



**ANNUAL  
REPORT  
2022**





# TABLE OF CONTENT

3	Our Vision & Mission	52	Notice of Meeting
6	Company Information	58	Review Report on Statement of Compliance with the Code of Corporate Governance
10	Company Profile	59	Auditors' Report
14	Code of Conduct	66	Statement of Financial Position
16	Milestones	68	Statement of Profit or Loss
20	Highlights of the Accounts	69	Statement of Comprehensive Income
22	Highlights of the Accounts Segment Wise	70	Statement of Changes in Equity
24	6 Years at a Glance	71	Statement of Cash Flows
26	Horizontal Analysis of Balance Sheet	72	Notes to the Financial Statements
27	Horizontal Analysis of Profit or Loss Account	144	Pattern of Shareholding
28	Vertical Analysis of Balance Sheet	147	Dealer Network
29	Vertical Analysis of Profit or Loss Account	158	Directors' Report (Urdu)
30	Statement of Value Addition & its Distribution	165	Chairman's Review (Urdu) Form of Proxy Electronic Dividend Mandate Form
34	Visits & Events		
35	Inauguration of Dealerships		
38	Chairman's Review		
45	Directors' Report		
50	Statement of Compliance with the Code of Corporate Governance		





# OUR VISION

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

# OUR 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



# GSX125

Suzuki GSX125 is loaded with Sporty Curves, Diamond-Shaped Halogen Headlamp, Vibrant & strong shocks, 2-POD Calliper Hand-Bars, Alloy Rims with Disc Brakes and Shimmering Muffler.



# 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

Toshiyuki Ikuma

## 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.  
Meezan Bank Limited

## Registered Office

DSU-13, Pakistan Steel Industrial  
Estate, Bin Qasim, Karachi.  
Tel No. (021) 34723551 - 58  
Fax No. (021) 34723521 - 22  
Website: [www.suzukipakistan.com](http://www.suzukipakistan.com)

## Regional Offices

### Karachi Office:

REGIONAL OFFICE SOUTH, PLOT # 49-B, Block # 6,  
PECHS MAIN SHAHRA-E-FAISAL, KARACHI.  
Tel No. (021) 34541101, (021) 34541102

### Lahore Office:

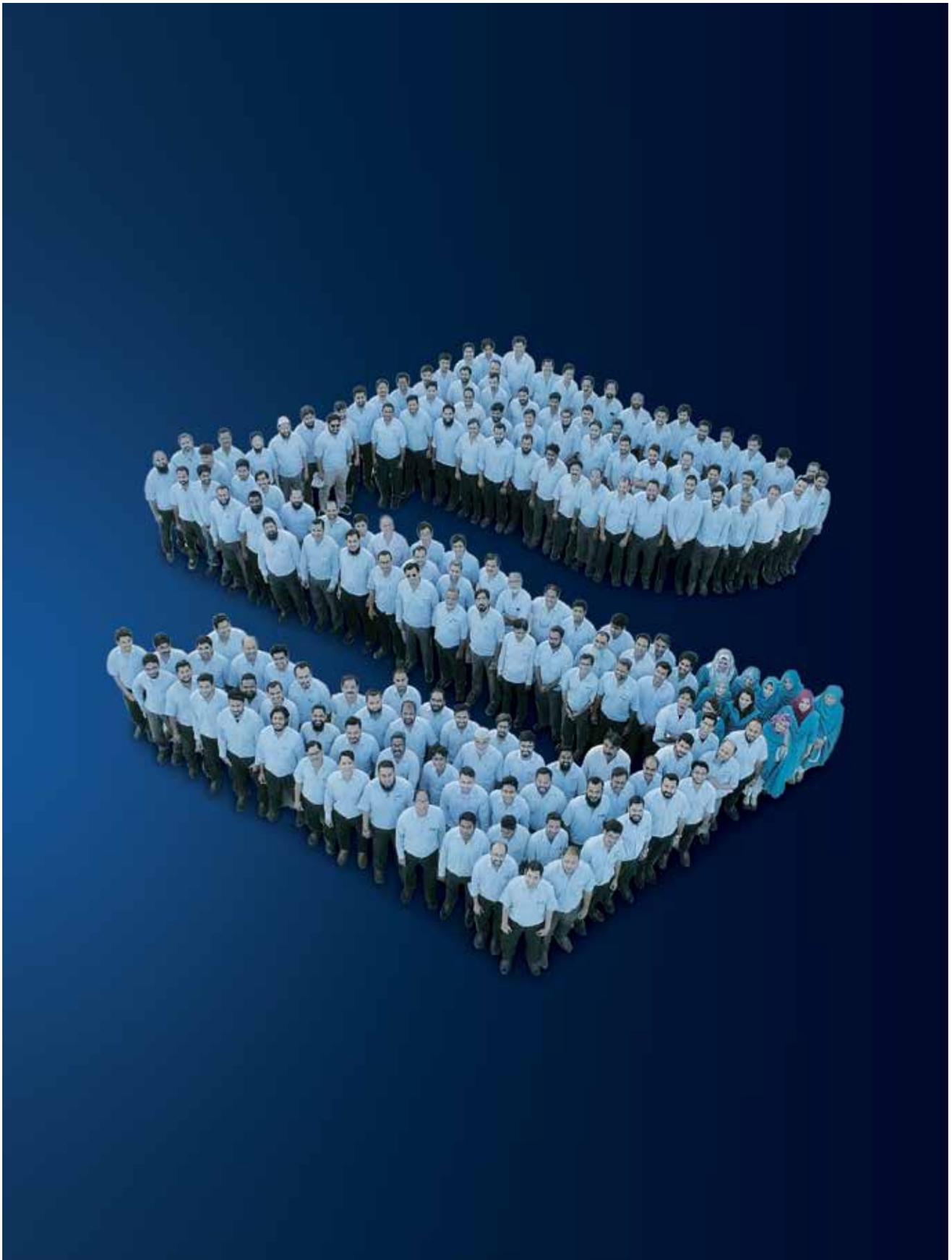
1st Floor, Silver Star Mall, Fortress Stadium, Lahore.  
Tel No. (042) 36623339, (042) 36688853

### 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



# ALTO

The all new Alto is all set to become your favorite car. Its modern design and spacious interior create a perfect blend of form and function. Built for smooth performance, this car offers tremendous fuel efficiency and reliability. The all new Alto has an R Series 658CC three-cylinder petrol engine with five-speed transmission.





# COMPANY PROFILE

## Location

Downstream Industrial Estate of Pakistan Steel, Karachi

## Total Area

259,200 m<sup>2</sup> (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. 40.23 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.



# CULTUS

The All New Suzuki Cultus – Progressive Technology that fits the modern world. Be it a race to the office, a highway drive or the daily rush-hour. Suzuki Cultus is equipped with Auto Gear Shift, which makes sure your drive is absolutely effortless.



# 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 environmental friendly products that will be required by our customers, by contributing to development and diffusion of environmental 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 arise 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.

# MILE STONES

- 1983

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

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%.
- 1984

The Company started commercial operations.

1997

The 100,000th vehicle rolled out from the Bin Qasim Plant. 1300 cc BALENO was introduced replacing MARGALLA.
- 1985

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

1999

Exports of RAVI pickups to Bangladesh commenced.
- 1988

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

2000

1000 cc passenger car SF-310 CULTUS replacing KHYBER was introduced. 1000 cc passenger car ALTO was introduced.
- 1989

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

2001

Reborn MEHRAN was introduced. CNG version of MEHRAN, BOLAN and RAVI were launched.
- 1990

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

2002

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

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.
- 1993

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

2004

New Plastic Injection Molding Shop commenced production of Bumpers, Instrument Panels, Radiator Grills and Wheel Caps.
- 1994

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

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.
- 1995

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

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 Rider'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.

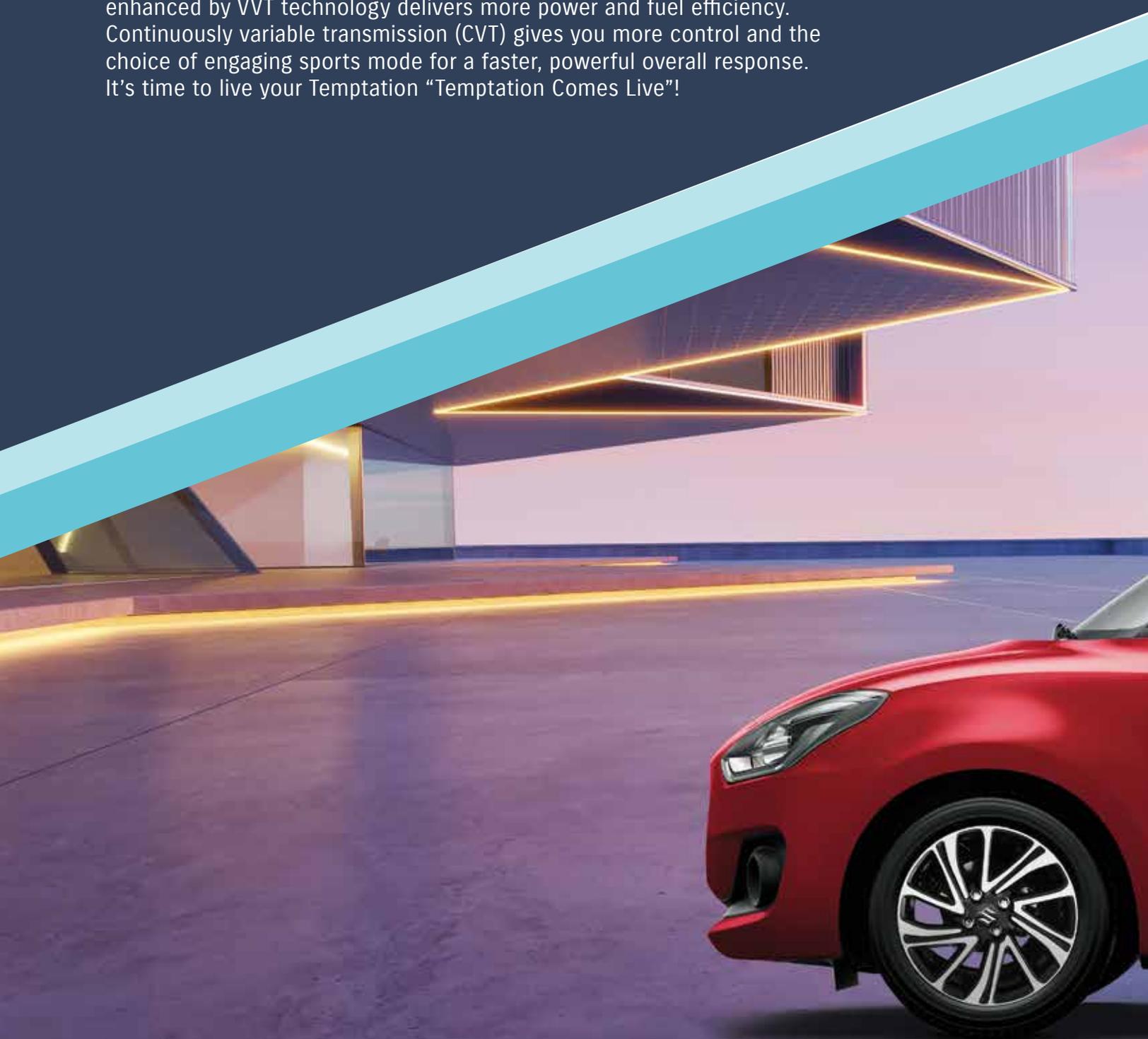
**2022** All New Suzuki Swift Launched  
GSX 125 launched

Suzuki Pakistan won Effie Award of first ever online Used Car Gala

Suzuki Pakistan achieved milestone of selling 1000 units of out board engines in Pakistan market.

# SWIFT

The all-New Swift speaks performance, style and dynamism from every angle, design stands out. Its new sporty design is sharp and attractive, and accentuated by the honeycomb Grill, alloy wheels, DRL and adjustable automatic LED projector headlamps. A 1.2 liter petrol Engine enhanced by VVT technology delivers more power and fuel efficiency. Continuously variable transmission (CVT) gives you more control and the choice of engaging sports mode for a faster, powerful overall response. It's time to live your Temptation "Temptation Comes Live"!

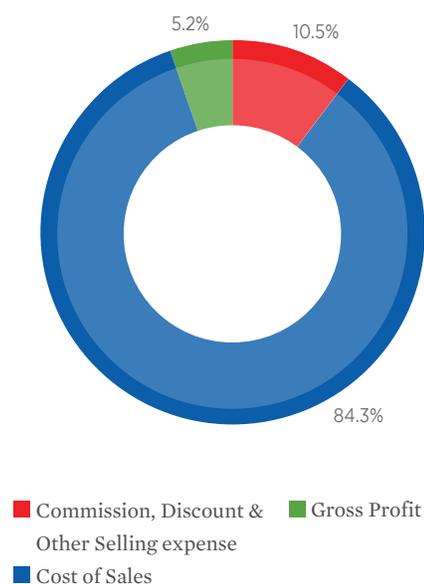




# HIGHLIGHTS OF THE ACCOUNTS

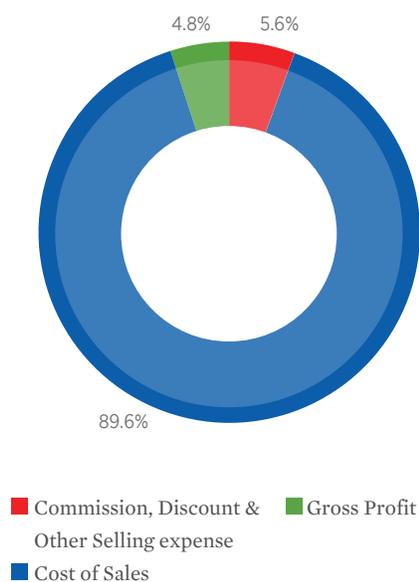
	2022	2021	Increase/(Decrease)	
			Amount	%
	----- (Rupees in '000) -----			
Production volume (Nos.)				
- Motorcar	126,603	121,882	4,721	3.9
- Motorcycle	42,381	32,143	10,238	31.9
Sales volume (Nos.)				
- Motorcar	125,996	122,922	3,074	2.5
- Motorcycle	40,674	32,384	8,290	25.6
Gross Sales	226,235,891	169,518,827	56,717,064	33.5
Other selling expenses as a % of gross sales	585,303 0.3	509,464 0.3	75,839	14.9 -
Selling Commission & Discount as a % of gross sales	23,183,851 10.2	8,927,108 5.3	14,256,743	159.7 4.9
Net Sales	202,466,737	160,082,255	42,384,482	26.5
Gross profit as a % of net sales	11,684,400 5.8	8,170,738 5.1	3,513,662	43.0 0.7
Distribution & marketing expenses as a % of net sales	3,217,529 1.6	2,943,268 1.8	274,261	9.3 (0.2)
Administration expenses as a % of net sales	2,957,069 1.5	2,480,801 1.5	476,268	19.2 -
Provision of Impairment on trade & installment sales revisable as a % of net sales	134,985 0.1	69,548 0.0	65,437	94.1 0.1
Other operating expenses (WPPF & WWF) as a % of net sales	8,894 0.0	279,670 0.2	(270,776)	(96.8) (0.2)

**Gross Sale Revenue Breakup - 2022**



	2022	2021	Increase/(Decrease)	
			Amount	%
	----- (Rupees in '000) -----			
Other income as a % of net sales	3,211,942 1.6	2,222,665 1.4	989,277 -	44.5 0.2
Finance Cost as a % of net sales	11,614,464 5.7	737,041 0.5	10,877,423 -	1,475.8 5.2
Share of loss of an associate as a % of net sales	105,941 0.1	87,668 0.1	18,273 -	20.8 -
(loss) / Profit before taxation as a % of net sales	(3,142,540) (1.6)	3,795,407 2.4	(6,937,947) -	(182.8) (4.0)
(loss) / Profit after taxation as a % of net sales	(6,336,922) (3.1)	2,679,476 1.7	(9,016,398) -	(336.5) (4.8)
Shareholders' equity	19,770,548	26,826,197	(7,055,649)	(26.3)
(loss) / earnings per share (Rs.)	(77.00)	32.56	(109.56)	(336.5)
Break-up value per share (Rs.)	240.23	325.96	(85.73)	(26.3)
Number of shares issued (000)	82,300	82,300	-	-
Exchange Rate (JPY to PKR)	1.5402	1.4851	0.0551	3.7
Exchange Rate (USD to PKR)	186	160	25.08	15.6

### Gross Sale Revenue Breakup - 2021



## HIGHLIGHTS OF THE ACCOUNTS SEGMENT WISE

	CAR DIVISION			%
	2 0 2 2	2 0 2 1	INCREASE/(DECREASE)	
	----- (Rupees in thousand) -----			
Production volume (Nos.)	<b>126,603</b>	121,882	4,721	4%
Sales volume (Nos.)	<b>125,996</b>	122,922	3,074	3%
Gross Sales	<b>217,623,511</b>	163,495,496	54,128,015	33%
Other selling expenses as a % of gross sales	<b>210,554</b> <b>0.1</b>	267,015 0.2	(56,461)	-21% (0.1)
Selling Commission & Discount as a % of gross sales	<b>23,163,246</b> <b>10.6</b>	8,912,627 5.5	14,250,619	160% 5.1
Net Sales	<b>194,249,711</b>	154,315,854	39,933,857	26%
Gross profit as a % of net sales	<b>11,602,641</b> <b>6.0</b>	7,742,189 5.0	3,860,452	50% 1.0
Distribution & marketing expenses as a % of net sales	<b>3,063,092</b> <b>1.6</b>	2,848,769 1.8	214,323	8% (0.2)
Administration expenses as a % of net sales	<b>2,597,334</b> <b>1.3</b>	2,177,617 1.4	419,717	19% (0.1)
Provision of Impairment on trade & instalment sales receivable as a % of net sales	<b>126,353</b> <b>0.1</b>	60,879 0.0	65,474	108% 0.1
Other expenses (WWF & WPPF) as a % of net sales	<b>8,894</b> <b>0.0</b>	279,670 0.2	(270,776)	-97% (0.2)
Other income as a % of net sales	<b>2,657,501</b> <b>1.4</b>	1,854,791 1.2	802,710	43% 0.2
Finance Cost as a % of net sales	<b>11,470,071</b> <b>5.9</b>	727,878 0.5	10,742,193	1476% 5.4
Share of loss of an associate as a % of net sales	<b>105,941</b> <b>0</b>	87,668 0	18,273	21% 0.0
(Loss) / Profit before taxation as a % of net sales	<b>(3,111,545)</b> <b>(1.6)</b>	3,414,499 2.2	(6,526,044)	-191% (3.8)
(Loss) / Profit after taxation as a % of net sales	<b>(6,305,925)</b> <b>(3.2)</b>	2,298,568 1.5	(8,604,494)	-374% (4.7)
Number of shares issued (000)	<b>82,300</b>	82,300	0	0%

MOTORCYCLE DIVISION				TOTAL			
2022	2021	INCREASE/ (DECREASE)	%	2022	2021	INCREASE/ (DECREASE)	%
42,381	32,143	10,238	32%	168,984	154,025	14,959	10%
40,674	32,384	8,290	26%	166,670	155,306	11,364	7%
8,612,380	6,023,331	2,589,049	43%	226,235,891	169,518,827	56,717,064	33%
374,749	242,449	132,300	55%	585,303	509,464	75,839	15%
4.4	4.0		0.4	0.3	0.3		0
20,605	14,481	6,124	42%	23,183,851	8,927,108	14,256,743	160%
0.2	0.2		0.0	10.2	5.3		4.9
8,217,026	5,766,401	2,450,625	42%	202,466,737	160,082,255	42,384,482	26%
81,759	428,549	(346,790)	-81%	11,684,400	8,170,738	3,513,662	43%
1.0	7.4		(6.4)	5.8	5.1		0.7
154,437	94,499	59,938	63%	3,217,529	2,943,268	274,261	9%
1.9	1.6		0.3	1.6	1.8		-0.2
359,735	303,184	56,551	19%	2,957,069	2,480,801	476,268	19%
4.4	5.3		(0.9)	1.5	1.5		0
8,632	8,669	(37)	0%	134,985	69,548	65,437	94%
0.1	0.2		0.1	0.1	0.0		0
0	0	0	0%	8,894	279,670	(270,776)	-97%
0.0	0.0		0.0	0.0	0.2		(0)
554,441	367,874	186,567	51%	3,211,942	2,222,665	989,277	45%
6.7	6.4		0.3	1.6	1.4		0.2
144,393	9,163	135,230	1476%	11,614,464	737,041	10,877,423	1476%
1.8	0.2		1.6	5.7	0.5		5.2
0	0	0	0%	105,941	87,668	18,273	21%
-	-		0.0	0.1	0		0
(30,997)	380,908	(411,905)	-108%	(3,142,540)	3,795,407	(6,937,947)	-183%
(0.4)	6.6		(7.0)	(1.6)	2.4		(4)
(30,997)	380,908	(411,905)	-108%	(6,336,922)	2,679,476	(9,016,398)	-336%
(0.4)	6.6		(7.0)	(3.1)	1.7		-4.8
82,300	82,300	0	82,300	82,300	82,300	0	0%

# 6 YEARS AT A GLANCE

2022                      2021                      2020                      2019                      2018                      2017

----- (Rupees in '000) -----

## OPERATING RESULTS

Production volume ( Nos.)

- Motorcar	<b>126,603</b>	121,882	49,528	107,999	143,239	132,725
- Motorcycle	<b>42,381</b>	32,143	16,530	22,737	23,014	19,603

Sales volume ( Nos.)

- Motorcar	<b>125,996</b>	122,922	59,281	113,270	140,313	132,548
- Motorcycle	<b>40,674</b>	32,384	17,111	22,589	23,160	19,901

<b>Sales revenue</b>	<b>202,466,737</b>	160,082,255	76,720,132	116,548,013	119,853,898	101,811,611
Gross profit	<b>11,684,400</b>	8,170,738	3,599,218	1,984,527	7,044,865	9,652,573
(Loss) / Profit before taxation	<b>(3,142,540)</b>	3,795,407	(1,888,054)	(4,951,744)	2,082,936	5,619,214
(Loss) / Profit after taxation	<b>(6,336,922)</b>	2,679,476	(1,378,115)	(2,920,485)	1,298,108	3,825,821
Cash Dividends	-	534,949	-	-	260,068	1,530,777
Profit retained	<b>(6,336,922)</b>	2,144,527	(1,378,115)	(2,920,485)	1,038,040	2,295,044

## CAPITAL EMPLOYED

Share capital	<b>822,999</b>	822,999	822,999	822,999	822,999	822,999
Reserves	<b>23,219,343</b>	23,403,121	25,137,763	28,069,713	27,109,749	24,898,931
Unappropriated profit	<b>(4,271,794)</b>	2,600,077	(1,668,321)	(2,941,826)	1,300,117	3,827,786
Shareholders' equity	<b>19,770,548</b>	26,826,197	24,292,441	25,950,886	29,232,865	29,549,716
Non-Current Liabilities	<b>3,639,291</b>	3,324,103	755,858	515,679	215,730	-
Current Liabilities	<b>86,674,529</b>	61,839,670	41,599,057	51,193,261	32,061,254	21,360,751
	<b>110,084,368</b>	91,989,970	66,647,356	77,659,826	61,509,849	50,910,467

## Represented BY:

Fixed Assets	<b>14,877,495</b>	15,544,426	13,038,601	15,685,850	15,654,827	8,800,002
Other Non - Current Assets	<b>9,549,657</b>	9,382,090	7,971,217	3,828,757	2,173,188	1,104,378
Net Current Assets	<b>85,657,216</b>	67,063,454	45,637,538	58,145,219	43,681,834	41,006,087
	<b>110,084,368</b>	91,989,970	66,647,356	77,659,826	61,509,849	50,910,467

	2022	2021	2020	2019	2018	2017
----- (Rupees in '000) -----						
<b>PROFITABILITY RATIOS</b>						
Gross profit as a % of net sales	<b>5.8%</b>	5.1%	4.7%	1.7%	5.9%	9.5%
(Loss) / profit before taxation as a % of net sales	<b>-1.6%</b>	2.4%	-2.5%	-4.2%	1.7%	5.5%
(Loss) / profit after taxation as a % of net sales	<b>-3.1%</b>	1.7%	-1.8%	-2.5%	1.1%	3.8%
(Loss) / earning per Share (Rs.)	<b>(77.0)</b>	32.6	(16.7)	(35.5)	15.8	46.5
<b>LIQUIDATY &amp; LEVERAGE RATIOS</b>						
Current ratio	<b>0.99</b>	1.08	1.10	1.14	1.36	1.92
Quick ratio	<b>0.61</b>	0.66	0.66	0.40	0.44	0.79
Liabilities as a % of total assets	<b>82%</b>	71%	64%	67%	52%	42%
Equity as a % of total assets	<b>18%</b>	29%	36%	33%	48%	58%
<b>EFFICIENCY RATIOS</b>						
Inventory turn over ratio	<b>5.8</b>	5.8	4.1	3.1	3.8	3.8
No. of days stock held	<b>63</b>	63	90	120	95	95
No. of days sales in trade debts	<b>0.7</b>	0.4	2.4	2.2	0.7	0.8
Total assets turn over ratio	<b>1.8</b>	1.7	1.2	1.5	1.9	2.0
Net worth turn over ratio	<b>10.2</b>	6.0	3.2	4.5	4.1	3.4
<b>EQUITY RATIOS</b>						
Break up value per share (Rs.)	<b>240</b>	325.96	295.17	315.32	355.20	359.05
Cash Dividend as a % of capital	<b>0%</b>	65%	0%	0%	32%	186%
Dividend payout ratio (%)	<b>0%</b>	20%	0%	0%	20%	40%
Plough-back ratio (%)	<b>100%</b>	80%	100%	100%	80%	60%
<b>OTHER DATA</b>						
Permanent employees strength (Nos.)	<b>1,591</b>	1,577	1,502	1,364	1,424	1,345
Number of shares	<b>82,299,851</b>	82,299,851	82,299,851	82,299,851	82,299,851	82,299,851

# HORIZONTAL ANALYSIS OF BALANCE SHEET

	2022	%	2021	%	2020	%	2019	%	2018	%	2017	%
----- (Rupees in Millions) -----												
Fixed assets	15,322	(3.8)	15,929	19.9	13,285	(17.1)	16,031	1.7	15,768	75.5	8,985	33.2
Right to use of Assets	118	5.4	112	(9.7)	124	(14.5)	145	-	-	-	-	-
Long-term investments	85	(55.3)	190	(31.7)	278	(14.7)	326	(0.9)	329.00	58.2	208	-
Long-term loans	7	16.7	6	20.0	5	25.0	4	-	4	100.0	2	(99.1)
Long-term deposits, prepayments and other receivables	1,035	82.5	567	21.9	465	23.0	378	(17.1)	456	19.4	382	1,217.2
Long-term installment sales receivables	515	(33.7)	777	59.9	486	78.7	272	130.5	118	(18.6)	145	51.0
Deferred taxation	7,345	-	7,345	15.4	6,366	169.9	2,359	104.8	1,152	386.1	237	1.3
Stores, spares and loose tools	483	32.7	364	44.4	252	(3.1)	260	76.9	147	27.8	115	3.6
Stock-in-trade	33,032	26.0	26,225	45.9	17,974	(52.1)	37,517	27.6	29,397	22.8	23,947	47.0
Trade debts	385	95.4	197	(60.9)	504	(27.1)	691	190.3	238	12.8	211	(82.5)
Current portion of long-term installment sales receivables	2,517	24.1	2,028	62.9	1,245	55.8	799	45.3	550	71.3	321	10.3
Loans and advances	1,194	628.0	164	36.7	120	118.2	55	34.1	41	10.8	37	(81.6)
Trade deposits and short term prepayments	31,621	1,077.7	2,685	74.0	1,543	453.0	279	(79.4)	1,357	40.5	966	1,154.5
Accrued profit on bank deposits	-	-	-	-	-	-	-	(100.0)	269	827.6	29	(76.0)
Other receivables	946	0.9	938	52.0	617	76.8	349	-	-	(100.0)	93	(27.9)
Sales tax and excise duty adjustable	6,276	(4.5)	6,575	193.9	2,237	(71.0)	7,701	76.2	4,370	282.0	1,144	(30.7)
Taxation - net	5,500	19.2	4,616	38.7	3,327	(54.0)	7,226	24.6	5,798	18.3	4,900	158.7
Cash and bank balances	3,703	(84.1)	23,271	30.6	17,818	445.2	3,268	115.6	1,516	(83.5)	9,190	7.5
<b>Total Assets</b>	<b>110,084</b>	<b>19.7</b>	<b>91,990</b>	<b>38.0</b>	<b>66,647</b>	<b>(14.2)</b>	<b>77,660</b>	<b>26.3</b>	<b>61,510</b>	<b>20.8</b>	<b>50,910</b>	<b>34.5</b>
Share capital	823	-	823	-	823	-	823	-	823	-	823	-
Reserves	18,947	(27.1)	26,003	10.8	23,469	(6.6)	25,128	(11.6)	28,410	(1.1)	28,727	13.1
<b>Total Equity</b>	<b>19,770</b>	<b>(26.3)</b>	<b>26,826</b>	<b>10.4</b>	<b>24,292</b>	<b>(6.4)</b>	<b>25,951</b>	<b>(11.2)</b>	<b>29,233</b>	<b>(1.1)</b>	<b>29,550</b>	<b>12.7</b>
Trade and other payables	64,964	223.9	20,056	49.4	13,421	4.1	12,887	(10.6)	14,410	26.6	11,378	80.6
Advances	5,836	(83.5)	35,356	257.9	9,878	559.9	1,497	(34.2)	2,276	(57.3)	5,332	228.1
Short-term finance	11,321	-	-	(100.0)	12,621	(61.1)	32,411	186.6	11,310	-	-	-
Security deposits	4,296	5.9	4,058	0.7	4,029	(3.2)	4,164	(1.4)	4,222	(8.2)	4,601	25.3
Unclaimed Dividend	21	10.5	19	-	19	-	19	(13.6)	22	-	-	-
Lease liability	141	8.5	130	(4.4)	136	(8.1)	148	-	-	-	-	-
Provision for custom duties and sales tax	285	(88.0)	2,371	27.0	1,867	220.2	583	1,519.4	36	-	36	-
Long term loan	1,878	8.1	1,737	-	-	-	-	-	-	-	-	-
Deferred Government Grant	757	(13.0)	870	-	-	-	-	-	-	-	-	-
Employee Benefit Obligations	815	43.2	569	47.8	385	-	-	-	-	-	-	-
<b>Total Equity and Liabilities</b>	<b>110,084</b>	<b>19.7</b>	<b>91,990</b>	<b>38.0</b>	<b>66,647</b>	<b>(14.2)</b>	<b>77,660</b>	<b>26.3</b>	<b>61,510</b>	<b>20.8</b>	<b>50,910</b>	<b>34.5</b>

## HORIZONTAL ANALYSIS OF PROFIT OR LOSS ACCOUNT

	2022	%	2021	%	2020	%	2019	%	2018	%	2017	%
----- (Rupees in Millions) -----												
Sales	202,467	26.5	160,082	108.7	76,720	(34.2)	116,548	(2.8)	119,854	17.7	101,812	33.1
Cost of sales	(190,782)	25.6	(151,912)	107.75	(73,121)	(36.2)	(114,563)	1.6	(112,809)	22.4	(92,159)	33.2
<b>Gross profit</b>	<b>11,684</b>	<b>43.0</b>	8,171	127.04	3,599	81.3	1,985	(71.8)	7,045	(27.0)	9,653	31.4
Distribution and selling costs	(3,218)	9.3	(2,943)	79.45	(1,640)	(35.4)	(2,539)	(6.2)	(2,707)	(3.5)	(2,804)	39.9
Administrative expenses	(2,957)	19.2	(2,481)	38.53	(1,791)	(29.8)	(2,551)	9.8	(2,323)	45.2	(1,600)	3.9
Provision of impairment losses	(135)	92.9	(70)	105.88	(34)	(247.8)	23	-	-	-	-	-
<b>Operating profit</b>	<b>5,375</b>	<b>100.8</b>	2,677	1882.96	135	(104.4)	(3,083)	(225.9)	2,449	(57.0)	5,699	26.3
Other expenses	(9)	(96.8)	(280)	1766.67	(15)	-	-	(100.0)	(154)	(62.8)	(414)	24.0
Other income	3,212	44.5	2,223	215.77	704	215.7	223	(60.6)	566	(34.6)	865	(16.8)
Share of loss of equity accounted investee	(106)	20.5	(88)	83.33	(48)	1,500.0	(3)	-	(3)	-	-	-
Finance cost	(11,614)	1,475.8	(737)	(72.35)	(2,665)	27.6	(2,088)	475.2	(363)	433.8	(68)	(29.2)
<b>(Loss) / profit before taxation</b>	<b>(3,143)</b>	<b>(182.8)</b>	3,795	(301.01)	(1,888)	(61.9)	(4,952)	(337.7)	2,083	(62.9)	5,619	27.3
Taxation	(3,194)	186.2	(1,116)	(318.82)	510	(74.9)	2,031	(358.7)	(785)	(56.2)	(1,793)	9.1
<b>(Loss) / profit after taxation</b>	<b>(6,337)</b>	<b>(336.5)</b>	2,679	(294.41)	(1,378)	(52.8)	(2,920)	(325.0)	1,298	(66.1)	3,826	38.0

