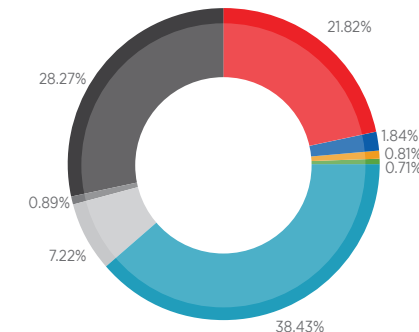
- Cash & Bank Balances
- Other Current Assets
- Property Plant & Equipment
- Other Non Current Assets
- Stock in Trade

Assets - 2020



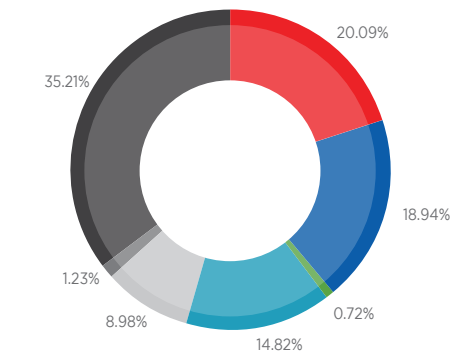
- Cash & Bank Balances
- Other Current Assets
- Property Plant & Equipment
- Other Non Current Assets
- Stock in Trade

Equity & Liabilities - 2021



- Trade, Other Payables & Unclaimed Dividend
- Advances
- Security Deposits & Other Current Liabilities
- Paid-up Capital
- Reserves
- Other Non Current Liabilities
- Long Term Loan
- Deferred Government Grant

Equity & Liabilities - 2020



- Trade, Other Payables & Unclaimed Dividend
- Advances
- Security Deposits & Other Current Liabilities
- Paid-up Capital
- Reserves
- Other Non Current Liabilities
- Short term finance
- Other Current Liabilities



Statement of Financial Position

As at 31 December 2021

		31 December 2021	31 December 2020 (Restated)	1 January 2020 (Restated)
ASSETS	Note	(Rupees in '000)		
Non-current assets				
Property, plant and equipment	5	15,544,426	13,038,601	15,685,850
Intangible assets	6	384,360	246,357	345,419
Right-of-use assets	7	112,459	123,864	144,959
Long-term investments	8	190,492	278,160	325,925
Long-term loans	9	5,553	5,152	3,500
Long-term deposits, prepayments and other receivables	10	566,714	465,068	378,019
Long-term installment sales receivables	11	777,145	486,490	271,873
Deferred taxation - net	12	7,345,367	6,366,126	2,468,682
		24,926,516	21,009,818	19,624,227
Current assets				
Stores, spares and loose tools	13	363,922	251,828	260,424
Stock-in-trade	14	26,225,464	17,974,242	37,138,571
Trade debts	15	197,287	503,759	690,658
Loans and advances	16	164,107	119,838	55,390
Trade deposits and short-term prepayments	17	2,685,376	1,542,541	279,304
Current portion of long-term installment sales receivables	11	2,027,931	1,245,058	799,036
Other receivables	18	937,781	616,909	348,919
Taxation - net		4,615,527	3,327,472	7,226,470
Sales tax and excise duty adjustable	40.4	6,575,018	2,237,284	7,700,937
Cash and bank balances	19	23,271,041	17,818,607	3,267,510
		67,063,454	45,637,538	57,767,219
Total assets		91,989,970	66,647,356	77,391,446



		31 December 2021	31 December 2020 (Restated)	1 January 2020 (Restated)
EQUITY AND LIABILITIES	Note	(Rupees in '000)		
Share capital and reserves				
Share capital	20	822,999	822,999	822,999
Capital reserves		844,596	844,596	844,596
Revenue reserves		25,158,602	22,624,846	24,014,911
		26,826,197	24,292,441	25,682,506
Non-current liabilities				
Payable against purchase of asset	21	2,211	37,205	163,357
Security deposits	22	229,200	221,790	236,130
Lease liabilities	23	89,022	97,485	116,192
Long term loan	24	1,689,013	-	-
Deferred Government Grant	25	746,144	-	-
Employee Benefit Obligations	27	568,513	384,924	324,764
Gas Infrastructure Development Cess payable	26.2	-	14,454	-
		3,324,103	755,858	840,443
Current liabilities				
Trade and other payables	26	20,053,569	13,368,909	12,398,925
Lease liabilities	23	40,565	38,444	31,757
Current portion of long-term loan	24	47,544	-	-
Current portion of deferred government grant	25	123,432	-	-
Short-term finance	28	-	12,621,368	32,411,037
Advance from customers	29	35,355,675	9,877,544	1,497,117
Security deposits	30	3,828,605	3,807,074	3,927,506
Provision for custom duties and sales tax	31	2,371,443	1,866,774	582,826
Unclaimed dividend		18,837	18,944	19,329
		61,839,670	41,599,057	50,868,497
Total equity and liabilities		91,989,970	66,647,356	77,391,446
Contingencies and commitments	32			

The annexed notes from 1 to 54 form an integral part of these financial statements.

Chairman

Chief Financial Officer

Chief Executive Officer



Statement of Profit or Loss

For the year ended 31 December 2021

	Note	2021 ----- (Rupees in '000) -----	2020 (Restated) ----- (Rupees in '000) -----
Sales	33	160,082,255	76,720,132
Cost of sales	34	(151,911,517)	(73,120,914)
Gross profit		8,170,738	3,599,218
Distribution and marketing expenses	35	(2,943,268)	(1,639,791)
Administrative expenses	36	(2,480,801)	(1,790,825)
Provision of impairment losses	11.2 & 15.1	(69,548)	(33,551)
		(5,493,617)	(3,464,167)
		2,677,121	135,051
Other expenses	37	(279,670)	(15,000)
Other income	38	2,222,665	704,394
Finance costs	39	(737,041)	(2,664,734)
Share of loss of equity accounted investees	8.2.1	(87,668)	(47,765)
Profit / (loss) before taxation		3,795,407	(1,888,054)
Taxation	40	(1,115,931)	509,939
Profit / (loss) for the year		2,679,476	(1,378,115)
		(Rupees)	
Profit / (loss) per share - basic and diluted	41	32.56	(16.75)

The annexed notes from 1 to 54 form an integral part of these financial statements.



Statement of Comprehensive Income

For the year ended 31 December 2021

	Note	2021 ----- (Rupees in '000) -----	2020 (Restated) ----- (Rupees in '000) -----
Profit / (loss) for the year		2,679,476	(1,378,115)
Other comprehensive income / (loss)			
Items that may not be reclassified subsequently to statement of profit or loss			
Remeasurement loss on defined benefit plan	27	(145,720)	(11,950)
Total comprehensive income / (loss) for the year		2,533,756	(1,390,065)

The annexed notes from 1 to 54 form an integral part of these financial statements.

Chairman

Chief Financial Officer

Chief Executive Officer

Chairman

Chief Financial Officer

Chief Executive Officer



Statement of Changes in Equity

For the year ended 31 December 2021

	Share capital Issued, subscribed and paid-up capital	Reserves							Total
		Capital reserves			Revenue reserves				
		Share premium	Reserve on merger	Total capital reserves	General	Un- appropriated profit/ (Accumulated loss)	Re- measurement loss on defined benefit plan	Total revenue reserves	
(Rupees in '000)									
Balance as at 1 January 2020 as previously reported	822,999	584,002	260,594	844,596	27,478,818	(2,941,826)	(253,701)	24,283,291	25,950,886
Impact of change in accounting policy in respect of measurement of inventories (note 4.21)	-	-	-	-	-	(268,380)	-	(268,380)	(268,380)
Restated balance as at 1 January 2020	822,999	584,002	260,594	844,596	27,478,818	(3,210,206)	(253,701)	24,014,911	25,682,506
Transfer from general reserve	-	-	-	-	(2,920,000)	2,920,000	-	-	-
Total comprehensive loss for the year ended 31 December 2020									
Loss for the year - Restated (note 4.21)	-	-	-	-	-	(1,378,115)	-	(1,378,115)	(1,378,115)
Other comprehensive loss	-	-	-	-	-	(1,378,115)	(11,950)	(1,390,065)	(1,390,065)
Balance as at 31 December 2020	822,999	584,002	260,594	844,596	24,558,818	(1,668,321)	(265,651)	22,624,846	24,292,441
Transaction with owners in the capacity as owners directly recorded in equity - distribution									
Transfer from general reserve	-	-	-	-	(1,588,922)	1,588,922	-	-	-
Total comprehensive income for the year ended 31 December 2021									
Profit for the year	-	-	-	-	-	2,679,476	-	2,679,476	2,679,476
Other comprehensive loss	-	-	-	-	-	2,679,476	(145,720)	2,533,756	2,533,756
Balance as at 31 December 2021	822,999	584,002	260,594	844,596	22,969,896	2,600,077	(411,371)	25,158,602	26,826,197

The annexed notes from 1 to 54 form an integral part of these financial statements.



Statement of Cash Flows

For the year ended 31 December 2021

	2021	2020
Note	(Rupees in '000)	Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash used in operating activities	42 23,898,952	37,389,427
Markup paid on loans and borrowings	(65,877)	(2,652,611)
Income tax (paid) / refund	(3,383,227)	511,493
Long-term loans	(401)	(1,652)
Payments to retirement benefit obligations	(74,384)	(56,734)
Markup paid on late delivery of vehicle	(31,627)	-
Long-term deposits, prepayments and other receivables	(101,646)	(87,049)
Long-term installment sales receivables	(290,655)	(214,617)
Net cash generated from operating activities	19,951,135	34,888,257
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,781,679)	(779,001)
Purchase of intangible assets	(274,351)	(59,093)
Proceeds from sale of property, plant and equipment	5,297	39,296
Profit received on bank accounts	1,622,944	298,162
Net cash used in investing activities	(4,427,789)	(500,636)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(55,570)	(46,470)
Loan received	2,606,133	-
Loan (repaid) / received from holding company	(12,621,368)	12,621,368
Dividend paid	(107)	(385)
Net cash generated from / (used in) financing activities	(10,070,912)	12,574,513
Net increase in cash and cash equivalents	5,452,434	46,962,134
Cash and cash equivalents at beginning of the year	17,818,607	(29,143,527)
Cash and cash equivalents at end of the year	23,271,041	17,818,607

The annexed notes from 1 to 54 form an integral part of these financial statements.

Chairman

Chief Financial Officer

Chief Executive Officer

Chairman

Chief Financial Officer

Chief Executive Officer

Notes to the Financial Statements

For the year ended 31 December 2021

1. CORPORATE INFORMATION, OPERATIONS AND LEGAL STATUS

Pak Suzuki Motor Company Limited (“the Company”) was incorporated in Pakistan as a public limited company in August 1983 under the Companies Act, 1913 (repealed with enactment of the Companies Act, 2017 on 30 May 2017) and started commercial production in January 1984. The Company was formed in accordance with the terms of a joint venture agreement concluded between Pakistan Automobile Corporation Limited (“PACO”) and Suzuki Motor Corporation (SMC), Japan (the Holding Company) having registered address of 300 Takatsuka-Cho, Minami-Ku, Hamamatsu City. In 1996, the joint venture agreement was ended and PACO divested its entire shareholding to SMC. The Company is listed on Pakistan Stock Exchange Limited.

The Company is engaged in the assembling, progressive manufacturing, marketing of Suzuki cars, pickups, vans, 4x4s, motorcycles, engines (motors) and related spare parts. The registered office of the Company is situated at DSU - 13, Pakistan Steel Industrial Estate, Bin Qasim, Karachi.

The manufacturing facilities, warehouses, area offices and sales offices of the Company are situated at the following locations:

Factory:

- DSU - 13, Pakistan Steel Industrial Estate, Bin Qasim, Karachi - Leasehold

Warehouses:

- DSU - 13A, Pakistan Steel Industrial Estate, Bin Qasim, Karachi - Leasehold
- Tradda Manga Mandi, Raiwind Multan Road, Lahore - Freehold

Booking offices (Rented):

- 7-A, Aziz Avenue, Canal Bank Road, Gulberg V, Lahore.
- Office No. 402, 4th Floor United Mall, Abdali Road Multan.
- Plot No. 233/A 2, Shahrah-e-Qaideen, Block 2, P.E.C.H.S Karachi.
- Mohalla bijli ghar, near anmol marriage hall, shahab pura road, Sialkot.
- Plot No. 749, Near Peoples colony chowk. Nigar cinema GT road Gujranwalla.
- Plot No. 33, Dhoobi Ghaat, GC university link road, saeed mart, Faisalabad.
- Tajwar palace, chughal pura near mal mandi ring road, Peshawar.

Regional offices (Rented):

- Regional Office Multan, Office No: 402, 4th Floor United Mall, Abdali Road, Main Branch, Multan.
- Regional Office Lahore, 7-A, Aziz Avenue Canal, Road, LDA Plaza Branch, Kashmir Road, Lahore.
- Regional Office Rawalpindi, 3rd Floor, 112-B, Mallahi Plaza Muree Road, Rawalpindi Cantt. The Mall Branch, Rawalpindi.

Sales offices (Motorcycle Division- rented / dealer franchises):

- UR Suzuki: Shop # A-45 & A-46, Ground Floor, National Complex - Block 10/A, KDA Scheme # 33, Opp: Aladdin Park, Main Rashid Minhas Road, Karachi.
- AR Suzuki 1: Ground Floor, Dua Arcade, Survey # 391, Street A.M. Frere Road, Artillery Maidan Quarter, Frere Road, Karachi.
- AR Suzuki 2: Shop # KS - 121 Bakery Wali Building Frere Market Abdul Hakim Khan Road Ratan Talao Karachi

Notes to the Financial Statements

For the year ended 31 December 2021

- UP Suzuki: Shop No. 1,2&3 plot no. SB-42, super terrace UP Motorcycle Market north Karachi.
- TR Suzuki: Address: 233-A/2 Shahrah-e-Qaideen, Block 2 PECHS, Karachi City, Sindh.
- Khalil (F): D-3, Al-Hilal Co-operative H.S, Opp. Askari Park, Main Rashid Minhas Road, Karachi.
- Defence Motors (F): 152, 18th St, D.H.A. Phase 1 Defence Housing Authority, Karachi.
- Zeeshan Motors (F): Shop # 22 Cantt Shopping Centre 24 Auto Bhan Rd Unit 7 Latifabad Hyderabad.
- Mandviwalla Motors (F): Mandviwalla Chambers, Old Queens Road, Off. M.T Khan Road, Karachi.
- South (F): Main Korangi Industrial Area Service Rd, Mehran Town Sector 23 Korangi, Karachi, Sindh.
- Sethi Suzuki (F) : 16 Queens Road Mozang Chungi Lahore.
- TS Suzuki: Plot # 862, Block-D, Near Akber Chowk, Faisal Town Lahore.
- WR Suzuki: St # 8 Peer colony Opp. Railway Flats Main Walton Road, Lahore.
- SG Suzuki: 8-A, 118 Opp Mian Park opposite University of Engineering & Tech Gate # 6, G.T Road, Lahore.
- GR Suzuki: 139-A, Multan Rd, Iqbal Town, Dholanwal, Ittehad Colony Baitul Raza Colony, Lahore.
- FSD Suzuki: 16, Jinnah Colony, Mohallah Bijli Garh, Faisalabad.
- GT Suzuki: Near Peoples Colony Chowk Nigar cinema GT Road, Gujranwala.
- CR Suzuki: Lal Pul Canal View Road Near Shell Petrol Pump, Mughal pura Lahore.
- Canal (F): 16 Queens Road Mozang Chungi Lahore.
- Gujranwala Suzuki (F): Rahwali branch Mandiala mor beside executive passport office GT road Gujranwala.
- Gujrat Suzuki (F): Suzuki Gujrat Franchise opposite science college GT Road Gujrat
- MS Suzuki: 494-A, Al-Tamash Road, Dera Adda Chowk, Multan.
- KR Suzuki: Plot #55-T, near metro station, chowk kumharan wala, Level 1 flyover, Multan
- PR Suzuki: Tajwar Palace, Chughal pura, Near Mall Mandi, Ring road Peshawar.
- MR Suzuki: Chandni chowk Muree Road Rawalpindi.
- HS Traders (F): Waris Khan Stop, Motorcycle plaza, Murree Road, Rawalpindi.
- Ravi Motors (F) : 182 main Bund Road Near Bhatti Walal Chowk Lahore.
- Falcon Motors (F) : Lahore Road, Sargodha, Punjab.
- SR Suzuki: Mohallah Bijli Ghar Near Anmol Shaddi Hall, Shahabpura road, Sialkot.
- Islamabad Motors (F):17 Mile, Toll Plaza, Main Murree Road, Near Toll Plaza, Alwadi Colony. Bhara Kahu, Islamabad.
- Suzuki Rahim Yar Khan Motors (F): 5-7 Shahbazpur road, Rahim Yar Khan.



Notes to the Financial Statements

For the year ended 31 December 2021

Tecno Auto Glass Limited

Tecno Auto Glass Limited (“TAG”) is a Company incorporated in Pakistan as a public limited Company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) on 16 March 2017. The registered office of the Company is situated at 255 A, Block 6, P.E.C.H.S, Shahrah-e-Faisal, Karachi. The manufacturing plant of TAG is set up at Bin Qasim National Industrial Parks - Special Economic Zone for manufacturing of auto glass. The Company had entered into a technical assistance agreement with Asahi India Glass Limited (“AIS”) under which AIS has granted to the company a right and license to use technical information to manufacture its products.

TAG is a subsidiary of Tecno Pack Telecom (Private) Limited, which owns 60% of the shares of TAG, while remaining 40% of the shares were acquired by Pak Suzuki Motor Company Limited under an agreement dated 7 March 2017 as more explained in note 8.2 to these financial statements.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for retirement benefit obligations, which have been measured at fair value of plan assets less the present value of the defined benefit obligation.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is Company's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded to the nearest thousand of rupees, unless stated otherwise.



Notes to the Financial Statements

For the year ended 31 December 2021

2.4 Significant accounting estimates and judgements

The preparation of these financial statements in conformity with accounting and reporting standards as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Information about judgments made by the management in the application of accounting and reporting standards, as applicable in Pakistan that have the most significant effects on the amount recognized in the financial statements and information about assumptions and estimation uncertainties with significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the subsequent year are described in the following:

- Useful lives and depreciation rates of items of property, plant and equipment (notes 4.1 and 5.1);
- Useful lives of intangible assets (notes 4.3 and 6.1);
- Provision for slow moving and obsolete stock-in-trade and store and spares (notes 4.5, 4.6, 13 and 14);
- Provision of impairment losses & installment sales receivable (notes 4.7.5, 11 and 15);
- Employee Benefit Obligations (notes 4.9 and 27);
- Provision for custom duties and sales tax (notes 4.8 and 31);
- Current and deferred taxation (notes 4.1, 12 and 40);
- Provision for unexpired free service and warranty (notes 4.13 and 26);
- Contingencies (note 32); and
- Right-of-use asset and its related lease liability (notes 4.2, 7 and 23).

3. ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED ACCOUNTING STANDARDS

3.1 Standards, interpretations and amendments to published accounting and reporting standards that are effective during the year

There are certain new standards, amendments and interpretations that are applicable for accounting periods beginning on or after 1 January 2021, are considered not to have a material impact on the Company's financial statement and hence have not been detailed here.



Notes to the Financial Statements

For the year ended 31 December 2021

3.2 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprises the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.
- Annual Improvements to IFRS standards 2018-2020.

The following annual improvements to IFRS Standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022:

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
- IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after 1 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.



Notes to the Financial Statements

For the year ended 31 December 2021

- Reference to the Conceptual Framework (Amendments to IFRS 3) – Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.
 - Classification of liabilities as current or non-current (Amendments to IAS 1) amendments apply retrospectively for the annual periods beginning on or after 1 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.
 - Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:
 - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
 - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
 - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.
- The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.
- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023 and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.



Notes to the Financial Statements

For the year ended 31 December 2021

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

The above standards, interpretations and amendments are not likely to have an impact on the Company's financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for change in accounting policy described in note 4.6, the accounting policies and the methods of computation adopted in the preparation of these financial statements are the same as those applied in the preparation of the financial statements as at and for the year ended 31 December 2020.

The significant accounting policies applied in the preparation of these financial statements are set out below.

4.1 Property, plant and equipment

Operating assets and depreciation

Recognition and measurement

Items of property, plant and equipment except for freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses. Freehold land is measured at cost less impairment, if any.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure

Subsequent expenditure incurred is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Company.



Notes to the Financial Statements

For the year ended 31 December 2021

Depreciation

Depreciation on plant and machinery, welding guns, waste water treatment plant, permanent and special tools, dies, jigs and fixtures and electric installations is charged using the straight line method, whereas depreciation on other assets is charged applying the reducing balance method. The cost of the leasehold land and leasehold improvements is written off over its lease term. Depreciation on additions is charged for the full month in which an asset is put to use and on deletions up to the month immediately preceding the deletion.

Maintenance and normal repairs are charged to income as and when incurred. Gain or loss on sale or retirement of fixed assets is included in income currently.

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, at each financial year end.

Gains and losses on disposal

Gains and losses on disposals of property, plant and equipment is recognised in the statement of profit or loss.

The carrying value of the property, plant and equipment is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the relevant asset is estimated. An impairment loss is recognized in statement of profit or loss account whenever the carrying amount of an asset exceeds its recoverable amount. An impairment loss is reversed if the reversal can be objectively related to an event occurring after the impairment loss was recognized.

Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any, and consists of expenditure incurred in respect of operating property, plant and equipment in the course of their acquisition, construction and installation. The assets are transferred to relevant category of operating property, plant and equipment when they are available for use.

4.2 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

The Company acts as a lessee and applies a single recognition and measurement approach for all the leases except for short-term leases and leases of low value assets (if any). The Company recognises lease liability to make lease payments and right-of-use assets representing the right to use the underlying assets. At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Company recognises right-of-use asset (ROU asset) and its related lease liability at the commencement date of the lease.



Notes to the Financial Statements

For the year ended 31 December 2021

i) Right-of-use asset

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The company present right-of-use asset that do not meet the definition of investment property, as a separate line item in statement of financial position.

ii) Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing source and makes certain adjustments, if needed to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.



Notes to the Financial Statements

For the year ended 31 December 2021

The company presents lease liabilities as a separate line item in the statement of financial position.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

4.3 Intangible assets

These represent costs which are capitalized when it is probable that future economic benefits attributable to them will flow to the Company. These are stated at cost less accumulated amortization and any identified impairment loss.

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets. Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Amortization is charged to income on the straight line method. Amortization on additions is charged from the month in which an asset comes into operation while no amortization is charged for the month in which the asset is written off.

The assets' residual values, useful lives and amortization methods are reviewed and adjusted if appropriate, at each financial year end.

The carrying value of the intangible assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the relevant asset is estimated. An impairment loss is recognized in profit and loss account whenever the carrying amount of an asset exceeds its recoverable amount. An impairment loss is reversed if the reversal can be objectively related to an event occurring after the impairment loss was recognized.

4.4 Investment in associate

Associates are those entities in which the Company has significant influence, but not control or joint-control, over the financial and operating policies. Interests in associates is accounted for using the equity method. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Company's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.



Notes to the Financial Statements

For the year ended 31 December 2021

These are initially recognized at cost, which include transaction cost, if any. The financial statements include the Company's share of profit or loss of the equity accounted associate, after adjustments, if any, from the date that significant influence commences until the date it ceases. Share of post acquisition profit and loss of associate is recognized in the statement of profit or loss and other comprehensive income. Distributions received from associate reduce the carrying amount of investment. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that investment (including any long-term interests that, in substance, form part of the Company's net investment in the associate) is reduced to nil and the recognition of further losses is discontinued.

The carrying amount of investments in associate is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the investments is estimated which is higher of its value in use and its fair value less costs to sell. An impairment loss is recognized if the carrying amount exceeds its recoverable amount and is charged to statement of profit or loss. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount but limited to the extent of carrying amount that would have been determined if no impairment loss had been recognized. A reversal of impairment loss is recognized in the statement of profit or loss.

4.5 Stores, spares and loose tools

Stores, spare and loose tools are measured at lower of cost or net realisable value. Cost is determined using the weighted average method and comprises all costs of purchase and other costs incurred in bringing the stores spares and loose tools to their present location and condition and is also adjusted through systematic provision for damaged, obsolete and slow moving items. Net realisable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred to make the sale.

4.6 Stock-in-trade

Policy applicable during 2021

Stock-in-trade is valued at the lower of cost or net realizable value. Cost is calculated on a weighted average basis. Stock-in-transit is stated at invoice value plus other charges accrued thereon to the reporting date. Vehicles on wheels are taken as work-in-process until they are approved by the quality control department. After such approval the vehicles are classified as finished goods. The engines assembled are included in raw material. The cost of engines assembled, work-in-process and finished goods consists of landed cost of imported materials, average local material cost, factory overhead and direct labor. Provision is made annually in the financial statements for slow moving and obsolete items.

Net realizable value is determined by considering the prevailing selling prices of products in the ordinary course of business less estimated cost of completion and cost necessary to be incurred in order to make the sale. The net realizable values are determined on the basis of each line of product. During the year company has revised its accounting policy retrospectively in respect of valuation of specific categories of stock from specific consignment basis to weighted average. The effect of the retrospective application of change in accounting policy is stated in the note 4.21.



