

# 2023

Annual Report

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## 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

# COMPANY INFORMATION

## Board of Directors

Kinji Saito	Chairman
Hiroshi Kawamura	Chief Executive
Tadashi Homma	Dy. Managing Director
Motohiro Atsumi	Director
Masafumi Harano	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

A.F. Ferguson & 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:

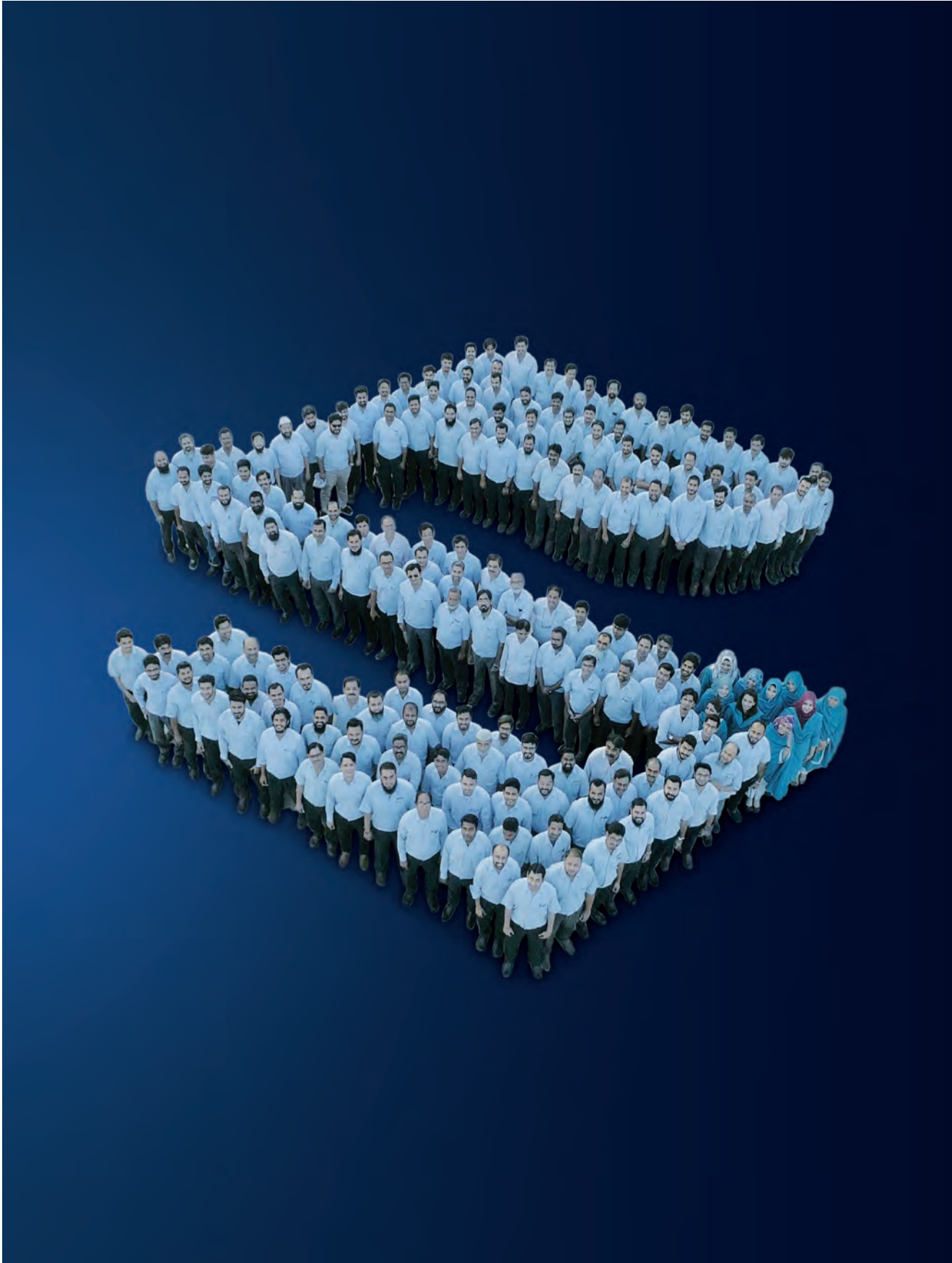
1st Floor, Silver Star Mall, Fortress Stadium, Lahore.  
Tel No. (042) 36623339, (042) 36688853

### 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





# 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.

# 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 TONES

- 1983** Pak Suzuki as a Public Limited Company incorporated. Industrial Collaboration Agreement executed with SMC – Japan.
- 1984** The Company started commercial operations.
- 1985** Mr. Osamu Suzuki, Chairman & CEO of Suzuki Motor Corporation was awarded “Sitara-e-Pakistan” by Government of Pakistan.
- 1988** 1000 cc passenger car SWIFT SA-310, later on called KHYBER introduced through local manufacturing.
- 1989** Foundation stone of the new plant at Bin Qasim was laid by the Prime Minister of Pakistan, Mohtarma Benazir Bhutto.
- 1990** Operation of the first phase of the new plant at Bin Qasim started with engine and transmission assembly.
- 1992** New plant commissioned with the production of three box Sedan passenger car initially SF410 later on SF-413, known as MARGALLA. The Company was privatized with SMC acquiring additional 15% shares from PACO thus enhancing its shareholding to 40% and taking over the management.
- 1993** The paid-up capital was doubled with issuance of 100% right shares which increased the capital to Rs. 250 million.
- 1994** Shifting of Head Office and production of all models to new plant completed.
- 1995** The paid-up capital was increased again with the issuance of 100% right shares, raising the capital to Rs. 490 million.
- 1996** Taking initiative to control environmental pollution, the Company set-up waste water treatment plant at a cost of Rs. 40 million. The Joint Venture Agreement ended, PACO divested its entire shareholding to SMC, raising SMC’s equity to 72.8%.
- 1997** The 100,000th vehicle rolled out from the Bin Qasim Plant. 1300 cc BALENO was introduced replacing MARGALLA.
- 1999** Exports of RAVI pickups to Bangladesh commenced.
- 2000** 1000 cc passenger car SF-310 CULTUS replacing KHYBER was introduced. 1000 cc passenger car ALTO was introduced.
- 2001** Reborn MEHRAN was introduced. CNG version of MEHRAN, BOLAN and RAVI were launched.
- 2002** New BALENO was introduced. CNG version of BALENO, ALTO and CULTUS launched. The milestone of 250,000th vehicle from the new plant crossed.
- 2003** The Company received ISO 9001 : 2000 certification from AIB-VINCOTTE International Limited Brussels, Belgium, 20th Anniversary Celebrations Commencement of Component export to Hungary, Sub-leasing of land to Vendors Industry of Pak Suzuki adjacent to its assembly plant.
- 2004** New Plastic Injection Molding Shop commenced production of Bumpers, Instrument Panels, Radiator Grills and Wheel Caps.
- 2005** Inauguration of first phase of capacity expansion (80,000 vehicles) by the Federal Minister for Production, Industries and Special Initiatives. Achieved milestone of 100,000 online factory fitted CNG Vehicles. The Company received ISO 14001 : 2004 and OHSAS 18001 : 1999 certification from AIB- VINCOTTE International Limited Brussels, Belgium.



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

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

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

**2010** 1300 cc locally manufactured car Swift was introduced.

**2011** Inauguration of new motorcycle plant at Bin Qasim.

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

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

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

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

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

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

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

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

Pak Suzuki Launched Suzuki Finance Arrangement Program (SFAP).

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

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

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

**2021** Pak Suzuki has launched its new website.

Pak Suzuki has exported Bike Rider's apparel to Japan.

Federal Minister rollout celebration of the highest production of New Alto.

Pak Suzuki won Best Short form 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

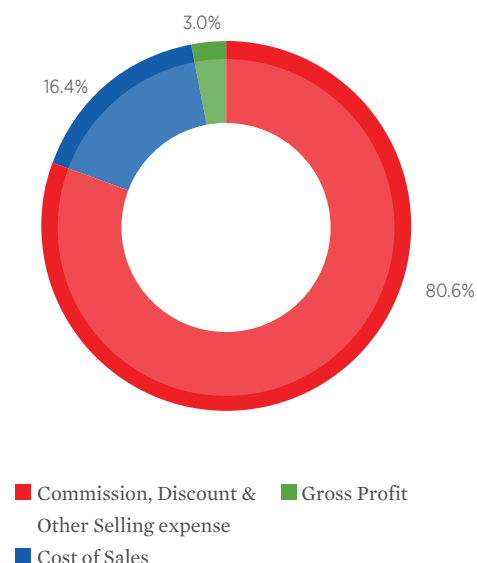
Suzuki Pakistan achieved milestone of selling 1000 units of out board engines in Pakistan market.



## HIGHLIGHTS OF THE ACCOUNTS

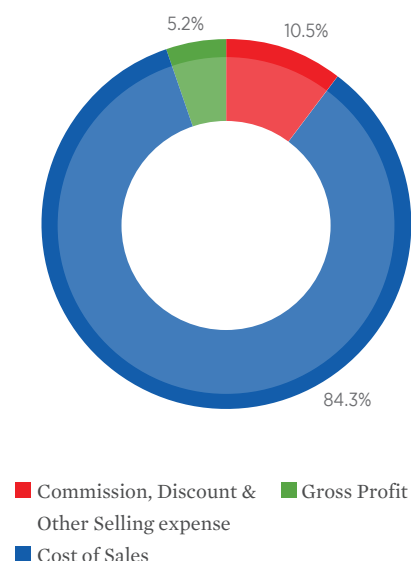
	2023	2022	Increase/(Decrease)	
			Amount	%
	----- (Rupees in '000) -----			
Production volume (Nos.)				
- Motorcar	<b>40,618</b>	126,603	(85,985)	(68)
- Motorcycle	<b>15,954</b>	42,381	(26,427)	(62)
Sales volume (Nos.)				
- Motorcar	<b>39,001</b>	125,996	(86,995)	(69)
- Motorcycle	<b>15,888</b>	40,674	(24,786)	(61)
Gross Sales	<b>105,202,424</b>	226,235,891	(121,033,467)	(53)
Other selling expenses as a % of gross sales	<b>319,791</b> <b>0.3</b>	585,303 0.3	(265,512)	(45) -
Selling Commission & Discount as a % of gross sales	<b>2,773,253</b> <b>2.6</b>	23,183,851 10.2	(20,410,598)	(88) (8)
Net Sales	<b>102,109,380</b>	202,466,737	(100,357,357)	(50)
Gross profit as a % of net sales	<b>17,273,808</b> <b>16.9</b>	11,684,400 5.8	5,589,408 -	48 11
Distribution & marketing expenses as a % of net sales	<b>2,510,162</b> <b>2.5</b>	3,217,529 1.6	(707,367) -	(22) 1
Administration expenses as a % of net sales	<b>3,893,340</b> <b>3.8</b>	2,957,069 1.5	936,271 -	32 2
Provision of Impairment on trade & installment sales revisable as a % of net sales	<b>(184,761)</b> <b>(0.2)</b>	134,985 0.1	(319,746) -	(237) (0)
Other operating expenses as a % of net sales	<b>2,116,956</b> <b>2.1</b>	8,894 0.0	2,108,062 -	23,702 2

Gross Sale Revenue Breakup - 2023



	2023	2022	Increase/(Decrease)	
			Amount	%
	----- (Rupees in '000) -----			
Other income as a % of net sales	<b>2,139,116</b> 2.1	3,211,942 1.6	(1,072,826) -	(33) 1
Finance Cost as a % of net sales	<b>10,963,737</b> 11	11,614,464 5.7	(650,727) -	(5.6) 16
Share of loss of an associate as a % of net sales	<b>84,551</b> 0.1	105,941 0.1	(21,390) -	(20) -
(loss) / Profit before taxation as a % of net sales	<b>28,939</b> -	(3,142,540) (1.6)	3,171,479 -	(101) 2
(loss) / Profit after taxation as a % of net sales	<b>(10,069,691)</b> (9.9)	(6,336,922) (3.1)	(3,732,769) -	59 (7)
Shareholders' equity	<b>9,818,081</b>	19,770,548	(9,952,467)	(50)
(loss) / earnings per share (Rs.)	<b>(122.4)</b>	(77.00)	(45)	59
Break-up value per share (Rs.)	<b>119.3</b>	240.23	(121)	(50)
Number of shares issued (000)	<b>82,300</b>	82,300	-	-
Exchange Rate (JPY to PKR)	<b>2.0</b>	1.5402	0.5	30
Exchange Rate (USD to PKR)	<b>282.4</b>	186	97	52

### Gross Sale Revenue Breakup - 2022



## HIGHLIGHTS OF THE ACCOUNTS SEGMENT WISE

	CAR DIVISION			%
	2023	2022	INCREASE/(DECREASE)	
	----- (Rupees in thousand) -----			
Production volume (Nos.)	<b>40,618</b>	126,603	(85,985)	(68)
Sales volume (Nos.)	<b>39,001</b>	125,996	(86,995)	(69)
Gross Sales	<b>100,327,061</b>	217,623,511	(117,296,450)	(54)
Other selling expenses as a % of gross sales	<b>119,180</b> <b>0.1</b>	210,554 0.1	(91,374)	(43) 0.0
Selling Commission & Discount as a % of gross sales	<b>2,761,408</b> <b>2.8</b>	23,163,246 10.6	(20,401,838)	(88) (7.8)
Net Sales	<b>97,446,473</b>	194,249,711	(96,803,238)	(50)
Gross profit as a % of net sales	<b>17,018,248</b> <b>17.5</b>	11,602,641 6.0	5,415,607	47 11.5
Distribution & marketing expenses as a % of net sales	<b>2,408,454</b> <b>2.5</b>	3,063,092 1.6	(654,638)	(21) 0.9
Administration expenses as a % of net sales	<b>3,518,894</b> <b>3.6</b>	2,597,334 1.3	921,560	35 2.3
Provision of Impairment on trade & instalment sales receivable as a % of net sales	<b>166,991</b> <b>0.2</b>	126,353 0.1	40,638	32 0.1
Other expenses as a % of net sales	<b>2,116,956</b> <b>2.2</b>	8,894 0.0	2,108,062	23702 2.2
Other income as a % of net sales	<b>1,714,392</b> <b>1.8</b>	2,657,501 1.4	(943,109)	(35) 0.4
Finance Cost as a % of net sales	<b>10,788,861</b> <b>11.1</b>	11,470,071 5.9	(681,210)	(6) 5.2
Share of loss of an associate as a % of net sales	<b>84,551</b> <b>0</b>	105,941 0	(21,390)	(20) 0.0
(Loss) / Profit before taxation as a % of net sales	<b>(18,085)</b> <b>0.0</b>	(3,111,545) (1.6)	3,093,461	(99) 1.6
(Loss) / Profit after taxation as a % of net sales	<b>(10,116,715)</b> <b>(10.4)</b>	(6,305,925) (3.2)	(3,810,789)	60 (7.2)
Number of shares issued (000)	<b>82,300</b>	82,300	0	0



MOTORCYCLE DIVISION				TOTAL			
2023	2022	INCREASE/ (DECREASE)	%	2023	2022	INCREASE/ (DECREASE)	%
15,954	42,381	(26,427)	(62)	56,572	168,984	(112,412)	(67)
15,888	40,674	(24,786)	(61)	54,889	166,670	(111,781)	(67)
4,875,363	8,612,380	(3,737,017)	(43)	105,202,424	226,235,891	(121,033,467)	(53)
200,611	374,749	(174,138)	(46)	319,791	585,303	(265,512)	(45)
4.1	4.4		(0.3)	0.3	0.3		0
11,845	20,605	(8,760)	(43)	2,773,253	23,183,851	(20,410,598)	(88)
0.2	0.2		0.0	2.6	10.2		(7.6)
4,662,907	8,217,026	(3,554,119)	(43)	102,109,380	202,466,737	(100,357,357)	(50)
255,560	81,759	173,801	213	17,273,808	11,684,400	5,589,408	48
5.5	1.0		4.5	16.9	5.8		11.1
101,708	154,437	(52,729)	(34)	2,510,162	3,217,529	(707,367)	(22)
2.2	1.9		0.3	2.5	1.6		0.9
374,446	359,735	14,711	4	3,893,340	2,957,069	936,271	32
8.0	4.4		3.6	3.8	1.5		2.3
17,770	8,632	9,138	106	184,761	134,985	49,776	37
0.4	0.1		0.3	0.2	0.1		0
0	0	0	0	2,116,956	8,894	2,108,062	23702
0.0	0.0		0.0	2.1	0.0		2
424,724	554,441	(129,717)	(23)	2,139,116	3,211,942	(1,072,826)	(33)
9.1	6.7		2.4	2.1	1.6		0.5
174,876	144,393	30,483	21	10,963,737	11,614,464	(650,727)	(6)
3.8	1.8		2.0	10.7	5.7		5.0
0	0	0	0	84,551	105,941	(21,390)	(20)
-	-		0.0	0.1	0		0
47,024	(30,997)	78,020	(252)	28,939	(3,142,542)	3,171,481	(101)
1.0	(0.4)		1.4	0.0	(1.6)		2
47,024	(30,997)	78,020	(252)	(10,069,691)	(6,336,922)	(3,732,769)	59
1.0	(0.4)		1.4	(9.9)	(3.1)		(6.8)
82,300	82,300	0	82,300	82,300	82,300	0	0

## 6 YEARS AT A GLANCE

	2023	2022	2021	2020	2019	2018
	----- (Rupees in '000) -----					
<b>OPERATING RESULTS</b>						
Production volume ( Nos.)						
- Motorcar	<b>40,618</b>	126,603	121,882	49,528	107,999	143,239
- Motorcycle	<b>15,954</b>	42,381	32,143	16,530	22,737	23,014
Sales volume ( Nos.)						
- Motorcar	<b>39,001</b>	125,996	122,922	59,281	113,270	140,313
- Motorcycle	<b>15,888</b>	40,674	32,384	17,111	22,589	23,160
<b>Sales revenue</b>	<b>102,109,380</b>	202,466,737	160,082,255	76,720,132	116,548,013	119,853,898
Gross profit	<b>17,273,808</b>	11,684,400	8,170,738	3,599,218	1,984,527	7,044,865
(Loss) / Profit before taxation	<b>28,939</b>	(3,142,540)	3,795,407	(1,888,054)	(4,951,744)	2,082,936
(Loss) / Profit after taxation	<b>(10,069,691)</b>	(6,336,922)	2,679,476	(1,378,115)	(2,920,485)	1,298,108
Cash Dividends	-	-	534,949	-	-	260,068
Profit retained	<b>(10,069,691)</b>	(6,336,922)	2,144,527	(1,378,115)	(2,920,485)	1,038,040
<b>CAPITAL EMPLOYED</b>						
Share capital	<b>822,999</b>	822,999	822,999	822,999	822,999	822,999
Reserves	<b>24,159,566</b>	23,219,343	23,403,121	25,137,763	28,069,713	27,109,749
Unappropriated profit	<b>(14,341,485)</b>	(4,271,794)	2,600,077	(1,668,321)	(2,941,826)	1,300,117
Shareholders' equity	<b>9,818,081</b>	19,770,548	26,826,197	24,292,441	25,950,886	29,232,865
Non-Current Liabilities	<b>3,140,937</b>	3,639,291	3,324,103	755,858	515,679	215,730
Current Liabilities	<b>71,239,363</b>	86,674,529	61,839,670	41,599,057	51,193,261	32,061,254
	<b>84,198,381</b>	110,084,368	91,989,970	66,647,356	77,659,826	61,509,849
<b>Represented By:</b>						
Fixed Assets	<b>20,351,147</b>	14,877,495	15,544,426	13,038,601	15,685,850	15,654,827
Other Non - Current Assets	<b>1,531,618</b>	9,549,657	9,382,090	7,971,217	3,828,757	2,173,188
Net Current Assets	<b>62,315,616</b>	85,657,216	67,063,454	45,637,538	58,145,219	43,681,834
	<b>84,198,381</b>	110,084,368	91,989,970	66,647,356	77,659,826	61,509,849

	2023	2022	2021	2020	2019	2018
----- (Rupees in '000) -----						
<b>PROFITABILITY RATIOS</b>						
Gross profit as a % of net sales	<b>0.17</b>	5.8%	5.1%	4.7%	1.7%	5.9%
(Loss) / profit before taxation as a % of net sales	<b>0.00</b>	(1.6%)	2.4%	(2.5%)	(4.2%)	1.7%
(Loss) / profit after taxation as a % of net sales	<b>(0.10)</b>	(3.1%)	1.7%	(1.8%)	(2.5%)	1.1%
(Loss) / earning per Share (Rs.)	<b>(122.35)</b>	(77.0)	32.6	(16.7)	(35.5)	15.8
<b>LIQUIDATY &amp; LEVERAGE RATIOS</b>						
Current ratio	<b>0.87</b>	0.99	1.08	1.10	1.14	1.36
Quick ratio	<b>0.38</b>	0.61	0.66	0.66	0.40	0.44
Liabilities as a % of total assets	<b>0.88</b>	82%	71%	64%	67%	52%
Equity as a % of total assets	<b>0.12</b>	18%	29%	36%	33%	48%
<b>EFFICIENCY RATIOS</b>						
Inventory turn over ratio	<b>2.50</b>	5.8	5.8	4.1	3.1	3.8
No. of days stock held	<b>146.15</b>	63	63	90	120	95
No. of days sales in trade debts	<b>4.89</b>	0.7	0.4	2.4	2.2	0.7
Total assets turn over ratio	<b>1.21</b>	1.8	1.7	1.2	1.5	1.9
Net worth turn over ratio	<b>10.40</b>	10.2	6.0	3.2	4.5	4.1
<b>EQUITY RATIOS</b>						
Break up value per share (Rs.)	<b>119.30</b>	240	325.96	295.17	315.32	355.20
Cash Dividend as a % of capital	<b>0%</b>	0%	65%	0%	0%	32%
Dividend payout ratio (%)	<b>0%</b>	0%	20%	0%	0%	20%
Plough-back ratio (%)	<b>1.00</b>	100%	80%	100%	100%	80%
<b>OTHER DATA</b>						
Permanent employees strength (Nos.)	<b>1,493</b>	1,591	1,577	1,502	1,364	1,424
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

	2023	%	2022	%	2021	%	2020	%	2019	%	2018	%
----- (Rupees in Millions) -----												
Fixed assets	20,768	36	15,322	(3.8)	15,929	19.9	13,285	(17.1)	16,031	1.7	15,768	75.5
Right to use of Assets	118	-	118	5.4	112	(9.7)	124	(14.5)	145	-	-	-
Long-term investments	-	(100)	85	(55.3)	190	(31.7)	278	(14.7)	326	(0.9)	329.00	58.2
Long-term loans	11	57	7	16.7	6	20.0	5	25.0	4	-	4	100.0
Long-term deposits, prepayments and other receivables	763	(26)	1,035	82.5	567	21.9	465	23.0	378	(17.1)	456	19.4
Long-term installment sales receivables	223	(57)	515	(33.7)	777	59.9	486	78.7	272	130.5	118	(18.6)
Deferred taxation	-	(100)	7,345	-	7,345	15.4	6,366	169.9	2,359	104.8	1,152	386.1
Stores, spares and loose tools	1,304	170	483	32.7	364	44.4	252	(3.1)	260	76.9	147	27.8
Stock-in-trade	34,909	6	33,032	26.0	26,225	45.9	17,974	(52.1)	37,517	27.6	29,397	22.8
Trade debts	1,369	256	385	95.4	197	(60.9)	504	(27.1)	691	190.3	238	12.8
Current portion of long-term installment sales receivables	1,467	(42)	2,517	24.1	2,028	62.9	1,245	55.8	799	45.3	550	71.3
Loans and advances	831	(30)	1,194	628.0	164	36.7	120	118.2	55	34.1	41	10.8
Trade deposits and short term prepayments	856	(97)	31,621	1,077.7	2,685	74.0	1,543	453.0	279	(79.4)	1,357	40.5
Accrued profit on bank deposits	-	-	-	-	-	-	-	-	-	(100.0)	269	827.6
Other receivables	705	(25)	946	0.9	938	52.0	617	76.8	349	-	-	(100.0)
Sales tax and excise duty adjustable	9,116	45	6,276	(4.5)	6,575	193.9	2,237	(71.0)	7,701	76.2	4,370	282.0
Taxation - net	5,425	(1)	5,500	19.2	4,616	38.7	3,327	(54.0)	7,226	24.6	5,798	18.3
Cash and bank balances	6,333	71	3,703	(84.1)	23,271	30.6	17,818	445.2	3,268	115.6	1,516	(83.5)
<b>Total Assets</b>	<b>84,198</b>	<b>(24)</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>
Share capital	823	-	823	-	823	-	823	-	823	-	823	-
Reserves	8,995	(53)	18,947	(27.1)	26,003	10.8	23,469	(6.6)	25,128	(11.6)	28,410	(1.1)
<b>Total Equity</b>	<b>9,818</b>	<b>(50)</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>
Trade and other payables	60,550	(7)	64,964	223.9	20,056	49.4	13,421	4.1	12,887	(10.6)	14,410	26.6
Advances	3,544	(39)	5,836	(83.5)	35,356	257.9	9,878	559.9	1,497	(34.2)	2,276	(57.3)
Short-term finance	-	(100)	11,321	-	-	(100.0)	12,621	(61.1)	32,411	186.6	11,310	-
Security deposits	3,944	(8)	4,296	5.9	4,058	0.7	4,029	(3.2)	4,164	(1.4)	4,222	(8.2)
Unclaimed Dividend	19	(10)	21	10.5	19	-	19	-	19	(13.6)	22	-
Lease liability	134	(5)	141	8.5	130	(4.4)	136	(8.1)	148	-	-	-
Provision	2,974	994	285	(88.0)	2,371	27.0	1,867	220.2	583	1,519.4	36	-
Long term loan	1,809	(4)	1,878	8.1	1,737	-	-	-	-	-	-	-
Deferred Government Grant	606	(20)	757	(13.0)	870	-	-	-	-	-	-	-
Employee Benefit Obligations	800	(2)	815	43.2	569	47.8	385	-	-	-	-	-
<b>Total Equity and Liabilities</b>	<b>84,198</b>	<b>(24)</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>



## HORIZONTAL ANALYSIS OF PROFIT OR LOSS ACCOUNT

	2023	%	2022	%	2021	%	2020	%	2019	%	2018	
----- (Rupees in Millions) -----												
Sales	102,109	(50)	202,467	26.5	160,082	108.7	76,720	(34.2)	116,548	(2.8)	119,854	17.7
Cost of sales	(84,836)	(56)	(190,782)	25.6	(151,912)	107.75	(73,121)	(36.2)	(114,563)	1.6	(112,809)	22.4
<b>Gross profit</b>	<b>17,274</b>	<b>48</b>	11,684	43.0	8,171	127.04	3,599	81.3	1,985	(71.8)	7,045	(27.0)
Distribution and selling costs	(2,510)	(22)	(3,218)	9.3	(2,943)	79.45	(1,640)	(35.4)	(2,539)	(6.2)	(2,707)	(3.5)
Administrative expenses	(3,893)	32	(2,957)	19.2	(2,481)	38.53	(1,791)	(29.8)	(2,551)	9.8	(2,323)	45.2
Provision of impairment losses	185	(237)	(135)	92.9	(70)	105.88	(34)	(247.8)	23	-	-	-
<b>Operating profit</b>	<b>(2,117)</b>	<b>23,422</b>	5,375	100.8	2,677	1882.96	135	(104.4)	(3,083)	(225.9)	2,449	(57.0)
Other expenses	2,139	(33)	(9)	(96.8)	(280)	1766.67	(15)	-	-	(100.0)	(154)	(62.8)
Other income	11,055	106	3,212	44.5	2,223	215.77	704	215.7	223	(60.6)	566	(34.6)
Share of loss of equity accounted investee	(85)	(20)	(106)	20.5	(88)	83.33	(48)	1,500.0	(3)	-	(3)	-
Finance cost	(10,964)	(6)	(11,614)	1,475.8	(737)	(72.35)	(2,665)	27.6	(2,088)	475.2	(363)	433.8
<b>(Loss) / profit before taxation</b>	<b>29</b>	<b>(101)</b>	(3,143)	(182.8)	3,795	(301.01)	(1,888)	(61.9)	(4,952)	(337.7)	2,083	(62.9)
Taxation	(10,099)	216	(3,194)	186.2	(1,116)	(318.82)	510	(74.9)	2,031	(358.7)	(785)	(56.2)
<b>(Loss) / profit after taxation</b>	<b>(10,070)</b>	<b>59</b>	(6,337)	(336.5)	2,679	(294.41)	(1,378)	(52.8)	(2,920)	(325.0)	1,298	(66.1)

## VERTICAL ANALYSIS OF BALANCE SHEET

	2023	%	2022	%	2021	%	2020	%	2019	%	2018	%
----- (Rupees in Millions) -----												
Fixed assets	20,768	24.67	15,322	13.92	15,929	17.3	13,285	19.9	16,031	20.6	15,768	25.6
Right to use of Assets	118	0.14	118	0.11	112	0.1	124	0.2	145	0.2	-	-
Long-term investments	-	0.00	85	0.08	190	0.2	278	0.4	326	0.4	329	0.5
Long-term loans	11	0.01	7	0.01	6	-	5	-	4	-	4	-
Long-term deposits, prepayments and other receivables	763	0.91	1,035	0.94	567	0.6	465	0.7	378	0.5	456	0.7
Long-term installment sales receivables	223	0.26	515	0.47	777	0.8	486	0.7	272	0.4	118	0.2
Deferred taxation	-	0.00	7,345	6.67	7,345	8.0	6,366	9.6	2,359	3.0	1,152	1.9
Stores, spares and loose tools	1,304	1.55	483	0.44	364	0.4	252	0.4	260	0.3	147	0.2
Stock-in-trade	34,909	41.46	33,032	30.01	26,225	28.5	17,974	27.0	37,517	48.3	29,397	47.8
Trade debts	1,369	1.63	385	0.35	197	0.2	504	0.8	691	0.9	238	0.4
Current portion of long-term installment sales receivables	1,467	1.74	2,517	2.29	2,028	2.2	1,245	1.9	799	1.0	550	0.9
Loans and advances	831	0.99	1,194	1.08	164	0.2	120	0.2	55	0.1	41	0.1
Trade deposits and short term prepayments	856	1.02	31,621	28.72	2,685	2.9	1,543	2.3	279	0.4	1,357	2.2
Accrued profit on bank deposits	-	0.00	-	0.00	-	-	-	-	-	-	269	0.4
Other receivables	705	0.84	946	0.86	938	1.0	617	0.9	349	0.4	-	-
Sales tax and excise duty adjustable	9,116	10.83	6,276	5.70	6,575	7.1	2,237	3.4	7,701	9.9	4,370	7.1
Taxation - net	5,425	6.44	5,500	5.00	4,616	5.0	3,327	5.0	7,226	9.3	5,798	9.4
Cash and bank balances	6,334	7.52	3,704	3.36	23,271	25.3	17,819	26.7	3,268	4.2	1,516	2.5
<b>Total Assets</b>	<b>84,198</b>	<b>100</b>	110,084	100	91,990	100	66,647	100	77,660	100	61,510	100
<b>EQUITY AND LIABILITIES</b>												
Share capital	823	0.9	823	0.7	823	0.9	823	1.2	823	1.1	823	1.3
Reserves	8,995	10.6	18,947	17.2	26,003	28.3	23,469	35.2	25,128	32.4	28,410	46.2
<b>Total Equity</b>	<b>9,818</b>	<b>12</b>	19,770	17.9	26,826	29	24,292	36.4	25,951	33.4	29,233	47.5
Trade and other payables	60,550	71.9	64,964	59.0	20,056	21.8	13,421	20.1	12,887	16.6	14,410	23.4
Advances	3,544	4.2	5,836	5.3	35,356	38.4	9,877	14.8	1,497	1.9	2,276	3.7
Short-term finance	-	0.0	11,321	10.3	-	-	12,621	18.9	32,411	41.7	11,311	18.4
Security deposits	3,944	4.7	4,296	3.9	4,058	4.4	4,029	6.0	4,164	5.4	4,222	6.9
Unclaimed dividend	19	0.0	21	0.0	19	-	19	0.03	19	0.02	22	-
Lease liability	134	0.2	141	0.1	130	0.1	136	0.2	148	0.2	-	-
Provision	2,974	3.5	285	0.3	2,371	2.6	1,867	2.8	583	0.8	36	0.1
Long term loan	1,809	2.1	1,878	1.7	1,737	1.9	-	-	-	-	-	-
Deferred Government Grant	606	0.7	757	0.7	870	0.9	-	-	-	-	-	-
Employee Benefit Obligations	800	1.0	815	0.7	569	0.6	385	0.6	-	-	-	-
<b>Total Equity and Liabilities</b>	<b>84,198</b>	<b>100</b>	110,084	100	91,990	100	66,647	100	77,660	100	61,510	100

## VERTICAL ANALYSIS OF PROFIT OR LOSS ACCOUNT

	2023	%	2022	%	2021	%	2020	%	2019	%	2018	%
----- (Rupees in Millions) -----												
Sales	102,109	100	202,467	100	160,082	100	76,720	100	116,548	100	119,854	100
Cost of sales	(84,836)	(83.08)	(190,782)	(94.23)	(151,912)	(94.90)	(73,121)	(95.31)	(114,563)	(98.30)	(112,809)	(94.12)
<b>Gross profit</b>	<b>17,274</b>	<b>16.92</b>	<b>11,684</b>	<b>5.77</b>	<b>8,171</b>	<b>5.10</b>	<b>3,599</b>	<b>4.69</b>	<b>1,985</b>	<b>1.70</b>	<b>7,045</b>	<b>5.88</b>
Distribution and selling costs	(2,510)	(2.46)	(3,218)	(1.59)	(2,943)	(1.84)	(1,640)	(2.14)	(2,539)	(2.18)	(2,707)	(2.26)
Administrative expenses	(3,893)	(3.81)	(2,957)	(1.46)	(2,481)	(1.55)	(1,791)	(2.33)	(2,551)	(2.19)	(2,323)	(1.94)
Provision of impairment on trade & installment sales receivable	185	0.18	(135)	(0.07)	(70)	(0.04)	(34)	(0.04)	23	0.02	22.00	0.02
<b>Operating profit / (loss)</b>	<b>11,055</b>	<b>10.83</b>	<b>5,375</b>	<b>2.65</b>	<b>2,677</b>	<b>1.67</b>	<b>135</b>	<b>0.18</b>	<b>(3,083)</b>	<b>(2.65)</b>	<b>2,449</b>	<b>2.04</b>
Other expenses	(2,117)	(2.07)	(9)	(0.00)	(280)	(0.17)	(15)	(0.02)	-	-	(154)	(0.13)
Other income	2,139	2.09	3,212	1.59	2,223	1.39	704	0.92	223	0.19	566	0.47
Share of loss of equity accounted investee	(85)	(0.80)	(106)	(0.05)	(88)	(0.05)	(48)	(0.06)	(3)	-	(3.00)	-
Finance cost	(10,964)	(10.74)	(11,614)	(5.74)	(737)	(0.46)	(2,665)	(3.47)	(2,088)	(1.79)	(363)	(0.30)
<b>(Loss) / profit before taxation</b>	<b>29</b>	<b>0.03</b>	<b>(3,143)</b>	<b>(1.55)</b>	<b>3,795</b>	<b>2.37</b>	<b>(1,888)</b>	<b>(2.46)</b>	<b>(4,952)</b>	<b>(4.25)</b>	<b>2,083</b>	<b>1.74</b>
Taxation	(10,099)	(9.89)	(3,194)	(1.58)	(1,116)	(0.70)	510	0.66	2,031	1.74	(785)	(0.65)
<b>(Loss) / profit after taxation</b>	<b>(10,070)</b>	<b>(9.86)</b>	<b>(6,337)</b>	<b>(3.13)</b>	<b>2,679</b>	<b>1.67</b>	<b>(1,378)</b>	<b>(1.80)</b>	<b>(2,920)</b>	<b>(2.51)</b>	<b>1,298</b>	<b>1.08</b>



## STATEMENT OF VALUE ADDITION AND ITS DISTRIBUTION

	2023 (Rupees in '000)	%	2022 (Rupees in '000)	%
<b>Wealth Generated</b>				
Total gross revenue and other income	<b>104,248,496</b>		205,678,679	
Brought in materials and services	<b>86,033,528</b>		166,286,200	
	<b>18,214,968</b>	100	39,392,479	100
<b>Wealth distribution to stakeholders</b>				
To Employees				
Salaries, wages ,other cost including retirement benefits and WPPF	<b>4,793,752</b>	26.32	3,427,202	8.70
<b>To Government</b>				
Income tax, sales tax, excise duty, development surcharge, WWF	<b>18,334,051</b>	100.65	37,434,267	95.03
<b>To Society</b>				
Donation	<b>5,091</b>	0.03	17,483	0.04
<b>To Shareholders</b>				
Dividend	-	0.00	534,949	1.36
<b>To providers of finance</b>				
Finance charges for borrowed funds	<b>1,061,919</b>	5.83	519,203	1.32
<b>To Company</b>				
Depreciation, amortisation and retained profit/ (loss)	<b>(5,979,845)</b>	(32.83)	(2,540,625)	(6.45)
	<b>18,214,968</b>	100.00	39,392,479	100.00

**SUZUKI**  
**EXCHANGE**  
CAR TRADE-IN PROGRAM

# KEY TO KEY EXCHANGE

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

No additional charges

Priority Delivery

Right price for your old vehicle



Terms and condition apply

# CHAIRMAN'S REVIEW

It is my privilege to present review on the performance of the Company for the year ended December 31, 2023. Despite facing challenges, the company has demonstrated resilience and adaptability, maintaining the market share.

