

ANNUAL REPORT 2020



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Vision

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

Mission

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

CAR FOR THE NEW GENERATION

Talk about style and only one car comes to mind – Suzuki Alto, with its modern aesthetics and aerodynamic design is a vehicle that speaks volumes about style and class. The new Alto's superior maneuverability, spacious interior and fuel efficiency that's become a benchmark, offers unmatched reliability, unrivaled performance and stand-out style truly makes it the car for the new generation.



Company Information

Board of Directors

Kinji Saito	Chairman
Masafumi Harano	Chief Executive
Tadashi Homma	Dy. Managing Director
Shigeo Takezawa	Director
Hisashi Takeuchi	Director
Moin M. Fudda	Director
Rukhsana Shah	Director

Chief Financial Officer

Miki Nakahara

Company Secretary

Abdul Nasir

Audit Committee

Moin M. Fudda	Chairman
Kinji Saito	Member
Shigeo Takezawa	Member

Human Resource and Remuneration (HR & R) Committee

Rukhsana Shah	Chairman
Kinji Saito	Member
Masafumi Harano	Member

Auditors

KPMG Taseer Hadi & Co. Chartered Accountants

Registrar

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

Legal Advisors

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

Bankers

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

Registered Office

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

Regional Offices

Lahore Office:

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

Rawalpindi Office:

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

Multan Office:

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





CONQUER THE WILD

Be safe but never sorry, because Suzuki Jimny is made to challenge the toughest weather and terrain. With Suzuki's safety technology, security is a priority whether exploring in wilderness or cruising in the city. The trilling drive with utter peace of mind offered by Suzuki Jimny is a ride that's more superior and safer than any in its league.



Company Profile

Location

Downstream Industrial Estate of Pakistan Steel, Karachi

Total Area

259,200 m² (64 acres)

Facilities

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

Cost

Rs. 32.704 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.

THE GAME CHANGER

Nothing compares to the luxurious space only the Vitara houses. Cozy, comfortable, contemporary – the spacious interior is surrounded with amenities that leave no room for more. The exciting ride the Vitara offers is spectacular driving pleasure that takes to places and spaces that dreams are made of.



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

(1) 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.

(2) 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

(3) 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.

(4) 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.

(5) 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

(6) 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.

(7) Environmental Activities

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

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

(8) Refusing relations with antisocial forces

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

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

Questions on Code of Conduct?

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

MILESTONES

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

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

1984 The Company started commercial operations.

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

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

1989 Foundation stone of the new plant at Bin Qasim was laid by the then 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 SF-410 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.

2017 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.

2018 Pak Suzuki Launched Suzuki Finance Arrangement Program (SFAP).

2018 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.



BE PRACTICAL

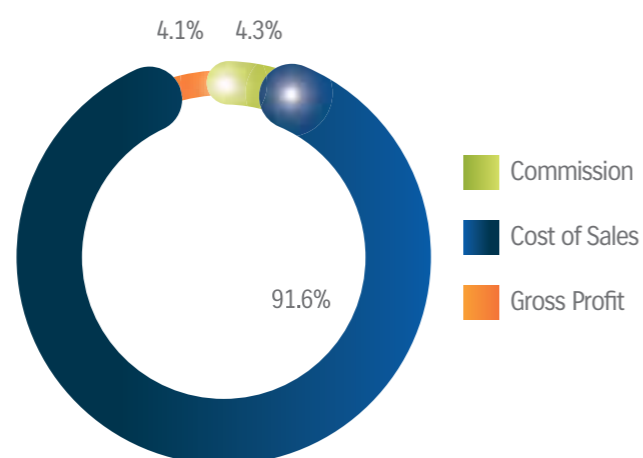
Is it a SUV van? Is it a van? Is it a car? No. It's WagonR! When no other car makes sense, WagonR make complete practical sense. Not only is it the very first car to have the K-series engine in Pakistan, it is a one-of-a-kind vehicle that offers unprecedented fuel efficiency and a drive that is smooth, noiseless and powerful. Now that makes a lot of sense.

Highlights of the Accounts

For the year ended December 31, 2020

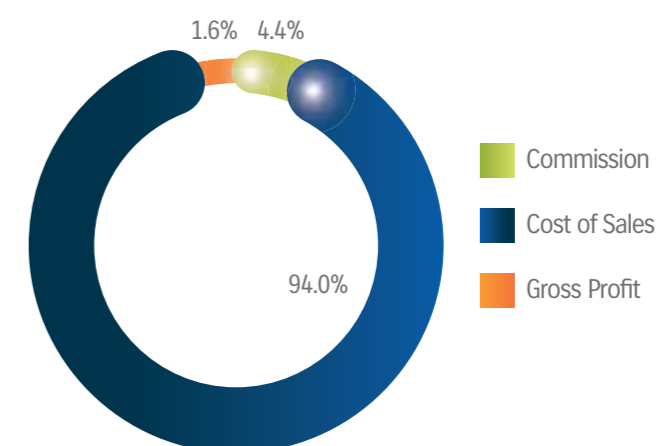
	2020	2019	Increase/(Decrease)	
			Amount	%
----- (Rupees in '000) -----				
Production volume (Nos.)				
- Motorcar	49,528	107,999	(58,471)	(54.1)
- Motorcycle	16,530	22,737	(6,207)	(27.3)
Sales volume (Nos.)				
- Motorcar	59,281	113,270	(53,989)	(47.7)
- Motorcycle	17,111	22,589	(5,478)	(24.3)
Gross Sales	80,417,777	122,186,750	(41,768,973)	(34.2)
Selling Commission & Discount as a % of gross sales	3,697,645 4.6	5,334,195 4.4	(1,636,550)	(30.7) 0.2
Net Sales	76,720,132	116,548,013	(39,827,881)	(34.2)
Gross profit as a % of net sales	3,301,513 4.3	1,984,527 1.7	1,316,986	66.4 2.6
Distribution expenses as a % of net sales	1,639,791 2.1	2,539,251 2.2	(899,460)	(35.4) (0.1)
Administration expenses as a % of net sales	1,790,825 2.3	2,550,663 2.2	(759,838)	(29.8) 0.1
Reversal/ (provision) of impairment on trade & installment sales as a % of net sales	(33,551.0) 0.0	22,588.0 0.0	(56,139)	(248.5) -
Finance Cost as a % of net sales	2,664,734 3.5	2,087,752 1.8	576,982	27.6 1.7

Sales Revenue Breakup - 2020



	2020	2019	Increase/(Decrease)	
			Amount	%
----- (Rupees in '000) -----				
Other income as a % of net sales	704,394 0.9	222,504 0.2	481,890	216.6 0.7
Other operating expenses (WPPF & WWF) as a % of net sales	15,000 0.0	348 0.0	14,652	4,210.3 -
Share of loss from associated company as a % of net sales	47,765 1.4	3,349 0.1	44,416	1,326.2 1.3
Profit/(Loss) before taxation as a % of net sales	-2,185,759 (2.8)	-4,951,744 (4.3)	2,765,985	(55.9) 1.5
Profit/(Loss) after taxation as a % of net sales	-1,589,486 (2.1)	-2,920,485 (2.5)	1,330,999	(45.6) 0.4
Shareholders' equity	24,349,450	25,950,886	(1,601,436)	(6.2)
Earnings per share (Rs.)	-19.31	-35.49	16.18	-45.6
Break-up value per share (Rs.)	295.86	315.32	(19.46)	(6.2)
Number of shares issued (000)	82,300	82,300	-	-
Exchange Rate (JPY to PKR)	1.4639	1.3124	0.15	11.5
Exchange Rate (USD to PKR)	158.2400	142.9354	15.30	10.7

Sales Revenue Breakup - 2019



Highlights of the Accounts Segment Wise

For the year ended December 31, 2020

	CAR DIVISION				MOTORCYCLE DIVISION				TOTAL			
	2020	2019	INCREASE/ DECREASE	%	2020	2019	INCREASE/ DECREASE	%	2020	2019	INCREASE/ DECREASE	%
	----- (Rupees in '000) -----				----- (Rupees in '000) -----				----- (Rupees in '000) -----			
Production volume (Nos.)	49,528	107,999	(58,471)	-54	16,530	22,737	(6,207)	-27	66,058	130,736	(64,678)	-49
Sales volume (Nos.)	59,281	113,270	(53,989)	-48	17,111	22,589	(5,478)	-24	76,392	135,859	(59,467)	-44
Gross Sales	77,499,989	118,318,336	(41,039,970)	-35	2,917,788	3,667,280	(749,492)	-20	80,417,777	122,186,750	(41,768,973)	-34
Selling Commission & Discount as a % of gross sales	3,691,645 4.8	5,323,824 4.5	(1,632,179)	-31 0.3	6,000 0.2	10,371 0.3	(4,371) (0.1)	-42	3,697,645 4.60	5,334,195 4.37	(1,636,550)	-31 0.2
Net Sales	73,808,344	118,519,470	(41,019,481)	-35	2,911,788	3,553,501	(641,713)	-18	76,720,132	116,548,013	(39,827,881)	-34
Gross profit as a % of net sales	3,102,573 4.2	1,693,139 1.5	1,409,434	83 2.71	198,940 6.8	291,388 8.2	(92,448) (1.37)	-32	3,301,513 4.30	1,984,527 1.70	1,316,986	66 2.60
Distribution expenses as a % of net sales	1,586,419 2.1	2,479,961 2.2	(893,542)	-36 -0.05	53,372 1.8	59,290 1.7	(5,918) 0.16	-10	1,639,791 2.14	2,539,251 2.18	(899,460)	-35 -0.04
Administration expenses as a % of net sales	1,559,441 2.1	2,303,766 2.0	(744,325)	-32 0.07	231,384 7.9	246,897 6.9	(15,513) 1.00	-6	1,790,825 2.33	2,550,663 2.19	(759,838)	-30 0.15
Finance Cost as a % of net sales	2,656,716 3.6	2,084,717 1.8	571,999	27 1.75	8,018 0.3	3,035 0.1	4,983 0.19	164	2,664,734 3.47	2,087,752 1.79	576,982	28 1.68
Other income as a % of net sales	481,165 0.7	176,011 0.2	305,154	173 0.50	223,229 7.7	46,493 1.3	176,736 6.36	380	704,394 0.92	222,504 0.19	481,890	217 0.73
Reversal/ (provision) of impairment on trade & installment sales as a % of net sales	500 0.0	1,000 0	(500)	-50 (0.00)	(34,051) (1.2)	21,588 1	(55,639) (1.78)	-258	(33,551) -0.04	22,588 0.02	(56,139)	-249 -0.06
WPPF & WWF as a % of net sales	15,000 0.0	348 0.0	14,652	4210 0.02	- 0.0	- 0.0	- -	-	15,000 0.02	348 0.00	14,652	4210 0.02
Share of loss of equity accounted investee as a % of net sales	47,765 0.1	3,349 0.0	44,416	1326 0.06	0 0.0	0 0.0	- -	-	47,765 0.06	3,349 0.00	44,416	1326 0.06
Profit before taxation as a % of net sales	-2,281,103 (3.1)	-5,001,991 (4.4)	2,720,888	-54 1.34	95,344 3.3	50,247 1.4	45,097 1.86	90	(2,185,759) -2.85	(4,951,744) -4.25	2,765,985	-56 1.40
Profit after taxation as a % of net sales	-1,684,830 (2.3)	(2,970,732) (2.6)	1,285,902	-43 0.35	95,344 3.3	50,247 1.4	45,097 1.86	90	(1,589,486) -2.07	(2,920,485) -2.51	1,330,999	-46 0.43
Earnings per share (Rs.)	-20.47	-36.10	15.63	-43	1.16	0.61	0.55	90	(19.31)	(35.49)	16.18	-46
Number of shares issued (000)	82,300	82,300	-	0	82,300	82,300	-	-	82,300	82,300	-	0

6 Years at a Glance

	2020	2019	2018	2017	2016	2015
----- (Rupees in '000) -----						
OPERATING RESULTS						
Production volume (Nos.)						
- Motorcar	49,528	107,999	143,239	132,725	111,979	134,391
- Motorcycle	16,530	22,737	23,014	19,603	18,374	19,610
Sales volume (Nos.)						
- Motorcar	59,281	113,270	140,313	132,548	110,000	133,952
- Motorcycle	17,111	22,589	23,160	19,901	17,946	20,617
Sales revenue	76,720,132	116,548,013	119,853,898	101,811,611	76,516,040	84,548,757
Gross profit	3,301,513	1,984,527	7,044,865	9,652,573	7,348,577	11,487,448
Profit/(loss) before taxation	(2,185,759)	(4,951,744)	2,082,936	5,619,214	4,415,236	8,685,171
Profit/(loss) after taxation	(1,589,486)	(2,920,485)	1,298,108	3,825,821	2,772,635	5,842,671
Dividends (cash/bonus shares)	-	-	260,068	1,530,777	452,649	1,234,498
Profit retained	(1,589,486)	(2,920,485)	1,038,040	2,295,044	2,319,986	4,608,173
CAPITAL EMPLOYED						
Share capital	822,999	822,999	822,999	822,999	822,999	822,999
Reserves	25,137,763	28,069,713	27,109,749	24,898,931	22,619,294	18,009,762
Unappropriated profit	(1,611,312)	(2,941,826)	1,300,117	3,827,786	2,774,614	5,846,477
Shareholders' equity	24,349,450	25,950,886	29,232,865	29,549,716	26,216,907	24,679,238
Non-Current Liabilities	370,934	515,679	215,730			
Current Liabilities	41,983,981	51,193,261	32,061,254	21,360,751	11,635,058	12,772,749
	66,704,365	77,659,826	61,509,849	50,910,467	37,851,965	37,451,987
Represented By:						
Fixed Assets	13,038,601	15,685,850	15,654,827	8,800,002	6,672,057	4,510,789
Other Non - Current Assets	7,947,931	3,828,757	2,173,188	1,104,378	661,665	425,792
Net Current Assets	45,717,833	58,145,219	43,681,834	41,006,087	30,518,243	32,515,406
	66,704,365	77,659,826	61,509,849	50,910,467	37,851,965	37,451,987

	2020	2019	2018	2017	2016	2015
PROFITABILITY RATIOS						
Gross profit as a % of net sales	4.3%	1.7%	5.9%	9.5%	9.6%	13.6%
Profit before taxation as a % of net sales	-2.8%	-4.2%	1.7%	5.5%	5.8%	10.3%
Profit/(loss) after taxation as a % of net sales	-2.1%	-2.5%	1.1%	3.8%	3.6%	6.9%
Earning/(loss) per Share (Rs.)	(19.3)	(35.5)	15.8	46.5	33.7	71.0
LIQUIDITY & LEVERAGE RATIOS						
Current ratio	1.09	1.14	1.36	1.92	2.62	2.55
Quick ratio	0.40	0.40	0.44	0.79	1.21	1.51
Liabilities as a % of total assets	63%	67%	52%	42%	31%	34%
Equity as a % of total assets	37%	33%	48%	58%	69%	66%
EFFICIENCY RATIOS						
Inventory turn over ratio	4.1	3.1	3.8	3.8	4.2	5.6
No. of days stock held	90	120	95	95	86	65
No. of days sales in trade debts	2.4	2.2	0.7	0.8	5.7	6.7
Total assets turn over ratio	1.2	1.5	1.9	2.0	2.0	2.3
Net worth turn over ratio	3.2	4.5	4.1	3.4	2.9	3.4
EQUITY RATIOS						
Break up value per share (Rs.)	295.86	315.32	355.20	359.05	318.55	299.87
Cash Dividend as a % of capital	0%	0%	32%	186%	55%	150%
Dividend payout ratio (%)	0%	0%	20%	40%	16%	21%
Plough-back ratio (%)	100%	100%	80%	60%	84%	79%
OTHER DATA						
Permanent employees strength (Nos.)	2,102	1,964	2,024	1,345	1,269	1,257
Number of shares	82,299,851	82,299,851	82,299,851	82,299,851	82,299,851	82,299,851

Horizontal Analysis of Balance Sheet

	2020	%	2019	%	2018	%	2017	%	2016	%	2015	%
----- (Rupees in Millions) -----												
BALANCE SHEET												
Fixed assets	13,285	(17.1)	16,031	1.7	15,768	75.5	8,985	33.2	6,745	46.8	4,594	(8.0)
Right to use of Assets	124	(14.5)	145	-	0	-	0	-	0	-	0	-
Long-term investments	278	(14.7)	326	(0.9)	329.00	58.2	208	-	0	-	0	-
Long-term loans	5	25.0	4	-	4	100.0	2	(99.1)	231	2,210.0	10	-
Long-term deposits, prepayments and other receivables	465	23.0	378	(17.1)	456	19.4	382	1,217.2	29	16.0	25	8.7
Long-term installment sales receivables	486	78.7	272	130.5	118	(18.6)	145	51.0	96	(15.8)	114	(29.6)
Deferred taxation	6,343	168.9	2,359	104.8	1,152	386.1	237	1.3	234	20.0	195	248.2
Stores, spares and loose tools	252	(3.1)	260	76.9	147	27.8	115	3.6	111	12.1	99	20.7
Stock-in-trade	18,055	(51.9)	37,517	27.6	29,397	22.8	23,947	47.0	16,289	24.5	13,084	(12.6)
Trade debts	504	(27.1)	691	190.3	238	12.8	211	(82.5)	1,205	(22.9)	1,562	15.5
Current portion of long-term installment sales receivables	1,245	55.8	799	45.3	550	71.3	321	10.3	291	(16.4)	348	(10.3)
Loans and advances	120	118.2	55	34.1	41	10.8	37	(81.6)	201	1.5	198	(61.6)
Trade deposits and short term prepayments	1,543	453.0	279	(79.4)	1,357	40.5	966	1,154.5	77	8.5	71	34.0
Accrued profit on bank deposits	0	-	0	(100.0)	269	827.6	29	(76.0)	121	(37.3)	193	1,106.3
Other receivables	617	76.8	349	-	0	(100.0)	93	(27.9)	129	48.3	87	(35.1)
Sales tax and excise duty adjustable	2,237	(71.0)	7,701	76.2	4,370	282.0	1,144	(30.7)	1,651	493.9	278	(72.3)
Taxation - net	3,327	(54.0)	7,226	24.6	5,798	18.3	4,900	158.7	1,894	19.1	1,590	(42.1)
Cash and bank balances	17,818	445.2	3,268	115.6	1,516	(83.5)	9,190	7.5	8,548	(43.0)	15,006	715.1
Non-current assets classified as held for sale	0	-	0	-	0	-	0	-	0	-	0	-
Total assets	66,704	(14.1)	77,660	26.3	61,510	20.8	50,910	34.5	37,852	1.1	37,452	32.1
Share capital	823	-	823	-	823	-	823	-	823	-	823	-
Reserves	23,526	(6.4)	25,128	(11.6)	28,410	(1.1)	28,727	13.1	25,394	6.4	23,856	29.6
Total Equity	24,349	(6.2)	25,951	(11.2)	29,233	(1.1)	29,550	12.7	26,217	6.2	24,679	28.3
Trade and other payables	13,805	7.1	12,887	(10.6)	14,410	26.6	11,378	80.6	6,300	(2.2)	6,442	30.3
Advances	9,878	559.9	1,497	(34.2)	2,276	(57.3)	5,332	228.1	1,625	(61.5)	4,226	95.7
Accrued mark-up	0	-	0	-	0	-	0	-	0	-	0	(100.0)
Short-term finance	12,621	(61.1)	32,411	186.6	11,310	-	0	-	0	-	0	-
Security deposits	4,029	(3.2)	4,164	(1.4)	4,222	(8.2)	4,601	25.3	3,673	77.6	2,068	7.9
Unclaimed dividend	19	-	19	(13.6)	22	-	-	-	-	-	-	-
Lease liability	136	(8)	148	-	-	-	-	-	-	-	-	-
Provision for custom duties and sales tax	1,867	220.2	583	1,519.4	36	-	36	-	36	-	36	(58.1)
Total equity and liabilities	66,704	(14.1)	77,660	26.0	61,510	20.8	50,910	34.5	37,852	1.1	37,452	32.1