## VERTICAL ANALYSIS OF BALANCE SHEET

	2022	%	2021	%	2020	%	2019	%	2018	%	2017	%
----- (Rupees in Millions) -----												
Fixed assets	15,322	13.92	15929	17.3	13,285	19.9	16,031	20.6	15,768	25.6	8,985	17.6
Right to use of Assets	118	0.11	112	0.1	124	0.2	145	0.2	-	-	-	-
Long-term investments	85	0.08	190	0.2	278	0.4	326	0.4	329	0.5	208	0.4
Long-term loans	7	0.01	6	-	5	-	4	-	4	-	2	-
Long-term deposits, prepayments and other receivables	1,035	0.94	567	0.6	465	0.7	378	0.5	456	0.7	382	0.8
Long-term installment sales receivables	515	0.47	777	0.8	486	0.7	272	0.4	118	0.2	145	0.3
Deferred taxation	7,345	6.67	7345	8.0	6,366	9.6	2,359	3.0	1,152	1.9	237	0.5
Stores, spares and loose tools	483	0.44	364	0.4	252	0.4	260	0.3	147	0.2	115	0.2
Stock-in-trade	33,032	30.01	26225	28.5	17,974	27.0	37,517	48.3	29,397	47.8	23,946	47.0
Trade debts	385	0.35	197	0.2	504	0.8	691	0.9	238	0.4	211	0.4
Current portion of long-term installment sales receivables	2,517	2.29	2028	2.2	1,245	1.9	799	1.0	550	0.9	321	0.6
Loans and advances	1,194	1.08	164	0.2	120	0.2	55	0.1	41	0.1	37	0.1
Trade deposits and short term prepayments	31,621	28.72	2685	2.9	1,543	2.3	279	0.4	1,357	2.2	966	1.9
Accrued profit on bank deposits	-	0.00	-	-	-	-	-	-	269	0.4	29	0.1
Other receivables	946	0.86	938	1.0	617	0.9	349	0.4	-	-	93	0.2
Sales tax and excise duty adjustable	6,276	5.70	6575	7.1	2,237	3.4	7,701	9.9	4,370	7.1	1,144	2.2
Taxation - net	5,500	5.00	4616	5.0	3,327	5.0	7,226	9.3	5,798	9.4	4,900	9.6
Cash and bank balances	3,704	3.36	23271	25.3	17,819	26.7	3,268	4.2	1,516	2.5	9,189	18.1
<b>Total Assets</b>	<b>110,084</b>	<b>100</b>	91,990	100	66,647	100	77,660	100	61,510	100	50,910	100
<b>EQUITY AND LIABILITIES</b>												
Share capital	823	0.7	823	0.9	823	1.2	823	1.1	823	1.3	823	1.6
Reserves	18,947	17.2	26,003	28.3	23,469	35.2	25,128	32.4	28,410	46.2	28,726	56.4
<b>Total Equity</b>	<b>19,770</b>	<b>17.9</b>	26,826	29	24,292	36.4	25,951	33.4	29,233	47.5	29,549	58.0
Trade and other payables	64,964	59.0	20,056	21.8	13,421	20.1	12,887	16.6	14,410	23.4	11,379	22.3
Advances	5,836	5.3	35,356	38.4	9,877	14.8	1,497	1.9	2,276	3.7	5,332	10.5
Short-term finance	11,321	10.3	-	-	12,621	18.9	32,411	41.7	11,311	18.4	-	-
Security deposits	4,296	3.9	4,058	4.4	4,029	6.0	4,164	5.4	4,222	6.9	4,601	9.0
Unclaimed dividend	21	0.0	19	-	19	0.03	19	0.02	22	-	14	-
Lease liability	141	0.1	130	0.1	136	0.2	148	0.2	-	-	-	-
Provision for custom duties and sales tax	285	0.3	2,371	2.6	1,867	2.8	583	0.8	36	0.1	36	0.1
Long term loan	1,878	1.7	1,737	1.9	-	-	-	-	-	-	-	-
Deferred Government Grant	757	0.7	870	0.9	-	-	-	-	-	-	-	-
Employee Benefit Obligations	815	0.7	569	0.6	385	0.6	-	-	-	-	-	-
<b>Total Equity and Liabilities</b>	<b>110,084</b>	<b>100</b>	91,990	100	66,647	100	77,660	100	61,510	100	50,910	100

## VERTICAL ANALYSIS OF PROFIT OR LOSS ACCOUNT

	2022	%	2021	%	2020	%	2019	%	2018	%	2017	%
----- (Rupees in Millions) -----												
Sales	202,467	100	160,082	100	76,720	100	116,548	100	119,854	100	101,812	100
Cost of sales	(190,782)	(94.23)	(151,912)	(94.90)	(73,121)	(95.31)	(114,563)	(98.30)	(112,809)	(94.12)	(92,159)	(90.52)
<b>Gross profit</b>	<b>11,684</b>	<b>5.77</b>	8,171	5.10	3,599	4.69	1,985	1.70	7,045	5.88	9,653	9.48
Distribution and selling costs	(3,218)	(1.59)	(2,943)	(1.84)	(1,640)	(2.14)	(2,539)	(2.18)	(2,707)	(2.26)	(2,804)	(2.75)
Administrative expenses	(2,957)	(1.46)	(2,481)	(1.55)	(1,791)	(2.33)	(2,551)	(2.19)	(2,323)	(1.94)	(1,600)	(1.57)
Provision of impairment on trade & installment sales receivable	(135)	(0.07)	(70)	(0.04)	(34)	(0.04)	23	0.02	22.00	0.02	-	-
<b>Operating profit / (loss)</b>	<b>5,375</b>	<b>2.65</b>	2,677	1.67	135	0.18	(3,083)	(2.65)	2,449	2.04	5,699	5.60
Other expenses	(9)	(0.00)	(280)	(0.17)	(15)	(0.02)	-	-	(154)	(0.13)	(414)	(0.41)
Other income	3,212	1.59	2,223	1.39	704	0.92	223	0.19	566	0.47	865	0.85
Share of loss of equity accounted investee	(106)	(0.05)	(88)	(0.05)	(48)	(0.06)	(3)	-	(3.00)	-	(12.00)	(0.01)
Finance cost	(11,614)	(5.74)	(737)	(0.46)	(2,665)	(3.47)	(2,088)	(1.79)	(363)	(0.30)	(68)	(0.07)
<b>(Loss) / profit before taxation</b>	<b>(3,143)</b>	<b>(1.55)</b>	3,795	2.37	(1,888)	(2.46)	(4,952)	(4.25)	2,083	1.74	5,619	5.52
Taxation	(3,194)	(1.58)	(1,116)	(0.70)	510	0.66	2,031	1.74	(785)	(0.65)	(1,793)	(1.76)
<b>(Loss) / profit after taxation</b>	<b>(6,337)</b>	<b>(3.13)</b>	2,679	1.67	(1,378)	(1.80)	(2,920)	(2.51)	1,298	1.08	3,826	3.76



## STATEMENT OF VALUE ADDITION AND ITS DISTRIBUTION

	2022 (Rupees in '000)	%	2021 (Rupees in '000)	%
<b>Wealth Generated</b>				
Total gross revenue and other income	205,678,679		162,304,920	
Brought in materials and services	166,286,200		127,314,785	
	<u>39,392,479</u>	100	<u>34,990,135</u>	100
<b>Wealth distribution to stakeholders</b>				
To Employees				
Salaries, wages ,other cost including retirement benefits and WPPF	3,427,202	8.70	3,251,861	9.29
<b>To Government</b>				
Income tax, sales tax, excise duty, development surcharge, WWF	37,434,267	95.03	25,518,484	72.93
<b>To Society</b>				
Donation	17,483	0.04	11,182	0.03
<b>To Shareholders</b>				
Dividend	534,949	1.36	-	0.00
<b>To providers of finance</b>				
Finance charges for borrowed funds	519,203	1.32	124,215	0.36
<b>To Company</b>				
Depreciation, amortisation and retained profit/ (loss)	(2,540,625)	-6.45	6,084,393	17.39
	<u>39,392,479</u>	100.00	<u>34,990,135</u>	100.00

# 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





# WAGONR

WagonR with its K-Series Engine is fuel efficient and guarantees a drive that is smooth, noiseless and powerful. Known for its practicality, performance and comfort, it is the perfect family car. Also available in Auto Gear Shift, which makes sure your drive is absolutely effortless.



## VISITS & EVENTS



Mr. Masafumi Harano, MD Pak Suzuki Motor Company Limited, met Prof. Ahsan Iqbal sahib, Federal Minister for Planning, Development, Special initiatives.



Mr. Masafumi Harano, MD Pak Suzuki Motor Company Limited met Mr. Khawaja Asif sahib, Federal Minister for Defence at his office at Parliament, Islamabad.



Mr. Masafumi Harano, MD Pak Suzuki Motor Company Limited met Ms. Rahat Kaunain Hassan, Chairperson, Competition Commission of Pakistan (CCOP) at her office at Islamabad.



THE ALL-NEW SWIFT, launch event was held on the 24th of February 2022 in Avari Towers, Lahore



This auspicious night, Suzuki Pakistan also revealed their latest addition to their two-wheel line-up as they launched the Suzuki GSX 125, a futuristic, sporty bike that is designed to give its user a modern biking experience

# INAUGURATION OF DEALERSHIPS



Suzuki Frontier Motors



Suzuki Ittehad Motors



Suzuki Khyber Motors



Suzuki Champion Motors



Suzuki Bhakkar Motors



Suzuki GM Motors

# RECORD SALES

Suzuki Pakistan achieved highest record sales of motorcycle, with 40,000+ units.





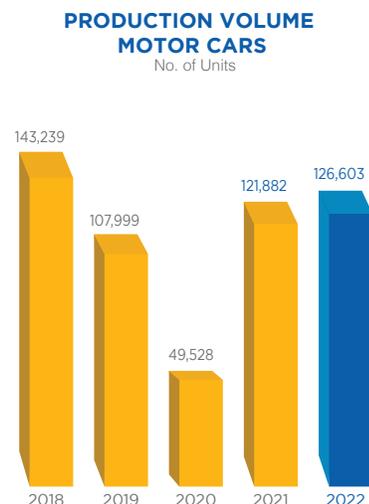
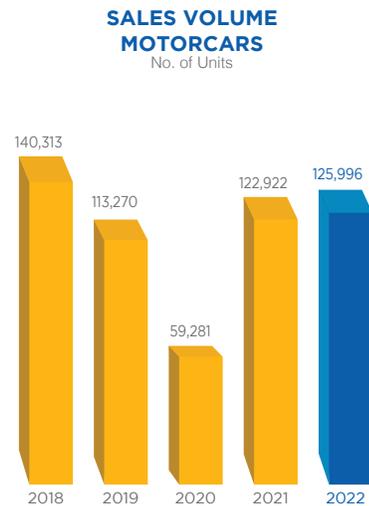
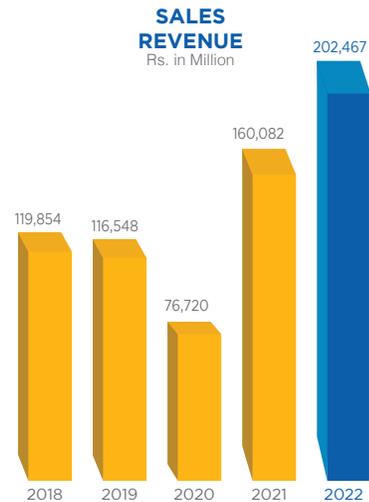
# CHAIRMAN'S REVIEW

It is my privilege to present review on the performance of the Company for the year ended December 31, 2022.

## The Economy

Pakistan is experiencing severe economic crises. Pakistan is currently facing the challenges of high inflation, low growth and low levels of official foreign exchange reserves. Ongoing geo-political tussle gave rise to increase in commodity prices and global monetary policy tightening. Unprecedented depreciation of Pak Rupee, increased freight charges, hike in interest rate, political instability, rise in inflation, uncertainty over external financing and government's actions to control imports had adversely impacted the economy of Pakistan. Floods in country further aggravated the economic outlook. While fiscal accounts are under immense pressure on account of heavy interest payments and rehabilitation spending.

Economic indicators of the country are not encouraging. Large scale manufacturing (LSM) sector witnessed decline by 3.7% during the period Jul - Dec 2022 as compared to same period of last year (SPLY). During the period Jul 2022 - Jan 2023, exports worth US\$ 16.4 billion were achieved as compared to exports of US\$ 17.7 billion in SPLY. Textiles and textile articles remained the principal contributor for exports of country. Remittances also reduced due to prevailing uncertainty in forex rates. During the period July 2022 - February 2023, total remittances of US\$ 17.9 billion were received against US\$ 20.1 billion in SPLY. Imports also declined from US\$ 42.3 billion to US\$ 33.5 billion due to stringent import restrictions imposed by the State Bank of Pakistan. Consequently, Trade deficit reduced to US\$ 17 billion for the period Jul 2022 - Jan 2023 as compared to US\$ 24.6 billion in SPLY, i.e., decrease by 31% year on year basis. Similarly, Pakistan's current account deficit (CAD) also reduced to US\$ 3.8 billion during the period Jul 22 - Jan 23 against a deficit of US\$ 11.6 billion in SPLY. Despite positive development in CAD, debt servicing coupled with uncertainty over external financing adversely impacted the PKR and resulted in downside in Pak Rupee to all-time low parity with US\$, exceeding PKR 280 in March 2023. The impact of higher global commodity prices and recent PKR depreciation have begun to reflect in higher inflation. Average inflation during the period Jul 22 - Feb 23 arrives at 31.5% YoY vis-à-vis 12.24%. Incessant depreciation of Pak Rupee and persistent shortages in essential crops due to floods preventing inflation to settle down. State Bank of Pakistan (SBP) is following a contractionary monetary policy to contain inflationary pressure with progressive increase in policy rate. Policy rate increased to 20% in 'Monetary Policy' announced in March 2023 with 3% increase.



## INDUSTRY

Automobile industry witnessed improved sales volumes in first half of 2022. However, sales volume adversely impacted in later half of 2022, primarily due to import restrictions imposed by State Bank of Pakistan (SBP) on import of CKDs of vehicles. Sales volume (PAMA member companies) for cars and light commercial vehicles drastically declined from 135,976 units (Jul – Dec 2021) to 84,116 units (Jul – Dec 2022), registering massive decline of 38% in sales volume during 2nd half of 2022. However, industry sales volume (PAMA member companies) for cars and light commercial vehicles in year 2022 remained at 227,407 units as compared to 237,419 units in 2021, registering nominal decline of 4%.

Due to continuous depreciation of Pak Rupee and fast depleting forex reserves, in May 2022 the government has imposed import restrictions on several industries, including auto industry. Import restrictions caused acute shortage of material for production of vehicles. Consequently, OEMs were forced to opt for temporary plant shutdowns. At same time, industry had to encounter high inflation, forex rates instability, global commodity price increase, supply chain disruptions, increase in shipping cost. Further, these restrictions have resulted in abnormal delays in remittances to foreign suppliers and imported consignments remained blocked at ports, causing huge detention and demurrage charges.

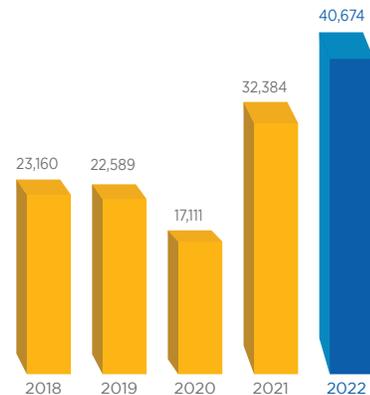
During year 2022, sales volume for motorcycles and three wheelers (PAMA member companies) decreased from 1,891,416 units to 1,511,365 units. Decrease of 380,051 units represents 20% decline in sales volume over last year

### Operating Results of the Company

Ongoing economic crises impacted sales volume of company. Strong sales volume in 1st half were neutralized in 2nd half of 2022. Sales volume of Company during the year 2022 remained consistent at 125,996 units as compared to 122,922 units in 2021. Market share of Company improved from 52% in year 2021 to 55% in 2022. The production volume of automobile and motorcycles were adjusted according to the demand. Company operated at 84% capacity utilization and achieved production volume of 126,603 units of automobiles. Sales volume for motorcycles increased by 26%, mainly attributed to sales strategy to develop new channel of nationwide 2-wheeler franchises. Company achieved sales volume of 40,674 units as compared to sales volume of 32,384 units in last year.

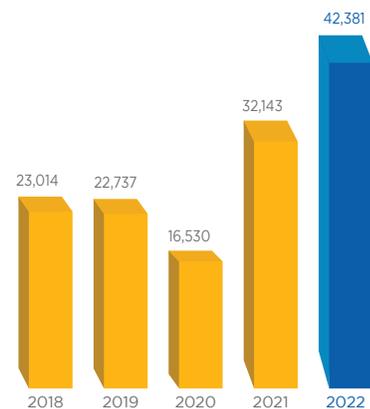
### SALES VOLUME MOTORCYCLES

No. of Units



### PRODUCTION VOLUME MOTOR CYCLES

No. of Units



### SHARE PRICE Vs. BREAKUP VALUE

Rupees



Net sales revenues increased by Rs 42,384 million from Rs 160,082 million to Rs 202,466 million. Sales revenue increased by 24% in current year over last year due to improved sales prices. Gross profit increased in absolute terms by Rs 3,513 million from Rs 8,171 million to Rs 11,684 million. Gross profit margins as a percentage of net sales improved from 5.1% to 5.8%. Company incurred net loss of Rs 6,337 million as compared to net profit of Rs 2,680 million in last year. Major reason for loss during the year was due to import restrictions resulting in lesser production and huge incidental expenses for delayed clearance of imported consignments. It includes compensation to customers on delayed delivery of Rs 3,826 million, detention and demurrage charges of Rs 3,628 million and Exchange loss of Rs 3,555 million.

### Marketing & Exports

#### Automobile Market:

Pak Suzuki unveiled its premium Hatchback - THE ALL-NEW SWIFT on Feb 24, 2022. All New Swift offers value-added features not available in any of local cars in this segment, well accepted by the customers. New Swift performed exceptionally well in present difficult situation. Pak Suzuki is committed to bringing new products to Pakistan market in future as well.

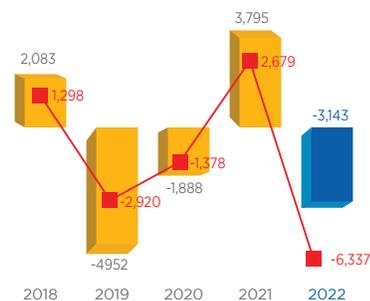
We aim to provide quality products to customers supported by 3S (Sales, Service & Spare Parts) Dealerships' network, spread all over Pakistan. Strong dealership network ensured efficient services to customers including reliable after sales service and availability of spare parts. Company has been continuously enhancing and strengthening the dealership network. Even during hard times, Pak Suzuki added nine (9) new 3S dealerships and two (2) 3S branch outlets to the network in year 2022.

As 40% of sales is contributed by financing sales, Pak Suzuki concentrated on auto financing sales and joined hands with partner banks in providing "Value Addition Services" to the customers by offering new products like Residual Value financing and low mark-up promotions with additional benefits to further increase affordability of customers to purchase a car. However, continued increase in markup rates and restrictions imposed on consumer financing may adversely impact the sales volume through financing.

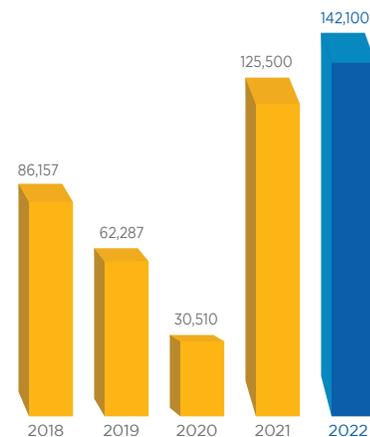
#### Motorcycle Market:

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.

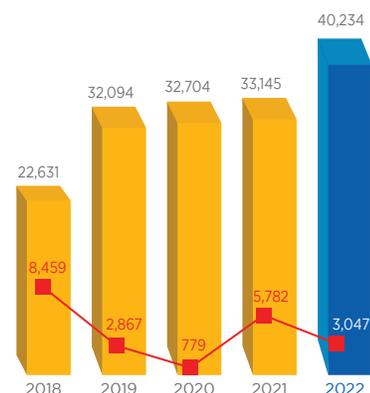
**PBT/PAT**  
Rs. in Million



**EXPORT SALES**  
Rs. in Thousands



**FIXED ASSETS Vs. CAPEX**  
Rs. in Million



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. As part of customer accessibility, Pak Suzuki expanded its presence to total 17 Nos. Company showrooms' and 14 Nos. franchise outlets as of Dec 31, 2022.

#### **AFTERSALES (Parts & Service):**

Aftersales operations continued to ensure customers' satisfaction, retention through quality service by trained staff & ensuring smooth dealers' operations by timely availability of parts at dealerships. The aftersales network continued to expand specially in small cities & towns with 162 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) has crossed more than one million which shows customer trust on our products and services.
- The motorcycle aftersales market also showed positive trend in business operations. Total 313,982 service Jobs were served in 2022.
- Total automobile Spare Parts sales achievement was 4,466 million with growth of 29% as compared to last year.
- In motorcycle Spare Parts the sales achievement was also on growth trend, total 426 million sales recorded with growth of 41% as compared to last year.
- Developed "Art of Part Manual", objective is to enhance the technical and selling skills of dealers' frontline staff to conveyance and satisfied the valued customers on Genuine Parts.
- Furthermore, we have also implemented Global Customer Satisfaction + Service Reminder (CS+SR) system at dealerships nationwide to ensure customer satisfaction, customer feedback & retention by close monitoring & follow-up.

#### **Dealers' Staff Skill Development & Motivation:**

Aftersales prioritizes the training and development of dealer staff to ensure standardization of service procedures on global standards resulting to keep enhancing customer satisfaction nationwide. To achieve this objective, regular trainings, OJTs and Skill Contests are conducted on regular basis to enhance the skill development and motivation of dealer staff.

To continually enhance experience of customers visiting dealers, a lot of emphasis is also put on the behavioral

trainings for customer service staff including Customer Relation Officers and Service Advisors based on SSAT global standards.

#### **SUPPLY CHAIN MANAGEMENT**

After a modest post-COVID recovery in the first half of the year 2022, second half witnessed the unprecedented challenges for the automotive industry. On demand side, ever-high inflationary pressures mainly due to international commodity prices, PKR devaluation and flood led affects. Whereas, on Supply front, restrictions on imports on account of declining foreign exchange reserves have proved to be very detrimental for the industry.

Consequently, the business operations of the company have been seriously affected due to the exhausted CKDs and Material inventory levels in the company and in our local Supply Chain, have reluctantly forced to the recurrent observation of Non-Production Days (NPDs) during the second half of the year. Moreover, CKDs import restrictions have also caused incurrence of huge amount on account of Detention and Demurrage Charges and Exchange loss to the company's cost of doing business.

#### **Localization**

Pak Suzuki always feel privilege and proud to be the pioneer in the development of Auto parts Industry in Pakistan and promoting localization. Despite current economic crises in the country which is seriously affecting the whole manufacturing Industry specially the Auto Industry, we continue our commitments to maximum localization in our existing and new models.

#### **Green Procurement Guidelines**

For Green Procurement, as per the guidelines from our Principal, SMC, Japan and in coordination with our whole Supply Chain partners, both local and global, we continue to ensure the implementation of Green Procurement Guideline activities, including non-usage of the Substance of Concern (SOC) like Asbestos and other prohibited substances, in the manufacturing of their Parts and final product.

#### **HUMAN RESOURCE:**

Our employees are our biggest asset who play crucial role in achieving and sustaining organization's success. These employees serve as a DNA to organization, in accomplishing its productivity and quality standards.

Company is committed to provide an environment which facilitates employees in performing to their maximum potential while maintaining required amount of work life balance. In this regard, company provides in-house meal facility to employees, day care for working mothers, fully equipped dispensary and ambulance to cope up with any emergency situation and transport services for its employees' travelling to & from work, to ease at work, at best.

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 booster vaccination drives for the safety and wellbeing of its employees.

#### **Training and Development:**

Development of Human Capital always remains our top priority. Our Company strives to provide its employees with inspiring training and education experiences that broaden and enhance skills and uncover new concepts and ideas. Our Learning & Development philosophy is derived from Japanese "Life Long Learning Philosophy", where continuous up skilling and development of employees is termed crucial for employees' personal & professional growth.

With Talent development taking many forms in year 2022; from manpower rationalization and promoting the concept of Internal Job Rotation to develop employees horizontally, employees up skilling and development remained key functional area. During the year, 230 employees were trained through digital learning platform, in which employees completed 1715 training courses for upgrading their skills/competencies.

Moreover, through our internal technical trainers' program, in 22 in-house training sessions, 223 employees were trained, on manufacturing skills to improve on the floor production quality and operational excellence.

A nationwide program named, "Kamaal Ki Force" was designed and organized for Motorcycle Sales staff, in which 50 employees were trained on ethical selling skills and improved customer service experience, in showrooms/franchises.

#### **INFORMATION TECHNOLOGY:**

##### **Digitalization**

Information Technology Division (ITD) believes in Digital Transformation to become more secure, efficient, and

cost effective. The idea is to use technologies are not to just replicate with digitalization but to transform the required services into effective way for our customers and business partners. ITD is working with Suzuki Motor Corporation, Japan for standardization of unified & global business processes and orchestrate business through implementation of Suzuki Global flagship project. Strategic initiatives were applied by putting intelligence into products, factories/logistics, assets and empowering people.

#### **Enabling Industry 4.0:**

Implementation of SG-ONE "Suzuki Global - One New Excellence" project unleashes Industry 4.0 in our organization. The entire industrial environment is fully digitalized, connecting the physical world of engineering, manufacturing and supply chain with enterprise business information, processes, and systems. It is an honour for Suzuki, Pakistan to lead this project and became a success story for other Suzuki subsidiaries.

#### **Information Security and Business Continuity:**

Getting digitalized! cybersecurity becomes more challenging than ever. With Suzuki Global Information Security Team, our state of the art implementation of International Standards, and technology solutions that prevents and enable us to respond on internal and external threats more effectively.

Being the largest automobile footprint in Pakistan, we always ensure our readiness on the comprehensive Business Continuity Plan to meet business demand and customer satisfaction

#### **ECONOMIC CONTRIBUTION**

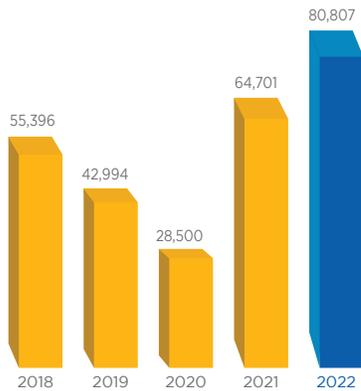
The Company has a distinctive position in the automobile industry as a leading contributor to the public exchequer. The duties and taxes paid and the foreign exchange saved by the Company in its last six years of operations are as follows:

<b>Year (Jan-Dec)</b>	<b>Duties &amp; taxes</b>	<b>Foreign exchange Savings *</b>
	(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
2022	70.945	80.807

\*Converted into Pak Rupees at year end exchange rate.

### FOREIGN EXCHANGE SAVINGS

Rs. in Million

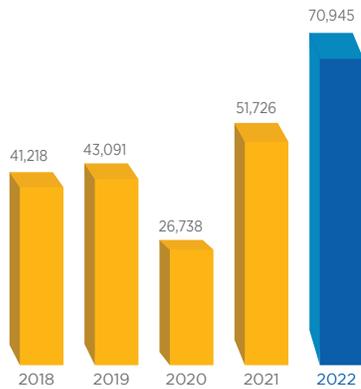


Macroeconomic indicators of the country becoming challenging for the auto industry. Automobile industry provided import substitution for local consumption with development of engineering base in country, providing direct and indirect employment to over 500,000 people and contributes significantly to the national exchequer through payments for duties & taxes. Automobile industry expects relaxation on taxes and import restrictions with support from Government to play their role in economic development of country.

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 enhance their support to the automobile industry failing which it will result in huge loss to the economy and increased unemployment thereof.

### DUTIES & TAXES

Rs. in Million



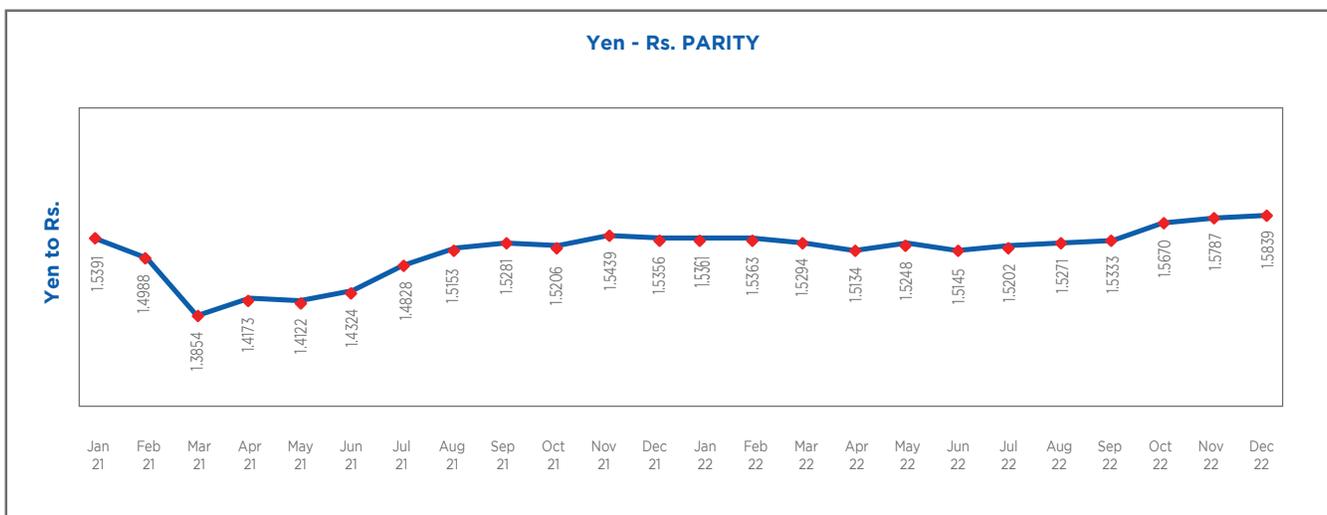
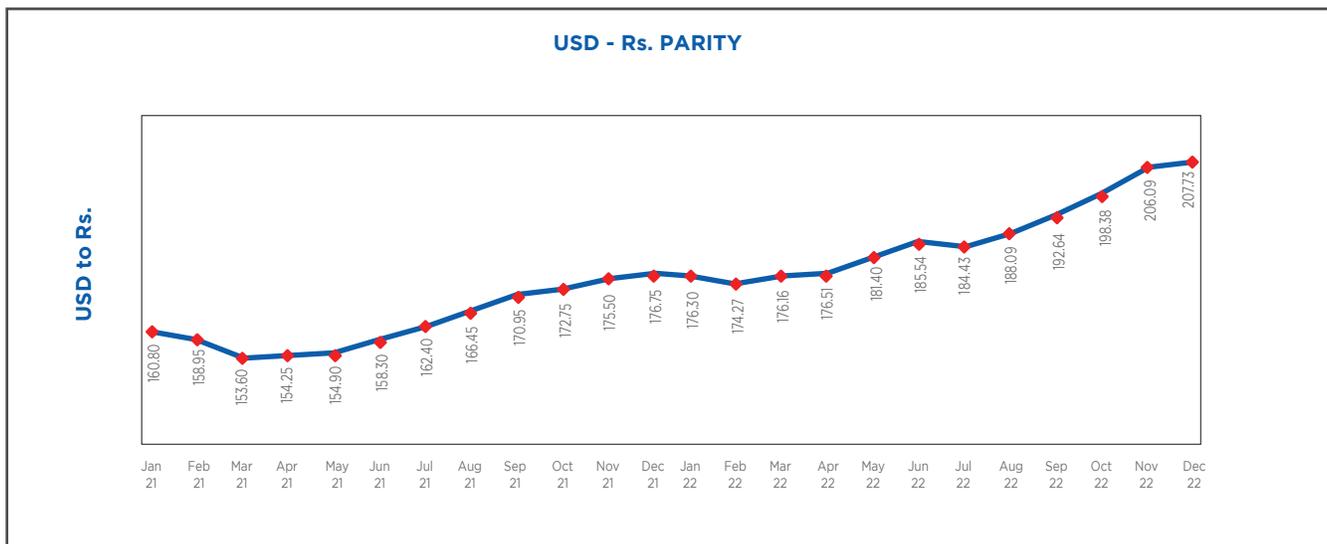
Chairman

Karachi. March 20, 2023.

### FUTURE OUTLOOK & CONCLUSION

Government is striving to maintain forex reserves and stability in exchange rate through fiscal consolidation. It may impact growth prospects in the short term but may contribute stability in long-run by augmenting the country's long-term equilibrium growth path by expanding production capacities and productivity. Long term consistent policies are vital for growth of auto industry.

# EXCHANGE RATES MOVEMENT



# 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, 2022.

## Accounts

	(Rs in 000)
Loss before taxation	3,142,540
Taxation	3,194,382
Loss after taxation	6,336,922
Less: Retained earnings of prior years	(128)
Net loss for appropriation	6,336,794
Less: Appropriations	
Transfer to General Reserve	6,336,794
Retained earnings carried forward	-

Due to continued import restrictions, there is acute shortage of material for production from 2<sup>nd</sup> half of year 2022. At the same time, Company had to encounter high inflation, forex rates instability, global commodity price increase and supply chain disruptions. Further, these restrictions have resulted in abnormal delays in remittances to foreign suppliers and imported consignments remained blocked at ports, causing huge detention and demurrage charges. Net loss after tax for the year of Rs 6,337 million primarily occurred due to following factors:

## Accounts

	(Rs in 000)
1. Demurrages & Detention Charges	3,627,785
2. Markup on Late delivery of Vehicles	38,25,950
3. Exchange loss	3,555,001
Total	11,008,736

Moreover, the Company has outstanding foreign liabilities equivalent to USD 184 million as at December 31, 2022. Subsequent to the year end, outstanding foreign liabilities exceeded to USD 218 million. Due to restrictions on payments for import, payments were not made to foreign suppliers. Subsequent to year end, PKR to USD parity has further deteriorated and resulted in the unrealized loss of Rs. 9 billion which may impact the equity of the company in the year 2023.

As a matter of prudence, Company did not record 'Deferred Tax Asset' of Rs 3,034 million for the year 2022 due to loss situation. The management of the Company has prepared a viable business plan to mitigate the adverse factors and convert the Company into profitable operations.

## Loss Per Share

The loss per share for the year was Rs. 77.00.

## 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 38 to 43 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.
- 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.
- System of Internal Audit is in place. Certain internal audit activities including verification of Related Parties Transactions have been outsourced to EY Ford Rhodes under the supervision of Head of Internal Audit.
- Appropriate whistleblower protection mechanism is in place.
- 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. 24.

#### 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 2022	Dec 2021
Provident Fund	Rs. 1,490 million	Rs. 1,302 million
Gratuity Fund	Rs. 683 million	Rs. 652 million

#### 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. Motohiro Atsumi	3
Mr. Kensaku Imaizumi	4
Mr. Moin M. Fudda	4
Ms. Rukhsana Shah	4

#### Audit Committee meetings

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

#### No of meetings attended

	No of meetings attended
Mr. Moin M. Fudda	4
Mr. Kinji Saito	4
Mr. Motohiro Atsumi	3

#### Human Resource & Remuneration Committee meetings

During the year two (2) meeting of the Human Resource & Remuneration Committee was held. Attendance of each director is as follows:

#### No of meetings attended

	No of meetings attended
Ms. Rukhsana Shah	2
Mr. Kinji Saito	2
Mr. Masafumi Harano	2

#### 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, 2022 is given on pages 144 to 146.

#### 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 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, the identification of new risk 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, are due to retire in the forthcoming annual general meeting of the company and being eligible, have offered themselves for reappointment. Existing auditors have been associated with the company since 2017. Audit Committee and the Board, recognizing the good practice of audit firm's rotation at regular intervals, have recommended M/s. A.F. Ferguson & Co., Chartered Accountants for appointment as external auditors for shareholders consideration and approval at the forthcoming annual general meeting for the year ending December 31, 2023.

### Related Party Transactions

All transactions with related parties have been executed at arm's length and in normal course of business, which have been duly verified by Messrs. EY Ford Rhodes and 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, 2022, 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, 2022 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

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 member. Mr. Motohiro Atsumi was also appointed as member of Audit Committee.

As at December 31, 2022 the Board comprised of the following directors: -

1. Mr. Kinji Saito
2. Mr. Masafumi Harano
3. Mr. Tadashi Homma
4. Mr. Motohiro Atsumi
5. Mr. Kensaku Imaizumi
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)

### 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 and environment as a whole to improve quality of life of people. Following are major projects executed under Corporate Social Responsibility Program of Pak Suzuki:

### Education & Technical Support Program

#### Lower Secondary Scholarships

Pak Suzuki conducted Lower Secondary Scholarship ceremonies on May 30, 2022 at Government Boys Primary School Pipri & Government Boys & Girls Higher Secondary School Haji Natho. The purpose of this scholarship program is to motivate and encourage the needy and talented Government Schools students to continue their education.