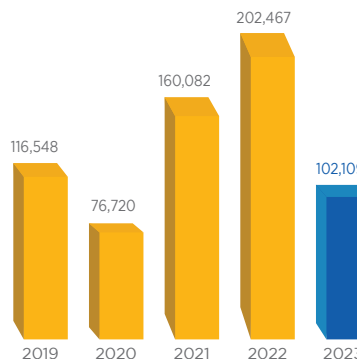
## The Economy

Pakistan is facing the challenges of high inflation, low growth, low levels of official foreign exchange reserves, unprecedented depreciation of Pak Rupee, increased freight charges and hike in interest rate. Further, government's actions to control imports had adversely impacted the economy of Pakistan. While fiscal accounts are under immense pressure on account of heavy interest payments and rehabilitation spending.

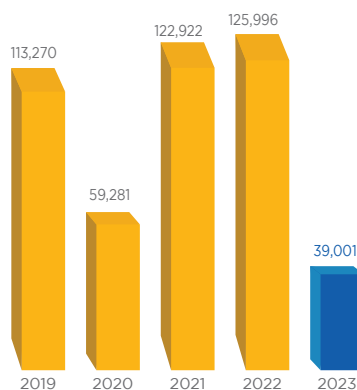
The IMF and Pakistan government have reached a staff-level agreement (SLA) for the final review of the Stand-By Arrangement (SBA) program that ends in April 2024. SLA is now subject to approval by the IMF Executive Board. This will unlock disbursement of US\$1.1 billion final tranche by late April. The agreement recognizes the commendable program implementation by the caretaker government and commitment of the new government to ongoing policy and reform efforts. This is a positive development as Pakistan would have completed an IMF program by the time it starts negotiations for another medium-term program. The successful SLA should enable Pakistan to avail fresh external financing to meet its obligations.

Economic indicators of the country slightly improved despite political instability in the country. During the period Jul 2023 – Jan 2024, Large scale manufacturing (LSM) sector declined by 0.5% from base year 2015-16 as compared to decline of 2.7% during the same period of last year (SPLY). During the period Jul 2023 – Feb 2024, exports worth US\$ 20.54 billion were achieved as compared to exports of US\$ 18.64 billion during SPLY. Remittances remained consistent in the current fiscal year. The Pakistani Rupee (PKR) experienced major depreciation in the latter half of year 2022 and first three quarter of 2023. Restrictions on Afghan Transit Trade, crackdown on illegal currency trade and improved foreign exchange inflows boosted the local currency and PKR remained stable around PKR 280 to US\$ from the last quarter of the year 2023. Pakistan had been grappling with high inflation rates, driven primarily by food and energy prices. Year on Year CPI inflation in Dec 2023 became 29.7% as compared to 24.5% in Dec 2022 after touching a peak of 38% in May 2023. In order to counter high inflation, State Bank of Pakistan has been maintaining a policy rate of 22% since June 2023. It is crucial for the newly elected government to maintain a disciplined approach to ensure economic stability in the country.

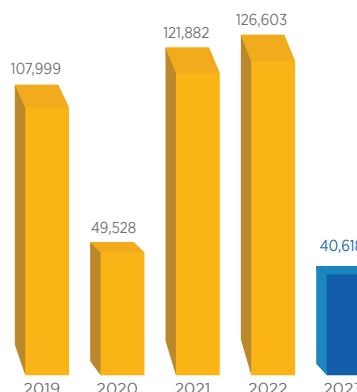
**SALES REVENUE**  
Rs. in Million



**SALES VOLUME MOTORCARS**  
No. of Units



**PRODUCTION VOLUME MOTOR CARS**  
No. of Units





**INDUSTRY**

The automobile industry experienced a significant downturn in sales volume, plummeting from 227,407 units in 2022 to 82,216 units in the year 2023, marking a drastic 64% decline. The decline can be attributed to various factors including high interest rates, inflation, forex rate instability, global commodity price increases and supply chain disruptions. Additionally, the imposition of a 25% sales tax on cars with engine capacities of 1300cc and above further exacerbated the situation. Notably, in March 2024, this sales tax rate was extended to cars valued at Rs 4 million before sales tax.

Following the government's removal of protective taxes, the auto industry is witnessing a surge in imported used vehicles. It led to skyrocketing used car imports and intensified competition for domestic manufacturers already struggling with reduced sales volumes. The import of used vehicles saw a remarkable surge of staggering 641% increase in current financial as compared to previous year. The exponential rise in imports not only affects foreign exchange reserves but also disrupts the value addition chain, impacting local auto assemblers, parts manufacturers and employment opportunities.

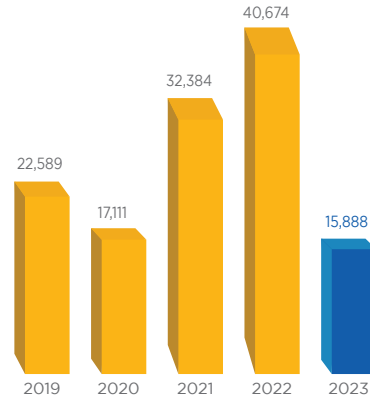
The government's imposition of a mandatory export target, requiring the industry to export 2% of the imports during fiscal year 2023, presents another formidable challenge. The renewal of manufacturing certificates, essential for parts imports, hinges on the industry's ability to meet this target. However, given the high-tech and volume-based nature of the auto industry, implementing such targets within a short timeframe poses significant feasibility concerns.

During the year 2023, sales volume for motorcycles and three wheelers (PAMA member companies) decreased from 1,511,365 units to 1,100,955 units. The decrease of 410,410 units represents 27% decline in sales volume over last year.

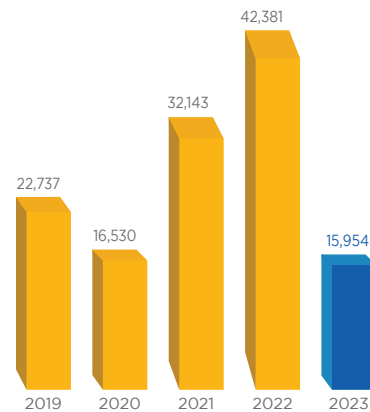
**Operating Results of the Company**

Ongoing economic crises impacted sales volume of company. Sales volume of Company witnessed 69% decline from 125,996 units in 2022 to 39,001 units in the year 2023. The market share of the Company declined from 55% in the last year 2022 to 47% in current year. The production volume of automobiles and motorcycles were adjusted according to the demand. The Company operated at 27% capacity utilization and achieved production volume of 40,636 units of automobiles. Sales volume for motorcycles declined by 61%. The Company achieved sales volume of 15,888 units as compared to sales volume of 40,674 units last year

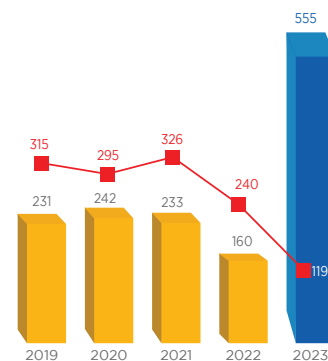
**SALES VOLUME MOTORCYCLES**  
No. of Units



**PRODUCTION VOLUME MOTOR CYCLES**  
No. of Units



**SHARE PRICE Vs. BREAKUP VALUE**  
Rupees



Net sales revenues decreased by Rs 100,357 million from Rs 202,466 million to Rs 102,109 million. Sales revenue decreased by 50% in current year over last year due to ongoing economic crises. Gross profit increased in absolute terms by Rs 5,590 million from Rs 11,684 million to Rs 17,274 million. Gross profit margins as a percentage of net sales improved from 5.8% to 15.5%. Last year's margins were adversely impacted on account of incidental expenses for delayed clearance of imported consignments due to import restrictions. Company incurred net profit before tax of Rs 29 million as compared to loss of Rs 3,143 million in last year, despite exchange loss of Rs 9,035 million. Tax expense for the year has been increased primarily due to charge off 'Deferred Tax Asset' of Rs 7,345 million provided in previous years. Deferred tax asset was not recoverable in foreseeable future after incorporating the recent trend of decline in sales volume. Accordingly, the Company incurred net loss after tax of Rs 10,070 million as compared to loss of Rs 6,337 million.

**Marketing & Exports**

**Automobile Market:**

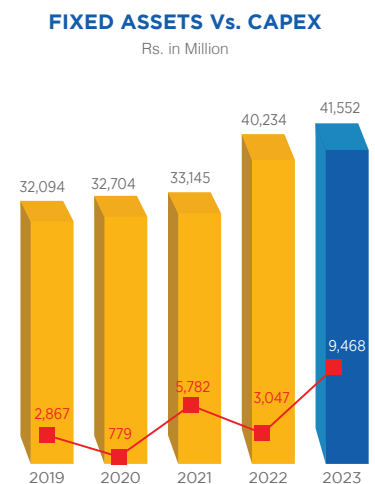
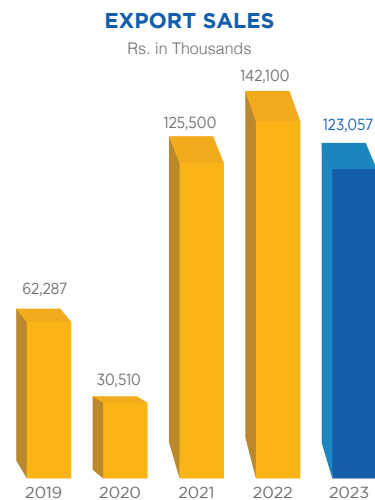
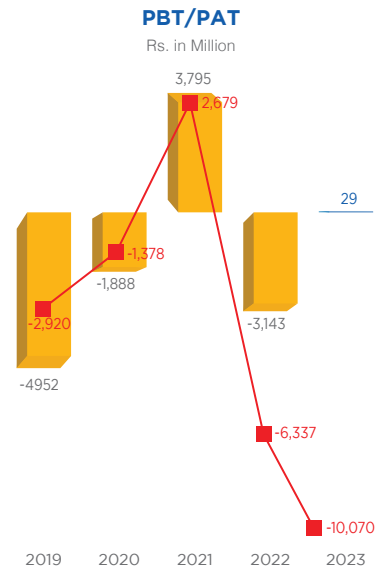
We aim to provide quality products to customers supported by 3S (Sales, Service & Spare Parts) Dealerships' network, spread all over Pakistan. Strong dealership network ensured efficient services to customers including reliable after sales service and availability of spare parts. The company has been continuously enhancing and strengthening the dealership network. Pak Suzuki added Six (6 ) new 3S dealerships outlets to the network in year 2023 despite decline in sales volume; thereby totaling 174 outlets in 98 cities. Pak Suzuki is the foremost OEM with most nation-wide coverage than any other OEM. This endorses Pak Suzuki commitment to make quality products and services conveniently accessible to customers.

To further reach out to customer in towns/villages and introduce/educate about Sales Service, Parts, 2W sales, Auto Finance/ Insurance arrangement services, Trade in and Certified Used Car services to potential customers; Pak Suzuki conducted rural express campaign in 29 towns in close proximity to dealerships.

Although Financing sales contribution to sales reduced to average 18% in industry, Pak Suzuki concentrated on auto financing sales and joined hands with partner banks in providing "value addition services" ranging from savings in mark up; insurance rate and free maintenance services to customers.

**Motorcycle Market:**

Motorcycle market in Pakistan is dominated by motorcycle with engine capacity of 70cc. Pak Suzuki markets motorcycles with engine



capacities of 110cc and above. The Company expects that motorcycle demand in Pakistan will gradually shift towards higher engine capacity like other countries in the region and market for Suzuki motorcycles will improve. Company is trying to expand its business in this segment by offering quality products and efficient services to customers through strong authorized dealership network spread all over Pakistan. As part of customer accessibility, Pak Suzuki expanded its presence to total 16 Nos. Company showrooms and 14 Nos. franchise outlets as of Dec 31, 2023.

#### **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 160 workshops nationwide.

#### **As a result:**

- The total number of automobile service jobs has crossed more than one million which shows customer trust on our products and services.
- The motorcycle aftersales market also showed a positive trend in business operations. Total 204,844 service Jobs were served in 2023.
- Total automobile Spare Parts sales of Rs 4,150 million achieved in 2023 and in motorcycle segment it remained at Rs 420 million. Our spare parts team maintained IA ratio 88.9% and 89.3% in 4W and 2W, respectively (customer serving) even in tough situation due to import restrictions.
- Keeping in mind the global brand standardization concept, PSMC took decision of brand shift over from "Suzuki Genuine Oil" to "ECSTAR Engine oil". ECSTAR is global brand being used for Oil & Chemical Range since 2015.
- Benefits of Ecstar Engine Oil are more fuel saving, outstanding engine protection and Clean the engine for longer life.
- To educate our customers on usage and benefits of genuine parts we started awareness campaign titled "Suzuki Genuine Care Series" was run digitally in major media platforms.
- Further, we have also implemented Global Customer Satisfaction + Service Reminder (CS+SR) system at 160 dealerships nationwide to ensure customer satisfaction, customer feedback & retention by close monitoring & follow-up.

#### **Enhancement of Customers Satisfaction:**

- Our customer relation center keeps facilitating our valued customers by replying and resolving

their day-to-day queries and timely resolution of customer complaints through dealers.

- Regular customer follow-up, surveys and feedback were taken to keep improving our services to meet customer expectation.

#### **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.

Due to the rising inflation and economic situation of country, the motivation and retention of certified and skilled staff increasingly became challenging. In order to overcome this challenge, an emphasis was put on conducting more motivational activities including Skill contest for enhancement of competitive spirit amongst staff and Dealer staff incentive programs.

#### **SUPPLY CHAIN MANAGEMENT**

On the supply side, limited auto sector imports allowed by the commercial banks, due to limited foreign exchange reserves, proved highly detrimental to the industry. Consequently, the company's business operations suffered significantly due to constrained CKDs and material inventory levels within the company and throughout local supply chain, resulting in recurrent Non-Production Days (NPDs) throughout the year. However, the company managed to mitigate potential losses caused by CKD import restrictions by swiftly transitioning from On-dock (Container Yard) to Off-dock (Container Freight Station) options for containers held up at Pakistani ports, thus avoiding substantial detention and demurrage charges.

#### **Localization**

Pak Suzuki takes pride in being a pioneer in the development of the auto parts industry in Pakistan and remains committed to promoting localization. Despite the current economic crises in the country, which are adversely affecting the entire manufacturing industry, especially the auto industry, we continue our efforts towards maximizing localization in both existing and new models. Although new localization efforts are significantly impacted by the economic crises and import restrictions on raw materials and tooling, Pak Suzuki is actively managing and striving towards localizing in-house and local suppliers' parts and assemblies.

### Joint Venture with Local Supplier

In a bid to enhance the technological base and capabilities of the country's local vending industry, Pak Suzuki established its first equity partnership with a local supplier, Tecno Group, forming a joint venture named Tecno Auto Glass (TAG). This venture marks a milestone in the manufacturing of exclusive automotive glasses in the country. Currently, TAG supplies locally produced automotive glasses to PSMC across various models and has successfully expanded its customer base by serving other major automotive OEMs in the country.

### Green Procurement Guidelines

In line with guidelines from our principal, SMC Japan, and in coordination with our entire supply chain partners, both local and global, we remain committed to implementing Green Procurement Guideline activities. This includes ensuring the non-usage of Substances of Concern (SOC) such as asbestos and other prohibited substances in the manufacturing of parts and final products.

### HUMAN RESOURCE:

We truly believe that our employees are our biggest asset, whose contribution is significantly important in achieving organizational goals, leading to productivity, maintaining quality standards, and sustaining success.

We are committed to providing a conducive work environment to our employees to facilitate them in performing to their maximum potential while ensuring work life balance at its best for them to nurture and grow at work. Our company provides various facilities to our employees to ease them at work including in-house meal for employees, day care for working mothers, fully equipped dispensary and ambulance to cope up with any emergency within company along comfortable transport services for employees' travelling to & from work.

At the same time, substantial learning and development opportunities for employees have been provided to cater their training and development needs through customized training programs.

### Training and Development:

In the year 2023, upskilling of employees remained paramount to us. Through utilization of Digital learning platform, 134 employees were upskilled through 5,044 training courses in the areas such as Leadership, Teamworking, Communication, SAP, Emotional Intelligence Critical Thinking, Problem Solving, Customer Service etc.

Besides, 67 employees attended 29 onsite training programs which focus on Maintenance Management, Customer Experience Excellence, Governance Risk,

and Compliance etc. Meanwhile 05 employees got trained through the Association for Overseas Technical Scholarship (AOTS) program on Digital Marketing -Sales growth to identify customer needs.

To optimize working at showrooms/ franchise, a company-wide training of Showroom Accountants was also organized for 30 Accountants to reinforce their current job roles, responsibilities, and its compliance as per SOPs to minimize risk for effective showroom/ franchise operations through internal controls.

All these efforts underscored the commitment of the company to enhance employee skills and competencies across diverse functional areas.

### Health and Safety:

Disease management programs are structured treatment plans that aim to help people better manage chronic disease(s) and maintain and improve quality of life.

In this regard, a team of health professionals were invited to educate participants on an ongoing basis about how to better manage their conditions. Helping employees to adopt healthy behaviors such as eating well, exercising, and avoiding tobacco lowers health risks. Low health risks lead to reduced health care costs and absenteeism.

### Labor and Management Relations:

Recent years have witnessed a growing call for more cooperative relationship between Labor and Management as a means of increasing productivity and remain competitive in the market.

With increasing competitiveness and mounting pressure of accomplishing the business's strategic goals, it has become essential for an organization to acquire an effective and dependable labor relations support.

In the year 2023, the Referendum activity of workers has been smoothly organized for transition of powers to the elected CBA. Apart from this, a Memorandum of Settlement has been reached between Management and newly elected CBA to elevate social well-being of workers.

### Sports and Social Events:

Corporate sports and social events are key to improving health and wellbeing, as well as influencing engagement, culture, and staff retention. Company arranged Inter-departmental Tape Ball Cricket Tournament along with Indoor Games comprising of Table Tennis, Badminton and Futsal events for recreation and entertainment of employees and to provide an environment where all employees can blow off the stress. The winners and runner-up teams were presented with prizes and trophies.



**INFORMATION TECHNOLOGY:**

**Advancements in IT Infrastructure:**

In today's rapidly evolving business landscape, digital transformation is imperative for staying competitive. We continued to embrace this paradigm shift, leveraging Information Technology to streamline processes, enhance efficiency, and deliver superior value to our customers. Our commitment to digitalization has enabled us to adapt swiftly to changing market dynamics and seize new opportunities.

**SG-ONE Suzuki Global – One New Excellence:**

Implementation of SAP S/4 HANA under 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.

This big bang implementation was successful in PSMC in all the areas of Customer Services, Sales & Distribution/ Logistics, Manufacturing Planning & execution, Quality Management, Material Management, Extended Warehouse Management, Plant Maintenance, Human Capital Management, Project Systems and Financial Management

Pak Suzuki, being the first Suzuki subsidiaries who have implemented the said system, are now leading the SAP Global implementation in other Suzuki Companies.

**Advancements in IT Infrastructure:**

A robust IT infrastructure forms the backbone of our operations, enabling seamless connectivity and data management across our organization. We made significant investments in upgrading our infrastructure. These enhancements have not only enhanced our operational efficiency but also fortified our cybersecurity posture, ensuring the integrity and confidentiality of our data assets in the highest interest of our customers.

**HARNESSING THE POWER OF DATA ANALYTICS:**

Data is a strategic asset that holds the key to unlocking actionable insights and driving informed decision-making for our customers and stakeholders. We have continued to harness the power of data analytics, leveraging advanced analytics tools and techniques to gain deeper insights across various dimensions. By tapping into the full potential of our data assets, we have optimized our operations, enhanced customer experiences and delivered greater value to our stakeholders:

**STRENGTHENING CYBERSECURITY MEASURES:**

As the digital landscape becomes increasingly complex, safeguarding our systems and data against cyber

threats is paramount. We remained steadfast in our commitment to cybersecurity, implementing robust measures to mitigate risks and protect our digital assets. Through continuous monitoring, threat intelligence and employee training initiatives, we have bolstered our cyber resilience and fortified our defenses against evolving cyber threats. All these measures are taken to make us resilient and be available to our customers.

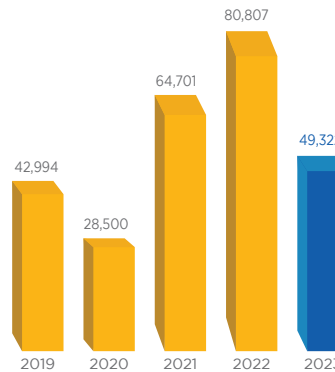
**ECONOMIC CONTRIBUTION**

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

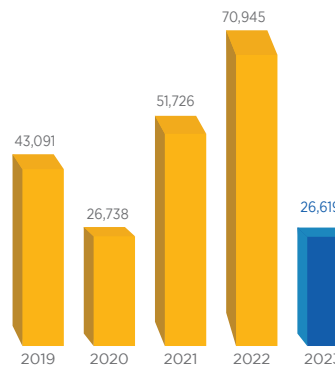
Year (Jan-Dec)	Duties & taxes	Foreign exchange Savings *
	(Rupees in billion)	
2018	41.218	55.396
2019	42.994	43.448
2020	26.738	28.500
2021	51.726	64.701
2022	70.945	80.807
<b>2023</b>	<b>33.998</b>	<b>49.320</b>

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

**FOREIGN EXCHANGE SAVINGS**  
Rs. in Million



**DUTIES & TAXES**  
Rs. in Million



## FUTURE OUTLOOK & CONCLUSION

As we set our sights on the future of Pakistan's auto industry, we approach it with a sense of cautious optimism. The Pakistan government's commitment to shoring up forex reserves and stabilizing exchange rates through fiscal consolidation is a laudable endeavor. While this may exert short-term pressure on growth prospects, it is poised to contribute to long-term stability by fortifying the country's equilibrium growth trajectory through the expansion of production capacities and enhancement of productivity. Establishing and adhering to consistent, long-term policies is paramount for nurturing the sustained growth of Pakistan's auto industry.

The macroeconomic landscape in Pakistan poses formidable challenges for the auto industry. Historically, the sector has been a cornerstone for import substitution and nurturing the development of an indigenous engineering base. The auto industry stimulated economic activity, providing direct and indirect employment opportunities and making significant contributions to the national exchequer through duties and taxes. To continue playing a pivotal role in Pakistan's economic development, the industry requires incentives from the government. Additional Customs Duty (ACD) levied by Customs authorities on import of components, sub-components, assemblies and sub-assemblies under

SRO-655 for upto 1000cc vehicles due to wrong interpretation of ACD SRO for which PSMCL is in litigation to get it resolved from upper courts. We request the Government of Pakistan to follow sustainable policy incentives and address the industry concerns related to used car imports, renegotiating export targets, and implementing equitable tariff structures, that will be essential for fostering a fair growth of the auto industry.

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. Looking ahead, I earnestly urge all government departments to amplify their support for the automobile industry. Thus, sustained collaboration and partnership between the public and private sectors are imperative for propelling Pakistan's auto industry to greater heights of success and prosperity



KINJI SAITO

Chairman

Karachi. April 5, 2024

## 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, 2023.

### Accounts

	(Rs in 000)
Profit before taxation	28,939
Taxation	10,098,630
Loss after taxation	10,069,691
Less: Retained earnings of prior years	-
Net loss for appropriation	10,069,691
Less: Appropriations	
Transfer to General Reserve	10,069,691
Retained earnings carried forward	-

Gross profit increased in absolute terms by Rs 5,590 million from Rs 11,684 million to Rs 17,274 million. Gross profit margins as a percentage of net sales improved from 5.8% to 16.9%. Last year's margins were adversely impacted on account of incidental expenses for delayed clearance of imported consignments due to import restrictions. Despite exchange loss of Rs 9,035 million in current year, Company earned net profit before tax of Rs 29 million as compared to loss of Rs 3,143 million in last year. Tax expense for the year has been increased primarily due to charge off 'Deferred Tax Asset' of Rs 7,345 million provided in previous years. Deferred tax asset was not recoverable in foreseeable future after incorporating the recent trend of decline in sales volume. Accordingly, the Company incurred net loss after tax of Rs 10,070 million as compared to loss of Rs 6,337 million last year.

Moreover, the Company has outstanding foreign liabilities equivalent to USD 130 million as at December 31, 2023. The Company started to make payments of pending foreign liabilities due to improvement in fund position and to avail benefit of favorable exchange parity.

The management of the Company has prepared a viable business plan to mitigate the adverse factors and successfully achieved a healthy operating profit in current year.

### Earnings / Loss Per Share

The loss per share for the year was Rs. 122.35.

### Holding Company

Suzuki Motor Corporation, incorporated in Japan, is the holding company of Pak Suzuki Motor Company

Limited with 73.09% shares as on December 31, 2023.

### Chairman's Review

The Chairman's review on page 24 to 30 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.
- 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. 12.

### 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

### Investments of Employees' Retirement funds

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

	Dec 2023	Dec 2022
Provident Fund	Rs. 1,730 million	Rs. 1,490 million
Gratuity Fund	Rs. 893 million	Rs. 683 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. Hiroshi Kawamura / Kensaku Imaizumi	4
Mr. Masafumi Harano	4
Mr. Tadashi Homma	4
Mr. Motohiro Atsumi	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
Mr. Moin M. Fudda	4
Mr. Kinji Saito	4
Mr. Motohiro Atsumi	4

### Human Resource & Remuneration Committee meetings

During the year no meeting of the Human Resource & Remuneration Committee was held. Following are the members of committee.

Ms. Rukhsana Shah	Chairperson
Mr. Kinji Saito	Member
Mr. Hiroshi Kawamura	Member

### Ongoing Delisting Process

On October 12, 2023, Suzuki Motor Corporation (SMC), majority shareholder of the company expressed its intent to buy back ALL the shares hold by the minority shareholders of the company and delist the company from the Pakistan Stock Exchange Limited (PSX). On October 19, 2023, the Board of the Directors of the company approved to delist the company from the PSX and majority shareholder has been authorized to buy back ALL the shares hold by the minority shareholders. As required under delisting rules of the PSX, the company submitted the formal application for delisting on Dec 04, 2023 with Valuation Report of assets by Iqbal A. Nanjee (approved evaluator of PSX) and auditors' certificate of A. F. Ferguson. The independent valuers assessed the fair share price at Rs. 406/- per share.

On Jan 15, 2024, the voluntarily delisting committee (VDC) of the PSX after intense discussion with senior management of the company approved Rs. 609 as buy back price for the purchase of share by the majority shareholder. On Jan 18, 2024, SMC majority shareholder accepted the proposed buy-back price of Rs 609/share. On Feb 09, 2024, the extra ordinary general meeting of the company was held for the approval by the shareholder for the same. The majority of the shareholders approved the proposal. The SMC started to purchase the share from February 22, 2024. If cumulative shareholding of the SMC reaches 90% by the day end of April 21, 2024, then the company will delist from the PSX.

### 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, 2023 is given on pages 115 to 117.

### 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 have 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 quarterly to discuss the risk status, the identification of new risk and countermeasures taken to mitigate the risk.

### Centralized Compliance System

Pak Suzuki maintains a centralized compliance system to ensure fulfillment of all legal and regulatory requirements, embodying our true spirit of adherence to compliance. These measures underscore our commitment to ethical conduct, safeguarding the integrity of our operations.

### 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

According to 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. Remuneration for Chief Executive Officer and directors has been disclosed in Note 45 of the financial statements for the year ended December 31, 2023.

### Appointment of Auditors

The present Auditors M/s. A.F. Ferguson & Co., Chartered Accountants, are due to retire in the forthcoming annual general meeting of the company and being eligible, have offered themselves for re-appointment. The Audit Committee has recommended their re-appointment for the year ending December 31, 2024. The Directors endorsed recommendation of Audit Committee.

### Related Party Transactions

All transactions with related parties have been executed at arm's length and in normal course of business, which have been 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, 2023, 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, 2023 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

Following changes took place in Board, Audit Committee and Human Resource and Remuneration (HR&R) Committee on April 19, 2023:

1. Mr. Masafumi Harano resigned as Chief Executive Officer of the Company and member of HR&R committee with effect from May 26, 2023, however, he continues to be a Director on the Board;
2. Mr. Kensaku Imaizumi resigned as member of Board with effect from April 20, 2023; &
3. Mr. Hiroshi Kawamura was appointed as members of the Board with effect from April 20, 2023 in place of Mr. Kensaku Imaizumi and Chief Executive Officer and member of HR&R committee in place of Mr. Masafumi Harano with effect from May 26, 2023.

As at December 31, 2023 the Board comprised of the following directors: -

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

### Election of Directors

The term of the current elected directors term expired on February 07, 2024. Due to ongoing voluntary delisting process, the company applied to the Securities and Exchange Commission of Pakistan (SECP) for the extension in the election of directors. SECP allowed the company to hold its upcoming election of directors by May 7, 2024.

### 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

#### Trainings on Safe-Defensive Driving Techniques, Kaizen & 5S Management at

#### NED University

Suzuki Pakistan has taken a new initiative under Corporate Social Responsibility Program; conducted sessions comprised of Safe Driving Techniques, Kaizen & 5S Management at NED University of Engineering & Technology on 15th March' 2023.

The purpose of Safe Driving Techniques (SDT) training was to provide awareness to students & staff about Safe & Defensive driving Techniques. While the purpose of Kaizen & 5S Trainings was to introduce Students & Staff to Japanese working culture & methodologies so that participants would be able to take benefits from the best practices that are implemented in industries including in Pak Suzuki Motor Co.

#### Lower Secondary Scholarships

Under Education Assistance Program of CSR, 177 scholarships were announced for successful students from Grade 6 to 9, ceremony was held on 4th May, 2023 at Govt. Boys Primary School Pipri.

#### Community Health

The Company donated Medical Equipment & Medicines stock to District Health Office (DHO) Kharmang, Gilgit

Baltistan on 8th June, 2023.

Donation comprised of Stock of Medicines & Medical Equipment (Cardic Monitor, Oxygen Concentrator, Suction Machine, ECG Machine, etc.)

#### Face Masks Donation to Burns Centre

Suzuki Pakistan donated 150,000 face masks to the Burns Centre, Civil Hospital on 26th October, 2023. These face masks are a valuable resource for the hospital, providing protection for doctors, staff, and patients as required.

#### Blood Donation Campaign

Suzuki Pakistan in collaboration with Indus Hospital organized Blood Donation Campaign on 7th December, 2023. Employees extensively participated in Blood Donation Campaign; total 80 donors donated their blood voluntarily.

#### Environment

#### Beach Cleaning Campaign

Following Suzuki Motor Corporation "Clean-up the World Campaign", Suzuki Pakistan carried out 'Beach Cleaning Campaign' on 1st December, 2023 at Seaview Clifton in collaboration with Cantonment Board Clifton (CBC), the purpose was to create awareness about the importance of environment protection and Marine Life conservation among employees & public, around 80 employees of the Company participated in this 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 continues taking countermeasures to improve the system performance.

#### Quality Management System (QMS):

The Company maintains certification on ISO 9001:2015 Quality Management System through regular surveillance audits, conducted by third party external auditors. As per External Auditors, PSMC systems are updated, maintained and following standard requirements. Further, certification is maintained through regular surveillance audits whereas internal audits are conducted at regular intervals.

#### Environmental Management System (EMS):

The Company holds ISO 14001:2015 certification, maintained through regular audits. The Company conducts Environmental Audits in risk areas, ensuring proactive environmental and worker safety measures.

This approach optimizes resource use, reduces waste, and complies with regulatory standards, including proper disposal of hazardous waste as per requirements of Regulatory Authorities.

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

Pak Suzuki prioritizes employee safety and health through systematic hazard identification, risk assessment, and preventive measures implementation. Company Occupational Health & Safety management system aims to ensure best practices, focusing on workplace safety. The Company has established emergency preparedness plans and response procedures to manage accidents effectively. Continual improvement is ensured through the identification and analysis of potential risks across all areas.

BY ORDER OF THE BOARD



**HIROSHI KAWAMURA**

Chief Executive



**KINJI SAITO**

Chairman

Karachi

April 05, 2024



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

For the year ended December 31, 2023

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:

a. Male 6 (six)

b. Female 1 (one)

2. At the year ended December 31, 2023, the composition of the Board of Directors (the Board) is as follows:

### a) Independent Director\*

1. Mr. Moin M. Fudda

### b) Independent Female Director\*

2. Ms. Rukhsana Shah

### Non-Executive Directors

3. Mr. Kinji Saito (Chairman)

4. Mr. Masafumi Harano

5. Mr. Motohiro Atsum

### d) Executive Directors

6. Mr. Hiroshi Kawamura (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;

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 and recording minutes of the meeting of the Board;

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

9. As at December 31, 2023, out of seven (7) directors on the Board, two (2) directors have acquired the Directors Training Program (DTP) certification and one director has the exemption from the requirement of DTP.

10. There has been no change in the position of chief financial officer, company secretary and head of internal audit during the year;

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;

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

### a) Audit Committee

Mr. Moin M Fudda Chairman

Mr. Kinji Saito Member

Mr. Motohiro Atsumi Member

### b) HR & Remuneration Committee

Ms. Rukhsana Shah Chairman

Mr. Kinji Saito Member

Mr. Hiroshi Kawamura 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, 2023.  
Board HR& Remuneration Committee: No meeting during the financial year ended December 31, 2023.
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; and
19. Explanation for non-compliance with the requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:
- a. The minutes of meeting of the Board were circulated to the Board after lapse of fourteen days of respective Board meetings but before the ensuing Board meeting following the minutes preparation.
- b. Although four of the directors of the Company have not obtained DTP certificate, the Company believes that all its directors are highly qualified and experienced.
- c. Directors' orientation program was not carried out as all the directors are long associated with the Company or its related parties and are well versed with the recent corporate / industry developments.
- d. The HR & Remuneration Committee meeting was not convened during the year because there were no agenda items deemed relevant for discussion.
- e. The Board has not constituted a separate nomination committee and the functions are being performed by the Board Human Resource and Remuneration Committee.
- f. The risk management committee has not been constituted and the risk management areas are discussed and deliberated upon in the Board Audit Committee and subsequent findings are presented to the Board.

The Board has been guided by the fact that the above requirements are not mandatory and the necessary explanation under the Regulations have been included above.



**Kinji Saito**

Chairman

April 05, 2024

## NOTICE OF MEETING

Notice is hereby given that 41st Annual General Meeting of the shareholders of Pak Suzuki Motor Company Limited will be held at Ramada Plaza Airport Hotel, Karachi and through video conferencing on Monday, April 29, 2024, at 11:00 a.m. to transact the following business:

### ORDINARY BUSINESS

- 1- To confirm minutes of Annual General Meeting held on April 18, 2023.
- 2- To confirm minutes of Extra Ordinary General Meeting held on February 09, 2024.
- 3- To receive, consider and adopt the audited accounts of the Company for the year ended December 31, 2023, together with Directors' and Auditors' reports thereon.