Horizontal Analysis of Profit or Loss Account

	2020	%	2019	%	2018	%	2017	%	2016	%	2015	%
----- (Rupees in Millions) -----												
Sales	76,720	(34.2)	116,548	(2.8)	119,854	17.7	101,812	33.1	76,516	(9.5)	84,549	57.5
Cost of sales	(73,419)	(35.9)	(114,563)	1.6	(112,809)	22.4	(92,159)	33.2	(69,167)	(5.3)	(73,061)	47.7
Gross profit	3,302	66.3	1,985	(71.8)	7,045	(27.0)	9,653	31.4	7,349	(36.0)	11,487	174.5
Distribution and selling costs	(1,640)	(35.4)	(2,539)	(6.2)	(2,707)	(3.5)	(2,804)	39.9	(2,004)	3.0	(1,946)	160.5
Administrative expenses	(1,791)	(29.8)	(2,551)	9.8	(2,323)	45.2	(1,600)	3.9	(1,540)	25.1	(1,231)	11.7
Reversal of impairment losses	(34)	(247.8)	23	-	-	-	-	-	-	-	-	-
Other expenses	(15)	#DIV/0!	-	(100.0)	(154)	(62.8)	(414)	24.0	(334)	(48.9)	(653)	233.2
Other income	704	215.7	223	(60.6)	566	(34.6)	865	(16.8)	1,040	(1.7)	1,058	107.5
Operating profit	(163)	(94.7)	(3,083)	(225.9)	2,449	(57.0)	5,699	26.3	4,511	(48.2)	8,716	228.9
Share of loss of equity accounted investee	(48)	1,500.0	(3)	-	(3)	-	-	-	-	-	-	-
Finance cost	(2,665)	27.6	(2,088)	475.2	(363)	433.8	(68)	(29.2)	(96)	209.7	(31)	14.8
Profit before taxation	(2,186)	55.9	(4,952)	(337.7)	2,083	(62.9)	5,619	27.3	4,415	(49.2)	8,685	231.1
Taxation	596	(70.7)	2,031	(358.7)	(785)	(56.2)	(1,793)	9.1	(1,643)	(42.2)	(2,843)	305.0
Profit after taxation	(1,589)	45.6	(2,920)	(325.0)	1,298	(66.1)	3,826	38.0	2,773	(52.5)	5,843	204.0

Vertical Analysis of Balance Sheet

	2020	%	2019	%	2018	%	2017	%	2016	%	2015	%
----- (Rupees in Millions) -----												
BALANCE SHEET												
Fixed assets	13,285	19.9	16,031	20.6	15,768	25.6	8,985	17.6	6,745	17.8	4,594	12.3
Right to use of Assets	124	0.2	145	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Long-term investments	278	0.4	326	0.4	329	0.5	208	0.4	-	0.0	-	0.0
Long-term loans	5	0.0	4	0.0	4	0.0	2	0.0	231	0.6	10	0.0
Long-term deposits, prepayments and other receivables	465	0.7	378	0.5	456	0.7	382	0.8	29	0.1	25	0.1
Long-term installment sales receivables	486	0.7	272	0.4	118	0.2	145	0.3	96	0.3	114	0.3
Deferred taxation	6,343	9.5	2,359	3.0	1,152	1.9	237	0.5	234	0.6	195	0.5
Stores, spares and loose tools	252	0.4	260	0.3	147	0.2	115	0.2	111	0.3	99	0.3
Stock-in-trade	18,054	27.1	37,517	48.3	29,397	47.8	23,946	47.0	16,289	43.0	13,082	34.9
Trade debts	504	0.8	691	0.9	238	0.4	211	0.4	1,205	3.2	1,562	4.2
Current portion of long-term installment sales receivables	1,245	1.9	799	1.0	550	0.9	321	0.6	291	0.8	348	0.9
Loans and advances	120	0.2	55	0.1	41	0.1	37	0.1	201	0.5	198	0.5
Trade deposits and short term prepayments	1,543	2.3	279	0.4	1,357	2.2	966	1.9	77	0.2	71	0.2
Accrued profit on bank deposits	-	0.0	-	0.0	269	0.4	29	0.1	121	0.3	193	0.5
Other receivables	617	0.9	349	0.4	-	0.0	93	0.2	129	0.3	87	0.2
Short-term investment	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Sales tax and excise duty adjustable	2,237	3.4	7,701	9.9	4,370	7.1	1,144	2.2	1,651	4.4	278	0.7
Taxation - net	3,327	5.0	7,226	9.3	5,798	9.4	4,900	9.6	1,894	5.0	1,590	4.2
Cash and bank balances	17,819	26.7	3,268	4.2	1,516	2.5	9,189	18.1	8,548	22.6	15,006	40.1
Non-current assets classified as held for sale	-	-	-	-	-	-	-	0.0	-	0.0	-	0.0
Total assets	66,704	100.0	77,660	100.0	61,510	100.0	50,910	100.0	37,852	100.0	37,452	100.0
EQUITY AND LIABILITIES												
Share capital	823	1.2	823	1.1	823	1.3	823	1.6	823	2.2	823	2.2
Reserves	23,526	35.3	25,128	32.4	28,410	46.2	28,726	56.4	25,394	67.1	23,856	63.7
Total Equity	24,349	36.5	25,951	33.4	29,233	47.5	29,549	58.0	26,217	69.3	24,679	65.9
Trade and other payables	13,805	20.7	12,887	16.6	14,411	23.4	11,378	22.3	6,301	16.6	6,443	17.2
Advances	9,877	14.8	1,497	1.9	2,276	3.7	5,332	10.5	1,625	4.3	4,226	11.3
Accrued mark-up	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Short-term finance	12,621	18.9	32,411	41.7	11,311	18.4	-	0.0	-	0.0	-	0.0
Security deposits	4,029	6.0	4,164	5.4	4,222	6.9	4,601	9.0	3,673	9.7	2,068	5.5
Unclaimed dividend	19	0.03	19	0.02	22	0.04	14	0.0	-	0.0	-	0.0
Lease liability	136	0.2	148	0.2	-	0.0	-	-	-	0.0	-	0.0
Provision for custom duties and sales tax	1,868	2.8	583	0.8	35	0.1	36	0.1	36	0.1	36	0.1
Total equity and liabilities	66,704	100.0	77,660	100.0	61,510	100.0	50,910	100.0	37,852	100.0	37,452	100.0

Vertical Analysis of Profit or Loss Account

	2020	%	2019	%	2018	%	2017	%	2016	%	2015	%
----- (Rupees in Millions) -----												
Sales	76,720	100	116,548	100	119,854	100	101,812	100	76,516	100	84,549	100
Cost of sales	(73,419)	(95.70)	(114,563)	(98.30)	(112,809)	(94.12)	(92,159)	(90.52)	(69,167)	(90.40)	(73,061)	(86.41)
Gross profit	3,302	4.30	1,985	1.70	7,045	5.88	9,653	9.48	7,349	9.60	11,487	13.59
Distribution and selling costs	(1,640)	(2.14)	(2,539)	(2.18)	(2,707)	(2.26)	(2,804)	(2.75)	(2,004)	(2.62)	(1,946)	(2.30)
Administrative expenses	(1,791)	(2.33)	(2,551)	(2.19)	(2,301)	(1.92)	(1,600)	(1.57)	(1,540)	(2.01)	(1,231)	(1.46)
Reversal/ (provision) of impairment on trade & installment sales	(34)	(0.04)	23	0.02	22	0.02	-	-	-	-	-	-
Other expenses	(15)	(0.02)	-	-	(154)	(0.13)	(414)	(0.41)	(334)	(0.44)	(653)	(0.77)
Other income	704	0.92	223	0.19	566	0.47	865	0.85	1,040	1.36	1,058	1.25
Operating profit	(163)	(0.21)	(3,083)	(2.65)	2,449	2.04	5,699	5.6	4,511	5.9	8,716	10.31
Share of loss of equity accounted investee	(48)	(0.06)	(3)	(0.00)	(3)	0	(12)	(0.01)	-	-	-	-
Finance cost	(2,665)	(3.47)	(2,088)	(1.79)	(363)	(0.30)	(68)	(0.07)	(96)	0.13	(31)	(0.04)
Profit /(loss) before taxation	(2,186)	(2.85)	(4,952)	(4.25)	2,083	1.74	5,619	5.52	4,415	5.77	8,685	10.27
Taxation	596	0.78	2,031	1.74	(785)	(0.65)	(1,793)	(1.76)	(1,643)	(2.15)	(2,843)	(3.36)
Profit /(loss) after taxation	(1,589)	(2.07)	(2,920)	(2.51)	1,298	1.08	3,826	3.76	2,773	3.62	5,843	6.91



Statement of Value Addition and its Distribution

	2020	%	2019	%
	(Rupees in '000)		(Rupees in '000)	
Wealth Generated				
Total gross revenue and other income	77,424,526		116,770,517	
Brought in materials and services	56,303,591		92,287,976	
	21,120,935	100	24,482,541	100
Wealth distribution to stakeholders				
To Employees				
Salaries, wages ,other cost including retirement benefits and WPPF	2,073,423	9.82	3,339,067	13.64
To Government				
Income tax, sales tax, excise duty, development surcharge, WWF	15,024,951	71.14	19,211,233	78.47
To Society				
Donation	12,559	0.06	8,952	0.04
To Shareholders				
Dividend	-	0.00	260,068	1.06
To providers of finance				
Finance charges for borrowed funds	2,037,671	9.65	1,948,546	7.96
To Company				
Depreciation, amortisation and retained profit/ (loss)	1,972,331	9.34	(285,325)	-1.17
	21,120,935	100.00	24,482,541	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



IT'S BRIGHTER. BOLDER. BETTER.

The New Suzuki Cultus - Progressive Technology that fits the modern world. Be it a race to the office, a highway frenzy or the daily rush-hour, it is equipped with Auto Gear Shift that makes your drive absolutely effortless. Success has a name - Suzuki Cultus AGS!



Visits & Events



Members of National Assembly Standing Committee on Industries and Production along with Additional Secretary **MOIP** (Ministry of Industries and Production) and **EDB** (Engineering Development Board) officials visited **Pak Suzuki** on 19th February 2020



Pak Suzuki participated as **Platinum** sponsor in **PAPS 2020** held at Expo Center Lahore from 21st to 23rd February 2020



Inauguration of Dealerships



Suzuki Campbellpur Motors



Suzuki Premier Motors



Suzuki Hafizabad Motors



Suzuki Mandi Bahaudiin Motors



Suzuki Racecourse Motors

HAVE FUN

When Swift hit the roads in Pakistan, it steered the market in more ways than one. Its exquisite eye-catching design and vibrant style set the Swift apart from other compact cars. Swift is for the young at heart, the ones who are free and love having fun. A dynamic car for fun-loving people, the ones who cause a sensation wherever they go.



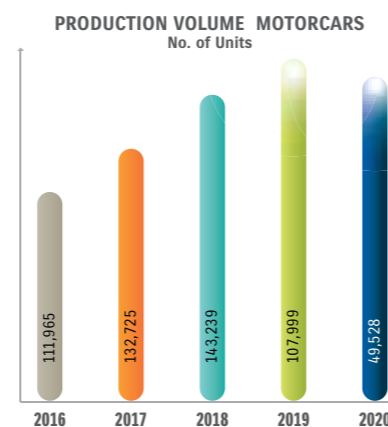
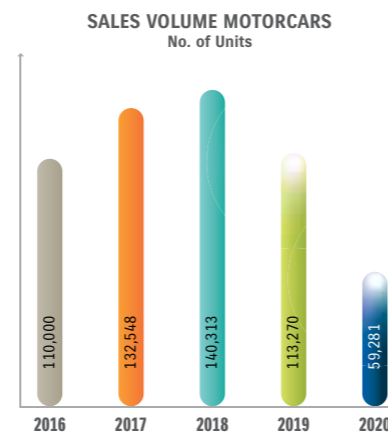
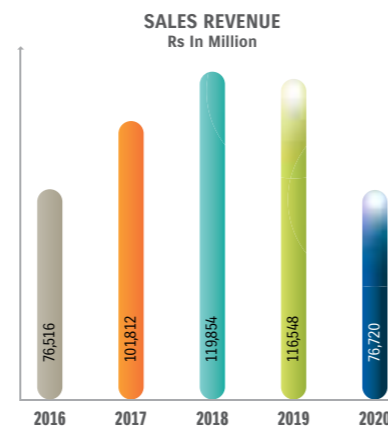
Chairman's Review

I am pleased to report that your Company handled the challenging operating environment due to pandemic of COVID 19 with dedicated support of its employees and business partners. I hereby present review on the performance of the Company for the year ended December 31, 2020.

The Economy

We are going through testing times as pandemic of Coronavirus (COVID-19) has unfolded one of the worst health crises across the globe and has a widespread impact on the key economic indicators of Pakistan. Like the rest of the World, the year 2020 brought about significant socio-economic challenges for Pakistan. As a result of the Global slowdown along with a complete lockdown in the country to prevent the spread of COVID-19, Pakistan's economic health took a severe battering in the first two quarters of 2020. Since third quarter of 2020, post lockdown environment in Pakistan witnessed positive signs in key economic indicators. Government initiated several schemes and fiscal measures were taken to mitigate the impact on economy. State Bank of Pakistan (SBP) reduced the policy rate from 13.25% to 7% in four months (March - June 2020) and thereafter maintained the same rate of 7%.

Global recovery supported by positive vaccine news alongside strong credit support provided by Government also triggered a rebound in exports. Exports have recovered to Pre-COVID crises of monthly levels of USD 2 billion since July 2020, with strongest recovery recorded in the textiles, rice, cement, chemicals and pharmaceutical sectors. Remittances have performed strongly on the back of orderly exchange rate conditions as well as supportive policy steps taken by the SBP under the Digital Pakistan account. During the first seven months of FY21 (July 2020 - January 2021), the Current Account showed a surplus of US\$ 912 million, representing a growth of ~136% y-o-y. The surplus was driven by the increase in worker's remittances, coupled with growth in net exports. These factors contributed for stable Pak Rupee, helping to ease foreign exchange risk. The rupee has been trading around PKR 160 to a US\$. Forecast for inflation has risen slightly, primarily due to recent supply side shocks to food and commodity prices. Average inflation is now expected to remain within the range of 7% - 9% during Financial Year 2020-21.



Pakistan's economic sector has rebounded in recent months, with the construction and manufacturing sectors leading the recovery. Government's move to impose a policy of smart lockdown, which balances the need to curb the spread of the virus and maintain activity in various sectors of the economy, should minimize the risks to the economic activities. Key indicators of construction activity notably steel and cement have shown resilience, supported by the government's initiative to stimulate activity in housing and construction through incentive package. Similarly, recent sales in fast-moving consumer goods have recovered to pre-Covid levels, while large scale manufacturing sector including demand for automobiles has rebounded. Positive news of vaccines should provide further boost to overall economy. However, high inflation, rising power utility rates, increasing fuel costs, etc. remained potential factors impacting economic growth.

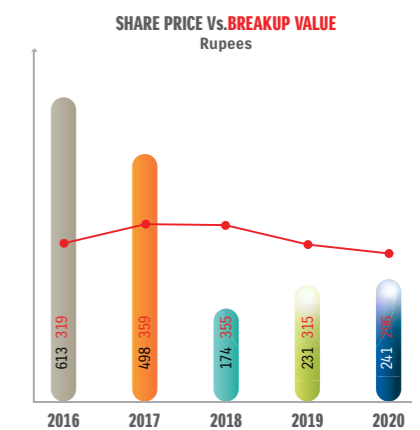
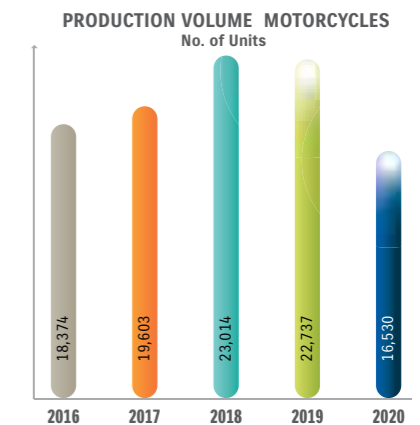
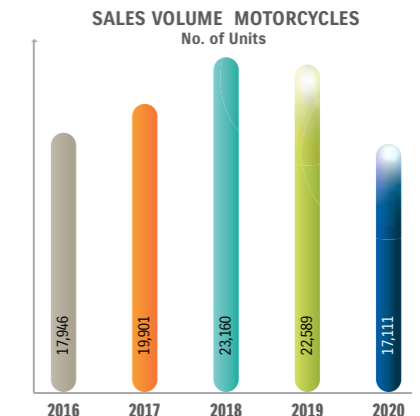
Industry

Economic condition of country was badly hit due to pandemic of COVID-19 resulting in negative growth rate in 2019-20 and adversely impacting the sales volume of auto industry. In the year 2020, sales volume of auto industry (PAMA member companies) for cars and light commercial vehicles was recorded at 124,088 units compared to 187,846 units in last year, registering decrease of 34%. Auto sales were badly hit during the 2nd and 3rd quarter of 2020. However, recovery in auto sales volumes was witnessed from 4th quarter. The main factors contributed to recovery of automobile sector were increase in car financing volumes driven by low interest rates, increase in disposable income in the hand of customers due to increase in foreign remittances and improved agricultural income.

During 2020, the organized market (PAMA member companies) for motorcycles and three wheelers decreased from 1,655,216 units in 2019 to 1,521,056 units which represents 8% decline in sales volume over last year.

Electric Vehicle (EV) Policy

The government has recently announced five-year EV Policy for Pakistan. The Policy envisaged targeting a robust electric vehicle market with defined targets for passenger and heavy commercial vehicles. Although, electric vehicle



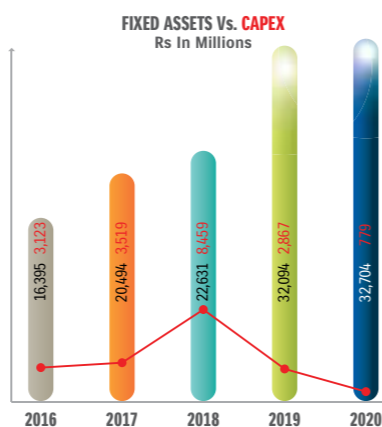
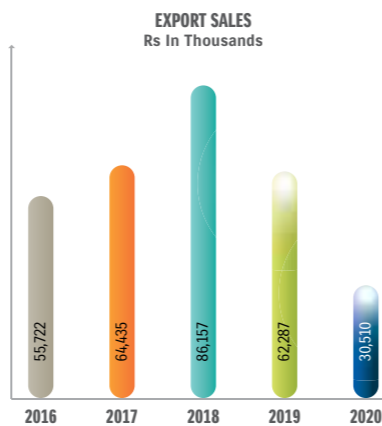
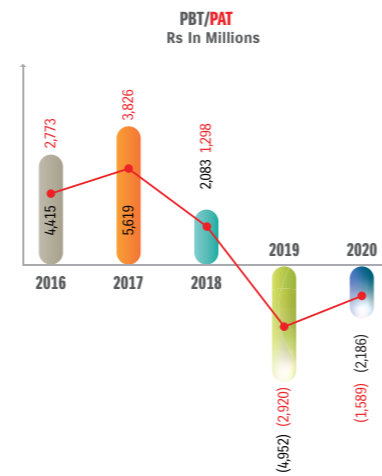
technology has a promising future, but this technology is still very expensive. Further, there will be an immediate need of associated infrastructure along with EVs to back up the whole supply chain, especially huge investment is required for the development of charging stations.

In contrast, Hybrid Vehicle technology is quite mature and is far less expensive and suitable for the Pakistani environment. Also, it does not require any investment in the infrastructure. It will serve as a bridge before moving on to a Battery Electric Vehicles in a later stage. Therefore, government may consider allowing incentives for Hybrid vehicles manufactured in Pakistan as offered for Electric Vehicles, such as reduced rate of sales tax, withdrawal of Federal Excise Duty & additional custom duty.