Notes to the Financial Statements

For the year ended 31 December 2021

Policy applicable before 2021

Stock-in-trade is valued at the lower of cost or net realizable value. Cost is calculated on a weighted average or specific consignment basis, depending upon their categories. Stock-in-transit is stated at invoice value plus other charges accrued thereon to the reporting date. Vehicles on wheels are taken as work-in-process until they are approved by the quality control department. After such approval the vehicles are classified as finished goods. The engines assembled are included in raw material. The cost of engines assembled, work-in-process and finished goods consists of landed cost of imported materials, average local material cost, factory overhead and direct labor. Provision is made annually in the financial statements for slow moving and obsolete items.

Net realizable value is determined by considering the prevailing selling prices of products in the ordinary course of business less estimated cost of completion and cost necessary to be incurred in order to make the sale. The net realizable values are determined on the basis of each line of product.

4.7 Financial instruments

4.7.1 Recognition and initial measurement

Trade receivables, installment sales receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

4.7.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as: amortised cost, FVOCI - debt investment, FVOCI - equity investment, or FVTPL (if any).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (mark-up) on the principal amount outstanding.

Notes to the Financial Statements

For the year ended 31 December 2021

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (mark-up) on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual mark-up income, maintaining a particular mark-up rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest (mark-up)

Notes to the Financial Statements

For the year ended 31 December 2021

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' (mark-up) is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest (mark-up), the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest (mark-up) criterion if the prepayment amount substantially represents unpaid amounts of principal and interest (mark-up) on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (mark-up) (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL These assets are subsequently measured at fair value. Net gains and losses, including any interest (mark-up) or dividend income, are recognised in profit or loss.

Financial assets at amortised cost These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest (mark-up) income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI These assets are subsequently measured at fair value. Interest (mark-up) income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.



Notes to the Financial Statements

For the year ended 31 December 2021

Equity investments at FVOCI These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest (mark-up) expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest (mark-up) expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

4.7.3 Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

4.7.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.



Notes to the Financial Statements

For the year ended 31 December 2021

4.7.5 Impairment

Impairment on financial assets

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt instruments measured at FVOCI, if any; and
- contract assets, if any.

The Company measures loss allowances at an amount equal to lifetime Expected Credit Losses (ECLs), except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date, if any; and
- other debt securities and bank balances, if any for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, that includes inducing forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the customer is unlikely to pay its balance to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is past due on the agreed terms.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12 - month ECLs are the portion of ECLs that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.



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For the year ended 31 December 2021

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being past due for more than the agreed term;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. Financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Impairment of non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax asset, are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, then an asset's recoverable amount is estimated.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows i.e cash-generating units (CGU).

The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. An impairment loss is recognised as an expense in the profit or loss account for the amount by which the asset's carrying amount exceeds its recoverable amount. Value in use is ascertained through discounting of the estimated future cash flows using a pre-tax discount



Notes to the Financial Statements

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rate that reflects current market assessment of the time value of money and the risk specific to the assets. The fair value less costs to sell calculation is based on the available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs to sell of the asset.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.8 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.9 Employees benefit schemes

Retirement benefits

a) Defined contribution plan (provident fund)

The Company operates an approved defined contributory provident fund scheme for all permanent employees. Equal monthly contributions are made by the Company and the employees to the fund at the rate of 10 percent of basic salary.

b) Employment benefit obligations (gratuity fund)

The Company operates an approved gratuity fund for all its eligible employees.

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Contributions to the fund is made periodically on the basis of recommendations of the actuary.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.



Notes to the Financial Statements

For the year ended 31 December 2021

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

c) Compensated absences

The Company accounts for employees' compensated absences on the basis of unavailed earned leave balance of each employee as at the end of the year and the last drawn salary.

4.10 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity or in OCI.

Current

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of prior years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising under final tax regime.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

4.11 Foreign currency translation

Transactions in foreign currencies are translated to Pakistan Rupees at the foreign exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated



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in foreign currencies are translated into the Pakistan Rupees at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into Pakistan Rupees at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

4.12 Revenue recognition

Revenue is recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service to a customer. Revenue is measured based on the consideration specified in a contract with a customer and is stated net of discounts, returns and value added taxes.

In case of the Company, sales of vehicles and spare parts are recognised as revenue when goods are dispatched and invoiced to the customers. Revenue is measured at the transaction price agreed under the contract, adjusted for variable consideration such as discount, if any. Transaction price is adjusted for time value of money in case of significant financing component.

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

Profit on bank accounts is accounted for on accrual basis using effective interest rate method.

Mark-up on installment sales receivables is recognized on the basis of effective interest rate.

Dividend income is recognized when the Company's right to receive such dividend is established.

Commission income is recognized as and when such service is provided.

4.13 Warranty obligations

The Company accounts for its warranty obligations on accrual basis.

4.14 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash in hand, cheques, balances held with banks in current accounts and short-term running finances that are repayable on demand and form an integral part of Company's cash management. Short-term running finances are shown within short-term borrowings in current liabilities on the statement of financial position.

4.15 Dividend and appropriation to reserves

Dividend declared and appropriations to reserves made subsequent to balance sheet are considered non-adjusting events and are recognized in the financial statements in the period in which they are approved.



Notes to the Financial Statements

For the year ended 31 December 2021

4.16 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed out in the period they occur. Borrowing costs consist of interest and other cost that an entity incurs in connection with the borrowing of funds.

4.17 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting structure. Management monitors the operating results of the business separately for the purpose of making decisions regarding resource allocation and performance assessment. All operating segments' operating results are reviewed regularly by the Company's Chief Executive Officer and Board of Directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. The business of the Company has two reportable operating segments i.e. Automobiles segment and Motorcycles segment.

Segment results that are reported for review and performance evaluation include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and liabilities, certain other operating income and expenses, certain finance costs, tax assets and liabilities and income tax expense.

Segment capital expenditure is the total cost incurred during the year to acquire tangible fixed assets and intangible assets other than goodwill.

4.18 Government grant

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy. The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

The Company recognizes government grants when there is reasonable assurance that grants will be received and the Company will be able to comply with conditions associated with grants.

Government grants are recognized at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with the conditions associated with the grants.

Grants that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an assets are recognized in income on a systematic basis over the expected useful life of the related asset.

The benefit of below-market interest loan obtained under Government (SBP) scheme is accounted for as government grant. The benefit, measured as the difference between the initial carrying value of the loan (i.e. fair value of the loan) and the proceeds received, is government grant. This amount of grant is recognized and presented in the statement of financial position as 'deferred grant'. In subsequent periods, the grant is recognised in statement of profit or loss, in line with the recognition of interest expenses the grant is compensating. This amount is presented as 'other income'.



Notes to the Financial Statements

For the year ended 31 December 2021

4.19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price, without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis making as much use of available and supportable market data as possible).

All assets and liabilities for which fair value is measured or disclosed in these financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value.

Level 1: Quoted prices (unadjusted) in active markets for identical asset.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change occurs.

4.20 Finance cost and finance income

The Company's finance income and finance cost include:

- mark-up income on installment sales;
- mark-up income;
- mark-up expense; and
- the foreign currency gain or loss on financial assets and financial liabilities.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating mark-up income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Notes to the Financial Statements

For the year ended 31 December 2021

4.21 Change in accounting policy due to change in the method of stock-in-trade valuation

During the year, the Company has changed its accounting policy relating to valuation of stock-in-trade from specific consignment to weighted average method to make the accounting policies of the Company conform to those of the Holding Company. The changes have been applied retrospectively in accordance with the requirements of IAS 8 - 'Accounting policies, Changes in Accounting Estimates and Errors'. Accordingly, the Company has presented statement of financial position as at the beginning of the earliest period i.e., 01 January 2020, and related notes in accordance with the requirement of IAS 1 - Presentation of Financial Statements. Detailed description has been mentioned on note 4.6 of these financial statements.

The effects of the above restatement are as follows:

	31 December 2020			01 January 2020		
	As previously reported	Impact due to change	As restated	As previously reported	Impact due to change	As restated
	----- (Rupees in '000) -----					
Effect on statement of financial position						
Closing stock-in-trade :						
- Raw Material	12,152,494	(79,062)	12,073,432	21,137,374	66,238	21,203,612
- Work-in-process	387,484	(65)	387,419	160,626	920	161,546
- Finished goods	4,574,565	1,403	4,575,968	14,903,629	(146,820)	14,756,809
- Trading goods	939,994	(2,571)	937,423	1,314,842	(298,338)	1,016,504
Opening stock-in-trade as on 1 January 2020	(37,516,471)	378,000	(37,138,471)	-	-	-
Deferred tax asset - net	6,342,840	(86,334)	6,256,506	2,359,062	109,620	2,468,682
Revenue reserves						
- Accumulated loss as on 01 January 2020				2,941,826	268,380	3,210,206
Effect on statement of profit or loss						
Cost of sales	73,418,619	(297,705)	73,120,914			
Taxation	(1,802,960)	86,334	(1,716,626)			
Effect on statement of comprehensive income						
Total comprehensive loss for the year	1,601,436	(211,371)	1,390,065			
Effect on earnings per share						
Loss per share - basic and diluted	19.31	(2.57)	16.74			
Effect on statement of cashflows						

There is no impact on the Company's operating, investing or financing cash flows of the above change.

5. PROPERTY, PLANT AND EQUIPMENT

Note	2021	2020
	----- (Rupees in '000) -----	
Operating fixed assets	5.1 9,917,235	12,503,154
Capital work-in-progress	5.4 5,627,191	535,447
	15,544,426	13,038,601

Notes to the Financial Statements

For the year ended 31 December 2021

5.1 Operating fixed assets

The following is a statement of operating fixed assets:

	2021									
	Cost as at 01 January	Additions	Disposals/ written off	Cost as at 31 December	Accumulated depreciation/ impairment losses as at 01 January	Depreciation charge for the year	Depreciation on disposals/ written off	Accumulated depreciation and impairment losses as at 31 December	Book value as at 31 December	Years/ rate %
	----- (Rupees in '000) -----									
Leasehold land	934,620	-	-	934,620	184,720	15,853	-	200,573	734,047	50-60 Years
Freehold land	371,514	-	-	371,514	-	-	-	-	371,514	
Buildings on leasehold land										
- Factory	2,254,825	16,631	-	2,271,456	1,397,680	87,086	-	1,484,766	786,690	10-20
- Office	3,253	-	-	3,253	2,899	71	-	2,970	283	20
Buildings on Freehold land										
- Factory	698,539	-	-	698,539	134,091	56,445	-	190,536	508,003	10
Test tracks	63,463	-	-	63,463	49,663	2,760	-	52,423	11,040	20
Plant and machinery	10,277,002	321,193	(8,158)	10,590,037	7,382,129	597,950	(7,234)	7,972,845	2,617,192	8 Years
Welding guns	510,648	-	-	510,648	435,026	34,274	-	469,300	41,348	4 Years
Waste water treatment plant	211,390	-	-	211,390	129,719	11,396	-	141,115	70,275	8 Years
Permanent and special tools	687,184	20,003	(1,343)	705,844	598,782	54,636	(1,278)	652,140	53,704	4 Years
Dies (Note 5.1.2)	12,790,129	200,015	(186)	12,989,958	7,369,565	1,961,515	(186)	9,330,894	3,659,064	5 Years
Jigs and fixtures	1,997,463	10,994	(210,175)	1,798,282	1,411,682	256,214	(208,888)	1,459,008	339,274	5 Years
Electrical installations	473,528	4,650	-	478,178	321,331	33,293	-	354,624	123,554	8 Years
Furniture and fittings	92,612	1,244	(261)	93,595	46,810	9,405	(252)	55,963	37,632	20
Vehicles	848,623	66,162	(6,633)	908,152	401,047	97,720	(3,711)	495,056	413,096	20
Air conditioners and refrigerators	85,077	1,624	(5,912)	80,789	41,861	8,726	(4,341)	46,246	34,543	20
Office equipment	146,248	3,899	(1,428)	148,719	73,908	14,912	(1,028)	87,792	60,927	20
Computers	257,918	39,521	(10,412)	287,027	219,969	22,315	(10,306)	231,978	55,049	50
	32,704,036	685,936	(244,508)	33,145,464	20,200,882	3,264,571	(237,224)	23,228,229	9,917,235	



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For the year ended 31 December 2021

	2020									
	Cost as at 01 January	Additions	Disposals/ written off	Cost as at 31 December	Accumulated depreciation/ impairment losses as at 01 January	Depreciation charge for the year	Depreciation on disposals/ written off	Accumulated depreciation and impairment losses as at 31 December	Book value as at 31 December	Years/ rate %
	(Rupees in '000)									
Leasehold land	934,620	-	-	934,620	168,866	15,854	-	184,720	749,900	50-60 Years
Freehold land	371,514	-	-	371,514	-	-	-	-	371,514	
Buildings on leasehold land - Factory	2,208,325	46,500	-	2,254,825	1,304,407	93,273	-	1,397,680	857,145	10-20
- Office	3,253	-	-	3,253	2,811	88	-	2,899	354	20
Buildings on Freehold land - Factory	698,539	-	-	698,539	71,375	62,716	-	134,091	564,448	10
Test tracks	63,463	-	-	63,463	46,213	3,450	-	49,663	13,800	20
Plant and machinery	10,341,808	122,691	(187,497)	10,277,002	6,955,193	613,703	(186,767)	7,382,129	2,894,873	8 Years
Welding guns	510,648	-	-	510,648	391,652	43,374	-	435,026	75,622	4 Years
Waste water treatment plant	120,222	91,168	-	211,390	120,222	9,497	-	129,719	81,671	8 Years
Permanent and special tools	687,056	2,543	(2,415)	687,184	527,622	73,534	(2,374)	598,782	88,402	4 Years
Dies (Note 5.1.2)	12,374,648	442,052	(26,571)	12,790,129	5,366,885	2,029,251	(26,571)	7,369,565	5,420,564	5 Years
Jigs and fixtures	1,996,121	1,944	(602)	1,997,463	1,152,836	259,278	(432)	1,411,682	585,781	5 Years
Electrical installations	463,859	9,669	-	473,528	288,164	33,167	-	321,331	152,197	8 Years
Furniture and fittings	86,365	6,666	(419)	92,612	35,644	11,471	(305)	46,810	45,802	20
Vehicles	769,339	134,983	(55,699)	848,623	342,027	94,710	(35,690)	401,047	447,576	20
Air conditioners and refrigerators	79,914	8,861	(3,698)	85,077	34,987	9,682	(2,808)	41,861	43,216	20
Office equipment	134,620	17,795	(6,167)	146,248	63,061	16,386	(5,539)	73,908	72,340	20
Computers	250,204	10,911	(3,197)	257,918	188,932	34,228	(3,191)	219,969	37,949	50
	32,094,518	895,783	(286,265)	32,704,036	17,060,897	3,403,662	(263,677)	20,200,882	12,503,154	

5.1.2 Dies include assets having book value of Rs. 2,169.16 million (2020: Rs. 3,157.38 million) which are in the possession of 79 (2020: 79) vendors dispersed all over Pakistan and in a foreign country for contract manufacturing of components



Notes to the Financial Statements

For the year ended 31 December 2021

Vendor wise breakup is summarized below:

	Cost		Accumulated depreciation and impairment losses		Book value	
	2021	2020	2021	2020	2021	2020
	(Rupees in 000)					
Procon Engineering (Private) Limited	1,180,052	1,180,052	787,361	556,064	392,691	623,988
Loads Limited	918,394	919,154	607,877	424,348	310,517	494,806
PCI Automotive (Private) Limited	557,341	556,981	408,685	323,859	148,656	233,122
Metaline Industries (Private) Limited	351,346	351,346	220,261	151,999	131,085	199,347
Synthetic Products Enterprises Limited	250,715	250,715	124,712	74,988	126,003	175,727
Auvitronics Limited	254,398	249,160	148,346	97,982	106,052	151,178
Razi Sons (Private) Limited	512,036	512,036	416,476	310,515	95,560	201,521
Tecno Fabrik (Private) Limited	217,981	217,981	127,020	83,479	90,961	134,502
Bahawalpur Engineering Limited	128,736	46,111	42,907	21,291	85,829	24,820
ST. Eng Services (Private) Limited	231,292	231,292	157,546	110,346	73,746	120,946
Thal Limited Engineering Division	176,841	148,796	103,893	74,680	72,948	74,116
Dawood Engineering (Private) Limited	174,298	129,326	101,556	67,446	72,742	61,880
National Automotive Components (Private) Limited	114,233	114,233	70,660	48,588	43,573	65,645
Halfman	108,940	108,940	65,564	44,351	43,376	64,589
Plastech Pakistan	40,007	4,980	5,564	4,868	34,443	112
Yusuf Auto Industries (Private) Limited	79,508	79,508	47,049	32,095	32,459	47,413
A-One Techniques (Private) Limited	108,922	108,922	78,188	61,498	30,734	47,424
Sanpak Engineering Industries (Private) Limited	96,235	100,883	66,991	58,348	29,244	42,535
Thermosole Industries (Private) Limited	77,687	77,687	50,870	37,465	26,817	40,222
AQ Industries	28,701	28,701	8,968	3,185	19,733	25,516
Fatima Industries (Private) Limited	54,476	63,961	35,256	35,271	19,220	28,690
Galaxy Polymer Engineering (Private) Limited	33,618	33,618	17,872	11,698	15,746	21,920
Electropolymers (Private) Limited	53,104	53,104	37,480	27,566	15,624	25,538
MGA Industries (Private) Limited	102,092	104,420	87,210	76,670	14,882	27,750
Baluchistan Wheels Limited	27,334	27,334	14,123	8,656	13,211	18,678
Shah Rubber Products	40,933	40,933	29,761	22,226	11,172	18,707
Engineering Excellence Company(Private) Limited	32,412	32,634	21,636	16,765	10,776	15,869
Rubatech Manufacturing Co(Private)Limited	28,215	28,215	19,846	15,275	8,369	12,940
Shahid Engineering Works	35,728	35,728	27,461	21,244	8,267	14,484
Alsons Auto Parts (Private) Limited	57,305	58,070	49,736	41,702	7,569	16,368
Hawks Engineering Services (Private) Limited	32,207	32,207	24,701	19,076	7,506	13,131
Peracha Engineering Co	12,010	12,010	6,356	4,204	5,654	7,806
Al-Huda Engineering (Private) Limited	12,740	12,740	7,909	5,641	4,831	7,099
Ravi Autos Sundar (Private) Limited	15,190	15,190	10,497	7,459	4,693	7,731
Noor Engineering Services (Private) Limited	18,924	18,924	14,428	12,518	4,496	6,406
Stanley Industries	14,329	16,588	10,170	10,162	4,159	6,426
Pak Orient Industries	10,835	10,835	6,733	4,804	4,102	6,031
Zia Engineering Works	9,563	8,932	5,788	4,226	3,775	4,706
Mehran Commercial Enterprises	7,637	7,637	3,931	2,609	3,706	5,028
United Mechanical Industries (Private) Limited	19,048	19,048	15,561	12,438	3,487	6,610
Shaheen Automotive (Private) Limited	15,735	15,788	12,880	10,507	2,855	5,281
Tecno Pack Telecom (Private) Limited	21,580	21,580	18,774	14,719	2,806	6,861
Al-Aftab Metals Engineering Ind. (Private) Limited	8,033	8,033	5,518	4,066	2,515	3,967
Tariq Engineering Products (Private) Limited	10,207	10,207	7,789	6,102	2,418	4,105



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For the year ended 31 December 2021

	Cost		Accumulated depreciation and impairment losses		Book value	
	2021	2020	2021	2020	2021	2020
	----- (Rupees in 000) -----					
Brothers Engineering Industries	9,512	12,891	7,112	9,019	2,400	3,872
Silver Falcon Engineering Corporation	4,504	4,504	2,277	1,444	2,227	3,060
Ushin Thailand	4,214	4,214	2,107	1,264	2,107	2,950
Aerotech Industries (Private) Limited	5,478	7,683	3,807	5,200	1,671	2,483
Indus Engineering	6,866	6,986	5,314	4,668	1,552	2,318
Javed Steel Manufacturing Works	3,665	2,282	2,166	2,035	1,499	247
Galaxy Enterprises	2,855	1,194	1,526	1,155	1,329	39
Alba Engineering Company	6,331	6,371	5,055	4,126	1,276	2,245
AB Engineering (Private) Limited	25,944	25,944	24,691	20,527	1,253	5,417
Darson Industries (Private) Limited	5,662	5,662	4,559	3,801	1,103	1,861
Masood Engineering Works	7,043	7,043	6,126	4,865	917	2,178
Standard Mechanical Works	1,765	1,765	1,075	746	690	1,019
Feroz Industries	4,804	4,804	4,364	3,683	440	1,121
Techmen Engineering	1,529	1,529	1,107	801	422	728
Automotive Components Limited	2,751	2,751	2,379	2,144	372	607
Ghandhara Tyre and Rubber Company Limited	19,025	19,025	18,667	16,240	358	2,785
Pioneer Plastic Industries	1,117	1,117	913	713	204	404
Ravi Autos Sheikhpura (Private) Limited	5,449	5,449	5,267	4,177	182	1,272
Jawed Metal Industries (Private) Limited	4,405	4,405	4,321	3,814	84	591
Pak Poly Engineering and Works	30	30	7	1	23	29
Super Engineering Company (Private) Limited	520	520	504	476	16	44
Cosmos Engineering	364	364	351	316	13	48
Zaib Engineering (Private) Limited	1,392	1,392	1,386	1,308	6	84
Asif Rubber Industries (Private) Limited	839	933	836	911	3	22
Asif Engg & Mechanical Works	2,093	2,093	2,093	2,023	-	70
Automate Industries (Private) Limited	362	362	362	362	-	-
Hybrid Technics (Private) Limited	291	291	291	286	-	5
Khan Engineering Works	24	24	24	23	-	1
Mehran Engineering Industries (Private) Limited	475	475	475	459	-	16
Mumtaz Engineering	2,913	2,913	2,913	2,838	-	75
Poly Crafts (Private) Limited	336	336	336	325	-	11
Pressed Steel Industries (Private) Limited	758	758	758	735	-	23
Sadiq Engineering Works	59	59	59	59	-	-
Super Tech Autoparts (Private) Limited	1,754	1,754	1,754	1,545	-	209
Tecnoline Industries	255	255	255	246	-	9
	6,416,302	6,242,718	4,247,147	3,085,334	2,169,155	3,157,384



Notes to the Financial Statements

For the year ended 31 December 2021

5.2 Depreciation charge for the year has been allocated as follows:

	Note	2021 ---- (Rupees in '000) ----	2020
Cost of goods manufactured	34.1	3,096,047	3,219,941
Administrative expenses	36	168,524	183,721
		3,264,571	3,403,662

5.3 Details of disposals of property, plant and equipment

Particulars of tangible operating assets having net book value exceeding Rs. 500,000 disposed off during the year are as follows:

Particulars	Cost	Accumulated Depreciation	Net Book Value	Sale Proceeds	Gain / (Loss)	Mode of Disposal	Particulars of Buyer	Relationship with PSMC
----- (Rupees in '000) -----								
Motor Vehicles								
Cultus VXL	1,482	643	839	839	-	As per Employee scheme	Zarrin Akhter	Employee
Swift Automatic	1,331	655	676	676	-	As per Employee scheme	Anita Ashfaq	Employee
Swift Automatic	1,331	655	676	676	-	As per Employee scheme	Adnan Khan	Employee
Air Conditioner	2,551	1,755	796	10	(786)	Scrap	S S Trading	Vendor
Abrasive Cutting Machine								
	1,137	213	924	1,065	141	As per Insurance policy	EFU	Insurer
Welding Jig								
	1,064	390	674	-	(674)	Write off	-	-
Back Door Respot Jig								
	968	355	613	-	(613)	Write off	-	-
Other items having net book value of less than Rs. 500,000 each								
	234,644	232,558	2,086	2,031	(55)			
2021	244,508	237,224	7,284	5,297	(1,987)			
2020	286,265	263,677	22,588	39,296	16,708			

5.4 Capital work-in-progress

	2021 ---- (Rupees in '000) ----	2020
Plant and machinery	5,608,356	524,031
Civil works	18,835	11,416
	5,627,191	535,447

5.4.1 Movement in capital work-in-progress

	2021	2020
Opening balance	535,447	652,229
Additions during the year	5,721,115	635,630
Transfer to operating fixed assets	(629,371)	(752,412)
Closing balance	5,627,191	535,447

Notes to the Financial Statements

For the year ended 31 December 2021

5.5 Particulars of immovable fixed assets

Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Location	Classification	Unit of measurement	Total Area
Leasehold land DSU-13, Port Qasim, Karachi	Leasehold Land	Square meters	259,200
Leasehold land DSU-32, Port Qasim, Karachi	Leasehold Land	Square meters	61,200
Leasehold land DSU-38, Port Qasim, Karachi	Leasehold Land	Square meters	56,880
Leasehold land DSU-13A, Port Qasim, Karachi	Leasehold Land	Square yards	580,911
EIZ/SP-13, Eastern Industrial Zone, Port Qasim, Karachi	Leasehold Land	Acres	40
Property situated at Plot No.84/I, Korangi Karachi	Leasehold Land	Acres	1
Tradda Manga Mandi, Multan Road Lahore	Freehold Land	Kanal - Marla - Sq ft	247-19-200

5.6 The cost of fully depreciated assets as at 31 December 2021 amounted to Rs. 11.052 billion, which are detailed below:

	2021 (Rupees in '000)
Plant and machinery	5,908,176
Dies	3,363,833
Permanent and special tools	549,382
Jigs and fixtures	519,711
Welding guns	375,178
Electrical installations	215,410
Waste water treatment plant	120,222
Furniture and fittings	55
Office equipment	11
	11,051,978

6. INTANGIBLE ASSETS

	Note	2021 ---- (Rupees in '000) ----	2020
Intangible assets	6.1	49,654	190,000
Capital work-in-progress		334,706	56,357
		384,360	246,357

6.1 Intangible assets

The following is a statement of intangible assets:

Years	Cost as at 01 January 2021	Additions during the year	(Retire-ments) during the year	Cost as at 31 December 2021	Accumulated amortization as at 01 January 2021	Charge during the year	(Retire-ments) during the year	Accumulated amortization as at 31 December 2021	Book value as at 31 December 2021
----- (Rupees in '000) -----									
License fees	3	344,983	-	344,983	197,966	114,995	-	312,961	32,022
Softwares	3	82,000	-	65,646	39,017	25,351	(16,354)	48,014	17,632
		426,983	-	410,629	236,983	140,346	(16,354)	360,975	49,654

Notes to the Financial Statements

For the year ended 31 December 2021

	Years	Cost as at 01 January 2020	Additions during the year	(Retire-ments) during the year	Cost as at 31 December 2020	Accumulated amortization as at 01 January 2020	Charge during the year	(Retire-ments) during the year	Accumulated amortization as at 31 December 2020	Book value as at 31 December 2020
----- (Rupees in '000) -----										
License fees	3	536,003	-	(191,020)	344,983	258,073	130,913	(191,020)	197,966	147,017
Softwares	3	83,664	2,736	(4,400)	82,000	16,175	27,242	(4,400)	39,017	42,983
		619,667	2,736	(195,420)	426,983	274,248	158,155	(195,420)	236,983	190,000

6.2 This includes investment for new enterprise solution SAP S/4 HANA which will be deployed in near future.

6.3 Amortization charge has been allocated as follows:

	Note	2021 ---- (Rupees in '000) ----	2020
Cost of goods manufactured	34.1	114,995	130,913
Administrative expenses	36	25,351	27,242
		140,346	158,155

7. RIGHT-OF-USE ASSETS

	Suzuki Houses	Showrooms	Area Offices	Total
----- (Rupees in '000) -----				
Balance as at 01 January, 2020	10,838	73,846	60,275	144,959
Add: Additions during the year	-	43,237	24,319	67,556
Less: Disposals during the year	-	-	33,368	33,368
Depreciation charge for the year	10,498	30,557	14,228	55,283
Balance as at 31 December, 2020	340	86,526	36,998	123,864
Balance as at 01 January, 2021	340	86,526	36,998	123,864
Add: Additions during the year	-	34,685	-	34,685
Less: Disposals during the year	-	-	-	-
Depreciation charge for the year	340	32,424	13,326	46,090
Balance as at 31 December, 2021	-	88,787	23,672	112,459

The Company has lease contract of various premises acquired for office use. Lease tenure of such premises ranges between 2 to 7 years.