In accordance with Section 223 of the Companies Act, 2017 and pursuant to the S.R.O. 389(I)/2023 dated March 21, 2023, the financial statements of the Company can be accessed through the following weblink and QR enabled code.



<https://suzukipakistan.com/corporate#financial-reports>

- 4- To appoint auditors for the year ending December 31, 2024 and fix their remuneration. The present auditor M/s. A.F. Ferguson & Co., Chartered Accountants, retire and being eligible have offered themselves for re-appointment.

### SPECIAL BUSINESS

- 5- To ratify and approve transactions conducted with the Related Parties for the year ended December 31, 2023 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, 2023 and specified in the Statement of Material Facts under Section 134(3) be and are hereby ratified, approved and confirmed.”

- 6- To authorize the Board of Directors of the company to approve transaction with the Related Parties for the financial year ending December 31, 2024 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, 2024.”

**“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.

- 7- To consider and, if thought fit, pass, with or without modification(s), the following resolutions to enable and authorize the Company to circulate the Annual Audited Financial Statements, to the members of the Company through QR enabled code and weblink as required by the Securities and Exchange Commission of Pakistan (SECP) vide its Notification S.R.O. 389(I)/2023 dated March 21, 2023, instead of circulating the same through CD/DVD/USB.

**“RESOLVED THAT** the Company be and is hereby authorized to circulate its Annual Audited Financial Statements, to the members of the Company through QR enabled code and weblink, in accordance with S.R.O. 389(I)/2023 dated March 21, 2023, issued by SECP.

**“FURTHER RESOLVED THAT** the Chief Executive, Chief Financial Officer or Company Secretary of the Company be and are hereby singly authorized to do all acts, deeds and things, take or cause to be taken all necessary actions to comply with all legal formalities and requirements and file necessary documents, as may be necessary or incidental for the purpose of implementing this resolution.

### 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: April 08, 2024

**Notes:**

1. The share transfer books of the Company will remain closed from April 23, 2024, to April 29, 2024 (both days inclusive) and no transfer will be accepted for registration during this period. Transfers received in order till close of business on April 22, 2024, will be accepted for transfer.
2. Only those persons whose names appear in the Register of Members of the Company as at April 23, 2024 will be entitled to attend / participate in / vote at the 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. 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.
6. As per instructions of Securities and Exchange Commission of Pakistan, the Company has arranged video link facility for online participation of members in the meeting. 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 25, 2024.
  - 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 10:45 a.m. on April 29, 2024 enabling the shareholders to join the meeting which will start at 11:00 a.m. sharp.

The members can also provide their comments and suggestion to the agenda item of the meeting at the email address: ([company.secretary@paksuzuki.com.pk](mailto:company.secretary@paksuzuki.com.pk)).

**PROCEDURE FOR E-VOTING AND POSTAL BALLOT VOTING FOR SPECIAL BUSINESS**

Pursuant to the Companies (Postal Ballot) Regulations, 2018, shareholders of the Company are hereby provided the facility of e-voting and voting through Postal Ballot in the Annual General Meeting to be held on Monday, April 29, 2024 at 11:00 a.m. at Ramada Plaza Hotel Airport, Karachi



**Procedure for E-Voting:**

1. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on Monday, April 22, 2024.
2. The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of CDC Share Registrar Services Limited (being the e-voting service provider).
3. Identity of the Members intending to cast votes through e-voting shall be authenticated through electronic signature or authentication for login.
4. E-Voting lines will start from Wednesday, April 24, 2024, at 09:00 a.m. and shall close on Sunday, April 28, 2024 at 5:00 P.M. Members can cast their votes at any time during this period. Once the vote is cast by a Member, he / she shall not be allowed to change it subsequently.

**PROCEDURE FOR SUBMISSION OF BALLOT PAPER:**

The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC), should reach the Chairman of the meeting through post on the Company's registered address DSU-13, Pakistan Steel Industrial Estate, Bin Qasim, Karachi. or email at [company.secretary@paksuzuki.com.pk](mailto:company.secretary@paksuzuki.com.pk) before the Annual General Meeting on April 26, during working hours. The signature on the ballot paper shall match the signature on CNIC.

- 8- 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.

- 9- Members having physical shares 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. Whereas, CDC Account holders are requested to contact their respective CDC Participant/Broker/ Investor Account Services.

10-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.

11-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

## STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3)(B) OF THE COMPANIES ACT 2017.

### Item No. 5 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 40th 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, 2023 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 46 to the audited financial statements for the year ended December 31, 2023. The details of such related party transactions are given below:

	<b>Holding Company</b>	<b>Other related parties</b>	<b>Total</b>
<b>For the year ended 31 December 2023</b>			
Purchases of components	32,212,000	4,023,527	36,235,527
Export sales	123,057	-	123,057
Royalties and technical fee	2,680,389	-	2,680,389
Travelling expenses of supervisors	20,574	12,183	32,757
Staff retirement benefits	-	210,319	210,319
Commission income from TAG	-	5,000	5,000
Remuneration to key management personnel	Refer Note 45 of the Financial Statements for the year ended December 31, 2023		

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. 6 of the Notice:

The Company shall be conducting transactions with its related parties during the year ending December 31, 2024 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, 2024, 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 46 of the Financial Statement for the year ended December 31, 2023. 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.



A.F.FERGUSON & Co.

**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 for the year ended December 31, 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations 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 December 31, 2023.

**A. F. Ferguson & Co.,  
Chartered Accountants  
Karachi,**

**April 8, 2024**

**UDIN: CR202310056y2xe7obta**

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A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>



A.F.FERGUSON & Co.

## 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 December 31, 2023, 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 material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, 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 December 31, 2023 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

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

#### Key Audit 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.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <[www.pwc.com/pk](http://www.pwc.com/pk)>





A.F.FERGUSON & Co.

Following are the Key audit matters:

S. No.	Key audit matters	How the matter was addressed in our audit
(i)	<p><b>Deferred Tax Asset</b></p> <p>(Refer notes 3, 4.17 and 12 to the annexed financial statements)</p> <p>The Company has carried out an assessment to determine the recoverability of deductible temporary differences as at December 31, 2023 by estimating future taxable profits of the Company and the expected tax rate applicable to those profits. The determination of the future taxable profits is most sensitive to certain key assumptions such as sales volume, contribution margins, fixed overheads, inflation and exchange rates etc which have been considered in that determination.</p> <p>As a result of this exercise, the deferred tax asset amounting to Rs 7,345 million carried forwarded as at January 1, 2023 has been completely charged off to profit or loss for the year. The management is of the view that this is owing to significant reduction in sales volume on account of high inflation, interest rate and exchange rate parity. Due to this in the foreseeable future the Company's tax liability shall be based on turnover tax and the Company shall be unable to utilise the deductible temporary differences.</p> <p>As estimating future taxable profits require significant management judgement, we considered this to be a key audit matter.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• Obtained understanding of the management's process of estimating future taxable profits;</li> <li>• Discussed with the management, the significant assumptions used in preparing the tax profitability forecast and assessed its reasonableness;</li> <li>• Checked the appropriateness of tax rates applied in view of the local tax legislation;</li> <li>• Checked mathematical accuracy of the calculations; and</li> <li>• Assessed the related disclosures made in the annexed financial statements in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan.</li> </ul>

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
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A.F.FERGUSON & CO.

S. No.	Key audit matters	How the matter was addressed in our audit
(ii)	<p><b>Capital Expenditure</b></p> <p>(Refer notes 4.1, and 5.4 to the annexed financial statements)</p> <p>During the year additions to capital work in progress (CWIP) aggregated Rs 9,466 million which mainly included modification in the existing lines and import of dies for product development.</p> <p>We focused on capital expenditure / additions to CWIP incurred during the year as this represents a significant transaction for the year and hence a key audit matter.</p>	<p>Our audit procedures, among others, included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the Company's process with respect to capital expenditure;</li> <li>• Assessed whether the components of cost capitalised meet the recognition criteria of an asset, in accordance with the accounting and reporting standards as applicable in Pakistan;</li> <li>• Performed substantive audit procedures, on a sample basis, on the additions for the year; and</li> <li>• Assessed the related disclosures made in the annexed financial statements in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan.</li> </ul>

#### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's 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.

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### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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A.F. FERGUSON & Co.

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

#### Report on Other Legal and Regulatory Requirements

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

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- no Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

#### Other Matter

The financial statements of the Company for the year ended December 31, 2022 were audited by another firm of Chartered Accountants who through their report dated March 27, 2023 expressed an unmodified opinion thereon.

The engagement partner on the audit resulting in this independent auditor's report is Osama Moon.

**A. F. Ferguson & Co.**

**Chartered Accountants**

**Karachi**

**Date: April 8, 2024**

**UDIN: AR202310056ovXMfeCKH**

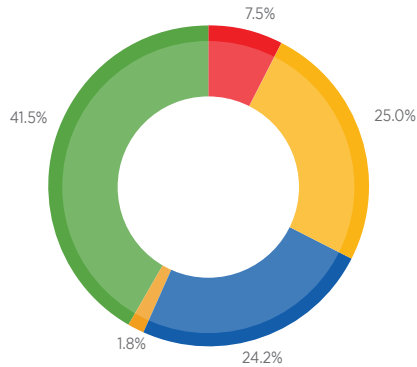
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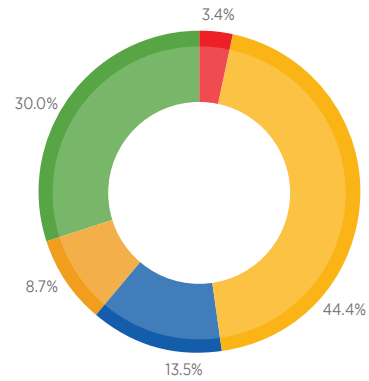
# FINANCIAL STATEMENT

**Assets - 2023**



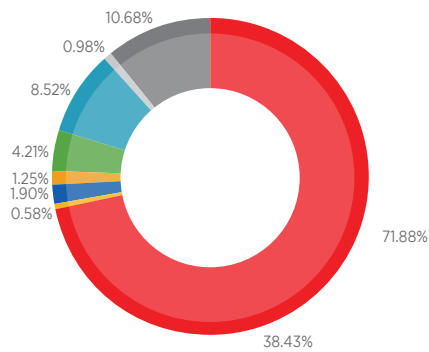
- Cash & Bank Balances
- Other Current Assets
- Property Plant & Equipment
- Other Non Current Assets
- Stock in Trade

**Assets - 2022**



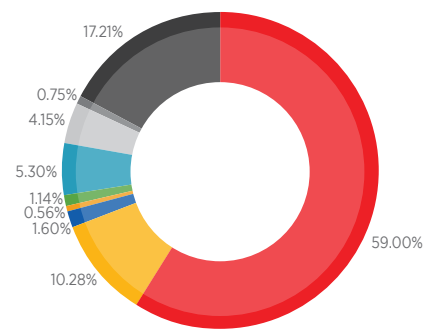
- Cash & Bank Balances
- Other Current Assets
- Property Plant & Equipment
- Other Non Current Assets
- Stock in Trade

**Equity & Liabilities - 2023**



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

**Equity & Liabilities - 2022**



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

# Statement of Financial Position

As at 31 December 2023

	Note	December 31, 2023	December 31, 2022
----- (Rupees in '000) -----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	20,351,147	14,877,495
Intangible assets	6	416,764	444,620
Right-of-use assets	7	117,594	118,174
Long-term investments	8	-	84,551
Long-term loans	9	11,346	7,498
Long-term deposits and other receivables	10	762,836	1,034,659
Long-term installment sales receivables	11	223,078	514,788
Deferred taxation - net	12	-	7,345,367
		<u>21,882,765</u>	<u>24,427,152</u>
<b>Current assets</b>			
Stores, spares and loose tools	13	1,303,767	482,775
Stock-in-trade	14	34,908,686	33,031,769
Trade debts	15	1,368,972	385,303
Loans and advances	16	831,002	1,194,060
Trade deposits and advances	17	855,501	31,621,137
Current portion of long-term installment sales receivables	11	1,467,057	2,516,531
Other receivables	18	705,208	945,748
Taxation - net		5,424,816	5,500,362
Sales tax and excise duty adjustable		9,116,294	6,275,912
Cash and bank balances	19	6,334,313	3,703,619
		<u>62,315,616</u>	<u>85,657,216</u>
<b>Total assets</b>		<u><b>84,198,381</b></u>	<u><b>110,084,368</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital	20	822,999	822,999
Capital reserves		844,596	844,596
Revenue reserves		8,150,486	18,102,953
		<u>9,818,081</u>	<u>19,770,548</u>
<b>Non-current liabilities</b>			
Payable against purchase of assets	21	44,083	38,085
Security deposits	22	124,100	304,201
Lease liabilities	23	86,024	98,252
Long-term loans	24	1,599,216	1,763,301
Deferred government grant	25	487,418	620,389
Employees' benefit obligation	26	800,096	815,063
		<u>3,140,937</u>	<u>3,639,291</u>
<b>Current liabilities</b>			
Trade and other payables	27	60,134,299	64,147,908
Current portion lease liabilities	23	47,552	42,792
Current portion of long-term loans	24	210,172	114,666
Current portion of deferred government grant	25	118,226	136,389
Short-term finance	28	-	11,321,638
Contract liability	29	3,544,088	5,835,895
Security deposits	30	3,820,156	3,991,412
Provisions	31	2,973,945	691,147
Dividend payable to the Parent Company	27.6	371,452	371,452
Unclaimed dividend		19,473	21,230
		<u>71,239,363</u>	<u>86,674,529</u>
<b>Total liabilities</b>		<u><b>74,380,300</b></u>	<u><b>90,313,820</b></u>
<b>Total equity and liabilities</b>		<u><b>84,198,381</b></u>	<u><b>110,084,368</b></u>
<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 2023

	Note	December 31, 2023	December 31, 2022
----- (Rupees in '000) -----			
Sales - net	33	<b>102,109,380</b>	202,466,737
Cost of sales	34	<b>(84,835,572)</b>	(190,782,337)
<b>Gross profit</b>		<b>17,273,808</b>	11,684,400
Distribution and marketing expenses	35	<b>(2,510,162)</b>	(3,217,529)
Administrative expenses	36	<b>(3,893,340)</b>	(2,957,069)
(Reversal) / provision of impairment losses	11.2 & 15.1	<b>184,761</b>	(134,985)
		<b>(6,218,741)</b>	(6,309,583)
		<b>11,055,067</b>	5,374,817
Other expenses	37	<b>(2,116,956)</b>	(8,894)
Other income	38	<b>2,139,116</b>	3,211,942
Finance costs	39	<b>(10,963,737)</b>	(11,614,464)
Share of loss of equity accounted investees	8.2.1	<b>(84,551)</b>	(105,941)
<b>Profit / (loss) before taxation</b>		<b>28,939</b>	(3,142,540)
Taxation	40	<b>(10,098,630)</b>	(3,194,382)
<b>Loss for the year</b>		<b>(10,069,691)</b>	(6,336,922)
<b>(Rupees)</b>			
<b>Loss per share - basic and diluted</b>	41	<b>(122.35)</b>	(77.00)

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 2023

	Note	December 31, 2023 (Rupees in '000)	December 31, 2022
<b>Loss for the year</b>		<b>(10,069,691)</b>	(6,336,922)
<b>Other comprehensive income / (loss)</b>			
<i>Items that will not be reclassified subsequently to statement of profit or loss</i>			
Remeasurement gain / (loss) on defined benefit obligation	26.8	<b>117,224</b>	(183,778)
<b>Total comprehensive loss for the year</b>		<b><u>(9,952,467)</u></b>	<u>(6,520,700)</u>

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 2023

	Share capital issued, subscribed and paid-up capital	Reserves							Total equity
		Capital reserves			Revenue reserves				
		Share premium	Reserve on merger	Total capital reserves	General	Unappropriated profit / (accumulated loss)	Re-measurement loss on defined benefit obligation	Total revenue reserves	
(Rupees in '000)									
<b>Balance as at January 1, 2022</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</b>									
Final dividend at the rate of Rs 6.5 per share	-	-	-	-	-	(534,949)	-	(534,949)	(534,949)
<b>Total comprehensive loss for the year ended December 31, 2021</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 December 31, 2022</b>	822,999	584,002	260,594	844,596	22,969,896	(4,271,794)	(595,149)	18,102,953	19,770,548
<b>Total comprehensive loss for the year ended December 31, 2023</b>									
Loss for the year	-	-	-	-	-	(10,069,691)	-	(10,069,691)	(10,069,691)
Other comprehensive income	-	-	-	-	-	-	117,224	117,224	117,224
	-	-	-	-	-	(10,069,691)	117,224	(9,952,467)	(9,952,467)
<b>Balance as at December 31, 2023</b>	<b>822,999</b>	<b>584,002</b>	<b>260,594</b>	<b>844,596</b>	<b>22,969,896</b>	<b>(14,341,485)</b>	<b>(477,925)</b>	<b>8,150,486</b>	<b>9,818,081</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 2023

	Note	December 31, 2023	December 31, 2022
(Rupees in '000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated / (used) in operating activities	42	25,901,690	(23,272,951)
Markup paid on loans and borrowings		(1,055,242)	(268,941)
Income tax paid		(2,677,717)	(4,079,217)
Long-term loans		(4,936)	(1,945)
Payments against employees' benefit obligation		(119,688)	(94,842)
Markup paid on delayed delivery of vehicles		(1,143)	(1,433,830)
Long-term deposits and other receivables		241,997	(467,945)
Free service and warranty claims paid		(269,435)	(418,891)
Long-term installment sales receivables		291,710	262,357
<b>Net cash generated from / (used in) from operating activities</b>		<b>22,307,236</b>	<b>(29,776,205)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(9,467,927)	(3,046,606)
Purchase of intangible assets		(170,064)	(203,210)
Proceeds from sale of property, plant and equipment		100,135	105,651
Profit received on bank accounts		1,485,195	2,228,102
<b>Net cash used in investing activities</b>		<b>(8,052,661)</b>	<b>(916,063)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of lease liabilities	23	(80,773)	(64,300)
Loan (repaid to) / received from the Parent Company		(219,713)	28,612
Dividends paid		(1,757)	(161,104)
<b>Net cash generated used in financing activities</b>		<b>(302,243)</b>	<b>(196,792)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>13,952,332</b>	<b>(30,889,060)</b>
Cash and cash equivalents at beginning of the year		(7,618,019)	23,271,041
<b>Cash and cash equivalents at end of the year</b>	43	<b>6,334,313</b>	<b>(7,618,019)</b>

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 2023

## 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 (i.e. now applicable the Companies Act, 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 at 300 Takatsuka-Cho, Minami-Ku, Hamamatsu City. In 1996, the joint venture agreement was ended and PACO divested its entire shareholding to SMC. The Company is listed on Pakistan Stock Exchange Limited
- 1.2** On April 25, 2007 the Board of Directors of the Company and Suzuki Motorcycles Pakistan Limited (SMPL) approved Scheme of Arrangement (the Scheme) to amalgamate SMPL into the Company with effect from January 1, 2007. The scheme was approved by the shareholders of the respective companies at the extraordinary general meeting held on June 30, 2007 and the Scheme was sanctioned by the High Court of Sindh on September 17, 2007. The Company setup a new plant for the motorcycles and all the operations shifted to the new plant effective from July 2011. The Company issued and allotted 1,233,300 ordinary shares of Rs10/- each to the qualifying shareholders of SMPL at one ordinary share in the Company for every twenty one shares held by SMPL shareholders as on the date of final book closure i.e. 29th October
- 1.3** The Company is engaged in the assembling, progressive manufacturing and 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.
- 1.4** The shareholders of the Company in its extra-ordinary general meeting held on February 9, 2024 (based on the resolution passed by the Board of Directors in its meeting held on October 19, 2023) have resolved that Suzuki Motor Corporation (SMC), Japan, the Parent Company / majority shareholder is authorised to buy back 22,145,760 ordinary shares of the Company from the General Public at price of Rs 609 per share as approved by the Voluntary Delisting Committee (VDC) of the PSX. The Parent Company is required to purchase at least 13,915,775 ordinary shares (62.84%) out of the total 22,145,760 ordinary shares outstanding with the shareholders other than majority shareholders, to qualify for delisting as approved by the VDC of the PSX. It was further resolved that the Company be delisted from the PSX under the Voluntary Delisting Regulations of the PSX upon fulfilment of all applicable regulatory requirements. Subsequent thereto, the Company has announced that the share purchase offer by the Parent Company shall be valid from February 22, 2024 to April 21, 2024.
- 1.5** During the year the Company has incurred net loss after tax amounting to Rs 10,070 million (2022: Rs 6,337 million). Moreover, the Company's current liabilities exceeded its current assets by Rs 8,924 million as at December 31, 2023 (2022: Rs 1,017 million).

In view of the above, the management is of the view that:

- During the year the Company has been able to generate cash from operations aggregating Rs 22,307 million. In addition to this, the Company's working capital requirements have been financed through support from the Parent Company and based on the availability of finance facilities from the commercial banks. As at December 31, 2023, the Company's balance of unavailed credit facilities from commercial banks aggregated Rs 35,500 million.
- As per the Company's latest budget, the Company will be profitable from the upcoming year.
- The Parent Company has committed through its letter dated August 23, 2023 to provide adequate financial support to the Company as would be necessary to ensure its continuing operation including operational cash flows for the Company's future operations. The financial support includes, but not limited to, providing funds to settle the Company's liabilities when those fall due and if required inject additional capital.

In light of the above, the management has a reasonable expectation that the Company has adequate resources to continue its operations in the foreseeable future and there is no uncertainty which may cast doubt on the Company's ability to continue as a going concern. Accordingly, these financial statements have been prepared on a going concern basis.

# Notes to the Financial Statements

For the year ended 31 December 2023

## 1.6 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 the Companies Act, 2017) on March 16, 2017. The registered office of TAG 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. TAG has entered into a technical assistance agreement with Asahi India Glass Limited ("AIS") under which AIS has granted to TAG 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 the Company under an agreement dated March 7,

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

### Factory:

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

### Warehouses:

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

### Booking offices (rented):

- 7-A, Aziz Avenue, Canal Bank Road, Gulberg V, Lahore.
- Office No. 402, 4th Floor United Mall, Abdali Road Multan.
- Plot No. 233/A 2, Shahrah-e-Qaideen, Block 2, P.E.C.H.S., Karachi.
- Mohalla Bijli Ghar, near Anmol Marriage Hall, Shahab Pura Road, Sialkot.
- Plot No. 749, Near Peoples Colony Chowk, Nigar Cinema G.T. Road Gujranwala.
- 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 Murree Road, Rawalpindi Cantt, The Mall Branch, Rawalpindi.
- Regional Office South, Plot No. 49-B, Block No. 6 P.E.C.H.S., Karachi.

### Separate sales offices (Motorcycle Division - rented):

- UR Suzuki: Shop No. A-45 & A-46, Ground Floor, National Complex – Block 10/A, KDA Scheme No. 33, Main Rashid Minhas Road, Karachi.
- AR Suzuki 1: Ground Floor, Dua Arcade, Survey No. 391, Street A.M. Frere Road, Artillery Maidan Quarter, Frere Road, Karachi.
- AR Suzuki 2: Shop No. 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 P.E.C.H.S., Karachi.
- MS Suzuki: 494-A, Al-Tamash Road, Dera Adda Chowk, Multan.
- KR Suzuki: Plot No. 55-T, near Metro Station, Chowk Kumharan Wala, Level 1 flyover, Multan.
- PR Suzuki: Tajwar Palace, Chughal Pura, Near Mall Mandi, Ring road, Peshawar.



# Notes to the Financial Statements

For the year ended 31 December 2023

- MR Suzuki: Chandni Chowk Murree Road, Rawalpindi.
- TS Suzuki: Plot No. 862, Block-D, Near Akber Chowk, Faisal Town, Lahore.
- WR Suzuki: Street No. 8 Peer Colony opp. Railway Flats, Main Walton Road, Lahore.
- SG Suzuki: 8-A, 118 opp. Mian Park opposite University of Engineering & Tech Gate No. 6, G.T Road, Lahore.
- GR Suzuki: 139-A, Multan Road, 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 G.T. Road, Gujranwala.
- CR Suzuki: Lal Pul Canal View Road Near Shell Petrol Pump, Mughal Pura, Lahore.
- SR Suzuki: Mohallah Bijli Ghar Near Anmol Shaddi Hall, Shahabpura Road, Sialkot.

## Separate sales offices (Motorcycle Division - dealer franchises):

- Khalil Motors: D-3, Al-Hilal Co-operative H.S, opp. Askari Park, Main University Road, Karachi.
- Zeeshan Motors: Shop No. 22 Cantt Shopping Centre 24 Auto Bhan Road, Unit 7 Latifabad,
- Mandviwalla Motors: Mandviwalla Chambers, Old Queens Road, Off. M.T. Khan Road, Karachi.
- South: Main Korangi Industrial Area Service Road, Mehran Town, Sector 23 Korangi, Karachi.
- Sethi Suzuki: 16 Queens Road Mozang Chungi, Lahore.
- Canal: 16 Queens Road Mozang Chungi, Lahore.
- Gujranwala Suzuki: Rahwali branch Mandiala Mor beside Executive Passport Office G.T. Road, Gujranwala.
- Gujrat Suzuki: Suzuki Gujrat Franchise opp. Science College G.T. Road, Gujrat.
- HS Traders: Waris Khan Stop, Motorcycle plaza, Murree Road, Rawalpindi.
- Ravi Motors: 182 main Bund Road Near Bhatti Walal Chowk, Lahore.
- Falcon Motors: Lahore Road, Sargodha, Punjab.
- Islamabad Motors: 17 Mile, Toll Plaza, Main Murree Road, Near Toll Plaza, Alwadi Colony Bhara Kahu, Islamabad.
- Suzuki Rahim Yar Khan Motors: 5-7 Shahbazpur road, Rahim Yar Khan.
- Defence Motors: 152, 18th Street, D.H.A. Phase 1 Defence Housing Authority, Karachi.

1.8 In addition to the above, the Company has a network of 170 automobile dealerships spread all across the Country. Considering the quantum, the geographical location and addresses of all dealers have not been presented in these financial statements.

## 2. BASIS OF PREPARATION

### 2.1 Basis of measurement

These financial statements have been prepared under the historical cost convention except as otherwise specifically stated.

### 2.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the functional currency of the Company.

### 2.3 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:

# Notes to the Financial Statements

For the year ended 31 December 2023

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

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

## 2.4 Changes in accounting standards, interpretations and amendments to accounting and reporting standards

### 2.4.1 Amendments to accounting and reporting standards which became effective during the year ended December 31, 2023:

There were certain amendments that became applicable for the Company during the year but are not considered to be relevant or did not have any significant effect on the Company's operations and have, therefore, not been disclosed in these financial statements except that during the year certain amendments to IAS 1 Presentation of Financial Statements have become applicable to the Company which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments to IAS 1 have been introduced to help entities improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies (note 4).

### 2.4.2 New standards and amendments to published accounting and reporting standards that are not yet effective and not early adopted by the Company:

There are certain new standards and certain amendments to the accounting and reporting standards that will become mandatory for the Company's annual accounting periods beginning on or after January 1, 2024. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements.

## 3. 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 as an ongoing basis. Revisions to estimates are recognised prospectively. In the process of applying the Company's accounting policies, management has made the following estimates and judgements which are significant to these financial statements:

# Notes to the Financial Statements

For the year ended 31 December 2023

- Useful lives, method of depreciation and depreciation rates of items of property, plant and equipment (notes 4.1 and 5.1);
- Provision for slow moving and obsolete stock-in-trade and store and spares (notes 4.5, 4.6, 13 and 15);
- Provision of impairment losses on trade debts and installment sales receivables (notes 4.7.6, 11 and 15);
- Employees' benefit obligation (notes 4.9 and 26);
- Provisions (notes 4.13 and 31);
- Provision for current tax and recognition of deferred tax asset (notes 4.17,12 and 40); and
- Contingencies (note 4.14 and 32.1).

## 4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies consistently applied in preparation of those financial statements are set out as follows:

### 4.1 Property, plant and equipment

#### Operating fixed assets

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, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditures including major renewals and improvements are capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the asset can be measured reliably.

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 income as and when incurred.

The assets' residual values, useful lives and depreciation methods are reviewed at each reporting date, and adjusted, if material. Any change or adjustment in depreciation method, useful lives and residual values is accounted for as a change in accounting estimate under IAS 8, 'Accounting policies, changes in accounting estimates and errors' and is applied prospectively in the financial statements by adjusting the depreciation charge for the period in which the amendment or change has been made and for future

Residual values are determined by the management as the amount it expects it would receive currently for an item of property, plant and equipment if it was already of the age and in the condition expected at the end of its useful life based on the prevailing market prices of similar assets already at the end of their useful lives.

# Notes to the Financial Statements

For the year ended 31 December 2023

Useful lives are determined by the management based on the expected usage of assets, physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors.

The carrying values of property, plant and equipment are reviewed at each reporting date for indications that an asset may be impaired and carrying values may not be recovered. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the asset or cash generating unit is written down to its recoverable amount. The recoverable amount of property, plant and equipment is the greater of fair value less cost to sell and value in use.

Disposal of an item of property, plant and equipment is recognised when significant risk and rewards, incidental to the ownership of that asset, have been transferred to the buyer. Gains and losses on disposals are determined by comparing the carrying amount of that asset with the sales proceeds and are recognised within 'other income / other operating expenses' in the profit or loss.

## 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 fixed assets in the course of their acquisition, construction and installation. The assets are transferred to relevant category of operating fixed assets when they are available for use.

## 4.2 Intangible assets

These are stated at cost less accumulated amortisation and impairment losses, if any and represent cost of software licenses, SAP implementation & support cost and license fee of certain products / components that are being manufactured by the Company under the technology transfer arrangement.

Costs associated with maintaining these assets are charged to the profit or loss as and when incurred, however, costs that are directly attributable to the identifiable asset and have probable economic benefits exceeding one year, are recognised as intangible asset. Direct costs include purchase cost of the asset, salaries and other service benefits of staff deployed towards development of the asset and other related overheads. Expenditure incurred in respect of design, construction and testing of an intangible asset are also added to the carrying amount of that asset.

Amortisation is charged to profit or loss on the straight line method. Amortisation on additions is charged from the month in which an asset comes into operation while no amortisation is charged for the month in which the asset is written off.

The assets' residual values, useful lives and amortisation methods are reviewed at each reporting date, and adjusted if material.

## 4.3 Right-of-use assets and related liabilities

The Company generally leases booking & sales offices and related properties. 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. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

Leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Company.

# Notes to the Financial Statements

For the year ended 31 December 2023

## 4.3.1 Right-of-use-assets

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

The right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term, as this method must closely reflect the expected pattern of consumption of future economic benefit. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

## 4.3.2 Lease liabilities

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 sources and makes certain adjustments, if needed to reflect the terms of the lease and type of the asset leased.

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

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

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

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

## 4.3.3 Short-term leases and leases of low-value assets

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



# Notes to the Financial Statements

For the year ended 31 December 2023

## 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. Investment in associates is accounted for using the equity

These are initially recognised at cost, which include transaction cost, if any. These 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 or loss of associate is recognised in the profit or loss. Distributions received from associate reduce the carrying amount of investment. When the Company's share of losses in an associate equals or exceeds its interest in the associate, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Company determines at each reporting date whether there is any objective evidence that the investment in an associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the profit or loss.

## 4.5 Stores, spares and loose tools

Stores, spare and loose tools are measured at lower of cost and net realisable value, except for items in transit which are stated at invoice values plus other charges incurred thereon. Cost is determined using the weighted average method and comprises all costs of purchase and other costs incurred in bringing the stores, spares and loose tools to their present location and condition and is also adjusted through systematic provision for damaged, obsolete and slow moving items.

Net realisable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred to make the sale.

## 4.6 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realisable value, except for items in transit which are stated at invoice values plus other charges incurred thereon. Cost is calculated on a weighted average basis. 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.

The Company reviews the carrying amount of stock-in-trade on an on-going basis and as appropriate, inventory is written down to its net realisable value or provision is made for obsolescence if there is any change in usage pattern and physical form of related inventory.

Net realisable value is 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 realisable values are determined on the basis of each line of product.

# Notes to the Financial Statements

For the year ended 31 December 2023

## 4.7 Financial assets and liabilities

### 4.7.1 Recognition and initial measurement

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 fair value through profit or loss (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 Financial assets - classification and subsequent measurement

#### Classification

On initial recognition, a financial asset is classified as at amortised cost, at fair value through other comprehensive income (FVOCI), or at FVTPL.

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

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows;
- 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
- 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 amortised cost or at 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 amortised cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### Subsequent measurement and gains and losses

Financial assets at FVTPL

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

# Notes to the Financial Statements

For the year ended 31 December 2023

## Financial assets at amortised cost

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

## Debt investments at FVOCI

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

## Equity investments at FVOCI

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

### 4.7.3 Financial liabilities - classification, subsequent measurement and gains and losses

Financial liabilities are classified and measured at amortised 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 (markup) expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest (mark-up) expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

### 4.7.4 Derecognition

#### Financial assets

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

#### Financial liabilities

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

### 4.7.5 Offsetting of financial assets and financial liabilities

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

# Notes to the Financial Statements

For the year ended 31 December 2023

## 4.7.6 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its financial assets carried at amortised cost and contract assets. The Company applies the simplified approach to recognise lifetime expected credit losses for trade debts while general 3-stage approach for other financial assets i.e. to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

The Company considers a financial asset in default when contractual payments are 90 days past due for spare parts and 120 days past due for spare parts and vehicles sold to government organisations and it is subsequently written off when there is no reasonable expectation of recovering the contractual cash flows. This definition is based on the Company's internal credit risk management policy.

## 4.8 Trade debts and other receivables

Trade debts and other receivables are classified as financial assets at amortised cost.

Trade debts and other receivables are recognised and carried at original invoice amount (unless there is a significant financing component) less an estimated allowance made for doubtful debts and receivables based on 'Expected Credit Loss' model. Balances considered bad and irrecoverable are written off when identified. Subsequent recoveries of amounts previously written off are credited in profit or loss.

## 4.9 Employees benefit schemes

### 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) *Defined benefit obligation (gratuity fund)*

The Company operates an approved funded gratuity scheme for all eligible employees. The liability recognised in the statement of financial position is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets.

The obligation is measured on the basis of actuarial valuation determined using Projected Unit Credit Method, related details of which are given in note 26 to these financial statements.

The amount arising as a result of re-measurements are recognised in the statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which they occur. Past-service cost are recognised immediately in the statement of profit or loss.

### c) *Compensated absences*

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

## 4.10 Trade and other payables

Liabilities for trade and other payables are carried at their amortised cost, which approximate fair value of the consideration to be paid in future for goods and services received, whether or not billed to the

# Notes to the Financial Statements

For the year ended 31 December 2023

## 4.11 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 recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

## 4.12 Warranty obligations

The Company recognises the estimated liability, on an accrual basis, to repair or replace products under warranty at the reporting date on the basis of historical claims information, and recognises the estimated product warranty costs in the profit or loss when the sale is recognised.

## 4.13 Provisions

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

## 4.14 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

## 4.15 Revenue from contracts with customers

The Company is in the business of manufacturing and marketing of cars, motorcycles, engines and related spare parts. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements. Revenue is measured based on the consideration specified in a contract with a customer and stated net of discounts, returns and value added taxes.

### Sale of goods

In case of the Company, sales of vehicles and spare parts are recognised as revenue when goods are dispatched and invoiced to the customers. Revenue is measure at the transaction price agreed under the contract, adjusted for variable consideration such as discounts, if any. In most case the consideration is received before the goods are dispatched / invoiced. Deferred payment terms may also be agreed in case of sales of spare parts and certain categories of customers. The normal credit term is 90 to 120 days upon delivery.

In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration and the existence of significant financing components (if any).