Operating Results of the Company

Sales volume during the year 2020 for cars and light commercial vehicles declined by 48% from 113,270 units to 59,281 units. Demand for lower segment vehicles were adversely impacted resulting in decline in market share of Company from 59% in year 2019 to 48% in 2020. The production volume of automobile and motorcycles were adjusted according to the demand. The Company operated at 33% capacity utilization and achieved production volume of 49,528 units of automobiles. Sales volume for motorcycles declined by 24%. Company achieved sales volume of 17,111 units as compared to sales volume of 22,589 units in corresponding period of last year.

Net sales revenues decreased by Rs 39,828 million from Rs 116,548 million to Rs 76,720 million. Sales revenue decreased by 34% in current year over last year due to decline in sales volume. Gross profit increased in absolute terms by Rs 1,317 million from Rs 1,985 million to Rs 3,302 million. Gross profit margins as a percentage of net sales improved from 1.7% to 4.3%. Massive devaluation of Pak Rupee in 2019 and incidence of duties & taxes implemented vide Federal Budget 2019 resulted in increased production cost, consequently adversely affecting the profit margins in 2019. However, Company passed on the impact of increase in production cost in phases by gradually increasing the prices of its products, resulting in improved margins in 2020. Further, Company initiated cost cutting measures and



improving efficiencies. Company incurred net loss of Rs 1,589 million as compared to net loss Rs 2,920 million in last year. Major reason for loss incurred during the year was due to massive decline in sales volume.

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. Company has been continuously enhancing and strengthening the dealership network. As of December 31, 2020, dealership network expanded to 165 sales outlets in 100 cities across Pakistan.

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

Considering the prevailing low interest rate, Pak Suzuki concentrated on auto financing sales and joined hands with partner banks in providing "Value addition services" to the customers by offering free registration, free one year maintenance, competitive mark-up and insurance rates on selected models. This exercise was started from July 2020 and results were quite encouraging. We have planned to continue such activities in future.

Motorcycle Market:

Motorcycle market in Pakistan is dominated by motorcycle with engine capacity of 70cc. Pak Suzuki markets motorcycles with engine capacities of 110cc and above. The Company expects that motorcycle demand in Pakistan will gradually shift towards higher engine capacity like other countries in the region and market for Suzuki motorcycles will improve. Company is trying to expand its business in this

segment by offering quality products and efficient services to customers through strong authorized dealership network spread all over Pakistan. Further, 16 Company operated showrooms and 10 'franchise outlets' at dealerships are in operation where customers are provided sales and after sales service for motorcycles.

Exports:

During the year, KD parts worth Rs. 26.5 million were exported to sister concerns Vietnam Suzuki Corporation (VISUCO), Vietnam and Suzuki Indomobil Motors (SIM), Indonesia against KD parts exports of Rs. 16.2 million in 2019. KD parts were exported for mass production of Suzuki mini-truck model in Vietnam and Suzuki WagonR Car model in Indonesia. Accessories of Rs. 4 million were exported to Suzuki Motor Corporation, Japan for after sales market.

After-sales (Parts & Service):

After-sales 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 after-sales network continued to expand specially in small cities & towns.

However, during the COVID-19 pandemic situation, dealer workshop operations were badly affected due to complete lock down during April – May 2020 and, subsequently customers avoided visiting dealerships for services due to COVID-19. To overcome the situation, Pak Suzuki took following countermeasures with active participation of dealers:

- Issued workshop guidelines in accordance with applicable Government SOPs and ensured compliance of SOPs;
- Information communicated to customers through social media/ Customer Relation Centre;
- Extension in warranty period to facilitate customers;
- Customized policies to support dealers' operations; &
- Parts sales operations continued with limited staff to serve customers.

As a result of countermeasures, dealers' operations started improving by showing positive trend.

Customers' Feedback System:

Company carried out follow-up surveys of customers on regular basis through Customer Relations Centre. Based on Customers' feedback, we keep on improving services at dealers' network. Even during the pandemic situation, our customers have shown their trust and satisfaction on the services rendered to them through dealers' network.

Dealers' Staff Skill Development & Motivation:

Company gives high priority for skill development, motivation & retention of dealers' staff. Despite of the challenges faced during COVID-19, technical & soft skills training were developed and online on job trainings on technical matters & behavioral training sessions continued to upgrade the dealers' staff skill level to meet customers satisfaction.

New Initiatives:

Following 'New Initiatives' taken to facilitate Customers:

- One-year free maintenance for selected models.
- Wide range of Suzuki Genuine accessories introduced to meet customers' expectations.
- Customer Satisfaction & Service Reminder (CS+SR) System to ensure customer satisfaction, customer feedback & retention by close monitoring & follow-up.

LOCALIZATION

Your Company is proud to be the pioneer in the development of auto parts industry in Pakistan. The Company has been striving for localization of components through suppliers' network and in-house manufacturing of components. The Company also contributes to the socio-economic development of the country by creating job opportunities and technology transfer to part manufacturing industry. The Company continues to pursue localization in order to reduce the cost of products and keep the prices competitive besides saving of foreign exchange.

It is essential for the local auto parts industry to upgrade their production facilities with latest technology. Pak Suzuki has been coordinating Technical Collaborations for its suppliers to align them with latest technologies. Pak Suzuki arranged several 'Technical Assistance Agreements' for local suppliers with reputable international parts manufacturers to enhance localization of functional and high-tech components.

Further, Company took initiative and made a strategy to enter into Joint Venture agreement with suppliers to provide confidence to Technical Assistance provider. In this regard, Tecno Glass Limited (TAG) was established on March 16, 2017 for manufacturing automobile glass. TAG is a Joint Venture Company between Tecno Pack Telecom (Private) Limited and Company. Company had contributed equity investment of Rs 344.4 million. TAG has started commercial production in year 2020. This Joint Venture is a first green field project between Pak Suzuki & its suppliers. Beside technology transfer and localization of glass for auto industry, the project will contribute significant cost saving to Company and earn reasonable returns on the investment.

Furthermore, Company supports the suppliers to alleviate the hardships due to COVID-19 pandemic. We have offered special support packages including advances against tooling and financial assistance to our local suppliers to sustain their operations.

Improvement & Development of Suppliers:

For promoting the culture of continual improvement, Company carried out:

- Up gradation program for suppliers by KAMI Supervisor from Suzuki Motor Corporation, Japan to upgrade supplier's skills up to level of Suzuki Motor suppliers in term of safety and quality by March 2021.
- Trainings in the areas of Quality, KPI management, Value Engineering, Development, Supplier's drawing development and OJT for Sheet Metal Vendors at Pak Suzuki, etc.
- Comprehensive assessment of all suppliers at

organizational level for improvement,

- Quality Audits of suppliers along with SMC experts.

Green Procurement:

Pak Suzuki, in coordination with Suzuki Motor Corporation, Japan initiated Green Procurement Guideline activities for its suppliers. The purpose of this activity is to ensure non-usage of Substance of Concern (SOC) like Asbestos and other prohibited substance as designated by Pak Suzuki along with applicable law and regulations with respect to environment.

We have introduced Green Procurement Policy Guideline in 2019 and provided necessary trainings to all suppliers about the awareness of Green procurement policy and implementation framework. All suppliers were trained through documentation process and one-to-one training, where required. Our dedicated team of engineers working on Green procurement guideline implementation among suppliers and performing regular audits. The Green Procurement Policy guideline is also shared with all stakeholders at Pak Suzuki official webpage.

Suppliers' Conference:

Company considers its vendors as strategic partners, critical for the smooth production operations. The Company is cognizant of the fact that smooth supply chain operation largely depends on efficient suppliers' operations for supply of quality parts with timely delivery. A close liaison with vendors has always helped to improve their operations, enabling them to meet stringent quality criteria for supplies. Annual Supplier Conference is a forum to review and value the support provided by our suppliers throughout the year. This year, with the aim of "Evolving the Future Together", Annual Suppliers Conference was held on February 27, 2020 at Karachi. Mr. Masafumi Harano, MD of the Company, addressed the participants. Changes in business structure and relevant business information were shared with suppliers to draw the future road map for localization of components. Accolades were also distributed amongst the suppliers for best quality achievement, cost Improvement, parts delivery, parts

development and environment excellence.

HUMAN RESOURCE

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

Company is committed to provide an environment which facilitates the employees in performing to their maximum potential while maintaining required amount of work life balance. At the same time, it is also ensured that with the passage of time the employees get substantial opportunities to develop themselves in terms of skills through specially designed programs for training and development. During COVID-19 epidemic extra safety measures were taken for safety, betterment and wellbeing of the employees.

Training and Development:

Your Company strives to provide its employees with inspiring training and education experiences that broaden and enhance skills and uncover new concepts and ideas. Talent development takes many forms at Pak Suzuki Motor Company, including training sessions for key functional areas. During COVID-19 epidemic company continued efforts to equip & upskill employee through enriching their Learning & Development portfolio. HR Department added LinkedIn Learning through which employees can access wide range of renowned e-trainings from anywhere & at any time. In the year 2020, 1140 e-Trainings have been completed by employees. Besides e-training on "Safety & Precautions" was introduced to spread awareness about safety & internal safety protocols from COVID-19.

Health and Safety:

Arrangements for conducting inhouse Antibody Tests for COVID-19:

COVID-19 affected the wellbeing of all human beings globally, and most of the world suffered

from its consequences. Similarly, in Pakistan, the virus affected thousands of people. Considering the wellbeing of our employees and to ensure effective cessation of spreading of virus among company employees, PSMCL opt for proactive approach and conducted inhouse Antibody tests of suspected employees along with other preventive measures for quick identification of infected individuals and to prevent the proliferation of virus.

Labor and Management Relations:

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

In the year 2020, when global pandemic made the world suffer at its peak, labor and management of PSMCL worked in collaboration to ensure smooth functioning of business operations while not compromising the health of company employees and workers. Management of PSMCL ensured to follow SOPs of COVID-19, as issued by concerned government authorities, and continued its operations with complete support and coordination of its labor, while considering all related preventive measures to stop escalation of the virus among company employees and workers.

INFORMATION TECHNOLOGY:

Information Technology is driving innovation in the business environment. The key success is to build resilient business operations with intelligence, insights and expertise. Optimize performance and quickly adapt to changing circumstances with AI and IoT. Our focus is to bring more robust systems to enhance integration among business stakeholders, innovation and smart adaption of digital transformation for improving quality of services and better customer experience.

Maintain Safe Business Continuity during COVID-19

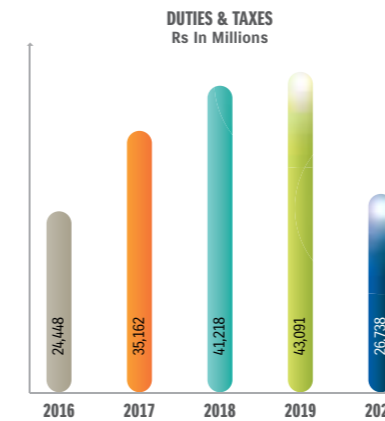
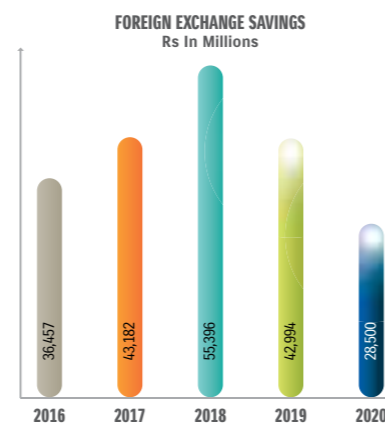
Our business continuity planning and disaster recovery arrangements has proven its strength during the COVID-19 pandemic situation. To prioritize people safety and continuous engagement, we trained and equipped our team with the best communication and collaboration tools to continue their business and be productive.

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 *
2015	26.422	39.688
2016	24.448	36.457
2017	35.162	43.182
2018	41.218	55.396
2019	42.994	42.994
2020	26.738	28.500

*Converted into Pak Rupees at year end exchange rate.



FUTURE OUTLOOK & CONCLUSION

Long term consistent policies are vital for growth of auto industry. Current auto policy was applicable for the period 2016 to 2021 and new auto policy is expected to be announced in near future. It is expected that new auto policy will be Industry friendly and it will offer incentives to existing OEMs and vendors' industry. We hope that new auto policy will contribute in growth of auto industry.

New entrants, enjoying incentives under ADP 2016-21, are gradually entering into market. 21 new players were approved as greenfield and brownfield investors. Out of this, 6 new entrants have already started production, whereas, some more players are

expected to start their production in 2021. Macroeconomic indicators of the country are challenging for auto industry, yet the Company is endeavoring to improve sales, profitability and diversity in its operations by upgrading the existing products and offers quality products to customers at competitive prices through an efficient network of authorized dealers.

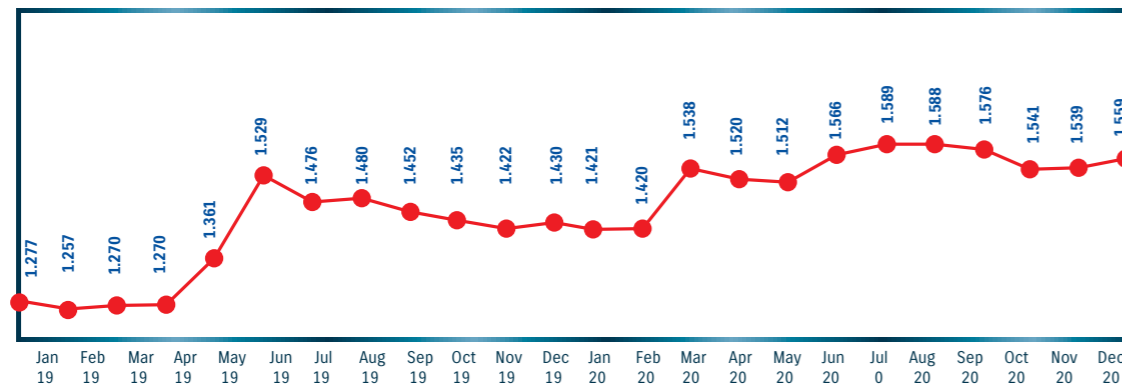
In conclusion, I on behalf of the Board and shareholders would like to express my appreciation to the management, executives, workers, dealers, suppliers and Suzuki experts for their efforts and contribution to the affairs of the Company. My sincere hope is that all the government departments continue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

KINJI SAITO

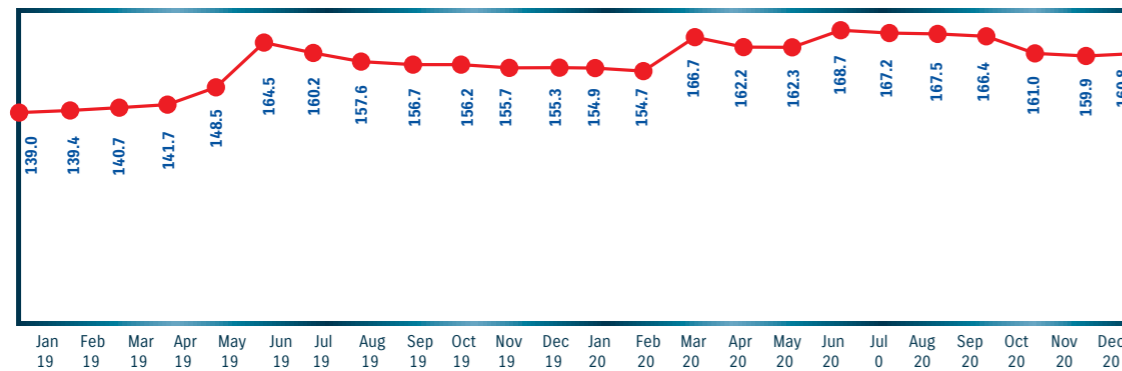
Chairman
Karachi. March 22, 2021.

Exchange Rates Movement

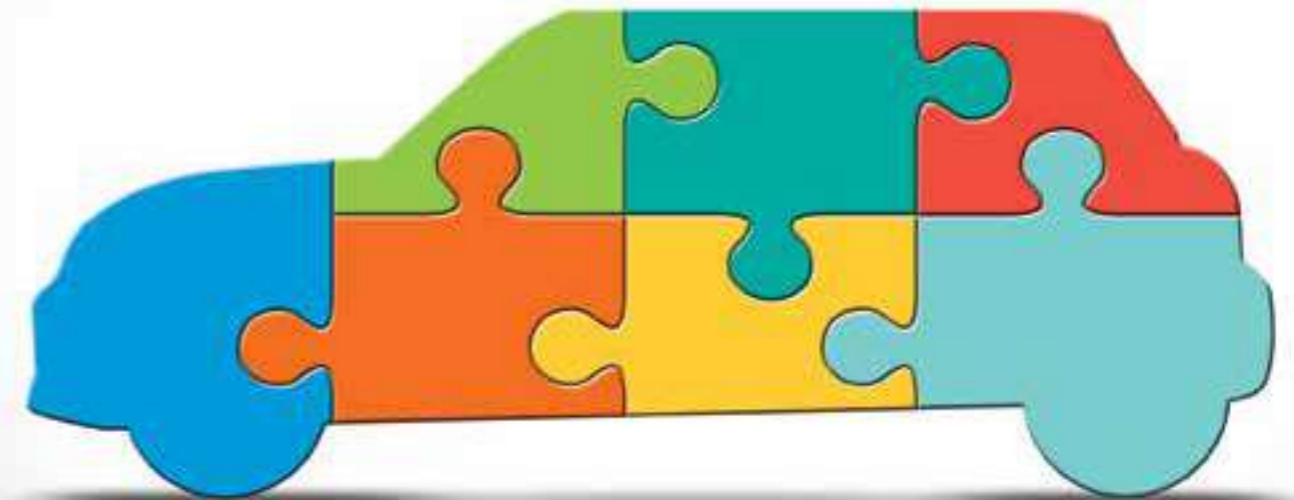
Yen - Rs. PARITY



USD - Rs. PARITY



7 SOLUTIONS AT SUZUKI AUTHORIZED DEALERSHIPS



7S is our promise to deliver all-round solutions for your Suzuki. A promise that begins with buying options, financial assistance to insurance planning and after-sales services. The best bit, you get all these solutions at a single Authorized Dealership.



LUXURY NOW FOR EVERYBODY

Suzuki APV is one of the more environment friendly vehicles in our range of cars. With its upgraded features and advanced Euro-II technology, one can be sure that with less emissions and a smooth comfortable drive combined with an efficient fuel consumption, one is contributing to the environment and saving on their budget, which simply means there is luxury now for everybody.

Director's 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, 2020.

Accounts

	(Rs in 000)
Loss before taxation	(2,185,759)
Taxation	596,273
Loss after taxation	(1,589,486)
Accumulated loss of prior years	(21,826)
Accumulated loss	(1,611,312)
Less: Appropriations	
Transfer from General Reserve	(1,589,000)
Proposed Cash Dividend Rs.Nil @ Nil%	-
	(1,589,000)
Accumulated loss	22,312

Earnings per Share

The loss per share for the year was Rs. 19.31.

Holding Company

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

Chairman's Review

The Chairman's review on page 38 to 46 deals with the year's activities and the directors of the Company endorse contents of the same.

Corporate Governance

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

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal controls is sound in design and has been effectively implemented and monitored.
- There are no doubts upon the Company's ability to continue as a going concern.
- 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 operation and financial data of the Company for six years are summarized on page No. 24.

Government Taxes

Outstanding taxes and levies have been explained in note 36 to the annexed audited financial statements.

Investments of Employees' Retirement Funds

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

	Dec 20	Dec 19
Provident Fund	Rs. 1,007.03 million	Rs. 945.22 million
Gratuity Fund	Rs. 604.95 million	Rs. 553.85 million

Board of Directors Meetings

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

	No of meetings attended
Mr. Kinji Saito	4
Mr. Masafumi Harano	4
Mr. Tadashi Homma	4
Mr. Shigeo Takezawa	4
Mr. Kazuyuki Yamashita	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. Shigeo Takezawa	4

Human Resource & Remuneration Committee Meetings

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

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

Directors' Training Program

All the directors on the Board are fully conversant with their duties and responsibilities as directors of corporate bodies. In accordance with the criteria specified in regulation 19 of the Code, three directors of the Company have certification under Directors Training Program and one directors of the Company has the exemption from the requirement of Directors' Training Program.