Total of 189 scholarships have been awarded to selected awardees from Grade 6 to 9.

### Donation of Safety Instructions Booklets to NH&MP

Pak Suzuki donated 2,200 Safety Instructions Booklets to National Highway & Motorway Police (NH&MP), these booklets would be distributed among the drivers using National Highways. Booklet based on information about traffic signs, tips for safe driving, basic checking of vehicles, instructions for emergency situations, offense penalty charges, etc.

The donation ceremony was held on 22nd September 2022 at Pak Suzuki Motor Company which was attended by the CEO Pak Suzuki and Senior Superintendent of Police NH&MP, along with other senior officials.

### **Donation of Suzuki Bolan van to Durbeen**

Pak Suzuki donated a Suzuki Bolan van to Durbeen (NGO) in order to cater transportation of students & teachers of Government Elementary College of Education, Hussainabad Karachi. Mr. Masafumi Harano, MD & CEO Pak Suzuki presented a Symbolic Key & Documents to Ms. Salma A. Alam, CEO Durbeen. Ceremony was held on September 23, 2022 at Government Elementary College of Education, Hussainabad.

Durbeen is established with the long-term goal of improving public schools in Pakistan, Partnering with Govt. of Sindh, University of Karachi & University of Helsinki in Finland. Graduating teachers of this college will be placed in selected Govt. Schools, under Durbeen's management, where they will ensure high-quality education for children from all backgrounds.

### **Renovation Project at Govt. Boys Primary School Edho Goth**

Pak Suzuki has inaugurated a renovation project at Government Boys Primary School Edho Goth (nearby Pak Suzuki) on 7th December, 2022. The renovation project consisted of renovation of the assembly area, drainage line installation, construction of underground water tank, Play rides installation, coloring, etc. Furniture was also donated (desks, tables, chairs, cupboards, water cooler with filter and stabilizer), for students & staff. The project was inaugurated by MD & CEO Pak Suzuki.

### **Science Lab Construction Project at Govt. Girls Secondary School Pipri**

Pak Suzuki Motor Co. donated a newly constructed Science Lab project at Government Girls Secondary School Pipri (nearby Pak Suzuki). The project was inaugurated by MD & CEO Pak Suzuki on December 7, 2022.

### **Furniture Donation in Govt. Schools**

Pak Suzuki donated furniture (including desks, cupboards, and chairs) in four nearby Government Schools on December 14, 2022. The purpose is to facilitate the students & staff to get an education in a better environment.

### **Community Health**

#### **Donation to SAIBAN NGO**

Pak Suzuki donated Suzuki Bolan as a fully equipped Ambulance, Stock of several kinds of Medicines, Medical Items and COVID-19 Protection items to SAIBAN (NGO). The ceremony held at Muzaffarabad Dealership on Thursday January 6, 2022. Head Production Engineering handed over symbolic key to SAIBAN official.

SAIBAN is a registered NGO who is involved in welfare activities since 2001 (especially providing Free Ambulance Service) in Neelam District (Azad Kashmir) and nearby areas for relief operations.

### **Blood Donation Campaign**

Pak Suzuki organized a Blood Donation Campaign in collaboration with Indus Hospital on the 13th & 16th of May, 2022. 107 employees voluntarily donated their blood which will help patients suffering from various diseases.

Another Blood Donation Campaign also organized by Regional Office South Punjab in cooperation with Indus Hospital on 23rd May, 2022. In which 8 participants voluntarily donated their blood.

### **Donation for Flood Relief Assistance**

Pak Suzuki Family has successfully conducted "Donation for Flood Relief Assistance" in the District Sanghar & Mirpurkhas (Sindh); local business partners also contributed in this Donation. Total 6,500 Food Hampers were distributed at different locations on 9th & 10th September, 2022.

Another Donation for Flood Relief Assistance campaign was also conducted by Regional Office South Punjab; in which Region Office employees & Dealers participated. Total 800 Food Hampers were distributed on 2nd & 6th September, 2022.

Regional Office South Punjab has distributed medical supplies (stock of medicines) in second phase on 14<sup>th</sup> & 20<sup>th</sup> September, 2022. Medical supplies were handed over to Pak Army Camp (Multan) for onward distribution to medical camps in flood-affected areas.

### **Environment**

#### **Plantation besides Pak Suzuki Plant**

In order to enhance the beauty & developing healthy environment, Pak Suzuki executed Plantation project along with Badal Nala (Nearby Suzuki),

Plantation project consisted of planting 200 saplings (including Neem & Sapodilla (chickoo), plantation completed on 11<sup>th</sup> January, 2022.

### **Beach Cleaning Campaign**

Pak Suzuki following Suzuki Motor Corporation's "Clean-up the World Campaign", executed 'Beach Cleaning Campaign' on 2nd December 2022 at Seaview Clifton, Karachi, the purpose was to create awareness about the importance of environment protection and Marine Life conservation among employees & public.

The campaign was successful; around 70 employees of Pak Suzuki participated in this campaign. Around 80 bags of garbage were collected and disposed of properly via Cantonment Board Clifton (CBC).

### **Plantation Campaign at Govt. Girls Secondary School**

Pak Suzuki has also carried out a Plantation campaign at Government Girls Secondary School Pipri (Nearby

Suzuki). The campaign was held on 7th December 2022. Mr. Masafumi Harano MD & CEO Pak Suzuki inaugurated the campaign by planting a sapling & students of the school also participated in the campaign.

The purpose of the plantation campaign is to create a healthy environment in the school and create awareness among students. A total of 100 saplings (50 Neem & 50 Sapodilla-Chikoo) have been planted during the campaign.

**Quality, Environment, Health & Safety Management Systems:**

Pak Suzuki Motor Company Limited is committed to continually promote a “Quality, Health & Safety and Environment (QHSE)” culture. The Company periodically reviews its QHSE framework and if needed takes countermeasures to improve the system performance.

**Quality Management System (QMS):**

Pak Suzuki maintains certification on ISO 9001:2015 Quality Management System through regular surveillance audits, conducted by the Lloyd’s Register Quality Assurance (LRQA). As per External Auditors, PSMC systems are updated, maintained and following standard requirements. Further, certification is maintained through regular surveillance audits as well as internal audits, that are conducted at regular intervals. This system is a major tool to improve productivity and quality of our products. QMS helped to provide consistent quality products at competitive price to the satisfaction and requirement of our customers.

**Environmental Management System (EMS):**

Pak Suzuki is committed to improve the environment. Company is also certified on ISO 14001:2015 which is in place and maintained through regular surveillance audits. It is a key factor in the operations of the company. Pak Suzuki has also taken the additional initiative to conduct the Environmental Audit of the potential risk areas to ensure proactive measures to avoid any incident that could be hazardous to the environment. It helps an organization to improve its environmental performance through more efficient use of resources and reduction of waste. Pak Suzuki continuously monitors the waste generated from its activities and, wherever required, has Environmental Control Equipment and facilities in place like wastewater treatment plant. Company is complying with applicable regulatory requirement with respect to environment. Hazardous Waste is properly disposed-off through certified contractors as per Sindh Environment Protection Agency (SEPA) requirements. Company complies with the Environment policy of Zero Landfill and, as a result, sludge pit was cleaned & closed permanently.

**Occupational Health and Safety Management System (OHSAS):**

Pak Suzuki is committed to provide a system that helps in eliminating unsafe & unhealthy work conditions. Hazard identifications and risk assessment are being performed, reviewed and all necessary preventive measures are taken to minimize the accidents.

The purpose of the Occupational Health & Safety management system is to focus on the employees’ Safety and Health at workplace and ensure best practices are being implemented. Emergency preparedness, response procedures and plans are established to deal with accidents and emergencies.

To improve safety measures on continual basis in each area, Pak Suzuki identifies and analyses potential risks related to work and equipment and establish measures to be taken via Hiyari Hatto (near miss and narrow escape) activity, an effective Japanese Technique.

BY ORDER OF THE BOARD



**MASAFUMI HARANO**

Chief Executive Officer



**KINJI SAITO**

Chairman

Karachi

March 20, 2023

# STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

For the year ended December 31, 2022

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, 2022, the composition of the Board of Directors (the Board) is as follows:

#### a) Independent Director\*

1. Mr. Moin M. Fudda Director

#### b) Independent Female Director\*

2. Ms. Rukhsana Shah Director

#### c) Non-Executive Directors

3. Mr. Kinji Saito (Chairman)

4. Mr. Kensaku Imaizumi Director

5. Mr. Motohiro Atsumi Director

#### d) Executive Directors

6. Mr. Masafumi Harano (Chief Executive Officer)

7. Mr. Tadashi Homma Director

**\*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. On 31st October 2022, Mr. Toshiyuki Ikyuma was appointed as CFO. The new CFO holds a Bachelors degree and is in the process of getting the degree recognized from HEC to comply with the requirements of Chapter VII Clause 22 (iii) of the Code;

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. in compliance with Chapter III Clause 10 (5) of the Code;

9. During the year, board has not arranged any director training program, as three out of seven directors are compliant with training requirement;

10. There has been no change in the position of 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. Motohiro Atsumi	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 was as per the following:
  - Board Audit Committee: Four quarterly meetings during the financial year ended December 31, 2022.
  - Board HR& Remuneration Committee: Two meeting during the financial year ended December 31, 2022.
15. The Board has set up an effective internal audit function who is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with 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.



**MASAFUMI HARANO**  
Chief Executive Officer



**KINJI SAITO**  
Chairman

March 20, 2023

# NOTICE OF MEETING

Notice is hereby given that the 40<sup>th</sup> Annual General Meeting of the shareholders of Pak Suzuki Motor Company Limited will be held at Ramada Plaza Hotel Airport on Tuesday, April 18, 2023 at 9:00 a.m. to transact the following business:

## ORDINARY BUSINESS

- 1- To confirm minutes of Annual General Meeting held on April 26, 2022.
- 2- To receive, consider and adopt the audited accounts of the Company for the year ended December 31, 2022, together with Directors' and Auditors' reports thereon.
- 3- To appoint auditors for the year ending December 31, 2023 and fix their remuneration. The Board Audit Committee and the Board of Directors have recommended the name of M/s. A.F. Ferguson & Co., Chartered Accountants, as auditors for appointment by the company's member in annual general meeting in place of retiring auditors M/s. KPMG Taseer Hadi & Co., Chartered Accountants.

## SPECIAL BUSINESS

- 4- To ratify and approve transactions conducted with the Related Parties for the year ended December 31, 2022 by passing the following special resolution with or without modification:

**“Resolved that** the transactions conducted with the Related Parties as disclosed in the note 46 of the audited financial statements for the year ended December 31, 2022 and specified in the Statement of Material Facts under Section 134(3) be and are hereby ratified, approved and confirmed.”

- 5- To authorize the Board of Directors of the company to approve transaction with the Related Parties for the financial year ending December 31, 2023 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, 2023.”

**“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

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

BY ORDER OF THE BOARD

**ABDUL NASIR**

COMPANY SECRETARY

Karachi: March 28, 2023

## Notes:

- 1- The share transfer books of the Company will remain closed from April 11, 2023 to April 10, 2023 (both days inclusive) and no transfer will be accepted for registration during this period. Transfers received in order till close of business on April 10, 2023 will be accepted for transfer.
- 2- Only those persons whose names appear in the Register of Members of the Company as at April 11, 2023 will be entitled to attend / participate in / vote at the Annual General Meeting.
- 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.  
  
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.
- 6- 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.
- 7- 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 or 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- As per instructions of Securities and Exchange Commission of Pakistan, the Company has arranged video link facility for online participation of members in the AGM. The meeting can be attended using smart phones/tablets/computers. To attend the meeting through video link, the members are requested to register themselves by providing the following information along with valid copy of CNIC / passport/ certified copy of board resolution/ power of attorney in case of corporate shareholders with the subject "Registration for PSMC AGM" through email [company.secretary@paksuzuki.com.pk](mailto:company.secretary@paksuzuki.com.pk) on or before April 16, 2023.

- i. Name of member CNIC No.
- ii. CDC Account No. / Folio No. and Number of shares held in their name
- iii. Cell Number /
- iv. Email address

The members who are registered after the necessary verification shall be provided a video link by the Company on the same email address that they email to Company. The login facility will be opened at 8:45 a.m. on April 18, 2023 enabling the shareholders to join the meeting which will start at 9:00 a.m. sharp.

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](mailto:company.secretary@paksuzuki.com.pk)).

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 \_\_\_\_\_."

12- Notice of the Annual General meeting and Annual Report of the company for the year ended December 31, 2022 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. 4 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 07 of the Companies Act, 2017. During the 39th 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, 2022 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, 2022. The details of such related party transactions are given below:

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. 5 of the Notice:

The Company shall be conducting transactions with its related parties during the year ending December 31, 2023 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, 2023, 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, 2022. 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.

	<b>Holding Company</b>	<b>Other related parties</b>	<b>Total</b>
<b>For the year ended 31 December 2022</b>			
Purchases of components	64,996,532	27,453,947	92,450,479
Purchases of operating fixed assets	17,729	6,481	24,210
Export sales	82,348	59,751	142,099
Royalties and technical fee	4,624,213	-	4,624,213
Purchase of intangible assets	309,040	-	309,040
Travelling expenses of supervisors	170,879	-	170,879
Staff retirement benefits	-	262,559	262,559
Commission income from TAG	-	5,000	5,000
Remuneration to key management personnel	-	122,462	122,462



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Convenience of easy availability of spare parts, nationwide.



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**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.







KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2  
Beaumont Road  
Karachi, 75530 Pakistan  
+92(21) 35685847, Fax +92(21) 35685095

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS 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 2022 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 2022.

Date: 27 March 2023

Karachi

UDIN: CR202210096db8FyJKx1

KPMG Taseer Hadi & Co.

Chartered Accountant



KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2  
Beaumont Road  
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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 2022, 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 2022 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the 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.



**Following are the Key audit matters:**

S No.	Key audit matters	How the matters were addressed in our audit
1.	<b>Revenue recognition</b>	
	<p>Refer notes 4.12 and 33 to the financial statements.</p> <p>The Company's revenue for the year ended 31 December 2022 was Rs. 202.46 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"> <li>• assessed the design, implementation and operating effectiveness of the key internal controls over the Company's system which governs the revenue recognition;</li> <li>• assessed the appropriateness of the Company's accounting policies for revenue recognition including those related to discounts including its compliance with applicable accounting standards;</li> <li>• inspected a sample of sales contracts to understand and assess the terms and conditions therein which may affect the recognition of revenue;</li> <li>• 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</li> <li>• 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.</li> </ul>



S No.	Key audit matters	How the matters were addressed in our audit
2.	Deferred Tax Asset	
	<p>Refer note 12 of the financial statements where company has recorded deferred tax asset amounting to Rs. 7.345 billion as at 31 December 2022.</p> <p>The company has recognized deferred tax asset for deductible temporary differences and minimum tax available for carry forward under section 113 of the Income Tax Ordinance, 2001 that it believes are recoverable. Moreover, the Company has not recognized any deferred tax asset in the current year.</p> <p>The recoverability of recognized deferred tax assets is in part dependent on the company's ability to generate future taxable profits sufficient to utilize deductible temporary differences and minimum tax available (before the latter expire).</p> <p>We have determined this to be a key audit matter, due to the inherent uncertainty in forecasting the amount and timing of future taxable profits and the reversal of temporary differences.</p>	<p>Our audit procedures in this area included the following:</p> <ul style="list-style-type: none"> <li>• Obtained profit projections from client as approved by the Board of Directors and involved KPMG specialist in evaluating the reasonableness of assumptions used;</li> <li>• Reconciling tax losses, tax credits and expiry dates to tax statements;</li> <li>• Assessing the accuracy of forecast profits by evaluating the historical forecasting accuracy and comparing the assumptions such as projected growth with the past trends and their consistency with the budgets submitted to the Company's Head Office used for going concern assumption; and</li> <li>• Evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions and judgements.</li> </ul>



S No.	Key audit matters	How the matters were addressed in our audit
3.	Going concern	
	<p>Refer to Note 1.3 to the financial statements.</p> <p>As at 31 December 2022, the Company has incurred a net loss after tax of Rs. 6.337 billion (2021: profit after tax of Rs. 2.679 billion) resulting in total equity of Rs. 19.77 billion (2021: Rs. 26.826 billion), while its current liabilities exceeding its current assets by Rs. 1.017 billion (2021: positive Rs. 5.224 billion). Moreover, the Company has outstanding foreign liabilities equivalent to USD 184 million as at year end December 31, 2022. Subsequent to year end PKR to USD parity has further deteriorated and resulted in the unrealized loss of Rs. 9 billion which may impact the equity of the company in the year 2023. The prevailing uncertainties may cast significant doubt on the Company's ability to continue as a going concern, however it has received written commitment from the Parent Company to provide adequate financial support.</p> <p>The management has continued to adopt the going concern basis of preparation in preparing the financial statements, having prepared detailed cash flow forecasts which support the assertion that the Company will have sufficient resources to continue for a period of at least 12 months from the date of these financial statements as well as commitment from the Parent Company to provide adequate financial support.</p> <p>The management' assessment of the Company's going concern ability was an area of focus as the Company is exposed to foreign currency exposure which has significantly eroded the equity of the Company before and after the year end and hence, we have determined this to be a key audit matter due to significant work effort under ISA 570 while reaching the conclusion that no material uncertainty exists relating to above identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.</p>	<p>Our audit procedures in this area included the following:</p> <ul style="list-style-type: none"> <li>• Checked that the profit projections prepared by the management were consistent with those approved by the Board;</li> <li>• Tested the reasonableness of assumptions used by the management in the preparation of profit projections for period under review using the services of our in-house experts;</li> <li>• Inspected the formal letter of support given by the Parent Company to the Company, confirming commitment to provide adequate financial support to the Company as would be necessary to ensure its continuing operation including operational cash flows for a period of at least 12 months from date of approval of financial statement; and</li> <li>• Held meetings with the senior management of the Company and had detailed deliberations to review the current deteriorating position of the Company due to the foreign exchange risk being faced on account of shortage of foreign exchange in the country.</li> <li>• Reviewed the adequacy of the disclosures made in the financial statements by the Company in this area as per the requirement of IAS 1.</li> </ul>



### **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.

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.

#### **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

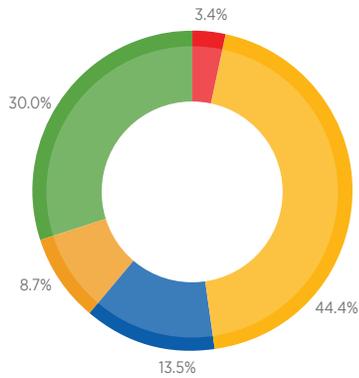
Date: 27 March 2023

Karachi

UDIN: AR20221009629TzYIU53

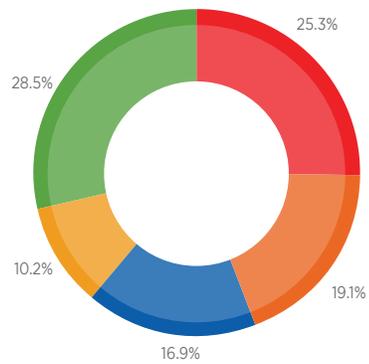
# FINANCIAL STATEMENT

**Assets - 2022**



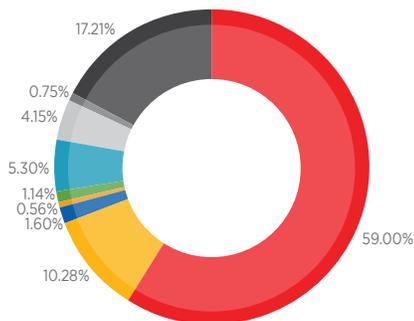
- Cash & Bank Balances
- Other Current Assets
- Property Plant & Equipment
- Other Non Current Assets
- Stock in Trade

**Assets - 2021**



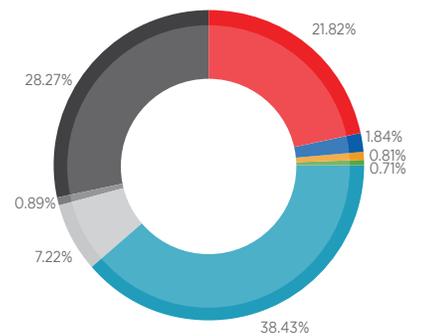
- Cash & Bank Balances
- Other Current Assets
- Property Plant & Equipment
- Other Non Current Assets
- Stock in Trade

**Equity & Liabilities - 2022**



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

**Equity & Liabilities - 2021**



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

# Statement of Financial Position

As at 31 December 2022

		<b>31 December 2022</b>	31 December 2021
<b>ASSETS</b>	Note	----- (Rupees in '000) -----	
<b>Non-current assets</b>			
Property, plant and equipment	5	<b>14,877,495</b>	15,544,426
Intangible assets	6	<b>444,620</b>	384,360
Right-of-use assets	7	<b>118,174</b>	112,459
Long-term investments	8	<b>84,551</b>	190,492
Long-term loans	9	<b>7,498</b>	5,553
Long-term deposits, prepayments and other receivables	10	<b>1,034,659</b>	566,714
Long-term installment sales receivables	11	<b>514,788</b>	777,145
Deferred taxation - net	12	<b>7,345,367</b>	7,345,367
		<b>24,427,152</b>	24,926,516
<b>Current assets</b>			
Stores, spares and loose tools	13	<b>482,775</b>	363,922
Stock-in-trade	14	<b>33,031,769</b>	26,225,464
Trade debts	15	<b>385,303</b>	197,287
Loans and advances	16	<b>1,194,060</b>	164,107
Trade deposits and short term prepayments	17	<b>31,621,137</b>	2,685,376
Current portion of long-term installment sales receivables	11	<b>2,516,531</b>	2,027,931
Other receivables	18	<b>945,748</b>	937,781
Taxation - net		<b>5,500,362</b>	4,615,527
Sales tax and excise duty adjustable	31.3	<b>6,275,912</b>	6,575,018
Cash and bank balances	19	<b>3,703,619</b>	23,271,041
		<b>85,657,216</b>	67,063,454
<b>Total assets</b>		<b>110,084,368</b>	91,989,970

# Statement of Financial Position

As at 31 December 2022

		<b>31 December 2022</b>	31 December 2021
	Note	----- (Rupees in '000) -----	
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital	20	<b>822,999</b>	822,999
Capital reserves		<b>844,596</b>	844,596
Revenue reserves		<b>18,102,953</b>	25,158,602
		<b>19,770,548</b>	26,826,197
<b>Non-current liabilities</b>			
Payable against purchase of asset	21	<b>38,085</b>	2,211
Security deposits	22	<b>304,201</b>	229,200
Lease liabilities	23	<b>98,252</b>	89,022
Long term loan	24	<b>1,763,301</b>	1,689,013
Deferred Government grant	25	<b>620,389</b>	746,144
Employee benefit obligations	27	<b>815,063</b>	568,513
		<b>3,639,291</b>	3,324,103
<b>Current liabilities</b>			
Trade and other payables	26	<b>64,925,458</b>	20,053,569
Lease liabilities	23	<b>42,792</b>	40,565
Current portion of long term loan	24	<b>114,666</b>	47,544
Current portion of deferred government grant	25	<b>136,389</b>	123,432
Short-term finance	28	<b>11,321,638</b>	-
Contract liability	29	<b>5,835,895</b>	35,355,675
Security deposits	30	<b>3,991,412</b>	3,828,605
Provision for custom duties and sales tax	31	<b>285,049</b>	2,371,443
Unclaimed dividend		<b>21,230</b>	18,837
		<b>86,674,529</b>	61,839,670
<b>Total equity and liabilities</b>		<b>110,084,368</b>	91,989,970
<b>Contingencies and commitments</b>	32		

The annexed notes from 1 to 52 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 2022

	Note	31 December 2022	31 December 2021
		----- (Rupees in '000) -----	-----
Sales	33	<b>202,466,737</b>	160,082,255
Cost of sales	34	<b>(190,782,337)</b>	(151,911,517)
<b>Gross profit</b>		<b>11,684,400</b>	8,170,738
Distribution and marketing expenses	35	<b>(3,217,529)</b>	(2,943,268)
Administrative expenses	36	<b>(2,957,069)</b>	(2,480,801)
Provision of impairment losses	11.2 & 15.1	<b>(134,985)</b>	(69,548)
		<b>(6,309,583)</b>	(5,493,617)
		<b>5,374,817</b>	2,677,121
Other expenses	37	<b>(8,894)</b>	(279,670)
Other income	38	<b>3,211,942</b>	2,222,665
Finance costs	39	<b>(11,614,464)</b>	(737,041)
Share of loss of equity accounted investees	8.2.1	<b>(105,941)</b>	(87,668)
<b>(Loss) / profit before taxation</b>		<b>(3,142,540)</b>	3,795,407
Taxation	40	<b>(3,194,382)</b>	(1,115,931)
<b>(Loss) / profit for the year</b>		<b>(6,336,922)</b>	2,679,476
		(Rupees)	
<b>(Loss) / Earnings per share - basic and diluted</b>	41	<b>(77.00)</b>	32.56

The annexed notes from 1 to 52 form an integral part of these financial statements.



**Chairman**



**Chief Financial Officer**



**Chief Executive Officer**

# Statement of Comprehensive Income

For the year ended 31 December 2022

	<b>31 December 2022</b>	31 December 2021
Note	----- (Rupees in '000) -----	-----
<b>(Loss) / profit for the year</b>	<b>(6,336,922)</b>	2,679,476
<b>Other comprehensive loss</b>		
Items that may not be reclassified subsequently to statement of profit or loss remeasurement loss on defined benefit plan	27 <b>(183,778)</b>	(145,720)
<b>Total comprehensive (loss) / income for the year</b>	<b>(6,520,700)</b>	2,533,756

The annexed notes from 1 to 52 form an integral part of these financial statements.



**Chairman**



**Chief Financial Officer**



**Chief Executive Officer**

# Statement of Changes in Equity

For the year ended 31 December 2022

Share capital	Reserves							Total Equity	
	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)								
<b>Balance as at 1 January 2021</b>	822,999	584,002	260,594	844,596	24,558,818	(1,668,321)	(265,651)	22,624,846	24,292,441
<b>Transaction with owners in the capacity as owners directly recorded in equity</b>									
Transfer from general reserve	-	-	-	-	(1,588,922)	1,588,922	-	-	-
<b>Total comprehensive income for the year ended 31 December 2021</b>									
Profit for the year	-	-	-	-	-	2,679,476	-	2,679,476	2,679,476
Other comprehensive loss	-	-	-	-	-	-	(145,720)	(145,720)	(145,720)
	-	-	-	-	-	2,679,476	(145,720)	2,533,756	2,533,756
<b>Balance as at 31 December 2021</b>	822,999	584,002	260,594	844,596	22,969,896	2,600,077	(411,371)	25,158,602	26,826,197
<b>Transaction with owners in the capacity as owners directly recorded in equity - distribution</b>									
<b>Final dividend at the rate of Rs 6.5 per share</b>									
						(534,949)		(534,949)	(534,949)
<b>Total comprehensive loss for the year ended 31 December 2022</b>									
Loss for the year	-	-	-	-	-	(6,336,922)	-	(6,336,922)	(6,336,922)
Other comprehensive loss	-	-	-	-	-	-	(183,778)	(183,778)	(183,778)
	-	-	-	-	-	(6,336,922)	(183,778)	(6,520,700)	(6,520,700)
<b>Balance as at 31 December 2022</b>	<b>822,999</b>	<b>584,002</b>	<b>260,594</b>	<b>844,596</b>	<b>22,969,896</b>	<b>(4,271,794)</b>	<b>(595,149)</b>	<b>18,102,953</b>	<b>19,770,548</b>

The annexed notes from 1 to 52 form an integral part of these financial statements.



**Chairman**



**Chief Financial Officer**



**Chief Executive Officer**

# Statement of Cash Flows

For the year ended 31 December 2022

	2022	2021
Note	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash (used) / generated in operating activities	42 <b>(23,691,842)</b>	23,898,952
Markup paid on loans and borrowings	<b>(268,941)</b>	(65,877)
Income tax paid	<b>(4,079,217)</b>	(3,383,227)
Long-term loans	<b>(1,945)</b>	(401)
Payments to retirement benefit obligations	<b>(94,842)</b>	(74,384)
Markup paid on late delivery of vehicle	<b>(1,433,830)</b>	(31,627)
Long-term deposits, prepayments and other receivables	<b>(467,945)</b>	(101,646)
Long-term installment sales receivables	<b>262,357</b>	(290,655)
<b>Net cash (used in) / generated from operating activities</b>	<b>(29,776,205)</b>	19,951,135
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	<b>(3,046,606)</b>	(5,781,679)
Purchase of intangible assets	<b>(203,210)</b>	(274,351)
Proceeds from sale of property, plant and equipment	<b>105,651</b>	5,297
Profit received on bank accounts	<b>2,228,102</b>	1,622,944
<b>Net cash used in investing activities</b>	<b>(916,063)</b>	(4,427,789)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of lease liabilities	23 <b>(64,300)</b>	(55,570)
Loan received	<b>28,612</b>	2,606,133
Loan (repaid) / received from holding company	<b>-</b>	(12,621,368)
Dividend paid	<b>(161,104)</b>	(107)
<b>Net cash used in financing activities</b>	<b>(196,792)</b>	(10,070,912)
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(30,889,060)</b>	5,452,434
Cash and cash equivalents at beginning of the year	<b>23,271,041</b>	17,818,607
<b>Cash and cash equivalents at end of the year</b>	43 <b>(7,618,019)</b>	23,271,041

The annexed notes from 1 to 52 form an integral part of these financial statements.



**Chairman**



**Chief Financial Officer**



**Chief Executive Officer**

# Notes to the Financial Statements

For the year ended 31 December 2022

## 1. CORPORATE INFORMATION, OPERATIONS AND LEGAL STATUS

**1.1** 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 Parent Company) having registered address of 300 Takatsuka-Cho, Minami-Ku, Hamamatsu City. In 1996, the joint venture agreement 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.

### 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):

- Silver Star Mall, 1St Floor, Fortress Stadium, 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, Silver Star Mall, 1St Floor, Fortress Stadium, Lahore.
- Regional Office Rawalpindi, 3rd Floor, 112-B, Mallahi Plaza Muree Road, Rawalpindi Cantt. The Mall Branch, Rawalpindi.
- Regional Office South, Plot no. 49-B, Block no. 6 P.E.C.H.S, Karachi.

### 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.
- 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.
- Khalil (F): D-3, Al-Hilal Co-operative H.S, Opp. Askari Park, Main Rashid Minhas Road, 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.

# Notes to the Financial Statements

For the year ended 31 December 2022

- 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 Murree 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.
- Defence Motors (f): 152, 18th Street DHA Phase 1, Karachi

## 1.2 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 explained in note 8.2 to these financial statements.

## 1.3 Going concern assumptions

For the accounting year 2022, the Company has incurred a net loss after tax of Rs. 6.337 billion (2021: profit after tax of Rs. 2.679 billion) resulting in total equity of Rs. 19.771 billion (2021: Rs. 26.826 billion), while its current liabilities exceeded its current assets by Rs. 1.017 billion (2021: positive Rs. 5.224 billion). Moreover, the Company has outstanding foreign liabilities equivalent to USD 184 million as at December 31, 2022. Subsequent to year end, PKR to USD parity has further deteriorated and resulted in the unrealized loss of Rs. 9 billion which may impact the equity of the Company in the year 2023. The prevailing uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

# Notes to the Financial Statements

For the year ended 31 December 2022

In view of the above conditions, management has made an assessment of the Company's ability to continue as a going concern based on the following factors:

- The operational working capital requirement has been financed by self-financing and the support from the Parent Company and commercial banks. As at 31 December 2022, the Company's balance of un-availed credit facilities from commercial banks as disclosed in Notes 28 and 32;
- The management of the Company has also prepared a viable business plan according to which the Company will be profitable from the forthcoming year. The profitability of the Company will increase and the Company will be able to recover the outstanding deferred tax assets in the foreseeable future and beyond; and
- The parent company through its support letter dated 17 March 2023 has committed to provide adequate financial support to the Company as would be necessary to ensure its continuing operation including operational cash flows for a period of at least 12 months from date of approval of financial statement including, but not limited to, providing funds to settle its liabilities to other parties, excluding Suzuki Motor Corporation (SMC), Japan, when they fall due and if required, inject additional capital. SMC well acknowledges the seriousness of economic situation of Pakistan and it shall fully support Pak Suzuki to overcome the challenges and difficulties, not only financially but every possible way to ensure continuation of its business operation in Pakistan.

In light of above mitigating factors, the management has a reasonable expectation that the Company being supported by the parent company and with adequate un-availed credit lines from financial institutions has adequate resources to continue its operation in the foreseeable future. Therefore, these financial statements have been prepared on a going concern basis.

## 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 certain items as disclosed in the relevant accounting policies below.

### 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 2022

## 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 recognized 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 on trade debt & 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 income tax expense, provision for current tax and recognition of deferred tax asset (notes 4.10, 12 and 40);
- Provision for unexpired free service and warranty (notes 4.14 and 26.3);
- 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 2022, that are considered not to have a material impact on the Company's financial statements and hence have not been detailed here.

### 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 2023:

# Notes to the Financial Statements

For the year ended 31 December 2022

- Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after 1 January 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified 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's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.
- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).
- 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) 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 an entity 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, with earlier application permitted, 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 2022

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) 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.
- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend 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

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.

# Notes to the Financial Statements

For the year ended 31 December 2022

## Subsequent expenditure

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

## Depreciation

Depreciation on plant and machinery, welding guns, waste water treatment plant, permanent and special tools, dies, jigs, 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 profit and loss as and when incurred. 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 recognized in the statement of profit or loss.

For impairment, refer note 4.7.5.2.

## 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 recognizes 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 recognizes right-of-use asset (ROU asset) and its related lease liability at the commencement date of the lease.

### 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.

# Notes to the Financial Statements

For the year ended 31 December 2022

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 presents 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 amortized 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.

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 recognized as expense on a straight-line basis over the lease term.

# Notes to the Financial Statements

For the year ended 31 December 2022

## 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 profit and loss 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.

For impairment, refer note 4.7.5.2

## 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. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

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.

For impairment, refer note 4.7.5.2

## 4.5 Stores, spares and loose tools

Stores, spare and loose tools are measured at lower of cost and net realizable 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 realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred to make the sale.

# Notes to the Financial Statements

For the year ended 31 December 2022

## 4.6 Stock-in-trade

Stock-in-trade is valued at the lower of cost and 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.

## 4.7 Financial instruments

### 4.7.1 Recognition and initial measurement

Trade receivables, installment sales receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized 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: amortized 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 amortized 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.

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

# Notes to the Financial Statements

For the year ended 31 December 2022

- 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 realizing 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)

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:

# Notes to the Financial Statements

For the year ended 31 December 2022

- 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 recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest (mark-up) income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized 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 recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized 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 recognized 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 amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative 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 recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest (mark-up) expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

# Notes to the Financial Statements

For the year ended 31 December 2022

## 4.7.3 Derecognition

### Financial assets

The Company derecognizes 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 recognized 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 derecognized.

### Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes 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 recognized 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 recognized 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 realize the asset and settle the liability simultaneously.

## 4.7.5 Impairment

### 4.7.5.1 Impairment on financial assets

The Company recognizes loss allowances for ECLs on:

- financial assets measured at amortized 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.