# Notes to the Financial Statements

For the year ended 31 December 2023

## Significant financing component

Generally, the Company receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Company also sale vehicles on installments with credit period of 12 to 24 months. The transaction price for such contracts is discounted, using the rate that would be reflected in a separate financing transaction between the Company and its customers at contract inception, to take into consideration the significant financing component.

## Extended warranty services

The Company also provides extended warranty services and the consideration received in this regard is recognised initially as deferred revenue and recorded in of profit or loss in the relevant period covered by the warranty.

### 4.16 Other income

Profit on bank balances is accounted on a time proportion basis on the principle amount outstanding and at the applicable rate.

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

Gain / (loss) on disposal of property plant and equipment are recognised on the date the when the transaction takes place.

### 4.17 Taxation

The tax expense comprises current and deferred tax. Tax is recognised in the profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### Current tax

Provision for current taxation is the amount computed on taxable income at the current rates of taxation or alternative corporate tax computed on accounting income or minimum tax on turnover, whichever is higher, and taxes paid / payable on final tax basis, after taking into account tax credits available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from the assessments made / finalised during the year.

Current tax assets and tax liabilities are offset where the Company has the legally enforceable right to offset and intends either to settle on net basis or to realise the asset and settle the liability simultaneously.

#### Deferred tax

Deferred tax is recognised using the balance sheet method in respect of temporary differences between the tax base of assets and liabilities and other carrying amounts in the financial statements.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

# Notes to the Financial Statements

For the year ended 31 December 2023

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply in the year when the asset is utilised or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

## 4.18 Dividend and appropriation to reserves

Dividend declared and appropriations to reserves are recognised in the financial statements in the period in which they are approved.

## 4.19 Foreign currency transactions and translations

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 Pakistan Rupees at the reporting date exchange rate. 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 recognised in profit or loss and presented within finance costs.

## 4.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting structure. 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 Company reports segment information separately that meets the quantitative threshold as defined under IFRS 8, i.e. 10 percent or more of the combined revenue, profit or loss or assets.

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, income tax assets / liabilities and related income and expenditure. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

## 4.21 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 2023

## 4.22 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand, cheques in hand, balances held with banks, short-term running finances repayable on demand and short term loans which form an integral part of Company's cash management.

	Note	2023	2022
----- Rupees in '000 -----			
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	<b>11,035,088</b>	13,455,163
Capital work-in-progress	5.4	<b>9,316,059</b>	1,422,332
		<b><u>20,351,147</u></b>	<u>14,877,495</u>

# Notes to the Financial Statements

For the year ended 31 December 2023

## 5.1 Operating fixed assets

The following is the statement of operating fixed assets:

	Buildings on freehold land										Total									
	Leasehold land	Freehold land	Factory	Office	Factory	Test tracks	Plant and machinery	Welding guns	Waste water treatment plant	Permanent and special tools		Dies (note 5.12)	Jigs and fixtures	Electrical installations	Furniture and fittings	Vehicles	Air conditioners and	Office equipment	Computers	
As at January 1, 2022																				
Cost	934,620	371,514	2,271,456	3,253	698,539	63,463	10,590,037	510,648	211,390	705,844	12,889,958	1,798,282	478,178	93,595	908,152	80,789	1,487,19	387,027	33,145,464	
Accumulated depreciation	(200,573)	-	(1,484,766)	(2,970)	(190,536)	(52,423)	(7,972,945)	(469,300)	(141,115)	(652,140)	(9,330,894)	(1,459,068)	(54,624)	(55,963)	(495,056)	(46,246)	(87,792)	(231,978)	(23,228,229)	
Net book value as at January 1, 2022	734,047	371,514	786,690	283	508,003	11,040	2,617,192	41,348	70,275	53,704	3,659,064	339,274	123,554	37,632	413,096	34,543	60,927	55,049	9,917,235	
Year ended December 31, 2022																				
Additions during the year	-	-	63,446	30,449	-	-	21,84,790	9,916	-	49,321	3,020,757	1,418,676	38,910	670	417,333	4,358	11,351	1,488	7,251,465	
Disposals / written off	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(159,613)	(2,352)	(1,000)	-	(162,965)	
Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100,065	1,865	965	-	102,775	
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(59,548)	(547)	(95)	-	(60,190)	
Net book value of disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(129,580)	(6,935)	(12,677)	(27,615)	(3,653,347)	
Depreciation charge for the year	-	-	-	-	-	(2,208)	(654,981)	(33,831)	(11,396)	(84,233)	(2,133,319)	(417,607)	(3,1093)	(7,337)	(129,580)	(6,935)	(12,677)	(27,615)	(3,653,347)	
Net book value as at December 31, 2022	718,183	371,514	788,157	29,540	457,203	8,832	4,147,001	17,433	58,979	68,292	4,546,502	1,340,343	131,371	30,765	641,301	31,419	59,506	28,922	13,455,163	
Year ended December 31, 2023																				
Additions during the year	-	-	49,788	11,828	-	-	989,802	6,191	-	98,536	42,297	1,880	29,837	558	165,943	8,025	2,789	124,027	1,531,901	
Disposals / written off	-	-	-	-	-	-	(29,971)	-	-	(870)	(14,284)	-	-	-	(134,817)	(14,035)	(193,319)	(19,319)	(213,490)	
Cost	-	-	-	-	-	-	29,483	-	-	870	5,476	-	-	-	87,404	10,879	178	19,141	153,440	
Accumulated depreciation	-	-	-	-	-	-	(478)	-	-	-	(8,809)	-	-	-	(47,413)	(3,156)	(17)	(178)	(60,050)	
Net book value of disposals	-	-	-	-	-	-	(902,356)	(12,392)	(11,396)	(37,317)	(2,101,570)	(421,021)	(31,974)	(6,190)	(137,660)	(6,345)	(11,941)	(58,282)	(3,891,926)	
Depreciation charge for the year	(15,854)	-	(81,869)	(8,274)	(45,720)	(1,766)	(902,356)	(12,392)	(11,396)	(37,317)	(2,101,570)	(421,021)	(31,974)	(6,190)	(137,660)	(6,345)	(11,941)	(58,282)	(3,891,926)	
Net book value as at December 31, 2023	702,329	371,514	736,076	33,094	411,483	7,066	4,233,969	11,222	47,483	129,911	2,478,420	921,202	129,234	25,133	622,171	29,944	50,337	94,489	11,035,088	
At December 31, 2022																				
Cost	934,620	371,514	2,334,902	33,702	698,539	63,463	12,748,27	520,564	211,390	755,165	16,010,715	3,216,958	517,088	94,265	1,165,872	82,795	1,590,070	288,515	40,233,964	
Accumulated depreciation	(232,291)	-	(1,566,745)	(4,162)	(241,336)	(54,631)	(8,627,826)	(503,131)	(152,511)	(686,873)	(11,464,213)	(1,876,615)	(385,717)	(63,500)	(524,376)	(51,376)	(99,564)	(259,593)	(26,778,801)	
Net book value	718,183	371,514	788,157	29,540	457,203	8,832	4,147,001	17,433	58,979	68,292	4,546,502	1,340,343	131,371	30,765	641,301	31,419	59,506	28,922	13,455,163	
At December 31, 2023																				
Cost	934,620	371,514	2,384,690	45,530	698,539	63,463	13,744,658	536,755	211,390	833,232	16,038,727	3,218,838	546,925	94,823	1,196,998	76,786	1,616,64	393,223	41,552,375	
Accumulated depreciation	(232,291)	-	(1,648,614)	(12,436)	(287,056)	(56,997)	(9,500,689)	(515,523)	(163,907)	(723,321)	(13,560,307)	(2,297,636)	(417,691)	(69,690)	(574,827)	(46,842)	(111,327)	(298,734)	(30,517,287)	
Net book value	702,329	371,514	736,076	33,094	411,483	7,066	4,233,969	11,232	47,483	129,911	2,478,420	921,202	129,234	25,133	622,171	29,944	50,337	94,489	11,035,088	
Depreciation rates (years / rate %)	50-60 Years	-	10% - 20%	20%	10%	20%	8 Years	4 Years	8 Years	4 Years	5 Years	8 Years	20%	20%	20%	20%	50%	50%	50%	50%

# Notes to the Financial Statements

For the year ended 31 December 2023

**5.1.2** Dies include assets having net book value of Rs 2,145.236 million (2022: Rs 3,504.263 million) which are in the possession of eighty four (84) {2022: eighty three (83)} vendors dispersed all over Pakistan and in a foreign country for contract manufacturing of components. Vendor wise breakup is summarized below:

	Cost		Accumulated depreciation and impairment losses		Net book value	
	2023	2022	2023	2022	2023	2022
	(Rupees in 000)					
Procon Engineering (Private) Limited	1,593,197	1,593,197	1,290,764	1,043,357	302,433	549,840
PCI Automotive (Pvt.) Limited	861,251	861,251	645,969	526,197	215,282	335,054
Metaline Industries (Pvt.) Limited	670,320	667,436	459,022	337,733	211,298	329,703
Agri Auto Stamping Company (Pvt.) Limited	327,807	327,807	121,734	58,221	206,073	269,586
Razi Sons (Pvt.) Limited	725,764	736,622	564,383	505,039	161,381	231,583
Electropolymers (Private) Limited	249,062	249,062	123,345	79,974	125,717	169,088
Loads Limited	918,394	918,394	885,201	754,400	33,193	163,994
MGA Industries (Pvt.) Limited	266,024	275,558	161,666	126,251	104,358	149,307
Synthetic Products Enterprises Limited	389,215	389,215	276,090	199,679	113,125	189,536
Auvitronics Limited	319,689	309,310	248,498	198,085	71,191	111,225
Engineering Excellence Company (Pvt) Ltd.	154,488	154,488	77,785	48,697	76,703	105,791
National Automotive Components (Pvt) Ltd	202,097	202,097	141,573	105,615	60,524	96,482
S.T.Engineering Services (Pvt) Ltd	287,210	262,686	238,394	175,691	48,816	86,995
A-One Techniques (Pvt) Ltd.	166,174	166,174	123,759	99,745	42,415	66,429
Dawood Engineering (Pvt) Ltd.	198,917	198,917	161,555	133,871	37,362	65,046
Bahawalpur Engineering Limited	128,736	128,736	91,555	68,654	37,181	60,082
Thal Limited Engineering Division	182,464	182,464	157,930	131,311	24,534	51,153
Sanpak Engineering Industries (Private) Limited	135,473	135,473	106,234	86,286	29,239	49,187
Techno Fabrik (Private) Limited	217,981	217,981	206,931	169,004	11,050	48,977
Plastech Pakistan	49,689	49,689	21,995	13,053	27,694	36,636
Shah Rubber Products	67,612	67,612	48,155	38,422	19,457	29,190
Halfman	108,940	108,940	104,146	85,095	4,794	23,845
Thermosole Industries (Pvt) Ltd.	88,799	88,799	78,038	65,084	10,761	23,715
Galaxy Polymer Engineering (Private) Limited	44,842	44,842	34,049	22,187	10,793	22,655
Yusuf Auto Industries (Pvt.) Ltd	79,508	79,508	75,827	61,484	3,681	18,024
Pacific International	15,983	15,983	3,463	266	12,520	15,717
JTS Corporation	19,182	19,182	7,353	3,517	11,829	15,665
Noor Engineering Services (Private) Limited	32,768	31,286	21,476	17,233	11,292	14,053
AQ Industries	28,701	28,701	20,533	14,750	8,168	13,951
Rubatech Manufacturing Company (Private) Limited	39,020	39,020	31,247	25,750	7,773	13,270
Mumtaz Engineers (Pvt.) Limited	15,193	15,193	6,188	3,732	9,005	11,461
Fatima Ind (Pvt.) Ltd	54,476	54,476	51,615	43,538	2,861	10,938
Ravi Autos Sundar (Pvt.) Limited	25,254	25,254	18,390	14,494	6,864	10,760
Shahid Engineering (Private) Limited	40,974	46,435	35,672	36,902	5,302	9,533
Automotive Components Ltd.	12,299	12,299	5,297	3,250	7,002	9,049
Super Engineering Company (Private) Limited	8,806	8,806	2,453	796	6,353	8,010
United Mechanical Industries (Pvt.) Limited	26,286	26,286	21,083	18,409	5,203	7,877
Baluchistan Wheels Limited	27,334	27,334	25,056	19,589	2,278	7,745
Shaheen Automotive (Pvt.) Limited	21,557	16,095	16,705	9,056	4,852	7,039
Zia Engineering Works	14,438	26,283	10,468	20,019	3,970	6,264
Masood Engineering Works (Private) Limited	12,729	12,729	9,089	7,631	3,640	5,098
Alsons Auto Parts (Private) Limited	57,305	57,305	54,495	52,405	2,810	4,900
Alba Engineering Company	10,904	10,904	7,875	6,459	3,029	4,445
Hawks Engineering Services (Pvt.) Limited	32,207	32,207	30,986	28,057	1,221	4,150
Techmen Engineering	6,208	6,208	3,146	2,104	3,062	4,104
<b>c/f</b>	<b>8,935,277</b>	<b>8,928,244</b>	<b>6,827,188</b>	<b>5,461,092</b>	<b>2,108,089</b>	<b>3,467,152</b>



# Notes to the Financial Statements

For the year ended 31 December 2023

	Cost		Accumulated depreciation and impairment losses		Net book value	
	2023	2022	2023	2022	2023	2022
	(Rupees in 000)					
b/f	8,935,277	8,928,244	6,827,188	5,461,092	2,108,089	3,467,152
Indus Engineering (SMC-Pvt.) Limited	10,481	10,481	7,937	6,603	2,544	3,878
Peracha Engineering Co.	12,148	12,148	10,522	8,449	1,626	3,699
Al-Huda Engineering (Pvt) Ltd.	12,740	12,740	12,186	10,121	554	2,619
Darson Industries (Pvt) Limited	8,740	8,002	6,300	5,418	2,440	2,584
Feroz Industries	7,340	7,340	5,443	4,816	1,897	2,524
Mehran Commercial and Industrial Enterprises (Pvt.) Limited	7,637	7,637	6,320	5,133	1,317	2,504
Tariq Engineering Products (Pvt) Ltd.	11,431	11,431	10,259	9,014	1,172	2,417
Pak Orient Industries	10,835	10,835	10,042	8,427	793	2,408
Stanley Industries	14,329	14,329	13,892	12,143	437	2,186
Galaxy Enterprising (Pvt.) Limited	8,532	8,532	4,459	6,458	4,073	2,074
Tecno Pack Telecom (Private) Ltd.	22,102	22,102	21,336	20,297	766	1,805
Silver Falcon Engineering Corporation	4,504	4,504	3,920	3,099	584	1,405
Al-Aftab Metals Engineering Ind. (Pvt) Ltd.	8,033	8,033	7,698	6,716	335	1,317
Brothers Engineering Industries	9,512	9,512	9,132	8,221	380	1,291
Ushin Thailand	4,214	4,214	3,793	2,950	421	1,264
Javed Steel Manufacturing Works	3,665	3,665	2,795	2,481	870	1,184
Aerotech Industries (Pvt.) Ltd.	5,478	5,478	5,092	4,450	386	1,028
Standard Mechanical Works	1,765	1,765	1,544	1,310	221	455
Ab Engineering (Pvt) Ltd.	25,944	25,944	25,926	25,582	18	362
Pioneer Plastic Industries	1,117	1,117	1,099	1,027	18	90
Pak Poly Engineering and Works	30	30	19	13	11	17
Asif Engg. & Mechanical Works	2,093	2,093	2,093	2,093	-	-
Asif Rubber Industries (Pvt) Limited	839	839	839	839	-	-
Automate Industries (Private) Limited	362	362	362	362	-	-
Cosmos Engineering	364	364	364	364	-	-
Hybrid Technics (Pvt) Ltd	291	291	291	291	-	-
Jawed Metal Industries Pvt Ltd	4,405	4,405	4,405	4,405	-	-
Khan Engineering Works	24	24	24	24	-	-
Mehran Engineering Industries (Private) Limited	475	475	475	475	-	-
Poly Crafts (Private) Limited	336	336	336	336	-	-
Pressed Steel Industries (Pvt.) Limited	758	758	758	758	-	-
Ravi Autos Sheikhpura (Pvt.) Limited	5,449	5,449	5,449	5,449	-	-
Sadiq Engineering Works	59	59	59	59	-	-
Super Tech Autoparts (Private) Limited	1,754	1,754	1,754	1,754	-	-
Technoline Industries	255	255	255	255	-	-
Ghandhara Tyre and Rubber Company Limited	36,289	19,025	22,605	19,025	13,684	-
Zaib Engineering (Pvt) Limited	1,206	1,392	1,206	1,392	-	-
Tecno Auto Glass Limited	2,700	-	315	-	2,385	-
Panther Sports & Rubber Industries (Pvt.) Limited	222	-	7	-	215	-
	<b>9,183,735</b>	<b>9,155,964</b>	<b>7,038,499</b>	<b>5,651,701</b>	<b>2,145,236</b>	<b>3,504,263</b>

# Notes to the Financial Statements

For the year ended 31 December 2023

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

	Note	2023	2022
		------(Rupees in '000)-----	
Cost of goods manufactured	34.1	<b>3,604,647</b>	3,454,222
Administrative expenses	36	<b>287,279</b>	199,125
		<b><u>3,891,926</u></b>	<u>3,653,347</u>

## 5.3 Details of disposals of property, plant and equipment:

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

Particulars	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain on disposal	Mode of disposal	Particulars of buyer	Relationship with the Company
----- (Rupees in 000) -----								
<b>Motor vehicles</b>								
Suzuki Swift	3,010	665	2,345	2,709	364	As per Employee Scheme	Najeeb Ur Rehman	Employee
Cultus AGS	1,519	978	541	571	30	Through negotiation	Mandviwala Motors (Pvt) Ltd	Vendor
Alto AGS	1,447	825	622	657	35	Through negotiation	Mandviwala Motors (Pvt) Ltd	Vendor
Wagon R AGS	1,715	963	752	806	54	Through negotiation	Mandviwala Motors (Pvt) Ltd	Vendor
Swift Automatic	1,510	952	558	567	9	Through negotiation	Danish Motors	Vendor
Bolan	911	405	506	526	20	Through negotiation	Danish Motors	Vendor
Vitara GL	2,981	2,133	848	945	97	Through negotiation	Danish Motors	Vendor
Vitara GL	2,981	2,133	848	945	97	Through negotiation	Danish Motors	Vendor
Cultus AGS	2,087	1,069	1,018	1,398	380	As per Employee Scheme	Laiq Ahmed	Employee
Suzuki Swift	3,010	921	2,089	2,346	257	As per Employee Scheme	Badi-uz-Zaman	Employee
Suzuki Kizashi	4,896	4,292	604	3,412	2,808	Through negotiation	Suzuki D.G. Khan Motors	Vendor
Cultus AGS	1,586	1,022	564	1,124	560	As per Employee Scheme	Fahad Qamar	Employee
Cultus AGS	1,586	1,022	564	1,125	561	As per Employee Scheme	Naseer-uddin	Employee
Cultus AGS	1,586	1,022	564	1,125	561	As per Employee Scheme	Yasir Hameed	Employee
Cultus AGS	1,586	1,022	564	1,126	562	As per Employee Scheme	Jibran Ali Shah	Employee
Cultus AGS	1,586	1,022	564	1,129	565	As per Employee Scheme	Abid Zia	Employee
Cultus AGS	1,586	1,022	564	1,132	568	As per Employee Scheme	Waseem Ahmed	Employee
Cultus AGS	1,586	1,022	564	1,126	562	As per Employee Scheme	Asif Akhtaq	Employee
Cultus AGS	1,586	1,022	564	1,132	568	As per Employee Scheme	Kashif Shahzad	Employee
Cultus AGS	1,590	1,014	576	1,138	562	As per Employee Scheme	Umar Durrani	Employee
Cultus AGS	1,962	1,106	856	1,350	494	As per Employee Scheme	Waleed Khan	Employee
Suzuki Swift	3,010	921	2,089	2,474	385	As per Employee Scheme	Abdul Saboor Baig	Employee
Suzuki Swift	3,010	921	2,089	2,513	424	As per Employee Scheme	Zeeshan Dawar	Employee
Suzuki Swift	3,010	921	2,089	2,523	434	As per Employee Scheme	Syed Obaid Alam	Employee
Suzuki Swift	3,010	921	2,089	2,474	385	As per Employee Scheme	Abdul Aziz	Employee
Cultus	1,705	903	802	1,300	498	As per Employee Scheme	Ammad Baig	Employee
Cultus AGS	1,990	1,054	936	1,387	451	As per Employee Scheme	Naeem Ahmed Siddiqui	Employee
Cultus AGS	2,079	1,065	1,014	1,400	386	As per Employee Scheme	Azam Saeed	Employee
Cultus AGS	2,079	1,065	1,014	1,399	385	As per Employee Scheme	Abdul Nasir	Employee
Cultus AGS	2,079	1,065	1,014	1,398	384	As per Employee Scheme	Nadir Baig	Employee
Cultus AGS	2,087	1,069	1,018	1,399	381	As per Employee Scheme	Muhammad Talha Siddiqui	Employee
Suzuki Swift	2,783	851	1,932	2,258	326	As per Employee Scheme	Naveed Iqbal	Employee
<b>Die</b>								
Reinf. Front Door Outer, L-Tooling	14,284	5,476	8,808	17,660	8,852	Through negotiation	MGA Industries (Pvt) Limited	Vendor
Other items having net book value of less than Rs 500,000 each								
	130,057	111,576	18,481	35,561	17,080			
<b>2023</b>	<b><u>213,490</u></b>	<b><u>153,440</u></b>	<b><u>60,050</u></b>	<b><u>100,135</u></b>	<b><u>40,085</u></b>			
<b>2022</b>	<b><u>162,965</u></b>	<b><u>102,775</u></b>	<b><u>60,190</u></b>	<b><u>105,651</u></b>	<b><u>45,461</u></b>			

# Notes to the Financial Statements

For the year ended 31 December 2023

<b>5.4 Capital work-in-progress</b>	Note	<b>2023</b>	<b>2022</b>
		----- (Rupees in '000) -----	
Plant and machinery		<b>9,277,175</b>	1,372,297
Civil works		<b>38,884</b>	50,035
	5.4.1	<b>9,316,059</b>	<b>1,422,332</b>

<b>5.4.1 Movement in capital work-in-progress</b>			
Opening balance		<b>1,422,332</b>	5,627,191
Additions during the year	5.4.2	<b>9,466,477</b>	2,611,406
Transfer to operating fixed assets		<b>(1,530,451)</b>	(6,816,265)
Charged to profit or loss		<b>(42,299)</b>	-
Closing balance		<b>9,316,059</b>	<b>1,422,332</b>

5.4.2 Additions mainly include expenditure incurred for modification in the existing lines and import of dies for product development.

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

5.6 The cost of fully depreciated operating fixed assets as at December 31, 2023 amounted to Rs 15,293.544 million (2022: Rs 14,262.836 million), which are detailed below:

	Note	<b>2023</b>	<b>2022</b>
		----- (Rupees in '000) -----	
Plant and machinery		<b>6,498,132</b>	6,369,406
Welding guns		<b>501,412</b>	375,178
Waste water treatment plant		<b>120,222</b>	120,222
Permanent and special tools		<b>683,963</b>	620,575
Dies		<b>6,054,383</b>	5,433,076
Jigs and fixtures		<b>1,169,731</b>	1,080,580
Electrical installations		<b>263,789</b>	263,789
Computers		<b>1,902</b>	-
Office equipment		<b>10</b>	10
		<b>15,293,544</b>	<b>14,262,836</b>

## 6. INTANGIBLE ASSETS

Intangible assets	6.1	<b>302,343</b>	245,837
Capital work-in-process	6.2	<b>114,421</b>	198,783
		<b>416,764</b>	<b>444,620</b>

### 6.1 Intangible assets

The following is a statement of intangible assets:

	Cost as at January 1, 2023	Additions during the year	Retirements during the year	Cost as at December 31, 2023	Accumulated amortisation at January 1, 2023	Charge during the year	Retirements during the year	Accumulated amortisation as at December 31, 2023	Net book value as at December 31, 2023	Years
----- (Rupees in '000) -----										
License fees	311,445	-	-	311,445	86,313	103,863	-	190,176	121,269	3
Software	27,688	254,427	-	282,115	6,983	94,057	-	101,041	181,074	3
	<b>339,133</b>	<b>254,427</b>	<b>-</b>	<b>593,560</b>	<b>93,296</b>	<b>197,920</b>	<b>-</b>	<b>291,217</b>	<b>302,343</b>	
----- (Rupees in '000) -----										
	Cost as at January 1, 2022	Additions during the year	Retirements during the year	Cost as at December 31, 2022	Accumulated amortisation at January 1, 2022	Charge during the year	Retirements during the year	Accumulated amortisation as at December 31, 2022	Net book value as at December 31, 2022	Years
----- (Rupees in '000) -----										
License fees	344,983	311,445	(344,983)	311,445	312,961	118,335	(344,983)	86,313	225,132	3
Software	65,646	27,688	(65,646)	27,688	48,014	24,615	(65,646)	6,983	20,705	3
	<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 2023

- 6.2 Total additions to the capital work-in-progress and transferred to intangible assets amounted to Rs 169.514 million and Rs 253.876 million respectively.

6.3 Amortisation charge has been allocated as follows:	Note	2023	2022
------(Rupees in '000)-----			
Cost of goods manufactured	34.1	103,863	118,335
Administrative expenses	36	94,057	24,615
		<u>197,920</u>	<u>142,950</u>

## 7. RIGHT-OF-USE ASSETS

	Showrooms	Area offices	Total
------(Rupees in '000)-----			
Balance as at January 1, 2022	88,787	23,672	112,459
Add: Additions	16,404	45,666	62,070
Less: Termination	4,009	-	4,009
Less: Depreciation	33,368	18,978	52,346
Balance as at December 31, 2022	<u>67,814</u>	<u>50,360</u>	<u>118,174</u>
Balance as at January 1, 2023	67,814	50,360	118,174
Add: Additions	36,842	18,337	55,179
Less: Depreciation	36,781	18,978	55,759
Balance as at December 31, 2023	<u>67,875</u>	<u>49,719</u>	<u>117,594</u>

The Company has lease contract of various premises acquired as showroom and office use. Lease tenure of such premises range between 3 and 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.

- 7.1 Depreciation charge for the year has been allocated as follows:

	Note	2023	2022
------(Rupees in '000)-----			
Administrative expenses	36	<u>55,759</u>	<u>52,346</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	-	84,551
		<u>-</u>	<u>84,551</u>

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

		2023	
		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	-

# Notes to the Financial Statements

For the year ended 31 December 2023

- 8.1.1 Investment in ASCCL (unquoted) represents 0.5 million (2022: 0.5 million) fully paid ordinary shares of Rs 10 each, representing 6.45% (2022: 6.45%) of ASCCL's paid up share capital as at December 31, 2023.
- 8.1.2 Investment in AT & TC (unquoted) represents 0.125 million (2022: 0.125 million) fully paid ordinary shares of Rs 10 each, representing 6.94% (2022: 6.94%) of AT & TC's paid up share capital as at December 31, 2023.
- 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 these financial statements.

## 8.2 Investment in associate

- 8.2.1 TAG was incorporated on March 16, 2017 and commenced its commercial operations from July 2020. The principal place of business of TAG is 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.
- 8.2.2 TAG's share of loss for the year has been included in these financial statements based on the unaudited condensed interim financial information of TAG for the six months period ended December 31, 2023 and audited financial statements of TAG for the year ended June 30, 2023.
- 8.2.3 The auditor of TAG has rendered an unmodified opinion dated December 7, 2023 on the financial statements for the year ended June 30, 2023.
- 8.2.4 Share of loss recognised during the year is as follows

	2023	2022
	------(Rupees in '000)-----	
34,440,000 (2022: 34,440,000) fully paid ordinary shares of Rs 10 each (Shareholding 40%)	<b>344,400</b>	344,400
Share of loss of equity accounted investee	<b>(344,400)</b>	(259,849)
	<u>          -</u>	<u>          84,551</u>

- 8.2.5 The summarised financial information in respect of TAG Limited is set out below. The summarised financial information represents the amounts shown in the TAG's unaudited condensed interim financial statements for the six months period ended December 31, 2023.

	2023	2022
	Unaudited ------(Rupees in '000)-----	
Current assets	<b>687,950</b>	676,301
Non-current assets	<b>3,919,126</b>	3,055,384
Current liabilities	<b>(787,423)</b>	(1,330,711)
Non-current liabilities	<b>(4,625,171)</b>	(2,189,597)
Equity	<b>(805,518)</b>	211,377
Revenue	<b>331,809</b>	435,150
Loss for the period	<b>(568,485)</b>	(189,226)
Total comprehensive loss for the period	<b>(568,485)</b>	(189,226)



# Notes to the Financial Statements

For the year ended 31 December 2023

Reconciliation of the above summarised financial information to the carrying amount of the interest in the TAG recognised in these financial statements:

	2023	2022
	------(Rupees in '000)-----	
Net (liabilities) / assets of the associate	(805,518)	211,377
Proportion of the Company ownership	40%	40%
	<u>(322,207)</u>	<u>84,551</u>
Total unrecognised share of loss	322,207	-
Carrying amount of the Company's interest in TAG	<u>-</u>	<u>84,551</u>

The Company does not have any legal or constructive obligation on behalf of TAG, therefore the carrying amount has been restricted to Rs Nil.

## 8.2.6 Contingency and Commitments of associate

1. TAG has issued guarantee in favour of K-Electric Limited amounting to Rs 12.138 million (2022: Rs 12.138 million) out of which Rs 11 million (2022: Rs 11 million) has been provided by TPT.
2. TAG has rental payable under Ijarah contracts in respect of vehicles amounting to Rs 18.007 million (2022: Rs 28.05 million).
3. TAG has outstanding letter of credit amounting to Rs 7.6 million (2022: Rs 14.2 million).

8.2.7 The financial statements of TAG for the year ended June 30, 2023 inter alia stated that during the year, TAG incurred a net loss of Rs 642.357 million resulting in accumulated loss of Rs 1,098.032 million and negative equity of Rs 237.032 million as of June 30, 2023. However, the management believes that the above adverse financial position is temporary and TAG expects profitable results in future periods due to anticipated automobile industry growth. TAG also expects continued financial support from its parent company in foreseeable future. Accordingly, TAG's financial statements have been prepared on a going concern basis.

9. LONG-TERM LOANS	Note	2023	2022
		------(Rupees in '000)-----	
Loans to employees	9.1	20,712	15,776
Less: Current maturity shown under current assets	16	<u>(9,366)</u>	<u>(8,278)</u>
		<u>11,346</u>	<u>7,498</u>

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

10. LONG-TERM DEPOSITS AND OTHER RECEIVABLES	Note	2023	2022
		------(Rupees in '000)-----	
Deposits		42,336	59,883
Receivables from employees against vehicles	10.1	<u>964,061</u>	<u>1,188,511</u>
Less: Current maturity shown under current assets	18	<u>(243,561)</u>	<u>(213,735)</u>
		<u>720,500</u>	<u>974,776</u>
		<u>762,836</u>	<u>1,034,659</u>

# Notes to the Financial Statements

For the year ended 31 December 2023

- 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.

<b>11. LONG TERM INSTALLMENT SALES RECEIVABLES</b>	Note	<b>2023</b>	<b>2022</b>
------(Rupees in '000)-----			
Gross amount of installment sales receivables	11.1	<b>1,913,518</b>	3,386,166
Less: Unearned finance income		-	(4,397)
		<b>1,913,518</b>	3,381,769
Less: Impact of discounting		<b>(174,928)</b>	(276,478)
		<b>1,738,590</b>	3,105,291
Less: Provision of impairment allowance	11.2	<b>(48,455)</b>	(73,972)
		<b>1,690,135</b>	3,031,319
Less: Current maturity shown under current assets		<b>(1,467,057)</b>	(2,516,531)
		<b>223,078</b>	514,788

- 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 the Company retains the title and registers the documents of the motorcycles in its name as a security.

For installment sales to vendors, no mark-up is charged on 12 months' installment sales and mark-up / interest is charged at 12% per annum on installment sales exceeding 12 months' period (2022: 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	<b>Gross amount of installment sales receivables</b>		<b>Present value of installment sales receivables</b>	
		<b>2023</b>	2022	<b>2023</b>	2022
------(Rupees in '000)-----					
Less than one year		<b>1,595,728</b>	2,738,389	<b>1,479,363</b>	2,567,195
One to five years		<b>317,790</b>	643,380	<b>259,227</b>	538,096
		<b>1,913,518</b>	3,381,769	<b>1,738,590</b>	3,105,291
Less: Provision for impairment allowance	11.2	<b>(48,455)</b>	(73,972)	<b>(48,455)</b>	(73,972)
		<b>1,865,063</b>	3,307,797	<b>1,690,135</b>	3,031,319

<b>11.2 Movement of provision for impairment loss</b>	<b>2023</b>	<b>2022</b>
------(Rupees in '000)-----		
Balance as at January 1	<b>73,972</b>	65,340
(Reversal) / charge during the year	<b>(19,035)</b>	8,632
Written off against provision during the year	<b>(6,482)</b>	-
Balance as at December 31	<b>48,455</b>	73,972

# Notes to the Financial Statements

For the year ended 31 December 2023

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

	Note	2023	2022
------(Rupees in '000)-----			
Not past due		1,803,944	3,344,456
Past due 1 - 30 days		23,699	2,583
Past due 31 - 60 days		18,076	1,968
Past due 61 - 90 days		10,485	1,167
Past due 91 - 180 days		21,166	3,459
Past due 181 - 360 days		15,982	4,828
Over 360 days		20,166	23,308
		<u>1,913,518</u>	<u>3,381,769</u>

## 12. DEFERRED TAXATION - NET

### *Deductible temporary differences arising from:*

Excess of minimum turnover tax over corporate tax	12.2	-	5,137,169
Tax depreciation losses		-	602,746
Provisions		-	1,403,556
Local development costs		-	19,421
Accelerated tax depreciation and amortisation		-	175,845
Lease liabilities		-	40,885
		<u>-</u>	<u>7,379,622</u>

### *Taxable temporary difference arising from:*

Right-of-use assets		-	(34,255)
		<u>-</u>	<u>7,345,367</u>

### 12.1 Movement in deferred tax balances:

	Balance as at January 1, 2021	Recognised in profit or loss	Balance as at December 31, 2022	Recognised in the profit or loss	Balance as at December 31, 2023
------(Rupees in '000)-----					
<b><i>Deductible temporary differences arising from:</i></b>					
Excess of minimum turnover tax over corporate tax	4,889,766	247,403	5,137,169	(5,137,169)	-
Tax depreciation losses	639,179	(36,433)	602,746	(602,746)	-
Provisions	1,533,557	(130,001)	1,403,556	(1,403,556)	-
Local development costs	23,356	(3,935)	19,421	(19,421)	-
Accelerated tax depreciation and tax amortisation	254,544	(78,699)	175,845	(175,845)	-
Lease liabilities	37,558	3,327	40,885	(40,885)	-
<b><i>Taxable temporary differences arising from:</i></b>					
Right-of-use assets	(32,593)	(1,662)	(34,255)	34,255	-
	<u>7,345,367</u>	<u>-</u>	<u>7,345,367</u>	<u>(7,345,367)</u>	<u>-</u>

# Notes to the Financial Statements

For the year ended 31 December 2023

- 12.2 The Company has carried out an assessment to determine the recoverability of deductible temporary differences as at December 31, 2023 by estimating future taxable profits of the Company and the expected tax rate applicable to those profits. The determination of the future taxable profits is most sensitive to certain key assumptions such as sales volume, contribution margins, fixed overheads, inflation and exchange rates etc which have been considered in that determination.

As a result of this exercise, the deferred tax asset amounting to Rs 7,345 million carried forwarded as at January 1, 2023 has been completely charged off to profit or loss for the year. The management is of the view that this is owing to significant reduction in sales volume on account of high inflation, interest rate and exchange rate parity. Due to this in the foreseeable future the Company's tax liability shall be based on turnover tax and the Company shall be unable to utilise the deductible temporary differences. Accordingly, total unrecognised deferred tax asset as at December 31, 2023 aggregated to Rs 11,937 million mainly on account of minimum taxes, unaborsorbed depreciation, unrealised exchange losses and provisions.