Pattern of Shareholdings

The pattern of shareholdings as of December 31, 2020 is given on pages 146 to 149.

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 broader business operations. The purpose of risk management is about to make informed decisions regarding risks and having processes in place to effectively manage and respond to risks in pursuit of a Company's objectives by maximizing opportunities and minimizing adverse effects.

Directors' Evaluation

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

Remuneration for Non- Executive and Independent Directors

Through the Articles of Association of the company, the board of directors is authorized to fix the remuneration of independent and non-executive directors for attending meetings of the board of directors and its committees from time to time.

Appointment of Auditors

The present Auditors M/s. KPMG Taseer Hadi & Co., Chartered Accountants, retire and offer themselves for re-appointment. The Audit Committee has recommended for their re-appointment for the year ending December 31, 2021. The Directors endorse recommendation of Audit Committee.

Related Party Transactions

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

Moreover, the Company had obtained approval from shareholders authorizing the Board of Directors of the

Company to approve transactions with related parties for the financial year ended December 31, 2020, 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, 2020 for shareholders' approval in the AGM.

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

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

On December 01, 2020, Mr. Hisashi Takeuchi was appointed on the Board as member in place of Mr. Kazuyuki Yamashita who had resigned as member.

As at December 31, 2020 the Board comprised of the following directors:

1. Mr. Kinji Saito
2. Mr. Masafumi Harano
3. Mr. Tadashi Homma
4. Mr. Hisashi Takeuchi
5. Mr. Shigeo Takezawa
6. Mr. Moin M. Fudda
7. Mrs. Rukhsana Shah

Total number of directors:

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

Composition:

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

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

Mr. Kinji Saito	Non-Executive Director
Mr. Masafumi Harano	Executive Director
Mr. Tadashi Homma	Executive Director
Mr. Hisashi Takeuchi	Non-Executive Director
Mr. Shigeo Takezawa	Non-Executive Director
Mr. Moin M. Fudda	Independent Director
Ms. Rukhsana Shah	Independent Female Director

Mr. Kinji Saito and Mr. Masafumi Harano have been re-elected as Chairman of the board and Chief Executive Officer respectively. Consequently, Audit Committees and Human Resource & Remuneration Committee (HR&R) have been reorganized and Board nominated the following directors as members of Audit Committees & HR&R:

Audit Committee:

1. Mr. Moin M. Fudda
2. Mr. Kinji Saito; &
3. Mr. Shigeo Takezawa

Human Resource and Remuneration Committee:

1. Ms. Rukhsana Shah
2. Mr. Kinji Saito; &
3. Mr. Masafumi Harano

Corporate Social Responsibility (CSR)

The company being 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.

Education & Technical Support Program

DONATION OF BOOKLET "WAY TO HAPPINESS" TO SAHEE

SAHEE has been working in the field of social betterment since 1996 & changing the prisoner's Mind-set through its training programs. Pak Suzuki has donated booklets named as "Way to Happiness" on the request of SAHEE (Society for the Advancement of Health, Education and the Environment). These booklets will be distributed among the prisoners for their rehabilitation and development to live normal and happy life by following the right path.



DONATION OF FURNITURE

Pak Suzuki has donated Wooden Tables & Chairs to Government Boys & Girls Higher Sec. School Haji Natho, Government Girls Primary School Razzaqabad & Government Boys Primary School pipri.

Scholarship Programs

Company started Scholarship Programs to extend the support to local community by motivating and encouraging the needy and talented students to keep continue their education, which empower them to achieve their dreams and lead to become a successful person and productive citizen for country.



One hundred fifty (150) scholarships were awarded to students of lower secondary classes of grade 6,7 & 8. Whereas sixty one (61) scholarships were awarded to students of higher classes of grade 11 & 12.

**Community Health
DONATION TO KOOHI GOTH WOMEN HOSPITAL**

Koohi Goth Women Hospital is a 250 bed General Hospital in the poorest area of Deh Landhi Karachi. Hospital is actively working for protecting women



related diseases. This is the only charity fistula treatment center in South Asia, providing state of the art laparoscopy surgery and fistula management training also.

Pak Suzuki has donated items for protection against COVID-19 to Koohi Goth Women Hospital of Zafar & Atia Foundation Charitable Trust (ZAAFCT).

CO2 INCUBATOR MACHINE DONATION TO INDUS HOSPITAL

INAUGURATION OF NEW OPD WARD AT BURNS CENTRE - CIVIL HOSPITAL

Since 2005 Burns Centre has been playing a vital role, in providing health care services, medical treatments, surgical procedures, etc at free of cost. They have sixty-six (66) beds facility with intensive care units (for Male, Female & pediatric), two (2) Operation Theaters and Emergency Operation Theater, etc., Pak Suzuki has completed & handed over the newly



Indus Hospital has been playing a vital role in providing health care services, medical treatments, surgical procedures and having 150 beds specialized consultancy care, etc. Indus Hospital is also performing its active part against Covid-19 outbreak in Pakistan by conducting consultation & COVID-19 tests, providing medical treatment & medicines, all at free.

Pak Suzuki has donated a CO2 incubator machine with Auto Sterilization to Indus Hospital during the year.

constructed fully medically equipped OPD Ward at Burns Centre, Civil Hospital in condition by donating medical equipment & furniture. New OPD Ward consisted of separate rooms for male & female Doctors, separate male & female Patients dressing rooms, separate male & female Patients shower rooms.



Donation to SAIBAN

SAIBAN NGO is involved in welfare activities since 2001 (especially providing Free Ambulance Service) in Neelam District and nearby areas. Pak Suzuki has donated Suzuki Bolan a fully equipped ambulance with necessary medical items to SAIBAN.

Quality, Environment, Health & Safety Management Systems:

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

Quality Management system (QMS):

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

Environmental Management system (EMS):

Pak Suzuki is committed to improve Environment. Company was also recertified on ISO 14001:2015 which is in place and maintained through regular surveillance audits. It is a key factor in operations of the company. It helps organization to improve its environmental performance through more efficient use of resources and reduction of waste. Pak Suzuki continuously monitors the waste generated from its activities and, wherever required, has Environmental Control Equipment and facilities in place like wastewater treatment plant. Company is complying with applicable regulatory requirement with respect to environment. Hazardous Waste is properly disposed of as per SEPA requirement. Company complies with the Environment policy of Zero Landfill and, as a result, sludge pit was cleaned & closed permanently.

in eliminating unsafe & unhealthy work conditions. Hazard identifications and risk assessment are being performed, reviewed and all necessary preventive measures are taken to minimize the accidents.

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

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

Occupational Health and Safety Management System (OHSAS):

Pak Suzuki is committed to provide a system that helps

By Order of the Board

MASAFUMI HARANO
Chief Executive

KINJI SAITO
Chairman

Karachi
March 22, 2021

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

For the year ended December 31, 2020

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

1. The total number of directors are 7 as per the following:
 - a. Male 6 (six)
 - b. Female 1 (one)

2. The composition of the Board is as follows:

Independent Director

Mr. Moin M. Fudda

Non-Executive Director

Mr. Kinji Saito - Chairman

Mr. Shigeo Takezawa

Mr. Hisashi Takeuchi (appointment of 1 December 2020)

Mr. Kazuyuki Yamashita (Resigned w.e.f November 30, 2020)

Executive Directors

Masafumi Harano (Chief Executive Officer)

Mr. Tadashi Homma Director

Female Independent Director

Ms. Rukhsana Shah (independent Director)

Note: For the purpose of rounding up of fraction, the company has not rounded up the fraction as one since it currently stands, the Board has adequate independent directors. i.e Five (05) Non-Executive Directors as compared to two (2) executive Directors.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars

of the significant policies along with their date of approval or updating is maintained by the company;

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

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and these Regulations with respect to frequency, recording and circulating minutes of the meeting of the Board;

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

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

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. Shigeo Takezawa Member

b) HR & Remuneration Committee

Ms. Rukhsana Shah Chairman

Mr. Kinji Saito Member

Mr. Masafumi Harano Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;

14. The frequency of meetings of the committees during the year was as per the following:
 - Board Audit Committee: Four quarterly meetings during the financial year ended December 31, 2020.

- Board HR& Remuneration Committee: One meeting during the financial year ended December 31, 2020.

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



KINJI SAITO
Chairman
March 22, 2021



MASAFUMI HARANO
Chief Executive Officer

Notice of Meeting

Notice is hereby given that the 38th Annual General Meeting of the shareholders of Pak Suzuki Motor Company Limited will be held virtually via video link facility on Thursday, April 22, 2021 at 10:00 a.m. to transact the following business:

Ordinary Business

- 1- To confirm minutes of Annual General Meeting held on May 20, 2020.
- 2- To confirm minutes of Extra Ordinary General Meeting held on January 29, 2021.
- 3- To receive, consider and adopt the audited accounts of the Company for the year ended December 31, 2020, together with Directors' and Auditors' reports thereon.
- 4- To appoint auditors for the year ending December 31, 2021 and fix their remuneration. Messrs KPMG Taseer Hadi & 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, 2020 by passing the following special resolution with or without modification:

"Resolved that the transactions conducted with the Related Parties as disclosed in the note 40 of the audited financial statements for the year ended December 31, 2020 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, 2021 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, 2021."

"Further resolved that these transactions by the

Board of Directors shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification / approval."

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

ANY OTHER BUSINESS

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

BY ORDER OF THE BOARD

ABDUL NASIR
COMPANY SECRETARY

Karachi: April 01, 2021

Notes:

- 1- The share transfer books of the Company will remain closed from April 14, 2021 to April 22, 2021 (both days inclusive) and no transfer will be accepted for registration during this period. Transfers received in order till close of business on April 13, 2021 will be accepted for transfer.
- 2- Only those persons whose names appear in the Register of Members of the Company as at April 13, 2021 will be entitled to attend / participate in / vote at the Annual General Meeting.
- 3- An instrument of proxy applicable for the Meeting is being provided with the Notice sent to members. Further copies of the instrument of proxy may be obtained from the Registered Office of the Company during normal office hours. Proxy form may also be downloaded from the Company's website: <http://www.paksuzuki.com.pk>.
- 4- A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend the meeting and vote for him/her. Proxies in order to be effective must be received by the Company not less than 48 hours before

the meeting.

- 5- As per section 72 of the Companies Act 2017, the company is required to replace its physical shares with the book entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of this Act.

The shareholders having physical shareholding are encouraged to open account with the Central Depository Company (CDC) to place their physical share into scrip less form.

- 6- Members are requested to notify change in their address, if any, to the Company's share registrar CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S. Main Shahrah-e-Faisal, Karachi - 74400.
- 7- CDC Account Holders will further have to follow the under mentioned guidelines as laid down in the Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

For Attending the Meeting

- i. In case of individuals, the account holders or sub account holders and/ or the person whose securities are in group account and their registration detail are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.
- ii. In case of corporate entity, the Board of Directors' resolution/power of attorney in favor of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

For Appointing Proxies

- i. In case of individuals, the account holders or subaccount holders and / or the person whose securities are in group account and their registration detail is uploaded as per the regulations, shall submit the proxy form as per the above requirement.
- ii. The proxy form shall be witnessed by the

person whose name, address and CNIC number shall be mentioned on the form.

- iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his / her original CNIC or original passport at the time of Meeting.
- v. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

- 8- SECP vide its SRO 779(1)/2011 dated August 18, 2011 has made it mandatory for the companies to provide CNIC numbers of the shareholders on dividend warrants. Therefore, members who have not yet submitted photocopies of their valid CNICs to the Company are again requested to immediately submit the same directly to Company's share registrar CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S. Main Shahrah-e-Faisal, Karachi - 74400. Dividend Warrants of the shareholders who will not submit the copies of their CNICs will be withheld by the or Company.

- 9- Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. In order to receive dividends directly into their bank account, shareholders, who own physical shares, are requested to fill in Electronic Credit Mandate Form available on Company's website and send duly signed form along with a copy of CNIC to the Registrar of the Company. In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker/ participant/CDC account services.

- 10- Members can avail video conference facility. In this regard, please fill the following and submit to registered address of the Company 10 days before

holding of the Meeting. If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location other than Karachi, to participate in the meeting through video conference at least 10 days prior to date of the meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city. "I/We, _____ of _____, being a member of Pak Suzuki Motor Company Limited, holder of _____ ordinary share(s) as per Registered Folio No. _____ hereby opt for video conference facility at _____."

In pursuance of SECP's Circular No. 5 dated March 17, 2020, Circular No. 10 dated April 1, 2020, Circular No.33 dated November 05, 2020, Circular No. 4 of 2021 dated February 15, 2021 and Circular No. 6 of 2021 dated March 04, 2021 respectively pertaining to Regulatory Relief to dilute the impact of Corona Virus (COVID 19) for the Corporate Sector, Companies have been advised to modify their usual planning for annual general meetings for the well-being of the shareholders and avoid large gatherings by provision of video link facilities.

Considering the restriction imposed by the Government on public gatherings and SECP's directives, the Company intends to convene this AGM virtually via video link facilities managed from the Registered Office of the Company, Karachi for the safety and well-being of the shareholders of the Company. The general meeting can be attended using smart phones/tablets/computers while ensuring compliance with the quorum requirements and requests the Members to consolidate their virtual attendance and voting at the AGM through proxies. We recognize that our shareholders value the AGM as an opportunity to engage with the Board; however, the Company must ensure to put safety first and protect all stakeholders in these exceptional circumstances

The shareholders who are willing to attend and

participate at the meeting through video link are required to register their particulars by sending an email at (company.secretary@paksuzuki.com.pk). Such shareholders are requested to register by providing their credentials i.e Name, Folio Number, Scanned copy of CNIC (both sides), Cell phone number and Number of shares held in their name through email with the subject "Registration for PSMC AGM". Video link and login details will be shared with only those members whose emails, containing all the required particulars are received at the given email address before 05:00 on April 21, 2021. The members can also provide their comments and suggestion to the agenda item of the AGM at the email address: (company.secretary@paksuzuki.com.pk).

The login facility will be opened at 9:45 a.m. on April 22, 2021 enabling the shareholders to join the meeting which will start at 10:00 a.m. sharp.

11- Notice of the Annual General meeting and Annual Report of the company for the year ended December 31, 2020 have been placed on the website of the company, <https://www.paksuzuki.com.pk>.

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 207 of the Companies Act, 2017. During the 37th 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, 2020 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 40 to the audited financial statements for the year ended December 31, 2020. The details of such related party transactions are given below:

For the year ended 31 December 2020

	Holding Company	Other related parties	Total
----- (Rupees in '000) -----			
Purchases of components	13,418,534	7,368,908	20,787,442
Purchases of operating fixed assets	45,886	-	45,886
Export sales	3,987	26,522	30,509
Royalties and technical fee	1,464,268	-	1,464,268
Travelling expenses of supervisors	125	-	125
Staff retirement benefits	-	162,421	162,421
Commission income from Corporate Guarantee	-	3,000	3,000
Remuneration to key management personnel	-	82,443	82,443
Markup on Parental loan	78,984	-	78,984
Income on development of SAP	19,705	-	19,705

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, 2021 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 30, 2021, 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 40 of the Financial Statement for the year ended December 31, 2020. 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.



SUZUKI





KPMG Taseer Hadi & Co.

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

INDEPENDENT AUDITOR'S REVIEW REPORT

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Pak Suzuki Motor Company Limited (the Company) for the year ended 31 December 2020 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 31 December 2020.

Date: March 24, 2021
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants



KPMG Taseer Hadi & Co.

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

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the annexed financial statements of Pak Suzuki Motor Company Limited (the Company), which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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



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Following are the key audit matters:

S No.	Key audit matters	How the matters were addressed in our audit
1.	<p>Revenue recognition</p> <p>Refer notes 4.15 and 29 to the Company's financial statements.</p> <p>Revenue is recognized when control of the underlying product has been transferred to the customer.</p> <p>We identified revenue recognition as key audit matter because revenue is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not be recognized in the appropriate period.</p>	<p>Our audit procedures in relation to recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none"> ▪ assessed the design, implementation and operating effectiveness of the relevant key internal controls over the Company's system which governs revenue recognition; ▪ assessed the appropriateness of the Company's accounting policies for revenue recognition including those related to discounts including its compliance with applicable accounting standards; ▪ obtained an understanding of the nature of the revenue contracts entered into by the Company, tested a sample of sales contracts to understand and assess appropriateness of management's application of applicable accounting standard's requirements; ▪ obtained invoices and related documents, on a sample basis for selected revenue transactions recorded during the current year to assess whether the related revenue was recognized in accordance with the requirements of applicable accounting standard; and ▪ tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period.



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S No.	Key audit matters	How the matters were addressed in our audit
2.	<p>Valuation of Stock-in-trade</p> <p>Refer notes 4.6 and 14 to the Company's financial statements.</p> <p>Stock-in-trade forms a significant part of the Company's total assets. Stock-in-trade comprises of raw material, work in process, finished goods and trading stocks which are stated at lower of cost and estimated net realizable value.</p> <p>We identified the valuation of stock-in-trade as a key audit matter as it directly affects the profitability of the Company. Further, calculation of net realizable value (NRV) and provisions for obsolete and slow moving stock-in-trade involves significant management judgment and estimation.</p>	<p>Our audit procedures in relation to valuation of stock-in-trade, amongst others, included the following:</p> <ul style="list-style-type: none"> ▪ obtained an understanding of and assessed the design and implementation of management's controls over valuation of stock in trade including identification of slow moving and obsolete stock in trade and estimation of NRV; ▪ tested, on a sample basis, management's assessment of the NRV of stock in trade by comparing to its subsequent sales prices; ▪ tested the accuracy of provision for slow moving and obsolete stock in trade with the help of aging report and underlying documentation; and ▪ assessed that valuation of stock in trade has been appropriately done at lower of cost and net realizable value.



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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.

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.