# Notes to the Financial Statements

For the year ended 31 December 2022

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.

## 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 amortized cost are deducted from the gross carrying amount of the assets.

# Notes to the Financial Statements

For the year ended 31 December 2022

## **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.

## **4.7.5.2 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 recognized 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 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 off 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 amortization, if no impairment loss had been recognized.

## **4.8 Provisions**

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

# Notes to the Financial Statements

For the year ended 31 December 2022

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 are 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 recognized 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 recognized 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 recognized in profit or loss.

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 recognized immediately in profit or loss. The Company recognizes 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 recognized in the profit or loss except to the extent that it relates to items recognized directly in equity or in OCI.

### **Current Tax**

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 recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

# Notes to the Financial Statements

For the year ended 31 December 2022

Deferred tax assets are recognized 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 recognize 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 realized; 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 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 recognized in profit or loss and presented within finance costs.

## 4.12 Revenue recognition

Revenue is recognized 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 recognized 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, commission and rebates 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 recognized 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 Contract Liability

A contract liability is the obligation to transfer goods or services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the company performs under the contract.

# Notes to the Financial Statements

For the year ended 31 December 2022

## 4.14 Warranty obligations

The Company recognizes the estimated liability, on an accrual basis, to repair or replace products under warranty at the reporting date, and recognizes the estimated product warranty costs in the statement of profit or loss when the sale is recognized.

## 4.15 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 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.

## 4.16 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.

## 4.17 Royalty

The Company pays/accrues for royalty in accordance with the relevant license agreements

## 4.18 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.

## 4.19 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.

## 4.20 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

# Notes to the Financial Statements

For the year ended 31 December 2022

## 4.21 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 recognized 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'.

## 4.22 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 categorized 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 recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change occurs.

# Notes to the Financial Statements

For the year ended 31 December 2022

## 4.23 Finance costs and finance income

The Company's finance income and finance costs 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 amortized 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 amortized 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 amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

## 5. PROPERTY, PLANT AND EQUIPMENT

	Note	2022	2021
		(Rupees in '000)	
Operating fixed assets	5.1	<b>13,455,163</b>	9,917,235
Capital work-in-progress	5.4	<b>1,422,332</b>	5,627,191
		<b><u>14,877,495</u></b>	<u>15,544,426</u>

# Notes to the Financial Statements

For the year ended 31 December 2022

## 5.1 Operating fixed assets

The following is a statement of operating fixed assets:

	2022									
	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	200,573	15,864	-	216,437	718,183	50-60 Years
Freehold land	371,514	-	-	371,514	-	-	-	-	371,514	
<b>Buildings on leasehold land</b>										
- Factory	2,271,456	63,446	-	2,334,902	1,484,766	81,979	-	1,566,745	768,157	10-20
- Office	3,253	30,449	-	33,702	2,970	1,192	-	4,162	29,540	20
<b>Buildings on Freehold land</b>										
- Factory	698,539	-	-	698,539	190,536	50,800	-	241,336	457,203	10
Test tracks	63,463	-	-	63,463	52,423	2,208	-	54,631	8,832	20
Plant and machinery	10,590,037	2,184,790	-	12,774,827	7,972,845	654,981	-	8,627,826	4,147,001	8 Years
Welding guns	510,648	9,916	-	520,564	469,300	33,831	-	503,131	17,433	4 Years
Waste water treatment plant	211,390	-	-	211,390	141,115	11,396	-	152,511	58,879	8 Years
Permanent and special tools	705,844	49,321	-	755,165	652,140	34,733	-	686,873	68,292	4 Years
Dies (Note 5.1.2)	12,989,958	3,020,757	-	16,010,715	9,330,894	2,133,319	-	11,464,213	4,546,502	5 Years
Jigs and fixtures	1,798,282	1,418,676	-	3,216,958	1,459,008	417,607	-	1,876,615	1,340,343	5 Years
Electrical installations	478,178	38,910	-	517,088	354,624	31,093	-	385,717	131,371	8 Years
Furniture and fittings	93,595	670	-	94,265	55,963	7,537	-	63,500	30,765	20
Vehicles	908,152	417,333	(159,613)	1,165,872	495,056	129,580	(100,065)	524,571	641,301	20
Air conditioners and refrigerators	80,789	4,358	(2,352)	82,795	46,246	6,935	(1,805)	51,376	31,419	20
Office equipment	148,719	11,351	(1,000)	159,070	87,792	12,677	(905)	99,564	59,506	20
Computers	287,027	1,488	-	288,515	231,978	27,615	-	259,593	28,922	50
	<b>33,145,464</b>	<b>7,251,465</b>	<b>(162,965)</b>	<b>40,233,964</b>	<b>23,228,229</b>	<b>3,653,347</b>	<b>(102,775)</b>	<b>26,778,801</b>	<b>13,455,163</b>	

# Notes to the Financial Statements

For the year ended 31 December 2022

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
	<b>32,704,036</b>	<b>685,936</b>	<b>(244,508)</b>	<b>33,145,464</b>	<b>20,200,882</b>	<b>3,264,571</b>	<b>(237,224)</b>	<b>23,228,229</b>	<b>9,917,235</b>	

**5.1.2** Dies include assets having book value of Rs. 3,504.3 million (2021: Rs. 2,169.1 million) which are in the possession of eighty three (83) {2021: seventy nine (79)} vendors dispersed all over Pakistan and in a foreign country for contract manufacturing of components. Vendor wise breakup is summarized below:

# Notes to the Financial Statements

For the year ended 31 December 2022

	Cost		Accumulated depreciation and impairment losses		Book value	
	2022	2021	2022	2021	2022	2021
	----- (Rupees in 000) -----					
Procon Engineering Pvt Ltd	<b>1,593,197</b>	1,180,052	<b>1,043,357</b>	787,361	<b>549,840</b>	392,691
PCI Automotive (Private) Limited	<b>861,251</b>	557,341	<b>526,197</b>	408,685	<b>335,054</b>	148,656
Metaline Industries (Pvt) Ltd.	<b>667,436</b>	351,346	<b>337,733</b>	220,261	<b>329,703</b>	131,085
Agri Auto Stamping Company (Pvt) Ltd	<b>327,807</b>	-	<b>58,221</b>	-	<b>269,586</b>	-
Razi Sons (Pvt.) Ltd.	<b>736,622</b>	512,036	<b>505,039</b>	416,476	<b>231,583</b>	95,560
Electropolymers (Pvt) Ltd.	<b>249,062</b>	53,104	<b>79,974</b>	37,480	<b>169,088</b>	15,624
Loads Limited	<b>918,394</b>	918,394	<b>754,400</b>	607,877	<b>163,994</b>	310,517
MGA Industries (Pvt) Limited.	<b>275,558</b>	102,092	<b>126,251</b>	87,210	<b>149,307</b>	14,882
SPEL	<b>138,500</b>	-	<b>25,392</b>	-	<b>113,108</b>	-
Auvitronics Limited	<b>309,310</b>	254,398	<b>198,085</b>	148,346	<b>111,225</b>	106,052
Engineering Excellence Company(Pvt) Ltd.	<b>154,488</b>	32,412	<b>48,697</b>	21,636	<b>105,791</b>	10,776
National Automotive Components (Pvt) Ltd	<b>202,097</b>	114,233	<b>105,615</b>	70,660	<b>96,482</b>	43,573
S.T.Engineering Services (Pvt) Ltd	<b>262,686</b>	231,292	<b>175,691</b>	157,546	<b>86,995</b>	73,746
Synthetic Products Enterprises Ltd.	<b>250,715</b>	250,715	<b>174,287</b>	124,712	<b>76,428</b>	126,003
A-One Techniques (Pvt) Ltd.	<b>166,174</b>	108,922	<b>99,745</b>	78,188	<b>66,429</b>	30,734
Dawood Engineering (Pvt) Ltd.	<b>198,917</b>	174,298	<b>133,871</b>	101,556	<b>65,046</b>	72,742
Bahawalpur Engineering Limited	<b>128,736</b>	128,736	<b>68,654</b>	42,907	<b>60,082</b>	85,829
Thal Limited Engineering Division	<b>182,464</b>	176,841	<b>131,311</b>	103,893	<b>51,153</b>	72,948
Sanpak Engineering Industries (Pvt) Ltd.	<b>135,473</b>	96,235	<b>86,286</b>	66,991	<b>49,187</b>	29,244
Techno Fabrik (Pvt) Ltd.	<b>217,981</b>	217,981	<b>169,004</b>	127,020	<b>48,977</b>	90,961
Plastech Pakistan	<b>49,689</b>	40,007	<b>13,053</b>	5,564	<b>36,636</b>	34,443
Shah Rubber Products.	<b>67,612</b>	40,933	<b>38,422</b>	29,761	<b>29,190</b>	11,172
Halfman	<b>108,940</b>	108,940	<b>85,095</b>	65,564	<b>23,845</b>	43,376
Thermosole Industries (Pvt) Ltd.	<b>88,799</b>	77,687	<b>65,084</b>	50,870	<b>23,715</b>	26,817
Galaxy Polymer Engineering(Private)Limited	<b>44,842</b>	33,618	<b>22,187</b>	17,872	<b>22,655</b>	15,746
Yusuf Auto Industries (Pvt) Ltd	<b>79,508</b>	79,508	<b>61,484</b>	47,049	<b>18,024</b>	32,459
Pacific International	<b>15,983</b>	-	<b>266</b>	-	<b>15,717</b>	-
JTS Corporation	<b>19,182</b>	-	<b>3,517</b>	-	<b>15,665</b>	-
Noor Engineering Services (Pvt) Ltd.	<b>31,286</b>	18,924	<b>17,233</b>	14,428	<b>14,053</b>	4,496
AQ Industries.	<b>28,701</b>	28,701	<b>14,750</b>	8,968	<b>13,951</b>	19,733
Rubatech Manufacturing Co.Pvt.Ltd.	<b>39,020</b>	28,215	<b>25,750</b>	19,846	<b>13,270</b>	8,369
Mumtaz Engineering	<b>15,193</b>	2,913	<b>3,732</b>	2,913	<b>11,461</b>	-
Fatima Industries (Pvt) Ltd	<b>54,476</b>	54,476	<b>43,538</b>	35,256	<b>10,938</b>	19,220
Ravi Autos Sundar (Pvt) Limited.	<b>25,254</b>	15,190	<b>14,494</b>	10,497	<b>10,760</b>	4,693
Shahid Engineering Works	<b>46,435</b>	35,728	<b>36,902</b>	27,461	<b>9,533</b>	8,267
Automotive Components Limited	<b>12,299</b>	2,751	<b>3,250</b>	2,379	<b>9,049</b>	372
Super Engineering Company (Pvt) Ltd.	<b>8,806</b>	520	<b>796</b>	504	<b>8,010</b>	16
United Mechanical Industries (Pvt) Ltd.	<b>26,286</b>	19,048	<b>18,409</b>	15,561	<b>7,877</b>	3,487
Baluchistan Wheels Ltd.	<b>27,334</b>	27,334	<b>19,589</b>	14,123	<b>7,745</b>	13,211
Shaheen Automotive Private Limited	<b>16,095</b>	15,735	<b>9,056</b>	12,880	<b>7,039</b>	2,855
Zia Engineering Works	<b>26,283</b>	9,563	<b>20,019</b>	5,788	<b>6,264</b>	3,775
Masood Engineering Works	<b>12,729</b>	7,043	<b>7,631</b>	6,126	<b>5,098</b>	917
Alsons Auto Parts (Pvt)Ltd	<b>57,305</b>	57,305	<b>52,405</b>	49,736	<b>4,900</b>	7,569
Alba Engineering Company	<b>10,904</b>	6,331	<b>6,459</b>	5,055	<b>4,445</b>	1,276

# Notes to the Financial Statements

For the year ended 31 December 2022

	Cost		Accumulated depreciation and impairment losses		Book value	
	2022	2021	2022	2021	2022	2021
	----- (Rupees in 000) -----					
Hawks Engineering Services (Pvt.) Limited	32,207	32,207	28,057	24,701	4,150	7,506
Techmen Engineering.	6,208	1,529	2,104	1,107	4,104	422
Indus Engineering	10,481	6,866	6,603	5,314	3,878	1,552
Peracha Engineering Co	12,148	12,010	8,449	6,356	3,699	5,654
Al-Huda Engineering (Pvt) Ltd.	12,740	12,740	10,121	7,909	2,619	4,831
Darson Industries (Pvt) Limited.	8,002	5,662	5,418	4,559	2,584	1,103
Feroz Industries	7,340	4,804	4,816	4,364	2,524	440
Mehran Commercial Enterprises	7,637	7,637	5,133	3,931	2,504	3,706
Tariq Engineering Products (Pvt) Ltd.	11,431	10,207	9,014	7,789	2,417	2,418
Pak Orient Industries	10,835	10,835	8,427	6,733	2,408	4,102
Stanley Industries	14,329	14,329	12,143	10,170	2,186	4,159
Galaxy Enterprises	8,532	2,855	6,458	1,526	2,074	1,329
Tecno Pack Telecom (Pvt) Ltd.	22,102	21,580	20,297	18,774	1,805	2,806
Silver Falcon Engg:Corporation	4,504	4,504	3,099	2,277	1,405	2,227
Al-Aftab Metals Engineering Ind. (Pvt) Ltd.	8,033	8,033	6,716	5,518	1,317	2,515
Brothers Engineering Industries	9,512	9,512	8,221	7,112	1,291	2,400
Ushin Thailand	4,214	4,214	2,950	2,107	1,264	2,107
Javed Steel Manufacturing Works	3,665	3,665	2,481	2,166	1,184	1,499
Aerotech Industries (Pvt.) Ltd.	5,478	5,478	4,450	3,807	1,028	1,671
Standard Mechanical Works	1,765	1,765	1,310	1,075	455	690
Ab Engineering (Pvt) Ltd.	25,944	25,944	25,582	24,691	362	1,253
Pioneer Plastic Industries	1,117	1,117	1,027	913	90	204
Pak Poly Engineering and Works	30	30	13	7	17	23
Asif Engg. & Mechanical Works.	2,093	2,093	2,093	2,093	-	-
Asif Rubber Industries (Pvt) Ltd.	839	839	839	836	-	3
Automate Industries (Pvt) Ltd.	362	362	362	362	-	-
Cosmos Engineering.	364	364	364	351	-	13
Hybrid Technics (Pvt) Ltd	291	291	291	291	-	-
Jawed Metal Industries Pvt Ltd	4,405	4,405	4,405	4,321	-	84
Khan Engineering Works	24	24	24	24	-	-
Mehran Engineering Industries (Pvt) Ltd.	475	475	475	475	-	-
Poly Crafts (Pvt) Limited	336	336	336	336	-	-
Pressed Steel Industries (Pvt) Ltd	758	758	758	758	-	-
Ravi Autos Sheikhpura (Pvt) Limited.	5,449	5,449	5,449	5,267	-	182
Sadiq Engineering Works	59	59	59	59	-	-
Super Tech Autoparts (Pvt) Ltd.	1,754	1,754	1,754	1,754	-	-
Technoline Industries	255	255	255	255	-	-
The General Tyre & Rubber Co. Of Pakistan Ltd.	19,025	19,025	19,025	18,667	-	358
Zaib Engineering (Pvt) Ltd.	1,392	1,392	1,392	1,386	-	6
	<b>9,155,964</b>	6,416,302	<b>5,651,701</b>	4,247,147	<b>3,504,263</b>	2,169,155

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

	Note	2022	2021
		---- (Rupees in '000) ----	
Cost of goods manufactured	34.1	3,454,222	3,096,047
Administrative expenses	36	199,125	168,524
		<b>3,653,347</b>	<b>3,264,571</b>

# Notes to the Financial Statements

For the year ended 31 December 2022

## 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) on disposal	Mode of Disposal	Particulars of Buyer	Relationship with PSMC
----- (Rupees in '000) -----								
<b>Motor Vehicles</b>								
Vitara	3,312	2,389	923	942	19	Through negotiation	Mandviwala Motors (Pvt) Ltd	Vendor
Swift Automatic	1,364	819	545	576	31	Through negotiation	Mandviwala Motors (Pvt) Ltd	Vendor
Swift Automatic	1,355	824	531	562	31	Through negotiation	Mandviwala Motors (Pvt) Ltd	Vendor
Ciaz Automatic	1,598	1,029	569	651	82	Through negotiation	Danish Motors	Vendor
Ciaz Automatic	1,845	947	898	1,026	128	Through negotiation	Danish Motors	Vendor
Vitara GL+	2,981	1,941	1,040	1,181	141	Through negotiation	Danish Motors	Vendor
Vitara GL+	2,981	1,941	1,040	1,181	141	Through negotiation	Danish Motors	Vendor
Ciaz Automatic	1,547	1,047	500	539	39	As per Employee scheme	Arif Shabbir	Employee
Ciaz Automatic	1,547	1,047	500	539	39	As per Employee scheme	Syed Shahzad Ahmed	Employee
Cultus AGS	1,586	752	834	899	65	As per Employee scheme	Mubashair Hayat	Employee
Swift Automatic	1,364	757	607	694	87	As per Employee scheme	Rafiq Ahmed Memon	Employee
Cultus AGS	1,482	822	660	754	94	As per Employee scheme	Sarfaz Uddin	Employee
Cultus AGS	2,105	694	1,411	1,767	356	As per Employee scheme	Shoab Masood Siddiqui	Employee
Cultus AGS	1,482	890	592	966	374	As per Employee scheme	Abdul Rahim	Employee
Cultus AGS	1,482	890	592	966	374	As per Employee scheme	Kanwar Rehan Ali	Employee
Cultus AGS	1,482	890	592	966	374	As per Employee scheme	Imran Sohail	Employee
Cultus AGS	1,482	890	592	966	374	As per Employee scheme	Waqar Majeed	Employee
Cultus AGS	1,482	890	592	968	376	As per Employee scheme	Aftab Ahmed	Employee
Cultus AGS	1,482	890	592	969	377	As per Employee scheme	Imran Ahmed	Employee
Cultus AGS	1,482	890	592	969	377	As per Employee scheme	Muhammad Yasir Arafat	Employee
Cultus AGS	1,482	890	592	971	379	As per Employee scheme	Muhammad Mustafa Siddique	Employee
Cultus AGS	1,482	890	592	971	379	As per Employee scheme	Muhammad Atif Qadri	Employee
Cultus AGS	1,482	890	592	971	379	As per Employee scheme	Kamran Navaid	Employee
Cultus AGS	1,482	890	592	971	379	As per Employee scheme	Muhammad Asif Murtaza	Employee
Cultus AGS	1,482	890	592	972	380	As per Employee scheme	Muhammad Awais Qayyum	Employee
Cultus AGS	1,482	890	592	978	386	As per Employee scheme	Farooq Adil	Employee
Cultus AGS	1,449	903	546	937	391	As per Employee scheme	Faizan Yousuf	Employee
Cultus AGS	1,449	903	546	937	391	As per Employee scheme	Fahad Badar	Employee
Cultus AGS	1,449	903	546	937	391	As per Employee scheme	Rashid Faiz Farooqui	Employee
Cultus AGS	1,449	903	546	937	391	As per Employee scheme	Mansoor Ahmed	Employee
Cultus AGS	1,439	854	585	980	395	As per Employee scheme	Muhammad Saleem	Employee
Cultus AGS	1,439	854	585	980	395	As per Employee scheme	Amir Nasir Gul	Employee
Cultus AGS	1,449	903	546	948	402	As per Employee scheme	Mudassar Ahmad Bhutta	Employee
Cultus AGS	1,534	854	680	1,099	419	As per Employee scheme	Nadeem Shafi	Employee
Cultus AGS	1,562	855	707	1,144	437	As per Employee scheme	Syed Abbas Ali Rizvi	Employee
Swift Automatic	1,331	829	502	955	453	As per Employee scheme	Abdul Aziz	Employee
Swift Automatic	1,359	827	532	986	454	As per Employee scheme	Muhammad Irfan Khan	Employee
Swift Automatic	1,355	824	531	986	455	As per Employee scheme	Syed Obaid Alam	Employee
Swift Automatic	1,355	824	531	986	455	As per Employee scheme	Aamir Shahzad	Employee
Swift Automatic	1,331	829	502	957	455	As per Employee scheme	M.Wasif-Uz-Zaman Khan	Employee

# Notes to the Financial Statements

For the year ended 31 December 2022

Particulars	Cost	Accumulated Depreciation	Net Book Value	Sale Proceeds	Gain / (Loss) on disposal	Mode of Disposal	Particulars of Buyer	Relationship with PSMC
----- (Rupees in '000) -----								
Swift Automatic	1,331	829	502	960	458	As per Employee scheme	Muhammad Uzair	Employee
Swift Automatic	1,331	829	502	961	459	As per Employee scheme	Anwar Naseem Siddiqui	Employee
Swift Automatic	1,331	829	502	961	459	As per Employee scheme	Abdul Saboor Baig	Employee
Swift Automatic	1,331	829	502	961	459	As per Employee scheme	Muhammad Imran	Employee
Swift Automatic	1,331	829	502	961	459	As per Employee scheme	Abdul Rasool Dayo	Employee
Swift Automatic	1,331	829	502	962	460	As per Employee scheme	Shahzad Hameed	Employee
Swift Automatic	1,331	829	502	965	463	As per Employee scheme	Najeeb -Ur-Rehman	Employee
Swift Automatic	1,331	829	502	965	463	As per Employee scheme	Zulfiqar Ali Sheikh	Employee
Swift Automatic	1,331	829	502	967	465	As per Employee scheme	Humayun Arshad	Employee
Swift Automatic	1,364	819	545	1,017	472	As per Employee scheme	Ejaz Hussain	Employee
Swift Automatic	1,364	819	545	1,017	472	As per Employee scheme	Mohammad Tariq	Employee
Swift Automatic	1,364	819	545	1,017	472	As per Employee scheme	Muhammad Farhan	Employee
Swift Automatic	1,364	819	545	1,017	472	As per Employee scheme	Muhammad Azeem	Employee
Swift Automatic	1,364	819	545	1,018	473	As per Employee scheme	Umair Riaz	Employee
Swift Automatic	1,364	819	545	1,021	476	As per Employee scheme	Anila Sajid	Employee
Swift Automatic	1,510	840	670	1,158	488	As per Employee scheme	Aasif Hussain	Employee
Swift Automatic	1,595	843	752	1,250	498	As per Employee scheme	Gurmukh Dass	Employee
Ciaz Automatic	1,547	1,047	500	1,006	506	As per Employee scheme	Amir Shaffi	Employee
Swift Automatic	2,026	705	1,321	1,831	510	As per Employee scheme	Farhan Imad	Employee
Swift Automatic	1,595	843	752	1,264	512	As per Employee scheme	Imran Mir	Employee
Swift Automatic	2,033	624	1,409	1,937	528	As per Employee scheme	Zarrin Akhtar Jafri	Employee
Cultus AGS	1,824	791	1,033	1,582	549	As per Employee scheme	Shabbir Ahmed Shaikh	Employee
Cultus AGS	1,824	791	1,033	1,582	549	As per Employee scheme	Badiuzzaman Satti	Employee
Swift Automatic	1,998	705	1,293	1,861	568	As per Employee scheme	Imran Khalid Arain	Employee
Swift Automatic	1,998	705	1,293	1,861	568	As per Employee scheme	Syed Muhammad Zeeshan	Employee
Vitara	4,394	2,323	2,071	2,855	784	As per Employee scheme	Aamir Shafi	Employee
Vitara GLX	3,098	1,794	1,304	2,523	1,219	As per Employee scheme	Muhammad Ali Lodi	Employee
Vitara GLX	3,098	1,794	1,304	2,523	1,219	As per Employee scheme	Abdul Nasir	Employee
Other items having net book value of less than Rs. 500,000 each	49,979	37,951	12,028	29,964	17,936			
<b>2022</b>	<u>162,965</u>	<u>102,775</u>	<u>60,190</u>	<u>105,651</u>	<u>45,461</u>			
2021	<u>244,508</u>	<u>237,224</u>	<u>7,284</u>	<u>5,297</u>	<u>(1,987)</u>			

## 5.4 Capital work-in-progress

2022                      2021  
----- (Rupees in '000) -----

Plant and machinery	<b>1,372,297</b>	5,608,356
Civil works	<b>50,035</b>	18,835
	<b>1,422,332</b>	5,627,191

### 5.4.1 Movement in capital work-in-progress

Opening balance	<b>5,627,191</b>	535,447
Additions during the year	<b>2,611,406</b>	5,721,115
Transfer to operating fixed assets	<b>(6,816,265)</b>	(629,371)
Closing balance	<b>1,422,332</b>	5,627,191

# Notes to the Financial Statements

For the year ended 31 December 2022

## 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 2022 amounted to Rs. 14.263 billion, which are detailed below:

	2022	2021
	---- (Rupees in '000) ----	
Plant and machinery	6,369,406	5,908,176
Dies	5,433,076	3,363,833
Permanent and special tools	620,575	549,382
Jigs and fixtures	1,080,580	519,711
Welding guns	375,178	375,178
Electrical installations	263,789	215,410
Waste water treatment plant	120,222	120,222
Furniture and fittings	-	55
Office equipment	10	11
	<b>14,262,836</b>	<b>11,051,978</b>

## 6. INTANGIBLE ASSETS

	Note	2022	2021
		---- (Rupees in '000) ----	
Intangible assets	6.1	245,837	49,654
Capital work-in-progress		198,783	334,706
		<b>444,620</b>	<b>384,360</b>

### 6.1 Intangible assets

The following is a statement of intangible assets:

Years	Cost as at 01 January 2022	Additions during the year	(Retirements) during the year	Cost as at 31 December 2022	Accumulated amortization as at 01 January 2022	Charge during the year	(Retirements) during the year	Accumulated amortization as at 31 December 2022	Book value as at 31 December 2022	
(Rupees in '000)										
License fees	3	344,983	311,445	(344,983)	311,445	312,961	118,335	(344,983)	86,313	225,132
Softwares	3	65,646	27,688	(65,646)	27,688	48,014	24,615	(65,646)	6,983	20,705
		<b>410,629</b>	<b>339,133</b>	<b>(410,629)</b>	<b>339,133</b>	<b>360,975</b>	<b>142,950</b>	<b>(410,629)</b>	<b>93,296</b>	<b>245,837</b>

# Notes to the Financial Statements

For the year ended 31 December 2022

	Years	Cost as at 01 January 2021	Additions during the year	(Retirements) during the year	Cost as at 31 December 2021	Accumulated amortization as at 01 January 2021	Charge during the year	(Retirements) 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	-	(16,354)	65,646	39,017	25,351	(16,354)	48,014	17,632
		<u>426,983</u>	<u>-</u>	<u>(16,354)</u>	<u>410,629</u>	<u>236,983</u>	<u>140,346</u>	<u>(16,354)</u>	<u>360,975</u>	<u>49,654</u>

**6.2** This include 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	2022 ---- (Rupees in '000) ----	2021 ----
Cost of goods manufactured	34.1	<b>118,335</b>	114,995
Administrative expenses	36	<b>24,615</b>	25,351
		<u><b>142,950</b></u>	<u>140,346</u>

## 7. RIGHT-OF-USE ASSETS

	Suzuki Houses	Showrooms	Area Offices	Total
----- (Rupees in '000) -----				
Balance as at 1 January, 2021	340	86,526	36,998	123,864
Add: Additions during the year	-	34,685	-	34,685
Less: Termination during the year	-	-	-	-
Less: Depreciation charge for the year	340	32,424	13,326	46,090
Balance as at 31 December, 2021	<u>-</u>	<u>88,787</u>	<u>23,672</u>	<u>112,459</u>
Balance as at 1 January, 2022	-	<b>88,787</b>	<b>23,672</b>	<b>112,459</b>
Add: Additions during the year	-	<b>16,404</b>	<b>45,666</b>	<b>62,070</b>
Less: Termination during the year	-	<b>4,009</b>	-	<b>4,009</b>
Less: Depreciation charge for the year	-	<b>33,368</b>	<b>18,978</b>	<b>52,346</b>
Balance as at 31 December, 2022	<u>-</u>	<u><b>67,814</b></u>	<u><b>50,360</b></u>	<u><b>118,174</b></u>

The Company has lease contract of various premises acquired for office and other use. Lease tenure of such premises range between 3 to 10 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 2022

<b>7.1</b>	Depreciation charge for the year has been allocated as follows:	Note	<b>2022</b>	2021
			---- (Rupees in '000) ----	
	Administrative expenses	36	<u>52,346</u>	<u>46,090</u>

## 8 LONG-TERM INVESTMENTS

### Other long-term investments

	Equity securities - at FVOCI	8.1	-	-
	<b>Investment in associate (equity accounted)</b>			
	Tecno Auto Glass Limited (TAG)	8.2	<u>84,551</u>	<u>190,492</u>
			<u>84,551</u>	<u>190,492</u>

### 8.1 Equity securities - at fair value through OCI

		2022	
		Shares (Number)	Fair value (Rupees in '000)
- Arabian Sea Country Club Limited (ASCCL)	8.1.1	500,000	-
- Automotive Testing & Training Centre (Private) Limited (AT & TC)	8.1.2	125,000	-

**8.1.1** Investment in ASCCL (unquoted) represents 0.5 million (2021: 0.5 million) fully paid ordinary shares of Rs. 10 each, representing 6.45% (2021: 6.45%) of ASCCL's paid up share capital as at 31 December 2022.

**8.1.2** Investment in AT & TC (unquoted) represents 0.125 million (2021: 0.125 million) fully paid ordinary shares of Rs. 10 each, representing 6.94% (2021: 6.94%) of AT & TC's paid up share capital as at 31 December 2022.

**8.1.3** Investment in ASCCL (unquoted) and AT & TC (unquoted) were fully impaired in prior years and no change in fair value is recognised in 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 2022.

The auditor of TAG has expressed an unmodified opinion on the financial statements for the year ended 30 June 2022. The details of the financial statements of half year ended 31 December 2022 of TAG are as follows:

	<b>2022</b>	2021
	---- (Rupees in '000) ----	
34,440,000 (2021: 34,440,000) fully paid ordinary shares of Rs. 10/- each (Shareholding 40%)	<u>344,400</u>	<u>344,400</u>
Share of loss of equity accounted investee	<u>(259,849)</u>	<u>(153,908)</u>
	<u>84,551</u>	<u>190,492</u>

# Notes to the Financial Statements

For the year ended 31 December 2022

**8.2.2** The summarized financial information in respect the Techno 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.

	Unaudited	
	<b>31 Dec 2022</b>	31 Dec 2021
	---- (Rupees in '000) ----	
Current assets	<b>676,301</b>	457,928
Non-current assets	<b>3,055,384</b>	2,899,599
Current liabilities	<b>(1,330,711)</b>	(2,241,563)
Non-current liabilities	<b>(2,189,597)</b>	(639,735)
Equity	<b>211,377</b>	476,229
Revenue	<b>435,150</b>	410,638
Loss for the period	<b>(189,226)</b>	(30,825)
Total comprehensive loss for the period	<b>(189,226)</b>	(30,825)

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:

	<b>2022</b>	2021
	---- (Rupees in '000) ----	
Net assets of the associate	<b>211,377</b>	476,229
Proportion of the Group's ownership	<b>40%</b>	40%
Carrying amount of the Group's interest in Tecno Auto Glass Limited	<b>84,551</b>	190,492

**8.2.3** Contingencies and commitments of associate

1) TAG Limited has issued guarantee in favour of K electric amounting to Rs. 12.2 million (2021: Rs. 12.2 million) out of which Rs. 11 million (2021: Rs.11 million) is provided by Tecno Pack Telecom (Holding Company) on behalf of the TAG Limited

2) TAG Limited has rental payable in respect of Ijarah contracts in respect of vehicles amounting to Rs. 28.05 million (2021: Rs. nil)

3) TAG has outstanding letter of credit amounting to Rs. 14.12 million (2021: Rs. nil)

4) The auditor of the associate Company has shown concern over the going-concern of the associate company. However, The management of the associate Company believe that the adverse financial condition is temporary and the Company expects profitable returns in the future period.

**8.2.4** The draft financial statements of the associate include a paragraph relating to the basis of preparation of financial statements on going concern basis. The auditors of the Company have included an emphasis of matter paragraph to highlight going concern matter in their draft review report. The relevant extracts of the notes in the financial statements are as follows:

During the period, the Company incurred a net loss of Rs. 189.2 million resulting in accumulated loss of Rs. 649.6 million as of 31 December 2022. Further, as of that date, current liabilities of the Company exceeded its current assets by Rs. 654.4 million. However, the management believes that the above adverse financial position is temporary and the Company expects profitable results in future periods due to capitalisation of new plant which has started its commercial production during the current period. Further, the Company expects continued financial support from the Holding Company in foreseeable future. Accordingly, these financial statements have been prepared on a going concern basis.

# Notes to the Financial Statements

For the year ended 31 December 2022

## 9 LONG-TERM LOANS

	Note	2022 ---- (Rupees in '000) ----	2021
Loans to employees	9.1	<b>15,776</b>	13,232
Less: receivable within one year	16	<b>(8,278)</b>	(7,679)
		<b>7,498</b>	5,553

9.1 This represents 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	2022 ---- (Rupees in '000) ----	2021
Deposits		<b>59,883</b>	57,484
Receivables from employees against vehicles at amortised cost	10.1	<b>837,270</b>	653,952
Prepaid amortised cost		<b>351,241</b>	-
Less: receivable within one year	18	<b>(213,735)</b>	(144,722)
		<b>974,776</b>	509,230
		<b>1,034,659</b>	566,714

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	
	2022	2021	2022	2021
	----- (Rupees in 000) -----			
Less than one year	<b>240,681</b>	154,746	<b>213,735</b>	144,722
One to five years	<b>750,473</b>	514,120	<b>425,919</b>	371,005
More than five years	<b>197,357</b>	171,976	<b>197,616</b>	138,225
	<b>1,188,511</b>	840,842	<b>837,270</b>	653,952

The present value of receivables is calculated by applying discount rate of 15% (2021: ranging from 8% to 9.75%).