The Company also has certain leases of Suzuki Houses with a lease term of 12 months or less with low value. The Company applies 'short term lease' and lease of 'low value assets' recognition exemptions for these leases.

Notes to the Financial Statements

For the year ended 31 December 2021

7.1	Depreciation charge for the year has been allocated as follows:	Note	2021	2020
			---- (Rupees in '000) ----	
	Administrative expenses	36	46,090	55,283
			46,090	55,283
8	LONG-TERM INVESTMENTS			
	Other long-term investments			
	Equity securities - at FVOCI	8.1	-	-
	Investment in associate (equity accounted)			
	Tecno Auto Glass Limited (TAG)	8.2	190,492	278,160
			190,492	278,160
8.1	Equity securities - at fair value through OCI		Shares	Fair value
			2021	(Rupees in
			(Number)	'000)
	- Arabian Sea Country Club Limited (ASCCL)	8.1.1	500,000	-
	- Automotive Testing & Training Centre (Private) Limited (AT & TC)	8.1.2	1,250	-

8.1.1 Investment in ASCCL (unquoted) represents 0.5 million (2020: 0.5 million) fully paid ordinary shares of Rs. 10 each, representing 6.45% (2020: 6.45%) of ASCCL's paid up share capital as at 31 December 2021.

8.1.2 Investment in AT & TC (unquoted) represents 0.125 million (2020: 0.125 million) fully paid ordinary shares of Rs. 10 each, representing 6.94% (2020: 6.94%) of AT & TC's paid up share capital as at 31 December 2021.

8.1.3 Investment in ASCCL (unquoted) and AT & TC (unquoted) were fully impaired in prior years and there has been no change in fair value in the current year financial statements.

8.2 Investment in associate

TAG was incorporated on 16 March 2017 and commenced its commercial operations from July 2020. The incorporation and principal place of business of TAG is The Islamic Republic of Pakistan. TAG is a joint venture between Tecno Pack Telecom (Private) Limited (TPT) and the Company where the Company holds 40% shareholding and balance 60% is held by TPT. Previously, investment in associate was classified as joint venture, which due to unequal ownership of shares has been reclassified as Associates. No changes were made in the financial statements, as it was always treated as equity accounted investments.

8.2.1 The associate's share of loss has been included in these financial statements based on the unaudited condensed interim financial information of the associated company as at 31 December 2021. The latest annual financial statements of TAG have been prepared on going concern basis. The auditor of TAG has expressed an unmodified opinion on the financial statements for the year ended 30 June 2021. The details of the financial statements of half year ended 31 December 2021 of TAG are as follows:

Notes to the Financial Statements

For the year ended 31 December 2021

	2021	2020
	---- (Rupees in '000) ----	
34,440,000 (2020: 34,440,000) fully paid ordinary shares of Rs. 10/- each (Shareholding 40%)	344,400	344,400
Share of loss of equity accounted investee	(153,908)	(66,240)
	190,492	278,160
	190,492	278,160

8.2.2 The summarized financial information in respect of Tecno Auto Glass Limited is set out below. The summarized financial information represents the amounts shown in the associate's financial statements for the respective year.

	2021	2020
	---- (Rupees in '000) ----	
Current assets	457,928	259,457
Non-current assets	2,899,599	2,795,309
Current liabilities	(2,241,563)	(1,205,363)
Non-current liabilities	(639,735)	(1,154,002)
Equity	476,229	695,401
Revenue	410,638	86,803
Loss for the year	(30,825)	(119,413)
Total comprehensive loss for the year	(30,825)	(119,413)

Reconciliation of the above summarized financial information to the carrying amount of the interest in the Tecno Auto Glass Limited recognized in the financial statements:

	2021	2020
	---- (Rupees in '000) ----	
Net assets of the associate	476,229	695,401
Proportion of the Group's ownership	40%	40%
Carrying amount of the Group's interest in Tecno Auto Glass Limited	190,492	278,160

Contingencies and commitments of associate

1) TAG Limited has filed petition CP No. 4679/2020 against Federation of Pakistan & others in the High Court of Sindh at Karachi to challenge the imposition of additional custom duty through SRO 572(1)/2020 on the Company's import of raw materials, components and sub-assemblies for manufacturing automotive parts and the vires of Section 18(5) of the Custom Act, 1969. The Honorable High Court has granted an interim Order and the said interim order is in favour of Company.

2) TAG Limited has issued guarantee in favour of K.electric amounting to Rs. 12.2 million (2020: Rs. 12.14 million) out of which Rs. 11 million (2020: Rs.11 million) is provided by Tecno Pack Telecom (Holding Company) on behalf of the TAG Limited.

Notes to the Financial Statements

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9 LONG-TERM LOANS

	Note	2021 ---- (Rupees in '000) ----	2020 ---- (Rupees in '000) ----
Loans to employees	9.1	13,232	10,295
Less: receivable within one year	16	(7,679)	(5,143)
		<u>5,553</u>	<u>5,152</u>

9.1 This represents interest free personal loans to employees. These are repayable in maximum thirty six equal monthly installments and are secured against employees' retirement benefits.

10. LONG-TERM DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2021 ---- (Rupees in '000) ----	2020 ---- (Rupees in '000) ----
Deposits		57,484	43,480
Other receivables from employees at amortised cost	10.1	653,952	538,584
Less: receivable within one year	18	(144,722)	(116,996)
		<u>509,230</u>	<u>421,588</u>
		<u>566,714</u>	<u>465,068</u>

10.1 This represents receivables against vehicles sold to employees under the Vehicle Ownership Employee Scheme. These receivables are interest free and are secured against the personnel guarantees and staff retirement benefit balances of respective employees. These are receivable in maximum eighty-four equal monthly installments and no markup is charged on installment sale to employees.

	Gross amount of receivables from employees		Present value of receivables from employees	
	2021	2020	2021	2020
	----- (Rupees in 000) -----			
Less than one year	154,746	138,602	144,722	116,996
One to five years	514,120	552,674	371,005	360,026
More than five years	171,976	94,150	138,225	61,562
	<u>840,842</u>	<u>785,426</u>	<u>653,952</u>	<u>538,584</u>

The present value of receivables is calculated by applying discount rate ranging from 8% to 9.75% (2020: 7% to 11%).

11. LONG TERM INSTALLMENT SALES RECEIVABLES

	Note	2021 ---- (Rupees in '000) ----	2020 ---- (Rupees in '000) ----
Gross amount of installment sales receivables	11.1	3,064,519	1,905,578
Less: Unearned finance income		(6,028)	(3,091)
Gross amount of installment sales receivables		<u>3,058,491</u>	<u>1,902,487</u>
Less: Impact of discounting		(188,075)	(118,563)
Installment Sales Receivables		<u>2,870,416</u>	<u>1,783,924</u>
Less: Provision of impairment allowance	11.2	(65,340)	(52,376)
		<u>2,805,076</u>	<u>1,731,548</u>
Less: Current maturity		(2,027,931)	(1,245,058)
		<u>777,145</u>	<u>486,490</u>

Notes to the Financial Statements

For the year ended 31 December 2021

11.1 This represents amount receivable under various installment credit sale agreements in equal monthly installments. It includes installment sales of motorcycles to customers and auto mobiles to registered vendors of the Company.

In case of installment sales to customers, no mark-up is charged on installment sales and Company retains the title and registers the documents of the motorcycles in its name as a security.

For installment sales to vendors, no mark-up is charged on 12 months installment sales and mark-up / interest is charged at 12% per annum on installment sales exceeding 12 months period (2020: 12% per annum). These vehicles are carried in the names of vendor and the Company. Such documents are retained in Company's custody and transferred in the name of customer / vendor after the entire dues are cleared. Overdue rentals are subject to additional surcharge. The gross amount and the present value of the installment sales receivables are as follows:

	Note	Gross amount of installment sales receivables		Present value of installment sales receivables	
		2021	2020	2021	2020
		----- (Rupees in 000) -----			
Less than one year		2,110,722	1,314,738	2,027,931	1,245,058
One to five years		953,797	590,840	842,485	538,866
		<u>3,064,519</u>	<u>1,905,578</u>	<u>2,870,416</u>	<u>1,783,924</u>
Less: Impairment loss	11.2	(65,340)	(52,376)	(65,340)	(52,376)
		<u>2,999,179</u>	<u>1,853,202</u>	<u>2,805,076</u>	<u>1,731,548</u>

11.2 Movement of impairment loss

	2021 ---- (Rupees in '000) ----	2020 ---- (Rupees in '000) ----
Balance at beginning of the year	52,376	18,105
Charge during the year	12,964	34,271
Write - off during the year	-	-
Balance at end of the year	<u>65,340</u>	<u>52,376</u>

11.3 The ageing of long term installment sales receivables at reporting date is as follows:

	Note	2021 (Rs. In '000)		
		Weighted average loss rate	Gross	Impairment loss Net
Not past due	11.3.1	1.10%	3,012,288	33,266
Past due 1 - 30 days		2.54%	13,955	355
Past due 31 - 60 days		28.08%	3,803	1,068
Past due 61 - 90 days		44.11%	2,836	1,251
Past due 91 - 180 days		66.91%	6,760	4,523
Past due 181 - 360 days		100.00%	5,958	5,958
Over 360 days		100.00%	18,919	18,919
			<u>3,064,519</u>	<u>65,340</u>
				<u>2,999,179</u>



Notes to the Financial Statements

For the year ended 31 December 2021

11.3.1 The Company has recognised the impairment loss against the balances not past on abundant caution basis, due to high risk of dilinquency in unsecured installment sales receivables.

12. DEFERRED TAXATION - NET

	2021	2020 (Restated)
Note	----	----
	(Rupees in '000)	(Rupees in '000)
Deductible temporary differences arising from:		
Provisions	1,533,557	1,160,664
Local development costs	23,356	16,409
Accelerated tax depreciation and tax amortisation	254,544	-
Lease liabilities	37,558	38,631
	<u>1,849,015</u>	<u>1,215,704</u>
Taxable temporary differences arising from:		
Accelerated tax depreciation and tax amortisation	-	(178,766)
Right-of-use assets	(32,593)	(35,202)
	<u>(32,593)</u>	<u>(213,968)</u>
Unused tax losses and credits arising from:		
Excess of minimum turnover tax carried forward	4,889,766	3,684,429
Business losses other than depreciation carried forward	-	381,439
Unrealized tax depreciation losses carried forward	639,179	1,298,522
	<u>5,528,945</u>	<u>5,364,390</u>
	<u>7,345,367</u>	<u>6,366,126</u>

12.1 Movement of deferred tax is as follows:

	2021	2020
Opening balance	6,366,126	2,359,062
Add: Transfer from taxation - net to deferred tax asset	-	2,180,818
Add: Deferred tax income recognised during the year	979,241	1,716,626
Closing balance	<u>7,345,367</u>	<u>6,366,126</u>

12.2 Deferred tax asset on tax credit represents minimum tax available for carry forward under section 113 of the Income Tax Ordinance, 2001. As a matter of abundant caution, the Company has not recognised the deferred tax asset on share of loss on equity accounted associate and employee benefit obligations as the associate may not generate sufficient taxable profits to utilize the deferred tax asset in future. Minimum tax would expire as follows:

Accounting year to which Minimum Tax relates	Amount of Minimum Tax (Rupees in '000)	Accounting year in which minimum tax will expire
2018	920,980	2023
2019	1,808,259	2024
2020	955,189	2025
2021	1,205,338	2026
	<u>4,889,766</u>	



Notes to the Financial Statements

For the year ended 31 December 2021

13. STORES, SPARES AND LOOSE TOOLS

Note	2021 ---- (Rupees in '000) ----	2020 ---- (Rupees in '000) ----
	332,430	189,560
	163,278	158,681
	30,004	32,341
	<u>525,712</u>	<u>380,582</u>
	Less: Provision for slow moving and obsolete items	
	- at beginning of the year	82,947
34.1	33,036	45,807
	<u>161,790</u>	<u>128,754</u>
	<u>363,922</u>	<u>251,828</u>

13.1 Provision is created against loose tools and inventories outstanding and not consumed for more than two years.

14. STOCK-IN-TRADE

Note	2021 ---- (Rupees in '000) ----	2020 ---- (Rupees in '000) ----
	20,875,587	12,354,777
	Less: Provision for slow moving and obsolete items	
	- at beginning of the year	226,462
14.3	76,249	54,883
	<u>357,594</u>	<u>281,345</u>
	<u>20,517,993</u>	<u>12,073,432</u>
	Work-in-process	387,419
	Finished goods	4,575,968
	Trading stocks [including items in transit Rs. 81 million (2020: Rs. 112.3 million)]	1,124,685
	Less: Provision for slow moving and obsolescence	
	- at beginning of the year	74,397
	- (reversal) / provision for the year	112,865
	<u>88,931</u>	<u>187,262</u>
	<u>942,358</u>	<u>937,423</u>
	<u>26,225,464</u>	<u>17,974,242</u>



Notes to the Financial Statements

For the year ended 31 December 2021

14.1 Stock-in-trade includes Rs. 1,625 million (2020: Rs. 4,100 million) which were in the custody of dealers and vendors dispersed all over the Pakistan.

14.2 Raw material and components, work-in-process, finished goods and trading stocks have been written down by Rs. 332 million, Rs. 29.4 million, Rs. 24.9 million and Rs. 1 million (2020: 46.43 million, Rs. 0.6 million, Rs. 12.4 million and Rs. 0.3 million) respectively to arrive at net realizable value.

14.3 Provision is created against stock-in-trade outstanding and not consumed for more than two years.

	Note	2021 ---- (Rupees in '000) ----	2020
15. TRADE DEBTS			
Trade debts		262,702	513,326
Less: Impairment losses	15.1	(65,415)	(9,567)
		<u>197,287</u>	<u>503,759</u>

15.1 Movement of impairment loss

	2021	2020
Balance at the beginning of the year	9,567	10,287
Charge / (reversal) during the year	56,584	(720)
Less: write off during the year	(736)	-
Balance at the end of the year	<u>65,415</u>	<u>9,567</u>

15.2 The ageing of trade debts at reporting date is as follows:

	2021 (Rs. In '000)		
	Gross	Impairment loss	Net
Not past due	153	-	153
Past due 1 - 30 days	51,897	-	51,897
Past due 31 - 60 days	9,068	-	9,068
Past due 61 - 90 days	875	-	875
Past due 91 - 180 days	9,542	-	9,542
Past due 181 - 360 days	66,421	-	66,421
Over 360 days	124,746	65,415	59,331
	<u>262,702</u>	<u>65,415</u>	<u>197,287</u>

15.2.1 The Company has recognised specific provision against a dealer and other balance represents receivable from Government entities or secured through bank guarantees, property or target discounts payable.

	Note	2021 ---- (Rupees in '000) ----	2020
16. LOANS AND ADVANCES			
Loans - secured			
Current portion of loans to employees	9	7,679	5,143
Advances - secured			
- Suppliers	16.1	155,833	100,152
- Employees - against expenses		595	14,543
		<u>156,428</u>	<u>114,695</u>
		<u>164,107</u>	<u>119,838</u>



Notes to the Financial Statements

For the year ended 31 December 2021

16.1 These include advance which carry markup as well.

	Note	2021 ---- (Rupees in '000) ----	2020
17. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Trade deposits		76,677	2,115
Margins held with banks against letter of credits and imports		2,132,385	1,409,049
		<u>2,209,062</u>	<u>1,411,164</u>
Advance Payments			
- Collector of customs		430,146	97,058
- Prepaid Rent		23,945	12,312
- Prepaid Insurance		3,310	5,265
- Others		18,913	16,742
		<u>476,314</u>	<u>131,377</u>
		<u>2,685,376</u>	<u>1,542,541</u>

18 OTHER RECEIVABLES

		2021	2020
Due from related parties	18.1	553,876	234,569
Due from vendors for material / components returned		19,572	132,473
Duty draw back		486	486
Expenses recoverable from dealers		109	1,094
Current portion of long term other receivables	10	144,722	116,996
Accrued profit on bank deposits		169,260	69,376
Workers' Profit Participation Fund	18.2	236	-
Others		49,520	61,915
		<u>937,781</u>	<u>616,909</u>

18.1 This represents receivable from following related parties:

	2021	2020
Suzuki Motor Corporation	535,860	233,310
PT. Suzuki IndoMobil Motor	8,004	694
Suzuki Motor Thailand	5,492	-
Tecno Auto Glass (Private) Limited	4,520	565
	<u>553,876</u>	<u>234,569</u>

18.1.1 The maximum aggregate amount receivable from the related parties at the end of any month during the year are as follows:

	2021	2020
Suzuki Motor Corporation	535,860	233,310
PT. Suzuki IndoMobil Motor	8,004	694
Suzuki Motor Thailand	5,492	-
Tecno Auto Glass (Private) Limited	4,520	565



Notes to the Financial Statements

For the year ended 31 December 2021

18.1.2 The ageing analysis of other receivables due from related parties are as follows:

	2021	2020
	---- (Rupees in '000) ----	
Not past due	388,442	23,439
Past due 91-180 days	47,666	21,455
Past due 181-360 days	2,088	42,233
Past due over 360 days	115,685	147,442
	<u>553,881</u>	<u>234,569</u>

18.1.3 Impairment loss has not been recognised against these receivables as these are related parties against which there is no history of default.

18.2 Workers' profit participation fund

	2021	2020
	---- (Rupees in '000) ----	
Payments made during the year	200,000	-
Less:		
Opening balance	-	-
Charge for the year	199,764	-
	<u>199,764</u>	<u>-</u>
	<u>236</u>	<u>-</u>

19. CASH AND BANK BALANCES

	2021	2020
Cash in hand	45,935	7,623
Cash at bank:		
- In deposit accounts - Conventional	247,150	10,514,462
- In term deposit accounts - Conventional	22,000,000	6,900,000
- In a special deposit account - Conventional	117,955	120,955
- In current accounts	860,001	275,567
	<u>23,225,106</u>	<u>17,810,984</u>
	<u>23,271,041</u>	<u>17,818,607</u>

19.1 This includes cheque in hand balances amounting to Rs 29.5 million (2020: Rs Nil).

19.2 These carry profits rates ranging from 5.5% to 9.5% (2020: 5.5% to 8%) per annum.

19.3 This represents amount placed by the Company in Term Deposit receipts carrying profits ranging from 11% to 12.5%.

19.4 A special account is maintained in respect of security deposits (note 22) in accordance with the requirements of Section 217 of the Companies Act, 2017.

19.5 The Company does not have any Shariah compliant bank deposits / bank balances as at 31 December 2021.



Notes to the Financial Statements

For the year ended 31 December 2021

20. SHARE CAPITAL

	2021	2020
	---- (Rupees in '000) ----	
20.1 Authorised share capital		
500,000,000 ordinary shares of Rs. 10 each	<u>5,000,000</u>	<u>5,000,000</u>
20.2 Issued, subscribed and paid-up share capital		
	2021	2020
	(Number of shares)	
	45,517,401	45,517,401
Fully paid ordinary shares of Rs. 10 each issued for cash	2,800,000	2,800,000
Issued for consideration other than cash	33,982,450	33,982,450
Issued as fully paid bonus shares	<u>82,299,851</u>	<u>82,299,851</u>
	<u>455,174</u>	<u>455,174</u>
	<u>28,000</u>	<u>28,000</u>
	<u>339,825</u>	<u>339,825</u>
	<u>822,999</u>	<u>822,999</u>

20.3 As at 31 December 2021, the Holding Company held 60,154,091 (2020: 60,154,091) ordinary shares of Rs. 10 each, constituting 73.09% (2020: 73.09%) shareholding in the Company.

	2021	2020
	---- (Rupees in '000) ----	
21. PAYABLE AGAINST PURCHASE OF ASSET		
Payable against purchase of asset	59,001	260,448
Less: Payable within one year	<u>(56,790)</u>	<u>(223,243)</u>
	<u>2,211</u>	<u>37,205</u>
21.1 This represents payable to vendors against procurement of dies for producing components which are used in the production process.		
22. SECURITY DEPOSITS		
	2021	2020
	---- (Rupees in '000) ----	
Dealership deposits	117,955	120,955
Others	<u>111,245</u>	<u>100,835</u>
	<u>229,200</u>	<u>221,790</u>

22.1 This represents security deposits received from dealers and are kept in separate bank account maintained for that purpose as required under section 217(2) of the Companies Act, 2017. It is non-utilizable and kept intact.

22.2 This represents security deposits received from various parties which have been utilized by the company for its business in accordance with the requirements of respective written agreements in terms of section 217 of the Companies Act, 2017.



Notes to the Financial Statements

For the year ended 31 December 2021

23. LEASE LIABILITIES

	Note	2021 ---- (Rupees in '000) ----	2020
As at 01 January		135,929	147,949
Additions		34,685	67,556
Interest expense related to lease liabilities	39	14,543	14,332
Payments		(55,570)	(46,470)
Disposals		-	(47,438)
As at 31 December	23.1	<u>129,587</u>	<u>135,929</u>
Current Portion		40,565	38,444
Non-current Portion		89,022	97,485
		<u>129,587</u>	<u>135,929</u>

Maturity Analysis – Contractual discounted Cash Flows

	2021	2020
Less than one year	40,565	38,444
One to five years	82,293	76,660
More than five years	6,729	20,825
	<u>129,587</u>	<u>135,929</u>

23.1 This represents present value of lease liabilities which is calculated by discounting future contractual cashflows using the incremental borrowing rate of the Company.