13. STORES, SPARES AND LOOSE TOOLS	Note	2023	2022
------(Rupees in '000)-----			
Stores, Spares and Loose tools [including items in transit Rs 91.52 million (2022: Rs Nil)]		1,495,156	669,177
Less: Provision for slow moving and obsolete items			
Balance as at January 1		186,402	161,790
Charge for the year	34.1	4,987	24,612
Balance as at December 31		191,389	186,402
		1,303,767	482,775
14. STOCK-IN-TRADE			
Raw material and components [including items in transit Rs 5,661.91 million (2022: Rs 10,490.84 million)]		23,223,341	26,218,302
Less: Provision for slow moving and obsolete items			
Balance as at January 1		355,536	357,594
Charge / (reversal) for the year	14.2	881,569	(2,058)
Balance as at December 31		1,237,105	355,536
		21,986,236	25,862,766
Work-in-process		179,317	-
Finished goods		11,826,780	5,978,162
Trading stock [including items in transit Rs 20.59 million (2022: Rs 223 million)]		1,022,397	1,261,164
Less: Provision for slow moving and obsolete items			
Balance as at January 1		70,323	88,931
Charge / (reversal) for the year		35,721	(18,608)
Balance as at December 31		106,044	70,323
		916,353	1,190,841
		34,908,686	33,031,769

- 14.1 Stock-in-trade includes item amounting to Rs 7,113 million (2022: Rs 4,827 million) which were in the custody of dealers and vendors dispersed all over the Pakistan.

- 14.2 This includes an amount of Rs 257.483 million charged in relation to the items pertaining to the model which is expected to be phased out.

# Notes to the Financial Statements

For the year ended 31 December 2023

15. TRADE DEBTS	Note	2023	2022
------(Rupees in '000)-----			
Trade debts		1,395,014	577,071
Less: Provision for impairment allowance	15.1	<u>(26,042)</u>	<u>(191,768)</u>
		<u>1,368,972</u>	<u>385,303</u>
<b>15.1 Provision for impairment allowance</b>			
Balance as at January 1		191,768	65,415
(Reversal) / charge during the year	15.1.1	<u>(165,726)</u>	<u>126,353</u>
Balance as at December 31		<u>26,042</u>	<u>191,768</u>
15.1.1 Reversal of provision is due to recoveries of long-outstanding receivables.			
<b>15.2</b>	The ageing of trade debts at reporting date is as follows:		
Not past due		1,162,093	105,106
Past due 1 - 30 days		178,682	165,462
Past due 31 - 60 days		1,178	25,697
Past due 61 - 90 days		-	43,576
Past due 91 - 180 days		-	49,922
Past due 181 - 360 days		23,247	64,388
Over 360 days		<u>29,814</u>	<u>122,920</u>
		<u>1,395,014</u>	<u>577,071</u>
<b>16. LOANS AND ADVANCES</b>			
<b>Loans - secured</b>			
Current portion of loans to employees	9	9,366	8,278
<b>Advances - secured</b>			
- Suppliers	16.1	1,568,757	1,182,345
- Employees - against expenses		5,709	3,437
Less: Provision for doubtful advances	16.2	<u>(752,830)</u>	<u>-</u>
		<u>821,636</u>	<u>1,185,782</u>
		<u>831,002</u>	<u>1,194,060</u>
16.1 These include advance which carry markup as well.			
16.2 Advances to a supplier was provided in prior year to arrange for the imported raw material for the Company in relation to one of the Company's models. That model is now expected to be phased out in near future due to reduction in the projected sales volume. As the benefit against these supplies are not envisaged, the related amount has been provided for in these financial statements.			
<b>17. TRADE DEPOSITS AND ADVANCES</b>			
Trade deposits		5,374	56,866
Margins held with banks against letter of credits and imports	17.1	<u>283,679</u>	<u>30,618,799</u>
		<u>289,053</u>	<u>30,675,665</u>
Advance payments			
- Collector of customs		524,516	889,741
- Prepaid rent		22,503	34,341
- Prepaid insurance		12,337	3,910
- Others		<u>7,092</u>	<u>17,480</u>
		<u>566,448</u>	<u>945,472</u>
		<u>855,501</u>	<u>31,621,137</u>



# Notes to the Financial Statements

For the year ended 31 December 2023

**17.1** During the year, the State Bank of Pakistan has relinquished its requirement of maintaining 100% cash margins against import value through its circular dated March 24, 2023. Accordingly, the margins held by commercial banks as at December 31, 2022 have been received during the year.

<b>18. OTHER RECEIVABLES</b>	Note	<b>2023</b>	2022
------(Rupees in '000)-----			
Due from related parties	18.1	<b>446,521</b>	652,387
Current portion of long-term other receivables	10	<b>243,561</b>	213,735
Due from vendors for material / components returned		-	24,215
Expenses recoverable from dealers		-	190
Accrued profit on bank deposits		<b>3,334</b>	15,115
Workers' Profit Participation Fund	27.5	-	236
Others		<b>11,792</b>	39,870
		<b>705,208</b>	<b>945,748</b>

18.1 This represents receivable from following related parties:

Suzuki Motor Corporation	<b>417,020</b>	640,586
PT. Suzuki IndoMobil Motor	<b>8,075</b>	4,634
Suzuki Motor Thailand	<b>16,454</b>	7,167
Tecno Auto Glass (Private) Limited	<b>4,972</b>	-
	<b>446,521</b>	<b>652,387</b>

18.1.1 The maximum aggregate balance outstanding from the related parties, at the end of any month, during the year are as follows:

	<b>2023</b>	2022
------(Rupees in '000)-----		
Suzuki Motor Corporation	<b>417,020</b>	640,586
PT. Suzuki IndoMobil Motor	<b>8,075</b>	4,634
Suzuki Motor Thailand	<b>16,454</b>	7,167
Tecno Auto Glass (Private) Limited	<b>4,972</b>	-

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

	Note	<b>2023</b>	2022
------(Rupees in '000)-----			
Past due 1-90 days		<b>72,319</b>	234,260
Past due 91-180 days		<b>1,720</b>	78,537
Past due 181-360 days		<b>53,068</b>	3,097
Past due over 360 days		<b>319,414</b>	336,493
		<b>446,521</b>	<b>652,387</b>

## 19. CASH AND BANK BALANCES

Cash in hand		<b>5,300</b>	67,679
Cheques in hand		-	38,946
Cash at bank:			
- In deposit accounts	19.1 & 19.3	<b>6,190,248</b>	3,437,055
- In a special deposit account - <i>conventional</i>	19.2	<b>131,955</b>	133,212
- In current accounts		<b>6,810</b>	26,727
		<b>6,329,013</b>	3,596,994
		<b>6,334,313</b>	<b>3,703,619</b>



# Notes to the Financial Statements

For the year ended 31 December 2023

- 22.2** These represented security deposits received from various parties which had been utilised by the Company for its business in accordance with the requirements of respective written agreements in terms of section 217 the Act.

<b>23. LEASE LIABILITIES</b>	Note	<b>2023</b>	2022
------(Rupees in '000)-----			
Balance as at January 1		<b>141,044</b>	129,587
Additions during the year		<b>55,179</b>	62,070
Accretion of interest	39	<b>18,126</b>	15,705
Lease payments made		<b>(80,773)</b>	(64,300)
Termination of lease		-	(2,018)
Balance as at December 31	23.1	<b>133,576</b>	141,044
Less: Current portion shown under current liabilities		<b>47,552</b>	42,792
Non-current portion of lease liabilities		<b>86,024</b>	98,252
<b>Maturity analysis</b>			
Less than one year		<b>47,552</b>	42,792
One to five years		<b>86,024</b>	98,252
		<b>133,576</b>	141,044

- 23.1** Lease payments on short-term leases and leases of low value assets amounting to Rs 137.22 million (2022: Rs 156.78 million) have been recognised as expense during the year.

<b>24. LONG-TERM LOANS</b>	Note	<b>2023</b>	2022
------(Rupees in '000)-----			
Balance as at January 1		<b>1,877,967</b>	1,736,557
Loan obtained		-	28,612
Loan repaid		<b>(219,713)</b>	-
		<b>1,658,254</b>	1,765,169
Government grant recognised	25	-	(11,843)
Accretion of interest		<b>151,134</b>	124,641
Balance as at December 31	24.2	<b>1,809,388</b>	1,877,967
Less: Current portion shown under current liabilities		<b>210,172</b>	114,666
Non-current portion of long-term loan		<b>1,599,216</b>	1,763,301

- 24.1** These long-term financing facilities have been availed from commercial banks under the "Temporary Economic Refinance Facility" (TERF) announced by the 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. The facility is secured against hypothecation charge over plant and machinery of the Company.

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, ranging from 8.99% to 17.32% per annum. The benefit of below-market interest is recognised as government grant (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 2023

<b>25. GOVERNMENT GRANT</b>	Note	<b>2023</b>	2022
		------(Rupees in '000)-----	
Balance as at January 1		<b>756,778</b>	869,576
Government grant recognised	24	-	11,843
Government grant amortised	38	<b>(151,134)</b>	(124,641)
Balance as at December 31		<b>605,644</b>	756,778
Less: current portion shown under current liabilities		<b>118,226</b>	136,389
Non-current portion		<b>487,418</b>	620,389

- 25.1 As mentioned in note 24, the purpose of the government grant given under TERF at reduced rate 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.

	<b>2023</b>	2022
------(Rupees in '000)-----		
<b>26. EMPLOYEES' BENEFIT OBLIGATION</b>	<b>800,096</b>	815,063

The latest actuarial valuation of gratuity fund was carried out as at December 31, 2023 using the Projected Unit Credit Method.

<b>26.1 Amount recognised in the statement of financial position</b>	Note	<b>2023</b>	2022
		------(Rupees in '000)-----	
Present value of defined benefit obligation	26.3	<b>1,692,808</b>	1,498,064
Fair value of plan assets	26.4	<b>(892,712)</b>	(683,001)
		<b>800,096</b>	815,063

## 26.2 Movement in net liability recognised in the statement of financial position

Balance as at January 1		<b>815,063</b>	568,163
Expense recognised	26.7	<b>221,945</b>	157,964
Re-measurement (gain) / loss		<b>(117,224)</b>	183,778
Contribution made		<b>(119,688)</b>	(94,842)
Balance as at December 31		<b>800,096</b>	815,063

# Notes to the Financial Statements

For the year ended 31 December 2023

	Note	2023 ------(Rupees in '000)-----	2022
<b>26.3 Movement in present value of defined benefit obligation</b>			
Balance as at January 1		1,498,064	1,220,490
Current service cost		116,523	98,135
Interest cost		206,032	136,510
Benefit paid		(120,038)	(94,217)
Remeasurement (gain) / loss	26.8	(7,773)	137,146
Balance as at December 31		<u>1,692,808</u>	<u>1,498,064</u>
<b>26.4 Movement in fair value of plan assets</b>			
Balance as at January 1		683,001	652,327
Contributions		119,688	94,842
Return on plan assets		100,610	76,681
Benefit paid		(120,038)	(94,217)
Remeasurement gain / (loss) on plan assets		109,451	(46,632)
Balance as at December 31		<u>892,712</u>	<u>683,001</u>
<b>26.5 Actuarial assumption used are as follows:</b>			
Discount rate used for profit or loss charge		<u>14.50%</u>	11.75%
Discount rate used for year end obligation		<u>15.50%</u>	14.50%
Expected rate of eligible salaries increase in future years		<u>15.50%</u>	14.50%
Mortality rates		<u>SLIC 2001 - 2005 Setback 1 Year</u>	SLIC 2001 - 2005 Setback 1 Year
Retirement assumption		<u>Age 60</u>	Age 60
Expected contribution to defined benefit plan for the year ending December 31, 2024 is Rs 240.787			
<b>26.6 Actual return on plan assets</b>	Note	2023 ------(Rupees in '000)-----	2022
Interest income on plan assets	26.4	100,610	76,681
Remeasurement gain / (loss) on plan assets	26.4	109,451	(46,632)
		<u>210,061</u>	<u>30,049</u>
<b>26.7 Amounts recognised in total comprehensive income</b>			
The following amounts have been charged in respect of these benefits to profit or loss and other comprehensive income:			
<i>Component of defined benefit cost recognised in profit or loss</i>	Note	2023 ------(Rupees in '000)-----	2022
Current service cost	26.3	116,523	98,135
Interest cost on defined benefit obligation	26.3	206,032	136,510
Return on plan assets	26.4	(100,610)	(76,681)
		<u>221,945</u>	<u>157,964</u>



# Notes to the Financial Statements

For the year ended 31 December 2023

	2023	2022
	------(Rupees in '000)-----	
<b>26.8 Component of defined benefit cost (re-measurement) recognised in other comprehensive income</b>		
- Loss due to change in financial assumptions	1,585	3,953
- (Gain) / loss due to change in experience adjustments	(9,358)	133,193
	<u>(7,773)</u>	<u>137,146</u>
(Gain) / loss on plan assets excluding interest income	(109,451)	46,632
Remeasurement (gain) / loss on defined benefit obligation	<u>(117,224)</u>	<u>183,778</u>
Weighted average duration of the defined benefit obligation (years)	<u>9</u>	<u>9</u>
<b>26.9 Analysis of present value of defined benefit obligation</b>	<b>2023</b>	<b>2022</b>
	------(Rupees in '000)-----	
Type of Members:		
- Management	1,474,613	1,286,039
- Non - management	218,195	212,025
	<u>1,692,808</u>	<u>1,498,064</u>
<b>26.10 Composition of plan assets are as follows:</b>		
Government securities	411,128	96,935
Mutual funds	5,608	94,730
Term finance certificates	466,530	466,456
Bank balances	9,446	24,880
	<u>892,712</u>	<u>683,001</u>

## 26.11 Sensitivity analysis

As of reporting date, the sensitivity of the defined benefit obligation to changes in the significant actuarial assumptions is as follows:

	Change in assumption (%)	Impact on present value of defined benefit obligation	
		Increase in assumption	Decrease in assumption
		------(Rupees in '000)-----	
Valuation discount rate	1%	<u>(137,554)</u>	<u>158,358</u>
Expected rate of salary level	1%	<u>158,581</u>	<u>(140,166)</u>

# Notes to the Financial Statements

For the year ended 31 December 2023

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the staff retirement gratuity recognised within the statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**26.12** Through its defined benefit gratuity plan, the Fund is exposed to a number of risks, the most significant of which are detailed below:

#### Asset volatility

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit. The Fund believes that due to the long-term nature of the plan liabilities and the strength of the Company's support, the current investment strategy manages this risk adequately.

#### Inflation risk

The majority of the plan's benefit obligations are linked to inflation and higher inflation will lead to higher liabilities. However, the Fund manages plan assets to offset inflationary impacts.

#### Life expectancy / withdrawal rate

The majority of the plan's obligations are to provide benefits on severance with the Company or on achieving retirement. Any change in life expectancy / withdrawal rate would impact plan liabilities.

	Note	2023	2022
		------(Rupees in '000)-----	
<b>27. TRADE AND OTHER PAYABLES</b>			
Trade creditors - foreign	27.1	<b>35,222,309</b>	42,169,324
Trade creditors - local		<b>3,477,970</b>	4,514,254
Royalties and technical fee payable to the Parent Company			
- related party		<b>8,681,724</b>	5,783,491
Accrual for Sindh Infrastructure Development Cess	27.2	<b>4,502,772</b>	3,824,980
Accrued liabilities		<b>3,274,732</b>	1,544,995
Mark-up accrued on delayed delivery of vehicles	29	<b>2,831,624</b>	2,637,795
Payable to dealers		<b>664,965</b>	688,834
Demurrage and detention payable	27.3	<b>601,516</b>	1,060,396
Deferred income - extended warranty		<b>167,218</b>	134,970
Workers' Welfare Fund	27.4	<b>185,535</b>	-
Workers' Profit Participation Fund	27.5	<b>11,291</b>	-
Retention money		<b>19,881</b>	32,895
Current maturity of payable against purchase of assets	21	<b>9,098</b>	189,738
Payable to directors		<b>3,250</b>	1,583
Accrued markup on short-term borrowing		<b>886</b>	145,343
Others		<b>479,528</b>	1,419,310
		<b>60,134,299</b>	64,147,908

# Notes to the Financial Statements

For the year ended 31 December 2023

**27.1** This includes Rs 34,573 million (2022: Rs 32,577 million) due to the Parent Company and Rs 0.343 million (2022: Rs 8,732 million) due to other related parties.

**27.2** Accrual for Sindh Infrastructure Development Cess

Sindh Infrastructure Development Cess (SIDC) 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 the 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 to make payment for 50% Cess and provide bank guarantee for 50% balance payable. On June 4, 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. The Company filed petition in Supreme Court of Pakistan (SCP), challenging the order of SHC. SCP suspended the operation of the SHC's judgment on September 1, 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, which is being provided by the Company (note 32.2.4). As a matter of prudence, the Company continues to accrue the SIDC in its

**27.3** This represents the payable on account of demurrage and detention charges in respect of goods stuck at port due to delay in settlement of outstanding liabilities.

<b>27.4</b> Workers' Welfare Fund	Note	<b>2023</b>	2022
------(Rupees in '000)-----			
Balance as at January 1		-	-
Charge for the year	37	<b>185,535</b>	8,894
Payments made during the year		-	(8,894)
Balance as at December 31		<b>185,535</b>	-

**27.5** Workers' Profit Participation Fund

Balance as at January 1		-	236
Charge for the year	37	<b>11,291</b>	-
Payments made during the year		-	(236)
Balance as at December 31		<b>11,291</b>	-

**27.6** The Company has processed the dividend remittance application and approval from State Bank of Pakistan is in process.

# Notes to the Financial Statements

For the year ended 31 December 2023

28. SHORT-TERM FINANCE	Note	2023	2022
------(Rupees in '000)-----			
Short-term finance - conventional	28.1	-	11,000,000
Book overdraft		-	321,638
		<u>-</u>	<u>11,321,638</u>

**28.1** The aggregate short-term finance facilities available from commercial banks for working capital requirements amounted to Rs 35,500 million (2022: Rs 30,500 million) out of which Rs 35,500 million (2022: Rs 19,500 million) remained unavailed at the reporting date. The facility is secured by hypothecation charge over current and future movables, receivables and plant and machinery of the Company. The facility carried mark-up at the rate of 1 month KIBOR minus 0.5%.

## 29. CONTRACT LIABILITY

This represents advances (unsecured) received on booking from customers and dealers for sale of vehicles and spare parts which remained outstanding as at the reporting date. Customers who have given these advances are entitled to markup at the rate of KIBOR plus 3% per annum, from the date of advance payment to the date of delivery in case the delivery is delayed over two months from the date of advance payment subject to certain conditions.

The contract liability / advance outstanding as at December 31, 2022 amounting to Rs 3,991.412 million were recognised as revenue during the year upon delivery of vehicles and spare parts.

30. SECURITY DEPOSITS	Note	2023	2022
(Rupees in '000)			
Deposits against display of vehicles	30.1	<u>3,820,156</u>	<u>3,991,412</u>

**30.1** These represent interest free deposits from dealers against the display of vehicles at their premises and repayable on demand. These deposits have been utilised for the purpose of Company's business in accordance with the terms of written agreements with the dealers.

31. PROVISIONS	Note	2023	2022
(Rupees in '000)			
Provision for custom duties and sales tax	32.1.1	36,299	36,299
Provision for additional custom duties	31.1, 31.2 & 31.3	<u>1,361,777</u>	<u>248,750</u>
		<u>1,398,076</u>	<u>285,049</u>
Provision for unexpired free service and warranty	31.4	408,569	406,098
Provision for onerous contract	31.5	<u>1,167,300</u>	-
		<u>2,973,945</u>	<u>691,147</u>

**31.1** On June 28, 2019 the Ministry of Finance increased Additional Customs Duty (ACD) from 2% to 7% on imported goods falling under the various tariff slabs vide SRO 670/2019. The High Court of Sindh (the High Court) suspended SRO 670/2019 on October 7, 2019 and based on the High Court's order, the Custom Authorities demanded ACD at 2% pursuant to the previous SRO 630 (I)/2018. The Company filed a petition before the High Court and obtained stay on November 15, 2019 against SRO 630(I)/2018. The said SRO was superseded by SRO 572(1)/2020 dated June 30, 2020 with certain amendments. The Company challenged SRO 572(1)/2020 vide petition dated August 11, 2020 before the High Court. The High Court granted an interim relief by restraining the collection of ACD on submission of corporate guarantee (note 32.2.4). However, as a matter of prudence, provision for ACD had been recorded upto June 30, 2021. The Ministry of Finance allowed relief by abolishing ACD on vehicles up to 1000 CC engine capacity and reduced 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, the auto industry started paying outstanding amount of ACD as on June 30, 2021 in installments. Accordingly, the Company started the payment of ACD in installments and has paid Rs 136.297 million and Rs 2,080 million in 2023 and 2022 respectively.

# Notes to the Financial Statements

For the year ended 31 December 2023

- 31.2** The Custom Authorities through its letter dated February 7, 2023 required the Company to examine the observations raised by the Auditor General of Pakistan (AGP) regarding the recovery of ACD. The AGP reported that the Company has wrongly availed the exemption of ACD under the paragraph 3 (xvii) of SRO 845(I)/2021 dated June 30, 2021 while importing sub-components, components, sub-assemblies and assemblies and opined that under the said SRO exemption was only available for cars, jeeps and light commercial vehicles in CKD condition up to 1000 CC.

The Company responded that the exemption of ACD has been rightly claimed as CKD kits cover sub-components, components, sub-assemblies, assemblies as supported by SRO 655 and 656(I)/2006.

Based on the Company's response, the Custom Authorities issued demand orders alleging short payment of ACD aggregating Rs 310 million along with consequential income tax and sales tax and also imposed penalties on the Company. These demand orders were issued for 38 cases of Goods Declaration Notes prepared on or after July 1, 2021. The Company has filed an appeal for all demand orders received in this respect before the Customs Appellate Tribunal, which is pending adjudication.

Being abundant caution, the management has determined the exposure of ACD which aggregated Rs 1,255 million for all cases covering the period from July 1, 2021 to November 30, 2023 and recognised provision in these financial statements. From December 1, 2023 the Company started making payment for ACD under protest.

<b>31.3</b> Provision for additional custom duties	<b>2023</b>	2022
	------(Rupees in '000)-----	
Balance at the beginning of the year	<b>248,750</b>	2,335,144
Paid during the year	<b>(141,973)</b>	(2,080,475)
Charge / (reversal) during the year	<b>1,255,000</b>	(5,919)
Balance at the end of the year	<b><u>1,361,777</u></b>	<u>248,750</u>

<b>31.4</b> Provision for unexpired free service and warranty		
Balance at the beginning of the year	<b>406,098</b>	384,113
Paid during the year	<b>(269,435)</b>	(418,891)
Charge during the year	<b>271,906</b>	440,876
Balance at the end of the year	<b><u>408,569</u></b>	<u>406,098</u>

This amount includes Rs 149 million (2022: Rs 229 million) in respect of free service charges and Rs 123 million (2022: Rs 212 million) of warranty claims.

- 31.5** This represents obligations under the contract for firm orders of components related to a model expected to be phased out in near future. Projected sales volumes of the model has declined lately due to prevailing economic conditions.

## **32. CONTINGENCIES AND COMMITMENTS**

### **32.1 Contingencies**

- 32.1.1** In July 2002, after the audit by the custom authorities, a notice was received by the Company, alleging that the Company short paid Rs 120.12 million on account of custom duties and sales tax against running royalty during the period from 1997 to 2000. From the year 2002 to 2005, the Company had paid Rs 44.75 million against the above demand.

In September 2006, the Customs Department issued a notice claiming Rs 86.323 million against the remaining demand. The Company filed a complaint before the Deputy Collector in October 2006, which was rejected in December 2006.

# Notes to the Financial Statements

For the year ended 31 December 2023

The Company then filed an appeal with Collector Appeals, which was also rejected in June 2007. Being aggrieved, the Company again filed an appeal with Customs Appellate Tribunal (the Tribunal) which was rejected due to non-submission of board resolution by the Company in September 2014. In November 2014, the Company filed a reference application with the High Court of Sindh (the High Court), which was decided in favor of the Company and the High Court reverted the case back to the Tribunal to review and decide on merits. During the adjudication proceedings at the High Court, the Customs Department issued a demand notice in July 2015 claiming Rs 150 million and directed to pay the above amount within seven days from the receipt of the notice. To avoid recovery proceedings, the Company obtained stay from the High Court. Despite the stay order, the custom authorities adjusted Rs 50.02 million against the demand from the amount lying with them under advance payment.

Being abundant caution, the management has recorded a provision of Rs 36.299 million against the demand notice of Rs 86.323 million adjusted with Rs 50.02 million deducted from advanced payment. The management, based on the consultation with the legal advisor, is confident that the outcome of the case will be in favor of the Company. Therefore, no further provision has been recognised in these financial statements.

- 32.1.2 Punjab Revenue Authority (PRA) demanded share in sales tax on franchise payments 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. The Additional Commissioner of PRA, again issued a notice to recover sales tax. The Company based on the consultation with the legal advisor responded to the notice and explained that the Company has already obtained stay. The Additional Commissioner ignored the explanation/ reply and issued an order demanding Rs 178.6 million. The Company has challenged the order before the Commissioner Appeals which is pending adjudication.

The management, based on the consultation with the legal advisor, is of the view that there is no merit in the above case and sales tax liability has already been discharged to SRB. Therefore, no provision with respect to above demand has been recognised in these financial statements.

- 32.1.3 Various cases/ complaints are pending 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 December 31, 2023 the claims not acknowledged as debts by the Company in respect of cases filed by various parties amounted to Rs 851.7 million (2022: Rs 772.5 million). The management, based on the consultations with their legal advisors, is confident that the outcome of the case will be decided in favour of the Company, therefore no provision has been recognised in these financial statements.

- 32.1.4 After the 18th Amendment to the Constitution of Pakistan, formation and collection of Workers Welfare Fund came under the ambit of Provincial Governments. However, the Company continued to practice upon the old procedure of depositing the 2% of its profits as per the federal law which is Workers Welfare Ordinance 1971 which had been paid up to the tax year 2017. The Company received notices from October 2016 till December 2017 by 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 organisation due to which Federal Law is applicable rather than Provincial Laws. On January 25, 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 High Court of Sindh. The case is still pending for hearing. The Company believes that there is no exposure of this matter as the reported liability has already been discharged.

- 32.1.5 The Deputy Commissioner initiated a sales tax audit for the accounting year 2018 under section 25 of the Sales Tax Act, 1990 through a notice dated April 26, 2021. The Company submitted the reply on June 3, 2021. In response, the Deputy Commissioner issued a show cause notice on June 9, 2023 creating a tax demand of Rs 3,700 million.



# Notes to the Financial Statements

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Following discussions and hearings held in the office of the Deputy Commissioner, the tax demand was reduced to Rs 1,136.5 million through demand notice dated December 8, 2023. The demand mainly pertains to input taxes claimed which are not allowable under section 81 of the Sales Tax Act, 1990.

The Company has filed an appeal against the demand before the Commissioner Appeals on January 5, 2024 which is pending adjudication. The Company, based on the consultations with the tax advisor, expects favourable outcome and therefore no provision has been recorded against the demand.

32.1.6 During the year, the Company received various notices from the Azad Jammu & Kashmir (AJ&K) Central Board of Revenue. The notices pertained to various tax matters, including sales tax registration, filing tax returns, income tax registration, and withholding tax obligations specific to AJK. The Company contested these notices on the grounds of jurisdiction, asserting that it lacks any physical presence or operational activities within AJ&K. Further, the Company's operations, including its registered office and manufacturing plant, are centrally located in Karachi and all business transactions are conducted exclusively in Karachi. Based on the Company's response, the AJ&K Tax Authority issued demand order dated June 23, 2023 aggregating Rs 102.96 million. The Company has filed petitions challenging the legality and the jurisdictional authority of the above order before the High Court of AJ&K. The High Court suspended the impugned notices and orders and the matter is pending adjudication.

32.1.7 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 upto December 31, 2023 amounted to Rs 1,617 million (2022: Rs 7,595 million).

32.2.2 The Company has committed 834 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 December 31, 2023 amounted to Rs 17,800 million (2022: Rs 12,800 million) of which the amount utilised at reporting date was Rs 8,406 million (2022: 2,207 million). The facilities include Rs 11,000 million which is the sub-limit of the facility disclosed in note 28 to these financial statements.

32.2.4 The facilities for opening letters of guarantees as at December 31, 2023 amounted to Rs 17,000 million (2022: Rs 13,000 million) of which the amount utilised at reporting date was Rs 10,416 million (2022: Rs 5,132 million). The facilities include Rs 6,000 million which is the sub-limit of the facility disclosed in note 28 to these financial statements.

32.2.5 The Company has issued a corporate guarantee on behalf of Tecno Auto Glass Limited, an associate, amounting to Rs 1,000 million (2022: Rs 1,000 million) to a commercial bank in relation to borrowing facilities obtained by the associate.

32.2.6 The contingencies and commitments pertaining to the associate have been disclosed in Note 8.2.6. The Company's share of the same is restricted up to 40%.

33. SALES	Note	2023	2022
		------(Rupees in '000)-----	
Manufactured goods	33.1	<b>98,200,628</b>	198,420,685
Trading goods	33.2	<b>4,228,543</b>	4,631,355
		<b>102,429,171</b>	203,052,040
Add: Extended warranty income		<b>21,930</b>	14,455
		<b>102,451,101</b>	203,066,495
Less: Mark-up on discounting of financial assets		<b>(192,604)</b>	(370,694)
Free service	27.6	<b>(149,117)</b>	(229,064)
		<b>102,109,380</b>	202,466,737

# Notes to the Financial Statements

For the year ended 31 December 2023

	2023	2022
	------(Rupees in '000)-----	
<b>33.1 Manufactured goods</b>		
Vehicles	118,028,759	259,135,420
Spare parts	<u>608,079</u>	<u>719,016</u>
	<b>118,636,838</b>	<b>259,854,436</b>
Less: Sales tax	<b>15,394,578</b>	33,278,509
Federal excise duty	<b>2,277,702</b>	4,979,256
Discounts	<b>128,035</b>	15,304,939
Sales commission to dealers	<b>2,635,895</b>	7,871,047
	<b>(20,436,210)</b>	<b>(61,433,751)</b>
	<u><b>98,200,628</b></u>	<u><b>198,420,685</b></u>
<b>33.2 Trading goods</b>		
Vehicles	<b>239,709</b>	923,546
Spare parts	<u><b>5,000,964</b></u>	<u>4,702,839</u>
	<b>5,240,673</b>	<b>5,626,385</b>
Less: Sales tax	<b>989,121</b>	961,376
Federal excise duty	<b>13,686</b>	25,789
Discounts	<b>4,801</b>	2,485
Sales commission to dealers	<b>4,522</b>	5,380
	<b>(1,012,130)</b>	<b>(995,030)</b>
	<u><b>4,228,543</b></u>	<u><b>4,631,355</b></u>

**33.3** The table below illustrates the disaggregation of revenue by primary geographical market, major product / 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	
	2023	2022	2023	2022	2023	2022
	------(Rupees in '000)-----					
<b>Primary Geographical Markets</b>						
Pakistan	<b>97,323,417</b>	194,107,615	<b>4,662,907</b>	8,217,026	<b>101,986,324</b>	202,324,641
Japan	<b>123,056</b>	82,348	-	-	<b>123,056</b>	82,348
Vietnam	-	56,846	-	-	-	56,846
Others	-	2,902	-	-	-	2,902
	<u><b>97,446,473</b></u>	<u>194,249,711</u>	<u><b>4,662,907</b></u>	<u>8,217,026</u>	<u><b>102,109,380</b></u>	<u>202,466,737</u>

# Notes to the Financial Statements

For the year ended 31 December 2023

	2023	2022	2023	2022	2023	2022
	(Rupees in '000)					
<b>Major product / service lines</b>						
Automobile products	97,424,543	194,235,256	-	-	97,424,543	194,235,256
Motorcycle products	-	-	4,662,907	8,217,026	4,662,907	8,217,026
Extended warranty	21,930	14,455	-	-	21,930	14,455
	<u>97,446,473</u>	<u>194,249,711</u>	<u>4,662,907</u>	<u>8,217,026</u>	<u>102,109,380</u>	<u>202,466,737</u>

	2023	2022	2023	2022	2023	2022
	(Rupees in '000)					
<b>Timing of revenue recognition</b>						
Products transferred at a point in time	97,424,543	194,235,256	4,662,907	8,217,026	102,087,450	202,452,282
Products and services transferred over time	21,930	14,455	-	-	21,930	14,455
	<u>97,446,473</u>	<u>194,249,711</u>	<u>4,662,907</u>	<u>8,217,026</u>	<u>102,109,380</u>	<u>202,466,737</u>

## 34. COST OF SALES

	Note	2023	2022
		(Rupees in '000)	
<b>Manufactured goods</b>			
Finished goods as at January 1		5,978,162	3,001,546
Cost of goods manufactured	34.1	88,245,117	190,332,216
Export expenses		-	68,399
		<u>94,223,279</u>	<u>193,402,161</u>
Less: Finished goods as at December 31	14	(11,826,780)	(5,978,162)
		<u>82,396,499</u>	<u>187,423,999</u>
<b>Trading goods</b>			
Stock as at January 1		1,190,841	942,358
Purchases		2,164,585	3,606,821
		<u>3,355,426</u>	<u>4,549,179</u>
Less: Stock as at December 31	14	(916,353)	(1,190,841)
		<u>2,439,073</u>	<u>3,358,338</u>
		<u>84,835,572</u>	<u>190,782,337</u>

# Notes to the Financial Statements

For the year ended 31 December 2023

<b>34.1 Cost of goods manufactured</b>	Note	<b>2023</b>	<b>2022</b>
------(Rupees in '000)-----			
Raw materials and components as at January 1		<b>25,862,766</b>	20,517,993
Purchases	34.1.1	<b>72,527,426</b>	180,158,505
		<b>98,390,192</b>	200,676,498
Raw materials and components as at December 31	14	<b>(21,986,236)</b>	(25,862,766)
Raw materials and components consumed		<b>76,403,956</b>	174,813,732
Royalty and technical fee	34.1.3	<b>2,495,812</b>	4,512,264
Salaries, wages and other benefits	34.1.2	<b>2,916,538</b>	2,035,795
Outsourced job contractor charges		<b>785,770</b>	1,163,283
Conveyance and transportation		<b>334,761</b>	413,545
Vehicle running expenses		<b>54,960</b>	59,806
Repairs and maintenance		<b>338,128</b>	742,585
Depreciation on operating fixed assets	5.2	<b>3,604,647</b>	3,454,222
Amortisation of intangible assets	6.3	<b>103,863</b>	118,335
Fuel and power		<b>709,611</b>	978,064
Stores and spares consumed		<b>250,806</b>	357,195
Provision for slow moving and obsolete items	13	<b>4,987</b>	24,612
Local development costs		<b>207,982</b>	53,000
Rent, rates and taxes		<b>45,875</b>	57,988
Travelling		<b>138,884</b>	52,451
Insurance		<b>48,245</b>	43,605
Communication		<b>3,331</b>	2,858
Hired security guards services		<b>33,399</b>	18,251
Training		<b>1,370</b>	1,380
Printing and stationery		<b>2,779</b>	2,658
Software license fee and maintenance charges		<b>26,778</b>	8,066
Others		<b>10,333</b>	2,592
		<b>12,118,859</b>	14,102,555
		<b>88,522,815</b>	188,916,287
Add: Work-in-process as at January 1		<b>-</b>	1,763,567
Less: Work-in-process as at December 31	14	<b>(179,317)</b>	-
		<b>(179,317)</b>	1,763,567
		<b>88,343,498</b>	190,679,854
Less: Cost of own used vehicles		<b>(98,381)</b>	(347,638)
		<b>88,245,117</b>	190,332,216

# Notes to the Financial Statements

For the year ended 31 December 2023

**34.1.1** Purchases are stated net of proceeds from the sale of scrap material amounting to Rs 436.260 million (2022: Rs 675 million).

**34.1.2** This includes Rs 51.54 million (2022: Rs 49.36 million) and Rs 124.235 million (2022: Rs 94.864 million) in respect of provident fund and gratuity fund respectively.