## 11. LONG TERM INSTALLMENT SALES RECEIVABLES

	Note	2022 ---- (Rupees in '000) ----	2021
Gross amount of installment sales receivables	11.1	<b>3,386,166</b>	3,064,519
Less: Unearned finance income		<b>(4,397)</b>	(6,028)
Gross amount of installment sales receivables		<b>3,381,769</b>	3,058,491
Less: Impact of discounting		<b>(276,478)</b>	(188,075)
Installment Sales Receivables		<b>3,105,291</b>	2,870,416
Less: Provision of impairment allowance	11.2	<b>(73,972)</b>	(65,340)
		<b>3,031,319</b>	2,805,076
Less: Current maturity		<b>(2,516,531)</b>	(2,027,931)
		<b>514,788</b>	777,145

# Notes to the Financial Statements

For the year ended 31 December 2022

**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 month period (2021: 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	
	2022	2021	2022	2021
	----- (Rupees in 000) -----			
Less than one year	<b>2,738,389</b>	2,110,722	<b>2,567,195</b>	2,027,931
One to five years	<b>643,380</b>	947,769	<b>538,096</b>	842,485
	<b>3,381,769</b>	3,058,491	<b>3,105,291</b>	2,870,416
Less: Impairment loss	<b>(73,972)</b>	(65,340)	<b>(73,972)</b>	(65,340)
	<b>3,307,797</b>	2,993,151	<b>3,031,319</b>	2,805,076

## 11.2 Movement of impairment loss

	2022	2021
	---- (Rupees in '000) ----	
Balance at beginning of the year	<b>65,340</b>	52,376
Charge during the year	<b>8,632</b>	12,964
Write - off during the year	-	-
Balance at end of the year	<b>73,972</b>	65,340

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

Note	Credit impaired	Weighted average loss rate	2022 (Rs. In '000)		
			Gross	Impairment loss	Net
Not past due	No	1.17%	3,344,456	38,974	3,305,482
Past due 1 - 30 days	No	49.01%	2,583	1,266	1,317
Past due 31 - 60 days	No	70.93%	1,968	1,396	572
Past due 61 - 90 days	No	82.01%	1,167	957	210
Past due 91 - 180 days	Yes	93.76%	3,459	3,243	216
Past due 181 - 360 days	Yes	100.00%	4,828	4,828	-
Over 360 days	Yes	100.00%	23,308	23,308	-
			<b>3,381,769</b>	<b>73,972</b>	<b>3,307,797</b>

# Notes to the Financial Statements

For the year ended 31 December 2022

	Credit impaired	Weighted average loss rate	2021 (Rupees in '000)		
			Gross	Impairment loss	Net
Not past due	No	1.10%	3,006,260	33,266	2,972,994
Past due 1 - 30 days	No	2.54%	13,955	355	13,600
Past due 31 - 60 days	No	28.08%	3,803	1,068	2,735
Past due 61 - 90 days	No	44.11%	2,836	1,251	1,585
Past due 91 - 180 days	Yes	66.91%	6,760	4,523	2,237
Past due 181 - 360 days	Yes	100.00%	5,958	5,958	-
Over 360 days	Yes	100.00%	18,919	18,919	-
			<u>3,058,491</u>	<u>65,340</u>	<u>2,993,151</u>

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

## 12 DEFERRED TAXATION - NET

### Deductible temporary differences arising from: Unused tax losses arising from:

Excess of minimum turnover tax carried forward  
Business losses other than depreciation carried forward  
Unrealized tax depreciation losses carried forward

Note	2022 ---- (Rupees in '000) ----	2021
12.2	<b>5,137,169</b>	4,889,766
	-	-
	<b>602,746</b>	639,179
	<b>5,739,915</b>	5,528,945

### Others

Provisions  
Local development costs  
Accelerated tax depreciation and tax amortisation  
Lease liabilities

<b>1,403,556</b>	1,533,557
<b>19,421</b>	23,356
<b>175,845</b>	254,544
<b>40,885</b>	37,558
<b>1,639,707</b>	1,849,015

### Taxable temporary differences arising from:

Right-of-use assets

<b>(34,255)</b>	(32,593)
<b>7,345,367</b>	<b>7,345,367</b>

### Deductible temporary differences arising from:

#### Unused tax losses arising from:

Excess of minimum turnover tax carried forward  
Business losses other than depreciation carried forward  
Unrealized tax depreciation losses carried forward

2020	Recognised in the profit or loss	2021	Recognised in the profit or loss	2022
----- (Rupees in 000) -----				

3,684,429	1,205,337	4,889,766	247,403	<b>5,137,169</b>
381,439	(381,439)	-	-	-
1,298,522	(659,343)	639,179	(36,433)	<b>602,746</b>
5,364,390	164,555	5,528,945	210,970	<b>5,739,915</b>

### Others

Provisions  
Local development costs  
Accelerated tax depreciation and tax amortisation  
Lease liabilities

1,160,664	372,893	1,533,557	(130,001)	<b>1,403,556</b>
16,409	6,947	23,356	(3,935)	<b>19,421</b>
-	254,544	254,544	(78,699)	<b>175,845</b>
38,631	(1,073)	37,558	3,327	<b>40,885</b>
1,215,704	633,311	1,849,015	(209,308)	<b>1,639,707</b>

### Taxable temporary differences arising from:

Accelerated tax depreciation and tax amortisation  
Right-of-use assets

(178,766)	178,766	-	-	-
(35,202)	2,609	(32,593)	(1,662)	<b>(34,255)</b>
(213,968)	181,375	(32,593)	(1,662)	<b>(34,255)</b>
6,366,126	979,241	7,345,367	-	<b>7,345,367</b>

# Notes to the Financial Statements

For the year ended 31 December 2022

	2022	2021
	---- (Rupees in '000) ----	
<b>Movement of deferred tax is as follows:</b>		
Opening balance	7,345,367	6,366,126
Less: Deferred tax expense recognised during the year	-	979,241
Closing balance	<u>7,345,367</u>	<u>7,345,367</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 and due to the matters described in Note 1.3, the Company has not recognised the deferred tax asset in current year amounting to Rs 3.034 billion due to loss in current year. Out of which, Rs. 2.61 billion will expire in accounting year 2025.

Minimum tax would expire as follows:

Accounting year to which it relates	Minimum Tax (Rupees in '000)	Accounting year Expiry
2018	931,725	2023
2019	929,534	2024
2020	1,206,330	2025
2021	2,069,580	2024
2022	-	2025
	<u>5,137,169*</u>	

\*In the current year, the Company has actualized the deferred tax position according to the returns filed with the tax authorities and amended DTA which was previously recognized according to accounting working.

However, management expects that the Company would earn sufficient taxable profits in respective years to recover above recognized deferred tax assets as well unrecognized deferred tax assets.

	Note	2022	2021
		---- (Rupees in '000) ----	
<b>13 STORES, SPARES AND LOOSE TOOLS</b>			
Stores		405,127	332,430
Spares		233,444	163,278
Loose tools		30,606	30,004
		<u>669,177</u>	<u>525,712</u>
Less: Provision for slow moving and obsolete items			
- at beginning of the year		161,790	128,754
- provision for the year	34.1	<u>24,612</u>	<u>33,036</u>
		<u>186,402</u>	<u>161,790</u>
		<u>482,775</u>	<u>363,922</u>

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

# Notes to the Financial Statements

For the year ended 31 December 2022

## 14 STOCK-IN-TRADE

	2022 ---- (Rupees in '000) ----	2021
Raw material and components [including items in transit Rs. 10,490.84 million (2021: Rs. 8,895.98 million)]	<b>26,218,302</b>	20,875,587
Less: Provision for slow moving and obsolete items		
- at beginning of the year	<b>357,594</b>	281,345
- (Reversal) / provision for the year	<b>(2,058)</b>	76,249
	<b>355,536</b>	357,594
	<b>25,862,766</b>	20,517,993
Work-in-process	-	1,763,567
Finished goods	<b>5,978,162</b>	3,001,546
Trading stocks [including items in transit Rs. 223 million (2021: Rs. 81 million)]	<b>1,261,164</b>	1,031,289
Less: Provision for slow moving and obsolescence		
- at beginning of the year	<b>88,931</b>	187,262
- (reversal) for the year	<b>(18,608)</b>	(98,331)
	<b>70,323</b>	88,931
	<b>1,190,841</b>	942,358
	<b>33,031,769</b>	26,225,464

**14.1** Stock-in-trade includes Rs. 4,827 million (2021: Rs. 1,625 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. 0 (2021: 332 million, Rs. 29.4 million, Rs. 24.9 million and Rs. 1 million) respectively to arrive at net realizable value.

## 15. TRADE DEBTS

	2022 ---- (Rupees in '000) ----	2021
Trade debts	<b>577,071</b>	262,702
Less: Impairment losses	<b>(191,768)</b>	(65,415)
	<b>385,303</b>	197,287

### 15.1 Movement of impairment loss

Balance at the beginning of the year	<b>65,415</b>	9,567
Charge during the year	<b>126,353</b>	56,584
Less: write off during the year	-	(736)
Balance at the end of the year	<b>191,768</b>	65,415

# Notes to the Financial Statements

For the year ended 31 December 2022

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

		2022 (Rupees in '000)			
	Credit impaired	Weighted average loss rate	Gross	Impairment loss	Net
Not past due	No	0.00%	105,106	-	105,106
Past due 1 - 30 days	No	0.00%	165,462	-	165,462
Past due 31 - 60 days	No	0.00%	25,697	-	25,697
Past due 61 - 90 days	No	0.00%	43,576	-	43,576
Past due 91 - 180 days	Yes	8.93%	49,922	4,460	45,462
Past due 181 - 360 days	Yes	100.00%	64,388	64,388	-
Over 360 days	Yes	100.00%	122,920	122,920	-
			<b>577,071</b>	<b>191,768</b>	<b>385,303</b>

		2021 (Rupees in '000)			
	Credit impaired	Weighted average loss rate	Gross	Impairment loss	Net
Not past due	No	0.00%	153	-	153
Past due 1 - 30 days	No	0.00%	51,897	-	51,897
Past due 31 - 60 days	No	0.00%	9,068	-	9,068
Past due 61 - 90 days	No	0.00%	875	-	875
Past due 91 - 180 days	No	0.00%	9,542	-	9,542
Past due 181 - 360 days	No	0.00%	66,421	-	66,421
Over 360 days	Yes	52.44%	124,746	65,415	59,331
			<b>262,702</b>	<b>65,415</b>	<b>197,287</b>

## 16. LOANS AND ADVANCES

### Loans - secured

Current portion of loans to employees

Note	2022	2021
---- (Rupees in '000) ----		
9	<b>8,278</b>	7,679

### Advances - secured

- Suppliers  
- Employees - against expenses

16.1	<b>1,182,345</b>	155,833
	<b>3,437</b>	595
	<b>1,185,782</b>	156,428
	<b>1,194,060</b>	164,107

**16.1** These include advance which carry markup as well.

## 17. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Trade deposits  
Margins held with banks against letter of credits and imports

Note	2022	2021
---- (Rupees in '000) ----		
17.1	<b>56,866</b>	76,677
	<b>30,618,799</b>	2,132,385
	<b>30,675,665</b>	2,209,062

Advance Payments  
- Collector of customs  
- Prepaid Rent  
- Prepaid Insurance  
- Others

	<b>889,741</b>	430,146
	<b>34,341</b>	23,945
	<b>3,910</b>	3,310
	<b>17,480</b>	18,913
	<b>945,472</b>	476,314
	<b>31,621,137</b>	2,685,376

# Notes to the Financial Statements

For the year ended 31 December 2022

**17.1** These margins are held with various commercial banks as a security against release of documents, opening of letter of credits due to unavailability of foreign currency and consequently non-settlement of liabilities.

## 18 OTHER RECEIVABLES

	Note	2022 ---- (Rupees in '000) ----	2021 ---- (Rupees in '000) ----
Due from related parties	<b>18.1</b>	<b>652,387</b>	553,876
Current portion of long term other receivables	<b>10</b>	<b>213,735</b>	144,722
Due from vendors for material / components returned		<b>24,215</b>	19,572
Duty draw back		-	486
Expenses recoverable from dealers		<b>190</b>	109
Accrued profit on bank deposits		<b>15,115</b>	169,260
Workers' Profit Participation Fund	<b>18.2</b>	<b>236</b>	236
Workers' Welfare Fund	<b>18.3</b>	-	-
Others		<b>39,870</b>	49,520
		<b>945,748</b>	937,781

**18.1** This represents receivable from following related parties:

Suzuki Motor Corporation	<b>640,586</b>	535,860
PT. Suzuki IndoMobil Motor	<b>4,634</b>	8,004
Suzuki Motor Thailand	<b>7,167</b>	5,492
Techno Auto Glass (Private) Limited	-	4,520
	<b>652,387</b>	553,876

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

	2022 ---- (Rupees in '000) ----	2021 ---- (Rupees in '000) ----
Suzuki Motor Corporation	<b>640,586</b>	535,860
PT. Suzuki IndoMobil Motor	<b>4,634</b>	8,004
Suzuki Motor Thailand	<b>7,167</b>	5,492
Techno Auto Glass (Private) Limited	-	4,520

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

	2022 Gross Impairment ----- (Rupees in '000) -----		2021 Gross Impairment ----- (Rupees in '000) -----	
Not past due	<b>234,260</b>	-	388,442	-
Past due 91-180 days	<b>78,537</b>	-	47,666	-
Past due 181-360 days	<b>3,097</b>	-	2,088	-
Past due over 360 days	<b>336,493</b>	-	115,685	-
	<b>652,387</b>	-	553,881	-

**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.

# Notes to the Financial Statements

For the year ended 31 December 2022

## 18.2 Workers' profit participation fund

Note	2022 ---- (Rupees in '000) ----	2021
	<b>236</b>	-
Opening balance	-	(199,764)
Charge for the year	<b>236</b>	(199,764)
Payments made during the year	-	200,000
Closing balance	<b>236</b>	236

## 18.3 Workers' welfare fund

	<b>(94,906)</b>	(15,000)
Opening balance	<b>(8,894)</b>	(79,906)
Charge for the prior year	<b>(103,800)</b>	(94,906)
Payments made during the year	<b>103,800</b>	-
Closing balance	<b>-</b>	(94,906)

## 19 CASH AND BANK BALANCES

Cash in hand	19.1	<b>106,625</b>	45,935
Cash at bank:			
- In deposit accounts - Conventional	19.2	<b>3,437,055</b>	247,150
- In term deposit accounts - Conventional		-	22,000,000
- In a special deposit account - Conventional	19.4	<b>133,212</b>	117,955
- In current accounts		<b>26,727</b>	860,001
		<b>3,596,994</b>	23,225,106
		<b>3,703,619</b>	23,271,041

**19.1** This includes cheques in hand balances amounting to Rs 38.9 million (2021: Rs 29.5 million).

**19.2** These carry profits rates ranging from 14.25% to 15.75% (2021: 5.5% to 9.5%) per annum.

**19.3** This represents amount placed by the Company in Term Deposit receipts carrying profits ranging from nil (2021: 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 has a Shariah compliant bank balance of Rs 0.043 million as at 31 December 2022 (2021: Nil).

# Notes to the Financial Statements

For the year ended 31 December 2022

## 20. SHARE CAPITAL

2022                      2021  
---- (Rupees in '000) ----

### 20.1 Authorised share capital

500,000,000 ordinary shares of Rs. 10 each 5,000,000      5,000,000

### 20.2 Issued, subscribed and paid-up share capital

2022	2021		2022	2021
(Number of shares)			(Rupees in '000)	
		Fully paid ordinary shares of Rs. 10 each		
<b>45,517,401</b>	45,517,401	Issued for cash	<b>455,174</b>	455,174
<b>2,800,000</b>	2,800,000	Issued for consideration other than cash	<b>28,000</b>	28,000
<b>33,982,450</b>	33,982,450	Issued as fully paid bonus shares	<b>339,825</b>	339,825
<b>82,299,851</b>	<u>82,299,851</u>		<b>822,999</b>	<u>822,999</u>

**20.3** As at 31 December 2022, the Holding Company held 60,154,091 (2021: 60,154,091) ordinary shares of Rs. 10 each, constituting 73.09% (2021: 73.09%) shareholding in the Company.

2022	2021		2022	2021
		Note	---- (Rupees in '000) ----	
<b>21 PAYABLE AGAINST PURCHASE OF ASSET</b>				
Payable against purchase of asset		21.1	<b>227,823</b>	59,001
Less: Payable within one year		26	<b>(189,738)</b>	(56,790)
			<b>38,085</b>	<u>2,211</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

2022                      2021  
---- (Rupees in '000) ----

		Note	2022	2021
			---- (Rupees in '000) ----	
Dealership deposits		22.1	<b>130,955</b>	117,955
Others		22.2	<b>173,246</b>	111,245
			<b>304,201</b>	<u>229,200</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 2022

## 23 LEASE LIABILITIES

	Note	2022 ---- (Rupees in '000) ----	2021
As at 1 January		<b>129,587</b>	135,929
Additions		<b>62,070</b>	34,685
Interest expense related to lease liabilities	39	<b>15,705</b>	14,543
Payments		<b>(64,300)</b>	(55,570)
Termination		<b>(2,018)</b>	-
As at 31 December	23.1	<b>141,044</b>	129,587
Current Portion		<b>42,792</b>	40,565
Non-current Portion		<b>98,252</b>	89,022
		<b>141,044</b>	129,587
<b>Maturity Analysis – Contractual Discounted Cash Flows</b>			
Less than one year		<b>42,792</b>	40,565
One to five years		<b>98,252</b>	82,293
More than five years		<b>-</b>	6,729
		<b>141,044</b>	129,587

**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	2022 ---- (Rupees in '000) ----	2021
Balance as at beginning of the year		<b>1,736,557</b>	-
Disbursements during the year		<b>28,612</b>	2,606,133
Repayments during the year		<b>-</b>	-
		<b>1,765,169</b>	2,606,133
Discounting for recognition at fair value - deferred government grant		<b>(11,843)</b>	(908,192)
Unwinding of discount	25 & 24.2	<b>124,641</b>	38,616
Balance as at end of the year	24.1	<b>1,877,967</b>	1,736,557
Current portion		<b>114,666</b>	47,544
Non-current portion		<b>1,763,301</b>	1,689,013
Total		<b>1,877,967</b>	1,736,557

These long-term financing facilities have been availed 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. The aggregate available limit of loan that can be obtained under TERF is Rs. 2.5 billion from MCB Bank Limited and Rs. 2.5 billion from Bank Al Habib Limited. Out of the available limits, Rs. 1.724 billion has been obtained from MCB Bank Limited and Rs. 0.91 billion has been obtained from Bank Al Habib Limited.

The loan is 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 17.32%. 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.

# Notes to the Financial Statements

For the year ended 31 December 2022

## 24.1 Breach of loan covenant

One of the lender's term sheet contained a covenant of maintaining a minimum current ratio of 1:1. The Company exceeded the above threshold at 31 December 2022. However, the management obtained a waiver from the lender dated 26 December 2022 relaxing the current ratio requirement to 0.95:1. The management contends that the extension will be valid for at least twelve months from the date of the letter.

24.2 This includes markup payment during the year amounting to Rs. 52.68 million (2021: 18.39 million).

## 25. GOVERNMENT GRANT

	Note	2022 ---- (Rupees in '000) ----	2021 ----
Balance as at beginning of the year		869,576	-
Deferred government grant recognised during the year	38	11,843	908,192
Credited to profit or loss - amortised during the year		(124,641)	(38,616)
Balance as at end of the year		<u>756,778</u>	<u>869,576</u>
Current portion		136,389	123,432
Non-Current portion		620,389	746,144
Balance as at end of the year		<u>756,778</u>	<u>869,576</u>

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

## 26. TRADE AND OTHER PAYABLES

	Note	2022 ---- (Rupees in '000) ----	2021 ----
Trade creditors - foreign	26.1	42,169,324	3,744,823
Trade creditors - local		4,514,254	4,236,266
Royalties and technical fee payable to the Holding Company - related party		5,783,491	3,469,169
Mark-up on delayed delivery of vehicles	29	2,637,795	245,675
Accrued liabilities	26.6	1,544,995	2,855,349
Demurrage and detention	26.7	1,060,396	-
Gas Infrastructure Development Cess payable		-	14,453
Dividend payable to holding company - related party	26.2	371,452	-
Payable to dealers		688,834	1,192,134
Accrued markup on short term borrowing		145,343	19,722
Workers' Welfare Fund	18.3	-	94,906
Retention money		32,895	1,507
Deposits from employees against purchase of vehicles		-	182
Payable to directors		1,583	4,000
Un-earned income - extended warranty		134,970	101,149
Payable against purchase of asset	21	189,738	56,790
Provision for unexpired free service and warranty	26.3	406,098	384,113
Provision for Sindh Infrastructure Development Cess	26.4	3,824,980	2,493,650
Others	26.5	1,419,310	1,139,681
		<u>64,925,458</u>	<u>20,053,569</u>

# Notes to the Financial Statements

For the year ended 31 December 2022

**26.1** This includes Rs. 32,577 million (2021: Rs. 316.38 million) due to the Holding Company and Rs. 7,633.18 million (2021: Rs. 3,211.35 million) due to other related parties. As the amount is payable in foreign currency therefore, the Company is facing severe foreign currency risk and unprecedented huge exchange losses in the current and forthcoming year as described in detail in Note 1.3.

**26.2** The company has processed the dividend remittance application and approval from State Bank of Pakistan is in process. It is delayed due to ongoing foreign currency crisis in Pakistan.

**26.3 Provision for unexpired free service and warranty**

	Note	2022 ---- (Rupees in '000) ----	2021
Balance at the beginning of the year		<b>384,113</b>	78,867
Paid during the year		<b>(418,891)</b>	(383,579)
Charge during the year	26.3.1	<b>440,876</b>	688,825
Balance at the end of the year		<b>406,098</b>	<u>384,113</u>

**26.3.1** This amount includes Rs. 229 million (2021: Rs. 293 million) in respect of free service charges and Rs. 212 million (2021: Rs. 429 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. 781.6 million (2021: Rs. 584.79 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.

**26.6** This includes accrual for bonus payable amounting to Rs. 683.19 million (2021: Rs. 997.89 million). During the year, a payment of Rs. 838.39 million was made and a charge of Rs. 508.63 million was recorded.

**26.7** This represents payable on account of demurrage and detention charges in respect of goods stuck at port due to Country's deteriorating foreign currency position which led to delay in settlement of outstanding liabilities as disclosed in Note 1.3.

# Notes to the Financial Statements

For the year ended 31 December 2022

	2022	2021
	---- (Rupees in '000) ----	---- (Rupees in '000) ----
<b>27. Employee Benefit Obligations</b>	<b>815,063</b>	568,513

The latest actuarial valuation of gratuity fund was carried out as at 31 December 2022 using the Projected Unit Credit Method.

	2022	2021
	---- (Rupees in '000) ----	---- (Rupees in '000) ----
<b>27.1 Amount recognized in the statement of financial position</b>		
Present value of defined benefit obligation	1,474,533	1,220,489
Fair value of plan assets	(682,651)	(652,327)
Benefits due but not paid (payables)	23,181	351
	<b>815,063</b>	568,513

## 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	97,785	78,843
Interest cost on defined benefit obligation	136,510	92,629
Return on plan assets	(76,681)	(59,219)
	<b>157,614</b>	112,253

## 27.3 Component of defined benefit costs (re-measurement) recognized in statement of comprehensive income

**Re-measurements: Actuarial (gain) / loss on obligation**

- Loss due to change in financial assumptions	3,953	2,445
- Loss due to change in experience adjustments	133,193	131,430
	<b>137,146</b>	133,875
Return on plan assets excluding interest income	46,632	11,845
	<b>183,778</b>	145,720
Total defined benefit cost recognized in statement of comprehensive income	<b>183,778</b>	145,720
Expected contribution in the following year	<b>103,355</b>	160,174
Weighted average duration of the defined benefit obligation (years)	<b>9</b>	9

# Notes to the Financial Statements

For the year ended 31 December 2022

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

	2022	2021
	---- (Rupees in '000) ----	
Opening balance	568,513	384,924
Expense recognized during the year	157,614	112,253
Re-measurement loss recognized in other comprehensive income	183,778	145,720
Contribution made by the Company during the year	(94,842)	(74,384)
Closing balance	<u>815,063</u>	<u>568,513</u>

## 27.5 Movement in present value of defined benefit obligation

Opening balance	1,220,489	984,951
Current service cost	97,785	78,843
Interest cost on defined benefit obligation	136,510	92,629
Benefits due but not paid (payables)	(23,106)	(351)
Benefit paid	(94,291)	(69,458)
Remeasurement loss on defined benefit obligation	137,147	133,875
Closing balance	<u>1,474,534</u>	<u>1,220,489</u>

## 27.6 Movement in fair value of plan assets

Opening balance	652,327	604,953
Contributions	94,842	74,384
Return on plan assets	76,681	59,219
Benefit paid	(94,567)	(74,384)
Remeasurement (loss)/ gain on plan assets	(46,632)	(11,845)
Closing balance	<u>682,651</u>	<u>652,327</u>

## 27.7 Actuarial assumption used are as follows

Discount rate used for profit or loss charge	<u>11.75%</u>	<u>9.75%</u>
Discount rate used for year end obligation	<u>14.50%</u>	<u>11.75%</u>
Expected rate of eligible salaries increase in future years	<u>14.50%</u>	<u>11.75%</u>
Mortality rates	<u>SLIC 2001 - 2005 Setback 1 Year</u>	<u>SLIC 2001 - 2005 Setback 1 Year</u>
Withdrawal Rates	<u>Age Based</u>	<u>Age Based</u>
Retirement assumption	<u>Age 60</u>	<u>Age 60</u>

## 27.8 Actual return on plan assets

Interest income on plan assets	76,681	59,219
Remeasurement (loss) / gain on plan assets	(46,632)	(11,845)
	<u>30,049</u>	<u>47,374</u>

# Notes to the Financial Statements

For the year ended 31 December 2022

## 27.9 Analysis of present value of defined benefit obligation

	2022	2021
	---- (Rupees in '000) ----	
Type of Members:		
- Management	1,262,509	1,023,842
- Non - management	212,025	196,646
	<u>1,474,534</u>	<u>1,220,488</u>

## 27.10 Composition of plan assets are as follows:

Government securities	96,585	61,731
Mutual funds	94,730	90,099
Term finance certificates	466,456	464,337
Bank balances	24,880	36,160
	<u>682,651</u>	<u>652,327</u>

## 27.11 Sensitivity analysis

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

Change in assumption	Note	Defined benefit obligation (Incase of changes)	
		2022	2021
		---- (Rupees in '000) ----	
Discount rate + 1%		<u>1,351,987</u>	1,115,734
Discount rate - 1%		<u>1,616,223</u>	1,342,168
Long term salary increase + 1%		<u>1,616,423</u>	1,342,301
Long term salary decrease - 1%		<u>1,349,637</u>	1,113,713

## 28 SHORT-TERM FINANCE

Short term running finance - conventional	28.1	11,000,000	-
Book overdraft		321,638	-
		<u>11,321,638</u>	-

**28.1** This facility has been obtained from MCB Bank limited for working capital requirements and is secured by hypothecation charge over current and future movables, receivables and plant and machinery of the Company.

The facility availed carries mark-up at the rate of 01 month KIBOR minus 0.5%.

The aggregate available short term running finance facilities from Banks of the Company amount to Rs. 30,500 million (2021: Rs. 24,500 million) out of which Rs. 19,500 million (2021: 24,500 million) remained unavailed at the reporting date.

## 29 CONTRACT LIABILITY

This represents advances received on booking from customers and dealers for sale of vehicles and parts which remain outstanding at the year end. The Company has accrued mark-up/ profit on these deposits, however due to the current economic scenario as disclosed in Note 1.3, has not been paid to the customer. Accordingly, the contract liabilities were significantly reduced.

# Notes to the Financial Statements

For the year ended 31 December 2022

<b>30 SECURITY DEPOSITS</b>	Note	<b>2022</b> ---- (Rupees in '000) ----	2021
Deposits against display of vehicles	30.1	<u><b>3,991,412</b></u>	<u>3,828,605</u>
<b>30.1</b>	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.		
<b>31 PROVISION FOR CUSTOM DUTIES AND SALES TAX</b>	Note	<b>2022</b> ---- (Rupees in '000) ----	2021
Provision for custom duties and sales tax	31.1	<b>36,299</b>	36,299
Provision for additional custom duties	31.2	<b>248,750</b>	2,335,144
		<u><b>285,049</b></u>	<u>2,371,443</u>
<b>31.1</b>	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.		
<b>31.2</b>	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. Accordingly, Company started the payment of ACD in installments and upto 31 December 2022, the Company has paid Rs. 2.08 billion.		
<b>31.3</b>	Sales tax and exise duty adjustable asset represents difference between input and output sales tax of 660cc cars in which the output sales tax is 12.5% of the invoice value as compared to 17% of input tax paid on import and purchase of CKD and other parts. Further, increase in inventory levels have also resulted in heavier input sales tax than its related output.		

# Notes to the Financial Statements

For the year ended 31 December 2022

## 32 CONTINGENCIES AND COMMITMENTS

### 32.1 Contingencies

**32.1.1** Subsequent to the 18th amendment tax on services has become the subject of provinces. A notice was received by the Company from Commissioner Inland Revenue (Federal) to pay FED on services to Federal Board (FBR) of Revenue while the Company is paying sales tax thereon to Sindh Revenue Board. The Company has filed a 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 an appeal with the Supreme Court against the decision. The management in consultation with their legal counsel are confident that the outcome of the case will be in favour of the Company, therefore no provision has been recognised in these financial statements.

**32.1.2** In July 2002, after the audit by custom authorities, a notice was received by the Company according to which the Company is liable to pay Rs. 120 million against 2% loading on Royalty. From the years 2002 to 2005, the Company had 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 year 2006.

The Company's complaint was rejected by Deputy Collector in December 2006 against which the Company filed an appeal with Collector (Appeals) which was also rejected on 7 April 2007. Against the Order of Collector (Appeals), the Company again filed an appeal with Customs Appellant 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 a reference with the High Court of Sindh which decided the case on 8 August 2016 in favor of the Company and reverted the case back to Tribunal to review and decide on merits. The management in consultation with their legal counsel are confident that the outcome of the case will be in favour of the Company, therefore no provision has been recognised in these financial statements.

**32.1.3** Punjab Revenue Authority (PRA) issued a show cause notice on 14 June 2017 to the Company 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 a writ petition with the Lahore High Court which suspended the show cause notice.

Moreover, PRA also demanded share in sales tax on franchise payment in the sales ratio of population of Punjab Province for period from April 2013 to September 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.

The Company filed a petition against all notices and has obtained stay order from the 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 issued an Order in which a demand of Rs 178.6 million was made. The Company has challenged the Order before the Commissioner Appeals 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. The learned single judge vide Order dated November 11, 2021, instructed the Commissioner to follow the hierarchy while the Company has already filed appeal before Commissioner Appeal PRA.

# Notes to the Financial Statements

For the year ended 31 December 2022

**32.1.4** Various cases/ complaints are pending representing legal proceedings initiated against the Company by various parties including unpaid mark-up on deposits from customers. These cases are pending adjudication in various courts and legal forums of Pakistan. As at 31 December 2022, the claims not acknowledged as debts by the Company in respect of cases filed by various parties amount to Rs. 772.5 million (2021: Rs. 1,151.19 million). The management in consultation with their legal counsel are confident that the outcome of the case will be in favour of the Company, therefore no provision has been recognised in these financial statements.

## **32.1.5.1 Workers Welfare Fund (WWF)**

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 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 Sindh Revenue Board (SRB) to deposit the said profits with the Sindh Government instead of the Federal Government. The Company's 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 SRB calling for explanation for not depositing the amount to the SWWF. These 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. The case is still pending for hearing.

## **32.1.5.2 Workers Profit Participation Fund (WPPF)**

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 18th Amendment, although the labor issues are now in the ambit of the provinces, treatment of such issues in relation to trans-provincial companies remain in dispute. Since, both SRB as well as FBR claim the residual amount to be deposited with them, the Company has filed a petition in the Sindh High Court to clarify the authority. 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**

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 Income tax**

Income tax related contingencies and other matters are disclosed in note 40.4.

## **32.2 Commitments**

**32.2.1** Capital expenditure contracted for but not incurred amounted to Rs. 7,595 million (2021: Rs. 1,916 million).

# Notes to the Financial Statements

For the year ended 31 December 2022

**32.2.2** The company has committed 2,030 units of vehicles to its customers for which advance amount is already received from them.

**32.2.3** The facilities for opening letters of credit as at 31 December 2022 amounted to Rs. 12,800 million (2021: 13,800 million) of which the amount remaining unutilized at year end was Rs. 10,593 million (2021: 11,210 million).

**32.2.4** The facilities for opening letters of guarantees as at 31 December 2022 amounted to Rs. 13,000 million (2021: Rs. 4,126 million) of which the amount remaining unutilized at year end was Rs. 7,868 million (2021: Rs. 795.3 million).

**32.2.5** The Company has issued a corporate guarantee on behalf of Tecno Auto Glass Limited, an associated company, amounting to Rs. 1,000 million (2021: Rs. 1,000 million) to a commercial bank in relation to borrowing facilities granted to the associated company.

**32.2.6** The contingencies and commitments pertaining to the associate have been disclosed in Note 8.2.3. The Company's share of the same is restricted up to 40%.

## 33. SALES

	Note	2022 ---- (Rupees in '000) ----	2021
Manufactured goods	33.1	<b>198,420,685</b>	156,739,177
Trading stocks	33.2	<b>4,631,355</b>	3,852,542
		<b>203,052,040</b>	160,591,719
Add: Extended warranty income		<b>14,455</b>	23,513
		<b>203,066,495</b>	160,615,232
Less: Mark-up on discounting of financial assets		<b>(370,694)</b>	(239,722)
Free service		<b>(229,064)</b>	(293,255)
		<b>202,466,737</b>	160,082,255

### 33.1 Manufactured goods

- Vehicles	<b>259,135,420</b>	190,059,316
- Spare parts	<b>719,016</b>	575,392
	<b>259,854,436</b>	190,634,708
Less: Sales tax	<b>33,278,509</b>	23,400,749
Federal excise duty	<b>4,979,256</b>	1,578,742
Discounts	<b>15,304,939</b>	1,906,788
Sales commission to dealers	<b>7,871,047</b>	7,009,252
	<b>(61,433,751)</b>	(33,895,531)
	<b>198,420,685</b>	156,739,177

# Notes to the Financial Statements

For the year ended 31 December 2022

	2022	2021
	---- (Rupees in '000) ----	
<b>33.2 Trading stocks</b>		
- Vehicles	<b>923,546</b>	1,490,843
- Spare parts	<b>4,702,839</b>	3,268,667
	<b>5,626,385</b>	4,759,510
Less: Sales tax	<b>961,376</b>	888,315
Federal excise duty	<b>25,789</b>	7,585
Discounts	<b>2,485</b>	2,191
Sales commission to dealers	<b>5,380</b>	8,877
	<b>(995,030)</b>	(906,968)
	<b>4,631,355</b>	3,852,542

**33.3** Sales for the year include export sales amounting to Rs. 142.1 million (2021: Rs. 125.5 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	
	2022	2021	2022	2021	2022	2021
	----- (Rupees in '000) -----					
<b>Primary Geographical Markets</b>						
Pakistan	<b>194,107,615</b>	154,199,391	<b>8,217,026</b>	5,757,363	<b>202,324,641</b>	159,956,754
Japan	<b>82,348</b>	54,031	-	9,038	<b>82,348</b>	63,069
Vietnam	<b>56,846</b>	28,986	-	-	<b>56,846</b>	28,986
Others	<b>2,902</b>	33,446	-	-	<b>2,902</b>	33,446
	<b>194,249,711</b>	154,315,854	<b>8,217,026</b>	5,766,401	<b>202,466,737</b>	160,082,255
<b>Major product / service lines</b>						
Automobile Products	<b>194,235,256</b>	154,292,341	-	-	<b>194,235,256</b>	154,292,341
Motorcycle Products	-	-	<b>8,217,026</b>	5,766,401	<b>8,217,026</b>	5,766,401
Extended Warranty	<b>14,455</b>	23,513	-	-	<b>14,455</b>	23,513
	<b>194,249,711</b>	154,315,854	<b>8,217,026</b>	5,766,401	<b>202,466,737</b>	160,082,255
<b>Timing of Revenue Recognition</b>						
Products transferred at a point in time	<b>194,235,256</b>	154,292,341	<b>8,217,026</b>	5,766,401	<b>202,452,282</b>	160,058,742
Services transferred over time	<b>14,455</b>	23,513	-	-	<b>14,455</b>	23,513
	<b>194,249,711</b>	154,315,854	<b>8,217,026</b>	5,766,401	<b>202,466,737</b>	160,082,255

**33.5** During the year, contract liabilities amounting to Rs. 29.52 billion (2021: Rs. 9.88 billion) were recognised as revenue.