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



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Report on Other Legal and Regulatory Requirements

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

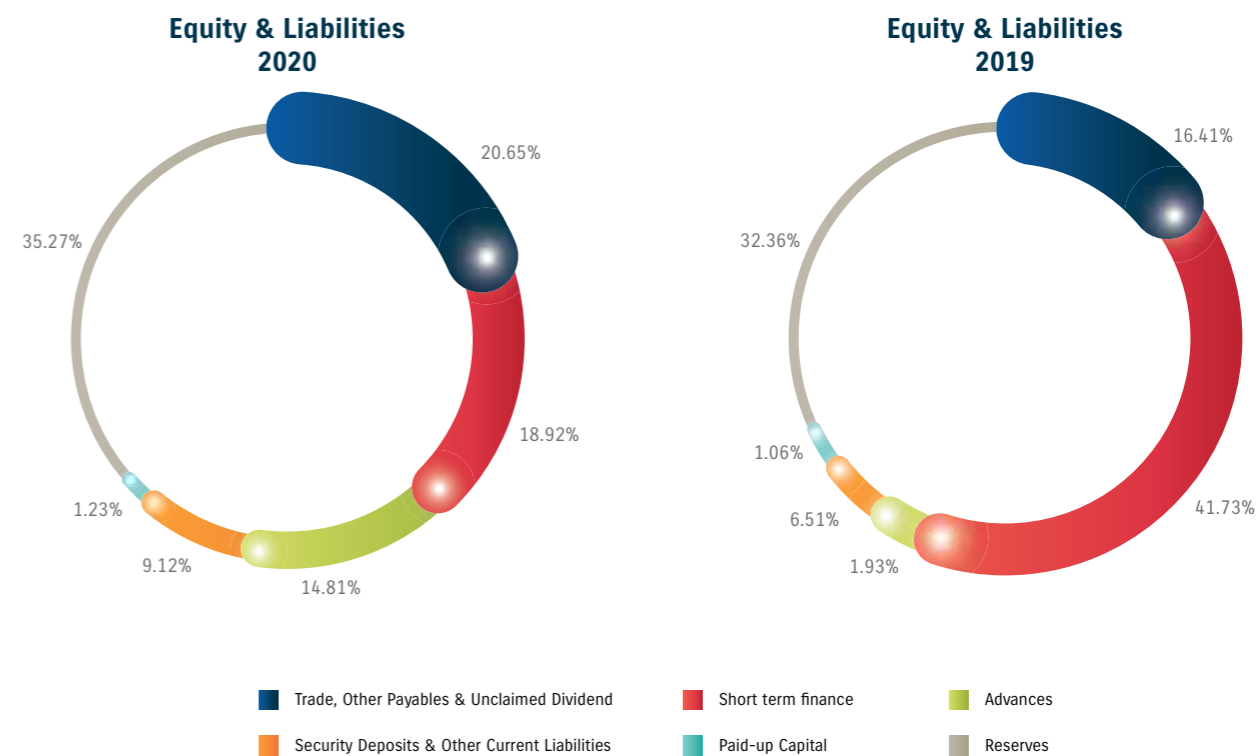
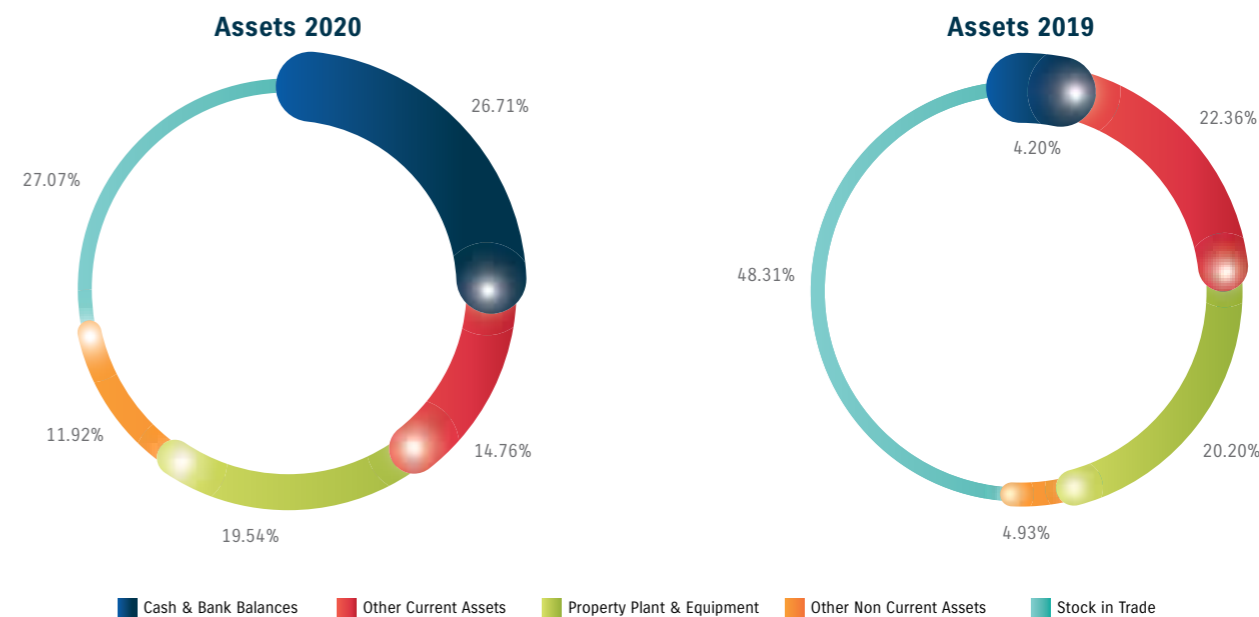
- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with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

The engagement partner on the audit resulting in this independent auditor's report is **Mohammad Mahmood Hussain**.

Date: March 24, 2021
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

Financial Statement



Statement of Financial Position

As at 31 December 2020

		2020	2019
	Note	----- (Rupees in '000) -----	
Assets			
Non-current assets			
Property, plant and equipment	5	13,038,601	15,685,850
Intangible assets	6	246,357	345,419
Right-of-use assets	7	123,864	144,959
Long-term investments	8	278,160	325,925
Long-term loans	9	5,152	3,500
Long-term deposits, prepayments and other receivables	10	465,068	378,019
Long-term installment sales receivables	11	486,490	271,873
Deferred taxation - net	12	6,342,840	2,359,062
		<u>20,986,532</u>	<u>19,514,607</u>
Current assets			
Stores, spares and loose tools	13	251,828	260,424
Stock-in-trade	14	18,054,537	37,516,571
Trade debts	15	503,759	690,658
Loans and advances	16	119,838	55,390
Trade deposits and short term prepayments	17	1,542,541	279,304
Current portion of long-term installment sales receivables	11	1,245,058	799,036
Other receivables	18	616,909	348,919
Taxation - net		3,327,472	7,226,470
Sales tax and excise duty adjustable		2,237,284	7,700,937
Cash and bank balances	19	17,818,607	3,267,510
		<u>45,717,833</u>	<u>58,145,219</u>
Total Assets		<u>66,704,365</u>	<u>77,659,826</u>

Equity and Liabilities

Share capital and reserves

		2020	2019
	Note	----- (Rupees in '000) -----	
Share capital	20	822,999	822,999
Capital reserves		844,596	844,596
Revenue reserves		22,681,855	24,283,291
		<u>24,349,450</u>	<u>25,950,886</u>

Non-current liabilities

Payable against purchase of asset	21	37,205	163,357
Security deposits	22	221,790	236,130
Lease liabilities	23	97,485	116,192
Lease liabilities	24.2	14,454	-
		<u>370,934</u>	<u>515,679</u>

Current liabilities

Trade and other payables	24	13,753,833	12,723,689
Lease liabilities	23	38,444	31,757
Short-term finance	25	12,621,368	32,411,037
Advance from customers		9,877,544	1,497,117
Security deposits	26	3,807,074	3,927,506
Provision for custom duties and sales tax	27	1,866,774	582,826
Unclaimed dividend		18,944	19,329
		<u>41,983,981</u>	<u>51,193,261</u>
Total Equity And Liabilities		<u>66,704,365</u>	<u>77,659,826</u>

Contingencies and commitments

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The annexed notes from 1 to 50 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 2020

		2020	2019
	Note	----- (Rupees in '000) -----	
Sales	29	76,720,132	116,548,013
Cost of sales	30	(73,418,619)	(114,563,486)
Gross profit		3,301,513	1,984,527
Distribution and marketing expenses	31	(1,639,791)	(2,539,251)
Administrative expenses	32	(1,790,825)	(2,550,663)
(Provision) / reversal of impairment losses		(33,551)	22,588
		(3,464,167)	(5,067,326)
		(162,654)	(3,082,799)
Other expenses	33	(15,000)	(348)
Other income	34	704,394	222,504
Finance costs	35	(2,664,734)	(2,087,752)
Share of loss of equity accounted investee		(47,765)	(3,349)
Loss before taxation		(2,185,759)	(4,951,744)
Taxation	36	596,273	2,031,259
Loss for the year		(1,589,486)	(2,920,485)
		----- (Rupees) -----	
Loss per share - basic and diluted	37	(19.31)	(35.49)

The annexed notes from 1 to 50 form an integral part of these financial statements.



Chairman



Chief Financial Officer



Chief Executive Officer

Statement of Comprehensive Income

For the year ended December 31, 2020

	2020	2019
	----- (Rupees in '000) -----	
Loss for the year	(1,589,486)	(2,920,485)
Other comprehensive loss		
<i>Items that may not to be reclassified subsequently to statement of profit or loss</i>		
Remeasurement loss on defined benefit plan	(11,950)	(79,036)
Total comprehensive loss for the year	(1,601,436)	(2,999,521)

The annexed notes from 1 to 50 form an integral part of these financial statements.



Chairman



Chief Financial Officer



Chief Executive Officer

Statement of Changes in Equity

For the year ended December 31, 2020

	Share capital	Reserves							Total
	Issued, subscribed and paid-up capital	Capital reserves			Revenue reserves				
		Share premium	Reserve on merger	Total capital reserve	General	Un-appropriated profit/(Accumulated Loss)	Re-measurement loss on defined benefit plan	Total revenue reserve	
	(Rupees in '000)								
Balance as at 1 January 2019	822,999	584,002	260,594	844,596	26,439,818	1,277,727	(174,665)	27,542,880	29,210,475
Transaction with owners in the capacity as owners directly recorded in equity - distribution									
Final dividend on ordinary shares @31.6% for the year ended 31 December 2018	-	-	-	-	-	(260,068)	-	(260,068)	(260,068)
Transfer to general reserve	-	-	-	-	1,039,000	(1,039,000)	-	-	-
Total comprehensive loss for the year ended 31 December 2019									
Loss for the year	-	-	-	-	-	(2,920,485)	-	(2,920,485)	(2,920,485)
Other comprehensive loss	-	-	-	-	-	(79,036)	(79,036)	(79,036)	(79,036)
Balance as at 31 December 2019	822,999	584,002	260,594	844,596	27,478,818	(2,941,826)	(253,701)	24,283,291	25,950,886
Transaction with owners in the capacity as owners directly recorded in equity - distribution									
Transfer from general reserve	-	-	-	-	(2,920,000)	2,920,000	-	-	-
Total comprehensive loss for the year ended 31 December 2020									
Loss for the year	-	-	-	-	-	(1,589,486)	-	(1,589,486)	(1,589,486)
Other comprehensive loss	-	-	-	-	-	(11,950)	(11,950)	(11,950)	(11,950)
Balance as at 31 December 2020	822,999	584,002	260,594	844,596	24,558,818	(1,611,312)	(265,651)	22,681,855	24,349,450

The annexed notes from 1 to 50 form an integral part of these financial statements.



Chairman



Chief Financial Officer



Chief Executive Officer

Statement of Cash Flows

For the year ended December 31, 2020

		2020	2019
	Note	(Rupees in '000)	
Cash Flows From Operating Activities			
Cash generated from / (used in) operations	38	37,332,693	(14,048,233)
Markup paid on short-term finance		(2,652,611)	(1,464,539)
Income tax refund / (paid)		511,493	(604,329)
Long-term loans		(1,652)	703
Long-term deposits, prepayments and other receivables		(87,049)	78,189
Long-term installment sales receivables		(214,617)	(153,555)
Net cash generated from / (used in) operating activities		34,888,257	(16,191,764)
Cash Flows From Investing Activities			
Purchase of property, plant and equipment		(779,001)	(2,538,745)
Purchase of intangible assets		(59,093)	(410,298)
Proceeds from sale of property, plant and equipment		39,296	45,681
Profit received on bank accounts		298,162	74,024
Net cash used in investing activities		(500,636)	(2,829,338)
Cash Flows From Financing Activities			
Payment of lease liabilities		(46,470)	(65,057)
Loan received from holding company		12,621,368	-
Dividend paid		(385)	(263,034)
Net cash generated from / (used in) financing activities		12,574,513	(328,091)
Net increase / (decrease) in cash and cash equivalents		46,962,134	(19,349,193)
Cash and cash equivalents at beginning of the year		(29,143,527)	(9,794,334)
Cash and cash equivalents at end of the year	39	17,818,607	(29,143,527)

The annexed notes from 1 to 50 form an integral part of these financial statements.



Chairman



Chief Financial Officer



Chief Executive Officer

Notes to the Financial Statements

For the year ended December 31, 2020

1. Corporate Information, Operations and Legal Status

Pak Suzuki Motor Company Limited

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

The Company is engaged in the assembling, progressive manufacturing and marketing of Suzuki cars, pickups, vans, 4x4s and motorcycles and related spare parts. The Company is listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at DSU – 13, Pakistan Steel Industrial Estate, Bin Qasim, Karachi.

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

Factory:

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

Warehouses:

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

Booking offices:

- 7-A, Aziz Avenue, Canal Bank Road, Gulberg V, Lahore.
- Office No. 402, 4th Floor United Mall, Abdali Road Multan.
- Plot No. 749, Near Peoples colony chowk. Near cinema GT road Gujranwala.
- Plot No. 25-1/25, Dhoobi Ghaat, GC university link road, saeed mart, Faisalabad.
- Shop No. 149-B, Main Chandni chowk, Muree road, Rawalpindi.
- Tajwar palace, chughal pura, near mal mandi, ring road, Peshawar.
- TR Suzuki: Address: 233-A/2, Shahrah-e-Qaideen, Block 2 PECHS, Karachi City, Sindh

Regional offices:

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

Sales offices (Motorcycle Division):

- UR Suzuki: Shop # A-45 & A-46, Ground Floor, National Complex – Block 10/A, KDA Scheme # 33, Opp: Aladdin Park, Main Rashid Minhas Road, Karachi.
- AR Suzuki: Ground Floor, Dua Arcade, Survey # 391, Street A.M. Frere Road, Artillery Maidan Quarter, Frere Road, ,Karachi.

- UP Suzuki: Shop No. 1,2&3 plot no. SB-42, super terrace UP Motorcycle Market north Karachi
- TR Suzuki: Address: 233-A/2, Shahrah-e-Qaideen, Block 2 PECHS, Karachi City, Sindh
- BJ Suzuki: 7, Nizam Chamber, Ground Floor Shahrah-e- Fatima Jinnah, Queens Road Lahore
- TS Suzuki: Plot # 862, Block-D, Near Akber Chowk, Faisal Town Lahore.
- WR Suzuki: 39-E, Main Walton Road Lahore
- SG Suzuki: 8-A, 118 Opp Mian Park opposite University of Engineering & Tech Gate # 6, G.T Road, Lahore.
- GR Suzuki: 139 Multan Rd near Yateem Khana Chowk Lahore
- FSD Suzuki: 16-Jinnah Colony Nar Wala Road, Faisalabad
- GT Suzuki: Near Peoples Colony Chowk Nigar cinema GT Road, Gujranwala
- Gujranwala Suzuki (F): Rahwali branch Mandiala mor beside executive passport office GT road Gujranwala
- Gujrat Suzuki (F): Suzuki Gujrat Franchise opposite science college GT Road Gujrat
- KR Suzuki: Plot #55-T, nr metro station, chowk kumharan wala Multan
- PR Suzuki: Tajwar Palace, Chugal pura, Near Mall Mandi, Ringi road peshawar
- MR Suzuki: Chandni chowk Muree Road Rawalpindi
- HS Traders (F): Waris Khan Stop, Motorcycle plaza, Muree Road, Rawalpindi.
- Ravi: (182 main Bund Road Near Bhatti Walal Chowk Lahore)
- SR Suzuki: Mohallah Bijli Ghar Near Anmol Shaddi Hall, Shahabpura road, Sialkot.

Tecno Auto Glass Limited

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

Notes to the Financial Statements

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Significant accounting estimates and judgements

The preparation of financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of 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 judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about judgements made by the management in the application of approved accounting and reporting standards, as applicable in Pakistan, that have most significant effect on the amount recognized in the financial statements and information about assumptions and estimation uncertainties with significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next year are described in the following:

- Determining the useful lives and residual value of items of property, plant and equipment (note 4.1 & 5.1).
- Investment in joint venture (note 4.4 and 8).
- Provision for slow moving and obsolete store and spares (note 4.5 & 13).
- Provision for slow moving and obsolete stock-in-trade (note 4.6 & 14).
- Provision for impairment of trade debt & installment sales receivable (note 4.8, 11 & 15).
- Provision for retirement benefits (note 4.12 and 24.3).
- Provision for custom duties and sales tax (note 27).
- Provision for taxation and deferred tax (note 4.13, 12 and 36).
- Provision for warranty obligations (note 4.16 and 24.4).
- Contingencies and commitments (note 28).
- Lease liabilities (note 4.2 and 23).

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

3.1 Standards, interpretations and amendments to published approved accounting standards effective during the year:

There are certain new standards, amendments and interpretations that are applicable for accounting periods beginning on or after 1 January 2020, are considered not to have a material impact on the

Company's financial statement and hence have not been detailed here.

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2021:

- " COVID-19-Related Rent Concessions (Amendment to IFRS 16) - the International Accounting Standards Board (the" Board) has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after 1 June 2020, with earlier application permitted. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications. Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria` are met:
 - the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
 - any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
 - there is no substantive change to the other terms and conditions of the lease.
- Interest Rate Benchmark Reform - Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is applicable for annual financial periods beginning on or after 1 January 2021, with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms. The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met.
- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual period beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

Notes to the Financial Statements

- Annual Improvements to IFRS standards 2018-2020:

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

- IFRS 9 - The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
- IFRS 16 - The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
- IAS 41 - The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for the annual period beginning on or after 1 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS

2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented

Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.

Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) - In response to concerns regarding temporary accounting mismatches and volatility, and increased costs and complexity, the Board issued amendments to IFRS 4 Insurance Contracts in 2017. The two optional solutions raised some considerations which required detailed analysis and management judgement. On the issue of IFRS 17 (Revised) Insurance Contracts in June 2020, the end date for applying the two options under the IFRS 4 amendments was extended to 1 January 2023, aligned with the effective date of IFRS 17.

Classification of liabilities as current or non-current (Amendments to IAS 1) effective for the annual period beginning on or after 1 January 2022. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.

4. Summary of significant accounting policies

The significant accounting policies set out below are consistently applied for all periods presented in these financial statements.

4.1 Property, plant and equipment

Operating assets and depreciation

Operating fixed assets are stated at cost less accumulated depreciation and impairment (if any) except for freehold land which is stated at cost.

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

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

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

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

Capital work-in-progress

Capital work-in-progress is stated at cost less impairment (if any) and represents expenditures incurred and advances made in respect of specific assets during the construction / erection period. These are transferred to specific assets as and when assets are available for use.

4.2 Leases

The Company assesses whether a contract is or contains a lease at inception of the contract. This assessment involves the exercise of judgement about whether it depends on a specified asset, whether the Company obtains substantially all the economic benefits from the use of that asset, and whether the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset (ROUA) and a lease liability at the lease commencement date, except for short term leases of 12 months or less and leases of low value items, which are expensed in the statement of profit or loss on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of future lease payment that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate applicable in the market for such leases.

The lease liability is subsequently measured at amortized cost using the effective interest rate method and remeasured (with a corresponding adjustment to the related right-of-use asset (ROUA)) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

Notes to the Financial Statements

At inception, the ROUA comprises the initial lease liability, initial direct costs and the obligations to refurbish the asset, less any incentives granted by the lessors. The ROUA is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROUA is subject to testing for impairment if there is an indicator for impairment, as for owned assets.

4.3 Intangible assets

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

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

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

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

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

4.4 Investment in joint venture

Joint venture are those entities in which the Company has significant influence, but not control or joint-control, over the financial and operating policies. Interests in joint venture is accounted for using the equity method.

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

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

the statement of profit or loss.

4.5 Stores, spares and loose tools

Stores, spares and loose tools are valued at lower of net realizable value and cost, calculated on a weighted average basis. Provision is made annually in the financial statements for slow moving and obsolete items.

4.6 Stock-in-trade

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

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

4.7 Non-current assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. These assets are available for sale in their present condition subject only to terms that are usual and customary for sales of such assets and their sale is highly probable.

The Company measures its non-current assets classified as held for sale at the lower of carrying amount and fair value less costs to sell. Costs to sell signify the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

4.8 Trade debts and installment sales receivables

Trade debts & installment sales receivables are recognized initially at fair value (original value of invoice amount less any part payment) and subsequently measured at amortized cost or cost, as the case may be, less allowance for impaired debts. Installment sales receivables are recognized at original invoice amount and are subsequently reduced by the principal portion of installments received.

The Company applies the IFRS 9 simplified approach for measuring expected credit loss (ECL) on trade debts & installment sales receivables at an amount equal to lifetime credit loss. The ECL on trade receivables are calculated based on actual credit loss experience over the last year on the total balance of non-credit impaired trade debts & installment sales receivables.

4.9 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not invoiced to the Company and subsequently measured at amortized cost using the effective interest rate method.

Notes to the Financial Statements

4.10 Financial instruments

4.10.1 Financial assets

Classification

The Company classifies financial assets on the basis of the business model within which they are held and their contractual cash flow characteristics. The financial assets of the Company are categorized as follows:

a) Financial assets at amortised cost

- These are the financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets measured at fair value through other comprehensive income (FVOCI)

- These are the financial assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets measured at fair value through profit or loss (FVPL)

- These are the financial assets measured at fair value through profit or loss unless it is measured at fair value through other comprehensive income (FVOCI).