24. LONG-TERM LOAN

	Note	2021 ---- (Rupees in '000) ----	2020
Balance as at beginning of the year		-	-
Disbursements during the year		2,606,133	-
Repayments during the year		-	-
		<u>2,606,133</u>	-
Discounting for recognition at fair value			
- deferred government grant	25.	(908,192)	-
Unwinding of discount	25.	38,616	-
Balance (at the) end of the year		<u>1,736,557</u>	-
Current portion		47,544	-
Non-current portion		1,689,013	-
Total		<u>1,736,557</u>	-

In the current year, the Company obtained long-term financing from MCB Bank Limited and Bank Al Habib Limited under the "Temporary Economic Refinance Facility" (TERF) refinance scheme by State Bank of Pakistan for imported and locally manufactured new plant and machinery. The facility carries a mark-up at the concessional rate of SBP rate (1%) + 1% per annum payable on quarterly basis. The tenure of the loan is 10 years including grace period of 2 years and is repayable in 32 equal quarterly installments or on demand. The facility is secured against hypothecation charge over plant and machinery of the Company.



Notes to the Financial Statements

For the year ended 31 December 2021

The loans are measured at the fair value i.e. present value of the expected future cash flows discounted at the relevant market-related interest rates, determined with reference to respective acquisition dates and to be in the range of 8.99% to 12.95%. The benefit of below-market interest is recognized as government grant (refer note 25), which is being amortised to other income over the period of the facility.

25. GOVERNMENT GRANT

	Note	2021 ---- (Rupees in '000) ----	2020
Balance as at beginning of the year		-	-
Deferred government grant recognised during the year		908,192	-
Credited to profit or loss - amortised during the year	38	(38,616)	-
Current portion shown under current liabilities		(123,432)	-
Balance as at end of the year		<u>746,144</u>	-

As mentioned in note 24, the purpose of the government grant given under TERF is to facilitate the Company in making payments of new plant and machinery to be used for setting-up of new project.

26. TRADE AND OTHER PAYABLES

	Note	2021 ---- (Rupees in '000) ----	2020
Trade creditors - local		4,236,266	2,805,688
Trade creditors - foreign	26.1	3,744,823	3,254,013
Accrued liabilities		2,855,349	2,456,825
Gas Infrastructure Development Cess payable	26.2	14,453	29,743
Royalties and technical fee payable to the Holding Company		3,469,169	1,430,089
Mark-up on delayed delivery of vehicles		245,675	3,676
Payable to dealers		1,192,134	11,060
Accrued markup on short term borrowing		19,722	-
Workers' Profit Participation Fund		-	-
Workers' Welfare Fund	26.6	94,906	15,000
Retention money		1,507	3,551
Deposits from employees against purchase of vehicles		182	182
Payable to provident fund		-	10,782
Payable to directors		4,000	3,000
Forward foreign exchange contract		-	472,057
Un-earned income - extended warranty		101,149	89,028
Payable against purchase of asset	21	56,790	223,243
Provision for unexpired free service and warranty	26.3	384,113	78,867
Provision for Sindh Infrastructure Development Cess	26.4	2,493,650	1,767,201
Others	26.5	1,139,681	714,904
		<u>20,053,569</u>	<u>13,368,909</u>

26.1 This includes Rs. 316.38 million (2020: Rs. 2,518.96 million) due to the Holding Company and Rs. 3258.55 million (2020: Rs. 590.63 million) due to other related parties.

26.2 The Federal Government issued Gas Infrastructure Development Cess (GIDC) Acts in the years 2011, 2014 and 2015. Over the years the matter of GIDC involved legal debates and court decisions, including the vires of the GIDC law. Supreme Court of Pakistan (SCP) vide its judgement dated 13 August 2020 dismissed all the previous appeals filed by various industrial and commercial entities with respect to the legality and validity of levy and demand of GIDC and decided the case against the industry. Further, on 6th November 2020, the SCP dismissed all the review petitions with a relief for payment of GIDC in 48 instalments.

Notes to the Financial Statements

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In August 2020, Sui Southern Gas Company Limited (SSGC) billed the arrears of GIDC and started recovery of all previous GIDC arrears and charged Rs. 2 million out of total outstanding Rs. 51 million as first installment of GIDC. Management has historically been carrying provision amounting to Rs. 57 million against such exposure of GIDC. Accordingly based on management's assessment that the above arrears will be paid within 24 installments, the remaining balance of GIDC payable as at year end has been recorded at present value amounting to Rs. 14.5 million.

26.3 Provision for unexpired free service and warranty	Note	2021 ---- (Rupees in '000) ----	2020
Balance at the beginning of the year		78,867	70,662
Paid during the year		(383,579)	(150,249)
Charge during the year	26.3.1	688,825	158,454
Balance at the end of the year		<u>384,113</u>	<u>78,867</u>

26.3.1 This amount includes Rs. 293.26 million (2020: Rs. 109.54 million) in respect of free service charges and Rs. 429 million (2020: Rs. 48.91 million) of warranty claims.

26.4 Provision for Sindh Infrastructure Development Cess

Sindh Infrastructure Development Cess was levied in the province of Sindh in 1994 vide section 9 of the Sindh Finance Act on the goods entering or leaving the province from or for outside the country, ostensibly for services rendered in respect of development and maintenance of infrastructure. Levy is applicable on imported goods and it is charged at the time of custom clearance. Group of importers challenged the levy on the grounds that imposing levy on 'import and export' does not fall within legislative competence of the provincial legislature. In 2011, Sindh High Court (SHC) through its order granted an interim relief to all the petitioners directing that the future imports of the petitioners will be cleared on payment of 50% of the disputed Cess while for remaining 50% bank guarantee is to be submitted till the final decision by Court. In May 2014, the Company filed a petition in SHC against Government of Sindh and Court granted same interim relief as was available to other petitioners, i.e., the Company continue to make payment for 50% Cess and provide bank guarantee for 50% balance payable. On 4 June 2021 SHC announced its decision in favour of Sindh Government and against 482 petitioners from the industry. The decision validated the SIDC levy and "The Sindh Development and Maintenance of Infrastructure Cess Act, 2017", retrospectively. Company filed petition in Supreme Court of Pakistan (SCP), challenging the order of SHC. SCP suspended the operation of the SHC's judgment on 1 September 2021 and instructed the petitioners to provide the Bank Guarantee equivalent to the amount of levy claimed by the respondents against release of all future imported consignments. As a matter of prudence, Company fully charged the Sindh Government Infrastructure Cess to cost by providing provision for balance payable, which has been worked out in compliance with directives of Courts.

26.5 This includes a balance amounting to Rs. 584.79 million (2020: Rs. 475.84 million) on account of withholding tax payable against tax shortly withheld on the incentives to the dealers. The Company as a matter of abundant caution has deducted amount of tax short paid from the incentives to dealers which shall be paid to the Court or the dealers subject to the final outcome of the case under process.

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26.6 Workers' welfare fund	Note	2021 ---- (Rupees in '000) ----	2020
Opening balance		15,000	-
Charge for the year	37	79,906	15,000
		<u>94,906</u>	<u>15,000</u>
Payments made during the year		-	-
Closing balance		<u>94,906</u>	<u>15,000</u>

27. Employee Benefit Obligations

The latest actuarial valuation of gratuity fund was carried out as at 31 December 2021 using the Projected Unit Credit Method.

27.1 Amount recognized in the statement of financial position	2021 ---- (Rupees in '000) ----	2020
Present value of defined benefit obligation	1,220,489	984,951
Fair value of plan assets	(652,327)	(604,953)
Benefits due but not paid (payables)	351	4,926
	<u>568,513</u>	<u>384,924</u>

27.2 Amounts recognized in total comprehensive income

The following amounts have been charged in respect of these benefits to statement of profit or loss and statement of comprehensive income:

Component of defined benefit costs recognized in statement of profit or loss

Current service cost	78,843	72,991
Interest cost on defined benefit obligation	92,629	94,862
Return on plan assets	(59,219)	(62,909)
	<u>112,253</u>	<u>104,944</u>

27.3 Component of defined benefit costs (re-measurement) recognized in statement of comprehensive income Re-measurements: Actuarial (gain) / loss on obligation

- Loss / (Gain) due to change in financial assumptions	2,445	(1,500)
- Loss due to change in experience adjustments	131,430	1,644
	<u>133,875</u>	<u>144</u>
Return on plan assets excluding interest income	11,845	11,806
	<u>145,720</u>	<u>11,950</u>
Total defined benefit cost recognized in statement of comprehensive income	<u>145,720</u>	<u>11,950</u>
Expected contribution in the following year	<u>160,174</u>	<u>113,127</u>
Weighted average duration of the defined benefit obligation (years)	<u>9</u>	<u>9</u>



Notes to the Financial Statements

27.4 Movement in net liability recognized in the statement of financial position

	2021	2020
	---- (Rupees in '000) ----	
Opening balance	384,924	324,764
Expense recognized during the year	112,253	104,944
Re-measurement loss recognized in other comprehensive income	145,720	11,950
Contribution made by the Company during the year	(74,384)	(56,734)
Closing balance	<u>568,513</u>	<u>384,924</u>

27.5 Movement in present value of defined benefit obligation

Opening balance	984,951	867,927
Current service cost	78,843	72,991
Interest cost on defined benefit obligation	92,629	94,862
Benefits due but not paid (payables)	(351)	(4,926)
Benefit paid	(69,458)	(46,047)
Remeasurement loss on defined benefit obligation	133,875	144
Closing balance	<u>1,220,489</u>	<u>984,951</u>

27.6 Movement in fair value of plan assets

Opening balance	604,953	553,850
Contributions	74,384	56,734
Return on plan assets	59,219	62,909
Benefit paid	(74,384)	(56,734)
Remeasurement (loss)/ gain on plan assets	(11,845)	(11,806)
Closing balance	<u>652,327</u>	<u>604,953</u>

27.7 Actuarial assumption used are as follows

	2021	2020
Discount rate used for profit or loss charge	<u>9.75%</u>	11.25%
Discount rate used for year end obligation	<u>11.75%</u>	9.75%
Expected rate of eligible salaries increase in future years	<u>11.75%</u>	9.75%
Mortality rates	SLIC 2001 - 2005 Setback 1 Year	SLIC 2001 - 2005 Setback 1 Year
Withdrawal Rates	Age Based	Age Based
Retirement assumption	Age 60	Age 60

27.8 Actual return on plan assets

	2021	2020
	---- (Rupees in '000) ----	
Interest income on plan assets	59,219	62,909
Remeasurement (loss) / gain on plan assets	(11,845)	(11,806)
	<u>47,374</u>	<u>51,103</u>



Notes to the Financial Statements

	2021	2020
	---- (Rupees in '000) ----	
Analysis of present value of defined benefit obligation		
Type of Members:		
- Management	1,023,842	837,749
- Non - management	196,646	147,202
	<u>1,220,488</u>	<u>984,951</u>

27.10 Composition of plan assets are as follows:

Government securities	61,731	27,002
Mutual funds	90,099	84,310
Term finance certificates	464,337	467,414
Bank balances	36,160	26,227
	<u>652,327</u>	<u>604,953</u>

27.11 Sensitivity analysis

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

	Defined benefit obligation (Incase of changes)	
	2021	2020
	---- (Rupees in '000) ----	
Change in assumption		
Discount rate + 1%	1,115,734	899,078
Discount rate - 1%	1,342,168	1,085,113
Long term salary increase + 1%	1,342,301	1,085,207
Long term salary decrease - 1%	1,113,713	897,404

28. SHORT-TERM FINANCE

Short term running finance - conventional	28.1	-	-
Loan from Holding Company	28.2	-	12,542,400
Accrued markup - Loan from holding company		-	78,968
		<u>-</u>	<u>12,621,368</u>

28.1 The facilities for running finance available from various commercial banks are for the purpose of meeting working capital requirements. The total limit of short term running financing facilities available from banks aggregate to Rs. 24,500 million (2020: Rs. 33,500 million) out of which Rs. 24,500 million (2020: 33,500 million) remained unutilised as of reporting date. Financing facilities from local commercial banks, amounting Rs. 10,000 million (2020: 18,000 million) are secured against support from holding company, Suzuki Motor Corporation.

28.2 The Company obtained a loan amounting to USD 78 million on 11 May 2020 for one year, bearing interest at a rate of 0.98% (LIBOR plus 0.2%) from holding company, a related party. The loan has been repaid in May, 2021.

Notes to the Financial Statements

For the year ended 31 December 2021

28.3 The Company does not have any Shariah compliant borrowings as at 31 December 2021.

29. ADVANCES FROM CUSTOMERS

These represent advances received by the Company from customers and dealers in respect of sale of vehicles and parts.

30. SECURITY DEPOSITS

	Note	2021 ---- (Rupees in '000) ----	2020
Deposits against display of vehicles	30.1	<u>3,828,605</u>	<u>3,807,074</u>

30.1 This represents the amount deposited by dealers as security against the vehicles delivered to them for display. The amounts received have been utilized for the purpose of Company's business in accordance with the related agreements.

31. PROVISION FOR CUSTOM DUTIES AND SALES TAX

	Note	2021 ---- (Rupees in '000) ----	2020
Provision for custom duties and sales tax	31.1	<u>36,299</u>	36,299
Provision for additional custom duties	31.2	<u>2,335,144</u>	1,830,475
		<u>2,371,443</u>	<u>1,866,774</u>

31.1 Revenue Receipts Auditors – Government of Pakistan conducted an audit in the year 2001 and alleged that the Company short paid Rs. 120 million on account of custom duties and sales tax against royalty during the period from July 1997 to February 1999. According to clause 2(d) of Section 25 of the Customs Act, 1969, payment in the nature of royalty without which goods cannot be legitimately imported and sold or used in Pakistan are to be included in value for import purpose. The Company paid Rs. 33.677 million after reconciliation with the Collector - Customs in prior years. Despite reconciliation, Deputy Collector – Customs adjudicated to pay balance amount of Rs. 86.323 million. The Company filed an appeal before the Customs Appellate Tribunal which was disallowed in the year 2015. Consequently, the Company filed Reference Application in the Sindh High Court which is pending for adjudication. Further, in 2015, the Customs Authorities adjusted Rs. 50.02 million against the above demand.

31.2 On 28th June 2019, Ministry of Finance increased Additional Customs duty (ACD) from 2% to 7% on imported goods falling under various tariff slabs vide SRO 670/2019. The said SRO was superseded by SRO 572(1)-2020 dated 30 June 2020 with certain amendments. Company challenged the ACD vide petition dated 11 August 2020 in Sindh High Court (SHC). The court granted an interim relief by restraining the collection of ACD on submission of corporate guarantee. However, as a matter of prudence, provision for ACD has been provided till June 30, 2021.

Ministry of Finance allowed relief by abolishing ACD on vehicles upto 1000cc engine capacity and reducing the rate to 2% on higher segment vehicles vide SRO 845(I)/2021 and 904(I)/2021 dated June 30, 2021 and July 9, 2021 respectively. Consequently, auto industry started paying balance payable of ACD as on June 30, 2021 in installments and it was agreed that full payment will be made till June 30, 2022. Accordingly, Company started the payment of ACD in installments.

Notes to the Financial Statements

For the year ended 31 December 2021

32. CONTINGENCIES AND COMMITMENTS

32.1 Contingencies

32.1.1 Various cases are pending representing legal proceedings initiated against the Company by various parties. These cases are pending adjudication in various courts and legal forums of Pakistan. As at 31 December 2021, the claims not acknowledged as debts by the Company in respect of cases filed by various parties amount to Rs 1,151.19 million. The management of the Company is of the view that the Company has a strong position in these cases and these cases will be decided in favour of the Company. Hence, no provision has been recorded in respect of these cases in these financial statements.

32.1.2 Subsequent to the 18th amendment tax on services has become the subject of provinces. A notice was received to the Company from Commissioner Inland Revenue (Federal) to pay FED on services in Federal Board of Revenue while the Company is paying sales tax thereon to Sindh Revenue Board. The Company has filed petition in the Sindh High Court to avoid double taxation. Sindh High Court has made decision in favor of the Company. However, FBR has filed appeal to the Supreme Court against the decision. The management along with its advisors are confident that the decision will be in favour of the Company, therefore no provision has been recognised in these financial statements in respect of the aforesaid amount.

32.1.3 In July 2002 after audit by customs, a notice was received to pay Rs. 120 million against 2 % loading on Royalty. From the years 2002 to 2005, the Company paid Rs. 44.75 million besides filing a complaint with Deputy Collector Customs. For the remaining amount of Rs. 75.25 million, the Customs Department again issued a demand in 2006.

The Company's complaint was rejected by Deputy Collector in December 2006 against which the Company filed Appeal with Collector (Appeals) which was rejected on 7 April 2007. Against the Order of Collector (Appeals), the Company filed Appeal with Customs Appellate Tribunal which was rejected due to non-submission of board resolution by the Company on 26 April 2014.

Thereafter in May 2014, the Company filed Reference in High Court which decided the case on 8 August 2016 in favor of the Company and reverted the case to Tribunal to review and decide on merits.

32.1.4 Punjab Revenue Authority (PRA) issued Show Cause Notice on 14-Jun-2017, for the payment of Service Sales Tax. The management is of the view that since the Company is already paying Sales Tax to Sindh Revenue Board, hence it is not liable to pay to PRA. The Company has filed Writ Petition in Lahore High Court which suspended the Show Cause notice. The Case is pending for hearing.

Further, PRA demanded share in sales tax on franchise payment in the sales ratio of population of Punjab Province for period from Apr 2013 to Sept 2017 through different notices. According to Sindh Revenue Board (SRB), the Company being located in Sindh Province falls in the jurisdiction of SRB and is out of the jurisdiction of PRA.

Notes to the Financial Statements

For the year ended 31 December 2021

The Company filed petition against all the notices and has obtained stay order from Lahore High Court. On 23 December 2019, Additional Commissioner of PRA, again issued a notice to recover Rs. 178.6 million. The Company responded with the consultation of legal advisor and explained that the Company was under the stay. The Additional Commissioner ignored the explanation / reply and created a demand of Rs 178.6 million. The Company has challenged the Order before Commissioner Appeal through its legal advisors. The Additional Commissioner PRA identified that the Company did not have stay orders against 2 show cause notices. Accordingly, on the advice of the legal advisor, the Company filed writ petition and obtained stay order on 17 September 2020.

32.1.5 WWF and WPPF

After the 18th Amendment in the Constitution of Pakistan, formation and collection of workers welfare fund came under the ambit of Provincial Governments. However, the Company continued to practice upon the old procedure of depositing the 2% of its profits as per the Federal law which is Workers Welfare Ordinance 1971 which had been paid up to the tax year 2017. The Company received notices from October 2016 till December 2017 by SRB to deposit the said profits with the Sindh Government instead of the Federal Government. The Company stance is of being a Trans-provincial organization due to which Federal law is applicable on its dealings rather than Provincial Laws. On 25 January 2018, the Company received a fresh show cause notice from SBR calling for explanation for not depositing the amount to the SWWF. The funds had already been deposited under the Federal Law up to the tax year 2017. The Company obtained a Stay Order from the High Court. Case is still pending for hearings.

Further, the Company challenged the Show Cause notice, dated 25 May 2018, issued by the Assistant Commissioner SRB. Through the impugned notice (as mentioned above), SRB directed the Company to show cause, as to why Rs 73.5 million may not be assessed and recovered from the Company under the Sindh Companies Profit (Workers' Participation) Act, 2015 (Sindh Act) for the year 2011. However, since the Company has employees in Sindh as well as in Punjab, it is therefore a trans-provincial organization which falls outside the scope of Sindh Act.

According to the Workers Profit Participation Fund Act 1968, companies are liable to pay 5% of the profit earned in a year to its workers, while remaining amount after distribution, is required to be transferred to a separate fund, namely Workers' Welfare Fund.

After the passage of 18th Amendment, although the labor issues are now the ambit of the provinces, treatment of such issues in relation to trans-provincial companies remain a dispute. Since, both SRB as well as FBR claim the residual amount to be deposited with them, the Company has filed petition in Sindh High Court to clarify the authority to comply with. Stay order has been obtained against the impugned notice, sent by SRB on 22 June 2018. The petition is pending adjudication.

32.1.6 Sales tax audit from January 2017 to December 2017 was selected for audit of sales tax by the tax department. Notice was issued by tax department for filing of required information and documents. The same has been filed and proceedings are in progress.

32.1.7 Tax contingencies are disclosed in note 40.3 to these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2021

32.2 Commitments

32.2.1 Capital expenditure contracted for but not incurred amounted to Rs. 1,916 million (2020: Rs. 2,518.923 million).

32.2.2 The facilities for opening letters of credit as at 31 December 2021 amounted to Rs. 13,800 million (2020: 12,800 million) of which the amount remaining unutilized at year end was Rs. 11,210 million (2020: 11,180 million).

32.2.3 The facilities for opening letters of guarantees as at 31 December 2021 amounted to Rs. 4,126 million (2020: Rs. 3,500 million) of which the amount remaining unutilized at year end was Rs. 795.3 million (2020: Rs. 1,688 million).

32.2.4 The Company has issued a corporate guarantee on behalf of Tecno Auto Glass Limited, an associated company, amounting to Rs. 1,000 million (2020: Rs. 600 million) to a commercial bank in relation to borrowing facilities granted to the associated company.

33. SALES

	Note	2021 ---- (Rupees in '000) ----	2020
Manufactured goods	33.1	156,739,177	74,003,836
Trading stocks	33.2	3,852,542	2,929,308
		160,591,719	76,933,144
Add: Extended warranty income		23,513	42,628
		160,615,232	76,975,772
Less: Mark-up on discounting of financial assets		(239,722)	(146,097)
Free service		(293,255)	(109,543)
		160,082,255	76,720,132
33.1 Manufactured goods			
- Vehicles		190,059,316	93,858,852
- Spare parts		575,392	557,081
		190,634,708	94,415,933
Less: Sales tax		23,400,749	14,943,029
Federal excise duty		1,578,742	1,786,185
Discounts		1,906,788	222,217
Sales commission to dealers		7,009,252	3,460,666
		(33,895,531)	(20,412,097)
		156,739,177	74,003,836



Notes to the Financial Statements

For the year ended 31 December 2021

	2021	2020
	---- (Rupees in '000) ----	
33.2 Trading stocks		
- Vehicles	1,490,843	852,182
- Spare parts	3,268,667	2,716,482
	<u>4,759,510</u>	<u>3,568,664</u>
Less: Sales tax	888,315	596,682
Federal excise duty	7,585	27,912
Discounts	2,191	1,690
Sales commission to dealers	8,877	13,072
	<u>(906,968)</u>	<u>(639,356)</u>
	<u>3,852,542</u>	<u>2,929,308</u>

33.3 These include export sales amounting to Rs. 125.5 million (2020: Rs. 30.51 million)

33.4 The table below illustrates the disaggregation of revenue by primary geographical market, major products/service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Company's two strategic divisions, which are its reportable segments.

	Automobile		Motorcycle		Total	
	2021	2020	2021	2020	2021	2020
	----- (Rupees in '000) -----					
Primary Geographical Markets						
Pakistan	154,199,391	73,781,232	5,757,363	2,908,391	159,956,754	76,689,623
Japan	54,031	591	9,038	3,396	63,069	3,987
Vietnam	28,986	20,280	-	-	28,986	20,280
Others	33,447	6,242	-	-	33,447	6,242
	<u>154,315,855</u>	<u>73,808,345</u>	<u>5,766,401</u>	<u>2,911,787</u>	<u>160,082,256</u>	<u>76,720,132</u>
Major product/service lines						
Automobile Products	154,292,342	73,765,717	-	-	154,292,342	73,765,717
Motorcycle Products	-	-	5,766,401	2,911,787	5,766,401	2,911,787
Extended Warranty	23,513	42,628	-	-	23,513	42,628
	<u>154,315,855</u>	<u>73,808,345</u>	<u>5,766,401</u>	<u>2,911,787</u>	<u>160,082,256</u>	<u>76,720,132</u>
Timing of Revenue Recognition						
Products transferred at a point in time	154,292,342	73,765,717	5,766,401	2,911,787	160,058,743	76,677,504
Products and services transferred over time	23,513	42,628	-	-	23,513	42,628
	<u>154,315,855</u>	<u>73,808,345</u>	<u>5,766,401</u>	<u>2,911,787</u>	<u>160,082,256</u>	<u>76,720,132</u>



Notes to the Financial Statements

For the year ended 31 December 2021

	2021	2020
	---- (Rupees in '000) ----	
		Restated
34. COST OF SALES		
Manufactured goods		
Finished goods at beginning of the year	4,575,968	14,756,809
Cost of goods manufactured	147,841,036	60,745,907
Export expenses	21,239	1,806
	<u>152,438,243</u>	<u>75,504,522</u>
	<u>(3,001,546)</u>	<u>(4,575,968)</u>
	<u>149,436,697</u>	<u>70,928,554</u>
Less: Finished goods at end of the year		
Trading stocks		
Stocks at beginning of the year	937,423	1,016,504
Purchases during the year	2,479,755	2,113,279
	<u>3,417,178</u>	<u>3,129,783</u>
	<u>(942,358)</u>	<u>(937,423)</u>
	<u>2,474,820</u>	<u>2,192,360</u>
Add: Provision for Loss on pending orders	-	-
	<u>151,911,517</u>	<u>73,120,914</u>



Notes to the Financial Statements

For the year ended 31 December 2021

34.1 Cost of goods manufactured

		2021	2020 (Restated)
	Note	---- (Rupees in '000) ----	
Raw materials and components at beginning of the year		12,073,432	21,203,612
Purchases during the year	34.1.1	145,909,879	44,103,141
		157,983,311	65,306,753
Less: Raw materials and components at end of the year		(20,517,993)	(12,073,432)
Raw materials and components consumed		137,465,318	53,233,321
Stores and spares consumed		666,772	35,379
Provision for slow moving and obsolete stores, spares and loose tools	13	33,036	45,807
Utilities		758,664	425,481
Vehicle running expenses		34,058	23,190
Salaries, wages and other benefits	34.1.2	2,095,499	1,348,977
Outsourced job contractor charges		862,696	497,190
Expenses relating to short-term leases		13,963	53,649
Travelling		20,534	20,838
Training		21,262	4,627
Insurance		30,125	44,625
Repairs and maintenance		596,549	335,090
Royalty		2,742,450	1,284,465
Technical fee		297,748	132,435
Travelling expenses of supervisors		-	125
Depreciation	5.2	3,096,047	3,219,941
Amortization	6.3	114,995	130,913
Conveyance and transportation		320,875	171,263
Communication		2,713	1,946
Hired security guards services		15,912	20,481
Local development costs		94,997	51,770
Printing and stationery		754	1,934
Computer software license fee and ERP maintenance charges		2,799	2,451
Others		2,973	4,531
		11,825,421	7,857,108
		149,290,739	61,090,429
Add: Work-in-process at beginning of the year		387,419	161,546
		149,678,158	61,251,975
Less: Work-in-process at end of the year		(1,763,567)	(387,419)
		147,914,591	60,864,556
Less: Cost of own used vehicles		(73,555)	(118,649)
		147,841,036	60,745,907

34.1.1 Purchases are stated net of proceeds from the sale of packing materials amounting to Rs. 567 million (2020: Rs. 300.6 million).