# Notes to the Financial Statements

For the year ended 31 December 2022

## 34. COST OF SALES

	2022	2021
Note	---- (Rupees in '000) ----	
<b>Manufactured goods</b>		
Finished goods at beginning of the year	3,001,546	4,575,968
Cost of goods manufactured	190,332,216	147,841,036
Export expenses	68,399	21,239
	<b>193,402,161</b>	152,438,243
Less: Finished goods at end of the year	<b>(5,978,162)</b>	(3,001,546)
	<b>187,423,999</b>	149,436,697
<b>Trading stocks</b>		
Stocks at beginning of the year	942,358	937,423
Purchases during the year	3,606,821	2,479,755
	<b>4,549,179</b>	3,417,178
Less: Stocks at end of the year	<b>(1,190,841)</b>	(942,358)
	<b>3,358,338</b>	2,474,820
	<b>190,782,337</b>	151,911,517

# Notes to the Financial Statements

For the year ended 31 December 2022

## 34.1 Cost of goods manufactured

	Note	2022 ---- (Rupees in '000) ----	2021
Raw materials and components at beginning of the year		<b>20,517,993</b>	12,073,432
Purchases during the year	34.1.1	<b>180,158,505</b>	145,909,879
		<b>200,676,498</b>	157,983,311
Raw materials and components at end of the year		<b>(25,862,766)</b>	(20,517,993)
Raw materials and components consumed		<b>174,813,732</b>	137,465,318
Royalty	34.1.3	<b>4,108,761</b>	2,742,450
Technical fee		<b>403,503</b>	297,748
Salaries, wages and other benefits	34.1.2	<b>2,035,795</b>	2,095,499
Outsourced job contractor charges		<b>1,163,283</b>	862,696
Conveyance and transportation		<b>413,545</b>	320,875
Vehicle running expenses		<b>59,806</b>	34,058
Repairs and maintenance		<b>742,585</b>	596,549
Depreciation	5.2	<b>3,454,222</b>	3,096,047
Amortization	6.3	<b>118,335</b>	114,995
Utilities		<b>978,064</b>	758,664
Stores and spares consumed		<b>357,195</b>	666,772
Provision for slow moving and obsolete stores, spares and loose tools	13	<b>24,612</b>	33,036
Local development costs		<b>53,000</b>	94,997
Expenses relating to short-term leases		<b>57,988</b>	13,963
Travelling		<b>49,740</b>	20,534
Insurance		<b>43,605</b>	30,125
Travelling expenses of supervisors		<b>2,711</b>	-
Communication		<b>2,858</b>	2,713
Hired security guards services		<b>18,251</b>	15,912
Training		<b>1,380</b>	21,262
Printing and stationery		<b>2,658</b>	754
Computer software license fee and ERP maintenance charges		<b>8,066</b>	2,799
Others		<b>2,592</b>	2,973
		<b>14,102,555</b>	11,825,421
		<b>188,916,287</b>	149,290,739
Add: Work-in-process at beginning of the year		<b>1,763,567</b>	387,419
		<b>190,679,854</b>	149,678,158
Less: Work-in-process at end of the year		-	(1,763,567)
		<b>190,679,854</b>	147,914,591
Less: Cost of own used vehicles		<b>(347,638)</b>	(73,555)
		<b>190,332,216</b>	147,841,036

**34.1.1** Purchases are stated net of proceeds from the sale of packing materials amounting to Rs. 675 million (2021: Rs. 567 million).

**34.1.2** This includes Rs. 49.36 million (2021: Rs. 44.6 million) and Rs. 89.79 million (2021: Rs. 74.78 million) in respect of provident fund and gratuity fund respectively.

**34.1.3** This represents royalty expense paid/ payable to the parent company (SMC Japan).

# Notes to the Financial Statements

For the year ended 31 December 2022

	Note	2022 ---- (Rupees in '000) ----	2021
<b>35. DISTRIBUTION AND MARKETING EXPENSES</b>			
Transportation and handling charges		<b>2,457,382</b>	1,961,344
Advertising and sales promotion		<b>436,258</b>	505,399
Warranty claims		<b>211,812</b>	395,570
Royalty on trading spare parts		<b>112,077</b>	80,955
		<b>3,217,529</b>	2,943,268
<b>36 ADMINISTRATIVE EXPENSES</b>			
Salaries, wages and other benefits	36.1	<b>1,391,407</b>	1,227,319
Outsourced job contractor charges		<b>194,985</b>	170,885
Vehicle running expenses		<b>120,461</b>	74,028
Conveyance and transportation		<b>154,405</b>	126,200
Travelling		<b>99,294</b>	39,273
Hired security guards services		<b>67,881</b>	53,780
Repairs and maintenance		<b>65,664</b>	79,497
Legal and professional charges		<b>57,970</b>	24,636
Computer software license fee and ERP maintenance charges		<b>154,226</b>	171,166
Depreciation - Right of use of asset	7.1	<b>52,346</b>	46,090
Depreciation	5.2	<b>199,125</b>	168,524
Amortization	6.3	<b>24,615</b>	25,351
Expenses relating to short-term leases		<b>98,792</b>	63,557
Printing and stationery		<b>68,072</b>	61,964
Utilities		<b>97,296</b>	62,576
Insurance		<b>11,256</b>	17,401
Training and Entertainment		<b>5,915</b>	10,296
Communication		<b>31,670</b>	27,722
Directors' fees	45	<b>13,142</b>	5,000
Auditors' remuneration	36.2	<b>5,518</b>	5,191
Trade debts written-off		-	192
Corporate Social Responsibility (Donations)	36.3	<b>17,483</b>	11,182
Others		<b>25,546</b>	8,971
		<b>2,957,069</b>	2,480,801

**36.1** This includes Rs. 34.3 million (2021: Rs. 28.3 million) and Rs. 63.10 million (2021: Rs. 37.47 million) in respect of provident fund and gratuity fund respectively.

	2022 ---- (Rupees in '000) ----	2021
<b>36.2 Auditors' remuneration</b>		
Audit fee	<b>1,755</b>	1,687
Half-yearly review	<b>630</b>	606
Fee for corporate governance certificate	<b>115</b>	110
Fee for special certifications	<b>1,566</b>	1,566
Out of pocket expenses	<b>1,044</b>	838
Sindh sales tax	<b>408</b>	384
	<b>5,518</b>	5,191

# Notes to the Financial Statements

For the year ended 31 December 2022

- 36.3** Contribution on account of Corporate Social Responsibility includes funds utilized for rehabilitation of flood affectees. Following is the list of organizations where the donations exceed Rs. 1 million or 10% of the total donation amount, whichever is higher:

	<b>2022</b>	2021
	---- (Rupees in '000) ----	
Durbeen NGO	<b>1,328</b>	-
The Indus Hospital	-	3,621
Government Boys Primary Sindhi School Pipri	-	2,450
Furniture Donated in Multiple Govt Schools	<b>3,465</b>	-
	<b>4,793</b>	6,071

- 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**

	<b>2022</b>	2021
	---- (Rupees in '000) ----	
Workers' Profit Participation Fund	-	199,764
Workers' Welfare Fund - Prior year charge	<b>8,894</b>	79,906
	<b>8,894</b>	279,670

## **38. OTHER INCOME**

### **Income from financial assets**

Profit on bank accounts	38.1	<b>2,228,102</b>	1,622,944
Income from unwinding of installment sales receivable		<b>282,291</b>	170,573
Income from unwinding of loan to employees		<b>186,601</b>	131,199
Government grant recognised during the year	25	<b>124,641</b>	38,616
Commission income	38.2	<b>5,000</b>	3,500
Finance income on installment sales		<b>6,141</b>	3,385
		<b>2,832,776</b>	1,970,217

### **Income from non-financial assets**

Registration and processing fee	38.3	<b>257,529</b>	175,522
Gain / (loss) on disposal of fixed assets - net	5.3	<b>45,461</b>	(1,987)
Scrap sales		<b>47,597</b>	41,452
Others		<b>28,579</b>	37,461
		<b>379,166</b>	252,448
		<b>3,211,942</b>	2,222,665

- 38.1** The Company has not earned any profit from Shariah compliant bank deposits/ bank balances during the year ended 31 December 2022.

- 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 (2021: Rs. 1,000 million) in relation to borrowing facilities granted to the associated company.

# Notes to the Financial Statements

For the year ended 31 December 2022

<b>39. FINANCE COSTS</b>	Note	<b>2022</b> ---- (Rupees in '000) ----	2021
Mark-up (KIBOR) on late delivery	29	<b>3,825,950</b>	273,215
Demurrage & Detention Charges	26.7	<b>3,627,785</b>	-
Exchange loss - net	50	<b>3,555,001</b>	264,895
Mark-up on loans and borrowing	39.1	<b>519,203</b>	124,215
	39.2	<b>11,527,939</b>	662,325
Interest on lease liability		<b>15,705</b>	14,543
Bank charges		<b>70,820</b>	60,173
		<b>11,614,464</b>	737,041

**39.1** The Company has not paid any markup on Islamic mode of financing during the year ended 31 December 2022.

**39.2** In the current year, the Company incurred an additional cost of approximately Rs. 11 billion on account of severe economic conditions faced by the Country. This includes but not limited to exchange losses arising on the non-availability of foreign currency for relinquishment of foreign liabilities on timely basis, coupled with demurrage charges incurred for stuck-up consignments, interest cost on advance from customers due to delay in deliveries on account of disruptions in supply chain and interest cost on loans for working capital, which is evident from the additional charges recognized in the current year under the head of finance costs.

<b>40. TAXATION</b>	Note	<b>2022</b> ---- (Rupees in '000) ----	2021
Current		<b>2,675,095</b>	2,095,172
Prior	40.2	<b>519,287</b>	-
Deferred		<b>-</b>	(979,241)
		<b>3,194,382</b>	1,115,931

**40.1** Reconciliation between tax expense and accounting profit

Accounting (loss) / profit for the year before taxation		<b>(3,142,540)</b>	3,795,407
Corporate tax rate		<b>29%</b>	29%
Tax on accounting (loss)/ profit at applicable rate		<b>(911,337)</b>	1,100,668
Tax effect of:			
- Turnover tax @ 1.25% under section 113 of ITO		<b>2,610,781</b>	-
- Deferred tax asset not recognized on brought forward losses		<b>911,337</b>	-
- Prior year super tax charge	40.2	<b>519,287</b>	-
- Income assessed under Final Tax Regime and permanent differences		<b>85,177</b>	29,917
- Others		<b>(20,863)</b>	(14,654)
		<b>3,194,382</b>	1,115,931

# Notes to the Financial Statements

For the year ended 31 December 2022

**40.2** Prior year tax charge represents super tax for tax year 2022. The Federal Government has inserted Section 4C "Super Tax on high earning persons" through the Finance Act, 2022 whereby tax at the rate of 10% on certain industries and 4% was levied for tax years 2022 and 2023 onwards respectively. As the Company has taxable losses in the current year, therefore no super tax has been recognized in the statement of profit or loss relating to the year 2022.

**40.3** 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 2022 on self-assessment basis under section 120 of the Income Tax Ordinance 2001 (the Ordinance).

## **40.4 Description of Income tax proceedings**

<b>Name of the court, agency or authority</b>	<b>Description of the factual basis of the proceedings and relief sought</b>	<b>Principal parties</b>	<b>Date instituted</b>
Federal Board of Revenue	The income tax return for the tax year 2019 was selected for audit under section 177 by the tax department. The Company has submitted details and the proceedings are in progress.	Commissioner Inland Revenue the Company	Various dates
Federal Board of Revenue	The income tax return for the tax year 2018 was selected for audit under Section 214C. The Company has submitted details and the proceedings are in progress.	Commissioner Inland Revenue the Company	Various dates
Appellate Tribunal Inland Revenue (ATIR)	The income tax return for the tax year 2017 was selected for audit and an amended order was passed whereby demand of Rs 260.7 million was raised by the department majorly on account of disallowance of Infrastructure Cess, expenses paid through cash withdrawals and consequently application of super tax. The Company challenged the above amended Order in appeal before the Commissioner Inland Revenue (Appeals-II), Karachi (CIRA). CIRA via Order dated 12 November 2020 had allowed partial relief to the Company. The Company has filed an appeal before the Appellate Tribunal against the CIRA. Further, the Commissioner (Tax Department) has also filed cross appeal before ATIR challenging the relief allowed to the Company. Both appeals are pending for hearing.	Commissioner Inland Revenue Appeals and the Company	29 April 2020

# Notes to the Financial Statements

For the year ended 31 December 2022

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	<p>The income tax return for the tax year 2016 was initially selected for audit under section 177. Notices were issued by tax authorities for filing of required information and documents.</p> <p>The case was reopened by new tax officer during 2022, which was again responded comprehensively by the Company. The tax officer created a demand of Rs. 407.429 million, mainly on account of imputed income on security deposits, which the Company challenged before Commissioner Appeal. The Commissioner Appeal granted a relief of Rs. 626 million and remanded back Rs. 407.429 million to the tax officer. However, he maintained a demand of Rs. 8.739 million.</p>	Commissioner Inland Revenue and the Company	16 April 2021
Appellate Tribunal Inland Revenue (ATIR)	<p>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 in respect of non-deduction of withholding tax at the rate of 20% on advertisement and sales promotion expenses being treated as prizes and winnings. 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 the appeal Order. The Commissioner (Tax Department) has also filed cross appeal before ATIR challenging relief allowed to the Company. Both cross appeals are presently pending for hearing before ATIR.</p>	Commissioner Inland Revenue Appeals and the Company	3 January 2019
Appellate Tribunal Inland Revenue (ATIR)	<p>The Company had received an Order in respect of tax year 2013 under section 122(5A) amending the deemed assessment order under section 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 additions to Plant and Machinery. The Company has filed an appeal before Appellate Tribunal which is pending for hearing. Further, the Additional Commissioner passed an ex-parte set aside Appeal Effects Order dated 29 June 2022 repeating the same additions, which was challenged in appeal before Commissioner (Appeals).</p>	Commissioner Inland Revenue Appeals and the Company	30 June 2019

**40.4.1** The Company in consultation with its tax advisor is confident that the outcome will be in the Company's favour, therefore no provision has been recognized in the financial statements.

# Notes to the Financial Statements

For the year ended 31 December 2022

## 40.5 Tax on undistributed profits

The Finance Act 2017, introduced Section 5A in Income Tax Ordinance, 2001. Accordingly, an additional tax at the rate of 7.5% (later reduced to 5% vide Finance Act 2018) is payable on profit before tax of every public company that derives profit for a tax year but does not distribute at least 40% (later reduced to 20% vide Finance Act 2018) of its after tax profit within six months of the end of the tax year.

The Company along with other petitioners filed an appeal and obtained an interim stay order from the Honorable Sindh High Court. On 30 April 2021, Sindh High Court passed a judgment in favour of the petitioners including the Company. On 7 July 2021, an appeal was filed by the Government in Supreme Court of Pakistan against the Order, which is still pending.

However, as a matter of abundant caution, the Company recognized tax provision at the rate of 7.5% on the profit before tax for the accounting year 2016 (tax year 2017) amounting to Rs. 331 million. For later years i.e. tax years 2018 and 2019, the Company paid adequate dividends as stipulated in Section 5A of the Income Tax Ordinance, 2001.

## 41 (LOSS) / EARNING PER SHARE - basic and diluted

2022 2021  
---- (Rupees in '000) ----

### 41.1 Basic

(Loss) / profit for the year (6,336,922) 2,679,476

(Number of shares)

Weighted average number of ordinary shares in issue during the year 82,299,851 82,299,851

(Rupees)

(Loss) / earning per share (77.00) 32.56

41.2 A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at reporting date.

## 42 CASH GENERATED FROM OPERATIONS

Note 2022 2021  
---- (Rupees in '000) ----

(Loss) / profit before taxation (3,142,540) 3,795,407

Depreciation	5.2	<b>3,653,347</b>	3,264,571
Amortization of intangible assets	6.3	<b>142,950</b>	140,346
Depreciation - right of use assets	7	<b>52,346</b>	46,502
Provision of impairment losses	11.2 & 15.1	<b>134,985</b>	69,548
Mark-up (KIBOR) on late delivery	39	<b>3,825,950</b>	273,215
Demurrage & Detention Charges	39	<b>3,627,785</b>	-
Exchange loss - net	39	<b>3,555,001</b>	264,895
Profit on bank accounts	38	<b>(2,228,102)</b>	(1,622,944)
Mark-up on loans and borrowing	39	<b>394,562</b>	85,599
(Gain) / loss on disposal of fixed assets	38	<b>(45,461)</b>	1,987
Loss on termination of lease liability against right-of-use-asset		<b>1,991</b>	-
Share of loss of equity accounted investees		<b>105,941</b>	87,668
Interest on lease liability	39	<b>15,705</b>	14,543
Provision for retirement benefit obligations		<b>157,614</b>	112,253
		<b>13,394,614</b>	2,738,183
Working capital changes	42.1	<b>(33,943,916)</b>	17,365,362
		<b>(23,691,842)</b>	23,898,952

# Notes to the Financial Statements

For the year ended 31 December 2022

	Note	2022 ---- (Rupees in '000) ----	2021
<b>42.1 Working capital changes</b>			
<b>(Increase) / decrease in current assets:</b>			
Stores, spares and loose tools		<b>(118,853)</b>	(112,094)
Stock in trade		<b>(6,806,305)</b>	(8,251,222)
Trade debts		<b>(314,369)</b>	249,888
Current portion of long-term installment sales receivables		<b>(497,232)</b>	(795,837)
Loans and advances		<b>(1,029,953)</b>	(44,269)
Trade deposits and short-term prepayments		<b>(28,935,761)</b>	(1,142,835)
Other receivables		<b>(7,967)</b>	(320,872)
Sales tax and excise duty adjustable		<b>299,106</b>	(4,337,734)
		<b>(37,411,334)</b>	(14,754,975)
<b>(Decrease) / increase in current liabilities:</b>			
Trade and other payables		<b>34,835,784</b>	6,108,596
Provision for custom duties and sales tax		<b>(2,086,394)</b>	504,669
Security deposits		<b>237,808</b>	28,941
Contract liability		<b>(29,519,780)</b>	25,478,131
		<b>3,467,418</b>	32,120,337
		<b>(33,943,916)</b>	17,365,362
<b>43 CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents includes the following:			
Cash and bank balances	19	<b>3,703,619</b>	23,271,041
Short-term running finance from banks		<b>(11,321,638)</b>	-
		<b>(7,618,019)</b>	23,271,041
<b>44 PLANT CAPACITY AND ACTUAL PRODUCTION</b>		<b>2022</b>	<b>2021</b>
		(Number of vehicles)	
Plant capacity - Motorcar (double shifts basis)		<b>150,000</b>	150,000
Plant capacity - Motorcycle (double shifts basis)		<b>44,000</b>	44,000
Actual production - Motorcar		<b>126,603</b>	121,882
Actual production - Motorcycle		<b>42,377</b>	32,143

# Notes to the Financial Statements

For the year ended 31 December 2022

**44.1** Due to economic deterioration which affected the supply chain and the availability of raw materials, resulting there was under utilization of capacity.

## 45 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:

	2022				2021			
	Chief Executive	Non-Executive Directors	Executive Directors	Executives	Chief Executive	Non-Executive Directors	Executive Directors	Executives
	----- (Rupees in '000) -----							
Managerial remuneration	19,320	-	11,736	536,831	18,858	-	11,454	413,443
Bonus	-	-	-	189,901	-	-	-	102,191
Directors fees	-	13,142	-	-	-	5,000	-	-
Retirement benefits	-	-	-	259,043	-	-	-	203,225
<b>Total</b>	<b>19,320</b>	<b>13,142</b>	<b>11,736</b>	<b>985,775</b>	<b>18,858</b>	<b>5,000</b>	<b>11,454</b>	<b>718,859</b>
Number of persons	1	5	1	109	1	5	1	85

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

## 46 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:

Name of the related party	Relationship and percentage of holding	Transaction during the year and year end balances	2022 (Rupees in '000)	2021	
Suzuki Motor Corporation Country: Japan	Holding Company holds 73.09% (2021: 73.09%)	Transactions			
		Purchases of CKD & KD components	62,779,736	37,966,032	
		Purchases of CBUs	804,509	193,413	
		Purchases of Consumables	705,637	1,050,364	
		Purchases of Spare Parts	628,063	260,005	
		Purchases of Outboard Motors	44,024	-	
		Purchases of Spareparts of Outboard Motor	34,564	18,528	
		Royalties on Deleted Comp,Spareparts & SGO	4,624,213	3,121,153	
		Daily Allowance & Traveling Expense	2,837	14,644	
		Initial Royalty on launch of new model	309,040	43,141	
		Development Expenses (Sample Parts)	-	63,069	
		Purchase of Fixed Assets	17,729	-	
		Supervisors fees relating to Fixed Asset installation	168,042	-	
		Export Of Parts & Vehicles	82,348	-	
		Balances			
		Payable		32,576,757	316,379
		Royalties and technical fee payable		5,783,491	3,469,169
		Dividend payable		371,452	-
		Receivable		640,586	535,860

# Notes to the Financial Statements

For the year ended 31 December 2022

Name of the related party	Relationship and percentage of holding	Transaction during the year and year end balances	2022 (Rupees in '000)	2021
PT. Suzuki Indomobil Motor Company Limited Country: Indonesia	Group Company holds nil (2021: nil)	Transactions		
		Purchases of CKD & KD	<u>10,491,365</u>	<u>9,447,808</u>
		Purchases Of KD	<u>-</u>	<u>29,638</u>
		Purchases of Spare Parts	<u>238,363</u>	<u>133,701</u>
		Purchases of Fixed Assets (Including CWIP)	<u>5,124</u>	<u>-</u>
		Export of Parts	<u>10</u>	<u>10,105</u>
		Balances		
		Payable	<u>2,163,287</u>	<u>2,199,658</u>
		Receivable	<u>4,634</u>	<u>8,004</u>
Thai Suzuki Motor Co. Ltd Country: Thailand	Group Company holds nil (2021: nil)	Transactions		
		Purchases of Spare Parts	<u>9,914</u>	<u>12,117</u>
		Purchases of Fixed Assets (Including CWIP)	<u>1,269</u>	<u>-</u>
Magyar Suzuki Corporation Limited Country: Hungary	Group Company holds nil (2021: nil)	Transactions		
		Purchases of CKD & KD Components	<u>12,943</u>	<u>-</u>
		Purchases of Components & Spare parts	<u>5,474</u>	<u>5,097</u>
		Purchases of Fixed Assets (Including CWIP)	<u>89</u>	<u>-</u>
		Balances		
		Payable	<u>396</u>	<u>-</u>
Suzuki Motor (Thailand) Co. Limited Country: Thailand	Group Company holds nil (2021: nil)	Transactions		
		Purchases of CKD & KD parts	<u>14,180,775</u>	<u>19,636,473</u>
		Purchase of Spare parts	<u>160,385</u>	<u>146,103</u>
		Work in Process	<u>-</u>	<u>2,637</u>
				Balances
		Payable	<u>5,293,837</u>	<u>1,005,522</u>
		Receivable	<u>7,167</u>	<u>5,492</u>
Jinan Qingqi Motorcycle Co. Limited Country: China	Group Company holds nil (2021: nil)	Transactions		
		Purchases of CKD & KD	<u>1,542,704</u>	<u>1,351,074</u>
		Purchases of Components & Spare parts	<u>25,705</u>	<u>21,599</u>
		Balances		
		Payable	<u>175,664</u>	<u>5,105</u>
Suzuki De Columbia Country: Colombia	Group Company holds nil (2021: nil)	Transactions		
		Export Of Parts & Vehicles	<u>2,894</u>	<u>-</u>
Vietnam Suzuki Corporation Country: Vietnam	Group Company holds nil (2021: nil)	Transactions		
		Export Of Parts & Vehicles	<u>56,846</u>	<u>28,987</u>
Tecno Auto Glass Limited Country: Pakistan	Associated Company by holding 40% (2021: 40%)	Transactions		
		Purchase of components	<u>786,318</u>	<u>424,345</u>
		Commission Income in Lieu of Corporate Guarantee	<u>5,000</u>	<u>3,500</u>
		Balances		
		Payable	<u>14,848</u>	<u>-</u>
		Receivable	<u>-</u>	<u>4,520</u>
Staff retirement benefits Country: Pakistan	Other related party	Balances		
		Payable	<u>243,162</u>	<u>188,147</u>
Remuneration to key management personnel Country: Pakistan	Other related party		<u>Refer Note 45</u>	

**46.1** 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.

**46.2** 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.

# Notes to the Financial Statements

For the year ended 31 December 2022

## 47. FINANCIAL RISK MANAGEMENT

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 other 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:

	Note	2021 ---- (Rupees in '000) ----	2020
<b>Fixed rate financial instruments</b>			
Lease liabilities	23	<b>(141,044)</b>	(129,587)
Installment sales receivables	11	<b>3,031,319</b>	2,805,076
Long term loan under TERF scheme	24	<b>(1,877,967)</b>	(1,736,557)
		<b>1,012,308</b>	938,932
<b>Variable rate instrument</b>			
Bank Balance in deposit account	19	<b>3,437,055</b>	247,150
Short Term Finance	28	<b>(11,321,638)</b>	-
		<b>(7,884,583)</b>	247,150

#### a) 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.

#### b) Sensitivity analysis for variable rate financial instruments

The Company holds variable rate financial instruments exposing the Company to cash flow interest rate risk and if there is a 1% change in interest rate the profit or loss will be increased/ (decreased) by Rs. 78.85 million (2021: Rs. 0.25 million) This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

# Notes to the Financial Statements

For the year ended 31 December 2022

## 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. As detailed in note 50 to these financial statements, due to economic conditions of the country, the Company was not able to settle its liability which at the year end was equivalent to USD 184 million which subsequently increased to USD 218 million. Accordingly, the Company suffered an exchange loss of Rs. 3.55 billion in 2022 and Rs. 9 billion in the year 2023. The details of currency position are as follows:

	<b>2022</b>	2021	<b>2022</b>	2021
	Amount in Rs'000.		Amount in FCY'000	
<b>JPY - Japanese Yen</b>				
Trade creditors - foreign	<b>34,504,066</b>	349,396	<b>20,177,816</b>	226,000
Royalty and technical fees	<b>1,295,166</b>	3,469,169	<b>757,407</b>	2,243,964
Due from related parties	<b>(640,586)</b>	(535,861)	<b>(374,612)</b>	(346,611)
Dividend payable to holding company	<b>371,452</b>	-	<b>217,223</b>	-
Net exposure	<b>35,530,098</b>	3,282,705	<b>20,777,834</b>	2,123,353
<b>USD - US Dollar</b>				
Trade creditors - foreign	<b>6,067,927</b>	3,438,671	<b>26,743</b>	19,455
Due from related parties	<b>(11,801)</b>	(13,433)	<b>(52)</b>	(76)
Net exposure	<b>6,056,126</b>	3,425,238	<b>26,691</b>	19,379
<b>RMB - Chinese Ren-Min-Bi</b>				
Trade creditors - foreign	<b>175,664</b>	6,169	<b>5,372</b>	220
<b>EUR - Euros</b>				
Trade creditors - foreign	<b>488</b>	-	<b>2</b>	-
<b>SGD - Singapore Dollar</b>				
Trade creditors - foreign	<b>96</b>	8,822	<b>1</b>	67
<b>Equivalent USD - US Dollar</b>				
	<b>41,762,473</b>	6,722,934	<b>184,057</b>	38,036

# Notes to the Financial Statements

For the year ended 31 December 2022

Significant exchange rates applied during the year were as follows:

	Spot rate as at 31 December	
	2022	2021
PKR / US Dollar	226.90	176.75
PKR / Euro	242.33	201.74
PKR / SGD	168.80	131.67
PKR / Yen	1.71	1.55
PKR / RMB	32.70	28.04

At December 31, 2022 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 loss before tax would have been lower/ higher by Rs. 417.62 million (2021: Rs. 67.23 million) mainly as a result of exchange loss / gain on translation of foreign currency denominated financial instruments.

Subsequent to the year end, Pak Rupee depreciated by approximately more than 24% and consequently, the Company suffered an exchange loss of Rs. 9 billion in the year 2023. In order to cater the future financial and exchange rate risk, the Company has obtained support letter from the Parent Company. Details of the same are disclosed in Note 1.3.

## 47.1.3 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.

## 47.1.4 Reconciliation of movements of liabilities to cash flows arising from financing activities

	2022				
	Long term Loan under TERF	Lease Liabilities	Unclaimed Dividend	Unpaid Dividend	Total
----- Rupees in '000 -----					
<b>Balance as at 1 January 2022</b>	1,736,557	129,587	18,837	-	1,884,981
Changes from financing cash flows					
Payment of lease liabilities	-	(64,300)	-	-	(64,300)
Disbursement during the period	28,612	-	-	-	28,612
Dividend Paid	-	-	-	(161,104)	(161,104)
<b>Total changes from financing activities</b>	28,612	(64,300)	-	(161,104)	(196,792)
Other changes					
Interest expense	-	15,705	-	-	15,705
Dividend declared	-	-	-	534,949	534,949
Dividend classification	-	-	2,393	(2,393)	-
Discounting for recognition at fair value - deferred government grant	(11,843)	-	-	-	(11,843)
Unwinding of discount	124,641	-	-	-	124,641
Changes in lease liabilities	-	60,052	-	-	60,052
<b>Total changes</b>	112,798	75,757	2,393	532,556	723,504
<b>Balance as at 31 December 2022</b>	1,877,967	141,044	21,230	371,452	2,411,693

# Notes to the Financial Statements

For the year ended 31 December 2022

	2021				
	Long term Loan under TERF	Lease Liabilities	Unclaimed Dividend	Unpaid Dividend	Total
	----- Rupees in '000 -----				
<b>Balance as at 1 January 2021</b>	-	<b>135,929</b>	<b>18,944</b>	<b>12,621,368</b>	<b>12,776,241</b>
<u>Changes from financing cash flows</u>					
Payment of lease liabilities	-	(55,570)	-	-	(55,570)
Disbursement during the year	2,606,133	-	-	-	2,606,133
Payment during the period	-	-	-	(12,621,368)	(12,621,368)
Dividend Paid	-	-	(107)	-	(107)
Total changes from financing activities	2,606,133	(55,570)	(107)	(12,621,368)	(10,070,912)
<u>Other changes</u>					
Interest expense	-	14,543	-	-	14,543
Discounting for recognition at fair value - deferred government grant	(908,192)	-	-	-	(908,192)
Unwinding of discount	38,616	-	-	-	38,616
Changes in lease liabilities	-	34,685	-	-	34,685
Total changes	(869,576)	49,228	-	-	(820,348)
<b>Balance as at 31 December 2021</b>	<b>1,736,557</b>	<b>129,587</b>	<b>18,837</b>	<b>-</b>	<b>1,884,981</b>

## 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.

Credit risk arises from bank balances, loan to employees, deposits and credit exposure to customers including trade debts, installment sales receivable and other receivables.

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:

	2022	2021
	---- (Rupees in '000) ----	
Trade debts	<b>385,303</b>	197,287
Installment sales receivable	<b>3,031,319</b>	2,805,076
Loans	<b>15,776</b>	13,232
Trade deposits	<b>30,735,548</b>	2,266,546
Other receivables	<b>1,569,283</b>	1,447,011
Bank balances	<b>3,596,994</b>	23,225,106
	<b>39,334,223</b>	29,954,258

# Notes to the Financial Statements

For the year ended 31 December 2022

## 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 installment 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. The Company has made an allowance for impairment loss amounting to Rs. 191.768 million (2021: Rs. 65.415 million) and Rs. 73.972 million (2021: Rs. 65.34 million) against trade debts and installment sales receivables, respectively.