Initial recognition and measurement

All financial assets are recognised at the time the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs associated with these financial assets are taken directly to the statement of profit or loss and other comprehensive income.

Subsequent to initial recognition, financial assets are valued as follows:

a) Debt Investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.

b) Equity Investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of 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 other comprehensive income and are never reclassified to the statement of profit or loss.

c) Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in profit or loss.

d) Financial assets measured at amortized cost

These assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss.

Impairment

In addition to the impairment of financial assets under expected credit loss method under IFRS 9, a financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade, installment and other receivables. Impairment losses related to trade and other receivables, are presented separately in the Statement of Profit or Loss. Trade and other receivables are written off when there is no reasonable expectation of recovery. The Management used actual credit loss experience over past years to base the calculation of ECL on adoption of IFRS 9. Given the Company's experience of collection history and no historical loss rates / bad debts and normal receivable aging, the move from an incurred loss model to an expected loss model has not had an impact on the financial position and / or financial performance of the company.

4.10.2 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. These are initially recorded at fair value and subsequently measured at amortized cost.

4.10.3 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements, when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the assets and settle the liabilities simultaneously.

4.10.4 Derecognition of financial assets and liabilities

Financial assets are derecognized at the time when the Company loses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognized at the time when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of financial assets and financial liabilities is taken to the statement of profit or loss.

4.10.5 Derivative financial instruments

Derivatives are initially recognized at fair value. Any directly attributable transaction costs are recognized in the statement of profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in the statement of profit or loss account.

4.11 Provisions

Provisions are recognized in the statement of financial position where the Company has a present legal or constructive obligation as a result of past event, 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 of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

Notes to the Financial Statements

4.12 Employees benefit schemes

Gratuity scheme

The Company operates a funded Gratuity Scheme (the Plan) for eligible employees of the Company. The Company's obligation under the scheme is determined through actuarial valuation carried out at each year end under the Projected Unit Credit Method. Remeasurements which comprise actuarial gains and losses are recognized immediately in statement of other comprehensive income. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. Interest cost and current service cost are recognized in statement of profit or loss account. The latest actuarial valuation was conducted at the reporting date by a qualified professional firm of actuaries.

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.

Compensated absences

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

4.13 Taxation

Current tax

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from assessments framed / finalized during the year.

Deferred tax

Deferred tax is recognized using the balance sheet liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognized for all deductible temporary differences to the extent that the temporary differences will reverse in the future and taxable income will be available against which the deductible temporary differences can be utilized. Deferred tax liabilities are recognized for all taxable temporary differences.

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 for the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or subsequently enacted at the reporting date.

Sales tax

Revenues, expenses and assets are recognized net of the amount of sales tax except, where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of assets or as part of the expense

item as applicable.

4.14 Foreign currency translation

Transactions in foreign currencies are translated into reporting currency at the rates of exchange prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into reporting currency equivalents using year end spot foreign exchange rates.

Non-monetary assets and liabilities are translated using exchange rate that existed when the values were determined. Exchange differences on foreign currency translations are taken to statement of profit and loss account.

4.15 Revenue recognition

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

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

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

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

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

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

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

Miscellaneous income is recognized on receipt basis.

4.16 Warranty obligations

The Company accounts for its warranty obligations on accrual basis.

4.17 Cash and cash equivalents

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

4.18 Dividend and appropriation to reserves

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

4.19 Borrowing costs

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

Notes to the Financial Statements

4.20 Segment reporting

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

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

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

5. Property, Plant and Equipment

	2020	2019
Note	----- (Rupees in '000) -----	
Operating fixed assets	12,503,154	15,033,621
Capital work-in-progress	535,447	652,229
	13,038,601	15,685,850

Notes to the Financial Statements

For the year ended December 31, 2020

5.1 Operating fixed assets

The following is a statement of operating fixed assets:

	2020									
	Cost as at 01 January	Additions	Disposal/ written off	Cost as at 31 December	Accumulated depreciation / impairment losses as at 01 January	Depreciation charge for the year	Depreciation on disposal/ written off	Accumulated depreciation and impairment losses as at 31 December	Book value as at 31 December	Years / rate %
	(Rupees in '000)									
Leasehold land	934,620	-	-	934,620	168,866	15,854	-	184,720	749,900	50-60 Years
Freehold land	371,514	-	-	371,514	-	-	-	-	371,514	
Buildings on leasehold land										
- Factory	2,208,325	46,500	-	2,254,825	1,304,407	93,273	-	1,397,680	857,145	10-20
- Office	3,253	-	-	3,253	2,811	88	-	2,899	354	20
Buildings on Freehold land										
- Factory	698,539	-	-	698,539	71,375	62,716	-	134,091	564,448	10
Test tracks other buildings	63,463	-	-	63,463	46,213	3,450	-	49,663	13,800	20
Plant and machinery	10,341,808	122,691	(187,497)	10,277,002	6,955,193	613,703	(186,767)	7,382,129	2,894,873	8 Years
Welding guns	510,648	-	-	510,648	391,652	43,374	-	435,026	75,622	4 Years
Waste water treatment plant	120,222	91,168	-	211,390	120,222	9,497	-	129,719	81,671	8 Years
Permanent and special tools	687,056	2,543	(2,415)	687,184	527,622	73,534	(2,374)	598,782	88,402	4 Years
Dies (Note 5.1.1)	12,374,648	442,052	(26,571)	12,790,129	5,366,885	2,029,251	(26,571)	7,369,565	5,420,564	5 Years
Jigs and fixtures	1,996,121	1,944	(602)	1,997,463	1,152,836	259,278	(432)	1,411,682	585,781	5 Years
Electrical installations	463,859	9,669	-	473,528	288,164	33,167	-	321,331	152,197	8 Years
Furniture and fittings	86,365	6,666	(419)	92,612	35,644	11,471	(305)	46,810	45,802	20
Vehicles	769,339	134,983	(55,699)	848,623	342,027	94,710	(35,690)	401,047	447,576	20
Air conditioners and refrigerators	79,914	8,861	(3,698)	85,077	34,987	9,682	(2,808)	41,861	43,216	20
Office equipment	134,620	17,795	(6,167)	146,248	63,061	16,386	(5,539)	73,908	72,340	20
Computers	250,204	10,911	(3,197)	257,918	188,932	34,228	(3,191)	219,969	37,949	50
	32,094,518	895,783	(286,265)	32,704,036	17,060,897	3,403,662	(263,677)	20,200,882	12,503,154	

	2019									
	Cost as at 01 January	Additions	Disposal/ written off	Cost as at 31 December	Accumulated depreciation / impairment losses as at 01 January	Depreciation charge for the year	Depreciation on disposal/ written off	Accumulated depreciation and impairment losses as at 31 December	Book value as at 31 December	Years / rate %
	(Rupees in '000)									
Leasehold land	934,620	-	-	934,620	153,012	15,854	-	168,866	765,754	60-75 Years
Freehold land	371,514	-	-	371,514	-	-	-	-	371,514	
Buildings on leasehold land										
- Factory	2,164,650	43,675	-	2,208,325	1,205,055	99,352	-	1,304,407	903,918	10-20
- Office	3,253	-	-	3,253	2,701	110	-	2,811	442	20
Buildings on Freehold land										
- Factory	642,894	55,645	-	698,539	5,357	66,018	-	71,375	627,164	10
Test tracks other buildings	63,463	-	-	63,463	41,900	4,313	-	46,213	17,250	20
Plant and machinery	8,253,708	2,417,541	(329,441)	10,341,808	6,762,338	522,026	(329,171)	6,955,193	3,386,615	8 Years
Welding guns	401,467	126,235	(17,054)	510,648	374,921	33,785	(17,054)	391,652	118,996	4 Years
Waste water treatment plant	120,222	-	-	120,222	120,222	-	-	120,222	-	8 Years
Permanent and special tools	628,024	65,104	(6,072)	687,056	467,433	66,254	(6,065)	527,622	159,434	4 Years
Dies (Note 5.1.1)	6,074,615	6,372,310	(72,277)	12,374,648	3,877,482	1,561,680	(72,277)	5,366,885	7,007,763	5 Years
Jigs and fixtures	1,393,129	617,781	(14,789)	1,996,121	925,919	241,615	(14,698)	1,152,836	843,285	5 Years
Electrical installations	370,224	93,635	-	463,859	254,409	33,755	-	288,164	175,695	8 Years
Furniture and fittings	74,059	12,460	(154)	86,365	24,819	10,974	(149)	35,644	50,721	20
Vehicles	736,619	144,327	(111,607)	769,339	328,920	97,169	(84,062)	342,027	427,312	20
Air conditioners and refrigerators	69,127	13,841	(3,054)	79,914	28,301	9,098	(2,412)	34,987	44,927	20
Office equipment	103,320	44,654	(13,354)	134,620	64,877	10,621	(12,437)	63,061	71,559	20
Computers	225,821	42,027	(17,644)	250,204	172,455	33,955	(17,478)	188,932	61,272	50
	22,630,729	10,049,235	(585,446)	32,094,518	14,810,121	2,806,579	(555,803)	17,060,897	15,033,621	

Notes to the Financial Statements

For the year ended December 31, 2020

5.1.1 Dies include assets having book value of Rs. 3,179.1 million (2019: Rs. 3,971.8 million) which are in the possession of seventy eight (78) {2019: seventy eight (78)} 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		Book value	
	2020	2019	2020	2019	2020	2019
	----- (Rupees in '000) -----					
Ab Engineering (Pvt) Ltd.	25,944	25,944	20,527	15,339	5,417	10,605
Aerotech Industries (Pvt.) Ltd.	7,683	5,478	2,995	1,946	4,688	3,532
Al-Aftab Metals Engineering Ind. (Pvt) Ltd.	8,033	7,705	4,066	2,528	3,967	5,177
Alba Engineering Company	6,371	6,331	4,086	2,900	2,285	3,431
Al-Huda Engineering (Pvt) Ltd.	12,740	12,740	5,641	3,093	7,099	9,647
Alsons Auto Parts (Pvt)Ltd	58,070	46,853	40,937	30,651	17,133	16,202
A-One Techniques (Pvt) Ltd.	108,922	98,447	61,498	41,522	47,424	56,925
Aq Industries.	28,701	8,533	3,185	1,100	25,516	7,433
Asif Engg. & Mechanical Works.	2,093	2,093	2,023	1,607	70	486
Asif Rubber Industries (Pvt) Ltd.	933	839	817	789	116	50
Automate Industries (Pvt) Ltd.	362	362	362	362	-	-
Automotive Components Limited	2,751	171,057	2,144	131,536	607	39,521
Auvitronics Limited	249,160	185,532	97,982	50,271	151,178	135,261
Bahawalpur Engineering Limited	46,111	46,111	21,291	12,069	24,820	34,042
Baluchistan Wheels Ltd.	27,334	27,334	8,656	3,189	18,678	24,145
Brothers Engineering Industries	12,891	9,512	5,639	3,737	7,252	5,775
Cosmos Engineering.	364	364	316	263	48	101
Darson Industries (Pvt) Limited.	5,662	4,960	3,801	2,803	1,861	2,157
Dawood Engineering (Pvt) Ltd.	129,326	129,326	67,446	41,581	61,880	87,745
Electropolymers (Pvt) Ltd.	53,104	32,207	27,566	18,349	25,538	13,858
Engineering Excellence Company(Pvt) Ltd.	32,634	32,412	16,543	10,362	16,091	22,050
Fatima Industries (Pvt) Ltd	63,961	48,697	25,786	15,321	38,175	33,376
Feroz Industries	4,804	4,204	3,683	2,802	1,121	1,402
Galaxy Polymer Engineering(Private)Limited	33,618	1,194	11,698	925	21,920	269
Galaxy Enterprises	1,194	24,008	1,155	5,791	39	18,217
The General Tyre & Rubber Co. Of Pakistan Ltd.	19,025	19,025	16,240	12,435	2,785	6,590
Halfman	108,940	106,528	44,351	21,317	64,589	85,211
Hawks Engineering Services (Pvt.) Limited	32,207	32,207	19,076	12,763	13,131	19,444
Hybrid Technics (Pvt) Ltd	291	291	286	254	5	37
Indus Engineering	6,986	6,626	4,548	3,244	2,438	3,382
Javed Steel Manufacturing Works	2,282	2,092	2,035	1,604	247	488
Jawed Metal Industries Pvt Ltd	4,405	4,405	3,814	3,307	591	1,098
Khan Engineering Works	24	24	23	18	1	6
Loads Limited	919,154	918,394	423,588	239,152	495,566	679,242
Masood Engineering Works	7,043	7,043	4,865	3,468	2,178	3,575
Mehran Commercial Enterprises	7,637	2,157	2,609	1,282	5,028	875
Mehran Engineering Industries (Pvt) Ltd.	475	475	459	364	16	111
Metaline Industries (Pvt) Ltd.	351,346	349,943	151,999	81,281	199,347	268,662
Mga Industries (Pvt) Limited.	104,420	102,092	74,342	58,500	30,078	43,592

	Cost		Accumulated depreciation and impairment losses		Book value	
	2020	2019	2020	2019	2020	2019
	----- (Rupees in '000) -----					
Mumtaz Engineering	2,913	2,913	2,838	2,388	75	525
National Automotive Components (Pvt) Ltd	114,233	114,233	48,588	25,740	65,645	88,493
Noor Engineering Services (Pvt) Ltd.	18,924	16,919	12,518	9,617	6,406	7,302
Pak Orient Industries	10,835	10,110	4,804	2,691	6,031	7,419
Pci Automotive (Private) Limited	30	306,398	1	85,148	29	221,250
Peracha Engineering Co	556,981	6,779	323,859	1,839	233,122	4,940
Pioneer Plastic Industries	12,010	1,117	4,204	513	7,806	604
Plastech Pakistan	1,117	4,980	713	4,196	404	784
Poly Crafts (Pvt) Limited	4,980	336	4,868	262	112	74
Pressed Steel Industries (Pvt) Ltd	336	758	325	602	11	156
Procon Engineering Pvt Ltd	758	1,157,162	735	318,709	23	838,453
Ravi Autos Sheikhpura (Pvt) Limited.	1,180,052	15,678	556,064	4,697	623,988	10,981
Ravi Autos Sundar (Pvt) Limited.	5,449	4,961	4,177	2,811	1,272	2,150
Razi Sons (Pvt.) Ltd.	15,190	472,172	7,459	203,332	7,731	268,840
Rubatech Manufacturing Co.Pvt.Ltd.	512,036	28,215	310,515	9,696	201,521	18,519
S.T.Engineering Services (Pvt) Ltd	28,215	161,997	15,275	63,002	12,940	98,995
Sadiq Engineering Works	231,292	59	110,346	59	120,946	-
Sanpak Engineering Industries (Pvt) Ltd.	59	96,235	59	34,453	-	61,782
Shah Rubber Products.	100,883	35,929	53,700	14,228	47,183	21,701
Shaheen Automotive Private Limited	40,933	15,452	22,226	7,463	18,707	7,989
Shahid Engineering Works	15,788	33,813	10,454	14,343	5,334	19,470
Silver Falcon Engg:Corporation	35,728	3,344	21,244	705	14,484	2,639
Standard Mechanical Works	4,504	1,157	1,444	464	3,060	693
Stanley Industries	1,765	14,329	746	5,016	1,019	9,313
Super Engineering Company (Pvt) Ltd.	16,588	520	7,903	445	8,685	75
Super Tech Autoparts (Pvt) Ltd.	520	1,754	476	1,194	44	560
Synthetic Products Enterprises Ltd.	1,754	250,715	1,545	25,168	209	225,547
Tariq Engineering Products (Pvt) Ltd.	250,715	10,207	74,988	4,061	175,727	6,146
Techmen Engineering.	10,207	999	6,102	566	4,105	433
Techno Fabrik (Pvt) Ltd.	1,529	211,920	801	40,759	728	171,161
Technoline Industries	217,981	255	83,479	195	134,502	60
Tecno Pack Telecom (Pvt) Ltd.	255	21,352	246	10,411	9	10,941
Thal Limited Engineering Division	21,580	137,382	14,719	47,874	6,861	89,508
Thermosole Industries (Pvt) Ltd.	148,796	73,114	74,610	22,734	74,186	50,380
United Mechanical Industries (Pvt) Ltd.	77,687	17,336	37,465	8,811	40,222	8,525
Ushin Thailand	19,048	4,214	12,438	421	6,610	3,793
Yusuf Auto Industries (Pvt) Ltd	4,214	79,508	1,264	16,828	2,950	62,680
Zaib Engineering (Pvt) Ltd.	79,508	1,392	32,095	1,030	47,413	362
Zia Engineering Works	1,392	7,757	1,308	2,917	84	4,840
	6,233,786	5,807,016	3,054,679	1,835,213	3,179,107	3,971,803

Notes to the Financial Statements

For the year ended December 31, 2020

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

		2020	2019
	Note	----- (Rupees in '000) -----	
Cost of goods manufactured	30.1	3,219,941	2,625,616
Administrative expenses	32	183,721	180,963
		3,403,662	2,806,579

5.3 Details of disposals of property, plant and equipment

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

Particulars	Cost	Accumulated Depreciation	Net Book Value	Sale Proceeds	Gain / (Loss)	Mode of Disposal	Particulars	Relationship with PSMC
Motor Vehicles								
Cultus VXL	1,210	628	582	1,300	718	As per Insurance Policy	Eastern Federal Union Insurance	-
CIAZ	1,598	801	797	1,074	277	As per Employee scheme	Syed Javed	Employee
Cultus VXL	1,213	630	583	1,300	717	As per Insurance Policy	Eastern Federal Union Insurance	-
CIAZ	1,598	816	782	1,036	254	As per Employee scheme	Shaukat Ali	Employee
Cultus VXL	1,254	640	614	614	-	As per Employee scheme	Atiq Ur Rehman	Employee
Swift AT Navi	1,331	562	769	769	-	As per Employee scheme	Ahmer Noman	Employee
Swift AT Navi	1,331	562	769	769	-	As per Employee scheme	Mujahid Adeel K	Employee
Cultus AGS	1,482	575	907	907	-	As per Employee scheme	Farhan Imad	Employee
Cultus AGS	1,482	575	907	1,178	271	As per Employee scheme	Muhammad Hanif	Employee
Cultus AGS	1,482	575	907	907	-	As per Employee scheme	Imran Khalid	Employee
Swift Auto Navi	1,510	483	1,027	1,208	181	As per Employee scheme	Muhammad Zubair	Employee
Cultus AGS	1,449	644	805	1,675	870	As per Insurance Policy	Eastern Federal Union Insurance	-
Cultus AGS	1,516	402	1,114	1,800	686	As per Insurance Policy	Eastern Federal Union Insurance	-
Other items having net book value of less than Rs. 500,000 each	267,809	255,784	12,025	24,759	12,734			
2020	286,265	263,677	22,588	39,296	16,708			
2019	585,446	555,803	29,643	45,681	16,038			

5.4 Capital work-in-progress

	2020	2019
	----- (Rupees in '000) -----	
Plant and machinery	524,031	632,254
Civil works	11,416	19,975
	535,447	652,229

5.4 Movement in capital work-in-progress

	2020	2019
Opening balance	652,229	7,834,219
Additions during the year	635,630	2,708,531
Transfer to operating fixed assets	(752,412)	(9,890,521)
Closing balance	535,447	652,229

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	Total Area (In Sq. Ft.)
Leasehold land DSU-13,Port Qasim	2,789,974
Leasehold land DSU-32,Port Qasim	658,627
Leasehold land DSU-38,Port Qasim	612,018
Leasehold land DSU-13a,Port Qasim	5,228,202
Land Eastern Industrial Zone, Port Qasim	1,742,400
Property situated at Plot No.84/1,Korangi Karachi	43,560
Land at Multan road, Lahore	1,329,669

Notes to the Financial Statements

6. Intangible Assets

		2020	2019
		----- (Rupees in '000) -----	
Intangible assets	6.1	190,000	345,419
Capital work-in-progress		56,357	-
		246,357	345,419

6.1 Intangible Assets

The following is a statement of intangible assets

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

Years	Cost as at 01 January 2019	Additions during the year	(Retirements) during the year	Cost as at 31 December 2019	Accumulated amortization at 01 January 2019	Charge during the year	(Retirements) during the year	Accumulated amortization as at 31 December 2019	Book value as at 31 December 2019	
	----- (Rupees in '000) -----									
License fees and drawings	3	382,940	344,983	(191,920)	536,003	303,347	146,646	(191,920)	258,073	277,930
Softwares	3	105,112	65,315	(86,763)	83,664	71,408	31,530	(86,763)	16,175	67,489
		488,052	410,298	(278,683)	619,667	374,755	178,176	(278,683)	274,248	345,419

6.2 Amortization charge has been allocated as follows:

		2019	2018
		----- (Rupees in '000) -----	
Cost of goods manufactured	30.1	130,913	146,646
Administrative expenses	32	27,242	31,530
		158,155	178,176

7. RIGHT-OF-USE ASSETS

	Suzuki Houses	Showrooms	Area Offices	Total
	----- (Rupees in '000) -----			
Balance as at 1 January, 2019	21,582	86,547	106,603	214,732
Add: Additions during the year	-	10,092	-	10,092
Less: Disposal during the year	-	(3,015)	(19,730)	(22,746)
Depreciation charge for the year	(10,744)	(19,777)	(26,599)	(57,119)
Balance as at 31 December, 2019	10,838	73,846	60,274	144,959
Balance as at 1 January, 2020	10,838	73,846	60,274	144,959
Add: Additions during the year		43,237	24,319	67,556
Less: Disposal during the year			(33,368)	(33,368)
Depreciation charge for the year	(10,498)	(30,557)	(14,227)	(55,283)
Balance as at 31 December, 2020	340	86,526	36,998	123,864

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

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

7.1 Depreciation charge for right of use asset for the year has been allocated as follows.

		2020	2019
		----- (Rupees in '000) -----	
Administrative expenses	32	55,283	57,119
		55,283	57,119

Notes to the Financial Statements

8. Long-Term Investments

		2020	2019
Note		----- (Rupees in '000) -----	
Other long term investments			
Equity securities - at FVOCI	8.1	-	-
Investment in joint venture (equity accounted)			
Tecno Auto Glass Limited (TAG)	8.2	278,160	325,925
		278,160	325,925

8.1 Equity securities - at fair value through OCI

Note	Shares		Fair value (Rupees)
	(Number)	2020	
Arabian Sea Country Club Limited (ASCCL)	500,000		-
Automotive Testing & Training Centre (Private) Limited (AT & TC)	1,250		-
			-

8.1.1 Investment in ASCCL (unquoted) represents 0.5 million (2019: 0.5 million) fully paid ordinary shares of Rs. 10 each, representing 6.45% (2019: 6.45%) of ASCCL's paid up share capital as at 31 December 2020.