34.1.2 This includes Rs. 44.6 million (2020: Rs. 39.4 million) and Rs. 74.78 million (2020: Rs. 66.2 million) in respect of provident fund and gratuity fund respectively.

34.1.3 As at 31 December 2021, NRV adjustment has been determined as a result of assessment of stock of raw material and components, work-in-process, finished goods and trading stocks for lower of cost and NRV resulting in write down by Rs. 328 million.



Notes to the Financial Statements

For the year ended 31 December 2021

	Note	2021	2020
		---- (Rupees in '000) ----	
35. DISTRIBUTION AND MARKETING EXPENSES			
Transportation and handling charges		1,961,344	927,008
Advertising and sales promotion		505,399	616,504
Warranty claims		395,570	48,911
Royalty on trading spare parts		80,955	47,368
		2,943,268	1,639,791
36. ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits	36.1	1,227,319	818,638
Outsourced job contractor charges		170,885	135,695
Travelling		39,273	45,864
Training		10,107	7,726
Hired security guards services		53,780	42,373
Depreciation - Right of use of asset	7.1	46,090	55,283
Expenses relating to short-term leases		63,557	83,569
Utilities		62,576	31,267
Vehicle running expenses		74,028	60,582
Insurance		17,401	15,931
Repairs and maintenance		79,497	56,639
Depreciation	5.2	168,524	183,721
Amortization	6.3	25,351	27,242
Auditors' remuneration	36.2	5,191	4,239
Legal and professional charges		24,636	15,522
Conveyance and transportation		126,200	69,748
Entertainment		189	123
Printing and stationery		61,964	43,187
Communication		27,722	19,250
Directors' fees		5,000	4,160
Trade debts written-off		192	-
Computer software license fee and ERP maintenance charges		171,166	41,625
Corporate Social Responsibility (Donations)	36.3	11,182	12,559
Others		8,971	15,882
		2,480,801	1,790,825

36.1 This includes Rs. 28.3 million (2020: Rs. 23.6 million) and Rs. 37.47 million (2020: Rs. 33.2 million) in respect of provident fund and gratuity fund respectively.

		2021	2020
		---- (Rupees in '000) ----	
36.2 Auditors' remuneration			
Audit fee		1,687	1,687
Half-yearly review		606	606
Fee for corporate governance certificate		110	110
Fee for special certifications		1,566	1,250
Out of pocket expenses		838	272
Sindh sales tax		384	314
		5,191	4,239

Notes to the Financial Statements

For the year ended 31 December 2021

36.3 Contribution on account of Corporate Social Responsibility to the following organizations exceed Rs. 500,000 or 10% of the total donation amount, whichever is higher:

	2021	2020
	---- (Rupees in '000) ----	
Civil Hospital	-	6,162
The Indus Hospital	3,621	1,500
Koochi Goth Women Hospital	-	1,152
SAIBAN	-	1,134
Government Boys Primary Sindhi School Pipri	2,450	-
	<u>6,071</u>	<u>9,948</u>

36.3.1 None of the donations were made to any donee in which a director or his/her spouse had any interest at any time during the year.

37. OTHER EXPENSES

	2021	2020
	---- (Rupees in '000) ----	
Workers' Profit Participation Fund	18.2	-
Workers' Welfare Fund	26.6	15,000
	<u>199,764</u>	<u>15,000</u>
	<u>79,906</u>	<u>15,000</u>
	<u>279,670</u>	<u>15,000</u>

38. OTHER INCOME

	2021	2020
Income from financial assets		
Profit on bank accounts	38.1	298,162
Income from unwinding of installment sales receivable	170,573	130,455
Income from unwinding of loan to employees	131,199	59,313
Government grant recognised during the year	25	-
Commission income	38.2	3,000
Finance income on installment sales	3,385	4,780
	<u>1,970,217</u>	<u>495,710</u>
Income from non-financial assets		
(Loss) / gain on disposal of fixed assets - net	5.3	16,708
Scrap sales	41,452	39,536
Miscellaneous income	212,983	152,440
	<u>252,448</u>	<u>208,684</u>
	<u>2,222,665</u>	<u>704,394</u>

38.1 The Company has not earned any profit from Shariah compliant bank deposits / bank balances during the year ended 31 December 2021.

38.2 This represent commission income on corporate guarantee provided to Meezan Bank Limited on behalf of Tecno Auto Glass Limited, associated company, amounting to Rs. 1,000 million (2020: Rs. 600 million) in relation to borrowing facilities granted to the associated company.

Notes to the Financial Statements

For the year ended 31 December 2021

	2021	2020
	---- (Rupees in '000) ----	
39. FINANCE COSTS		
Mark-up on lease liability	14,543	14,332
Mark-up on loans and borrowing	39.1	2,037,671
Mark to Mark Revaluation loss on parental loan	-	534,457
Markup on late delivery	273,215	-
Exchange loss - net	264,895	42,951
Bank charges	60,173	35,323
	<u>737,041</u>	<u>2,664,734</u>
39.1 The Company has not paid any markup on Islamic mode of financing during the year ended 31 December 2021.		
	2021	2020
	---- (Rupees in '000) ----	
40. TAXATION		
Current	2,095,172	1,206,687
Deferred	(979,241)	(1,716,626)
	<u>1,115,931</u>	<u>(509,939)</u>
40.1 Reconciliation between tax expense and accounting profit		
Accounting profit / (loss) for the year before taxation	3,795,407	(1,888,054)
Corporate tax rate	29%	29%
Tax on accounting profit/(loss) at applicable rate	1,100,668	(547,536)
Tax effect of:		
- Income assessed under Final Tax Regime	4,775	26,147
- Tax effect of permanent differences	25,142	16,658
- Others	(14,653)	(5,208)
	<u>1,115,931</u>	<u>(509,939)</u>



Notes to the Financial Statements

For the year ended 31 December 2021

40.2 The Company computes tax expense based on the generally accepted interpretation of the tax laws to ensure that the sufficient provision for the purpose of taxation is available. Current year charge is calculated at the rate of 1.25% of turnover as stipulated under section 113 of the Income Tax Ordinance (ITO),2001. Income tax returns of the Company have been submitted up to tax year 2021 on self-assessment basis under section 120 of the Income Tax Ordinance 2001 (the Ordinance).

40.3 Description of Income tax proceedings

Name of the court, agency or authority	Description of the factual basis of the proceedings and relief sought	Principal parties	Date instituted
Federal Board of Revenue	The income tax return of the tax year 2016 was selected for audit under section 177 by the tax department. Notices were issued by tax authorities for filing of required information and documents. The same has been filed and proceedings are in progress.	Commissioner Inland Revenue and the Company	16-Apr-21
Federal Board of Revenue	The income tax return of the tax year 2019 was selected for audit under section 177 by the tax department. The Company has submitted partial details and proceedings are in progress.	Commissioner Inland Revenue the Company	Various dates
Appellate Tribunal Inland Revenue (ATIR)	The income tax year 2017 was selected for audit and amended order was passed whereby demand of Rs 260.7 million was raised by the department. The Company had challenged the above amended Order in appeal before the Commissioner Inland Revenue (Appeals-II), Karachi. CIRA via order dated 12 November 2020 had allowed partial relief to the Company. The company has filed appeal before the Appellate Tribunal against the CIRA which is pending for hearing. Further, the Commissioner (Tax Department) has also filed cross appeal before ATIR challenging relief allowed to the Company which is also pending for hearing.	Commissioner Inland Revenue Appeals and the Company	29-Apr-20



Notes to the Financial Statements

For the year ended 31 December 2021

Name of the court, agency or authority	Description of the factual basis of the proceedings and relief sought	Principal parties	Date instituted
Appellate Tribunal Inland Revenue (ATIR)	The Company has received order in respect of tax year 2013 under section 122(5A) amending the deemed assessment order under S.120 of the Income Tax Ordinance, 2001. The Company had filed appeal before Commissioner (Appeals) where by substantial relief was granted to the Company except for 10% Tax Credit under section 65B of Rs.5.7 million on addition to Plant and Machinery. The Company has filed appeal before Appellate Tribunal which is pending for hearing.	Commissioner Inland Revenue Appeals and the Company	30-Jun-19
Appellate Tribunal Inland Revenue (ATIR)	For the tax year 2015 monitoring proceedings were initiated by tax department on 3 January 2019, an Order was passed whereby aggregate demand of Rs. 304.9 million was raised. The above Order was challenged before the Commissioner Inland Revenue (Appeals) who allowed partial relief to the Company vide Appeal Order dated 5 April 2019. The Company has preferred appeal before Appellate Tribunal Inland Revenue (ATIR) challenging appeal order. The Commissioner has also filed cross appeal before ATIR challenging relief allowed to the Company. Both cross appeals are presently pending for hearing before ATIR.	Commissioner Inland Revenue Appeals and the Company	3-Jan-19
Federal Board of Revenue	The income tax year 2018 was selected for audit under Section 214C. The Company has submitted partial details, and the proceedings are in progress.	Commissioner Inland Revenue the Company	Various dates

Notes to the Financial Statements

For the year ended 31 December 2021

40.3.1 The Finance Act, 2017 has introduced tax on every public company at the rate of 7.5% of its profit before tax from the accounting year 2016. However, this tax shall not apply in case of a public company which distribute atleast 40% of its after tax profit within six month of the end of the tax year through cash or bonus shares. The Company along with other parties filed petition and had obtained an interim stay order from the Honorable Sindh High Court against the said provision of the law. However, as a matter of prudence, the Company recognized tax provision at the rate of 7.5% on the profit before tax of accounting year 2016 (tax year 2017) amounting to Rs. 331 million and paid sufficient dividends for accounting years 2017 and 2018 to comply with the aforementioned requirement of law.

Subsequently, in July 2018, the threshold was reduced from 40% to 20% of Profit after tax and the tax rate was reduced from 7.5% to 5% and in March 2019, such tax was restricted on undistributed profits up to tax year 2019. On 30 April 2021, Sindh High Court made judgment in favour of the petitioners including the Company. On 07 July 2021, Appeal was filed by the Government in Supreme Court of Pakistan to challenge the order passed by the High Court for re-insertion of section 5A in Income Tax Ordinance, 2001.

40.4 As at 31 December 2021, sales tax and excise duty adjustable includes an amount of Rs. 3.48 billion representing unadjusted sales tax on account of unclaimed input tax on purchases carried forwarded by the Company including an amount of Rs. 2.69 billion representing unclaimed input tax paid on import of materials by the Company.

41. PROFIT / (LOSS) PER SHARE - basic and diluted	2021	2020
		Restated
	---- (Rupees in '000) ----	
41.1 Basic		
Profit / (loss) for the year	<u>2,679,476</u>	<u>(1,378,115)</u>
	(Number of shares)	
Weighted average number of ordinary shares in issue during the year	<u>82,299,851</u>	<u>82,299,851</u>
	(Rupees)	
Basic earning / (loss) per share	<u>32.56</u>	<u>(16.75)</u>

41.2 A diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at reporting date which would have any effect on the earnings per share if the option to convert is exercised.

Notes to the Financial Statements

For the year ended 31 December 2021

42. CASH GENERATED FROM OPERATIONS	2021	2020
	---- (Rupees in '000) ----	
Profit / (loss) before taxation	3,795,407	(1,888,054)
Adjustments for non cash charges and other items:		
Depreciation	3,264,571	3,403,662
Amortization of intangible assets	140,346	158,155
Depreciation - right of use assets	46,502	55,283
(Loss) / gain on disposal of fixed assets	1,987	(16,708)
Share of loss of equity accounted investees	87,668	47,765
Profit on bank accounts	(1,622,944)	(298,162)
Mark-up on lease liability	14,543	14,332
Markup on late delivery	273,215	
Gain on Termination of Lease	-	(14,070)
Provision for retirement benefit obligations	112,253	104,944
Mark-up on loans and borrowing	85,599	2,037,671
	2,403,740	5,492,872
Working capital changes	17,699,805	33,784,609
	23,898,952	37,389,427

42.1 Working capital changes

(Increase) / decrease in current assets:

Stores, spares and loose tools	(112,094)	8,596
Stock in trade	(8,251,222)	19,164,362
Trade debts	306,472	186,899
Current portion of long-term installment sales receivables	(782,873)	(446,022)
Loans and advances	(44,269)	(64,448)
Trade deposits and short-term prepayments	(1,142,835)	(1,263,237)
Other receivables	(320,872)	(267,990)
Sales tax and excise duty adjustable	(4,337,734)	5,463,653
	(14,685,427)	22,781,813

Increase / (decrease) in current liabilities:

Trade and other payables	6,373,491	1,473,226
Provision for custom duties and sales tax	504,669	1,283,948
Security deposits	28,941	(134,772)
Advance from customers	25,478,131	8,380,427
	32,385,232	11,002,829
	17,699,805	33,784,642

43. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes the following:

Cash and bank balances	19	23,271,041	17,818,607
Short-term running finance from banks		-	-
		23,271,041	17,818,607

Notes to the Financial Statements

For the year ended 31 December 2021

44. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company include the Holding Company and related group companies, local associated company, staff retirement funds, directors and key management personnel. Transactions with related parties are entered into at commercial terms, as per the terms of employment and actuarial advice, as the case may be.

Amount due from and to related parties and remuneration of directors and executives are disclosed in the relevant notes to the financial statements. Details of transactions and balances with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	Holding Company	Other related parties	Total
Note	----- (Rupees in '000) -----		
For the year ended 31 December 2021			
Purchases of components	39,488,342	32,418,580	71,906,922
Purchases of operating fixed assets	43,141	2,637	45,778
Export sales	63,069	39,092	102,161
Markup on parental loan	45,747	-	45,747
Sales Promotional & Development Expenses	14,644	-	14,644
Royalties and technical fee	3,121,153	-	3,121,153
Travelling expenses of supervisors	238,156	-	238,156
Staff retirement benefits	-	188,147	188,147
Commission income from TAG	-	3,500	3,500
Remuneration to key management personnel	-	71,560	71,560
	44.4		
For the year ended 31 December 2020			
Purchases of components	13,418,534	7,368,908	20,787,442
Purchases of operating fixed assets	45,886	-	45,886
Export sales	3,987	26,522	30,509
Royalties and technical fee	1,464,268	-	1,464,268
Purchase of intangible assets	-	-	-
Travelling expenses of supervisors	125	-	125
Staff retirement benefits	-	162,421	162,421
Commission income from TAG	-	3,000	3,000
Remuneration to key management personnel	-	82,443	82,443
Markup on Parental loan	78,984	-	78,984
Income on development of SAP	19,705	-	19,705
	44.4		

44.1 Outstanding balances with related parties as at year end have been included in other receivables and trade and other payables respectively. These are settled in ordinary course of business.

Notes to the Financial Statements

For the year ended 31 December 2021

44.2 Name of the related party	Basis of association	Aggregate % of Shareholding
Suzuki Motor Corporation	Holding Company	73.09%
PT. Suzuki Indomobil Motor	Group Company	-
Thai Suzuki Motor Co. Limited	Group Company	-
Jiangmen Dachangjiang Group Co. Limited	Group Company	-
Changzhou Haojue Suzuki Motorcycle Co. Limited	Group Company	-
Magyar Suzuki Corporation Limited	Group Company	-
Suzuki Motor (Thailand) Co. Limited	Group Company	-
Jinan Qingqi Motorcycle Co. Limited	Group Company	-
Suzuki Deutschland	Group Company	-
Vietnam Suzuki Corporation	Group Company	-
Tecno Auto Glass Limited	Associate Company	40%

44.3 Following are the details of related parties incorporated outside Pakistan, with whom the country had entered into transactions or had agreements or arrangements in place during the year.

Name of the related party	Country of Incorporation	Aggregate % of Shareholding
Suzuki Motor Corporation	Japan	73.09%
PT. Suzuki Indomobil Motor	Indonesia	-
Thai Suzuki Motor Co. Limited	Thailand	-
Jiangmen Dachangjiang Group Co. Limited	China	-
Magyar Suzuki Corporation Limited	Hungary	-
Suzuki Motor (Thailand) Co. Limited	Thailand	-
Jinan Qingqi Motorcycle Co. Limited	China	-
Suzuki Deutschland	Germany	-
Vietnam Suzuki Corporation	Vietnam	-

44.4 All investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act 2017 and the conditions specified thereunder.

45. PLANT CAPACITY AND ACTUAL PRODUCTION

	2021 (Number of vehicles)	2020
Plant capacity - Motorcar (double shifts basis)	150,000	150,000
Plant capacity - Motorcycle (double shifts basis)	44,000	44,000
Actual production - Motorcar	121,897	49,528
Actual production - Motorcycle	32,143	16,530

Notes to the Financial Statements

For the year ended 31 December 2021

45.1 Under utilization of capacity was due to supply chain constraints.

46. REMUNERATION OF EXECUTIVES, DIRECTORS AND CHIEF EXECUTIVE

The aggregate amounts charged in these financial statements in respect of remuneration including all benefits to chief executive, directors and executives of the Company are as follows:

	2021				2020			
	Chief Executive	Non-Executive Directors	Executive Directors	Executives	Chief Executive	Non-Executive Directors	Executive Directors	Executives
	----- (Rupees in '000) -----							
Directors fees	-	5,000	-	-	-	4,160	-	-
Managerial remuneration	18,858	-	11,454	413,443	18,834	-	11,320	295,224
Bonus	-	-	-	102,191	-	-	-	14,060
Retirement benefits	-	-	-	31,232	-	-	-	21,978
Reimbursable expense	-	-	-	-	-	-	-	-
	<u>18,858</u>	<u>5,000</u>	<u>11,454</u>	<u>546,866</u>	<u>18,834</u>	<u>4,160</u>	<u>11,320</u>	<u>331,262</u>
Number of persons	1	5	1	85	1	5	1	65

46.1 The directors, chief executive and certain executives of the Company are provided with free use of Company maintained cars and accommodations.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risk such as market risk, credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company's Board of Directors oversees the management of these risk which are summarized below:

47.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk, currency risk and equity price risk.

47.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As of the balance sheet date, the Company had following interest bearing financial instruments:

	2021	2020
	---- (Rupees in '000) ----	
Fixed rate financial instruments		
Installment sales receivables	2,805,076	1,731,548
Bank balances in deposit accounts	22,365,105	17,535,417
	<u>25,170,181</u>	<u>19,266,965</u>

Notes to the Financial Statements

For the year ended 31 December 2021

Variable rate financial instruments

The Company holds no variable rate financial instruments (2020: Rs. 12,621 million) exposing the Company to cash flow interest rate risk. A change of 100 basis points as at 31 December 2021 would have increased / (decreased) profit after tax and equity for the year by Rs. nil million (2020: Rs.125.59 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect statement of profit or loss account.

47.1.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. It arises where receivables and payables exist due to transactions in foreign currency. Open exposures are vigorously monitored. The Company is exposed to such risk in respect of the following:

	2021 Amount in Rs'000.	2020 Amount in Rs'000.	2021 Amount in FCY'000	2020 Amount in FCY'000
JPY - Japanese Yen				
Trade creditors - foreign	349,396	2,532,648	226,000	1,623,492
Royalty and technical fees payable to the Holding Company	3,469,169	386,697	2,243,964	247,883
Due from related parties	(535,860)	(234,845)	(346,611)	(150,542)
Net exposure - in '000	<u>3,282,705</u>	<u>2,684,500</u>	<u>2,123,354</u>	<u>1,720,833</u>
USD - US Dollar				
Trade creditors - foreign	3,438,594	718,775	19,455	4,497
Due from related parties	(13,496)	(694)	(76)	(4)
Net exposure - in '000	<u>3,425,098</u>	<u>718,081</u>	<u>19,379</u>	<u>4,493</u>
RMB - Chinese Ren-Min-Bi				
Trade creditors - foreign	<u>6,169</u>	-	<u>220</u>	-
EUR - Euros				
Trade creditors - foreign	-	197	-	1
SGD - Singapore Dollar				
Trade creditors - foreign	<u>8,822</u>	-	<u>67</u>	-

Notes to the Financial Statements

For the year ended 31 December 2021

Significant exchange rates applied during the year were as follows:

	Spot rate as at 31 December	
	2021	2020
PKR / US Dollar	176.75	159.83
PKR / Euro	201.74	196.64
PKR / SGD	131.67	120.99
PKR / Yen	1.55	1.56
PKR / RMB	28.04	24.52

At December 31, 2021 if Pak Rupee had depreciated / appreciated by 1% against JPY, US Dollar, RMB, EUR, SGD and GBP with all other variables held constant, Company's profit before tax would have been Rs. 19.69 million (2020: Rs. 34.02 million) higher / lower as a result of exchange loss / gain on translation of foreign currency denominated financial instruments.

Other price risk

Other price risk is 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). The Company is not exposed to other price risk.

47.1.3 Reconciliation of movements of liabilities to cash flows arising from financing activities

	Lease Liabilities	Loan from holding company	Total
	----- Rupees in '000 -----		
Balance as at 1 January 2021	135,929	12,621,368	12,757,297
<i>Changes from financing cash flows</i>			
Payment of lease liabilities	(55,570)	-	(55,570)
Payment during the period	-	(11,918,400)	(11,918,400)
Total changes from financing activities	80,359	702,968	783,327
<i>Other changes</i>			
Interest expense	14,543	45,747	60,290
Interest paid	(14,543)	(124,715)	(139,258)
Changes in lease liabilities	49,228	-	49,228
Exchange Gain on loan	-	(624,000)	(624,000)
Total changes	49,228	(702,968)	(653,740)
Balance as at 31 December 2021	129,587	-	129,587

Notes to the Financial Statements

For the year ended 31 December 2021

47.2 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy, allowing advances to vendors / suppliers who have long standing with Company and placing deposits with banks with good rating. The maximum exposure to credit risk at the reporting date is:

	2021	2020
	---- (Rupees in '000) ----	
Trade debts	197,287	503,759
Installment sales receivable	2,805,076	1,731,548
Loans and advances	13,232	10,295
Trade deposits	2,266,546	1,454,644
Other receivables	1,591,733	1,155,493
Bank balances	23,225,106	17,810,984
	30,098,980	22,666,723

Trade debts and installment sales receivables

The Company reviews the recoverable amount of each trade debt and installment sales receivable on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. Further, an impairment analysis is also performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the receivables are categorized into portfolios comprising of homogeneous receivables. Each portfolio is then assessed for impairment using the Expected Credit Loss (ECL) model as per the provisions of IFRS 9. The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities.

Receivables from group companies and secured receivables are excluded for the purposes of this analysis since no credit risk is perceived on them. The loss rates are based on actual credit loss experience over past years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Company's view of economic conditions over the expected lives of the receivables. In determining the recoverability of trade receivables and Instalment sales receivable the Company considers the credit quality of the receivables from the date credit was initially granted up to the end of the reporting period. Allowance for doubtful debts are recognised against trade receivables at an amount equal to life time credit losses using a provision matrix.