## Credit ratings

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

### Banks and others

	2022				
	Rating Agency	Long term rating	Short term rating	(Rupees in '000)	(%)
Bank Al Habib Limited	PACRA	AA+	A1+	3,246,929	90.27%
Meezan Bank Limited	VIS	AAA	A1+	43	0.00%
Habib Bank Limited	VIS	AAA	A1+	155,976	4.34%
MCB Bank Limited	PACRA	AAA	A1+	190,216	5.29%
Citi Bank	SBP	P-1	AA3	1,054	0.03%
CDC	N/A	N/A	N/A	1,256	0.03%
Bank Alfalah Limited	VIS	AA+	A1+	761	0.02%
National Bank of Pakistan	PACRA	AAA	A1+	759	0.02%
				<b>3,596,994</b>	<b>100%</b>

# Notes to the Financial Statements

For the year ended 31 December 2022

## Banks and others

	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 of Pakistan	PACRA	AAA	A1+	6,723	0.03%
Habib Metropolitan Bank	PACRA	AA+	A1+	8,495	0.04%
Citi Bank	SBP	P-1	AA3	1,054	0.00%
Bank Alfalah Limited	VIS	AA+	A1+	5,000,361	21.53%
National Bank of Pakistan	PACRA	AAA	A1+	621	0.00%
				<u>23,225,106</u>	<u>100%</u>

## 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:

	Carrying Amount	Contractual Cash flows		
		Total	Upto one year	More than one year
		----- (Rupees in '000) -----		
<b>31 December 2022</b>				
Trade and other payables	<b>64,600,755</b>	<b>(64,600,755)</b>	<b>(64,600,755)</b>	-
Payable against purchase of asset	<b>227,823</b>	<b>(227,823)</b>	<b>(189,738)</b>	<b>(38,085)</b>
Long term loan under TERF	<b>1,877,967</b>	<b>(2,816,950)</b>	<b>(93,898)</b>	<b>(2,723,052)</b>
Short term Finance	<b>11,321,638</b>	<b>(11,466,748)</b>	<b>(11,466,748)</b>	-
Security deposits	<b>4,295,612</b>	<b>(4,295,612)</b>	<b>(3,991,412)</b>	<b>(304,200)</b>
Lease liabilities	<b>141,044</b>	<b>(198,639)</b>	<b>(49,210)</b>	<b>(149,429)</b>
Unclaimed dividend	<b>21,230</b>	<b>(21,230)</b>	<b>(21,230)</b>	-
	<b>82,486,069</b>	<b>(83,627,757)</b>	<b>(80,412,991)</b>	<b>(3,214,766)</b>
<b>31 December 2021</b>				
Trade and other payables	19,800,724	(19,800,724)	(19,800,724)	-
Payable against purchase of asset	59,001	(59,001)	(56,790)	(2,211)
Long term loan under TERF	1,736,557	(2,691,664)	(86,828)	(2,604,836)
Security deposits	4,057,805	(4,057,805)	(3,828,605)	(229,200)
Lease liabilities	129,587	(190,066)	(54,675)	(135,391)
Unclaimed dividend	18,837	(18,837)	(18,837)	-
	25,802,511	(26,818,097)	(23,846,459)	(2,971,638)

# Notes to the Financial Statements

For the year ended 31 December 2022

## 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.

	2022				Fair value		
	Amortised Cost	Fair value through OCI	Fair value-through profit and loss	Other financial liabilities	Level 1	Level 2	Level 3
	----- (Rupees in '000) -----						
<b>Financial assets not measured at fair value</b>							
Trade debts	385,303	-	-	-			
Installment sales receivable	3,031,319	-	-	-			
Loans	15,776	-	-	-			
Trade deposits	30,735,548	-	-	-			
Other receivables	1,569,283	-	-	-			
Cash and bank balances	3,703,619	-	-	-			
	<b>39,440,848</b>	-	-	-			
<b>Financial liabilities not measured at fair value</b>							
Trade and other payables	-	-	-	64,600,755			
Payable against purchase of asset	-	-	-	227,823			
Long term loan under TERF scheme	-	-	-	1,877,967			
Short term finance	-	-	-	11,321,638			
Security deposits	-	-	-	4,295,612			
Unclaimed dividend	-	-	-	21,230			
Lease liabilities	-	-	-	141,044			
	-	-	-	<b>82,486,069</b>			

# Notes to the Financial Statements

For the year ended 31 December 2022

	2021					
	Carrying amount			Fair value		
	Amortised Cost	Fair value through OCI	Fair value-through profit and loss	Other financial liabilities	Level 1	Level 2
	----- (Rupees in '000) -----					
<b>Financial assets not measured at fair value</b>						
Trade debts	197,287	-	-	-		
Installment sales receivable	2,805,076	-	-	-		
Loans	13,232	-	-	-		
Trade deposits	2,266,546	-	-	-		
Other receivables	1,447,011	-	-	-		
Cash and bank balances	23,271,041	-	-	-		
	<u>30,000,193</u>	-	-	-		
<b>Financial liabilities not measured at fair value</b>						
Trade and other payables	-	-	-	19,800,724		
Payable against purchase of asset	-	-	-	59,001		
Long term loan under TERF scheme	-	-	-	1,736,557		
Short term finance	-	-	-	-		
Security deposits	-	-	-	4,057,805		
Unclaimed dividend	-	-	-	18,837		
Lease liabilities	-	-	-	129,587		
	-	-	-	<u>25,802,511</u>		

**47.4.1** 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.

The Company measures its capital through debt to equity ratio and current ratio at 31 December 2022 which is as follows:

# Notes to the Financial Statements

For the year ended 31 December 2022

	2022	2021
	(Rupees in '000)	
<b>Debt to equity ratio</b>		
Total Debt	13,340,649	1,866,144
Total equity	19,770,549	26,826,197
Debt to Equity ratio (in times)	0.67	0.07
One of the Bank's debt equity ratio covenant's limit is:	4	4
Covenant compliance status	Compliant	Compliant
<b>Current ratio</b>		
Current assets	85,657,216	67,063,454
Current liabilities	86,674,528	61,839,670
Current ratio	0.99:1	1.08:1
One of the Bank's debt equity ratio covenant's limit is:	1:1	1:1
Covenant compliance status	Breached	Compliant
Covenant relaxation received on 26 December 2022 as detailed in Note 24.1.	0.95:1	N/A

## 49. SEGMENT INFORMATION

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

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

	2022			2021		
	Auto- mobile	Motor- cycle	Total	Auto- mobile	Motor- cycle	Total
	----- (Rupees in '000') -----					
<b>Net sales</b>	<b>194,249,711</b>	<b>8,217,026</b>	<b>202,466,737</b>	154,315,854	5,766,401	160,082,255
Gross profit	11,602,641	81,759	11,684,400	7,742,189	428,549	8,170,738
Distribution and marketing expenses	(3,063,092)	(154,437)	(3,217,529)	(2,848,769)	(94,499)	(2,943,268)
Administration expenses	(2,597,334)	(359,735)	(2,957,069)	(2,177,617)	(303,184)	(2,480,801)
Provision for impairment losses	(126,353)	(8,632)	(134,985)	(60,879)	(8,669)	(69,548)
Other income	2,657,501	554,441	3,211,942	1,854,791	367,874	2,222,665
Finance cost	(11,470,071)	(144,393)	(11,614,464)	(727,878)	(9,163)	(737,041)
<b>Segment results</b>	<b>(2,996,708)</b>	<b>(30,997)</b>	<b>(3,027,705)</b>	3,781,837	380,908	4,162,745
<b>Unallocated corporate expenses</b>						
Other expenses			(8,894)			(279,670)
Share of loss of equity accounted investees			(105,941)			(87,668)
Taxation			(3,194,382)			(1,115,931)
			(3,309,217)			(1,483,269)
<b>(Loss) / profit after tax</b>			<b>(6,336,922)</b>			<b>2,679,476</b>

49.1.1 Revenue from sale of Automobiles represent 95.9% (2021: 96.40%) of the gross sales of the Company.

# Notes to the Financial Statements

For the year ended 31 December 2022

**49.1.2** 99.92% (2021: 99.98%) 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 2022 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.

## 49.2 Segment assets and liabilities

	2022			2021		
	Auto-mobile	Motor-cycle	Total	Auto-mobile	Motor-cycle	Total
----- (Rupees in '000') -----						
<b>Assets</b>						
Segment assets	53,867,230	5,070,589	58,937,819	65,437,898	4,554,534	69,992,432
Unallocated corporate assets	-	-	51,146,549	-	-	21,997,538
			<u>110,084,368</u>			<u>91,989,970</u>
<b>Liabilities</b>						
Segment liabilities	89,888,469	284,307	90,172,776	62,147,582	280,471	62,428,053
Unallocated corporate liabilities	-	-	141,044	-	-	2,735,720
			<u>90,313,820</u>			<u>65,163,773</u>

## 49.3 Other segment information

Capital expenditure	2,835,077	211,529	3,046,606	5,380,251	401,428	5,781,679
Depreciation	3,545,797	107,550	3,653,347	3,158,979	105,592	3,264,571

## 49.4 Reconciliation of information on reportable segments to financial statements:

	2022	2021
	(Rupees in '000)	
<b>Sales</b>		
Total sales for reportable segments	202,466,737	160,082,255
<b>(Loss)/ Profit before tax</b>		
Total (loss)/ profit before tax for reportable segments	(3,027,705)	4,162,745
Unallocated amounts:		
- Other corporate expenses	(8,894)	(279,670)
- Share of (loss) of equity-accounted investees	(105,941)	(87,668)
(Loss)/ profit before tax	<u>(3,142,540)</u>	<u>3,795,407</u>
<b>Assets</b>		
Total assets for reportable segments	58,937,819	69,992,432
Assets for other segments	-	-
Equity-accounted investees	84,551	190,492
Other unallocated amounts	51,061,998	21,807,046
Total assets	<u>110,084,368</u>	<u>91,989,970</u>
<b>Liabilities</b>		
Total liabilities for reportable segments	90,172,776	62,428,053
Liabilities for other segments	-	-
Other unallocated amounts	141,044	2,735,720
Total liabilities	<u>90,313,820</u>	<u>65,163,773</u>
<b>Other material items</b>		
Profit on bank deposits	2,228,102	1,622,944
Finance costs	11,614,464	737,041
Capital expenditure	3,046,606	5,781,679
Depreciation and amortization	3,796,297	3,404,917

**50 NON-ADJUSTING EVENT AFTER REPORTING DATE**

The Company has outstanding foreign liabilities equivalent to USD 184 million at year end December 31, 2022, which increased to equivalent USD 218 million subsequent to the year end. Upto 31 December 2022, the Company incurred an exchange loss of Rs. 3.55 billion on foreign currency transactions and balances. Subsequent to year end PKR to USD parity has further deteriorated and resulted in the unrealized loss of Rs. 9 billion which may impact the equity of the Company in the year 2023. If the foreign currency liability is not paid due to the restrictions imposed by the State Bank of Pakistan, the exchange loss of the Company would further enhance which will adversely impact the equity of the company in the financial year 2023.

**51 NUMBER OF EMPLOYEES**

The detail of number of employees are as follows:

	<b>2022</b>	2021
	(Number of employees)	
Total employees of the Company at year end	<u><b>1,591</b></u>	<u>1,577</u>
Average employees of the Company during the year	<u><b>1,584</b></u>	<u>1,543</u>

**52 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 20, 2023.



**Chairman**



**Chief Financial Officer**



**Chief Executive Officer**

# Pattern of Shareholding

As at 31 December 2022

No. of Shareholders		Shareholdings'Slab		Total Shares Held
3795	1	to	100	93,364
1360	101	to	500	403,715
601	501	to	1000	480,524
656	1001	to	5000	1,505,233
96	5001	to	10000	734,276
40	10001	to	15000	503,952
14	15001	to	20000	247,768
20	20001	to	25000	472,722
11	25001	to	30000	311,093
2	30001	to	35000	66,765
4	35001	to	40000	148,089
7	40001	to	45000	296,469
2	45001	to	50000	97,850
2	50001	to	55000	104,450
3	55001	to	60000	172,265
1	60001	to	65000	61,000
4	65001	to	70000	273,101
2	75001	to	80000	155,800
2	80001	to	85000	163,500
2	85001	to	90000	171,520
1	90001	to	95000	92,150
1	95001	to	100000	100,000
1	100001	to	105000	100,300
3	120001	to	125000	371,795
1	130001	to	135000	131,400
1	140001	to	145000	141,100
1	145001	to	150000	150,000
1	155001	to	160000	158,600
1	170001	to	175000	175,000
1	175001	to	180000	176,419
1	180001	to	185000	183,662
1	195001	to	200000	200,000

# Pattern of Shareholding

As at 31 December 2022

No. of Shareholders	Shareholdings' Slab			Total Shares Held
1	210001	to	215000	211,300
1	220001	to	225000	220,967
1	240001	to	245000	241,376
1	300001	to	305000	300,003
2	305001	to	310000	620,000
1	535001	to	540000	536,423
2	595001	to	600000	1,196,941
1	615001	to	620000	618,940
1	675001	to	680000	679,836
1	805001	to	810000	805,250
1	830001	to	835000	830,611
1	845001	to	850000	846,000
1	895001	to	900000	895,900
1	900001	to	905000	902,860
1	1160001	to	1165000	1,160,574
1	4535001	to	4540000	4,537,757
1	59250001	to	59255000	59,251,231
6657				82,299,851

# Pattern of Shareholding

As at 31 December 2022

Categories of Shareholders	Shareholders	Shares Held	Percentage
<b>Directors, Chief Executive Officer and their spouse(s) and minor children</b>			
MR. MASAFUMI HARANO	1	119	0.00
MOIN M FUDDA	1	500	0.00
<b>Associated Companies, undertakings and related parties</b>			
M/S. SUZUKI MOTOR CORPORATION	2	60,154,091	73.09
NIT & ICP	2	209	0.00
<b>Banks, development finance institutions, non-banking finance companies</b>			
	12	6,601,912	8.02
<b>Insurance Companies</b>			
	12	1,319,557	1.60
<b>Modarabas and Mutual Funds</b>			
	9	1,215,400	1.48
<b>General Public</b>			
a. Local	6397	8,329,212	10.12
b. Foreign	120	170,794	0.21
<b>Foreign Companies</b>			
Others	93	3,321,914	4.04
<b>Totals</b>	<b>6657</b>	<b>82,299,851</b>	<b>100.00</b>

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

# Dealer Network

<b>Azad Kashmir</b>	<b>4</b>	Chichawatni	1
Dadyal	1	Chiniot	1
Kotli	1	Chishtian	1
Mirpur	1	Chunian	1
Muzaffarabad	1	D.G Khan	2
		Daska	1
<b>Balochistan</b>	<b>5</b>	Dipalpur	1
Gwadar	1	Doultala	1
Hub	1	Faisalabad	5
Kuchlak	1	Fatehjang	1
Quetta	2	Gujjarkhan	1
		Gujranwala	2
<b>Khyber Pakhtun Khwa</b>	<b>17</b>	Gujrat	1
Abbottabad	1	Hafizabad	1
Battagram	1	Islamabad	8
Charsadda	2	Jaranwala	1
D.I Khan	1	Jhang	1
Dir	1	Jhelum	1
Haripur	1	Kallar Syedan	1
Haveliyan	1	Kamonki	1
Kohat	1	Kasur	1
Mardan	1	Khanewal	1
Nowshera	1	Khanpur	1
Peshawar	3	Kharian	1
Shabqadar	1	Khushab	1
Swabi	1	Kot Addu	1
Swat	1	Lahore	24
		Layyah	1
<b>Punjab</b>	<b>112</b>	Lodhran	1
Ahmedpur east	1	Mandi Bahauddin	1
Alipur	1	Mianchannu	1
Attock	1	Mianwali	1
Bahawalnagar	1	Multan	8
Bahawalpur	1	Muzaffargarh	1
Bhakkar	1	Narowal	1
Bhalwal	1	Okara	1
Burewala	1	Pakpattan	1

# Dealer Network

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

<b>Sindh</b>	<b>37</b>
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Badin	1
Dadu	1
Ghotki	1
Hyderabad	3
Jacobabad	1
Jamshoro	1
Karachi	18
Kashmore	1
Larkana	1
Makli	1
Mirpurkhas	1
Moro	1
Nawabshah	1
Sanghar	1
Shadadkot	1
Sukkur	2
Tando Allahyar	1

<b>Grand Total</b>	<b>175</b>
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## پیشہ ورانہ صحت اور سیفٹی مینجمنٹ سسٹم (OHSAS):

پاک سوزوکی ایک ایسا نظام فراہم کرنے کے لیے پر عزم ہے جو کام کے غیر محفوظ اور غیر صحت مند حالات کو ختم کرنے میں مدد کرتا ہے۔ خطرات کی شناخت اور خطرے کی تشخیص کی جا رہی ہے، ان کا جائزہ لیا جا رہا ہے اور حادثات کو کم سے کم کرنے کے لیے تمام ضروری احتیاطی اقدامات کیے جا رہے ہیں۔

پیشہ ورانہ صحت اور حفاظت کے انتظام کے نظام کا مقصد کام کی جگہ پر ملازمین کی حفاظت اور صحت پر توجہ مرکوز کرنا اور اس بات کو یقینی بنانا ہے کہ بہترین طریقوں کو لاگو کیا جا رہا ہے۔ حادثات اور ہنگامی حالات سے نمٹنے کے لیے ہنگامی تیاری، رد عمل کے طریقہ کار اور منصوبے قائم کیے گئے ہیں۔

ہر علاقے میں مستقل بنیادوں پر حفاظتی اقدامات کو بہتر بنانے کے لیے، پاک سوزوکی کام اور آلات سے متعلق ممکنہ خطرات کی نشاندہی اور تجزیہ کرتی ہے اور ہیاری ہٹو (قریب مس اور تنگ فرار) سرگرمی کے ذریعے اٹھائے جانے والے اقدامات قائم کرتا ہے، جو کہ ایک موثر جاپانی تکنیک ہے۔

بورڈ کے حکم سے

کشی سیٹھ

چیئر مین

مسا فومی ہرانو

چیف ایگزیکٹو

کراچی

20 مارچ 2023

ذریعے کچرے کے تقریباً 80 تھیلوں کو جمع کیا گیا اور مناسب طریقے سے ٹھکانے لگایا گیا۔

## گورنمنٹ گرلز سکول سیکنڈری شجرکاری مہم

پاک سوزوکی نے گورنمنٹ گرلز سیکنڈری سکول پیپری (قریبی سوزوکی) میں شجرکاری مہم بھی چلائی ہے۔ مہم 7 دسمبر 2022 کو منعقد کی گئی تھی۔

پاک سوزوکی کے ایم ڈی مسافومی ہارانو اور سی ای او نے پودا لگا کر مہم کا افتتاح کیا اور سکول کے طلباء نے بھی اس مہم میں حصہ لیا۔ شجرکاری مہم کا مقصد اسکول میں صحت مند ماحول پیدا کرنا اور طلباء میں شعور بیدار کرنا ہے۔ مہم کے دوران کل 100 پودے (50 نیم اور 50 ساپوڈیلا چیکو) لگائے گئے ہیں۔

## معیار، ماحولیات، صحت اور حفاظت کے انتظام کے نظام:

پاک سوزوکی موٹر کمپنی لمیٹڈ «معیار، صحت اور حفاظت اور ماحولیات (QHSE)» کلچر کو مسلسل فروغ دینے کے لیے پرعزم ہے۔ کمپنی وقتاً فوقتاً اپنے QHSE فریم ورک کا جائزہ لیتی ہے اور ضرورت پڑنے پر سسٹم کی کارکردگی کو بہتر بنانے کے لیے جوابی اقدامات کرتی ہے۔

## کوالٹی مینجمنٹ سسٹم (QMS):

پاک سوزوکی آئی ایس او 9001:2015 کوالٹی مینجمنٹ سسٹم پر باقاعدہ نگرانی کے آڈٹ کے ذریعے سرٹیفیکیشن برقرار رکھتا ہے، جو Lloyd's Register Quality Assurance (LRQA) کے ذریعے کیا جاتا ہے۔ بیرونی آڈیٹرز کے مطابق، PSMC سسٹمز کو اپ ڈیٹ کیا جاتا ہے، اسے برقرار رکھا جاتا ہے اور معیاری تقاضوں پر عمل کیا جاتا ہے۔ مزید، سرٹیفیکیشن کو باقاعدہ نگرانی کے آڈٹ کے ساتھ ساتھ اندرونی آڈٹ کے ذریعے برقرار رکھا جاتا ہے، جو کہ باقاعدگی سے وقفوں سے کیے جاتے ہیں۔ یہ نظام ہماری مصنوعات کی پیداواریت اور معیار کو بہتر بنانے کا ایک بڑا ذریعہ ہے۔ QMS نے ہمارے صارفین کے اطمینان اور ضرورت کے مطابق مسابقتی قیمت پر معیاری مصنوعات فراہم کرنے میں مدد کی۔

## ماحولیاتی مینجمنٹ سسٹم (EMS):

پاک سوزوکی ماحول کی بہتری کے لیے پرعزم ہے۔ کمپنی آئی ایس او 14001:2015 پر بھی تصدیق شدہ ہے جو اپنی جگہ پر ہے اور باقاعدہ نگرانی کے آڈٹ کے ذریعے برقرار ہے۔ یہ کمپنی کے کاموں میں ایک اہم عنصر ہے۔ پاک سوزوکی نے ممکنہ خطرے والے علاقوں کا ماحولیاتی آڈٹ کرنے کے لیے اضافی پہل بھی کی ہے تاکہ ماحول کے لیے کسی بھی خطرناک واقعے سے بچنے کے لیے فعال اقدامات کو یقینی بنایا جاسکے۔ یہ ایک تنظیم کو وسائل کے زیادہ موثر استعمال اور فضلہ میں کمی کے ذریعے اپنی ماحولیاتی کارکردگی کو بہتر بنانے میں مدد کرتا ہے۔ پاک سوزوکی اپنی سرگرمیوں سے پیدا ہونے والے فضلے کی مسلسل نگرانی کرتا ہے اور جہاں بھی ضرورت ہو وہاں ماحولیاتی کنٹرول کے آلات اور ویسٹ واٹر ٹریٹمنٹ پلانٹ جیسی سہولیات موجود ہیں۔ کمپنی ماحولیات کے حوالے سے قابل اطلاق ریگولیٹری تقاضوں کی تعمیل کر رہی ہے۔ سندھ انوائرنمنٹ پروٹیکشن ایجنسی (SEPA) کی ضروریات کے مطابق خطرناک فضلہ کو مصدقہ ٹھیکیداروں کے ذریعے مناسب طریقے سے ٹھکانے لگایا جاتا ہے۔ کمپنی زیرو لینڈ فل کی ماحولیاتی پالیسی کی تعمیل کرتی ہے اور اس کے نتیجے میں، کپچر کے گڑھے کو صاف اور مستقل طور پر بند کر دیا گیا تھا۔

ایمبولینس سروس فراہم کر رہی ہے) ضلع نیلم (آزاد کشمیر) اور آس پاس کے علاقوں میں امدادی کارروائیوں کے لیے۔

## مہم برائے عطیہ خون

پاک سوزوکی نے 13 اور 16 مئی 2022 کو انڈس ہسپتال کے تعاون سے خون کے عطیہ کی مہم کا انعقاد کیا۔ 107 ملازمین نے رضاکارانہ طور پر اپنا خون عطیہ کیا جس سے مستقبل میں مختلف بیماریوں میں مبتلا مریضوں کی مدد کی جاسکے گی۔

23 مئی 2022 کو ریجنل آفس جنوبی پنجاب نے انڈس ہسپتال کے تعاون سے خون کے عطیہ کی ایک اور مہم کا بھی اہتمام کیا۔ جس میں 8 شرکاء نے رضاکارانہ طور پر اپنا خون عطیہ کیا۔

## سیلاب میں امداد کے لیے عطیات:

پاک سوزوکی فیملی نے ضلع ساگھڑ اور میرپورخاص (سندھ) میں >>فلڈ ریلیف اسسٹنس کے لیے عطیات کا کامیاب انعقاد کیا ہے۔ مقامی کاروباری شراکت داروں نے بھی اس عطیہ میں تعاون کیا۔ 9 اور 10 ستمبر 2022 کو کل 6,500 فوڈ ہیمرز مختلف مقامات پر تقسیم کیے گئے۔

ریجنل آفس ساؤتھ پنجاب کی جانب سے فلڈ ریلیف امدادی مہم کے لیے عطیات کا ایک اور سلسلہ بھی عمل میں لایا گیا۔ جس میں ریجنل آفس کے ملازمین اور ڈیلرز نے شرکت کی۔ 2 تا 6 ستمبر 2022 کو کل 800 فوڈ ہیمرز تقسیم کیے گئے۔

ریجنل آفس جنوبی پنجاب نے 14 اور 20 ستمبر 2022 کو دوسرے مرحلے میں طبی سامان (ادویات کا سٹاک) تقسیم کیا ہے۔ سیلاب سے متاثرہ علاقوں میں میڈیکل کیمپوں میں آگے کی تقسیم کے لیے طبی سامان پاک آرمی کیمپ (ملتان) کے حوالے کیا گیا۔

## ماحولیات

### پاک سوزوکی پلانٹ کے علاوہ شجرکاری

خوبصورتی کو بڑھانے اور صحت بخش ماحول کو فروغ دینے کے لیے، پاک سوزوکی نے بادل نالہ (قریبی سوزوکی) کے ساتھ مل کر شجرکاری کے منصوبے پر عمل کیا۔

شجرکاری کا منصوبہ 200 پودے لگانے پر مشتمل تھا (بشمول نیم اور ساپوڈیلا (چکو)، شجر کاری 11 جنوری 2022 کو مکمل ہوئی۔

### ساحل سمندر کی صفائی کے لیے مہم

پاک سوزوکی نے سوزوکی موٹر کارپوریشن کی >>کلین اپ دی ورلڈ کمپین>> کے بعد، 2 دسمبر 2022 کو سی ویو کلفٹن، کراچی میں >بیچ کلیننگ مہم> چلائی، جس کا مقصد ملازمین اور عوام میں ماحولیاتی تحفظ اور سمندری زندگی کے تحفظ کی اہمیت کے حوالے سے آگاہی پیدا کرنا تھا۔

مہم کامیابی سے اپنے اختتام کو پہنچی۔ پاک سوزوکی کے تقریباً 70 ملازمین نے اس مہم میں حصہ لیا۔ کنٹونمنٹ بورڈ کلفٹن (سی بی سی) کے

جانچ، ہنگامی حالات کے لیے ہدایات، جرمانہ وغیرہ کے بارے میں معلومات پر مبنی ہے۔

ڈومینیشن کی تقریب 22 ستمبر 2022 کو پاک سوزوکی موٹر کمپنی میں منعقد ہوئی جس میں پاک سوزوکی کے سی ای او اور سینئر سپرنٹنڈنٹ آف پولیس NH&MP سمیت دیگر اعلیٰ حکام نے شرکت کی۔

### سوزوکی بولان وین کا عطیہ دربین کو

پاک سوزوکی نے گورنمنٹ ایلیمینٹری کالج آف ایجوکیشن، حسین آباد کراچی کے طلباء اور اساتذہ کی آمدورفت کو پورا کرنے کے لیے دربین (این جی او) کو ایک سوزوکی بولان وین عطیہ کی ہے۔ پاک سوزوکی کے ایم ڈی اور سی ای او مسٹر مسافومی ہارانو نے دربین کی سی ای او محترمہ سلمیٰ اے عالم کو ایک علامتی کلید اور دستاویزات پیش کیں۔ تقریب 23 ستمبر 2022 کو گورنمنٹ ایلیمینٹری کالج آف ایجوکیشن حسین آباد میں منعقد ہوئی۔

دربین کا قیام پاکستان میں سرکاری اسکولوں کو بہتر بنانے کے طویل مدتی مقصد اور حکومت کے ساتھ شراکت داری سے قائم کیا گیا ہے۔ سندھ، جامعہ کراچی اور فن لینڈ میں یونیورسٹی آف ہیلسکی۔ اس کالج کے فارغ التحصیل اساتذہ کو منتخب حکومت میں رکھا جائے گا۔ دربین کے زیر انتظام اسکول، جہاں وہ تمام پس منظر کے بچوں کے لیے اعلیٰ معیار کی تعلیم کو یقینی بنائیں گے۔

### حکومت کا تزئین و آرائش کا منصوبہ بوائز پرائمری سکول ادھو گوٹھ

پاک سوزوکی نے 7 دسمبر 2022 کو گورنمنٹ بوائز پرائمری سکول ادھو گوٹھ (قریبی پاک سوزوکی) میں تزئین و آرائش کے ایک منصوبے کا افتتاح کیا ہے۔ تزئین و آرائش کے منصوبے میں اسمبلی ایریا کی تزئین و آرائش، ڈریٹج لائن کی تنصیب، زیر زمین پانی کے ٹینک کی تعمیر، پلے رائیڈز کی تنصیب، رنگ کاری وغیرہ۔ طلباء اور عملے کے لیے فرنیچر (ڈیسک، میز، کرسیاں، الماری، فلٹر اور سٹیبلائزر والا واٹر کولر) بھی عطیہ کیا گیا۔ منصوبے کا افتتاح ایم ڈی اور سی ای او پاک سوزوکی نے کیا ہے۔

### گورنمنٹ میں سائنس لیب کی تعمیر کا منصوبہ گرلز سیکنڈری سکول پیری۔

پاک سوزوکی موٹر کمپنی نے گورنمنٹ گرلز سیکنڈری سکول پیری (قریبی پاک سوزوکی) میں ایک نئے تعمیر شدہ سائنس لیب پروجیکٹ کا عطیہ دیا۔ اس منصوبے کا افتتاح MD اور CEO پاک سوزوکی نے 7 دسمبر 2022 کو کیا۔

حکومت میں فرنیچر کا عطیہ سکولز

پاک سوزوکی نے 14 دسمبر 2022 کو چار قریبی سرکاری اسکولوں میں فرنیچر (بشمول ڈیسک، الماری اور کرسیاں) عطیہ کیا۔ اس کا مقصد طلباء اور عملے کو بہتر ماحول میں تعلیم حاصل کرنے میں سہولت فراہم کرنا ہے۔

### کیونٹی ہیلتھ

### ساتباں این جی او کو عطیہ

پاک سوزوکی نے سوزوکی بولان کو مکمل طور پر لیس ایسولینس، کئی قسم کی ادویات، طبی اشیاء اور کووڈ - 19 سے متعلق حفاظتی اشیاء ساتباں (NGO) کو عطیہ کیں۔ جمعرات 6 جنوری 2022 کو مظفر آباد ڈیلرشپ میں منعقدہ تقریب۔ ہیڈ پروڈکشن انجینئرنگ نے ساتباں کے اہلکار کو علامتی چابی سونپی۔ ساتباں ایک رجسٹرڈ این جی او ہے جو 2001 سے فلاحی سرگرمیوں میں شامل ہے (خاص طور پر مفت

3- مسٹر تاداشی ہوما

4- مسٹر موتوہیرو اتسومی

5- مسٹر کنساکو امیرومی

6- مسٹر معین ایم فدا

7- محترمہ رخسانہ شاہ

ڈائریکٹرز کی کل تعداد

(الف) مرد ڈائریکٹر (6) چھ

(ب) خاتون ڈائریکٹر ایک (1)

تشکیل

1- آزاد ڈائریکٹرز دو (2)

2- غیر ایگزیکٹو ڈائریکٹر تین (3)

3- ایگزیکٹو ڈائریکٹرز دو (2)

کارپوریٹ سماجی ذمہ داری (CSR)

کمپنی ایک ذمہ دار کارپوریٹ آرگنائزیشن معاشرے کی بہتری کے لیے، لوگوں کے معیار زندگی کو بہتر بنانے، تعلیم، صحت اور ماحولیات کے شعبے میں اپنی شراکت کے ذریعے معاشرے کی بھلائی کے لیے پرعزم ہے۔ پاک سوزوکی کے کارپوریٹ سماجی ذمہ داری پروگرام کے تحت عمل میں آنے والے بڑے منصوبے درج ذیل ہیں:

اسجوشن اینڈ ٹیکنیکل سپورٹ پروگرام

لوئر سیکنڈری اسکالرشپس

پاک سوزوکی نے 30 مئی 2022 کو گورنمنٹ بوائز پرائمری سکول چیری اور گورنمنٹ بوائز اینڈ گرلز ہائر سیکنڈری سکول حاجی ناتھو میں لوئر سیکنڈری اسکالرشپ کی تقریبات کا انعقاد کیا۔ اس اسکالرشپ پروگرام کا مقصد ضرورت مند اور باصلاحیت سرکاری اسکولوں کے طلباء کو اپنی تعلیم جاری رکھنے کی ترغیب دینا ہے۔

گریڈ 6 سے 9 تک کے منتخب ایوارڈ حاصل کرنے والوں کو کل 189 وظائف دیے گئے ہیں۔

**NH&MP حفاظتی ہدایات کے کتابچے کا ڈونیشن**

پاک سوزوکی نے نیشنل ہائی وے اینڈ موٹروے پولیس (NH&MP) کو 2,200 حفاظتی ہدایات کے کتابچے ڈونیت کیے، یہ کتابچے نیشنل ہائی ویز استعمال کرنے والے ڈرائیوروں میں تقسیم کیے جائیں گے۔ یہ کتابچے ٹریفک علامات، محفوظ ڈرائیونگ کی تجاویز، گاڑیوں کی بنیادی

## ڈائریکٹرز کا جائزہ:

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

## نان ایگزیکٹو اور آزاد ڈائریکٹرز کے لیے معاوضہ:

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

## آڈیٹرز کی تقرری

موجودہ آڈیٹرز M/s. KPMG تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، کمپنی کی آئندہ سالانہ جنرل میٹنگ میں سبکدوش ہونے والے ہیں اور اپنی اہلیت کی بنا پر، انہوں نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ موجودہ آڈیٹرز 2017 سے کمپنی کے ساتھ منسلک رہے ہیں۔ آڈٹ کمیٹی اور بورڈ نے آڈٹ فرم کے باقاعدگی سے گردش کرنے کے اچھے عمل کو تسلیم کرتے ہوئے، M/s کو سفارش کی ہے۔ A.F. فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس۔ 31 دسمبر 2023 کو ختم ہونے والے سال کے لیے آنے والے سالانہ عام اجلاس میں حصص یافتگان کے غور و خوض اور منظوری کے لیے بیرونی آڈیٹرز کے طور پر تقرری کی ہے۔

## متعلقہ پارٹی لین دین

متعلقہ فریقوں کے ساتھ تمام ٹرانزیکشنز کو حسب دسترس اور کاروباری معمول کے مطابق انجام دیا گیا ہے۔ جن کی تصدیق Messrs. EY Ford Rhodes کے ذریعے کی گئی ہے اور متعلقہ نوٹس کے تحت مالی بیانات میں تجویز کیا گیا ہے۔

مزید برآں، کمپنی نے 31 دسمبر 2022 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 عام اجلاس میں ان کی توثیق / منظوری کے لیے شیئر ہولڈرز کے روبرو رکھا جائے گا۔ کمپنی 31 دسمبر 2022 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 کی سفارش آڈٹ کمیٹی نے کی تھی اور کمپنیز ایکٹ 2017 کے سیکشن 208 کے مطابق بورڈ آف ڈائریکٹرز نے ان کی منظوری دی تھی۔

بورڈ، آڈٹ کمیٹی اور افرادی قوت اور مشاہرہ کمیٹی میں رد و بدل:

15 فروری 2022 کو، جناب موتوہیرو اتسومی اور جناب کینسا کو امیزومی کو جناب تاکاہیکو ہاشیموتو اور جناب تاکاپوکی سوگیاما کی جگہ ممبران کے طور پر بورڈ میں مقرر کیا گیا جنہوں نے بطور رکن استعفیٰ دے دیا تھا۔ جناب موتوہیرو اتسومی کو بھی آڈٹ کمیٹی کا رکن مقرر کیا گیا۔

31 دسمبر 2022 تک بورڈ مندرجہ ذیل ڈائریکٹرز پر مشتمل تھا: -

1- مسٹر کنجی سیٹو

2- مسٹر مسانومی ہارانو

شرکت کردہ اجلاس کی تعداد

4	مسٹر معین ایم فدا
4	مسٹر کنجی سیڈو
4	مسٹر موتوہیرو اتسومی

انسانی وسائل اور معاوضہ کمیٹی کے اجلاس

سال کے دوران ہیومن ریسورس اینڈ ریمونریشن کمیٹی کے دو (2) اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری حسب ذیل ہے:

شرکت کردہ اجلاس کی تعداد

2	محترمہ رخسانہ شاہ
2	مسٹر کنجی سیڈو
2	مسٹر مسافومی ہرانو

### ڈائریکٹرز کا تربیتی پروگرام

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

پیٹرن آف شیئر ہولڈنگ

31 دسمبر 2022 کے پیٹرن آف شیئر ہولڈنگ سالانہ رپورٹ کے صفحہ نمبر 141 تا 143 پر درج کیے گئے ہیں۔

ڈائریکٹرز اور ایگزیکٹوز کے ذریعہ کمپنی کے حصص کی تجارت

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 لیے رسک مینجمنٹ فریم ورک موجود ہے۔ رسک مینجمنٹ سسٹم وسیع تر بزنس آپریشنز سے متعلق ہر پہلو سے خطرات کی نشاندہی کرتا ہے۔ رسک مینجمنٹ کا مقصد خطرات کے بارے میں باخبر فیصلے کرنا ہے اور کمپنی کے مقاصد کے حصول کے لیے مواقع کو زیادہ سے زیادہ اور منفی اثرات کو کم کر کے مؤثر طریقے سے انتظام کرنے اور ان کا جواب دینے کے لیے کارروائیاں کرنا ہے۔ خطرے کی کیفیت، نئے خطرے کی نشاندہی اور خطرے کو کم کرنے کے لیے کیے جانے والے انسدادی اقدامات پر تبادلہ خیال کرنے کے لیے بزنس رسک مینجمنٹ میٹنگز باقاعدگی سے منعقد کی جاتی ہیں۔

گیا ہے۔

## کلیدی آپریٹنگ اور مالیاتی ڈیٹا

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 اولہویز کو نوٹ 31 میں منسلک آؤٹ شدہ مالیاتی گوشواروں میں بیان کیا گیا ہے۔

## ملازمین کے ریٹائرمنٹ فنڈز کی سرمایہ کاری

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

دسمبر 2022

دسمبر 2021

1,490 ملین روپے

1,302 ملین روپے

683 ملین روپے

652 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

4	جناب کنجی سائیتو
4	جناب ماسافومی ہارانو
4	جناب تاداشی ہوما
4	جناب موتوہیرو اتسومی
4	جناب کنساکو امائی زومی
4	جناب معین ایم فدا
4	محترمہ رخسانہ شاہ