8.1.2 Investment in AT & TC (unquoted) represents 0.125 million (2019: 0.125 million) fully paid ordinary shares of Rs. 10 each, representing 6.94% (2019: 6.94%) of AT & TC's paid up share capital as at 31 December 2020.

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

8.1.3 Investment in joint venture

TAG was incorporated on 16 March 2017 and commenced its commercial operations in the third quarter of current year. The incorporation and principal place of business of TAG is The Islamic Republic of Pakistan. TAG is a joint venture company between Tecno Pack Telecom (Private) Limited (TPT) and the Company where the Company holds 40% shareholding and balance 60% is held by TPT.

8.2.1 The joint venture's share of loss has been included in these financial statement based on the unaudited condensed interim financial information of the associated company as at 31 December 2020. The latest annual financial statements of TAG have been prepared on going concern basis. The auditor of TAG has expressed an unmodified opinion on the financial statements for the year ended 30 June 2020. The details of the financial statements of half year ended 31 December 2020 of TAG are as follows:

		2020	2019
Note		----- (Rupees in '000) -----	
34,440,000 (2019: 34,440,000) fully paid ordinary shares of Rs. 10/- each (Shareholding 40%)	8.2	344,400	344,400
Share of loss of equity accounted investee		(66,240)	(18,475)
		278,160	325,925
		278,160	325,925

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

		2020	2019
Note		----- (Rupees in '000) -----	
Current assets		259,457	203,360
Non-current assets		2,795,309	2,366,257
Current liabilities		(1,205,363)	(896,870)
Non-current liabilities		(1,154,002)	(857,935)
Revenue		86,803	-
Loss for the year		(119,413)	(8,373)
Other comprehensive loss for the year		(119,413)	(8,373)

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

Net assets of the associate	695,401	814,812
Proportion of the Company's ownership	40%	40%
Carrying amount of the Group's interest in Tecno Auto Glass Limited	278,160	325,925

Notes to the Financial Statements

9. Long-Term Loans

		2020	2019
Note		----- (Rupees in '000) -----	
Loans to employees	9.1	10,295	8,070
Less: Receivable within one year	16	(5,143)	(4,570)
		5,152	3,500

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

10. Long-Term Deposits, Prepayments and Other Receivables

		2020	2019
Note		----- (Rupees in '000) -----	
Deposits		43,480	43,380
Prepayments		-	33
		43,480	43,413
Other receivables from employees at amortised cost	10.1	538,584	434,525
Less: receivable within one year	18	(116,996)	(99,919)
		421,588	334,606
		465,068	378,019

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

	Gross amount of installment sales receivables		Present value of installment sales receivables	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
Less than one year	138,602	107,344	116,996	99,919
One to five years	552,674	388,311	360,026	267,325
More than five years	94,150	150,834	61,562	67,281
	785,426	646,489	538,584	434,525

11. Long Term Installment Sales Receivables

	2020	2019
	----- (Rupees in '000) -----	
Gross amount of installment sales receivables	1,905,578	1,198,632
Less: Impact of discounting	(118,563)	(103,408)
Installment sales receivables	1,787,015	1,095,224
Less: Unearned finance income	(3,091)	(6,210)
	11.1	1,783,924
Less: Provision of impairment allowance	11.2	(52,376)
		1,731,548
Less: Current maturity		(1,245,058)
		486,490
		271,873

Notes to the Financial Statements

11.1 This represent balances receivable under various installment sale agreements in equal monthly installments. It includes installment sales to customers (motorcycles) and registered vendors of the Company. In case of installment sales to customers, no mark-up is charged on installment sales and Company retains the title and registers the documents of the motorcycles in its name as a security. For installment sales to vendors, no mark-up is charged on 12 months installment sales and mark-up is charged at 12% per annum on installment sales exceeding 12 month period (2019: 12% per annum). Further, vehicles are lien marked 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:

	Gross amount of installment sales receivables		Present value of installment sales receivables	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
Less than one year	1,314,738	842,550	1,245,058	799,036
One to five years	590,840	356,082	538,866	289,978
	1,905,578	1,198,632	1,783,924	1,089,014
Less: Provision of impairment allowance	(52,376)	(18,105)	(52,376)	(18,105)
	1,853,202	1,180,527	1,731,548	1,070,909

11.2 Provision of impairment allowance

	2020	2019
	----- (Rupees in '000) -----	
Balance at beginning of the year	18,105	22,770
Provision / (Reversal) during the year	34,271	(2,463)
Write - off during the year	-	(2,202)
Balance at end of the year	52,376	18,105

12. DEFERRED TAXATION - NET

Note	2020	2019
	----- (Rupees in '000) -----	
Deductible temporary differences arising from:		
Provisions	1,160,664	666,165
Local development costs	16,409	33,879
Lease liability	38,631	42,335
	1,215,704	742,379
Taxable temporary differences arising from:		
Accelerated tax depreciation and tax amortisation	(178,766)	(570,220)
Right-of-use assets	(35,202)	(41,479)
	(213,968)	(611,699)
Unused tax losses and credits arising from:		
Excess of minimum turnover tax carried forward	3,661,143	-
Unused tax credit u/s 65B carried forward	-	548,421
Business losses other than depreciation carried forward	381,439	381,439
Unrealized tax depreciation losses carried forward	1,298,522	1,298,522
	5,341,104	2,228,382
	6,342,840	2,359,062

12.1 Movement of deferred tax is as follows:

Opening balance as at 1 January 2020	2,359,062
Add: Transfer from taxation - net	2,180,818
Add: Deferred tax income recognised during the year	1,802,960
Closing balance as at 31 December 2020	6,342,840

Notes to the Financial Statements

12.2 Deferred tax asset on tax credit representing minimum tax available for carry forward under section 113 of the Income Tax Ordinance, 2001 has been recognised as sufficient taxable profits would be available for adjustment/utilisation in the foreseeable future. Minimum tax would expire as follows:

Accounting year to which minimum tax relates	Amount of minimum tax (Rupees in '000)	Accounting year in which minimum tax will expire
2018	920,980	2023
2019	1,808,259	2024
2020	931,904	2025
	<u>3,661,143</u>	

12.3 This represents deferred tax asset recognised in 2019 on business losses other than depreciation which will expire in accounting year 2025.

13. Stores, Spares And Loose Tools

Note	2020	2019
	----- (Rupees in '000) -----	
Stores	189,560	166,660
Spares	158,681	144,882
Loose tools	32,341	31,829
	<u>380,582</u>	<u>343,371</u>
Less: Provision for slow moving and obsolete items		
- at beginning of the year	82,947	58,664
- provision for the year	30.1 45,807	24,283
	<u>128,754</u>	<u>82,947</u>
	<u>251,828</u>	<u>260,424</u>

14. Stock-In-Trade

Raw material and components [including items in transit Rs. 4,825.97 million (2019: Rs. 4,578.33 million)]

Less: Provision for slow moving and obsolescence

- at beginning of the year

- provision for the year

Work-in-process

Finished goods

Trading stocks [including items in transit Rs. 112.30 million (2019: Rs. 198.20 million)]

Less: Provision for slow moving and obsolescence

- at beginning of the year

- provision / (reversal) for the year

14.1 Stock-in-trade includes Rs. 4,100 million (2019: Rs. 7,784 million) which were in the custody of dealers and vendors dispersed all over the Pakistan.

14.2 Raw material and components, work-in-process, finished goods and trading stocks have been written down by Rs. 46.43 million, Rs. 0.57 million, Rs. 12.35 million and Rs. 0.28 million (2019: Rs. 39.63 million, Rs. Nil million, Rs. 1.05 million and Rs. 50.06 million) respectively to arrive at net realizable value.

15. Trade Debts

Trade debts

Less: Provision for impairment allowance

	2020	2019
	----- (Rupees in '000) -----	
Raw material and components [including items in transit Rs. 4,825.97 million (2019: Rs. 4,578.33 million)]	12,433,839	21,363,836
Less: Provision for slow moving and obsolescence		
- at beginning of the year	226,462	86,360
- provision for the year	54,883	140,102
	<u>281,345</u>	<u>226,462</u>
	12,152,494	21,137,374
Work-in-process	387,484	160,626
Finished goods	4,574,565	14,903,629
Trading stocks [including items in transit Rs. 112.30 million (2019: Rs. 198.20 million)]	1,127,256	1,389,339
Less: Provision for slow moving and obsolescence		
- at beginning of the year	74,397	59,215
- provision / (reversal) for the year	112,865	15,182
	<u>187,262</u>	<u>74,397</u>
	939,994	1,314,942
	<u>18,054,537</u>	<u>37,516,571</u>

	2020	2019
	----- (Rupees in '000) -----	
Trade debts	513,326	700,945
Less: Provision for impairment allowance	15.1 (9,567)	(10,287)
	<u>503,759</u>	<u>690,658</u>

Notes to the Financial Statements

15.1 Provision for impairment allowance

		2020	2019
	Note	----- (Rupees in '000) -----	
Balance at the beginning of the year		10,287	30,412
Reversal of provision of impairment allowance	15.1.1	(720)	(20,125)
Balance at the end of the year		9,567	10,287

15.1.1 The reversal of provision represents the recovery of receivable balances during the current year pertaining to motor cycle division that had been fully provided in prior years.

16. Loans And Advances

		2020	2019
	Note	----- (Rupees in '000) -----	
Loans - secured			
Current portion of loans to employees	9	5,143	4,570
Advances - secured			
- Suppliers	16.1	100,152	45,715
- Employees - against expenses		14,543	5,105
		114,695	50,820
		119,838	55,390

16.1 These advances do not carry any mark up arrangement.

17. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

		2020	2019
	Note	----- (Rupees in '000) -----	
Trade deposits		2,115	1,090
Margins held with banks against letter of credits and imports		1,409,049	168,006
		1,411,164	169,096
Prepayments:			
- Collector of customs		97,058	49,054
- Rent		12,312	31,150
- Insurance		5,265	4,142
- Others		16,742	25,862
		131,377	110,208
		1,542,541	279,304

18. Other Receivables

		2020	2019
Due from related parties	18.1	234,569	196,019
Due from vendors for material / components returned		132,473	851
Duty draw back		486	486
Expenses recoverable from dealers		1,094	15,873
Current portion of long term other receivables	10	116,996	99,919
Accrued profit on bank deposits		69,376	525
Others		61,915	35,246
		616,909	348,919

Notes to the Financial Statements

18.1 This represents receivable from following related parties:

	2020	2019
	----- (Rupees in '000) -----	
Suzuki Motor Corporation	233,310	195,325
PT. Suzuki IndoMobil Motor	694	694
Tecno Auto Glass (Private) Limited	565	-
	234,569	196,019

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

	2020	2019
Suzuki Motor Corporation	195,325	195,325
PT. Suzuki IndoMobil Motor	694	694
Tecno Auto Glass (Private) Limited	565	-

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

	2020		2019	
	Gross	Impairment	Gross	Impairment
	----- (Rupees in '000) -----			
Not past due	23,439	-	40,943	-
Past due 91-180 days	21,455	-	17,955	-
Past due 181-360 days	42,233	-	22,768	-
Past due over 360 days	147,442	-	114,353	-
	234,569	-	196,019	-

19. Cash and Bank Balances

	2020	2019
	----- (Rupees in '000) -----	
Cash in hand	7,623	10,692
Cash at bank:		
- In deposit accounts - Conventional	10,514,462	1,048,100
- In term deposit accounts - Conventional	6,900,000	-
- In a special deposit account - Conventional	120,955	130,955
- In current accounts	275,567	2,077,763
	17,810,984	3,256,818
	17,818,607	3,267,510

19.1 These carry profits rates ranging from 5.50% to 8.00% (2019: 5.50% to 12.85%) per annum.

19.2 This represents amount placed by the Company in term deposit receipts carrying profits ranging from 6.4% to 8.0%.

19.3 A special account is maintained in respect of security deposits (note 22.1) in accordance with the requirements of Section 217 of the Companies Act, 2017.

19.4 The Company does not have any Shariah compliant bank deposits / bank balances as at 31 December 2020.

20. SHARE CAPITAL

20.1 Authorised share capital

	2020	2019
	----- (Rupees in '000) -----	
500,000,000 ordinary shares of Rs. 10 each	5,000,000	5,000,000

Notes to the Financial Statements

20.2 Issued, Subscribed and Paid-Up Share Capital

2020	2019		2020	2019
----- (Number of Shares) -----			----- (Rupees in '000) -----	
45,517,401	45,517,401	Fully paid ordinary shares of Rs. 10/- each issued for cash	455,174	455,174
2,800,000	2,800,000	Issued for consideration other than cash	28,000	28,000
33,982,450	33,982,450	Issued as fully paid bonus shares	339,825	339,825
82,299,851	82,299,851		822,999	822,999

20.3 As at 31 December 2020, the Holding Company held 60,154,091 (2019: 60,154,091) ordinary shares of Rs. 10 each, constituting 73.09% (2019: 73.09%) shareholding in the Company.

21. Payable Against Purchase Of Asset

	Note	2020	2019
		----- (Rupees in '000) -----	
Payable against purchase of asset	21.1	260,448	618,994
Less: Payable within one year	24	(223,243)	(455,637)
		37,205	163,357

21.1 This represents payable to vendors dispersed all over Pakistan against contract manufacturing of components.

22. Security Deposits

	Note	2020	2019
		----- (Rupees in '000) -----	
Dealership deposits	22.1	120,955	130,955
Others	22.2	100,835	105,175
		221,790	236,130

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

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

23. Lease Liabilities

Note	2020	2019	
		----- (Rupees in '000) -----	
As at 1 January	147,949	199,683	
Additions	67,556	10,091	
Interest Expense related to lease liabilities	14,332	19,954	
Payments	(46,470)	(65,057)	
Disposals	(47,438)	(16,722)	
As at 31 December	135,929	147,949	
Current	38,444	31,757	
Non-current	97,485	116,192	
	135,929	147,949	
Maturity Analysis - Contractual discounted Cash Flows			
Less than one year	38,444	31,757	
One to five years	76,660	84,076	
More than five years	20,825	32,116	
	135,929	147,949	

23.1 This represents present value of lease liabilities discounted at the incremental borrowing rate of the Company against various lease agreements for suzuki houses, area offices and showrooms.

Notes to the Financial Statements

24. Trade and Other Payables

	2020	2019
	----- (Rupees in '000) -----	
Creditors	2,805,688	1,598,600
Bills payable	3,254,013	3,320,134
Accrued liabilities	2,456,825	2,361,917
Gas Infrastructure Development Cess payable	29,743	-
Royalties and technical fee payable to the Holding Company	1,430,089	1,421,584
Mark-up on waiting for delivery of vehicles	3,676	3,676
Payable to dealers	11,060	292,821
Accrued makup on Short term borrowing	-	614,940
Workers' Welfare Fund	15,000	-
Retention money	3,551	5,226
Deposits from employees against purchase of vehicles	182	182
Payable to gratuity fund	384,924	324,764
Payable to provident fund	10,782	9,739
Payable to directors	3,000	800
Forward foreign exchange contract	472,057	-
Un-earned income - extended warranty	89,028	118,292
Payable against purchase of asset	223,243	455,637
Provision for unexpired free service and warranty	78,867	70,662
Provision for Sindh Infrastructure Development Cess	1,767,201	1,613,229
Others	714,904	511,486
	13,753,833	12,723,689

24.1 This includes Rs. 2,518.962 million (2019: Rs. 2,513.94 million) due to the Holding Company and Rs. 590.63 million (2019: Rs. 743.06 million) due to other related parties.

24.2 Gas Infrastructure Development Cess payable	44,197	-
Less: payable within one year	29,743	-
	14,454	-

In the current year, Supreme Court of Pakistan (SCP) vide its judgement dated 13 August 2020 dismissed all the previous appeals filed by various industrial and commercial entities with respect to the legality and validity of levy and demand of GIDC and decided the case against the industry. Further, on 6th November 2020, the SCP dismissed all the review petitions with a relief for payment of GIDC in 48 instalments.

In August 2020, Sui Southern Gas Company Limited (SSGC) billed the arrears of GIDC and started recovery of all previous GIDC arrears and charged Rs. 2,116,761 out of total outstanding Rs. 50,802,254 as first installment of GIDC. Based on management's assessment that the above arrears will be paid within 24 monthly instalments, the remaining balance of GIDC payable as at year end has been recorded at present value amounting to Rs. 44.2 million.

24.3 Payable to gratuity fund

24.3.1 The latest actuarial valuation of gratuity fund was carried out as at 31 December 2020 using the Projected Unit Credit Method.