Notes to the Financial Statements

For the year ended 31 December 2021

Credit ratings

Balances with banks are only held with reputable banks having sound credit ratings. The credit quality of Company's bank balances can be assessed with reference of external credit ratings as follows:

Banks	2021				
	Rating Agency	Long term rating	Short term rating	(Rupees in '000)	(%)
Bank Al Habib Limited	PACRA	AA+	A1+	5,148,027	22.17%
Habib Bank Limited	VIS	AAA	A1+	12,933,276	55.69%
MCB Bank Limited	PACRA	AAA	A1+	126,549	0.54%
Standard Chartered Bank (Pakistan) Limited	PACRA	AAA	A1+	6,723	0.03%
Habib Metropolitan Bank Limited	PACRA	AA+	A1+	8,495	0.04%
Citi Bank	SBP	AA3	P-1	1,054	0.00%
Bank Alfalah Limited	VIS	AA-	-	5,000,361	21.53%
National Bank of Pakistan	PACRA	AAA	A1+	621	0.00%
				23,225,106	100%

47.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company applies the prudent risk management policies by maintaining sufficient cash and bank balances and by keeping committed credit lines. The table below summarizes the maturity profile of the Company's financial liabilities at the following reporting dates:

	Contractual Cash flows		
	Carrying Amount	Upto one year	More than one year
	----- (Rupees in '000) -----		
31 December 2021			
Trade and other payables	17,868,883	(17,868,883)	-
Payable against purchase of asset	59,001	(56,790)	(2,211)
Long term loan under TERF scheme	1,736,557	-	(1,736,557)
Security deposits	4,057,805	(3,828,605)	(229,200)
Lease liabilities	129,587	(40,565)	(89,022)
Unclaimed dividend	18,837	(18,837)	-
	23,870,670	(21,813,680)	(2,056,990)
31 December 2020			
Trade and other payables	13,368,909	(13,368,909)	-
Payable against purchase of asset	260,448	(223,243)	(37,205)
Short term finance	12,621,368	(12,621,368)	-
Security deposits	4,028,864	(3,807,074)	(221,790)
Lease liabilities	135,929	(38,444)	(97,485)
Unclaimed dividend	18,944	(18,944)	-
	30,434,462	(30,077,982)	(356,480)

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For the year ended 31 December 2021

47.4 Fair value of financial instruments

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	2021			Fair value		
	Carrying amount		Other	Level 1	Level 2	Level 3
	Amortised Cost	Fair value through OCI	Fair value- liabilities	financial liabilities		
	----- (Rupees in '000) -----					
Financial assets not measured at fair value						
Trade debts	197,287	-	-	-	-	-
Installment sales receivable	2,805,076	-	-	-	-	-
Loans and advances	13,232	-	-	-	-	-
Trade deposits	2,266,546	-	-	-	-	-
Other receivables	1,447,011	-	-	-	-	-
Cash and bank balances	23,225,106	-	-	-	-	-
	29,954,258	-	-	-	-	-
Financial liabilities not measured at fair value						
Trade and other payables	-	-	-	17,868,883	-	-
Long term loan under TERF scheme	-	-	-	1,736,557	-	-
Security deposits	-	-	-	4,057,805	-	-
Unclaimed dividend	-	-	-	18,837	-	-
Lease liabilities	-	-	-	129,587	-	-
Payable against purchase of asset	-	-	-	59,001	-	-
	-	-	-	23,870,670	-	-

Notes to the Financial Statements

For the year ended 31 December 2021

	2020				Fair value		
	Carrying amount		Other financial liabilities	Level 1	Level 2	Level 3	
Amortised Cost	Fair value through OCI	Fair value-liabilities					
----- (Rupees in '000) -----							
Financial assets not measured at fair value							
Trade debts	503,759	-	-	-	-	-	-
Installment sales receivable	1,731,548	-	-	-	-	-	-
Loans and advances	10,295	-	-	-	-	-	-
Trade deposits	1,454,644	-	-	-	-	-	-
Other receivables	1,155,493	-	-	-	-	-	-
Cash and bank balances	17,818,607	-	-	-	-	-	-
	<u>22,674,346</u>	-	-	-	-	-	-
Financial liabilities not measured at fair value							
Trade and other payables	-	-	12,834,452	-	-	-	-
Forward foreign exchange contract	-	-	534,457	-	534,457	-	-
Short-term finance	-	-	12,621,368	-	-	-	-
Security deposits	-	-	4,028,864	-	-	-	-
Unclaimed dividend	-	-	18,944	-	-	-	-
Lease liabilities	-	-	135,929	-	-	-	-
Payable against purchase of asset	-	-	260,448	-	-	-	-
	-	-	<u>534,457</u>	-	<u>534,457</u>	-	-

The estimated fair value of all financial assets and liabilities is considered not significantly different from carrying values as the items are either short-term in nature or periodically repriced.

48. CAPITAL RISK MANAGEMENT

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximize shareholder value and reduce the cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The Company is currently financing its operations through equity and short-term finance.

49. SEGMENT INFORMATION

The activities of the Company have been grouped into two segments of related products i.e. automobile and motorcycles as follows:

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For the year ended 31 December 2021

- The Automobile segment includes sales of own manufactured vehicles and spare parts and trading vehicles and spare parts.

- The Motorcycles segment includes sales of own manufactured vehicles and spare parts and trading vehicles and spare parts.

49.1 Segment revenue and results

Following is an analysis of the Company's revenue and results by reportable segment:

	2021			2020		
	Auto-mobile	Motor-cycle	Total	Auto-mobile	Motor-cycle	Total
----- (Rupees in '000') -----						
Net sales	<u>154,315,854</u>	<u>5,766,401</u>	<u>160,082,255</u>	73,808,344	2,911,788	76,720,132
Gross profit	7,742,189	428,549	8,170,738	3,383,265	215,953	3,599,218
Distribution and marketing expenses	(2,848,769)	(94,499)	(2,943,268)	(1,586,419)	(53,372)	(1,639,791)
Administration expenses	(2,177,617)	(303,184)	(2,480,801)	(1,559,441)	(231,384)	(1,790,825)
Reversal of impairment losses	(60,879)	(8,669)	(69,548)	500	(34,051)	(33,551)
Other income	1,854,791	367,874	2,222,665	481,165	223,229	704,394
Finance cost	(727,878)	(9,163)	(737,041)	(2,656,716)	(8,018)	(2,664,734)
Segment results	<u>3,781,837</u>	<u>380,908</u>	<u>4,162,745</u>	(1,937,646)	112,357	(1,825,289)
Unallocated corporate expenses						
Other expenses			(279,670)			(15,000)
Share of loss of equity accounted investees			(87,668)			(47,765)
Taxation			(1,115,931)			509,939
			<u>(1,483,269)</u>			447,174
Profit / (loss) after tax			<u>2,679,476</u>			<u>(1,378,115)</u>

49.1.1 Revenue from sale of Automobiles represent 96.40% (2020: 96.20%) of the gross sales of the Company.

49.1.2 99.98% (2020: 99.96%) of the gross sales of the Company are made to customers located in Pakistan.

49.1.3 All non-current assets of the Company as at 31 December 2021 are located in Pakistan.

49.1.4 The Company's customer base is diverse with no single customer accounting for more than 10% of sales.



Notes to the Financial Statements

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49.2 Segment assets and liabilities

	2021			2020		
	Auto-mobile	Motor-cycle	Total	Auto-mobile	Motor-cycle	Total
----- (Rupees in '000') -----						
Assets						
Segment assets	65,437,898	4,554,534	69,992,432	49,482,908	3,200,822	52,683,730
Unallocated corporate assets	-	-	21,997,538	-	-	13,963,626
			<u>91,989,970</u>			<u>66,647,356</u>
Liabilities						
Segment liabilities	62,147,582	280,471	62,428,053	29,468,656	128,962	29,597,618
Unallocated corporate liabilities	-	-	2,735,720	-	-	12,757,297
			<u>65,163,773</u>			<u>42,354,915</u>

49.3 Other segment information

Capital expenditure	720,945	58,056	779,001	876,417	19,366	895,783
Depreciation	3,158,979	105,592	3,264,571	3,289,145	114,517	3,403,662

50. CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary for better presentation and to comply with the requirements of Companies Act, 2017, the effect of which is immaterial.

51. NON-ADJUSTING EVENT AFTER REPORTING DATE

The Board of Directors in their meeting held on March 22, 2022 has recommended a final cash dividend on ordinary shares at the rate of 6.5 (65%) (2020: Nil). The Board of Directors have further approved the transfer of Rs. 2,065 million (2020: Rs. 2,920 million) from unappropriated profit to general reserves. The approval of the members for the said appropriations will be obtained at the Annual General Meeting of the Company to be held on April 26, 2022.

52. Impact of COVID 19 on the Financial Statements

The COVID-19 pandemic has spread rapidly all across the world and has not only endangered human lives but has also adversely impacted the global economy. In March 2020, the Government of Pakistan announced a temporary lock down as a measure to reduce the spread of the COVID-19. The management has taken all necessary steps to ensure smooth and adequate continuation of its business by following standard operating procedures (SOPs).



Notes to the Financial Statements

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In view of the financial and operational effects of COVID-19 on the Company's business and disclosures, the management has assessed the accounting implications of these developments on the financial statements, including but not limited to going concern assumption used for the preparation of the financial statements.

According to management's assessment, there are no material implications of COVID-19 that require specific disclosure in the financial statements.

53. NUMBER OF EMPLOYEES

The detail of number of employees are as follows:

	2021	2020
Total employees of the Company at year end	<u>2,178</u>	<u>2,102</u>
Average employees of the Company during the year	<u>2,140</u>	<u>2,033</u>

54. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorized for issue by the Board of Directors of the Company in its meeting held on March 22, 2022.

Chairman

Chief Financial Officer

Chief Executive Officer



Pattern of Shareholding

As at 31 December 2021

No. of Shareholders	Shareholdings' Slab		Total Shares Held
3660	1	to 100	87,881
1247	101	to 500	380,140
517	501	to 1000	415,079
568	1001	to 5000	1,294,934
91	5001	to 10000	721,956
23	10001	to 15000	278,350
18	15001	to 20000	323,925
12	20001	to 25000	277,414
5	25001	to 30000	133,900
8	30001	to 35000	263,593
4	35001	to 40000	152,639
4	40001	to 45000	167,419
9	45001	to 50000	440,350
3	50001	to 55000	157,650
2	55001	to 60000	111,400
1	60001	to 65000	64,000
1	65001	to 70000	67,630
3	75001	to 80000	234,000
1	80001	to 85000	82,500
4	90001	to 95000	368,350
1	95001	to 100000	100,000
1	105001	to 110000	109,500
1	110001	to 115000	113,000
2	120001	to 125000	249,900
3	125001	to 130000	383,100
1	140001	to 145000	143,000
2	145001	to 150000	295,700
1	150001	to 155000	150,800
1	155001	to 160000	158,600
1	160001	to 165000	162,700
1	180001	to 185000	183,662
2	195001	to 200000	400,000



Pattern of Shareholding

As at 31 December 2021

No. of Shareholders	Shareholdings' Slab		Total Shares Held
2	240001	to 245000	485,200
1	260001	to 265000	262,800
1	285001	to 290000	285,700
2	300001	to 305000	603,201
1	305001	to 310000	310,000
1	335001	to 340000	335,200
1	340001	to 345000	343,500
1	430001	to 435000	432,100
1	450001	to 455000	454,200
1	495001	to 500000	498,800
1	535001	to 540000	536,423
1	595001	to 600000	600,000
1	650001	to 655000	653,940
1	655001	to 660000	658,100
1	805001	to 810000	805,250
1	895001	to 900000	895,900
2	900001	to 905000	1,803,560
1	1090001	to 1095000	1,090,600
1	1160001	to 1165000	1,160,574
1	2360001	to 2365000	2,360,500
1	59250001	to 59255000	59,251,231
6222			82,299,851



Pattern of Shareholding

As at 31 December 2021

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
MR. MASAFUMI HARANO	1	119	0.00
MOIN M FUDDA	1	500	0.00
Associated Companies, undertakings and related parties			
M/S. SUZUKI MOTOR CORPORATION	1	60,154,091	73.09
NIT & ICP			
ICP	1	209	0.00
Banks, development finance institutions, non-banking finance companies	13	3,790,794	4.61
Insurance Companies	16	1,971,320	2.40
Modarabas and Mutual Funds	23	2,984,481	3.63
General Public			
a. Local	5956	6,475,754	7.87
b. Foreign	74	71,021	0.09
Foreign Companies	16	3,168,443	3.85
Others	118	3,683,119	4.48
Totals	6222	82,299,851	100.00

Share holders holding 5% or more	Shares Held	Percentage
M/S. SUZUKI MOTOR CORPORATION	60,154,091	73.09



Dealer Network

Azad Kashmir	5	Bhalwal	1
Dadyal	1	Burewala	1
Kotli	1	Chichawatni	1
Mirpur	1	Chiniot	1
Muzaffarabad	1	Chishtian	1
Tattapani	1	Chunian	1
		D.G Khan	1
Balochistan	5	D.G.Khan	1
Gwadar	1	Daska	1
Hub	1	Dipalpur	1
Kuchlak	1	Doultala	1
Quetta	2	Faisalabad	5
		Fatehjang	1
Khyber Pakhtun Khwa	17	Gujar khan	1
Abbottabad	1	Gujranwala	2
Battagram	1	Gujrat	1
Charsadda	2	Hafizabad	1
D.I.Khan	1	Islamabad	8
Dir	1	Jaranwala	1
Haripur	1	Jhang	1
Haveliyan	1	Jhelum	1
Kohat	1	Kallar Syedan	1
Mardan	1	Kamonki	1
Nowshera	1	Kasur	1
Peshawar	3	Khanewal	1
Shabqadar	1	Khanpur	1
Swabi	1	Kharian	1
Swat	1	Khushab	1
		Kot Addu	1
Punjab	107	Lahore	21
Ahmedpur east	1	Layyah	1
Alipur	1	Lodhran	1
Attock	1	Mandi Bahauddin	1
Bahawalnagar	1	Mianchannu	1
Bahawalpur	1	Mianwali	1
Bara Kahu	2	Multan	7
Bhakkar	1	Muzaffargarh	1

Dealer Network

Okara	1
Pakpattan	1
Pir Mahal	1
Rahimyar Khan	2
Rajanpur	1
Rawalpindi	6
Sadiqabad	1
Sahiwal	1
Sarghodha	1
Sheikhupura	1
Shorkot	1
Sialkot	1
Talagang	1
Taxila	1
Toba Tek Singh	1
Vehari	1
Wazirabad	1
Zahirpir	1

Sindh 34

Badin	1
Dadu	1
Ghotki	1
Hyderabad	3
Jacobabad	1
Jamshoro	1
Karachi	16
Kashmore	1
Larkana	1
Makli	1
Mirpurkhas	1
Moro	1
Nawabshah	1
Sanghar	1
Sukkur	2
Tando Allahyar	1

Grand Total 168

GW-250JP موٹر بائیکس کی بطور عطیہ حوالگی:

کیونٹی کی پرزور خدمت کے لیے، جذبہ خیر سگالی کے طور پر پاک سوزوکی موٹر کمپنی نے مندرجہ ذیل محکمات کو GW-250JP بائیکس بطور عطیہ فراہم کیں:

- کراچی پولیس، سندھ،

- سیٹل سٹی پولیس، پشاور،

- ٹریفک پولیس، پنجاب۔

بجلم بورڈ
کنجی سائیو
چیف ایگزیکٹو
ماسافومی ہارانو
چیف ایگزیکٹو

کراچی:

22 مارچ 2022



اقدامات پر تبادلہ خیال کرنے کے لیے بزنس رسک مینجمنٹ میٹنگز باقاعدگی سے منعقد کی جاتی ہیں۔

ڈائریکٹرز کا جائزہ:

خود تشخیصی بنیاد پر بورڈ کی کارکردگی کا جائزہ لینے کے لئے ایک موثر طریقہ کار واضح کیا گیا ہے۔ بورڈ آف ڈائریکٹرز موثر گورننس کو یقینی بنانے کے لئے قابل قدر رہنمائی فراہم کرتے رہے ہیں۔

نان ایگزیکٹو اور آزاد ڈائریکٹرز کے لئے معاوضہ:

کمپنی کے آرٹیکل آف ایسوسی ایشن کے ذریعے، بورڈ آف ڈائریکٹرز کو وقتاً فوقتاً بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لئے آزاد اور نان ایگزیکٹو ڈائریکٹرز کا معاوضہ مقرر کرنے کا اختیار حاصل ہے۔

آڈیٹرز کی تقرری:

موجودہ آڈیٹرز M/s. KPMG Taseer Hadi & Co. چارٹرڈ اکاؤنٹنٹس سکدوش ہو گئے ہیں اور انہوں نے دوبارہ تقرری کے لئے اپنی خدمات کی پیشکش کی ہے۔ آڈٹ کمیٹی نے 31 دسمبر 2022 کو ختم ہونے والے سال کے لئے آڈیٹرز کی دوبارہ تعیناتی کے لئے سفارش کی ہے۔ ڈائریکٹران آڈٹ کمیٹی کی سفارش کی توثیق کرتے ہیں۔

متعلقہ پارٹی سے متعلق ٹرانزیکشنز:

متعلقہ فریقین کے ساتھ تمام ٹرانزیکشنز کو حسب دسترس اور کاروباری معمول کے مطابق انجام دیا گیا ہے۔ جن کا انکشاف متعلقہ نوٹس کے تحت مالیاتی گوشواروں میں بیان کیا گیا ہے۔

مزید برآں، کمپنی نے 31 دسمبر 2021 کو ختم ہونے والے مالیاتی سال کے لیے متعلقہ فریقوں کے ساتھ لین دین کی منظوری دینے کے لیے کمپنی کے بورڈ آف ڈائریکٹرز کو اختیار دینے والے شیئر ہولڈرز سے منظوری حاصل کی تھی، جسے پھر اگلے سالانہ اجلاس عام میں ان کی توثیق / منظوری کے لیے شیئر ہولڈرز کے روبرو رکھا جائے گا۔ کمپنی نے 31 دسمبر 2021 کو ختم ہونے والے سال کے دوران کی گئی متعلقہ پارٹی ٹرانزیکشنز کو شیئر ہولڈرز کی منظوری کے لیے AGM میں رکھے گی۔

متعلقہ پارٹی ٹرانزیکشنز کو آڈٹ کمیٹی نے باضابطہ طور پر منظور کیا تھا اور کمپنیز ایکٹ 2017 کی دفعہ 208 کے مطابق بورڈ آف ڈائریکٹرز نے ان کی منظوری دی تھی۔

بورڈ، آڈٹ کمیٹی، افرادی قوت اور مشاہرہ کمیٹی میں ردوبدل:

بورڈ کے انتخابات 29 جنوری 2021 کو منعقد ہوئے اور مندرجہ ذیل افراد کو 7 فروری 2021 سے تین (3) سال کی مدت کے لیے کمپنی کے ڈائریکٹرز کے طور پر منتخب کیا گیا:

- 1- جناب کنجی سائیٹو
- 2- جناب ماسافومی ہارانو
- 3- جناب تاداشی ہوما
- 4- جناب ہیشاشی تاکوچی
- 5- جناب شیکو تاکیراوا
- 6- جناب معین ایم فدا
- 7- محترمہ رخسانہ شاہ

جناب کنجی سائیٹو اور جناب ماسافومی ہارانو کو بالترتیب بورڈ کے چیئرمین اور چیف ایگزیکٹو آفیسر کے طور پر دوبارہ منتخب کیا گیا ہے۔ نتیجتاً، آڈٹ کمیٹیاں اور ہیومن ریسورس اینڈ ریمونریشن کمیٹی (HR&R) کو از سر نو تشکیل دیا گیا ہے اور بورڈ نے مندرجہ ذیل ڈائریکٹرز کو آڈٹ کمیٹیوں اور HR&R کے ممبران کے طور پر نامزد کیا ہے۔

آڈٹ کمیٹی:

- 1- جناب معین ایم فدا
- 2- جناب کنجی سائیٹو؛ اور
- 3- جناب شیکو تاکیراوا

مورخہ 12 جولائی 2021 کو، جناب تاکاہیکو ہاشیموتو اور جناب تاکایوکی سوگیاما، جناب ہیشاشی تاکوچی اور جناب شیکو تاکیراوا کی جگہ ممبر کے طور پر بورڈ میں مقرر کیا گیا جنہوں نے رکن کے عہدے سے استعفیٰ دے دیا تھا۔ مسٹر تاکاہیکو ہاشیموتو کو بھی آڈٹ کمیٹی کا رکن مقرر کیا گیا۔

مورخہ 31 دسمبر 2021 تک بورڈ مندرجہ ذیل ڈائریکٹرز پر مشتمل تھا:-

- 1- جناب کنجی سائیٹو
- 2- جناب ماسافومی ہارانو
- 3- جناب تاداشی ہوما
- 4- جناب تاکاہیکو ہاشیموتو
- 5- جناب تاکایوکی سوگیاما
- 6- جناب معین ایم فدا
- 7- محترمہ رخسانہ شاہ



ڈائریکٹرز کی کل تعداد:

- (الف) مرد ڈائریکٹرز 06
 - (ب) خواتین ڈائریکٹرز 01
- تشکیل:
- i. آزاد ڈائریکٹرز 02
 - ii. نان ایگزیکٹو ڈائریکٹرز 03
 - iii. ایگزیکٹو ڈائریکٹرز 02

بعد ازاں سال کے اختتام پر، مورخہ 15 فروری 2022 کو، جناب موتوہیرو اتسومی اور جناب کینسا کو امیزومی کو بورڈ میں جناب تاکاہیکو ہاشیموتو اور جناب تاکایوکی سوگیاما کی جگہ ممبر کے طور پر مقرر کیا گیا جنہوں نے بطور رکن اپنے عہدے سے استعفیٰ دے دیا تھا۔ جناب موتوہیرو اتسومی کو بھی آڈٹ کمیٹی کا رکن مقرر کیا گیا۔

کارپوریٹ سماجی ذمہ داری (CSR):

کمپنی بطور ذمہ دار کارپوریٹ آرگنائزیشن معاشرے کی بہتری کے لئے، تعلیم، صحت (بشمول ری ہیبیلی ٹیشن سینٹرز) اور ماحولیات کے شعبوں میں اپنی بھرپور شرکت کے ذریعے سے مجموعی طور پر لوگوں کا معیار زندگی بہتر بنانے کے لئے پُر عزم ہے۔

پاک سوزوکی کے کارپوریٹ سماجی ذمہ داری پروگرام کے تحت عمل میں آنے والے بڑے منصوبے درج ذیل ہیں:

ایجوکیشن اینڈ ٹیکنیکل سپورٹ پروگرام:

گورنمنٹ بوائز سندھی پرائمری اسکول پیپری میں تعمیراتی منصوبہ:

پاک سوزوکی نے گورنمنٹ بوائز سندھی پرائمری اسکول پیپری میں سوزوکی بلاک II پروجیکٹ کی تعمیر کو کامیابی کے ساتھ مکمل کیا۔ مذکورہ پروجیکٹ میں تین کلاس رومز کے ساتھ سنے سوزوکی بلاک-II کی تعمیر، فرنیچر کا عطیہ (یعنی بیچ، کرسیاں، میزیں، کتاؤں کے ریک) اور پلے رائیڈ وغیرہ شامل ہیں۔ پراجیکٹ کا افتتاح مورخہ 10 ستمبر 2021 کو پاک سوزوکی کے ایم ڈی اور سی ای او جناب ماسافومی ہارانو نے کیا۔

محفوظ ڈرائیونگ ٹکنیک (SDT) آگاہی سیشن:

پاک سوزوکی کی جانب سے «محفوظ ڈرائیونگ ٹکنیک» کے بارے میں کمپنی میں کار رکھنے والے مالکان، منیجرز، سپروائزروں اور ڈرائیوروں کے لئے مورخہ 17 مارچ، 2 جولائی اور 8 اکتوبر 2021 کو آگاہی سیشنز کا انعقاد کیا گیا۔ ان سیشنز کا مقصد کار کیئر ٹیم کی حفاظت کے معیار میں اضافہ کرنا تھا تاکہ ان کے محفوظ سفر کو یقینی بنایا جاسکے۔ اجلاس میں کل 88 شرکاء نے شرکت کی، جنہیں تحائف کے ساتھ شرکت کے سرٹیفکیٹ بھی دیئے گئے۔

ہائر سیکنڈری اسکالرشپ:

پاک سوزوکی نے مورخہ 22 اکتوبر 2021 کو گورنمنٹ اسکولوں اور کالجوں کے طلباء کے لیے ہائر سیکنڈری وظائف کا اعلان کیا۔ ایم ڈی اور سی ای او پاک سوزوکی نے گریڈ 11 اور 12 کے منتخب طلباء میں کل 95 وظائف تقسیم کئے۔

صحت (ری ہیبیلی ٹیشن سینٹرز):

پاک سوزوکی نے GDA ہسپتال گوادر، طیب اردگان ہسپتال، ڈسٹرکٹ ہیڈ کوارٹر ہسپتال (DHQ) فیصل آباد اور کوہی گوٹھ ویمن ہسپتال سمیت تین مختلف ہسپتالوں کو کووڈ سے بچاؤ کی اشیاء، طبی آلات اور AC اسٹینڈنگ یونٹس عطیہ کئے ہیں۔ پاک سوزوکی نے جے ہونے والے مریضوں کے علاج کے لیے مورخہ 4 جون 2021 کو بزنس سینٹر، سول ہسپتال، کراچی کو موائسٹ پلس ووڈ ڈریسنگ (بڑے اور چھوٹے سائز) کا اسٹاک کا عطیہ کیا ہے۔

دیگر:

کووڈ سے بچاؤ کی اشیاء کے علاوہ پاک سوزوکی نے سائبان این جی او، مظفر آباد۔ آزاد کشمیر کو مکمل طور پر لیس سوزوکی بولان وین (بطور ایمبولینس) عطیہ کی ہے۔