آؤٹ کمیٹی کے اجلاس

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

ریکارڈ نہیں کیا۔ کمپنی کی انتظامیہ نے منفی عوامل کو کم کرنے اور کمپنی نے منافع بخش کاموں میں تبدیل کرنے کے لیے ایک قابل عمل کاروباری منصوبہ تیار کیا ہے۔

فی شیئر کمائی / نقصان

سال کے لیے فی حصص خسارہ 77.00 روپے رہا۔

**ہولڈنگ کمپنی**

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

**چیئر مین کا جائزہ**

صفحہ 165 سے 159 پر چیئر مین کا جائزہ سال کی سرگرمیوں سے متعلق ہے اور کمپنی کے ڈائریکٹرز اس کے مشمولات 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، ڈائریکٹرز بہ مسرت مندرجہ ذیل عوامل پیش کرتے ہیں:

- کمپنی کی انتظامیہ کی جانب سے تیار شدہ مالی گوشوارے، اس کے معاملات، اس کے آپریشنز کے نتائج، زر نقد (Cash flows) اور لیکویٹی میں تبدیلی کو کافی حد تک واضح کرتے ہیں۔
- کمپنی کے کھاتوں کے مناسب اندراج کو برقرار رکھا جاتا ہے۔
- مالی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے / 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 میں اندرونی آڈٹ کا نظام موجود ہے۔ چند اندرونی آڈٹ سرگرمیاں بشمول متعلقہ فریقوں کی ٹرانزیکشن کی تصدیق کو ہیڈ آف انٹرنل آڈٹ کی نگرانی میں EY Ford Rhodes کو آڈٹ سروس کر دیا گیا ہے۔
- مناسب و سل بلورپروٹیکشن کا طریقہ کار موجود ہے۔
- کمپنی اپنے ملازمین کی حفاظت اور صحت کو ترجیح دیتی ہے، انہیں مناسب طبی سہولیات فراہم کرنے کے ساتھ ان ملازمین کی وقتاً فوقتاً طبی جانچ کرتی ہے۔
- کارپوریٹ گورننس کے طریقوں سے کوئی مادی روانگی نہیں ہوئی ہے، جیسا کہ فہرست سازی کے ضوابط میں تفصیل سے بتایا

## ڈائریکٹرز کی رپورٹ:

آپ کی کمپنی کے ڈائریکٹرز نہایت مسرت کے ساتھ 31 دسمبر 2022 کو ختم ہونے والے مالی سال کے لیے سالانہ رپورٹ اور آڈٹ شدہ مالیاتی حسابات بمعہ آڈیٹرز رپورٹ پیش کر رہے ہیں۔

(000 روپے)	اکاؤنٹس
3,142,539	قبل از ٹیکس نقصان
3,194,382	محصولات
6,336,921	بعد از ٹیکس نقصان
(128)	کم: گزشتہ سالوں کی برقرار آمدنی
6,336,793	تخصیص کے لیے دستیاب کل نقصان
	کم: تخصیص
6,336,793	جزل ریزرو سے منتقلی
-	برقرار آمدن جسے آگے بڑھایا

مسلل درآمدی پابندیوں کے باعث سال 2022 کی دوسری ششماہی سے پیداوار کے لیے مواد کی شدید کمی کا سامنا ہے۔ اسی کے ساتھ ساتھ کمپنی کو بلند افراط زر، غیر ملکی کرنسی میں عدم استحکام، عالمی اجناس کی قیمتوں میں اضافے اور سپلائی چین میں رکاوٹیں دیکھنے میں آئیں۔ مزید برآں، ان پابندیوں کے نتیجے میں غیر ملکی سپلائرز کو ترسیلات زر میں غیر معمولی تاخیر کا سامنا کرنا پڑا اور درآمدی کنسائمنٹس بندر گاہوں پر ہی رُکے رہے جس کی وجہ سے بھاری ڈی ٹینشن اور ڈیمینج چارجز واجب الادا ہیں۔ سال کے اختتام پر بعد از ٹیکس نیٹ نقصان 6,337 ملین روپے رہا جو بنیادی طور پر درج ذیل عوامل کے باعث ہے:

روپے (000) میں	
3,627,785	1- ڈیمریجز اور ڈی ٹینشن چارجز
3,825,950	2- گاڑیوں کی تاخیر سے ڈیلوری پر مارک اپ
3,555,001	3- ایکسیجن نقصان
11,008,736	4- کل

مزید برآں، کمپنی کے پاس 31 دسمبر 2022 تک 181 ملین ڈالر کے مساوی بقایا غیر ملکی واجبات ہیں۔ درآمدات کی ادائیگیوں پر پابندیوں کے باعث غیر ملکی سپلائرز کو ادائیگیاں نہیں کی گئیں۔ سال کے اختتام کے بعد، پاکستانی روپے کی امریکی ڈالر کے سامنے برابری مزید گر گئی ہے اور اس کے نتیجے میں 9 بلین روپے کا غیر معمولی نقصان دیکھنے میں آیا جو سال 2023 میں کمپنی کی ایکویٹی کو متاثر کر سکتا ہے۔

دانشمندی سے فیصلہ لیتے ہوئے، کمپنی نے نقصان کی صورتحال کی وجہ سے سال 2022 کے لیے 3,034 ملین روپے کا 'ڈیفرڈ ٹیکس اثاثہ'

## اقتصادی شراکت

آٹوموبائل انڈسٹری میں کمپنی کو قومی خزانے میں ایک اہم شراکت دار کے طور پر نمایاں مقام حاصل ہے۔ کمپنی کی جانب سے اپنے گزشتہ چھ سالوں کے آپریشنز میں ادا کیے گئے ڈیوٹی اور ٹیکس اور زرمبادلہ کی بچت حسب ذیل ہے:

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
2022	70.945	80.807

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

مستقبل کا لائحہ عمل اور خلاصہ:

حکومت مالیاتی استحکام کے ذریعے زرمبادلہ کے ذخائر اور شرح مبادلہ میں استحکام برقرار رکھنے کے لیے کوشاں ہے۔ یہ مختصر مدت کے لیے ترقی کے امکانات کو متاثر کر سکتا ہے لیکن پیداواری صلاحیتوں کو بڑھا کر ملک کے طویل مدتی توازن کی ترقی سے طویل مدت تک استحکام میں کردار ادا کر سکتا ہے۔ آٹو موٹور انڈسٹری کی ترقی کے لیے طویل مدتی مستقل پالیسیاں ناگزیر ہیں۔

ملک کے میکرو اکنامک اشارے آٹو موٹور انڈسٹری کے لیے چیلنج ہوتے جا رہے ہیں۔ انڈسٹری نے ملک میں انجینئرنگ کی بنیادی ترقی کے ساتھ مقامی کھپت کے لیے درآمدی متبادل فراہم کیا، 500,000 سے زائد افراد کو براہ راست اور بالواسطہ روزگار فراہم کیا اور ڈیوٹیوں اور ٹیکسوں کی ادائیگی کے ذریعے قومی خزانے میں نمایاں حصہ ڈالا۔ آٹو موٹور انڈسٹری حکومت کی حمایت سے ٹیکسوں اور درآمدی پابندیوں میں نرمی کی توقع رکھتی ہے تاکہ ملک کی معاشی ترقی میں اپنا کردار ادا کیا جاسکے۔

آخر میں، میں بورڈ اور شیئر ہولڈرز کی جانب سے انتظامیہ، ایگزیکٹوز، ورکرز، ڈیلرز، سپلائرز اور سوزوکی ماہرین کو ان کی کوششوں اور کمپنی کے معاملات میں تعاون کے لیے اپنی تعریف کا اظہار کرنا چاہتا ہوں۔ میری پوری امید ہے کہ تمام سرکاری محکمے آٹو موٹور انڈسٹری کے لیے اپنا تعاون بڑھائیں جس میں ناکامی سے معیشت کو بہت زیادہ نقصان پہنچے گا اور اس سے بے روزگاری میں اضافہ ہوگا۔



کنجی سائٹو

چیئر مین

کراچی۔ 20 مارچ 2023

داخلی ملازمت کی گردش کے تصور کو فروغ دینے سے، ملازمین کو ہنرمندی اور ترقی کا کلیدی فٹکشنل حصہ رہا ہے۔ سال کے دوران، 230 ملازمین کو ڈیجیٹل لرننگ پلیٹ فارم کے ذریعے تربیت دی گئی، جس میں ملازمین نے اپنی صلاحیتوں / قابلیت کو اپ گریڈ کرنے کے لیے 1715 تربیتی کورسز مکمل کیے۔

مزید برآں، ہمارے اندرونی ٹیکنیکل ٹرینرز کے پروگرام کے ذریعے، 22 ان ہاؤس تربیتی سیشنز میں 223 ملازمین کو مینوفیکچرنگ کی مہارتوں کے حوالے سے تربیت دی گئی تاکہ فلور پروڈکشن کے معیار اور آپریشنل کارکردگی کو بہتر بنایا جاسکے۔

»کمال کی فورس» کے نام سے ایک ملک گیر پروگرام موٹرسائیکل سیلز کے عملے کے لیے ڈیزائن اور منظم کیا گیا تھا، جس میں 50 ملازمین کو شوروم/فرنچائزز میں فروخت کرنے کی انتہکل اسکولز اور بہتر کسٹمر سروس کے تجربے پر تربیت دی گئی تھی۔

## انفارمیشن ٹیکنالوجی:

### ڈیجیٹلائزیشن

انفارمیشن ٹیکنالوجی ڈویژن (ITD) زیادہ محفوظ، موثر اور لاگت سے موثر بننے کے لیے ڈیجیٹل تبدیلی پر یقین رکھتا ہے۔ ہمارا ماننا ہے کہ ٹیکنالوجیز کا استعمال صرف ڈیجیٹلائزیشن کے ساتھ نقل کرنا نہیں ہے بلکہ اپنے صارفین اور کاروباری شراکت داروں کے لیے مطلوبہ خدمات کو موثر انداز میں تبدیل کرنا ہے۔ ITD سوزوکی، گلوبل فلیگ شپ پراجیکٹ کے نفاذ کے ذریعے متحد اور عالمی کاروباری عمل اور آرکیسٹریٹ کاروبار کو معیاری بنانے کے لیے سوزوکی موٹر کارپوریشن، جاپان کے ساتھ کام کر رہا ہے جبکہ مصنوعات، کارخانوں / لاجسٹکس، اثاثوں اور لوگوں کو بااختیار بنانے میں ذہانت سے اسٹریٹجک اقدامات کا اطلاق کیا گیا۔

### صنعت 4.0 کو فعال کرنا:

SG-1 سوزوکی گلوبل-One New Excellence پراجیکٹ کا نفاذ ہمارے ادارے میں انڈسٹری 4.0 کا آغاز کرتا ہے۔ انجینئرنگ، مینوفیکچرنگ اور سپلائی چین کی عام لوگوں کو انٹرپرائز کاروباری معلومات، عمل اور سسٹمز کے ساتھ جوڑتے ہوئے پورے صنعتی ماحول کو مکمل طور پر ڈیجیٹلائز کیا گیا ہے۔ یہ سوزوکی پاکستان کے لیے ایک اعزاز کی بات ہے کہ اس پروجیکٹ کی قیادت کی اور یہ باعث مسرت ہے سوزوکی کے دیگر ذیلی اداروں کے لیے یہ سوزوکی پاکستان ایک کامیابی کی مثال بن گیا ہے۔

### معلومات کی حفاظت اور کاروبار کا تسلسل:

زمانہ ڈیجیٹل دور میں قدم رکھ چکا ہے جس کے باعث سائبر سیکیورٹی پہلے سے کہی زیادہ چیلنجنگ ہو جاتی ہے۔ سوزوکی گلوبل انفارمیشن سیکیورٹی ٹیم کے ساتھ، ہماری جدید ترین بین الاقوامی معیارات پر عمل درآمد، اور ٹیکنالوجی کے حل جو ہمیں اندرونی اور بیرونی خطرات سے زیادہ موثر انداز میں روکنے کے قابل بناتے ہیں۔

پاکستان میں آٹوموبائل کا سب سے بڑا حصہ ہونے کے ناطے، ہم ہمیشہ کاروبار کی طلب اور صارفین کے اطمینان کو پورا کرنے کے لیے جامع کاروباری تسلسل کے منصوبے پر اپنی تیاری کو یقینی بناتے ہیں۔

## لوکلائزیشن

پاک سوزوکی ہمیشہ پاکستان میں آٹو پارٹس کی صنعت کی ترقی اور لوکلائزیشن کو فروغ دینے کے لئے اپنی رہنمائی پر فخر کرتی ہے۔ ملک میں موجودہ معاشی بحرانوں کے باوجود جو مکمل مینوفیکچرنگ انڈسٹری بالخصوص آٹو موبائل انڈسٹری کو بری طرح متاثر کر رہا ہے، ہم اپنے موجودہ اور نئے ماڈلز میں زیادہ سے زیادہ لوکلائزیشن کے اپنے عزم کو برقرار رکھے ہوئے ہیں۔

## گرین پروکیورمنٹ گائیڈ لائنز

گرین پروکیورمنٹ کے لیے، ہمارے پرنسپل، ایس ایم سی، جاپان کے رہنما خطوط کے مطابق اور اپنے پورے سپلائی چین پارٹنرز کے ساتھ مقامی اور عالمی دونوں کے ہمراہ ہم آہنگی لاتے ہوئے، ہم گرین پروکیورمنٹ گائیڈ لائن کی سرگرمیوں پر عمل درآمد کو یقینی بناتے رہتے ہیں جس میں سبسٹنس آف کنسرن (SOC) جیسے ایسیسیٹوس اور دیگر ممنوعہ مادے، ان کے پرزے اور حتمی مصنوعات شامل ہیں۔

انسانی وسائل:

ہمارے ملازمین ناصرف 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۔ اس سلسلے میں، کمپنی ملازمین کے لیے اپنے احاطے میں کھانے کی سہولت، کام کرنے والی ماؤں کے لیے ڈے کیئر، کسی بھی ہنگامی صورتحال سے نمٹنے کے لیے مکمل طور پر لیس ڈسپنری اور ایسولینس کے ساتھ ساتھ اپنے ملازمین کے کام پر جانے اور گھر لوٹنے کے لیے اور کام کے ماحول میں آسانی کے لیے بہترین ٹرانسپورٹ خدمات فراہم کرتی ہے۔

اسی کے ساتھ 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 اور تندرستی کے لیے ان ہاؤس بوسٹر ویکسی نیشن ڈرائیوز کا اہتمام کر کے COVID-19 کی منتقلی کو روکنے کے لیے اپنی کوششوں کو بڑھایا۔

## تربیت اور ترقی:

انسانی سرمائے کی ترقی ہمیشہ ہماری اولین ترجیح رہی ہے۔ ہماری کمپنی اپنے ملازمین کو متاثر کن تربیت اور تعلیم کے تجربات کی فراہمی کے لیے کوشاں ہے جو مہارتوں کی توسیع و اضافے کا باعث ہیں اور نئے تصورات اور نظریات کو سامنے لاتے ہیں۔ ہمارا لرننگ اینڈ ڈویلپمنٹ فلسفہ جاپانی «لائف لائنگ فلسفہ» سے ماخوذ ہے، جہاں ملازمین کی مسلسل مہارت اور ترقی کو ملازمین کی ذاتی اور پیشہ ورانہ ترقی کے لیے اہم قرار دیا جاتا ہے۔

سال 2022 میں ٹیلنٹ ڈویلپمنٹ کئی شکلوں کے ساتھ؛ افرادی قوت کو معقول بنانے اور ملازمین کو انہی طور پر ترقی دینے کے لیے

بالخصوص چھوٹے شہروں اور دیہاتوں میں 162 ورک شاپس تک بڑھا دیا ہے۔

## اس کے نتیجے میں:

- آٹو موبائلز کی کل تعداد (کسٹمز کو شیڈول مینٹیننس، رنگ ریپیئر، مکینیکل ریپیئر، باڈی اور ڈینٹ جابز کے لیے فراہم کردہ سروسز) 10 لاکھ سے زیادہ ہو گئیں جو ہماری مصنوعات اور خدمات پر صارفین کے اعتماد کو ظاہر کرتی ہے۔
- موٹر سائیکل آفٹر سیلز مارکیٹ نے بھی کاروباری سرگرمیوں میں مثبت رجحان دکھایا۔ سال 2022 میں کل 313,982 سروس کی نوکریاں پیش کی گئیں۔
- گزشتہ سال کے مقابلے میں 29 فیصد اضافے کے بعد کل آٹو موبائل اسپیر پارٹس کی فروخت 4,466 ملین ہو گئی۔
- موٹر سائیکل اسپیر پارٹس کی فروخت ترقی کے رجحان پر برقرار رہی گزشتہ سال کے مقابلے میں 41 فیصد اضافے کے ساتھ کل 426 ملین سیلز ریکارڈ کی گئیں۔
- مزید برآں، ہم نے ملک بھر میں ڈیلر شپ پر گلوبل کسٹمر سیٹیفیکیشن + سروس ریمانڈر (CS+SR) سسٹم کو بھی لاگو کیا ہے تاکہ کلوز مانیٹنگ اور فالو اپ کے ذریعے سے صارفین کے اطمینان رائے اور برقراری کو یقینی بنایا جاسکے۔

## ڈیلرز اسٹاف کی اسکل ڈیولپمنٹ اور حوصلہ افزائی:

پاک سوزوکی آفٹر سیلز ڈیلر کے عملے کی تربیت اور ترقی کو ترجیح دیتا ہے تاکہ عالمی معیارات کے مطابق سروس کے اعلیٰ معیار کو یقینی بنایا جاسکے اور جس کے نتیجے میں ملک بھر کے صارفین کا اعتبار بڑھتا رہے۔ اس مقصد کو حاصل کرنے کے لیے، ڈیلر کے عملے کی مہارت، نشوونما اور حوصلہ افزائی کے لیے باقاعدگی سے تربیت، OJTs اور اسکل کانٹیسٹ منعقد کیے جاتے ہیں۔

ڈیلرز کے پاس آنے والے صارفین کے تجربے میں مسلسل بہتری لانے کے لیے، SSAT عالمی معیارات پر مبنی کسٹمر ریلییشن آفیسرز اور سروس ایڈوائزرز سمیت کسٹمر سروس کے عملے کے لیے رویوں کی تربیت پر بھی بہت زیادہ زور دیا جاتا ہے۔

## سپلائی چین مینجمنٹ:

سال 2022 کی پہلی ششماہی میں کووڈ کے اثرات ختم ہونے کے بعد، دوسرے نصف حصے میں آٹوموٹیو انڈسٹری کو شدید چیلنجز کا سامنا رہا۔ ڈیمانڈ سائڈ ہمیشہ سے بلند افراط زر کا دباؤ بالخصوص بین الاقوامی اجناس کی قیمتوں میں اضافہ، پاکستانی روپے کی قدر میں کمی اور سیلاب کے باعث متاثر ہوتا ہے۔ جبکہ سپلائی کے سائڈ، زرمبادلہ کے ذخائر میں کمی کے باعث درآمدات پر عائد ہونے والی پابندیاں صنعت کے لیے بہت نقصان دہ ثابت ہوئی ہیں۔

نتیجتاً، کمپنی اور ہماری مقامی سپلائی چین میں CKDs اور مواد کی انویسٹری ختم ہونے کے باعث کمپنی کے کاروباری آپریشنز شدید متاثر ہوئے ہیں۔ سال کی دوسری ششماہی کے دوران نان-پروڈکشن ڈیز (NPDs) کے بار بار غور کرنے پر مجبور ہو چکے ہیں۔ مزید برآں، اس CKDs کی درآمدی پابندیوں کی وجہ سے ڈی ٹیمینشن اور ڈیٹریج چارجز کے ساتھ ساتھ کمپنی کی کاروبار لاگت کو اپیکچر کے نقصان کی وجہ سے بھی بھاری رقم کا نقصان ہوا ہے۔

چار جز کے ساتھ 3,555 ملین روپے کا ایکسیجن نقصان شامل ہے۔

مارکیٹنگ اور برآمدات

آٹو موبائل مارکیٹ:

پاک سوزوکی نے 24 فروری 2022 کو اپنی پریمیم ہیج بیک - دی آل - نیو سولفٹ کی تقریب رونمائی منعقد کی۔ تمام نئی سولفٹ ویلیو ایڈڈ فیچرز کے ساتھ پیش کی گئیں جو اس شعبے میں کسی بھی مقامی کار میں دستیاب نہیں ہے اور اسی کے پیش نظر اسے صارفین نے کھلے دل کے ساتھ قبول کیا۔ اس نئی سولفٹ کی فروخت نے موجودہ مشکل حالات میں بھی غیر معمولی کارکردگی کا مظاہرہ کیا ہے۔ پاک سوزوکی مستقبل میں بھی پاکستانی مارکیٹ میں ایسی ہی منفرد پروڈکٹس لانے کے لیے پرعزم ہے۔

ہمارا مقصد پورے پاکستان میں پھیلے ہوئے 3S (سیلز، سروس، اور اسپیر پارٹس) ڈیلر شپ کے نیٹ ورک سے تعاون یافتہ صارفین کو معیاری مصنوعات فراہم کرنا ہے۔ مضبوط ڈیلر شپ نیٹ ورک نے صارفین کے لیے موثر خدمات کو یقینی بنایا جس میں قابل اعتماد بعد از فروخت سروس اور اسپیر پارٹس کی دستیابی شامل ہے۔ کمپنی ڈیلر شپ کے نیٹ ورک کو مسلسل آگے بڑھا رہی ہے اور مزید مضبوط بنا رہی ہے۔

ان مشکل حالات میں بھی پاک سوزوکی نے سال 2022 کے دوران نیٹ ورک میں نو (9) نئی 3S ڈیلر شپ اور دو (2) 3S برانچ آؤٹ لیٹس کا اضافہ کیا ہے۔

کمپنی میں 40 فیصد سیلز فنانسنگ کے ذریعے کی جاتی ہے اسی کے باعث پاک سوزوکی نے آٹو فنانسنگ سیلز پر توجہ مرکوز کی اور صارفین کو “ویلیو ایڈیشن سروسز” فراہم کرنے کے لیے پارٹنر بینکوں کے ساتھ ہاتھ ملایا جس میں بقایا ویلیو فنانسنگ اور کم مارک اپ پروموشنز کے ساتھ صارفین کی قوت خرید کو مد نظر رکھتے ہوئے نئی مصنوعات پیش کی گئیں۔ تاہم، مارک اپ شرحوں میں مسلسل اضافہ اور کنزیومر فنانسنگ پر عائد پابندیاں فنانسنگ کے ذریعے فروخت کے حجم پر منفی اثر ڈال سکتی ہیں۔

موٹر سائیکل مارکیٹ:

پاکستان کی موٹر سائیکل مارکیٹ میں 170cc انجن کی گنجائش والی موٹر سائیکل کا خاصا غلبہ ہے۔ پاک سوزوکی 110cc اور اس سے اوپر کے انجن کی صلاحیت کے ساتھ موٹر سائیکل مارکیٹ کرتا ہے۔ کمپنی کو امید ہے کہ خطے کے دیگر ممالک کی پاکستان میں موٹر سائیکل کی طلب بتدریج انجن کی اعلیٰ صلاحیت کی طرف بڑھے گی اور سوزوکی موٹر سائیکلوں کی مارکیٹ میں بہتری آئے گی۔ کمپنی پاکستان بھر میں پھیلے مضبوط مجاز ڈیلر شپ 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۔ صارفین کی رسائی میں آسانی کے لیے سال 2022 کے اختتام پر اپنے کاروبار کو کل 17 کمپنی شو رومز اور 14 فرنچائز آؤٹ لیٹس تک بڑھا دیا ہے۔

آفٹر سیلز (پارٹس اور سروس):

تربیت یافتہ عملے کے ساتھ صارفین کو اطمینان بخش ورک شاپ آپریشنز اور ڈیلر شپس پر پارٹس کی بروقت دستیابی کے ذریعے آفٹر سیلز آپریشنز صارفین کے اطمینان اور خدمات کو یقینی بنانے کے لیے بعد از فروخت آپریشنز متواتر جاری رہے جبکہ کمپنی نے آفٹر سیلز نیٹ ورک

متاثر ہوا۔ جولائی تا دسمبر 2022 کے دوران کاروں اور ہلکی کمرشل گاڑیوں کی فروخت کا حجم (PAMA ممبر کمپنیاں) 84,116 یونٹس پر آگیا ہے جو جولائی تا دسمبر 2021 کے 136,976 یونٹس کے مقابلے میں کافی کم ہے۔ تاہم 2022 کی دوسری ششماہی کے دوران فروخت کے حجم میں 38 فیصد تک کی شدید کمی دیکھنے میں آئی۔ سال 2022 میں کاروں اور ہلکی کمرشل گاڑیوں کے لیے صنعت کی فروخت کا حجم (PAMA ممبر کمپنیاں) 227,407 یونٹس رہا جو گزشتہ سال کی اسی مدت کے دوران 237,418 یونٹس تھا جس میں 4 فیصد کمی دیکھنے میں آئی۔

پاکستانی روپے کی قدر میں مسلسل کمی اور زرمبادلہ کے گرتے ہوئے ذخائر کی وجہ سے مئی 2022 میں حکومت نے آٹو موبائل انڈسٹری سمیت متعدد صنعتوں پر درآمدی پابندیاں عائد کر دی ہیں۔ انہی درآمدی پابندیوں کے باعث گاڑیوں کی پروڈکشن کے لیے مصنوعات کی شدید قلت پیدا ہوئی ہے جس کے نتیجے میں OEMs کو عارضی طور پر پلانٹ بند کرنا پڑا۔ اسی کے ساتھ ساتھ صنعت کو بلند افراط زر، غیر ملکی کرنسی میں عدم استحکام، عالمی اجناس کی قیمتوں میں اضافے، سپلائی چین میں رکاوٹوں کے ساتھ شپنگ لاگت میں بھی اضافے کا سامنا رہا ہے۔ مزید برآں، ان پابندیوں کے نتیجے میں غیر ملکی سپلائرز کو ترسیلات زر میں غیر معمولی تاخیر ہوئی ہے اور درآمدی کنسائنمنٹس بندر گاہوں پر ہی روکے گئے ہیں جس کے باعث بھاری ڈی ٹینشن اور ڈیمرٹج چارجز لاگو ہیں۔

سال 2022 کے دوران، موٹر سائیکلوں اور تین پہیوں کی فروخت کا حجم (PAMA ممبر کمپنیاں) 1,891,416 یونٹس سے کم ہو کر 1,511,365 یونٹس رہ گیا ہے۔ 380,051 یونٹس کی کمی کے ساتھ گزشتہ سال کے مقابلے فروخت کے حجم میں 20 فیصد کمی واقع ہوئی ہے۔

## کمپنی کے آپریٹنگ نتائج:

ملک میں جاری معاشی بحران کے سبب کمپنی کی فروخت کا حجم شدید متاثر ہوا ہے۔ سال 2022 کی پہلی ششماہی میں مضبوط فروخت کا حجم دوسری ششماہی میں بے اثر کر دیا گیا۔ سال 2022 کے دوران کمپنی کی فروخت کا حجم گزشتہ سال کے 122,922 یونٹس کے مقابلے 125,996 یونٹس پر برقرار رہا۔ کمپنی کا مارکیٹ شیئر سال 2021 میں 52 فیصد سے بڑھ کر سال 2022 کے دوران 55 فیصد ہو گیا جبکہ آٹو موبائل اور موٹر سائیکل کی پیداوار کا حجم مانگ کے مطابق ایڈجسٹ کیا گیا۔ کمپنی نے اپنی صلاحیت کا 84 فیصد استعمال کرتے ہوئے آٹو موبائل کے 126,601 یونٹس کی پیداوار کا حجم حاصل کیا۔ موٹر سائیکلوں کی فروخت کے حجم میں 26 فیصد اضافہ ہوا جس کی بنیادی وجہ ملک گیر 2,0 ہیلرز فرینچائزز کے نئے چینل کو تیار کرنے کے لیے فروخت کی حکمت عملی ہے۔ کمپنی نے گزشتہ سال 32,384 یونٹس کی فروخت کے حجم کے مقابلے میں 40,672 یونٹس کی فروخت کا حجم حاصل کیا۔

نیٹ سیلز کی آمدنی 160,082 ملین روپے سے 202,466 ملین روپے ہو گئی جو 42,384 ملین روپے کا اضافہ ہے۔ فروخت کی قیمتوں میں بہتری کے باعث گزشتہ سال کے مقابلے رواں سال سیلز ریونیو میں 24 فیصد اضافہ ہوا ہے۔ مجموعی منافع 8,171 ملین روپے سے 11,684 ملین روپے ہو گیا جو 3,513 ملین روپے کا اضافہ ہے جبکہ نیٹ سیلز پر مجموعی منافع کا مارجن 5.1 فیصد سے 5.8 فیصد تک بہتر ہوا۔ گزشتہ سال کے 2,680 ملین روپے کی نیٹ سیلز کے مقابلے میں کمپنی کو 6,337 ملین روپے کا نیٹ نقصان ہوا۔ سال کے دوران اس نقصان کی بڑی وجہ درآمدی پابندیاں تھیں جس کے نتیجے میں کم پیداوار اور درآمدی کنسائنمنٹس کی تاخیر سے کلیرنس کے لیے بڑے مالی اخراجات تھے۔ اس میں تاخیر سے ترسیل پر صارفین کو 3,826 ملین روپے کا معاوضہ، 3,628 ملین روپے کے ڈی ٹینشن اور ڈیمرٹج

## چیسر مین کا جائزہ:

میں نہایت منہرت کے ساتھ 31 دسمبر 2022 کو ختم ہونے والے سال کے لیے کمپنی کی کارکردگی کا جائزہ پیش کر رہا ہوں۔

### معیشت:

پاکستان شدید معاشی بحران سے گزر رہا ہے اور ملک کو اس وقت بلند افراط زر، کم شرح نمو اور سرکاری زرمبادلہ کے ذخائر میں کمی کے باعث کئی چیلنجز کا سامنا ہے۔ رواں جغرافیائی سیاسی عدم استحکام کی وجہ سے اجناس کی قیمتوں میں اضافے کے ساتھ عالمی مالیاتی پالیسی میں سختی دیکھنے میں آئی ہے۔ پاکستانی روپے کی قدر میں شدید کمی، افراط زر میں اضافے، بیرونی فنانشنگ پر غیر یقینی کی صورتحال کے ساتھ درآمدات کی روک تھام کے لیے حکومتی اقدامات نے پاکستان کی معیشت کو بری طرح متاثر کیا اور اسی کے ساتھ ساتھ ملک میں سیلاب کے تباہ کن اثرات نے معاشی صورتحال کو مزید بگاڑ دیا ہے جبکہ مالیاتی کھاتوں پر بھاری سود کی ادائیگیوں اور بحالی کے اخراجات کے باعث دباؤ بڑھ گیا ہے۔

ملک کے معاشی اشاریے حوصلہ افزا نہیں ہیں۔ بڑے پیمانے پر مینو فیکچرنگ (LSM) کے شعبے میں جولائی تا دسمبر 2022 کے دوران گزشتہ سال (SPLY) کی اسی مدت کے مقابلے میں 3.7 فیصد کمی دیکھی گئی۔ جولائی 2022 تا جنوری 2023 کے دوران SPLY میں 17.7 بلین امریکی ڈالر کی برآمدات کے مقابلے میں 16.4 بلین امریکی ڈالر کی برآمدات حاصل کی گئیں۔ ٹیکسٹائلز اور ٹیکسٹائل آرٹیکلز ملک کی برآمدات میں بنیادی معاون رہے۔ ریمیکٹس کی شرح میں موجودہ غیر یقینی کی صورتحال کے باعث ترسیلات زر میں بھی کمی واقع ہوئی ہے۔ جولائی 2022 تا فروری 2023 کے دوران SPLY میں 20.1 بلین امریکی ڈالر کے مقابلے میں کل 17.9 بلین امریکی ڈالر کی ترسیلات موصول ہوئیں۔ اسٹیٹ بینک آف پاکستان کی جانب سے درآمدات پر سخت پابندیوں کے باعث درآمدات بھی 42.3 بلین امریکی ڈالر سے کم ہو کر 33.5 بلین ڈالر رہ گئیں۔ نتیجتاً، تجارتی خسارہ جولائی 2022 سے جنوری 2023 کی مدت کے لیے کم ہو کر 17 بلین امریکی ڈالر رہ گیا جبکہ SPLY میں 24.6 بلین امریکی ڈالر یعنی سالانہ بنیادوں پر 31 فیصد کمی دیکھنے میں آئی۔ اسی طرح پاکستان کا کرنٹ اکاؤنٹ خسارہ (CAD) بھی SPLY میں 11.6 بلین امریکی ڈالر کے خسارے کے مقابلے میں 22 جولائی تا 23 جنوری کے دوران کم ہو کر 3.8 بلین امریکی ڈالر رہ گیا۔ CAD میں مثبت پیش رفت کے باوجود بیرونی فنانشنگ پر غیر یقینی کی صورتحال کے ساتھ قرض کی فراہمی نے پاکستانی روپے پر منفی اثر ڈالا ہے جس کے نتیجے میں پاکستانی روپے قدر میں امریکی ڈالر کے مقابلے میں گراوٹ دیکھنے میں آئی اور مارچ 2023 میں 280 پاکستانی روپے سے تجاوز کر گیا۔ اشیاء کی عالمی قیمتوں میں اضافے میں اضافے کا اور پاکستانی روپے کی حالیہ کمی نے افراط زر کی شرح میں بھی اضافہ ہوا ہے۔ 22 جولائی تا 23 فروری کی مدت کے دوران اوسط افراط زر 12.24 فیصد کے مقابلے میں 31.5 فیصد سالانہ پر پہنچ گئی۔ پاکستانی روپے کی مسلسل گراوٹ اور سیلاب کے باعث فصلوں کی قلت افراط زر کو کم کرنے سے روک رہی ہے۔ اسٹیٹ بینک آف پاکستان (SBP) پالیسی کی شرح میں بتدریج اضافے کے ساتھ افراط زر کے دباؤ پر قابو پانے کے لیے کانٹریکٹری مانیٹری پالیسی پر عمل پیرا ہے۔ مارچ 2023 میں اعلان کردہ ”مانیٹری پالیسی“ میں پالیسی کی شرح 3 فیصد اضافے کے ساتھ 20 فیصد تک بڑھ گئی ہے۔

### صنعت:

آٹو موبائل انڈسٹری میں 2022 کی پہلی ششماہی کے دوران فروخت کے حجم میں بہتری دیکھنے میں آئی۔ تاہم، اسٹیٹ بینک آف پاکستان کی جانب سے گاڑیوں کی CKDs کی درآمد پر عائد درآمدی پابندیوں کے باعث 2022 کے نصف آخر میں فروخت کا حجم منفی طور پر



**Way of Life!**

# 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 40<sup>th</sup> Annual General Meeting of the Company to be held on 18<sup>th</sup> day of April 2023 at 9:00 am.

As witness my/our hand this \_\_\_\_\_ day \_\_\_\_\_ 2023

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.

AFFIX  
CORRECT  
POSTAGE

Company Secretary:  
PAK SUZUKI MOTOR CO. LTD.  
DSU-13, Pakistan Steel Industrial Estate,  
Bin Qasim, Karachi.

# Electronic Dividend Mandate Form

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.

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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.

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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.suzukipakistan.com](http://www.suzukipakistan.com)