**34.1.3** This represents royalty and technical fee expense paid / payable to the Parent Company (SMC Japan), having registered address at 300 Takatsuka-Cho, Minami-Ku, Hamamatsu City, Japan.

<b>35. DISTRIBUTION AND MARKETING EXPENSES</b>	Note	<b>2023</b>	2022
------(Rupees in '000)-----			
Transportation and handling charges		<b>1,102,773</b>	2,457,382
Advertising and sales promotion		<b>1,119,216</b>	436,258
Warranty claims	31.4	<b>122,789</b>	211,812
Royalty on trading spare parts		<b>165,384</b>	112,077
		<b><u>2,510,162</u></b>	<u>3,217,529</u>
<b>36. ADMINISTRATIVE EXPENSES</b>			
Salaries, wages and other benefits	36.1	<b>1,877,214</b>	1,391,407
Outsourced job contractor charges		<b>120,039</b>	194,985
Vehicle running expenses		<b>147,403</b>	120,461
Conveyance and transportation		<b>89,675</b>	154,405
Travelling		<b>127,990</b>	99,294
Hired security guards services		<b>66,524</b>	67,881
Repairs and maintenance		<b>144,829</b>	65,664
Legal and professional charges		<b>51,437</b>	57,970
Software license fee and maintenance charges		<b>455,276</b>	154,226
Depreciation of right of use of assets	7.1	<b>55,759</b>	52,346
Depreciation on operating fixed assets	5.2	<b>287,279</b>	199,125
Amortisation of intangible assets	6.3	<b>94,057</b>	24,615
Rent, rates and taxes		<b>127,818</b>	98,792
Printing and stationery		<b>68,486</b>	68,072
Fuel and power		<b>83,466</b>	97,296
Insurance		<b>24,927</b>	11,256
Training and entertainment		<b>13,532</b>	5,915
Communication		<b>32,686</b>	31,670
Directors' fees	45	<b>4,625</b>	13,142
Auditor's remuneration	36.2	<b>4,931</b>	5,518
Donations	36.3	<b>5,091</b>	17,483
Others		<b>10,296</b>	25,546
		<b><u>3,893,340</u></b>	<u>2,957,069</u>

**36.1** This includes Rs 39.09 million (2022: Rs 34.3 million) and Rs 97.71 million (2022: Rs 63.10 million) in respect of provident fund and gratuity fund respectively.

# Notes to the Financial Statements

For the year ended 31 December 2023

## 36.2 Auditor's remuneration

	2023	2022
	------(Rupees in '000)-----	
	A. F. Ferguson & Co.	KPMG Taseer Hadi & Co.
Statutory audit fee	2,350	1,755
Review of half year financial statements	800	630
Review of corporate governance compliance status	120	115
Fee for statutory certifications	-	1,566
Other services	750	-
	<u>4,020</u>	<u>4,066</u>
Out of pocket expenses	430	1,044
Sindh sales tax	481	408
	<u>4,931</u>	<u>5,518</u>

36.3 Following is the list of organisations where the donations exceeding Rs 1 million or 10% of the total donation amount, whichever is higher, were made:

	2023	2022
	------(Rupees in '000)-----	
Durbeen NGO	-	1,328
School Improvement Program	2,597	-
Furniture donated in multiple government schools	-	3,465
	<u>2,597</u>	<u>4,793</u>

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

## 37. OTHER EXPENSES

	Note	2023	2022
		------(Rupees in '000)-----	
Workers' Profit Participation Fund	27.5	11,291	-
Workers' Welfare Fund	27.4	185,535	8,894
Provision for doubtful advances	16.2	752,830	-
Provision for onerous contract	31.5	1,167,300	-
		<u>2,116,956</u>	<u>8,894</u>



# Notes to the Financial Statements

For the year ended 31 December 2023

## 38. OTHER INCOME

### Income from financial assets

Profit on bank deposits		1,473,414	2,228,102
Income from unwinding of installment sales receivable		294,394	282,291
Income from unwinding of loan to employees		-	186,601
Finance income on installment sales		-	6,141
		<u>1,767,808</u>	<u>2,703,135</u>

### Income from non-financial assets

Registration and processing fee	38.2	127,416	257,529
Government grant amortised	25	151,134	124,641
Commission income	38.1	5,000	5,000
Gain on disposal of operating fixed assets	5.3	40,085	45,461
Scrap sales		31,168	47,597
Others		16,505	28,579
		<u>371,308</u>	<u>508,807</u>
		<u>2,139,116</u>	<u>3,211,942</u>

**38.1** This represents commission income on corporate guarantee provided on behalf of Tecno Auto Glass Limited, an associate, amounting to Rs 1,000 million (2022: Rs 1,000 million) in relation to borrowing facilities obtained by TAG (note 32.2.5).

**38.2** This comprises registration and processing fee income against the sale of motorcycles.

## 39. FINANCE COSTS

	Note	2023	2022
------(Rupees in '000)-----			
Mark-up on delayed delivery of vehicles	29	194,972	3,825,950
Demurrage and detention charges	27.3	508,141	3,627,785
Exchange loss - net		9,034,985	3,555,001
Mark-up on loans		1,061,919	519,203
		<u>10,800,017</u>	<u>11,527,939</u>
Accretion of interest on lease liability	23	18,126	15,705
Bank charges		145,594	70,820
		<u>10,963,737</u>	<u>11,614,464</u>

## 40. TAXATION

Current - for the year		2,631,351	2,675,095
- for the prior year		121,912	519,287
		<u>2,753,263</u>	<u>3,194,382</u>
Deferred	12.1	7,345,367	-
		<u>10,098,630</u>	<u>3,194,382</u>

# Notes to the Financial Statements

For the year ended 31 December 2023

## 40.1 Reconciliation between tax expense and accounting profit

Accounting profit / (loss) before taxation	<u>28,939</u>	<u>(3,142,540)</u>
Applicable tax rate	<u>29%</u>	<u>29%</u>
Tax on accounting profit / (loss) at applicable rate	<b>8,392</b>	(911,337)
<b>Tax effect of:</b>		
- Turnover tax @ 1.25% under section 113 of the ITO	-	2,610,781
- Deferred tax asset not recognised - net	<b>8,429,065</b>	911,337
- Super tax charge	40.2 <b>908,514</b>	-
- Income assessed under Final Tax Regime	<b>(39,834)</b>	85,177
- Income assessed under Minimum Tax Regime	<b>585,047</b>	-
- Prior year charge	<b>121,912</b>	519,287
- Others	<b>85,534</b>	(20,863)
	<u><b>10,098,630</b></u>	<u>3,194,382</u>

**40.2** The Federal Government, through the Finance Act, 2023, introduced new slab rates for super tax as a result of which rate of 10% is applicable on all sectors having income in excess of Rs 500 million. In view of the fact that the super tax rate has been specified as 10% through the Finance Act, 2023 the applicable tax rate for the Company has increased to 39%.

**40.3** Income tax returns of the Company have been submitted up to tax year 2023 on self-assessment basis under section 120 of the ITO.

## 40.4 Description of income tax proceedings

Following are the details of various matters opened / pending for adjudication involving the Company. The Company based on the consultations with tax / legal advisors has made assessment that it has reasonable prospects in all these matters. Hence no provision has been recorded in the notes of account in respect of any of these matters except for the matter disclosed in (f).

(a) For tax year 2015, monitoring proceedings were initiated by the tax department on January 3, 2019. An order was passed, resulting in an aggregate demand of Rs 304.9 million on account of non-deduction of withholding tax at the rate of 20% on advertisement and sales promotion expenses, which were treated as prizes and winnings.

The Company challenged the above order before the Commissioner Inland Revenue (Appeals), who granted partial relief to the Company vide its Appeal Order dated April 5, 2019. However, on April 8, 2019 the tax officer attached the Company's bank account and recovered Rs 27.32 million from it.

The Company has preferred an appeal before the Appellate Tribunal Inland Revenue (ATIR) challenging the Appeal Order. The Commissioner (Tax Department) has also filed a cross-appeal before ATIR, challenging the relief allowed to the Company. Both cross-appeals are currently pending for hearing before ATIR.

(b) The income tax return for the tax year 2016 was initially selected for an audit under section 177 of the ITO. Notices were issued by the tax authorities requesting the submission of required information and documents. The case was reopened by a new tax officer in 2022, which the Company responded comprehensively.

The tax officer assessed a demand of Rs 402.212 million, on account of disallowance of advertising, sales promotion expenses and free services, resulting from non-collection of withholding taxes. The Company filed appeal before the Commissioner Appeal who vide its Order dated September 9, 2022 granted relief in certain matters and remanded the matter of advertising and sales promotion expenses back to the tax officer. However, a demand of Rs 8.739 million was maintained.

# Notes to the Financial Statements

For the year ended 31 December 2023

- (c) The income tax return for the tax year 2017 was selected for an audit, and an amended order was passed by the department whereby the demand of Rs 260.7 million was raised on account of the disallowance of Infrastructure Cess, expenses paid through cash withdrawals, and consequent application of super tax.

The Company challenged the amended order in appeal before the Commissioner Inland Revenue (Appeals-II), Karachi (CIRA). CIRA, through an order dated November 12, 2020 had provided partial relief to the Company. The Company filed an appeal before the ATIR against the decision of CIRA. Further, the Commissioner (Tax Department) filed a cross-appeal before ATIR challenging the relief allowed to the Company. Both appeals are currently pending for hearing.

On June 28, 2023 the Deputy Commissioner issued an order to further amend the Amended Assessment and issued a notice to pay tax amounting to Rs 139.6 million. The Company challenged the above order before the Commissioner Appeal on July 27, 2023, which is pending adjudication.

- (d) The income tax return for the tax year 2018 was selected for an audit under Section 214C of the ITO, with notices issued by tax authorities for the submission of required explanations and documents. The Company promptly complied by providing the necessary details. On December 15, 2023 the Deputy Commissioner issued a show-cause notice to amend the assessment under section 122(9) of the ITO. The Company duly responded with a comprehensive reply along with supporting documents. As a result, the tax demand was restricted to Rs 164.8 million, on account of disallowance of provisions for slow-moving stock, Infrastructure Cess, expenses paid in cash, and unrealised exchange loss. However, the Company filed an appeal before the Commissioner Appeals in January 2024 which is pending adjudication.
- (e) The Additional Commissioner issued a notice to amend assessment under section 122(9) for tax year 2021. In response, the Company acknowledged tax demand of Rs 487.48 million for the Infrastructure Cess, being older than 3 years based on the Appeal Order of the tax year 2017.

However, on January 24, 2024 the Additional Commissioner issued a notice to pay tax amounting to Rs 2,681.9 million mainly on account of disallowance of markup on short term running finance and loan from the Parent Company being treated as income from 'Other Sources'. The Company filed an appeal against the demand order on February 23, 2024 which is pending adjudication.

- (f) The Finance Act 2017, introduced Section 5A in the ITO. 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 30 other petitioners filed an appeal and obtained an interim stay order from the High Court of Sindh. In April 2021 the High Court of Sindh passed a judgment in favour of the petitioners including the Company. In 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 ITO.

# Notes to the Financial Statements

For the year ended 31 December 2023

41. LOSS PER SHARE - basic and diluted		2023	2022
		------(Rupees in '000)-----	
<b>41.1 Basic loss per share</b>			
Loss for the year after taxation		<u>(10,069,691)</u>	<u>(6,336,922)</u>
		<b>(Number of shares)</b>	
Weighted average number of ordinary shares in issue		<u>82,299,851</u>	<u>82,299,851</u>
		<b>(Rupees)</b>	
Loss per share		<u>(122.35)</u>	<u>(77.00)</u>
<b>41.2</b>	A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at reporting date which would have any effect on the loss per share if the option to convert is exercised.		
<b>42. CASH GENERATED FROM OPERATIONS</b>	Note	2023	2022
		------(Rupees in '000)-----	
Profit / (loss) before taxation		<b>28,939</b>	(3,142,540)
<i>Adjustments for non cash charges and other items:</i>			
Depreciation on operating fixed assets	5.2	<b>3,891,926</b>	3,653,347
Amortisation of intangible assets	6.3	<b>197,920</b>	142,950
Depreciation on right of use assets	7	<b>55,759</b>	52,346
Provision of impairment losses	11.2 & 15.1	<b>(184,761)</b>	134,985
Capital expenditure written off	5.4.1	<b>42,299</b>	-
Mark-up on delayed delivery of vehicles	39	<b>194,972</b>	3,825,950
Exchange loss - net		<b>3,339,291</b>	3,555,001
Income from unwinding of installment sales receivables	38	<b>(294,394)</b>	(282,291)
Profit on bank deposits	38	<b>(1,473,414)</b>	(2,228,102)
Mark-up on loans and borrowing	39	<b>1,061,919</b>	519,203
Government grant amortisation		<b>(151,134)</b>	(124,641)
Gain on disposal of operating fixed assets	38	<b>(40,085)</b>	(45,461)
Loss on termination of lease liabilities		-	1,991
Share of loss of equity accounted investees	8.2.1	<b>84,551</b>	105,941
Accretion of interest on lease liability	39	<b>18,126</b>	15,705
Provision for employees' benefit obligation		<b>221,945</b>	157,614
Provision for doubtful advances	16	<b>752,830</b>	-
Provision for slow moving and obsolete stock in trade	14	<b>917,290</b>	(20,666)
Provision for onerous contract	31	<b>1,167,300</b>	-
Provision for expired free service and warranty	31.3	<b>271,906</b>	440,876
Provision for additional custom duty	31.2	<b>1,255,000</b>	-
		<b>11,329,246</b>	9,904,748
Working capital changes	42.1	<b>14,543,505</b>	(30,035,159)
		<u><b>25,901,690</b></u>	<u>(23,272,951)</u>

# Notes to the Financial Statements

For the year ended 31 December 2023

42.1 Working capital changes	Note	2023	2022
		----- <b>(Rupees in '000)</b> -----	
<b><i>(Increase) / decrease in current assets:</i></b>			
Stores, spares and loose tools		<b>(820,992)</b>	(118,853)
Stock in trade		<b>(2,794,207)</b>	(6,785,639)
Trade debts		<b>(817,943)</b>	(314,369)
Current portion of long-term installment sales receivables		<b>1,362,903</b>	(214,941)
Loans and advances		<b>(388,684)</b>	(1,029,953)
Trade deposits and short-term prepayments		<b>30,765,636</b>	(28,935,761)
Other receivables		<b>258,585</b>	(7,967)
Sales tax and excise duty adjustable		<b>(2,840,382)</b>	299,106
		<b>24,724,916</b>	(37,108,377)
<b><i>(Decrease) / increase in current liabilities:</i></b>			
Trade and other payables		<b>(7,396,274)</b>	38,441,584
Provisions		<b>(141,973)</b>	(2,086,394)
Security deposits		<b>(351,357)</b>	237,808
Contract liability		<b>(2,291,807)</b>	(29,519,780)
		<b>(10,181,411)</b>	7,073,218
		<b>14,543,505</b>	(30,035,159)

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

	2023				Total
	Long-term loan	Lease liabilities	Unclaimed dividend	Unpaid dividend	
----- <b>Rupees in '000</b> -----					
Balance as at January 1, 2023	<b>1,877,967</b>	<b>141,044</b>	<b>21,230</b>	<b>371,452</b>	<b>2,411,693</b>
<b><i>Changes from financing cash flows</i></b>					
Payment of lease liabilities	<b>(219,713)</b>	<b>(80,773)</b>	<b>-</b>	<b>-</b>	<b>(219,713)</b>
Repayments made	<b>-</b>	<b>-</b>	<b>(1,757)</b>	<b>-</b>	<b>(1,757)</b>
Dividends paid	<b>(219,713)</b>	<b>(80,773)</b>	<b>(1,757)</b>	<b>-</b>	<b>(302,243)</b>
<b><i>Other changes</i></b>					
Interest expense	<b>151,134</b>	<b>18,126</b>	<b>-</b>	<b>-</b>	<b>169,260</b>
Additions to lease liabilities	<b>-</b>	<b>55,179</b>	<b>-</b>	<b>-</b>	<b>55,179</b>
<b>Total changes</b>	<b>151,134</b>	<b>73,305</b>	<b>-</b>	<b>-</b>	<b>224,439</b>
<b>Balance as at December 31, 2023</b>	<b>1,809,388</b>	<b>133,576</b>	<b>19,473</b>	<b>371,452</b>	<b>2,333,889</b>

# Notes to the Financial Statements

For the year ended 31 December 2023

	2022				Total
	Long-term loan	Lease liabilities	Unclaimed dividend	Loan from Parent Company	
	----- Rupees in '000 -----				
Balance as at January 1, 2022	1,736,557	129,587	18,837	-	1,884,981
<i>Changes from financing cash flows</i>					
Payment of lease liabilities	-	(64,300)	-	-	(64,300)
Loan obtained	28,612	-	-	-	28,612
Dividends paid	-	-	-	(161,104)	(161,104)
	28,612	(64,300)	-	(161,104)	(196,792)
<i>Other changes</i>					
Interest expense	124,641	15,705	-	-	140,346
Dividend declared	-	-	-	534,949	534,949
Dividend classification	-	-	2,393	(2,393)	-
Government grant	(11,843)	-	-	-	(11,843)
Additions to lease liabilities - net	-	60,052	-	-	60,052
	112,798	75,757	2,393	532,556	723,504
Balance as at December 31, 2022	1,877,967	141,044	21,230	371,452	2,411,693

43. CASH AND CASH EQUIVALENTS	Note	2023	2022
		----- (Rupees in '000) -----	
Cash and bank balances	19	6,334,313	3,703,619
Short-term finance	28	-	(11,321,638)
		<u>6,334,313</u>	<u>(7,618,019)</u>
<b>44. CAPACITY AND PRODUCTION</b>			
		2023	2022
		(Number of vehicles)	
Plant capacity - Automobile (double shifts basis)		<u>150,000</u>	<u>150,000</u>
Plant capacity - Motorcycle (double shifts basis)		<u>44,000</u>	<u>44,000</u>
Actual production - Automobile		<u>40,636</u>	<u>126,603</u>
Actual production - Motorcycle		<u>15,954</u>	<u>42,377</u>

- 44.1 The variance of actual production from capacity is on account of production planned as per market demand which also led to plant shutdown at various frequencies resulting in decrease in production during the year.



# Notes to the Financial Statements

For the year ended 31 December 2023

## 45. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2023				2022			
	Chief executive	Non-executive directors	Executive director	Executives	Chief executive	Non-executive directors	Executive director	Executives
	(Rupees in '000)							
Managerial remuneration	21,449	-	11,736	560,539	19,320	-	11,736	536,831
Bonus	-	-	-	47,179	-	-	-	189,901
Directors fees	-	4,625	-	-	-	13,142	-	-
Retirement benefits	-	-	-	44,709	-	-	-	259,043
<b>Total</b>	<b>21,449</b>	<b>4,625</b>	<b>11,736</b>	<b>652,427</b>	<b>19,320</b>	<b>13,142</b>	<b>11,736</b>	<b>985,775</b>
Number of persons	1	5	1	109	1	5	1	109

45.1 The executive director, chief executive and certain executives of the Company are provided with free use of Company maintained cars and accommodation facilities.

45.2 The Company considers its chief executive, directors, chief financial officer and company secretary as members of key management personnel.

45.3 In accordance with the requirements of the fourth schedule to the Companies Act 2017, employees whose basic salary for the year exceed Rs 1.2 million have been considered 'Executives' for the purpose of these financial

## 46. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company include the Parent Company, group companies, associated companies, staff retirement funds (Gratuity Fund and Provident Fund) and key management personnel. Transactions with related parties are entered into at mutually agreed terms.

Amount due from and to related parties and remuneration of chief executive, directors and executives are disclosed in the relevant notes to these 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	2023	2022
			----- (Rupees in '000) -----	
Suzuki Motor Corporation Country: Japan	Parents Company holds 73.09% (2022: 73.09%)	<i>Transactions</i>		
		Purchases	32,212,000	65,014,261
		Royalties	2,680,389	4,933,253
		Supervisors fees	20,574	170,879
		Export Of spare parts and vehicles	123,057	82,348
		<i>Balances</i>		
		Payable	34,573,324	32,576,757
		Royalties and technical fee payable	8,681,725	5,783,491
		Dividend payable	371,452	371,452
		Receivable	444,869	640,586

# Notes to the Financial Statements

For the year ended 31 December 2023

Name of the related party	Relationship and percentage of holding	Transaction during the year and year end balances	2023	2022
			----- (Rupees in '000) -----	
PT. Suzuki Indomobil Motor Company Limited Country: Indonesia	Group Company holds nil (2022: nil)	<i>Transactions</i>		
		Purchases	<u>780,672</u>	<u>10,734,852</u>
		Export of spare parts	<u>-</u>	<u>10</u>
		<i>Balances</i>		
		Payable	<u>182</u>	<u>2,163,287</u>
		Receivable	<u>8,075</u>	<u>4,634</u>
Thai Suzuki Motor Co. Ltd Country: Thailand	Group Company holds nil (2022: nil)	<i>Transactions</i>		
		Purchases	<u>4,046</u>	<u>11,183</u>
Magyar Suzuki Corporation Limited Country: Hungary	Group Company holds nil (2022: nil)	<i>Transactions</i>		
		Purchases	<u>827</u>	<u>18,506</u>
		<i>Balances</i>		
		Payable	<u>-</u>	<u>396</u>
Suzuki Motor (Thailand) Co. Limited Country: Thailand	Group Company holds nil (2022: nil)	<i>Transactions</i>		
		Purchases	<u>2,078,221</u>	<u>14,341,160</u>
		Supervisor fee	<u>12,183</u>	<u>160,385</u>
		<i>Balances</i>		
		Payable	<u>341,831</u>	<u>5,293,837</u>
		Receivable	<u>16,454</u>	<u>7,167</u>
Jinan Qingqi Motorcycle Co. Limited Country: China	Group Company holds nil (2022: nil)	<i>Transactions</i>		
		Purchases	<u>346,789</u>	<u>1,568,409</u>
		<i>Balances</i>		
		Payable	<u>1,127</u>	<u>175,664</u>
Jiangment Dachangjiang Group Co. Limited Country: China	Group Company holds nil (2022: nil)	<i>Transactions</i>		
		Purchases	<u>431,141</u>	<u>-</u>
		<i>Balances</i>		
		Payable	<u>210</u>	<u>-</u>
Changzhou Haojue Suzuki Motorcycle Co. Limited Country: China	Group Company holds nil (2022: nil)	<i>Balances</i>		
		Payable	<u>6</u>	<u>-</u>
Suzuki De Columbia Country: Colombia	Group Company holds nil (2022: nil)	<i>Transactions</i>		
		Export Of spare parts and vehicles	<u>-</u>	<u>2,894</u>

# Notes to the Financial Statements

For the year ended 31 December 2023

Name of the related party	Relationship and percentage of holding	Transaction during the year and year end balances	2023	2022
			------(Rupees in '000)-----	
Vietnam Suzuki Corporation Country: Vietnam	Group Company holds nil (2022: nil)	<i>Transactions</i> Export Of spare parts and vehicles	-	56,846
Tecno Auto Glass Limited Country: Pakistan	Associated Company by holding 40% (2022: 40%)	<i>Transactions</i> Purchases Commission Income in Lieu of Corporate Guarantee	<u>381,831</u> <u>5,000</u>	<u>786,318</u> <u>5,000</u>
		<i>Balances</i> Payable Receivable	<u>1,132</u> <u>-</u>	<u>14,848</u> <u>-</u>
Staff retirement benefits Country: Pakistan	Other related party	<i>Balances</i> Payable	<u>792,678</u>	<u>815,063</u>
		Contribution to Provident Fund Contribution to Gratuity Fund	<u>90,631</u> <u>119,688</u>	<u>83,700</u> <u>94,842</u>
Remuneration to key management personnel (note 46.3)	Key management personnel	Remuneration and meeting fee	<u>Refer note 45</u>	

**46.1** Outstanding balances with related parties as at reporting date have been included in other receivables (note 18) and trade and other payables (note 27) respectively and 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 rules formulated for this purpose.

**46.3** Names of key management personnel are as follows:

Mr. Kinji Saito	
Mr. Hiroshi Kawamura	(Appointed as Chief Executive on May 26, 2023)
Mr. Tadashi Homma	
Mr. Motohiro Atsumi	
Mr. Masafumi Harano	(Resigned as Chief Executive on May 26, 2023)
Mr. Moin M. Fudda	
Mr. Rukhsana Shah	
Mr. Kensaku Imaizumi	(Resigned on April 20, 2023).
Mr. Toshiyuki Ikuma	
Mr. Abdul Nasir	

# Notes to the Financial Statements

For the year ended 31 December 2023

## 47. FINANCIAL ASSETS AND LIABILITIES

### 47.1 Financial assets and liabilities by category

	2023	2022
	------(Rupees in '000)-----	
<b>FINANCIAL ASSETS</b>		
<b>At amortised cost</b>		
Trade debts	1,368,972	385,303
Installment sales receivable	1,690,135	3,031,319
Loan to employees	20,712	15,776
Trade deposits and margins	331,389	30,735,548
Other receivables	1,425,708	1,920,524
Cash and bank balances	6,334,313	3,703,619
	<u>11,171,229</u>	<u>39,792,089</u>
<b>FINANCIAL LIABILITIES</b>		
<b>At amortised cost</b>		
Trade and other payables	60,132,609	64,600,755
Payable against purchase of assets	53,181	227,823
Long-term loan	1,809,388	1,877,967
Short-term finance	-	11,321,638
Security deposits	3,944,256	4,295,612
Unclaimed dividend	19,473	21,230
Dividend payable to the Parent Company	371,452	371,452
Lease liabilities	133,576	141,044
	<u>66,463,935</u>	<u>82,857,521</u>

### 47.2 Financial risk management

The Company's activities expose it to a variety of financial risk such as market risk (including currency risk, other price risk and interest rate 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 their risks which are summarised below:

#### 47.2.1 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.

##### (a) 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. At the reporting date, the interest rate profile of the Company's significant interest bearing financial instruments is as follows:

# Notes to the Financial Statements

For the year ended 31 December 2023

	Note	2023	2022
		------(Rupees in '000)-----	
<b>Fixed rate financial instruments</b>			
Long-term loans	24	1,809,388	1,877,967
Lease liabilities	23	133,576	141,044
Installment sales receivables	11	(1,690,135)	(3,031,319)
Net liability / (asset)		<u>252,829</u>	<u>(1,012,308)</u>
<b>Variable rate financial instrument</b>			
Short-term finance	28	-	11,321,638
Bank balance in deposit account	19	(6,322,203)	(3,570,267)
Net (asset) / liability		<u>(6,322,203)</u>	<u>7,751,371</u>

### Sensitivity analysis for fixed rate instruments

As at reporting date, the Company did not have any fixed rate financial instrument at fair value through profit or loss. Therefore, change in interest rates would not have affected profit or loss.

### Sensitivity analysis for variable rate financial instruments

As at reporting date, had there been increase / decrease of 100 basis points in KIBOR with all other variable held constant, loss after taxation would have been higher / lower by Rs 63.222 million (2022: Rs 77.513 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

## (b) 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. Currency risk arises where receivables and payables exist due to transactions in foreign currency. The Company's exposure to currency risk is as follows:

	2023	2022	2023	2022
	------(Rupees in '000)-----		------(Amount in FCY '000)-----	
<b>JPY - Japanese Yen</b>				
Trade creditors - foreign	27,190,745	34,504,066	13,663,691	20,177,816
Royalty and technical fees	8,681,724	1,295,166	4,362,675	757,407
Due from related parties	(310,886)	(640,586)	(156,224)	(374,612)
Net exposure	<u>35,561,583</u>	<u>35,158,646</u>	<u>17,870,142</u>	<u>20,560,611</u>

# Notes to the Financial Statements

For the year ended 31 December 2023

	2023	2022	2023	2022
	----- <b>(Rupees in '000)</b> -----		----- <b>(Amount in FCY '000)</b> -----	
<b>USD - US Dollar</b>				
Trade creditors - foreign	1,307,512	6,067,927	4,630	26,743
Due from related parties	-	(11,801)	-	(52)
Net exposure	<u>1,307,512</u>	<u>6,056,126</u>	<u>4,630</u>	<u>26,691</u>
<b>RMB - Chinese Ren-Min-Bi</b>				
Trade creditors - foreign	<u>1,119</u>	<u>175,664</u>	<u>28</u>	<u>5,372</u>
<b>EUR - Euros</b>				
Trade creditors - foreign	<u>313</u>	<u>488</u>	<u>1</u>	<u>2</u>
<b>SGD - Singapore Dollar</b>				
Trade creditors - foreign	<u>214</u>	<u>96</u>	<u>1</u>	<u>1</u>
<b>Equivalent USD - US Dollar</b>	<u>36,870,741</u>	<u>41,391,021</u>	<u>130,562</u>	<u>182,420</u>

Significant exchange rates applied during the year were as follows:

	<b>Spot rate as at December 31</b>	
	2023	2022
PKR / US Dollar	282.40	226.90
PKR / Euro	313.11	242.33
PKR / SGD	214.18	168.80
PKR / Yen	1.99	1.71
PKR / RMB	39.97	32.70

As at December 31, 2023 if Pakistan Rupee had depreciated / appreciated by 1% against JPY, US Dollar, RMB, EUR, and SGD with all other variables held constant, the Company's loss before tax would have been lower / higher by Rs 368.71 million (2022: Rs 417.62 million) mainly as a result of exchange loss / gain on translation of foreign currency denominated financial instruments.

## (c) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to other price risk at the reporting date.

## 47.2.2 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.

The maximum exposure to credit risk at the reporting date is as follows:



# Notes to the Financial Statements

For the year ended 31 December 2023

	2023	2022
	(Rupees in '000)	
Trade debts	1,368,972	385,303
Installment sales receivable	1,690,135	3,031,319
Loan to employees	20,712	15,776
Trade deposits	47,710	116,749
Margins held with banks against letter of credits and imports	283,679	30,618,799
Other receivables	1,425,708	1,920,524
Bank balances	6,329,013	3,596,994
	<b>11,165,929</b>	<b>39,685,464</b>

### *Trade debts and installment sales receivables*

The Company reviews the recoverable amount of trade debts and installment sales receivables on portfolio basis at the end of the reporting period to ensure that adequate loss allowance is recorded as per IFRS 9 for irrecoverable amounts.

Receivables from group companies and secured receivables are excluded for the purposes of this analysis since no significant 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. Allowance for impairment is 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 26.042 million (2022: Rs 191.768 million) and Rs 48.455 million (2022: Rs 73.972 million) against trade debts and installment sales receivables, respectively, as at the reporting date.

### *Bank balances and margins*

These are maintained with banks having credit rating of at least A-1+ representing goods certainty of timely payment.

### *Trade deposits and other receivables*

These are held with the parties which have long association with the Company and have a good credit

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. A significant portion (i.e. 59%) of the Company's financial assets are held within a single industry i.e. banks. However, the Company considers that all such banks are credit worthy parties and hence risk of default is minimal.

## **47.2.3 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 summarises the maturity profile of the Company's financial liabilities at the following reporting dates:

# Notes to the Financial Statements

For the year ended 31 December 2023

	Carrying amount	Contractual cash flows		
		Total	Upto one year	More than one year
----- (Rupees in '000) -----				
<b>December 31, 2023</b>				
Trade and other payables	60,132,609	60,132,609	60,132,609	-
Payable against purchase of assets	53,181	53,181	9,098	44,083
Long-term loan	1,809,388	2,599,331	370,713	2,228,618
Security deposits	3,944,256	3,944,256	3,820,156	124,100
Lease liabilities	133,576	160,839	58,393	102,446
Unclaimed dividend	19,473	19,473	19,473	-
	<u>66,092,483</u>	<u>66,909,689</u>	<u>64,410,442</u>	<u>2,499,247</u>
<b>December 31, 2022</b>				
Trade and other payables	64,600,755	64,600,755	64,600,755	-
Payable against purchase of assets	227,823	227,823	189,738	38,085
Long-term loan	1,877,967	2,816,951	93,898	2,723,052
Short-term finance	11,321,638	11,466,748	11,466,748	-
Security deposits	4,295,612	4,295,612	3,991,412	304,200
Lease liabilities	141,044	198,639	49,210	149,429
Unclaimed dividend	21,230	21,230	21,230	-
	<u>82,486,069</u>	<u>83,627,758</u>	<u>80,412,991</u>	<u>3,214,766</u>

## 47.3 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences may arise between the carrying value and the fair value estimates.

As at December 31, 2023 the carrying values of all financial assets and liabilities approximated to their fair values due to the fact that most of the financial assets and liabilities are of short term nature.

## 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 mainly through equity finance.

## 49. SEGMENT INFORMATION

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

- 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.

# Notes to the Financial Statements

For the year ended 31 December 2023

## 49.1 Segment revenue and results

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

	2023			2022		
	Automobile	Motorcycle	Total	Automobile	Motorcycle	Total
	----- (Rupees in '000') -----					
Net sales	<u>97,446,473</u>	<u>4,662,907</u>	<u>102,109,380</u>	194,249,711	8,217,026	202,466,737
Gross profit	<u>17,018,248</u>	<u>255,560</u>	<u>17,273,808</u>	11,602,641	81,759	11,684,400
Distribution and marketing expenses	<u>(2,408,454)</u>	<u>(101,708)</u>	<u>(2,510,162)</u>	(3,063,092)	(154,437)	(3,217,529)
Administration expenses	<u>(3,518,894)</u>	<u>(374,446)</u>	<u>(3,893,340)</u>	(2,597,334)	(359,735)	(2,957,069)
Provision for impairment losses	<u>166,991</u>	<u>17,770</u>	<u>184,761</u>	(126,353)	(8,632)	(134,985)
Other income	<u>1,714,392</u>	<u>424,724</u>	<u>2,139,116</u>	2,657,501	554,441	3,211,942
Finance cost	<u>(10,788,861)</u>	<u>(174,876)</u>	<u>(10,963,737)</u>	(11,470,071)	(144,393)	(11,614,464)
<b>Segment results</b>	<u><b>2,183,422</b></u>	<u><b>47,024</b></u>	<u><b>2,230,446</b></u>	<u>(2,996,708)</u>	<u>(30,997)</u>	<u>(3,027,705)</u>
<b>Unallocated corporate expenses</b>						
Other expenses			<u>(2,116,956)</u>			<u>(8,894)</u>
Share of loss of equity accounted investees			<u>(84,551)</u>			<u>(105,941)</u>
Taxation			<u>(10,098,630)</u>			<u>(3,194,382)</u>
			<u>(12,300,137)</u>			<u>(3,309,217)</u>
<b>Loss after tax</b>			<u><b>(10,069,691)</b></u>			<u><b>(6,336,922)</b></u>

49.1.1 Revenue from sale of Automobiles represent 95.4% (2022: 95.90%) of the sales of the Company.

49.1.2 99.88% (2022: 99.92%) of the sales of the Company are made to customers located in Pakistan.

49.1.3 All non-current assets of the Company as at December 31, 2023 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

	2023			2022		
	Automobile	Motorcycle	Total	Automobile	Motorcycle	Total
	----- (Rupees in '000') -----					
<b>Assets</b>						
Segment assets	<u>63,793,420</u>	<u>5,863,851</u>	<u>69,657,271</u>	85,892,138	5,070,589	90,962,727
Unallocated corporate assets	-	-	<u>14,541,110</u>	-	-	<u>19,121,641</u>
			<u><b>84,198,381</b></u>			<u><b>110,084,368</b></u>
<b>Liabilities</b>						
Segment liabilities	<u>68,935,873</u>	<u>306,722</u>	<u>69,242,595</u>	89,888,469	284,307	90,172,776
Unallocated corporate liabilities	-	-	<u>5,137,705</u>	-	-	<u>4,268,583</u>
			<u><b>74,380,300</b></u>			<u><b>94,441,359</b></u>

## 49.3 Other segment information

Capital expenditure	<u>9,428,135</u>	<u>39,792</u>	<u>9,467,927</u>	<u>2,835,077</u>	<u>211,529</u>	<u>3,046,606</u>
Depreciation and amortisation	<u>3,933,863</u>	<u>155,983</u>	<u>4,089,846</u>	<u>3,545,797</u>	<u>107,550</u>	<u>3,653,347</u>

# Notes to the Financial Statements

For the year ended 31 December 2023

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

	2023	2022
	----- (Rupees in '000) -----	
<b>Assets</b>		
Total assets for reportable segments	69,657,271	90,878,176
Equity-accounted investees	-	84,551
Deferred taxation - net	-	7,345,367
Taxation - net	5,424,816	5,500,362
Sales tax and excise duty adjustable	9,116,294	6,275,912
<b>Total assets</b>	<b>84,198,381</b>	<b>110,084,368</b>
<b>Liabilities</b>		
Total liabilities for reportable segments	69,242,595	90,172,776
Lease liabilities	133,576	141,044
Long-term loan	1,809,388	1,877,967
Deferred government grant	605,644	756,778
Employees' benefit obligation	800,096	815,063
Provisions	1,398,076	285,049
Dividend payable	371,452	371,452
Unclaimed dividend	19,473	21,230
<b>Total liabilities</b>	<b>74,380,300</b>	<b>94,441,359</b>

## 50. NUMBER OF EMPLOYEES

	2023	2022
	(Number of employees)	
Total employees of the Company as at December 31	1,493	1,591
Average employees of the Company during the year	1,545	1,584

## 51. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised on April 05, 2024 by the Board of Directors of the Company. The directors have the power to amend and re-issue the financial statements.