ماحولیات:

شجر کاری:

پاک سوزوکی نے DSU-13A (ڈیپلوری یارڈ) کے ساتھ ساتھ حاجی ناٹھو اور پیپری کے سرکاری سکولوں میں کئی مقامات پر 390 پودے لگا کر شجر کاری کی سرگرمیاں سرانجام دیں۔ اس نے مورخہ 26 نومبر 2021 کو سی ویو کلفٹن میں ڈیج کلیننگ مہم بھی چلائی۔

دیگر:

فرنیچر اور پنکھوں کا عطیہ:

پاک سوزوکی کی جانب سے گورنمنٹ بوائز اینڈ گرلز ہائر سیکنڈری اسکول، پاکستان سویٹ ہومز، کوہی گوٹھ ویمن ہسپتال، گورنمنٹ بوائز سندھی پرائمری اسکول پیپری اور گورنمنٹ گرلز سیکنڈری اسکول ناٹھو کو فرنیچر اور پنکھے بطور عطیہ فراہم کیے گئے۔

انفرادی قوت (Human Resource)

ملازمین کی ریٹائرمنٹ فنڈز کی سرمایہ کاری:

اور مشاہرہ کمیٹی (Remuneration Committee) کا اجلاس:

سال کے اختتام پر ملازمین ریٹائرمنٹ بینیفٹ فنڈز کے سلسلے میں سرمایہ کاری کی مالیت مندرجہ ذیل رہی:

	دسمبر 2020	دسمبر 2021
پر ویڈنٹ فنڈ	1,007.03 ملین روپے	1,301.65 ملین روپے
گریجویٹ فنڈ	604.95 ملین روپے	652.33 ملین روپے

بورڈ آف ڈائریکٹرز کے اجلاس:

سال کے دوران بورڈ آف ڈائریکٹرز کے چار (4) اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری حسب ذیل تھی:

شرکت کردہ اجلاس کی تعداد	جناب کنجی سائیٹو	جناب ماسانومی ہارانو	جناب تاداشی ہوما	جناب ہیشاشی تاکوچی / تاکاکیو ہاشیموتو	جناب شیگیو تاکیراوا / تاکایوکی سوگیاما	جناب معین ایم فدا	محترمہ رخسانہ شاہ
4	4	4	4	4	4	4	4

ڈائریکٹران کا تربیتی پروگرام:

بورڈ کے تمام ڈائریکٹرز کارپوریٹ باڈیز کے ڈائریکٹر کے طور پر اپنے فرائض و ذمہ داریوں سے بخوبی آگاہ ہیں۔ کوڈ کے قواعد 19 میں بیان کردہ معیار کے مطابق، ڈائریکٹران کے تربیتی پروگرام کے تحت کمپنی کے دو ڈائریکٹروں کو سند حاصل ہے اور کمپنی کے ایک ڈائریکٹر کو ڈائریکٹران کے تربیتی پروگرام کی ضروریات سے آشنائی حاصل ہے۔

بیٹرن آف شیئر ہولڈنگ:

31 دسمبر 2021 کے بیٹرن آف شیئر ہولڈنگ سالانہ رپورٹ کے صفحہ نمبر 146 تا 148 پر درج کئے گئے ہیں۔

ڈائریکٹرز اور ایگزیکٹوز کی جانب سے کمپنی کے حصص میں ٹریڈنگ:

سال کے دوران کسی ڈائریکٹر، ایگزیکٹوز اور ان کی شریک حیات اور نابالغ بچوں کی جانب سے کمپنی کے حصص کی تجارت نہیں کی گئی۔

بزنس رسک مینجمنٹ سسٹم:

وسیع تر سیاسی، عملیاتی اور معاشی ماحول کے تناظر میں درپیش خطرات سے نمٹنے کے لئے رسک مینجمنٹ کا رسمی فریم ورک موجود ہے۔ رسک مینجمنٹ سسٹم وسیع تر بزنس آپریشنز سے متعلق ہر پہلو سے خطرات کی فوری نشاندہی کرتا ہے۔ رسک مینجمنٹ کا مقصد موثر طریقے سے انتظامات کے ذریعے خطرات اور عوامل کی جگہ کی بابت باخبر فیصلہ سازی ہے، نیز زیادہ سے زیادہ مواقعوں کے ذریعے اور منفی اثرات کو کم سے کم کر کے کسی کمپنی کے مقاصد کے حصول میں خطرات پر رد عمل دینا ہے۔ خطرے کی کیفیت اور خطرے کو کم کرنے کے لیے کیے جانے والے انسدادی

سال کے دوران آڈٹ کمیٹی کے چار (4) اجلاس ہوئے۔ ہر ڈائریکٹر کی حاضری حسب ذیل ہے:

شرکت کردہ اجلاس کی تعداد	جناب معین ایم فدا	جناب کنجی سائیٹو	جناب شیگیو تاکیراوا / تاکاکیو ہاشیموتو
4	4	4	4

آڈٹ کمیٹی کے اجلاس:

ڈائریکٹرز کی رپورٹ:

آپ کی کمپنی کے ڈائریکٹرز نہایت مسرت کے ساتھ 31 دسمبر 2021 کو ختم ہونے والے مالی سال کے لئے سالانہ رپورٹ اور آڈٹ شدہ مالیاتی حسابات بمعہ آڈیٹرز رپورٹ پیش کر رہے ہیں۔

اکاؤنٹس	(000 روپے)
قبل از ٹیکس منافع	3,795,407
محصولات	(1,115,931)
بعد از ٹیکس منافع	2,679,476
گذشتہ سالوں کا برقرار منافع	(79,399)
تخصیص کے لئے دستیاب کل منافع	2,600,077
کم: تخصیص	
عمومی ذخائر میں منتقلی	(2,065,000)
مجوزہ منافع منقسمہ 6.5 بشرح 65 فیصد	(534,949)
برقرار آمدن جس میں اضافہ ہوا	(2,599,949)
	128

- کمپنی کی انتظامیہ کی جانب سے تیار شدہ مالی گوشوارے، اس کے معاملات، اس کے آپریشنز کے نتائج، زر نقد (cash flows) اور ایکویٹی میں تبدیلی کو کافی حد تک واضح کرتے ہیں۔
- کمپنی کے کھاتوں کے مناسب اندراج کو برقرار جاتا ہے۔
- سال کے دوران کمپنی نے مخصوص کنٹرانٹس کی بنیاد سے وزنی اوسط تک اسٹاک کی مخصوص کیٹیگریز کی قدر کے سلسلے میں اپنی اکاؤنٹنگ پالیسی پر نظر ثانی کی ہے۔ اکاؤنٹنگ پالیسی میں تبدیلی کے سابقہ اطلاق کے اثرات کو اکاؤنٹس پر نوٹ 4.21 میں بیان کیا گیا ہے۔
- مالی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے نیز تخمینہ جات موزوں اور محتاط فیصلوں کی بنیاد پر بنائے گئے ہیں۔
- مالی گوشواروں کی تیاری میں، پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی جاتی ہے۔
- داخلی کنٹرول کا نظام ڈیزائن میں مستحکم ہے اور اسے موثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔
- کمپنی کی Going Concern قابلیت پر کسی قسم کا کوئی شک و شبہ نہیں ہے۔
- مناسب باخبر تحفظ کا میکانزم (whistleblower protection mechanism) قائم کیا گیا ہے۔
- کمپنی اپنے ملازمین کی حفاظت اور صحت کو ترجیح دیتی ہے۔ ملازمین کا مناسب طبی احاطہ اور مختلف دورانیے میں طبی جانچ کروائی جاتی ہے۔
- درج شدہ مفصل قواعد میں سے کارپوریٹ گورننس کی بہترین مشق سے کسی بھی قسم کا مادی انخلاء رونما نہیں ہوا ہے۔

آمدنی فی حصص (EPS):

سال کے لئے منافع فی حصص 32.56 روپے رہی۔

ہولڈنگ کمپنی:

جاپان میں موجود سوزوکی موٹر کارپوریشن جاپان، پاک سوزوکی موٹر کمپنی لمیٹڈ کی ہولڈنگ کمپنی ہے جو کہ 73.09 فیصد حصص کی حامل ہے۔

چیئرمین کا جائزہ:

صفحہ 36 تا 42 پر چیئرمین کا جائزہ، سال کی سرگرمیوں سے متعلق ہے اور کمپنی کے ڈائریکٹران اس کے مندرجات کی توثیق کرتے ہیں۔

کارپوریٹ گورننس:

کمپنی کی انتظامیہ اعلیٰ کارپوریٹ گورننس کی پابند ہے اور کام کے بہترین طریقوں کی تعمیل کے لیے پرعزم ہے۔ جیسا کہ کوڈ آف کارپوریٹ گورننس کے تحت ضروری ہے، ڈائریکٹران ہمسرت مندرجہ ذیل عوامل پیش کرتے ہیں:

کلیدی آپریٹنگ اور مالیاتی اعداد و شمار:

کمپنی کے چھ سالہ اہم آپریشن اور مالیاتی اعداد و شمار کا صفحہ نمبر 22 پر خلاصہ کیا گیا ہے۔

گورنمنٹ ٹیکس:

آؤٹ اسٹینڈنگ ٹیکسوں اور لیویز کو نوٹ 31 میں منسلک آڈٹ شدہ مالیاتی گوشواروں میں بیان کیا گیا ہے۔

کے تحت کل 21 کمپنیوں کو گرین فیلڈ کا درجہ دیا گیا تھا، جن میں سے اب تک صرف 7 کمپنیاں آپریٹنگ ہوئی ہیں۔

حکومت نے حال ہی میں آٹو انڈسٹری ڈیولپمنٹ اینڈ ایکسپورٹ پالیسی 2021-26 (AIDEP) کا اعلان کیا ہے۔ نئی پالیسی الیکٹریک اور ہائبرڈ گاڑیوں جیسی نئی ٹیکنالوجیز کو فروغ دینے پر مرکوز ہے۔ AIDEP نے << میری گاڑی اسکیم >> کے تحت مکمل مقامی طور پر تیار کردہ گاڑیوں کے لیے نئے ماڈلز کی لاگت میں کمی کے لیے 1000cc گاڑیوں تک ڈیوٹی اور ٹیکس میں کمی کو بھی متعارف کروایا گیا۔ AIDEP مقامی OEMs اور پارٹس مینوفیکچررز کے ذریعے برآمدات پر بھی زور دیتا ہے۔ آٹو ایکسپورٹ ترقی کو آگے بڑھانے میں مدد اور تعاون کے لیے ہم حکومت کے نہایت شکر گزار ہیں۔

ملک کے میکرو اکنامک انڈیکسز تاحال آٹو انڈسٹری کے لیے چیلنج بنے ہوئے ہیں، جیسا کہ سپلائی چین میں تعطل، عالمی اجناس اور توانائی کی بڑھتی ہوئی قیمتیں اور پاکستانی روپے کی حالیہ قدر میں کمی وغیرہ، اس کے باوجود کمپنی حجاز ڈیلرز کے ایک موثر نیٹ ورک کے ذریعے صارفین کو مسابقتی قیمتوں پر معیاری مصنوعات پیش کرتے ہوئے اپنے امور میں سبیل، نفع اور تنوع کو بہتر بنانے کے لیے کوشاں ہے۔

آخر میں، بورڈ اور حصص داران کی جانب سے مینجمنٹ، ایگزیکٹوز، ورکرز، ڈیلرز، سپلائرز اور سوزوکی ماہرین کا کمپنی کے معاملات میں ان کی کاوشوں اور شراکت کے لئے، میں تسلیم و تحسین کا اظہار کرنا چاہتا ہوں۔ تمام سرکاری محکمہ جات کو بھی مسلسل حمایت اور حوصلہ افزائی کے لئے میرا مخلصانہ شکریہ پیش خدمت ہے۔

کنجی سائیٹو

چیئرمین

کراچی: 22 مارچ 2022

انفارمیشن ٹیکنالوجی:

انفارمیشن ٹیکنالوجی ڈیجیٹل اختراعات کے ذریعے سے کاروباری سفر کی سمت کا تعین کر رہی ہے۔ پاک سوزوکی نے پروجیکٹ SG-1 SG- سوزوکی گلوبل - One New Excellence کے تحت سوزوکی گروپ کی کمپنیوں میں کاروباری عمل کو معیاری بنانے کے عہدوں میں سوزوکی موٹر کارپوریشن کے ساتھ ہاتھ ملایا۔ پاک سوزوکی کے لیے اس وژن کی قیادت، فخر اور اعزاز کی بات ہے اور آنے والے سالوں میں سوزوکی کی دیگر ذیلی کمپنیوں کے لیے کامیابی کی ایک اور داستان بن جائے گی۔

یہ تبدیلی سوزوکی کو ڈیمانڈز کے حصول اور سپلائی کی تیز تر فراہمی میں آئندہ پائیدار سطح تک لے جانے میں سہولت فراہم کرے گی، جس سے مجموعی پیداواری صلاحیت اور خصوصاً حالیہ وبائی مرض جیسے مشکل حالات میں صارفین کا اطمینان بڑھے گا۔

کووڈ 19 کے دوران محفوظ کاروباری تسلسل کو برقرار رکھنا:

کووڈ 19 کی وبائی صورتحال کے دوران کاروباری تسلسل کی ہماری منصوبہ بندی اور آفات سے متعلق بحالی کے انتظامات نے اپنی قوت کو ثابت کیا ہے۔ لوگوں کی حفاظت اور مستقل مصروفیات کو ترجیح دیتے ہوئے، کاروباری امور کو جاری رکھنے اور انہیں نتیجہ خیز بنانے کے لئے ہم نے ٹیم کو تربیت یافتہ اور بہترین مواصلات اور ٹولز کے ساتھ آراستہ کیا ہے تاکہ اپنے صارفین کے لیے ہماری دستیابی کو زیادہ سے زیادہ بنایا جاسکے۔

اقتصادی شراکت:

کمپنی کو آٹوموبائل انڈسٹری میں عوامی خزانے میں ایک اہم شراکت دار کے طور پر ایک مخصوص مقام حاصل ہے۔ کمپنی کی طرف سے اپنے پچھلے چھ سالوں کے آپریٹنگ میں ادا کیے گئے ڈیوٹی اور ٹیکس اور زرمبادلہ کی بچت حسب ذیل ہے:

سال (جنوری - دسمبر)	ڈیوٹی اور ٹیکسز (روپے بلین میں)	فارن ایکسچینج سیوگنز
2016	24.448	36.457
2017	35.162	43.182
2018	41.218	55.396
2019	42.994	43.448
2020	26.738	28.500
2021	51.726	64.701

* سال کے آخر میں شرح تبادلہ کے مطابق پاکستانی روپے میں تبدیل شدہ

مستقبل کا لائحہ عمل اور خلاصہ:

آٹو انڈسٹری کی ترقی کے لیے طویل مدتی مستقل پالیسیاں ناگزیر ہیں۔ آٹو موٹیو ڈیولپمنٹ پالیسی 2016-21 (ADP) جون 2021 میں ختم ہوئی۔ اس AIDP

سپلائرز کے لیے رہنما خطوط:

کوشاں ہے جو مہارتوں کی توسیع و اضافے کا باعث ہیں اور نئے تصورات و نظریات کو سامنے لاتے ہیں۔ پاک سوزوکی موٹر کمپنی میں بشمول کلیدی فنکشنل شعبوں کے لیے ترقیاتی سیشن، ٹیلنٹ ڈیولپمنٹ بہت سی شکلیں اختیار کرتا ہے۔ اس وبائی مرض کے دوران، کمپنی نے اپنے ملازمین کو لنکڈ ان لرننگ کے ذریعے آؤٹ کلاس ای لرننگ کا تجربہ فراہم کر کے انہیں لیس اور بہتر بنانے کی مسلسل کوشش کی۔ سال 2021 کے دوران، 131 ملازمین نے 2,517 ای لرننگ ٹریننگ کورسز مکمل کیے۔ HR ڈپارٹمنٹ نے 27 تکنیکی ملازمین کے لیے انٹرنل سرٹیفائیڈ ٹرینرز پروگرام کے ذریعے آپریٹنگ ایسیلنس کے لیے صلاحیتوں کو بڑھانے کے لیے اپنی کوششوں میں اضافہ کیا۔ PSMCL سرٹیفائیڈ ٹرینرز نے 18 ان ہاؤس ترقیاتی سیشنز کیے اور 131 تکنیکی کارکنوں کو تربیت فراہم کی۔

صحت و حفاظت:

کمپنی اسٹاف کے لیے ان ہاؤس کووڈ 19 ویکسینیشن کے انتظامات:

اپنے ملازمین کی فلاح و بہبود کو مد نظر رکھتے ہوئے اور کمپنی کے ملازمین میں وائرس کے پھیلاؤ کو مؤثر طریقے سے روکنے کے لیے، کمپنی محکمہ صحت سندھ کے اشتراک سے کمپنی کے عملے کے لیے کووڈ 19 ویکسین کی فراہمی کے لیے ان ہاؤس انتظامات کرتی ہے۔ مزید برآں، متاثرہ افراد کی فوری شناخت اور وائرس کے پھیلاؤ کو روکنے کے لیے احتیاطی اقدامات کے طور پر ڈسپنری میں متاثرہ افراد کو فراہم کرنے کے لیے ریپڈ ریسپونس ٹیمیں ٹیسٹ کسٹ بھی مٹوائی گئیں۔

کووڈ 19 SOP مانیٹرنگ راولڈز:

پاک سوزوکی ملازمین میں کووڈ 19 کی بیماری کے پھیلاؤ سے بچاؤ کے لیے پرعزم ہے۔ لہذا، کام کی جگہوں پر ملازمین کی صحت و حفاظت کو برقرار رکھنے کے لیے کمپنی میں باقاعدگی سے کووڈ 19 SOP مانیٹرنگ راولڈز کیے جا رہے ہیں۔

لیبر اور مینجمنٹ کے تعلقات:

پاک سوزوکی میں، لیبر مینجمنٹ تعلقات کا مقصد لیبر اور مینجمنٹ کے مفادات کا تحفظ کرنا ہے، اس لیے لیبر اور مینجمنٹ کے درمیان مضبوط اور خوشگوار تعلقات کو سازگار ماحول کے لیے کلیدی سمجھا جاتا ہے اور مطلوبہ اہداف کے حصول کے لیے آگے بڑھنے کے لیے ضروری سمجھا جاتا ہے۔

سال 2021 میں، جب عالمی وبائی بیماری نے دنیا کو ایک اور کووڈ ویرینٹ کے پھیلاؤ اور سپلائی چین میں خلل کی وجہ سے مصیبت میں ڈال دیا، جس کے نتیجے میں پیداوار میں رکاوٹ پیدا ہوئی، پی ایس ایم سی لیل کی لیبر اور انتظامیہ نے کمپنی ملازمین اور کارکنوں کی صحت پر کوئی سمجھوتہ نہ کرتے ہوئے کاروباری آپریٹنگ کو باآسانی چلانے کو یقینی بنانے کے لیے باہمی تعاون سے کام کیا۔ پی ایس ایم سی لیل کی انتظامیہ نے متعلقہ سرکاری حکام کی وقتاً فوقتاً جاری کردہ کووڈ 19 کی لیس اوپیز پر عملدرآمد کو یقینی بنایا اور اپنے کارکنوں کے مکمل تعاون اور ہم آہنگی کے ساتھ اپنا کام جاری رکھا۔

• کارپوریٹ سماجی ذمہ داری (CSR) کمپنی کے روزمرہ امور میں واضح اور عملی طور پر شامل ہے۔ معاشرے اور ماحول پر بہتر اثرات کے لیے تمام مصنوعات اور خدمات کی باقاعدگی سے نگرانی کی جاتی ہے۔ پائیداری کے حوالے سے بڑھتی ہوئی توقعات کے پیش نظر، کمپنی تسلیم کرتی ہے کہ پائیداری کے لیے اپنے نقطہ نظر کو اپنے سپلائرز کے ساتھ شیئر کرنا واحد ضروری ہے۔ اس سلسلے میں سپلائرز کے لیے ہدایات جاری کر دی گئی ہیں۔ کمپنی یقین رکھتی ہے کہ یہ رہنما خطوط اس کے سپلائرز کو پائیداری کے بارے میں مشترکہ سوچ کو برقرار رکھنے، اقدامات کی فعال طور پر انجام دہی اور باہمی ترقی کے عمل میں معاونت کرتے ہیں۔

سہولیات میں اضافہ:

نئے ماڈل سولنگ کی لوکل ڈیولپمنٹ کے لیے پلانٹ کی سہولت میں ترمیم اور آپ گریڈیشن مکمل کر لی گئی ہے۔ اس کے مطابق، تمام دروازوں اور ہڈ کے لیے نئے ہیمنگ ڈائیز کی ڈیولپمنٹ کی گئی۔ اس کے بعد، نئی رولونگ ویلڈنگ لائن کو ڈیزائن اور انسٹال کیا گیا ہے۔ علاوہ ازیں، ہماری موجودہ بیننگ، اسمبلنگ، ٹیسٹ اور انجن اسمبلنگ لائن میں ترمیم کی گئی۔ ان ہاؤس پلاسٹک پرزہ جات کی پیداوار کو بڑھانے کے لیے، سامنے کے مولڈز، ریپر، اور فرنٹ گرل کا انتظام کیا گیا تھا۔

لاگت میں بچت کے حصول کے لیے، آگسٹ AGS ٹرانسمیشن کی اسمبلنگ کی نئی سہولت نصب کی گئی۔

افراد کی قوت (HR):

ہمارے ملازمین نا صرف سوزوکی فیملی کا حصہ ہیں بلکہ انہیں پیداواری صلاحیت، کام کی اخلاقیات اور سازگار ماحول کے اعلیٰ ترین معیارات کے حصول اور اسے برقرار رکھنے میں کمپنی کی کوششوں میں ریڈھ کی ہڈی بھی تصور کیا جاتا ہے۔

کمپنی ایک ایسا ماحول فراہم کرنے کے لیے پرعزم ہے جو ملازمین کو کام کی زندگی میں مطلوبہ توازن برقرار رکھتے ہوئے اپنی زیادہ سے زیادہ صلاحیت کے مطابق کارکردگی کا مظاہرہ کرنے میں سہولت فراہم کرے۔ اسی کے ساتھ اس بات کو بھی یقینی بنایا جاتا ہے کہ وقت گزرنے کے ساتھ ملازمین کو مہارت کے لحاظ سے تربیت و ترقی کے لیے خصوصی طور پر تیار کردہ پروگراموں کے ذریعے خود کو ترقی دینے کے خاطر خواہ مواقع ملیں۔ کمپنی نے تمام حفاظتی اقدامات کی سختی سے پیروی کی اور اضافی حفاظتی اقدامات اٹھا کر اور اپنے ملازمین کی حفاظت و تندرستی کے لیے ان ہاؤس ویکسینیشن ڈرائیوز کا اہتمام کر کے کووڈ 19 کی منتقلی کو روکنے کے لیے اپنی کوششوں کو بڑھایا۔

تربیت اور ترقی:

آپ کی کمپنی اپنے ملازمین کو متاثر کن تربیت و تعلیمی تجربات کی فراہمی کے لیے

لوکلائزیشن:

- پاک سوزوکی موٹر کمپنی لمیٹڈ (PSMCL) 'میڈ ان پاکستان' برانڈ کا قابل فخر نگہبان ہے۔ پاک سوزوکی کو ملک میں مقامی انجینئرنگ کی ترقی کا علمبردار ہونے کا اعزاز حاصل ہے۔ ہم نے ویلیو ایڈیشن بنانے کی غرض سے پرزہ جات کی لوکلائزیشن کے لیے سرمایہ کاری کی ہے۔ ہم فخر کے ساتھ دعویٰ کرتے ہیں کہ ہماری فلیگ شپ پروڈکٹس میں آپ جن پارٹس کو ہاتھ لگا کر محسوس اور دیکھ سکتے ہیں ان میں سے زیادہ تر مقامی طور پر تیار کردہ ہیں۔ پاکستان میں آٹو سیکٹر میں بالواسطہ اور بلاواسطہ طور پر منسلک تقریباً 30 لاکھ ملازمین ہیں۔ آٹو انڈسٹری، فروغ صنعت اور وطن کی خاطر اس عزم کو مزید آگے بڑھا رہی ہے۔ PSMC کے پاس نا صرف آنے والے ماڈلز میں، بلکہ موجودہ ماڈلز میں بھی ترقی پسند لوکلائزیشن کی حکمت عملی موجود ہے۔ سال 2021 کے دوران ہماری اہم کامیابی GD110 فیوز-V کی کامیاب لوکلائزیشن تھی۔ مزید برآں، تمام نئے سوئفٹ کی پروڈکشن کے آغاز کو کامیابی کے ساتھ منتظم کیا گیا۔ تاہم، اس بار ہمیں ایک اور بڑے چیلنج کا سامنا تھا۔ مقامی اور بین الاقوامی سفری پابندیوں کے باعث ہمارے انجینئرز کو ترقی کے اس پورے عمل کو دور سے ہی منظم کرنا پڑا۔ ترقی کے پورے عمل کو دور سے سنبھالنا بذات خود ایک بڑا چیلنج ہے، لیکن معیار میں کوئی بھی سمجھوتہ نہ کرنے کو یقینی بناتے ہوئے ایسا کر لینا ایک اور بڑی کامیابی ہے جس پر ہمیں فخر ہے