## 52. CORRESPONDING FIGURES

Corresponding figures (including the following) have been re-arranged wherever necessary to reflect more appropriate presentation of events and transactions for the purposes of comparison.

Description	Reclassification from	Reclassification to	2022 (Rupees in '000)
Dividend payable to the Parent Company	Trade and other payables	Presented on face of statement of financial position	371,452
Provision for unexpired free service and warranty	Trade and other payables	Provisions	406,098

As these reclassification are not material, disclosure of statement of financial position as at January 1, 2022, was not considered necessary.



Chairman



Chief Financial Officer



Chief Executive Officer

# Pattern of Shareholding

As at 31 December 2023

No. of Shareholders	Shareholdings'Slab		Total Shares Held	
3592	1	to	100	71,207
876	101	to	500	248,663
315	501	to	1000	238,768
345	1001	to	5000	798,624
60	5001	to	10000	468,681
30	10001	to	15000	379,014
13	15001	to	20000	228,586
11	20001	to	25000	255,786
5	25001	to	30000	137,900
4	30001	to	35000	136,320
5	35001	to	40000	189,283
4	40001	to	45000	172,789
4	45001	to	50000	194,350
2	50001	to	55000	106,400
2	55001	to	60000	115,500
1	60001	to	65000	63,295
1	65001	to	70000	69,000
1	70001	to	75000	75,000
2	75001	to	80000	151,300
2	80001	to	85000	165,997
4	90001	to	95000	368,250
1	110001	to	115000	110,161
1	115001	to	120000	116,800
2	125001	to	130000	257,000
2	145001	to	150000	299,678
1	155001	to	160000	158,600
1	175001	to	180000	175,108
1	180001	to	185000	183,662
1	260001	to	265000	265,000
1	310001	to	315000	310,661
1	315001	to	320000	319,239
1	355001	to	360000	358,442
1	370001	to	375000	375,000

# Pattern of Shareholding

As at 31 December 2023

No. of Shareholders	Shareholdings'Slab		Total Shares Held	
1	535001	to	540000	536,423
1	565001	to	570000	568,940
2	595001	to	600000	1,196,941
1	620001	to	625000	620,815
1	740001	to	745000	740,900
1	775001	to	780000	777,182
1	795001	to	800000	798,210
1	900001	to	905000	902,860
1	1160001	to	1165000	1,160,574
1	1560001	to	1565000	1,561,978
1	6615001	to	6620000	6,619,733
1	59250001	to	59255000	59,251,231
<b>5306</b>				<b>82,299,851</b>



# Pattern of Shareholding

As at 31 December 2023

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>			
	11	6,601,912	3.11
<b>Insurance Companies</b>			
	11	1,204,782	1.46
<b>Modarabas and Mutual Funds</b>			
	17	1,542,769	1.87
<b>General Public</b>			
a. Local	5104	11,984,153	14.56
b. Foreign	56	90,147	0.11
<b>Foreign Companies</b>			
Others	94	4,459,422	5.42
<b>Totals</b>	<b>5306</b>	<b>82,299,851</b>	<b>100.00</b>

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

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

پاک سوزوکی موٹر کمپنی لمیٹڈ "معیار، صحت، 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 سسٹم کی کارکردگی کو بہتر بنانے کے لیے جو ابی اقدامات کرتی رہتی ہے۔

کوالٹی مینجمنٹ سسٹم (QMS):

کمپنی ISO 9001:2015 کوالٹی مینجمنٹ سسٹم پر باقاعدہ نگرانی کے آڈٹ کے ذریعے سرٹیفیکیشن برقرار رکھتی ہے، جو فریق ثالث کے بیرونی آڈیٹرز کے ذریعے کرائے جاتے ہیں۔ 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 ساتھ آڈٹ کے ذریعے برقرار رکھا جاتا ہے جبکہ اندرونی آڈٹ باقاعدگی کے ساتھ وقتاً فوقتاً کیے جاتے ہیں۔

ماحولیاتی مینجمنٹ سسٹم (EMS):

کمپنی کے پاس ISO 14001:2015 سرٹیفیکیشن ہے، جسے باقاعدہ آڈٹ کے ذریعے برقرار رکھا جاتا ہے۔ کمپنی خطرے والے علاقوں میں ماحولیاتی آڈٹ کرتی ہے، فعال ماحولیاتی اور ملازمین کی حفاظت کے اقدامات کو یقینی بناتی ہے۔ یہ نقطہ نظر وسائل کے استعمال کو بہتر بناتا ہے، فضلہ کو کم کرتا ہے، اور ریگولیٹری معیارات کی تعمیل کرتا ہے، بشمول ریگولیٹری اتھارٹیز کی ضروریات کے مطابق مضر فضلہ کو مناسب طریقے سے ٹھکانے لگانا ہے۔

پیشہ ورانہ صحت اور سیفٹی مینجمنٹ سسٹم (OHSAS):

پاک سوزوکی منظم خطرات کی نشاندہی، خطرے کی تشخیص، اور احتیاطی تدابیر کے نفاذ کے ذریعے ملازمین کی حفاظت اور صحت کو ترجیح دیتی ہے۔ کمپنی پیشہ ورانہ صحت اور حفاظت کے انتظام کے نظام کا مقصد کام کی جگہ کی حفاظت پر توجہ مرکوز کرتے ہوئے بہترین طریقوں کو یقینی بنانا ہے۔ کمپنی نے حادثات کے مؤثر طریقے سے نمٹنے کے لیے ہنگامی تیاری کے منصوبے اور ردعمل کے طریقہ کار کو قائم کیا ہے۔ تمام شعبوں میں ممکنہ خطرات کی نشاندہی اور تجزیہ کے ذریعے مسلسل بہتری کو یقینی بنایا جاتا ہے۔

بورڈ کے حکم سے



کنجی ساستو

چیرمین



ہیروشی کاوامورا

چیف ایگزیکٹو

کراچی

05 اپریل 2024

## لہجہ کیشن اینڈ ٹیکنیکل سپورٹ پروگرام

NED یونیورسٹی میں محفوظ-دفاعی ڈرائیونگ ٹکنیک، Kaizen اور 5S مینجمنٹ پر تربیت

سوزوکی پاکستان نے کارپوریٹ سماجی ذمہ داری پروگرام کے تحت ایک نیا اقدام اٹھایا ہے۔ 15 مارچ 2023 کو این ای ڈی یونیورسٹی آف انجینئرنگ اینڈ ٹیکنالوجی میں سیف ڈرائیونگ ٹیکنیکس، کازین اور 5S مینجمنٹ پر مشتمل سیشنز کا انعقاد کیا۔

سیف ڈرائیونگ ٹیکنیکس (SDT) ٹریننگ کا مقصد طلباء اور عملے کو محفوظ اور دفاعی ڈرائیونگ ٹکنیک کے حوالے سے آگاہی فراہم کرنا تھا۔ جبکہ Kaizen اور 5S ٹریننگ کا مقصد طلباء اور عملے کو جاپانی ورکنگ کلچر اور طریقہ کار سے متعارف کرانا تھا تاکہ شرکاء ان بہترین طریقوں سے فائدہ اٹھا سکیں جو پاک سوزوکی موٹر کمپنی سمیت صنعتوں میں لاگو ہوتے ہیں۔

## لوئر سیکنڈری اسکالر شپس

CSR کے لہجہ کیشن اسٹنس پروگرام کے تحت، گریڈ 6 سے 9 تک کے کامیاب طلباء کے لیے 177 وظائف کا اعلان کیا گیا، تقریب 4 مئی 2023 کو گورنمنٹ بوائز پرائمری سکول پیری میں منعقد ہوئی۔

## کیونٹی ہیلتھ

ڈی ایچ او کھرمنگ کو طبی آلات اور ادویات کا عطیہ

کمپنی نے 8 جون 2023 کو ڈسٹرکٹ ہیلتھ آفس (DHO) کھرمنگ، گلگت بلتستان کو طبی آلات اور ادویات کا اسٹاک عطیہ کیا۔ عطیہ میں ادویات اور طبی آلات کا ذخیرہ شامل ہے (کارڈک مانیٹر، آکسیجن کنسنٹریٹر، سٹیشن مشین، ای سی جی مشین وغیرہ)

## برنس سنٹر کو فیس ماسک کا عطیہ

سوزوکی پاکستان نے 26 اکتوبر 2023 کو برنس سنٹر، سول ہسپتال کو 150,000 فیس ماسک عطیہ کیے ہیں۔ یہ فیس ماسک ہسپتال کے لیے ایسی قیمتی اشیاء ہیں، جو ڈاکٹروں، عملے اور مریضوں کو ضرورت کے مطابق تحفظ فراہم کرتی ہیں۔

## خون عطیہ مہم

سوزوکی پاکستان نے انڈس ہسپتال کے تعاون سے 7 دسمبر 2023 کو خون کے عطیہ کی مہم کا انعقاد کیا۔ ملازمین نے خون کے عطیہ کی مہم میں بڑے پیمانے پر حصہ لیا۔ کل 80 ڈونرز نے رضاکارانہ طور پر اپنا خون عطیہ کیا۔

## ماحولیات

ساحل سمندر کی صفائی مہم

سوزوکی موٹر کارپوریشن کی "کلین اپ دی ورلڈ مہم" کے بعد، سوزوکی پاکستان نے 1 دسمبر 2023 کو کئوٹنمنٹ بورڈ کلفٹن (CBC) کے تعاون سے سی ویو کلفٹن میں 'ایچ کلیننگ کمپین' چلائی، جس کا مقصد لوگوں میں اس کی اہمیت کے حوالے سے آگاہی پیدا کرنا تھا۔ ملازمین اور عوام کے درمیان ماحولیاتی تحفظ اور میرین لائف کے تحفظ کے لیے کمپنی کے تقریباً 80 ملازمین نے اس مہم میں حصہ لیا۔

3. مسٹر ہیروشی کاوامورا کو 20 اپریل 2023 سے مسٹر کنساکو امیزومی کی جگہ اور چیف ایگزیکٹو آفیسر اور مسٹر مسافومی ہارانو کی جگہ HR&R کمیٹی کے ممبر کے طور پر 26 مئی 2023 سے بطور بورڈ ممبر مقرر کیا گیا تھا۔  
31 دسمبر 2023 تک بورڈ مندرجہ ذیل ڈائریکٹرز پر مشتمل تھا: -

- 1- جناب کنجی سائیتو
- 2- جناب ہیروشی کاوامورا
- 3- جناب ماسافومی ہارانو
- 4- جناب تاداشی ہوما
- 5- جناب موٹوہیرو اتسومی
- 6- جناب معین ایم فدا
- 7- محترمہ رخسانہ شاہ

### ڈائریکٹرز کی کل تعداد

مرد ڈائریکٹر	چھ (6)	الف)
خاتون ڈائریکٹر	ایک (1)	ب)

### تشکیل

آزاد ڈائریکٹرز	دو (2)	1-
نان ایگزیکٹو ڈائریکٹر	تین (3)	2-
ایگزیکٹو ڈائریکٹرز	دو (2)	3-

### ڈائریکٹرز کا انتخاب

موجودہ منتخب ڈائریکٹرز کی میعاد 07 فروری 2024 کو ختم ہو گئی۔ رضاکارانہ طور پر ڈی لسٹنگ کے جاری عمل کی وجہ سے، کمپنی نے ڈائریکٹرز کے انتخاب میں توسیع کے لیے سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کو درخواست دی۔ ایس ای سی پی نے کمپنی کو 7 مئی 2024 تک ڈائریکٹرز کے آئندہ انتخابات کرانے کی منظوری دی۔

### 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:

## سنٹرلائزڈ کمپلائنس سسٹم

پاک سوزوکی تمام قانونی اور ریگولیٹری تقاضوں کی تکمیل کو یقینی بنانے کے لیے ایک سنٹرلائزڈ کمپلائنس سسٹم کو برقرار رکھتا ہے، جس میں تکمیل پر عمل کرنے کی ہماری حقیقی روح کو مجسم بنایا جاتا ہے۔ یہ اقدامات اخلاقی طرز عمل کے لیے ہماری وابستگی کو واضح کرتے ہیں اور ہمارے امور کی سالمیت کی حفاظت کرتے ہیں۔

### ڈائریکٹرز کا جائزہ:

خود تشخیصی بنیاد پر بورڈ کی کارکردگی کا جائزہ لینے کے لیے موثر طریقہ کار وضع 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 میسرز اے ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس، سبکدوش ہو گئے ہیں اور انہوں نے دوبارہ خود کو تقرری کے لیے اپنی خدمات کی پیشکش کی ہے۔ آڈٹ کمیٹی نے 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے ان کی دوبارہ تقرری کی سفارش کی ہے۔ ڈائریکٹرز آڈٹ کمیٹی کی سفارش کی توثیق کرتے ہیں۔

### 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 2023 کو ختم ہونے والے مالی سال کے لیے متعلقہ فریقین کے ساتھ لین دین کی منظوری دینے کے لیے کمپنی کے بورڈ آف ڈائریکٹرز کو اختیار دینے والے شیئر ہولڈرز سے منظوری حاصل کی تھی، جسے پھر اگلے سالانہ اجلاس عام میں ان کی توثیق / منظوری کے لیے شیئر ہولڈرز کے روبرو رکھا جائے گا۔ کمپنی 31 دسمبر 2023 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:

19 اپریل 2023 کو بورڈ، آڈٹ کمیٹی اور ہیومن ریسورس اینڈ ریمونریشن (HR&R) کمیٹی میں درج ذیل تبدیلیاں ہوئیں:

1. مسٹر مسافومی ہارانو نے 26 مئی 2023 سے کمپنی کے چیف ایگزیکٹو آفیسر اور HR&R کمیٹی کے رکن کے عہدے سے استعفیٰ دے دیا، تاہم، وہ بورڈ میں ڈائریکٹر کے عہدے پر برقرار ہیں۔

2. مسٹر کینسا کو امیرومی نے 20 اپریل 2023 سے بورڈ کے ممبر کی حیثیت سے استعفیٰ دیا۔ اور



## انسانی وسائل اور معاوضہ کمیٹی کے اجلاس

سال کے دوران انسانی وسائل اور معاوضہ کمیٹی کا کوئی اجلاس نہیں ہوا۔

### ڈی لسٹنگ کا جاری عمل

12 اکتوبر 2023 کو، سوزوکی موٹر کارپوریشن (SMC)، کمپنی کے اکثریتی شیئر ہولڈر نے کمپنی کے اقلیتی شیئر ہولڈرز کے تمام حصص کو واپس خریدنے اور کمپنی کو پاکستان اسٹاک ایکسچینج لمیٹڈ (PSX) سے ڈی لسٹ کرنے کے اپنے ارادے کا اظہار کیا۔ 19 اکتوبر 2023 کو، کمپنی کے بورڈ آف ڈائریکٹرز نے کمپنی کو PSX سے ڈی لسٹ کرنے کی منظوری دی اور اکثریتی شیئر ہولڈر کو اقلیتی شیئر ہولڈرز کے تمام حصص واپس خریدنے کا اختیار دیا گیا ہے۔ PSX کے ڈی لسٹنگ قوانین کے تحت ضرورت کے مطابق، کمپنی نے 04 دسمبر 2023 کو ڈی لسٹ کرنے کے لیے باضابطہ درخواست اقبال اے نانچی (PSX کے منظور شدہ جائزہ کار) اور اے ایف فرگوسن کے آڈیٹرز کے سرٹیفکیٹ کے ساتھ اثاثوں کی ویلیو ایشن رپورٹ کے ساتھ جمع کرائی۔ 15 جنوری 2024 کو، PSX کی رضاکارانہ طور پر ڈی لسٹنگ کمیٹی (VDC) نے کمپنی کی سینئر انتظامیہ کے ساتھ گہری بحث کے بعد اکثریتی شیئر ہولڈر کے شیئر کی خریداری کے لیے 609 روپے بطور ہائی بیک پرائس کی منظوری دی۔ 18 جنوری 2024 کو، SMC کے اکثریتی شیئر ہولڈر نے 609 روپے/حصص کی مجوزہ ہائی بیک قیمت کو قبول کیا۔ 09 فروری 2024 کو کمپنی کا غیر معمولی عام اجلاس شیئر ہولڈر کی منظوری کے لیے منعقد ہوا۔ شیئر ہولڈرز کی اکثریت نے اس تجویز کی منظوری دے دی۔ SMC نے 22 فروری 2024 سے شیئر خریدنا شروع کیا۔ اگر 21 اپریل 2024 کے آخر تک SMC کی مجموعی شیئر ہولڈنگ %90 تک پہنچ جاتی ہے، تو کمپنی PSX سے ڈی لسٹ ہو جائے گی بصورت دیگر یہ PSX پر درج رہے گی۔

### 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، ڈائریکٹرز ان کے تربیتی پروگرام کے تحت کمپنی کے دو ڈائریکٹروں کو سند حاصل ہے اور کمپنی کے ایک ڈائریکٹر کو ڈائریکٹران کے تربیتی پروگرام کی ضروریات سے استثنیٰ حاصل ہے۔

### پیٹرن آف شیئر ہولڈنگ

31 دسمبر 2023 کے پیٹرن آف شیئر ہولڈنگ سالانہ رپورٹ کے صفحہ نمبر 115 تا 117 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۔

## کلیدی آپریٹنگ اور مالیاتی ڈیٹا

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

## گورنمنٹ ٹیکس:

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

## ملازمین کے ریٹائرمنٹ فنڈز کی سرمایہ کاری

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

دسمبر 2023

دسمبر 2022

1,730 ملین روپے

1,490 ملین روپے

901 ملین روپے

683 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 ہیروشی کاوامورا / کنساکو امائی زومی

4

جناب ماسانومی ہارانو

4

جناب تاداشی ہوما

4

جناب موٹوہیرو اتسومی

4

جناب معین ایم فدا

4

محترمہ رخسانہ شاہ

## آڈٹ کمیٹی کے اجلاس

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

شرکت کردہ اجلاس کی تعداد

4

مسٹر معین ایم فدا

4

مسٹر کنجی سائیتو

4

مسٹر موٹوہیرو اتسومی

## 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 134 سے 127 پر چیئر مین کا جائزہ سال کی سرگرمیوں سے متعلق ہے اور کمپنی کے ڈائریکٹرز اس کے مضمومات 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 بسمرت 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 ایکویٹی 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 نیز تخمینہ جات موزوں اور محتاط فیصلوں کی بنیاد پر بنائے گئے ہیں۔
- مالی گوشواروں کی تیاری میں پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی جاتی ہے۔
- داخلی کنٹرول کا نظام ڈیزائن میں مستحکم ہے اور اسے مؤثر 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 آؤٹ سورس 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 روائتیں نہیں ہوئی ہے، جیسا کہ فہرست سازی کے ضوابط میں تفصیل سے بتایا گیا ہے۔

## ڈائریکٹرز کی رپورٹ:

آپ کی کمپنی کے ڈائریکٹرز نہایت مسرت کے ساتھ 31 دسمبر 2023 کو ختم ہونے والے مالی سال کے لیے سالانہ رپورٹ اور آڈٹ شدہ مالیاتی حسابات بمعہ آڈیٹرز رپورٹ پیش کر رہے ہیں۔

(000 روپے)

28,939

10,098,630

10,069,691

-

10,069,691

10,069,691

-

اکاؤنٹس

قبل از ٹیکس نقصان

محصولات

بعد از ٹیکس نقصان

کم: گزشتہ سالوں کی برقرار آمدنی

تخصیص کے لیے دستیاب کل نقصان

کم: تخصیص

جزل ریزرو سے منتقلی

برقرار آمدن جسے آگے بڑھایا

کمپنی نے گزشتہ سال 11,684 ملین روپے کے مقابلے میں 17,247 ملین روپے کا آپریٹنگ منافع حاصل کیا۔ فروخت کے حجم میں 69 فیصد کمی کے باوجود، آپریٹنگ منافع کا تناسب سال 2022 میں 5.8 فیصد سے سال 2023 میں 15.5 فیصد تک بڑھ گیا۔ 1,948 ملین روپے کا سال کے لیے بعد از ٹیکس نقصان بنیادی طور پر 9,035 روپے کے ایکسیچینج نقصان کی وجہ سے ہوا۔ زر مبادلہ کے بڑے نقصانات 2023 کی پہلی سہ ماہی میں ہوئے جب ملک کے غیر ملکی زر مبادلہ کے ذخائر کی وجہ سے درآمدی ادائیگیوں کی اجازت نہیں دی گئی۔ تاہم، بعد کے ادوار میں صورتحال بہتر ہوئی اور غیر ملکی سپلائرز کو ادائیگیاں کی گئیں۔ پاک سوزوکی میں فنڈز کی کمی کی وجہ سے، سوزوکی موٹر کارپوریشن، جاپان، (SMC) نے بھاری مالیاتی چارجز سے بچنے کے لیے SMC کو ادائیگیاں موخر کرنے کی منظوری دی۔

مزید برآں، کمپنی کے پاس 31 دسمبر 2023 تک 140 ملین امریکی ڈالر کے مساوی بقایا غیر ملکی واجبات ہیں۔ کمپنی نے فنڈ کی پوزیشن میں بہتری کی وجہ سے زیر التواء غیر ملکی واجبات کی ادائیگی شروع کر دی ہے تاکہ سازگار ایکسیچینج برابری سے فائدہ اٹھایا جاسکے۔

دانشمندی سے فیصلہ لیتے ہوئے، کمپنی نے نقصان کی صورت حال کی وجہ سے سال 2023 کے لیے 56 ملین روپے کا 'ڈیفریڈ ٹیکس اثاثہ' ریکارڈ نہیں کیا۔ کمپنی کی انتظامیہ نے منفی عوامل کو کم کرنے کے لیے ایک قابل عمل کاروباری منصوبہ تیار کیا ہے اور رواں سال میں کامیابی کے ساتھ مضبوط آپریٹنگ منافع حاصل کیا ہے۔

فی شیئر کمائی / نقصان

سال کے لیے فی حصص خسارہ 122.35 روپے رہا۔

فاران ایکسچینج سیونگنز

ڈیوٹیز اور ٹیکسز

سال (جنوری تا دسمبر)

(روپے بلین میں)

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
2023	33.998	49.320

\*سال کے آخر میں شرح مبادلہ پر پاکستانی روپے میں تبدیل۔

### مستقبل کا لائحہ عمل اور خلاصہ

آگے بڑھتے ہوئے، ہم عالمی اور ملکی مارکیٹوں میں موجود غیر یقینی صورتحال کے باوجود مستقبل کے حوالے سے محتاط طور پر امید ہیں۔ جب ہم چیلنجز سے گزرتے ہیں، ہم اپنے شیئر ہولڈرز، ملازمین اور اسٹیک ہولڈرز کے لیے پائیدار ترقی اور قدر کو آگے بڑھانے کے لیے جدت، کارکردگی اور تیزی پر توجہ مرکوز کرتے رہیں گے۔

حکومت مالیاتی استحکام کے ذریعے زرمبادلہ کے ذخائر اور شرح مبادلہ میں استحکام برقرار رکھنے کے لیے کوشاں ہے۔ یہ قلیل مدت میں ترقی کے امکانات کو متاثر کر سکتا ہے لیکن پیداواری صلاحیتوں کو بڑھا کر ملک کی طویل مدتی توازن کی ترقی کے راستے کو بڑھا کر طویل مدتی استحکام میں حصہ ڈالا جا سکتا ہے۔ آٹو انڈسٹری کی ترقی کے لیے طویل مدتی مستقل پالیسیاں ناگزیر ہیں۔

ملک کے میکرو اکنامک اشارے آٹو انڈسٹری کے لیے چیلنج بن رہے ہیں۔ آٹوموبائل انڈسٹری نے ملک میں انجینئرنگ کی بنیاد کی 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۔ آٹوموبائل انڈسٹری کو توقع ہے کہ ٹیکسوں اور درآمدی پابندیوں میں نرمی حکومت کے تعاون سے ملک کی معاشی ترقی میں اپنا کردار ادا کر سکے گی۔

آخر میں، میں بورڈ اور شیئر ہولڈرز کی جانب سے انتظامیہ، ایگزیکٹوز، ورکرز، ڈیلرز، سپلائرز اور سوزوکی ماہرین کو ان کی کوششوں اور کپنی کے معاملات میں تعاون کے لیے اپنی تعریف کا اظہار کرنا چاہتا ہوں۔ میری پوری امید ہے کہ تمام سرکاری محکمے آٹوموبائل 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 سانتو

چیئرمین

کراچی۔ 05 اپریل 2024

## انفارمیشن ٹیکنالوجی:

آئی ٹی انفراسٹرکچر میں ترقی:

ایک مضبوط IT انفراسٹرکچر ہمارے آپریشنز کی ریڑھ کی ہڈی کی حیثیت رکھتا ہے، جو ہمارے ادارے میں بغیر کسی رکاوٹ کے رابطے اور ڈیٹا مینجمنٹ کو فعال کرتا ہے۔ ہم نے اپنے بنیادی ڈھانچے کو اپ گریڈ کرنے میں اہم سرمایہ کاری کی ہے۔ ان اضافات نے نہ صرف ہماری آپریشنل کارکردگی کو بڑھایا ہے بلکہ ہمارے سائبر سیکیورٹی پوزیشن کو بھی مضبوط کیا ہے، جو ہمارے صارفین کے اعلیٰ ترین مفاد میں ہمارے ڈیٹا اثاثوں کی سالمیت اور رازداری کو یقینی بناتا ہے۔

شو رومز/فرنچائز پر کام کے طریقہ کار میں بہتری لانے، 30 اکاؤنٹنٹس کے لیے شو روم اکاؤنٹنٹس کی کمپنی بھر میں تربیت کا بھی اہتمام کیا گیا تاکہ ان کے موجودہ ملازمت کے کردار، ذمہ داریوں، اور SOPs کے مطابق اس کی تعمیل کو اندرونی کنٹرول کے ذریعے مؤثر شو روم/فرنچائز آپریشنز کے لیے خطرے کو کم سے کم کیا جاسکے۔

ان تمام کوششوں نے مختلف فنکشنل شعبوں میں ملازمین کی مہارتوں اور قابلیت کو بڑھانے کے لیے کمپنی کے عزم کو اجاگر کیا۔

## ڈیٹا تجزیات کی طاقت کا استعمال:

ڈیٹا ایک اسٹریٹجک اثاثہ ہے جو قابل عمل بصیرت کو کھولنے اور ہمارے صارفین اور اسٹیک ہولڈرز کے لیے باخبر فیصلہ سازی کو آگے بڑھانے کی کلید رکھتا ہے۔ ہم نے ڈیٹا اینالیٹکس کی طاقت کو استعمال کرنا جاری رکھا ہے، مختلف جہتوں میں گہری سوجھ بوجھ حاصل کرنے کے لیے جدید تجزیاتی ٹولز اور تکنیکوں سے فائدہ اٹھایا ہے۔ اپنے ڈیٹا اثاثوں کی پوری صلاحیت کو استعمال کرتے ہوئے، ہم نے اپنے آپریشنز کو بہتر بنایا ہے، کسٹمر کے تجربات میں اضافہ کیا ہے اور اپنے اسٹیک ہولڈرز کو زیادہ قیمت فراہم کی ہے۔

## سائبر سیکیورٹی کے اقدامات کو مضبوط بنانا:

جیسا کہ ڈیجیٹل لینڈ سکیپ تیزی سے پیچیدہ ہوتا جا رہا ہے، ہمارے سسٹمز اور ڈیٹا کو سائبر خطرات سے محفوظ رکھنا سب سے اہم ہے۔ ہم سائبر سیکیورٹی کے اپنے عزم پر ثابت قدم رہے، خطرات کو کم کرنے اور اپنے ڈیجیٹل اثاثوں کی حفاظت کے لیے مضبوط اقدامات نافذ کرتے رہے۔ مسلسل نگرانی، تھریٹ انٹیلی جنس اور ملازمین کی تربیت کے اقدامات کے ذریعے، ہم نے اپنی سائبر سیکیورٹی کو بڑھایا ہے اور سائبر خطرات کے خلاف اپنے دفاع کو مضبوط کیا ہے۔ یہ تمام اقدامات ہمیں لچکدار بنانے اور ہمارے صارفین کے لیے دستیاب ہونے کے لیے کیے گئے ہیں۔

## اقتصادی شراکت

کمپنی کو آٹوموبائل انڈسٹری میں عوامی خزانے میں ایک اہم شراکت دار کے طور پر ایک نمایاں مقام حاصل ہے۔ ادا کردہ ڈیوٹی اور ٹیکسز اور کمپنی نے اپنے گزشتہ چھ سالوں کے آپریشنز میں جو زرمبادلہ بچایا ہے وہ درج ذیل ہیں:

ساتھ ہی، اپنی مرضی کے مطابق تربیتی پروگراموں کے ذریعے ملازمین کو ان کی تربیت اور ترقی کی ضروریات کو پورا کرنے کے لیے سیکھنے اور ترقی کے خاطر خواہ مواقع فراہم کیے گئے ہیں۔

### تربیت اور ترقی:

سال 2023 میں، ملازمین کی اپ سکلنگ ہمارے لیے اہم رہی۔ ڈیجیٹل لرننگ پلیٹ فارم کے استعمال کے ذریعے، 134 ملازمین کو ہنر مند بنایا گیا حالانکہ لیڈرشپ، ٹیم ورکنگ، کمیونیکیشن، ایس اے پی، جذباتی ذہانت کی تقیدی سوچ، پرابلم سالونگ، کسٹمر سروس وغیرہ جیسے شعبوں میں 5,044 تربیتی کورسز شامل تھے۔

اس کے علاوہ 67 ملازمین نے 29 آن سائٹ ٹریننگ پروگراموں میں شرکت کی جن میں مینٹی نینس مینجمنٹ، کسٹمر ایکسپیرینس ایکسیلنس، گورننس رسک، اور کمپلائنس وغیرہ پر توجہ دی گئی۔ اسی دوران 05 ملازمین کو ایسوسی ایشن فار اوور سیز ٹیکنیکل اسکالرشپ (AOTS) پروگرام کے ذریعے کسٹمر کی ضروریات کی نشاندہی کے لئے ڈیجیٹل مارکیٹنگ پر تربیت حاصل کی گئی۔

### صحت اور حفاظت:

ڈیزیز مینجمنٹ پروگراموں میں منظم علاج کے منصوبے ہیں جن کا مقصد لوگوں کو دائمی بیماریوں کا بہتر انتظام کرنے اور زندگی کے معیار کو برقرار رکھنے اور بہتر بنانے میں مدد کرنا ہے۔

اس سلسلے میں، صحت کے پیشہ ور افراد کی ایک ٹیم کو مدعو کیا گیا تھا تاکہ شرکاء کو ان کے حالات کو بہتر طریقے سے سنبھالنے کے بارے میں مسلسل بنیادوں پر آگاہ کیا جاسکے۔ صحت مند طرز عمل اپنانے میں ملازمین کی مدد کرنا جیسے اچھا کھانا، ورزش کرنا، اور تمباکو سے پرہیز کرنا صحت کے خطرات کو کم کرتا ہے۔ صحت کے کم خطرات صحت کی دیکھ بھال کے اخراجات میں کمی اور غیر حاضری کا باعث بنتے ہیں۔

### لیبر اور انتظامی تعلقات:

حالیہ برسوں میں لیبر اور مینجمنٹ کے درمیان زیادہ تعاون پر مبنی تعلقات کے لیے بڑھتے ہوئے کال کا مشاہدہ کیا گیا ہے جو کہ پیداواری صلاحیت کو بڑھانے اور مارکیٹ میں مسابقتی رہنے کا ذریعہ ہے۔

بڑھتی ہوئی مسابقت اور کاروبار کے اسٹریٹجک اہداف کو پورا کرنے کے بڑھتے ہوئے دباؤ کے ساتھ، کسی تنظیم کے لیے یہ ضروری ہو گیا ہے کہ وہ مزدور تعلقات کے لیے ایک موثر اور قابل اعتماد تعاون حاصل کرے۔

سال 2023 میں منتخب سی بی اے کو اختیارات کی منتقلی کے لیے کارکنوں کی ریفرنڈم سرگرمی کو آسانی سے منظم کیا گیا ہے۔ اس کے علاوہ کارکنوں کی سماجی بہبود کو بلند کرنے کے لیے انتظامیہ اور نو منتخب سی بی اے کے درمیان ایک میمورنڈم آف سیٹلمنٹ طے پایا ہے۔

### اسپورٹس اور سماجی تقریبات:

کارپوریٹ اسپورٹس اور سماجی تقریبات صحت اور تندرستی کو بہتر بنانے کے ساتھ ساتھ مصروفیت، ثقافت اور عملے کی برقراری کو متاثر کرنے کی کلید ہیں۔ کمپنی نے انٹر ڈپارٹمنٹل ٹیپ بال کرکٹ ٹورنامنٹ کا اہتمام کیا جس میں انڈور گیمز کے ساتھ ساتھ ٹیبل ٹینس، بیڈمنٹن اور فٹسال ایونٹس شامل ہیں تاکہ ملازمین کو تفریح کے ساتھ ایسا ماحول فراہم کیا جاسکے جہاں تمام ملازمین تناؤ کو دور کر سکیں۔ فاتح اور رنر اپ ٹیوں کو انعامات اور ٹرافیوں پیش کی گئیں۔



## مقامی سپلائر کے ساتھ شراکت داری

ملک کی مقامی وینڈنگ انڈسٹری کی تکنیکی بنیاد اور صلاحیتوں کو بڑھانے کے لیے، پاک سوزوکی نے ایک مقامی سپلائر، ٹیکنو گروپ کے ساتھ اپنی پہلی ایکویٹی شراکت داری قائم کی، جس کا نام ٹیکنو آٹو گلاس (TAG) ہے۔ یہ منصوبہ ملک میں خصوصی آٹوموٹو شیشوں کی تیاری میں ایک سنگ میل کی حیثیت رکھتا ہے۔ فی الحال، TAG مختلف ماڈلز میں PSMC کو مقامی طور پر تیار کردہ آٹوموٹو شیشے فراہم کرتا ہے اور ملک میں دیگر بڑے آٹوموٹو OEMs کی خدمت کر کے کامیابی کے ساتھ اپنے کسٹمر بیس کو بڑھایا ہے۔

## گرین پروکیورمنٹ گائیڈ لائنز

ہمارے پرنسپل، SMC جاپان کے رہنما خطوط کے مطابق، اور اپنے پورے سپلائی چین پارٹنرز، مقامی اور عالمی دونوں کے ساتھ ہم آہنگی میں، ہم گرین پروکیورمنٹ گائیڈ لائن کی سرگرمیوں کو نافذ کرنے کے لیے پرعزم ہیں۔ اس میں پرزہ جات اور حتمی مصنوعات کی تیاری میں ایسیٹس اور دیگر ممنوعہ مادوں جیسے تھویشٹاک مواد (SOC) کے غیر استعمال کو یقینی بنانا شامل ہے۔