کووڈ کی وباء کے بعد ہونے والے لاک ڈاؤن کے اثرات:

- سب سے بڑی مینوفیکچرنگ انڈسٹری ہونے کے ناطے، کووڈ 19 کی وجہ سے ملک گیر لاک ڈاؤن کے دوران پورا آٹو سیکٹر ایک گہرے بحران میں غرقاب رہا۔ جولائی 2021 سے رفتار میں تیزی آنا شروع ہوئی اور بہت زیادہ مانگ کی وجہ سے، کمپنی نے ڈبل شفٹ میں پروڈکشن شروع کی، جس سے طلب کو پورا کرنے اور ڈیلیوری کے لیڈ ٹائم کو کم کرنے میں مدد ملی۔ پاک سوزوکی اپنے صارفین کی توقعات پر پورا اترنے کے لیے کوشاں ہے اور ان میں سے ایک فوری ڈیلیوری کی پیشکش ہے۔

سپلائر کو بہتر بنانے کا پروگرام:

- کمپنی اپنے سپلائرز کو مختلف اقدامات، خصوصاً سپلائر کی بہتری کے پروگرام کے ذریعے سے معیار اور آپریشنز کو بہتر بنانے میں معاونت کرتی ہے۔ پروگرام کی تکمیل کے وقت سپلائرز کو سرٹیفکیٹ دیئے جاتے ہیں۔ پروگرام میں سپلائر کی بہتری، سپلائی چین چیلنجز، سپلائر اپ گریڈیشن اور تکنیکی مہارت کو بڑھانا شامل تھا۔

- موٹرسائیکل آفٹر سیلز مارکیٹ نے بھی کاروباری کارروائیوں میں مثبت رجحان دکھایا۔ سال 2021 میں کل 258,070 جابز پیش کی گئیں۔
- گزشتہ سال کے مقابلے میں 29 فیصد اضافے کے بعد کل آٹوموبائل اسپینر پارٹس کی فروخت 3,468 ملین ہو گئی۔
- موٹرسائیکل اسپینر پارٹس کی فروخت ترقی کے رجحان پر برقرار رہی، گزشتہ سال کے مقابلے میں 31 فیصد اضافے کے ساتھ کل 302 ملین سیلز ریکارڈ کی گئیں۔
- مزید برآں، ہم نے ملک بھر میں 153 ڈیلرشپ پر گلوبل کسٹمر سٹیفیکیشن + سروس ریماٹڈر (CS+SR) سسٹم بھی لاگو کی ہے تاکہ کلوز مانیٹنگ اور فالو اپ کے ذریعے سے صارفین کے اطمینان رائے اور برقراری کو یقینی بنایا جاسکے۔

کسٹمرز کی فیڈ بیک کا نظام:

- ہمارے کسٹمر ریلیشنز سینٹر نے ہمارے قابل قدر کسٹمرز کے روزمرہ کے سوال و جواب اور ان کی شکایات کے بروقت حل کو یقینی بنانے کے لیے بہترین سہولیات فراہم کیں۔
- ہم نے ڈیلرشپ پر کسٹمرز کے فالو آپ سروے کے بعد متعلقہ ڈیلرز کو بروقت فیڈ بیک فراہم کرتے ہوئے ڈیلرز نیٹ ورک میں سروسز کو مسلسل بہتر بنایا۔

ڈیلرز اسٹاف کی اسکال ڈیولپمنٹ اور حوصلہ افزائی:

- اپنے ڈیلرز اسٹاف کی اسکال ڈیولپمنٹ، حوصلہ افزائی اور انہیں برقرار رکھنا کمپنی کی اڈلین ترقی ہے، مہارت میں اضافے کے ذریعے ڈیلرز کی تکنیکی عملے کی بڑی تعداد کو تربیت فراہم کی جارہی ہے اور صارفین کو عالمی معیار پر خدمات فراہم کی جارہی ہیں۔
- ڈیلرشپ پر کسٹمرز کے مجموعی تجربے کو فروغ دینے کے لیے سوزوکی سروس ایڈوائزر ٹریننگ (SSAT) نے مہمان نوازی کا صنعتی مواد بھی متعارف کروایا ہے۔

تربیت یافتہ اور تجربہ کار عملے کی حوصلہ افزائی اور انہیں برقرار رکھنے کی غرض سے، ڈیلر ملازمین کی سہولت کے لیے پالیسی سازی، مراعات اور مسابقتی مشاہرے کے اسٹریٹجی سفارشات کی جارہی ہے تاکہ سخت مسابقت کے دوران عملے کی برقراری کو یقینی بنایا جاسکے۔ ڈیجیٹل لرننگ کانسٹنٹ تیار کیا گیا ہے، جو تربیتی مواد کے آن لائن استعمال کے لیے لرننگ مینجمنٹ سسٹم کے ساتھ مربوط ہے۔

تعاون کرتے ہوئے ہاتھ ملا یا۔ یہ مشق جنوری 2021 سے جولائی 2021 تک شروع کی گئی تھی اور اس کے نتائج کافی حوصلہ افزا رہے تھے۔ بجٹ 2021-22 میں ٹیکسوں اور ڈیوٹیوں میں کمی کی وجہ سے، گاڑیوں کی فروخت کو ایک نئی تحریک ملی۔

موٹرسائیکل مارکیٹ:

پاکستان کی موٹرسائیکل مارکیٹ میں 70cc انجن کی گنجائش والی موٹرسائیکل کا خاصا غلبہ ہے۔ پاک سوزوکی 110cc اور اس سے اوپر کے انجن کی صلاحیت کے ساتھ موٹرسائیکل مارکیٹ کرتا ہے۔ کمپنی کو امید ہے کہ خطے کے دیگر ممالک کی طرح پاکستان میں موٹرسائیکل کی طلب بتدریج انجن کی اعلیٰ صلاحیت کی طرف بڑھے گی اور سوزوکی موٹرسائیکلوں کی مارکیٹ میں بہتری آئے گی۔ کمپنی پاکستان بھر میں پھیلے مضبوط حجاز ڈیلرشپ نیٹ ورک کے ذریعے صارفین کو معیاری مصنوعات اور موثر خدمات پیش کرتے ہوئے اس سیکٹور میں اپنے کاروبار کو بڑھانے کے لیے کوشاں ہے۔ مزید برآں، سال 2021 میں نیٹ ورک میں ایک کمپنی آپریٹڈ شوروم، اور 4 'ڈفرنچائز آؤٹ لیٹس' شامل کیے گئے۔ تیبجنا، ڈیلرشپ پر کل 17 'کمپنی آپریٹڈ شورومز' اور 14 'ڈفرنچائز آؤٹ لیٹس' کام کر رہے ہیں جہاں صارفین کو موٹرسائیکلوں کے لئے فروخت اور بعد از فروخت سروس فراہم کی جاتی ہے۔

برآمدات:

سال 2020 میں 26.5 ملین روپے مالیت کے KD پارٹس کے مقابلے میں سال کے دوران، 39 ملین روپے مالیت کے KD پارٹس ذیلی کمپنیوں ویتنام سوزوکی کارپوریشن (VISUCO)، اور سوزوکی انڈو موٹرز (SIM)، انڈونیشیا کو 39 ملین روپے کے کے ڈی پارٹس کی برآمدات کے مقابلے میں کو برآمد کیے گئے۔ ویتنام میں سوزوکی مٹی ٹرک ماڈل اور انڈونیشیا میں سوزوکی ویگن آر کار ماڈل کی وسیع پیمانے پر پیداوار کے لیے کے ڈی پارٹس برآمد کیے گئے۔ 9 ملین روپے مالیت کی ایسیسریز سوزوکی موٹرز کارپوریشن، جاپان اور ویکو کو برآمد کی گئیں۔ ان ایسیسریز میں سوزوکی دستا، جیکس اور ٹراؤزر شامل تھے۔

آفٹر سیلز (پارٹس اور سروس):

تربیت یافتہ عملے کے ساتھ کسٹمرز کو اطمینان بخش ورکشاپ آپریشنز اور ڈیلرشپس پر پارٹس کی بروقت دستیابی کے ذریعے، آفٹر سیلز آپریشنز صارفین کے اطمینان اور معیاری خدمات کو یقینی بنانے کے لیے بعد از فروخت آپریشنز متواتر جاری رہے۔ ملک بھر میں قائم 153 ورکشاپس کے ساتھ خصوصاً چھوٹے شہروں اور دیہاتوں میں آفٹر سیلز نیٹ ورک میں مسلسل اضافہ ہو رہا ہے۔

اس کے نتیجے میں:

- آٹوموبائل جابز کی کل تعداد (کسٹمرز کو شیڈول مینٹیننس، رنگ ریسیئر، کمینٹیکل ریسیئر، ہاڈی اور ڈینٹ جابز کے لیے فراہم کردہ سروسز) 10 لاکھ تک پہنچ گئیں۔

لیے صارفین کی ترجیح میں تبدیلی کی نشاندہی کرتا ہے۔ کمپنی نے گزشتہ سال کی اسی مدت میں 17,111 یونٹس کی فروخت کے حجم کے مقابلے 32,384 یونٹس کی فروخت کا حجم حاصل کیا۔

نیٹ سیلز ریونیو 83,362 ملین روپے کے اضافے کے بعد 76,720 ملین سے بڑھ کر 160,082 ملین روپے ہو گیا۔ سیلز ریونیو میں پچھلے سال کے مقابلے میں موجودہ سال میں 109 فیصد اضافہ ہوا ہے جس کی وجہ سے سیلز کے حجم میں بہتری آئی ہے۔

مجموعی منافع مطلق مدت میں 4,572 ملین روپے اضافے کے بعد 3,599 ملین سے بڑھ کر 8,171 ملین روپے ہو گیا۔ نیٹ سیلز کی شرح کے طور پر مجموعی منافع کا مارجن 4.3% سے بڑھ کر 5.1% تک بہتر ہو گیا۔ سیلز کے حجم میں اضافے نے 2021 میں بہتر مارجن کے طور پر اپنا حصہ ڈالا۔ کمپنی نے گزشتہ سال کے 1,378 ملین روپے کے خسارے کی نسبت 2,679 ملین روپے کا خالص نفع کمایا۔ سال کے دوران تبدیلی کی بڑی وجہ فروخت کے حجم میں ریکوری تھی۔

مارکیٹنگ اور برآمدات

آٹوموبائل مارکیٹ:

پاک سوزوکی نے 24 فروری 2022 کو اپنی پریکٹیم ہیج بیک - دی آل - نیو سوئفٹ کی تقریب رونمائی منعقد کی۔ دی آل نیو سوئفٹ ہیج بیک کے بارے میں لوگوں کے تصور کو ازراں سے اسٹائلش 'ڈپرائڈ ٹوان پریکٹیم ہیج بیک' تک تبدیل کرنے کے لیے تیار کی گئی ہے۔ ایک جدید نئے ڈیزائن کے ساتھ، اسٹائلش اور بہتر انٹیریئر اور ایسی پریکٹیم خصوصیات آفر کرتے ہیں جو اس سیکٹور میں کسی بھی لوکل کار میں دستیاب نہیں ہیں۔ شامل کردہ اضافی خصوصیات متعدد صارفین کے طبقات کو راغب کریں گی۔ صارفین کا ابتدائی رد عمل نہایت حوصلہ افزا تھا۔

ہمارا مقصد پورے پاکستان میں پھیلے ہوئے 3S (سیلز، سروس اور اسپینر پارٹس) ڈیلرشپ کے نیٹ ورک سے تعاون یافتہ صارفین کو معیاری مصنوعات فراہم کرنا ہے۔ مضبوط ڈیلرشپ نیٹ ورک نے صارفین کے لیے موثر خدمات کو یقینی بنایا جس میں قابل اعتماد بعد از فروخت سروس اور اسپینر پارٹس کی دستیابی شامل ہے۔ کمپنی ڈیلرشپ نیٹ ورک کو مسلسل آگے بڑھا رہی ہے اور مزید مضبوط بنا رہی ہے۔ مورخہ 31 دسمبر 2021 تک، ڈیلرشپ نیٹ ورک 100 شہروں میں 168 سیلز آؤٹ لیٹس تک پھیل گیا ہے۔

پاک سوزوکی نے پاکستان بھر میں 7 بنگل آفس قائم کیے ہیں جنہوں نے صارفین کو ابتدائی ایڈوانس پیمنٹ پر گاڑیوں کی بنگل کا موقع فراہم کرتے ہوئے خاصی سہولت فراہم کی۔

مروجہ کم شرح سود کو مد نظر رکھتے ہوئے، پاک سوزوکی نے آٹو فنانسنگ سیلز پر توجہ مرکوز کرتے ہوئے منتخب شدہ ماڈلز پر فری رجسٹریشن، ایک سال کی فری مینٹیننس، مسابقتی مارک اپ اور انشورنس کی شرحوں کی پیشکشوں کے ذریعے صارفین کو 'ویلیو ایڈیشن سروسز' فراہم کرنے کے لیے پارٹنریٹوں کے ساتھ

چیسر مین کا جائزہ:

2021 میں کووڈ کے آغاز کے بعد ان رجحانات کا مقابلہ کرنے کے لیے پالیسی ریٹ میں پہلی بار اضافے کے ساتھ مالیاتی سختی کے لیے اقدامات شروع کیے تھے۔ ستمبر - دسمبر 2021 کے دوران اعلان کردہ دامائیری پالیسیوں میں پالیسی ریٹ کو بڑھا کر 9.75% کر دیا گیا۔ SBP نے جنوری - مارچ 2022 کے دوران اعلان کردہ دامائیری پالیسی سٹیٹمنٹس میں پالیسی ریٹ کو 9.75% پر برقرار رکھا۔

صنعت:

آٹوموبائل انڈسٹری نے 2021 میں اپنی بحالی کا آغاز وفاقی بجٹ 2022 میں حکومتی مراعات کے اعلان کے ساتھ ہی شروع کر دیا تھا۔ تاہم، OEMs کو، دونوں اجزاء کی درآمدات (برآمد کرنے والے ممالک میں وقفے وقفے سے بند ہونے) نیز نقل و حمل کے اخراجات میں خاطر خواہ اضافہ اور فریٹ شیڈول میں تاخیر کی وجہ سے تاحال بڑے پیمانے پر سپلائی چین کی رکاوٹوں کا سامنا ہے۔ سال 2021 میں، کاروں اور لائٹ کمرشل گاڑیوں کے لیے آٹو انڈسٹری (PAMA) ممبر کمپنیوں کی فروخت کا حجم گذشتہ سال کے 124,088 یونٹس کے مقابلے میں 237,419 یونٹس ریکارڈ کیا گیا۔ جس میں 91 فیصد کا زبردست اضافہ درج کیا گیا۔ آٹوموبائل سیکٹر کی بحالی میں اہم عوامل کار فنانسنگ کے حجم میں اضافہ، غیر ملکی ترسیلات زر میں اضافہ اور زرعی آمدنی میں بہتری کی وجہ سے صارفین کے ہاتھ میں ڈسپوزیبل آمدنی میں اضافہ تھے جس کی وجہ سے شرح سود کم تھی۔ تاہم، SBP نے 23 ستمبر 2021 کو آٹو فنانسنگ کو محدود کرنے کے لیے پریڈیشنل ریگولیشنز میں ترمیم کی جس نے فنانسنگ سیز کو متاثر کیا جس سے اکتوبر سے دسمبر 2021 کے دوران تمام آٹوموبائل سیز پہلے کے ادوار کے مقابلے میں آٹو فنانسنگ صارفین کی طلب کی حوصلہ شکنی کی۔

2021 کے دوران، موٹرسائیکلوں اور تھری ویہیلرز کی منظم مارکیٹ (PAMA) ممبر کمپنیوں نے 2020 میں 1,521,056 یونٹس سے بڑھ کر 1,891,416 یونٹس ہو گئیں جو گذشتہ سال کے مقابلے میں فروخت کے حجم میں 24 فیصد اضافے کی نمائندگی کرتی ہے۔

کمپنی کے آپریٹنگ نتائج:

2021 میں کاروں اور لائٹ کمرشل گاڑیوں کی فروخت کا حجم مضبوطی سے بحال ہو گیا۔ سال 2021 کے دوران کمپنی کی فروخت کا حجم 59,281 یونٹس سے 107 فیصد بڑھ کر 122,922 یونٹس ہو گیا، جس نے صنعتی رجحان میں اضافے سے بہتر کارکردگی کا مظاہرہ کیا ہے۔ چھوٹی گاڑیوں کی مستحکم مانگ نے کمپنی کے مارکیٹ شیئر کو سال 2020 میں 48% سے بڑھا کر 2021 میں 52% کر دیا۔ آٹوموبائل اور موٹرسائیکلوں کی پیداوار کا حجم مطلوبہ ڈیمانڈ کے مطابق ایڈجسٹ کیا گیا۔ کمپنی نے 81% پیداواری صلاحیت کو استعمال کرتے ہوئے کام کیا اور آٹوموبائل کے 121,882 یونٹس کی پیداوار کا حجم حاصل کیا۔ موٹرسائیکلوں کی فروخت کے حجم میں 89 فیصد کا اضافہ ہوا، جو کہ زیادہ انجن کی صلاحیت والی موٹرسائیکلوں کے

مجھے یہ مطلع کرتے ہوئے نہایت مسرت ہے کہ آپ کی کمپنی نے اپنے ملازمین اور کاروباری شراکت داروں کی بھرپور معاونت کے ساتھ مشکل آپریٹنگ ماحول کو بخوبی سنبھالا۔ میں اس کے تحت مورخہ 31 دسمبر 2021 کو ختم ہونے والے مالی سال کے لیے کمپنی کی کارکردگی کا جائزہ پیش کرتا ہوں۔

معیشت:

کورونا وائرس کی وبا نے پاکستان سمیت دنیا بھر میں سماجی و اقتصادی چیلنجز کو جنم دیا۔ تاہم، وفاقی حکومت کے ساتھ ساتھ صوبائی حکومتوں کے موثر اور بروقت پالیسی اقدامات کی وجہ سے 2021 میں پاکستان میں مجموعی صورتحال قابو میں رہی۔ سال 2021 کی آخری سہ ماہی اور 2022 کے اوائل میں 'اومی کرون' کے پھیلاؤ کے باوجود، عالمی اقتصادی سرگرمیاں خاصی مستحکم رہیں۔ کووڈ 19 کی وبا کی صورتحال سے بہتر طور پر نمٹنے کی وجہ سے پاکستان کی معیشت میں بحالی ممکن ہوئی۔ لارج اسکیل مینوفیکچرنگ سیکٹر بشمول آٹوموبائل کی مانگ میں خاصی تیزی آئی ہے۔ لائل ہلس ایم سیکٹر میں جولائی تا دسمبر 2021 کی مدت کے دوران گذشتہ سال کی اسی مدت کے مقابلے میں تقریباً 7.5 فیصد اضافہ دیکھنے میں آیا۔

مالی سال 2021-22 کے دوران برآمدات میں زبردست اضافہ رونما ہوا ہے۔ جولائی 2021 تا جنوری 2022 کے دوران 17.7 بلین امریکی ڈالر کی برآمدات کے اہداف حاصل کئے گئے، جبکہ گذشتہ مالی سال کی اسی مدت میں 13.9 بلین امریکی ڈالر کی برآمدات کی گئی تھیں۔ ٹیکسٹائل اور ٹیکسٹائل آرٹیکلز ملک کی برآمدات میں اہم شراکت دار رہے۔ ڈیجیٹل پاکستان اکاؤنٹ کے تحت اسٹیٹ بینک کی جانب سے کیے گئے معاون پالیسی اقدامات کی وجہ سے ترسیلات زر میں تسلسل قائم رہا۔ جولائی 2021 تا فروری 2022 کی مدت کے دوران 20.1 بلین امریکی ڈالر کی کل ترسیلات موصول ہوئیں جبکہ گذشتہ سال کی اسی مدت (SPLY) میں 18.7 بلین امریکی ڈالر تھیں۔ تاہم، درآمدات میں مسلسل اضافہ ہوا جس کی وجہ سے تجارتی خسارہ مزید بڑھ گیا۔ تجارتی خسارہ جولائی 2021 تا جنوری 2022 کی مدت کے دوران 25 بلین امریکی ڈالر تک پہنچ گیا، جس میں سال بہ سال 83 فیصد کا اضافہ واقع ہوا۔ نتیجتاً، پاکستان کا کرنٹ اکاؤنٹ خسارہ (21 CAD جولائی تا 22 جنوری کے دوران SPLY میں 1.0 US\$ بلین کے سرپلس کے برخلاف 11.6 بلین امریکی ڈالر تک بڑھ گیا۔ اس کے نتیجے میں امریکی ڈالر کے موازنے پر پاکستانی روپے کی قدر میں اب تک کی بڑی کمی رونما ہوئی، جس کی وجہ سے امریکی ڈالر پاکستانی روپے کے تناسب سے 178 سے تجاوز کر گیا۔ ایشیائی صرف کی عالمی قیمتوں میں اضافے اور پاکستانی روپے کی حالیہ قدر میں کمی کے اثرات بڑی افراط زر کی صورت میں ظاہر ہونا شروع ہو گئے ہیں۔ 21 جولائی تا 22 فروری کی مدت کے دوران اوسط افراط زر SPLY میں 8.3% سالانہ کے مقابلے میں 10.5% پر پہنچ گیا۔ بنیادی طور پر خوراک اور ٹرانسپورٹ کے زمروں سے پیدا ہونے والے دباؤ کے ساتھ افراط زر شرحوں میں دوہرے ہندسے کے آس پاس رہی ہے۔ اسٹیٹ بینک آف پاکستان نے ستمبر

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Pak Suzuki serving its valued customers since over 4 decades is dedicated to its philosophy of Convenience to The Customer. We take pride in being present in 100 cities nationwide with 168 Authorized Dealerships.

Our legacy is shaped by our customers' satisfaction & the journey to serve you continues...

Form of Proxy

I/We _____
Of _____
(Full Address)

being member(s) of Pak Suzuki Motor Co. Limited and holder of _____ shares under
Folio No. _____ and/or CDC participant I.D. No. _____
and Sub Account
No. _____ hereby appoint _____
of _____
(Full Address)

Folio No. _____ and/or CDC participant I.D. No. _____ and Sub Account
No. _____ as my/our proxy in my/our absence to attend and vote for me/us and on my/our
behalf at the 39th Annual General Meeting of the Company to be held on 26th day of April 2022 at
10:00 am.

As witness my/our hand this _____ day _____ 2022

Signed by the Said _____

Witnesses:

Signature _____
Name _____
Address _____
CNIC No./Passport No. _____

(Signature should agree with the SPECIMEN
signature registered with the Company)

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 him/her
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 company either under the common seal of such corporation company or under the hand of an officer or attorney so authorized.
3. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
4. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
5. The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
6. The proxy form, duly completed, must be deposited with the Company's registrar, CDC Share Registrar Services Limited, CDC House, 99 - B, Block-B, S.M.C.H.S, Main Shahrah-e-Faisal, Karachi, not less than 48 hours before the time for holding the meeting.



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Electronic Dividend Mandate Form

AFFIX
CORRECT
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Company Secretary:
PAK SUZUKI MOTOR CO. LTD.
DSU-13, Pakistan Steel Industrial Estate,
Bin Qasim, Karachi.

Pak Suzuki Motor Company Limited

In accordance with the provisions of section 242 of the Companies Act, 2017 and Companies (Distribution of Dividend) Regulations, 2017, it is mandatory that dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder.

Shareholders are requested to send the attached Form duly filled and signed, along with attested copy of their CNIC to the Company's Share Registrar M/s. Central Depository Company of Pakistan Limited (CDC), CDC House, 99-B, Block-B, SMCHS, Main Shahrah-e-Faisal, Karachi. Shareholders who hold shares with Participants / CDC are advised to provide the Dividend Mandate and attested copy of CNIC, directly to their concerned Broker (Participants) / CDC.

My Bank account details for credit of dividend are as below:

Name of shareholder : _____
Folio Number/CDC Account No. : _____ of Pak Suzuki Motor Company Limited.

Mobile number of shareholder : _____

E-mail id of shareholder : _____

Title of Account (*) : _____

Account Number : _____

IBAN Number (**): _____

Name of Bank : _____

Bank branch & Code : _____

Mailing Address of Branch : _____

CNIC No. (attach copy) : _____

NTN (in case of corporate entity) : _____

It is stated that the above particulars given by me are correct and to the best of my knowledge; I shall keep Share Registrar / Participant informed in case of any change in the said particulars in future.

Shareholder's Signature

Date

NOTES:

- * Joint account holders shall specify complete Title of Account, including shareholders name.
- ** Please provide complete IBAN Number (24 digits), after checking with your concerned Bank branch to enable electronic credit directly into your bank account.



PAK SUZUKI MOTOR CO.LTD.

DSU-13, Pakistan Steel Industrial Estate, Bin Qasim, Karachi.

Tel: 021-34723551-58 Fax: 021-34723521-2

Website: www.paksuzuki.com.pk