## سہولت میں اضافہ:

ماڈل نیو سوئفٹ کی مقامی ترقی کے لیے پلانٹ کی سہولت میں ترمیم اور اپ گریڈیشن مکمل کر لی گئی ہے۔ اس کے مطابق، تمام دروازوں اور ہڈ کے لیے نئے ہیمنگ ڈیز کی ترقی کی گئی۔ اس کے بعد، نئی روبوٹک ویلڈنگ لائن کو ڈیزائن اور انسٹال کیا گیا ہے۔ اس کے علاوہ، ہماری موجودہ پینٹنگ، اسمبلنگ، ٹیسٹ اور انجن اسمبلی لائنوں میں تبدیلیاں عمل میں لائی گئیں۔ اندرون خانہ پلاسٹک کے پرزہ جات کی پیداوار کو بڑھانے کے لیے، اگلے، پچھلے بچر، اور فرنٹ گرل کے سانچوں کا اہتمام کیا گیا تھا۔ لاگت کی بچت کے حصول کے لیے آٹو اے جی ایس ٹراسمیشن کی اسمبلنگ کی نئی سہولت نصب کی گئی۔

پاک سوزوکی کے پہلے B-گمنٹ ماڈل، نیو سوئفٹ کی بڑے پیمانے پر پیداوار فروری 2022 میں شروع ہوئی۔ اپنے صارفین کا اعتماد حاصل کرنے کے لیے، فیکٹری نے SMC کے حوالے سے معیار کو برقرار رکھنے کے لیے سرگرمیاں انجام دیں۔ پیداوار اور معیار کے محکمے موجودہ پروڈکشن ماڈلز کو فیڈ بیک فراہم کرنے کے لیے مل کر کام کرتے ہیں۔ پیداواری صلاحیت کو بہتر بنانے اور لاگت کو کم کرنے کے لیے، ریزن کے عمل کو بڑھا رہے ہیں اور جولائی 2023 سے بڑے پیمانے پر پیداوار کا آغاز کرنے کی تیاری کر رہے ہیں۔

## انسانی وسائل:

ہم صحیح معنوں میں یقین رکھتے ہیں کہ ہمارے ملازمین ہمارا سب سے بڑا اثاثہ ہیں، جن کا تعاون تنظیمی اہداف کے حصول، پیداواری صلاحیت، معیار کو برقرار رکھنے، اور کامیابی کے لئے نمایاں طور پر اہم ہے۔

ہم اپنے ملازمین کو کام کرنے کے لیے سازگار ماحول کی فراہمی کے لیے پرعزم ہیں تاکہ انہیں ان کی زیادہ سے زیادہ صلاحیت کے مطابق کارکردگی کا مظاہرہ کرنے میں سہولت فراہم کی جاسکے اور کام کے طریقہ کار میں توازن کو یقینی بنایا جاسکے تاکہ وہ آگے بڑھ سکیں۔ ہماری کمپنی اپنے ملازمین کو کام پر آسانی فراہم کرنے کے لیے مختلف سہولیات فراہم کرتی ہے جس میں ملازمین کے لیے گھر کا کھانا، کام کرنے والی ماؤں کے لیے دن کی دیکھ بھال، کمپنی کے اندر کسی بھی ہنگامی صورتحال سے نمٹنے کے لیے مکمل طور پر لیس ڈسپنری اور ایبولینس کے ساتھ ساتھ ملازمین کے کام سے سفر کے لیے آرام دہ اور پرسکون ٹرانسپورٹ خدمات شامل ہیں۔

- مزید، ہم نے ملک بھر میں 160 ڈیلرشپ پر گلوبل کسٹمر سیٹیفیکیشن + سروس ریمانڈر (CS+SR) سسٹم کو بھی لاگو کیا ہے تاکہ قریبی مانیٹرنگ اور فالو اپ کے ذریعے صارفین کی اطمینان، کسٹمر فیڈ بیک برقرار رکھنے کو یقینی بنایا جاسکے۔

### صارفین کی اطمینان میں اضافہ:

- ہمارا کسٹمر ریلیشن سنٹر ہمارے قابل قدر صارفین کو ان کے روزمرہ کے سوالات کے جوابات اور حل کرنے اور ڈیلرز کے ذریعے صارفین کی شکایات کے بروقت حل کے ذریعے سہولت فراہم کرتا رہتا ہے۔
- کسٹمر کی توقعات پر پورا اترنے کے لیے ہماری خدمات کو بہتر بنانے کے لیے باقاعدگی سے کسٹمر فالو اپ، سروے اور فیڈ بیک لیے گئے۔

### ڈیلرز کے عملے کی مہارت کی ترقی اور حوصلہ افزائی:

- آفٹر سیلز ڈیلر کے عملے کی تربیت اور ترقی کو ترجیح دیتا ہے تاکہ عالمی معیارات پر سروس کے طریقہ کار کے بہتر معیار کو یقینی بنایا جاسکے جس کے نتیجے میں ملک بھر میں صارفین کی اطمینان میں اضافہ ہوتا رہے۔ اس مقصد کو حاصل کرنے کے لیے، ڈیلر کے عملے کی مہارت کی نشوونما اور حوصلہ افزائی کے لیے باقاعدگی سے تربیت، OJTs اور مہارت کے مطابق منعقد کیے جاتے ہیں۔
- ڈیلرز کے پاس آنے والے صارفین کے تجربے کو مسلسل بڑھانے کے لیے، SSAT عالمی معیارات پر مبنی کسٹمر ریلیشن آفیسرز اور سروس ایڈوائزرز سمیت کسٹمر سروس کے عملے کے لیے رویے کی تربیت پر بھی بہت زیادہ زور دیا جاتا ہے۔
- بڑھتی ہوئی مہنگائی اور ملک کی معاشی صورتحال کی وجہ سے سرٹیفائیڈ اور ہنر مند عملے کی حوصلہ افزائی اور برقرار رکھنا مشکل ہوتا جا رہا ہے۔ اس چیلنج پر قابو پانے کے لیے، عملے اور ڈیلر اسٹاف کے ترغیبی پروگراموں کے درمیان مسابقتی جذبے کو بڑھانے کے لیے ہنر سمیت مزید انسینٹو سرگرمیاں کرنے پر زور دیا گیا۔

### سپلائی چین مینجمنٹ

سال 2022 سے جاری شدہ چیلنجز نے سال 2023 میں گاڑیوں کی صنعت کے لیے مسلسل چیلنجز پیدا کیے۔

کمپنی کے اندر اور پورے مقامی سپلائی چین میں محدود CKDs اور مادی انویسٹری کی سطحوں کی وجہ سے کمپنی کے کاروباری آپریشنز کو نمایاں طور پر نقصان اٹھانا پڑا، جس کے نتیجے میں سال بھر غیر پیداواری ایام (NPDs) کا سامنا ہوتا ہے۔ تاہم، کمپنی پاکستانی بندرگاہوں پر رکھے گئے کنٹینرز کے لیے آن ڈاک (کنٹینر یارڈ) سے آف ڈاک (کنٹینر فریٹ اسٹیشن) کے اختیارات میں تیزی سے منتقلی کے ذریعے CKD کی درآمدی پابندیوں کی وجہ سے ہونے والے ممکنہ نقصانات کو کم کرنے میں کامیاب رہی، اس طرح خاطر خواہ ڈیسٹینشن اور ڈمبرتج چارجز سے بچا گیا۔

### لوکلائزیشن

پاک سوزوکی پاکستان میں آٹو پارٹس کی صنعت کی ترقی میں پیش پیش ہونے پر فخر محسوس کرتی ہے اور لوکلائزیشن کو فروغ دینے کے لیے پرعزم ہے۔ ملک میں موجودہ معاشی بحرانوں کے باوجود، جو پوری مینوفیکچرنگ انڈسٹری بالخصوص آٹو انڈسٹری کو بری طرح متاثر کر رہے ہیں، ہم موجودہ اور نئے دونوں ماڈلز میں زیادہ سے زیادہ لوکلائزیشن کے لیے اپنی کوششیں جاری رکھے ہوئے ہیں۔ اگرچہ نئی لوکلائزیشن کی کوششیں اقتصادی بحرانوں اور خام مال اور ٹولنگ پر درآمدی پابندیوں سے نمایاں طور پر متاثر ہوئی ہیں، پاک سوزوکی اندرون ملک اور مقامی سپلائرز کے پرزوں اور اسمبلیوں کو مقامی بنانے کے لیے فعال طور پر انتظام اور کوشش کر رہی ہے۔

اگرچہ فنانسنگ سیلز کا حصہ صنعت میں اوسطاً 18 فیصد تک کم ہو گیا، پاک سوزوکی نے آٹو فنانسنگ سیلز پر توجہ مرکوز کی اور مارک اپ میں بچت سے لے کر "ویلیو ایڈیشن سروسز" فراہم کرنے میں انشورنس کی شرح اور صارفین کو مفت تحفظ کی خدمات کے لئے پارٹنر بینکوں کے ساتھ ہاتھ ملایا۔

### موٹر سائیکل مارکیٹ:

پاکستان میں موٹر سائیکل مارکیٹ میں 70 سی سی انجن کی گنجائش والی موٹر سائیکل بے حد مقبول ہے۔ پاک سوزوکی 110 سی سی اور اس سے اوپر کے انجن کی صلاحیت کے ساتھ موٹر سائیکلیں مارکیٹ کرتا ہے۔ کمپنی کو توقع ہے کہ پاکستان میں موٹر سائیکل کی طلب بتدریج خطے کے دیگر ممالک کی طرح اعلیٰ انجن کی صلاحیت کی طرف بڑھے گی اور سوزوکی موٹر سائیکلوں کی مارکیٹ میں بہتری آئے گی۔ کمپنی پورے پاکستان میں پھیلتے مضبوط مجاز ڈیلرشپ نیٹ ورک کے ذریعے صارفین کو معیاری مصنوعات اور موثر خدمات پیش کر کے اس سیگمنٹ میں اپنے کاروبار کو بڑھانے کی کوشش کر رہی ہے۔ صارفین تک اپنی رسائی کو آسان بناتے ہوئے، پاک سوزوکی نے 31 دسمبر 2023 تک اپنی موجودگی کو کل 16 کمپنی شو رومز اور 14 فرینچائز آؤٹ لیٹس تک بڑھا دیا۔

### بعد از فروخت (پرزے اور سروس):

فروخت کے بعد کی کارروائیاں صارفین کے اطمینان کو یقینی بنانے، تربیت یافتہ عملے کے ذریعے معیاری سروس کے ساتھ برقرار رکھنے اور ڈیلرشپ پر پرزوں کی بروقت دستیابی کے ذریعے ڈیلروں کے آپریشنز کو یقینی بنانے کے لیے جاری رہیں۔ آفٹر سیلز نیٹ ورک خاص طور پر چھوٹے شہروں اور قصبوں میں پھیلتا رہا جس کی ملک بھر میں 160 ورکشاپس ہیں۔

اس کے نتیجے میں:

- آٹوموبائل سروس کی ملازمتوں کی کل تعداد 10 لاکھ سے زیادہ ہو گئی ہے جو ہماری مصنوعات اور خدمات پر صارفین کے اعتماد کو ظاہر کرتی ہے۔
- موٹر سائیکل آفٹر سیلز مارکیٹ نے بھی کاروباری کارروائیوں میں مثبت رجحان ظاہر کیا۔ 2023 میں کل 204,844 ملازمتیں دی گئیں۔
- 2023 میں کل آٹوموبائل اسپیر پارٹس کی فروخت 4,150 ملین روپے اور موٹر سائیکل کی فروخت 420 ملین روپے رہی یہاں تک کہ درآمدی پائندیوں کی وجہ سے مشکل حالات میں بھی (کسٹمر سرونگ) ہماری اسپیر پارٹس ٹیم نے 4W اور 2W میں بالترتیب IA کا تناسب 88.9% اور 89.3% برقرار رکھا۔
- عالمی برانڈ معیار سازی کے تصور کو ذہن میں رکھتے ہوئے، PSMC نے "سوزوکی جینسن آئل" سے "ECSTAR انجن آئل" میں برانڈ کی تبدیلی کا فیصلہ کیا۔ ECSTAR عالمی برانڈ ہے جو 2015 سے تیل اور کیمیکل ریٹج کے لیے استعمال ہو رہا ہے۔
- ایکسٹار انجن آئل کے فوائد میں ایندھن کی زیادہ بچت، انجن کی دیرپا حفاظت اور پائیداری کے لیے انجن کو صاف کرنا ہے۔
- اپنے صارفین کو حقیقی حصوں کے استعمال اور فوائد کے حوالے سے آگاہ کرنے کے لیے ہم نے "سوزوکی جینون کیئر سیریز" کے عنوان سے آگاہی مہم کا آغاز کیا جسے بڑے میڈیا پلیٹ فارمز میں ڈیجیٹل طور پر چلایا گیا۔

## صنعت

آٹوموبائل انڈسٹری نے 2022 کے دوران 227,407 یونٹس سے 82,216 یونٹس تک فروخت کے حجم میں کمی دیکھی، جس سے سیلز کے حجم میں 64 فیصد کی زبردست کمی ریکارڈ کی گئی۔ فروخت کے حجم میں کمی کے اہم عوامل میں اعلیٰ شرح سود، بلند افراط زر، غیر ملکی کرنسی کی شرح میں عدم استحکام، عالمی اجناس کی قیمتوں میں اضافہ اور سپلائی چین میں رکاوٹیں اور 1300 سی سی اور اس سے زائد انجن کی گنجائش والی کاروں پر 25 فیصد شرح سیلز ٹیکس شامل ہیں۔ مارچ 2024 میں، سیلز ٹیکس کی شرح میں 25 فیصد اضافہ ان کاروں پر کیا گیا جن کی قیمت سیلز ٹیکس سے پہلے 40 لاکھ روپے تھی۔

سال 2023 کے دوران، موٹر سائیکلوں اور تین پہیوں کی فروخت کا حجم (PAMA ممبر کمپنیاں) 1,511,365 یونٹس سے کم ہو کر 1,100,955 یونٹس رہ گیا۔ 410,410 یونٹس کی یہ کمی گزشتہ سال کے مقابلے فروخت کے حجم میں 27 فیصد کمی کو ظاہر کرتی۔

## کمپنی کے آپریٹنگ نتائج

جاری معاشی بحران نے کمپنی کی فروخت کے حجم کو متاثر کیا۔ کمپنی کی فروخت کا حجم 2022 میں 125,996 یونٹس کے مقابلے 2023 میں 39,001 یونٹس پر 69 فیصد کمی دیکھنے میں آئی۔ کمپنی کا مارکیٹ شیئر سال 2022 میں 55 فیصد سے کم ہو کر 2023 میں 47 فیصد رہ گیا۔ آٹوموبائل اور موٹر سائیکلوں کی پیداوار کا حجم مانگ کے مطابق ایڈجسٹ کیا گیا۔ کمپنی نے اپنی صلاحیت کا 27 فیصد بروئے کار لائی اور آٹوموبائل کے 40,636 یونٹس کی پیداوار کا حجم حاصل کیا۔ موٹر سائیکلوں کی فروخت کے حجم میں 61 فیصد کمی واقع ہوئی۔ کمپنی نے گزشتہ سال 40,672 یونٹس کی فروخت کے حجم کے مقابلے میں 15,888 یونٹس کی فروخت کا حجم حاصل کیا۔

خالص فروخت کی آمدنی میں 100,357 ملین روپے کی کمی ہوئی جو 202,466 ملین سے کم ہو کر 102,109 ملین روپے ہو گئی۔ مجموعی منافع میں 5,590 ملین روپے کا اضافہ دیکھنے میں آیا جو 11,684 ملین روپے سے بڑھ کر 17,274 ملین روپے ہو گیا۔ خالص فروخت کے تناسب کے طور پر مجموعی منافع کا مارجن 5.8 فیصد سے 15.5 فیصد تک بہتر ہوا۔ گزشتہ سال کے 29 ملین روپے کے خالص منافع کے مقابلے میں کمپنی کو 3,143 ملین روپے کا خالص نقصان ہوا۔ سال کے دوران نقصان کی بڑی وجہ درآمدی پابندیاں تھیں۔

## مارکیٹنگ اور برآمدات

### آٹوموبائل مارکیٹ:

ہمارا مقصد پورے پاکستان میں پھیلے ہوئے 3S (سیلز، سروس اور اسپیر پارٹس) ڈیلرشپ کے نیٹ ورک سے تعاون یافتہ صارفین کو معیاری مصنوعات فراہم کرنا ہے۔ مضبوط ڈیلرشپ نیٹ ورک نے صارفین کے لیے موثر خدمات کو یقینی بنایا جس میں قابل اعتماد بعد از فروخت سروس اور اسپیر پارٹس کی دستیابی شامل ہے۔ کمپنی ڈیلرشپ نیٹ ورک کو مسلسل بڑھا رہی ہے اور مضبوط کر رہی ہے۔ فروخت کے حجم میں کمی کے باوجود پاک سوزوکی نے سال 2023 میں نیٹ ورک میں چھ (6) نئے 3S ڈیلرشپ آؤٹ لیٹس کا اضافہ کیا۔ اس طرح 98 شہروں میں کل 174 آؤٹ لیٹس ہیں۔ پاک سوزوکی کسی بھی دوسرے OEM کے مقابلے میں سب سے زیادہ ملک گیر کوریج کے ساتھ اولین OEM ہے۔ یہ پاک سوزوکی کے معیاری مصنوعات اور خدمات کو صارفین تک آسانی سے قابل رسائی بنانے کے عزم کی توثیق کرتا ہے۔

تصویب/دیہات میں کسٹمرز تک مزید پہنچنے اور ممکنہ صارفین کو سیلز سروس، پارٹس، 2W سیلز، آؤٹ فنانس/انشورنس کے انتظام کی خدمات، تجارت میں اور سرٹیفائیڈ استعمال شدہ کار کی خدمات کے حوالے سے تعارف/تعلیم فراہم کرنے کے لیے؛ پاک سوزوکی نے ڈیلرشپ کے قریب 29 ٹاؤنز میں دیہی ایکسپریس مہم چلائی۔

## چیسر مین کا جائزہ:

میں نہایت مسرت کے ساتھ 31 دسمبر 2023 کو ختم ہونے والے سال کے لیے کمپنی کی کارکردگی کا جائزہ پیش کر رہا ہوں جہاں شدید چیلنجز کے باوجود کمپنی نے مارکیٹ شیئر کو برقرار رکھتے ہوئے لچک اور موافقت کا مظاہرہ کیا ہے

### معیشت

پاکستان کو اعلیٰ افراط زر، کم شرح نمو اور سرکاری زرمبادلہ کے ذخائر کی کم سطح کے چیلنجز کا سامنا ہے۔ پاکستانی روپے کی بے مثال گراوٹ، فریٹ چارجز میں اضافہ، شرح سود میں اضافہ، سیاسی عدم استحکام، مہنگائی میں اضافہ، بیرونی فنانسنگ پر غیر یقینی صورتحال اور درآمدات کو کنٹرول کرنے کے لیے حکومتی اقدامات نے پاکستان کی معیشت کو بری طرح متاثر کیا۔ جبکہ مالیاتی کھاتوں پر بھاری سود کی ادائیگیوں اور بحالی کے اخراجات کی وجہ سے بہت زیادہ دباؤ ہے۔

آئی ایم ایف اور پاکستان حکومت اپریل 2024 میں ختم ہونے والے اسٹینڈ بائی اریئینجمنٹ (SBA) پروگرام کے حتمی جائزے کے لیے اسٹاف لیول معاہدے (SLA) پر پہنچ گئے ہیں۔ SLA اب IMF ایگزیکٹو بورڈ کی منظوری سے مشروط ہے۔ اس سے اپریل کے آخر تک 1.1 بلین امریکی ڈالر کی آخری قسط کی ترسیل کھل جائے گی۔ معاہدہ نگران حکومت کے قابل ستائش پروگرام کے نفاذ اور نئی حکومت کی جاری پالیسی اور اصلاحاتی کوششوں کے عزم کو تسلیم کرتا ہے۔ یہ ایک مثبت پیش رفت ہے کیونکہ جب تک پاکستان ایک اور درمیانی مدت کے پروگرام کے لیے بات چیت شروع کرتا ہے تب تک وہ آئی ایم ایف کا پروگرام مکمل کر چکا ہوتا۔ کامیاب SLA پاکستان کو اپنی ذمہ داریوں کو پورا کرنے کے لیے نئی بیرونی مالی اعانت حاصل کرنے کے قابل بنائے۔

ملک میں سیاسی عدم استحکام کے باوجود ملک کے معاشی اشاریے قدرے مستحکم ہوئے۔ جولائی 2023 سے جنوری 2024 کے دوران بڑے پیمانے پر مینوفیکچرنگ (LSM) کے شعبے میں بنیادی سال 2015-16 کے مقابلے میں 0.5 فیصد کمی واقع ہوئی جب کہ گزشتہ سال کی اسی مدت (SPLY) کے دوران 2.7 فیصد کمی تھی۔ جولائی 2023 تا فروری 2024 کے دوران SPLY کے دوران 18.64 بلین امریکی ڈالر کی برآمدات کے مقابلے میں 20.54 بلین امریکی ڈالر کی برآمدات حاصل کی گئیں۔ رواں مالی سال میں ترسیلات زر میں تسلسل رہا۔ جولائی 2023 تا فروری 2024 کی مدت کے دوران، SPLY میں 18.3 بلین امریکی ڈالر کے مقابلے میں 18.1 بلین امریکی ڈالر کی کل ترسیلات موصول ہوئیں۔ جولائی 2023 تا فروری 2024 کے دوران درآمدات 37.4 بلین امریکی ڈالر سے کم ہو کر 34.1 بلین امریکی ڈالر رہ گئیں۔ تجارتی خسارہ جولائی 2023 تا جنوری 2024 کے دوران 13.5 بلین امریکی ڈالر تک کم ہو گیا جبکہ SPLY میں 18.7 بلین امریکی ڈالر یعنی سال کی بنیاد پر 28 فیصد کمی واقع ہوئی۔ کرنسی کی قدر میں کمی، بلند شرح سود اور دیگر پالیسی اقدامات نے درآمدی طلب کو مؤثر طریقے سے روکا ہے، جس سے کرنٹ اکاؤنٹ بیلنس میں بہتری آئی ہے۔ نتیجتاً، پاکستان کا کرنٹ اکاؤنٹ بیلنس بھی بہتر ہوا اور فروری 2024 تک 0.13 بلین امریکی ڈالر کے سرپلس میں بدل گیا جبکہ 0.05 بلین امریکی ڈالر کا خسارہ تھا۔ پاکستانی روپے (PKR) میں سال 2022 کے دوران بڑی گراوٹ دیکھنے میں آئی، تاہم، پاکستانی روپے سال 2023 کے دوران 280 روپے سے امریکی ڈالر کے آس پاس مستحکم رہا۔ پاکستان بنیادی طور پر خوراک اور توانائی کی بڑھتی قیمتوں کی وجہ سے مہنگائی کی بلند شرحوں سے دوچار تھا۔ سال بہ سال جزل سی پی آئی افراط زر دسمبر 2023 میں 29.7 فیصد ہو گیا جو مئی 2023 میں 38 فیصد کی چوٹی کو چھونے کے بعد دسمبر 2022 میں 24.5 فیصد ہو گیا۔ بلند افراط زر کا مقابلہ کرنے کے لیے، اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ کو 27 جون 2023 سے 22 فیصد پر برقرار رکھا ہے۔ نو منتخب حکومت کے لیے ملک میں معاشی استحکام کو یقینی بنانے کے لیے نظم و ضبط کو برقرار رکھنا بہت ضروری ہے۔ پاکستان کے معاشی نقطہ نظر کو برقرار رکھنے اور اسے بہتر بنانے کے لیے اس طرح کے اقدامات کی مسلسل پابندی ضروری ہوگی

# 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 41<sup>st</sup> Annual General Meeting of the Company to be held on 29<sup>th</sup> day of April 2024 at Karachi.

As witness my/our hand this \_\_\_\_\_ day \_\_\_\_\_ 2024

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.

---

My Bank account details for credit of dividend are as below:

Name of shareholder : \_\_\_\_\_

Folio Number/CDC Account No. : \_\_\_\_\_ of Pak Suzuki Motor Company Limited.

Mobile number of shareholder : \_\_\_\_\_

E-mail id of shareholder : \_\_\_\_\_

Title of Account (\*) : \_\_\_\_\_

Account Number : \_\_\_\_\_

IBAN Number (\*\*): \_\_\_\_\_

Name of Bank : \_\_\_\_\_

Bank branch & Code : \_\_\_\_\_

Mailing Address of Branch : \_\_\_\_\_

CNIC No. (attach copy) : \_\_\_\_\_

NTN (in case of corporate entity) : \_\_\_\_\_

It is stated that the above particulars given by me are correct and to the best of my knowledge; I shall keep Share Registrar / Participant informed in case of any change in the said particulars in future.

---

Shareholder's Signature

---

Date

## NOTES:

- \* Joint account holders shall specify complete Title of Account, including shareholders name.
- \*\* Please provide complete IBAN Number (24 digits), after checking with your concerned Bank branch to enable electronic credit directly into your bank account.



# POSTAL BALLOT PAPER

for voting through post for the Special Business at the Annual General Meeting to be held on Monday April 29, 2024 at 11:00 a.m. at Ramada Plaza Hotel Airport, Karachi, [www.suzukipakistan.com](http://www.suzukipakistan.com)

Folio / CDS Account Number	
Name of Shareholder / Proxy Holder	
Registered Address	
Number of shares Held	
CNIC/Passport No. (in case of foreigner) (copy to be attached)	
Additional information and enclosures (in case of representative of body corporate, corporation, and federal Government)	
Name of Authorized Signatory	
CNIC/Passport No. (in case of foreigner) of Authorized Signatory (copy to be attached) "	

## SPECIAL BUSINESS

5- To ratify and approve transactions conducted with the Related Parties for the year ended December 31, 2023 by passing the following special resolution with or without modification:

**"Resolved that** the transactions conducted with the Related Parties as disclosed in the note 44 of the audited financial statements for the year ended December 31, 2023 and specified in the Statement of Material Facts under Section 134(3) be and are hereby ratified, approved and confirmed."

6- To authorize the Board of Directors of the company to approve transaction with the Related Parties for the financial year ending December 31, 2024 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, 2024."

**"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.

7- To consider and, if thought fit, pass, with or without modification(s), the following resolutions to enable and authorize the Company to circulate the Annual Audited Financial Statements, to the members of the Company through QR enabled code and weblink as required by the Securities and Exchange Commission of Pakistan (SECP) vide its Notification S.R.O. 389(I)/2023 dated March 21, 2023, instead of circulating the same through CD/DVD/USB.

**"RESOLVED THAT** the Company be and is hereby authorized to circulate its Annual Audited Financial Statements, to the members of the Company through QR enabled code and weblink, in accordance with S.R.O. 389(I)/2023 dated March 21, 2023, issued by SECP.

**"FURTHER RESOLVED THAT** the Chief Executive, Chief Financial Officer or Company Secretary of the Company be and are hereby singly authorized to do all acts, deeds and things, take or cause to be taken all necessary actions to comply with all legal formalities and requirements and file necessary documents, as may be necessary or incidental for the purpose of implementing this resolution.

### Instructions For Poll

1. Please indicate your vote by ticking (✓) the relevant box.

2. In case if both the boxes are marked as (✓), your Ballot Paper shall be treated as "Rejected".

I/We hereby exercise my/our vote in respect of the above resolutions through ballot by conveying my/our assent or dissent to the resolutions by placing tick (✓) mark in the appropriate box below;

Resolution	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
Special Resolution No. 5		
Special Resolution No. 6		

## NOTES:

1. Duly filled ballot paper should be sent to the Chairman at ( DSU-13, Pakistan Steel Industrial Estate, Bin Qasim, Karachi.). Ballot paper should reach the Chairman within business hours by or before Friday March 26, 2024 or email at [company.secretary@paksuzuki.com](mailto:company.secretary@paksuzuki.com). in pk by or before Sunday, March 28, 2024. Any postal ballot received after this date, will not be considered for voting.

2.

3. Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.

4. .

5. Signature on ballot paper should match with signature on CNIC/ Passport (In case of foreigner).

6. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written poll paper will be rejected.

7. In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution / Power of Attorney / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable.

8. Ballot Paper form has also been placed on the website of the Company at: [www.suzukipakistan.com](http://www.suzukipakistan.com) Members may download the ballot paper from the website or use an original/photocopy published in newspapers.

Shareholder / Proxy Holder Signature / Authorized Signatory

Dated: \_\_\_\_\_

## پوسٹل بیٹ پیپر

بروز پیر 29 اپریل 2024 کو صبح 11:00 بجے رمدہ پلازہ ہوٹل لیٹر پورٹ، کراچی میں منعقد ہونے والے سالانہ اجلاس عام میں خصوصی کاروبار کے لیے پوسٹ کے ذریعے دوئنگ  
www.suzukipakistan.com

فویو/سی ڈی ایس اکاؤنٹ نمبر	
شیئر ہولڈر/پراسی ہولڈر کا نام	
رجسٹرڈ ایڈریس	
منعقدہ حصص کی تعداد	
CNIC/پاسپورٹ نمبر (غیر ملکی کی صورت میں) (کاپی منسلک کی جائے گی)	
اضافی معلومات اور انکلوژرز (ہاڈی کارپوریٹ، کارپوریشن، اور وفاقی حکومت کے نمائندے کی صورت میں)	
حجاز دستخط کنندہ کا نام	
حجاز دستخط کنندہ کا CNIC/پاسپورٹ نمبر (غیر ملکی کی صورت میں) (نقل منسلک کرنا ہے)	

خصوصی امور

5-31 دسمبر 2023 کو ختم ہونے والے سال کے لئے متعلقہ فریقین کے ساتھ کیے گئے لین دین کی توثیق اور منظوری کے لئے درج ذیل قرار داد پر ترمیم کے ساتھ یا بغیر کسی ردوبدل کے منظوری :  
" قرار پایا ہے کہ متعلقہ فریقین کے ساتھ کئے گئے لین دین جس کا انکشاف 31 دسمبر 2023 کو ختم ہونے والے سال کے آڈٹ شدہ مالیاتی گوشواروں کے نوٹ 44 میں کیا گیا ہے اور سیکشن 134(3) کے مادی حقائق کے بیان میں درج ہے اس پر غور و خوض اور منظوری

6- کمپنی کے بورڈ آف ڈائریکٹرز کو 31 دسمبر 2024 کو ختم ہونے والے سال کے لئے متعلقہ فریقین کے ساتھ کیے گئے لین دین کی توثیق اور منظوری کے لئے درج ذیل قرار داد پر ترمیم کے ساتھ یا بغیر کسی ردوبدل کے منظوری کا اختیار :

" قرار پایا ہے کہ کمپنی کے بورڈ آف ڈائریکٹرز 31 دسمبر 2024 کو ختم ہونے والے سال کے لئے متعلقہ فریقین کے ساتھ کیے جانے والے لین دین کو منظور کا حجاز ہے"

" مزید قرار پایا ہے کہ بورڈ آف ڈائریکٹرز کی جانب سے ان لین دین کو شیئر ہولڈرز کے ذریعہ منظور شدہ تصور کیا جائے گا اور ان کی باضابطہ توثیق یا منظوری کے لئے اگلے سالانہ اجلاس عام میں شیئر ہولڈرز کے سامنے پیش کیا جائے گا۔"

کمپنیز ایکٹ 2017 کے سیکشن 134 (b) کے تحت مادی حقائق کا بیان اس نوٹس کی کاپی کے ساتھ شیئر ہولڈرز کو ارسال کیا جا رہا ہے۔

7- سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کو اس کے نوٹیفیکیشن ایس آر او 389 (I) 2023 مورخہ 21 مارچ 2023 کے تحت کمپنی کے اراکین کو سالانہ آڈٹ شدہ مالیاتی گوشواروں کی ترسیل سی ڈی / ڈی وی ڈی / یو ایس بی کے بجائے بذریعہ ویب لنک یا کیو آر کوڈ کرنے کے اختیار پر ترمیم کے ساتھ یا بنا کسی رد و بدل کے غور و خوض اور منظوری

" قرار پایا ہے کہ ایس آر او 389 (I) 2023 مورخہ 21 مارچ 2023 کے مطابق اور ایس ای سی پی کی ہدایات کے تحت کمپنی اپنے آڈٹ شدہ مالیاتی گوشواروں کو کمپنی کے اراکین تک رسائی بذریعہ ویب لنک یا کیو آر کوڈ دینے کی حجاز ہے۔"

" مزید قرار پایا ہے کہ چیف ایگزیکٹو آفیسر، چیف فنانسئل آفیسر اور کمپنی سیکرٹری کو انفرادی حیثیت میں پیش کردہ مندرجہ بالا قراردادوں پر عمل کرنے کا اختیار دیا جاتا ہے اور اس سلسلے میں وہ کسی مقصد کے تحت تمام قانونی دستاویزات اور پیزیز جو ضروری ہوں اور جن کی طلب ہو سکتی ہے بروئے کار لا سکتے ہیں

دائے ثاری کے لیے ہدایات		
1- براہ کرم متعلقہ باکس پر O نشان لگا کر اپنے ووٹ کی تصدیق کریں		
2- اگر دونوں خانوں کو O کے بطور نشان زد کیا گیا ہے تو آپ کے پول "مسترد" سمجھا جائے گا۔		
میں اہم مندرجہ ذیل میں دی گئی قراردادوں کے سلسلے میں ووٹ کا حق بذریعہ بیٹ استعمال کرتے ہیں اور مندرجہ ذیل میں مناسب باکس میں کب O نشان لگا کر قراردادوں پر میری/ ہماری رضامندی یا اکتاف کا اظہار کرتے		
قرارداد	میں اہم خصوصی قرارداد (کے حق میں) کی منظوری	میں اہم خصوصی قرارداد (کے خلاف) سے اکتاف
خصوصی قرارداد نمبر 5		
خصوصی قرارداد نمبر 6		
خصوصی قرارداد نمبر 7		

نوٹس:

1- درست انداز میں پُر کیا گیا اور دستخط شدہ اصل پوسٹل بیٹ چیئرمین کو DSU-13، پاکستان اسٹیل انڈسٹریل ایسٹ، بن قاسم، کراچی)۔ میں بذریعہ ڈاک یا ای میل ایڈریس .company secretary@paksuzuki.com.pk پر بروز اتوار 28 مارچ 2024 سے قبل ارسال کیا جانا چاہیے

2- CNIC / پاسپورٹ (غیر ملکی کی صورت میں) کی کاپی بیٹ پیپر کے ساتھ منسلک ہونی چاہیے۔

3- پوسٹل بیٹ پر دستخط، CNIC / پاسپورٹ (غیر ملکی ہونے کی صورت میں) پر دستخط سے مماثل ہونے چاہئیں۔

4- پوسٹل بیٹ پر دستخط شدہ، غلط، صحیح شدہ، پھٹے ہوئے یا اوور رائٹنگ والے بیٹ پیپر مسترد کر دئے جائیں گے

5- کارپوریٹ ہاڈی، کارپوریشن یا وفاقی حکومت کے نمائندے کی صورت میں بیٹ پیپر فارم کے ساتھ کسی حجاز شخص کے CNIC کی کاپی، بورڈ کی قرارداد / پاور آف اٹارنی / اجازت نامہ وغیرہ کی تصدیق شدہ کاپی کے ساتھ منسلک ہونا ضروری ہے۔ کمپنیز ایکٹ 2017 کے سیکشن (ز) 138 یا 139 کے مطابق جیسا کہ قابل اطلاق ہے۔ غیر ملکی کارپوریٹ ہاڈی وغیرہ کی صورت میں تمام دستاویزات کو کونسل جنرل آف پاکستان سے تصدیق شدہ ہونا چاہیے۔

6-7- بیٹ پیپر کو کمپنی کی ویب سائٹ www.ail.atlas.pk پر بھی آویزاں کیا گیا ہے۔ ممبران ویب سائٹ سے بیٹ پیپر ڈاؤن لوڈ کر سکتے ہیں یا اخبارات میں شائع ہونے والی اصل / فونو کاپی استعمال کر سکتے ہیں

تاریخ:

شیئر ہولڈر / پراسی ہولڈر دستخط / حجاز دستخط کنندہ





## **Pak Suzuki Motor Co.Ltd.**

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