24.3.2 Amount recognized in the statement of financial position

	2020	2019
	----- (Rupees in '000) -----	
Present value of defined benefit obligation	984,951	867,927
Fair value of plan assets	(604,953)	(553,850)
Benefits due but not paid (payables)	4,926	10,687
	384,924	324,764

Notes to the Financial Statements

24.3.3 Amounts recognized in total comprehensive income

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

	2020	2019
	----- (Rupees in '000) -----	
<i>Component of defined benefit costs recognized in statement of profit or loss account</i>		
Current service cost	72,991	59,867
Interest cost on defined benefit obligation	94,862	88,298
Return on plan assets	(62,909)	(65,874)
	104,944	82,291

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

Re-measurements: Actuarial (gain) / loss on obligation		
- Gain due to change in financial assumptions	(1,500)	(9,777)
- Loss due to change in experience adjustments	1,644	80,784
	144	71,007
Return on plan assets excluding interest income	11,806	8,029
	11,950	79,036
Total defined benefit cost recognized in statement of other comprehensive income	11,950	79,036
Expected contribution in the following year	113,127	106,786
Weighted average duration of the defined benefit obligation (years)	9	9

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

Opening balance	324,764	190,583
Expense recognized during the year	104,944	82,292
Re-measurement loss recognized in other comprehensive income	11,950	79,029
Contribution made by the Company during the year	(56,734)	(27,140)
Closing balance	384,924	324,764

24.3.5 Movement in present value of defined benefit obligation

	2020	2019
	----- (Rupees in '000) -----	
Opening balance	867,927	684,151
Current service cost	72,991	59,867
Interest cost on defined benefit obligation	94,862	88,298
Benefits due but not paid (payables)	(4,926)	(10,687)
Benefit paid	(46,047)	(24,709)
Remeasurement loss on defined benefit obligation	144	71,007
Closing balance	984,951	867,927

24.3.6 Movement in fair value of plan assets

Opening balance	553,850	495,998
Contributions	56,734	27,140
Return on plan assets	62,909	65,874
Benefit paid	(56,734)	(27,140)
Remeasurement (loss)/ gain on plan assets	(11,806)	(8,022)
Closing balance	604,953	553,850

24.3.7 Actuarial assumption used are as follows

Discount rate used for profit and loss charge	11.25%	13.25%
Discount rate used for year end obligation	9.75%	11.25%
Expected rate of eligible salaries increase in future years	9.75%	11.25%
Mortality rates	SLIC 2001 - 2005 Setback 1 Year	SLIC 2001 - 2005 Setback 1 Year
Withdrawal Rates	Age Based	Age Based
Retirement assumption	Age 60	Age 60

24.3.8 Actual return on plan assets

	2020	2019
	----- (Rupees in '000) -----	
Interest income on plan assets	62,909	65,874
Remesurement (loss) / gain on plan assets	(11,806)	(8,022)
	51,103	57,852

Notes to the Financial Statements

24.3.9 Analysis of present value of defined benefit obligation

	2020	2019
	----- (Rupees in '000) -----	
Type of Members:		
- Management	837,749	731,691
- Non - management	147,202	136,236
	984,951	867,927

24.3.10 Major categories / composition of plan assets are as follows

Government securities	27,002	40,622
Mutual funds	84,310	76,411
Term finance certificates	467,414	41,303
Bank balances	26,227	395,514
	604,953	553,850

24.3.11 Sensitivity analysis

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

Change in assumption	Defined benefit obligation (Incase of changes)	
Discount rate + 1%	899,078	793,608
Discount rate - 1%	1,085,113	954,476
Long term salary increase + 1%	1,085,207	954,659
Long term salary decrease - 1%	897,404	792,091

24.4 Provision for unexpired free service and warranty

Balance at the beginning of the year	70,662	84,778
Paid during the year	(150,249)	(225,757)
Charge during the year	158,454	211,641
Balance at the end of the year	78,867	70,662

24.4.1 This amount includes Rs. 109.54 million (2019: 208.26 million) in respect of free service charges and Rs. 48.91 million (2019:Rs. 3.38 million) of warranty claims.

24.5 Provision for Sindh Infrastructure Development Cess

Sindh Infrastructure Cess was levied in the province of Sindh in 1994 vide section 9 of the Sindh Finance Act on the goods entering or leaving the province from or for outside the country, ostensibly for services rendered in respect of development and maintenance of infrastructure. Levy is applicable on imported goods and it is charged at the time of custom clearance. Group of importers challenged the levy on the grounds that imposing levy on 'import and export' does not fall within legislative competence of the provincial legislature. In 2011, Sindh High Court (SHC) through its interim order granted an interim relief to all the petitioners directing that the future imports of the petitioners will be cleared on payment of 50% of the disputed cess while for remaining 50% bank guarantee is to be submitted till the final decision by Court.

In May 2014, the Company filed a petition in SHC against Government of Sindh and Court granted same interim relief as was available to other petitioners, i.e., Company continue to make payment for 50% Cess and provided bank guarantee for 50% balance payable. As a matter of prudence, Company fully charged the Sindh Government Infrastructure Cess to cost by providing provision for 50% balance payable.

25. Short-Term Finance

	2020	2019
	----- (Rupees in '000) -----	
Short term running finance - conventional	-	32,411,037
Loan from Holding Company	12,542,400	-
Accrued markup - loan from Holding Company	78,968	-
	12,621,368	32,411,037

25.1 The facilities for running finance available from various commercial banks are for the purpose of meeting working capital requirements. The total limit of short term running financing facilities available from banks aggregate to Rs. 33,500 million (2019: Rs. 38,000 million) out of which Rs. 33,500 million (2019: 5,588 million) remained unutilised as of reporting date. Financing facilities from local commercial banks, amounting Rs. 18,000 million (2019: 25,000 million) are secured against support from holding company, Suzuki Motor Corporation.

25.2 The Company has obtained a loan amounting to USD 78 million on May 11, 2020 bearing interest at a rate of 0.98% (LIBOR plus 0.2%) from holding company, a related party. The loan is repayable on May 10, 2021.

25.3 The Company does not have any Shariah compliant borrowings as at 31 December 2020.

Notes to the Financial Statements

26. Security Deposits

	2020	2019
	----- (Rupees in '000) -----	
Deposits against display of vehicles	3,807,074	3,927,506

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

27. Provision For Custom Duties And Sales Tax

		2020	2019
	Note	----- (Rupees in '000) -----	
Provision for custom duties and sales tax	27.1	36,299	36,299
Provision for additional custom duties	27.2	1,830,475	546,527
		1,866,774	582,826

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

27.2 On 28th June 2019, Ministry of Finance issued notification vide SRO 670/2019 through which the Additional Customs duty was increased from 2% up to 7% on imported goods falling under various tariff slabs. The said SRO was superseded by SRO 572(1)-2020 dated 30 June 2020 with certain amendments which was challenged by the Company vide D-3682/2020 dated 11 August 2020 in which Sindh High court granted an interim relief restraining the collection of additional customs duty. The Plea of the industry, including Pak Suzuki is that in pursuance of Auto Policy 2016-21, five year tariff plan for customs duties was committed by Government of Pakistan, covering the period from 2016 to 2021. The Company has submitted total corporate guarantee amounting to Rs. 2,480 million to cover additional duty levied through the challenged SRO till the petition is decided. As a matter of prudence, provision amounting to Rs. 1,830 million has been accounted for in these financial statements.

28. Contingencies and Commitments

28.1 Capital expenditure contracted for but not incurred amounted to Rs. 2,518.923 million (2019: Rs. 392.470 million).

28.2 The facilities for opening letters of credit as at 31 December 2020 amounted to Rs. 12,800 million (2019: Rs.10,300 million) of which the amount remaining unutilized at year end was Rs. 11,180 million (2019: Rs. 9,897 million).

28.3 The facilities for opening letters of guarantees as at 31 December 2020 amounted to Rs. 3,500 million (2019: Rs. 2,126 million) of which the amount remaining unutilized at year end was Rs. 1,688 million (2019: Rs. 456.371 million).

28.4 The Company has issued a corporate guarantee on behalf of Tecno Auto Glass Limited, an associated company, amounting to Rs. 600 million (2019: Rs. 600 million) to a commercial bank in relation to borrowing facilities granted to the associated company.

29. Sales

		2020	2019
	Note	----- (Rupees in '000) -----	
Manufactured goods	29.1	74,003,836	111,147,960
Trading stocks	29.2	2,929,308	5,704,595
		76,933,144	116,852,555
Add: Extended warranty income		42,628	7,125
		76,975,772	116,859,680
Less: Mark-up on discounting of financial assets		(146,097)	(103,408)
Free service		(109,543)	(208,259)
		76,720,132	116,548,013

29.1 Manufactured goods

Vehicles	93,858,852	139,206,536
Spare parts	557,081	645,278
	94,415,933	139,851,814
Less: Sales tax	14,943,029	20,331,777
Federal excise duty	1,786,185	1,227,456
Discounts	222,217	1,896,601
Sales commission to dealers	3,460,666	5,248,020
	(20,412,097)	28,703,854
	74,003,836	111,147,960

Notes to the Financial Statements

29.2. Trading stocks

Note	2020		2019	
	----- (Rupees in '000) -----			
- Vehicles	852,182		3,096,174	
- Spare parts	2,716,482		3,634,517	
	3,568,664		6,730,691	
Less: Sales tax	596,682		910,715	
Federal excise duty	27,912		26,646	
Discounts	1,690		2,560	
Sales commission to dealers	13,072		86,175	
	(639,356)		(1,026,096)	
	2,929,308		5,704,595	

29.3 These include export sales of Rs. 30.51 million (2019: Rs. 62.29 million)

29.4 In the following table, revenue is disaggregated by primary geographical market, major products/service lines and timing of revenue recognition.

The table also includes a reconciliation of the disaggregated revenue with the Company's two strategic divisions, which are its reportable segments.

	Automobile		Motorcycle		Total	
	2020	2019	2020	2019	2020	2019
	----- (Rupees in '000) -----					
Primary Geographical Markets						
Pakistan	73,781,232	112,940,402	2,908,391	3,545,323	76,689,623	116,485,725
Japan	591	25,339	3,396	-	3,987	25,339
Vietnam	20,280	7,262	-	-	20,280	7,262
Others	6,242	23,123	-	6,564	6,242	29,687
	73,808,345	112,996,126	2,911,787	3,551,887	76,720,132	116,548,013
Major product/service lines						
Automobile Products	73,765,717	112,989,001	-	-	73,765,717	112,989,001
Motorcycle Products	-	-	2,911,787	3,551,887	2,911,787	3,551,887
Extended Warranty	42,628	7,125	-	-	42,628	7,125
	73,808,345	112,996,126	2,911,787	3,551,887	76,720,132	116,548,013

Timing of Revenue Recognition

Products transferred at a point in time
Products and services transferred over time

	Automobile		Motorcycle		Total	
	2020	2019	2020	2019	2020	2019
	----- (Rupees in '000) -----					
Products transferred at a point in time	73,765,717	112,996,126	2,911,787	3,551,887	76,677,504	116,548,013
Products and services transferred over time	42,628	-	-	-	42,628	-
	73,808,345	112,996,126	2,911,787	3,551,887	76,720,132	116,548,013

30. Cost of Sales

Manufactured goods

Finished goods at beginning of the year
Cost of goods manufactured
Export expenses

Less: Finished goods at end of the year

Trading stocks

Stocks at beginning of the year
Purchases during the year
Less: Stocks at end of the year

Note	2020		2019	
	----- (Rupees in '000) -----			
Finished goods at beginning of the year		14,903,629		12,929,908
Cost of goods manufactured	30.1	60,599,522		111,401,501
Export expenses		1,806		14,829
		75,504,957		124,346,238
Less: Finished goods at end of the year		(4,574,565)		(14,903,629)
		70,930,392		109,442,609
Stocks at beginning of the year		1,314,942		2,012,834
Purchases during the year		2,113,279		4,422,985
		3,428,221		6,435,819
Less: Stocks at end of the year		(939,994)		(1,314,942)
		2,488,227		5,120,877
		73,418,619		114,563,486

Notes to the Financial Statements

30.1 Cost of goods manufactured

		2020	2019
	Note	----- (Rupees in '000) -----	
Raw materials and components at beginning of the year		21,137,374	14,397,889
Purchases during the year	30.1.1	44,103,141	108,809,785
		65,240,515	123,207,674
Less: Raw materials and components at end of the year		(12,152,494)	(21,137,374)
Raw materials and components consumed		53,088,021	102,070,300
Stores and spares consumed		35,379	61,630
Provision for slow moving and obsolete stores, spares and loose tools	13	45,807	24,283
Utilities		425,481	425,306
Vehicle running expenses		23,190	29,126
Salaries, wages and other benefits	30.1.2	1,348,977	2,072,281
Outsourced job contractor charges		497,190	907,628
Expenses relating to short-term leases		53,649	32,541
Travelling		20,838	85,278
Training		4,627	10,157
Insurance		44,625	20,796
Repairs and maintenance		335,090	639,582
Royalty		1,284,465	1,680,777
Technical fee		132,435	345,018
Travelling expenses of supervisors		125	9,059
Depreciation	5.2	3,219,941	2,625,616
Amortization	6.2	130,913	146,646
Conveyance and transportation		171,263	300,145
Communication		1,946	4,642
Hired security guards services		20,481	22,563
Local development costs		51,770	69,652
Printing and stationery		1,834	533
Computer software license fee and ERP maintenance charges		2,451	5,787
Legal & Professional charges		-	500
Others		4,531	18,282
		7,857,008	9,537,828
		60,945,029	111,608,128
Add: Work-in-process at beginning of the year		160,626	56,425
		61,105,655	111,664,553
Less: Work-in-process at end of the year		(387,484)	(160,626)
		60,718,171	111,503,927
Less: Cost of own used vehicles		(118,649)	(102,426)
		60,599,522	111,401,501

30.1.1 Purchases are stated net of proceeds from the sale of packing materials amounting to Rs. 300.61 million (2019: Rs. 313.47 million).

30.1.2 This includes Rs. 39.43 million (2019: Rs. 33.81 million) and Rs. 66.21 million (2019: Rs. 51.03 million) in respect of provident fund and gratuity fund respectively.

31. Distribution And Marketing Expenses

		2020	2019
	Note	----- (Rupees in '000) -----	
Transportation and handling charges		927,008	1,736,317
Advertising and sales promotion		616,504	734,925
Warranty claims		48,911	3,381
Royalty on trading spare parts		47,368	64,628
		1,639,791	2,539,251

32. Administrative Expenses

		2020	2019
	Note	----- (Rupees in '000) -----	
Salaries, wages and other benefits	32.1	818,638	1,266,786
Outsourced job contractor charges		135,695	226,856
Travelling		45,864	140,756
Training		7,726	17,955
Hired security guards services		42,373	52,351
Depreciation - Right of use of asset		55,283	57,119
Expenses relating to short-term leases		83,569	57,651
Utilities		31,267	35,794
Vehicle running expense		60,582	81,078
Insurance		15,931	30,055
Repairs and maintenance		56,639	83,310
Depreciation	5.2	183,721	180,963
Amortization	6.2	27,242	31,530
Auditors' remuneration	32.2	4,239	3,742
Legal and professional charges		15,522	38,179
Conveyance and transportation		69,748	118,481
Entertainment		123	441
Printing and stationery		43,187	42,870
Communication		19,250	26,598
Directors' fees		4,160	8,600
Trade debts written-off		-	204
Computer software license fee and ERP maintenance charges		41,625	16,131
Corporate Social Responsibility	32.3	12,559	8,952
Others		15,882	24,261
		1,790,825	2,550,663

Notes to the Financial Statements

32.1 This includes Rs. 23.60 million (2019: Rs. 21.59 million) and Rs. 33.18 million (2019: Rs. 31.58 million) in respect of provident fund and gratuity fund respectively.

32.2 Auditors' remuneration

	2020	2019
	----- (Rupees in '000) -----	
Audit fee	1,687	1,500
Half-yearly review	606	450
Fee for corporate governance certificate	110	110
Fee for special certifications	1,250	940
Out of pocket expenses	272	465
Sindh sales tax	314	277
	4,239	3,742

32.3 Contribution for Corporate Social Responsibility to the following organizations exceed Rs. 1,000,000 or 10% of donation amount whichever is higher:

	2020	2019
Civil Hospital	6,162	-
The Indus Hospital	1,500	-
Koohi Goth Women Hospital	1,152	-
SAIBAN	1,134	-
Govt. Girls Primary School, Nishtarabad		4,729
	9,948	4,729

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

33. Other Expenses

	2020	2019
Note	----- (Rupees in '000) -----	
Workers' Welfare Fund	15,000	348
	15,000	348

34. Other Income

		2020	2019
	Note	----- (Rupees in '000) -----	
Income from financial assets			
Profit on bank accounts	34.1	298,162	74,024
Commission income	34.2	3,000	3,000
Income from unwinding of loan to employees		59,313	-
Income from unwinding of installment sales receivable		130,455	
Finance income on installment sales		4,780	11,904
		495,710	88,928
Income from non-financial assets			
Gain on disposal of fixed assets	34.3	16,708	16,038
Scrap sales		39,536	20,950
Miscellaneous income	34.4	152,440	96,588
		208,684	133,576
		704,394	222,504

34.1 The Company has not earned any profit from Shariah compliant bank deposits / bank balances during the year ended 31 December 2020.

34.2 This represent commission income on corporate guarantee provided to Meezan Bank Limited on behalf of Tecno Auto Glass Limited, associated company, amounting to Rs. 600 million (2019: Rs. 600 million) in relation to borrowing facilities granted to the associated company.

34.3 This includes loss on fixed assets written off during the year amounting to Rs. 1.31 million

34.4 This includes profit amounting to Rs. 19.71 million earned by the Company as commission on the development of the global SAP template in small and mid-sized Suzuki overseas subsidiaries.

35. Finance Costs

		2020	2019
	Note	----- (Rupees in '000) -----	
Mark-up on lease liability		14,332	19,954
Mark-up on short-term running finance	35.1	2,037,671	1,948,453
Markup on Workers' Profit Participation Fund		-	93
Mark to Mark Revaluation loss on parental loan		534,457	-
Exchange loss - net		42,951	52,899
Bank charges		35,323	66,353
		2,664,734	2,087,752

35.1 The Company has not paid any markup on Islamic mode of financing during the year ended 31 December 2020.

Notes to the Financial Statements

36. Taxation

Note	2020	2019
	----- (Rupees in '000) -----	
Current		
- for the year	1,206,687	96,895
Deferred	(1,802,960)	(2,128,154)
	(596,273)	(2,031,259)
36.1 Reconciliation between tax expense and accounting profit		
Accounting loss for the year before taxation	(2,185,759)	(4,951,744)
Corporate tax rate	29%	29%
Tax on accounting profit/(loss) at applicable rate	(633,870)	(1,436,006)
Tax effect of:		
- prior year	-	-
- Utilization of tax credit under section 65B under Income Tax Ordinance, 2001		(548,421)
- Income assessed under Final Tax Regime	26,147	39,468
- Tax effect of permanent differences	16,658	971
- Deferred tax Adjustment due to change in future corporate tax rate & FTR adjustment	-	(55,146)
- others	(5,208)	(32,125)
	(596,273)	(2,031,259)

36.2 The Company computes tax expense based on the generally accepted interpretation of the tax laws to ensure that the sufficient provision for the purpose of taxation is available.

37. LOSS PER SHARE - basic and diluted

37.1 Basic

Note	2020	2019
	----- (Rupees in '000) -----	
Loss for the year	(1,589,486)	(2,920,485)
	(Number of shares)	
Weighted average number of ordinary shares in issue during the year	82,299,851	82,299,851
	(Rupees)	
Basic loss per share	(19.31)	(35.49)

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

38. CASH GENERATED FROM / (USED IN) OPERATIONS

Note	2020	2019
	----- (Rupees in '000) -----	
Loss before taxation	(2,185,759)	(4,951,744)
Adjustments for non cash charges and other items:		
Depreciation	3,403,662	2,806,579
Amortization of intangible assets	158,155	178,176
Depreciation - right of use assets	55,283	57,119
Gain on disposal of fixed assets	(16,708)	(16,038)
Share of loss of equity accounted investee	47,765	3,349
Profit on bank accounts	(298,162)	(74,024)
Effect of initial application of IFRS 16	-	(22,390)
Mark-up on lease liability	14,332	19,954
Gain on Termination of Lease	(14,070)	-
Markup on short term borrowings	2,037,671	1,948,453
	5,387,928	4,901,178
Working capital changes	38.1 34,130,524	(13,997,667)
	37,332,693	(14,048,233)

38.1 Working capital changes

(Increase) / decrease in current assets:

Stores, spares and loose tools	8,596	(113,546)
Stock in trade	19,462,034	(8,119,515)
Trade debts	186,899	(453,120)
Current portion of long-term installment sales receivables	(446,022)	(249,409)
Loans and advances	(64,448)	(14,763)
Trade deposits and short-term prepayments	(1,263,237)	1,077,967
Other receivables	(267,990)	(80,297)
Sales tax and excise duty adjustable	5,463,653	(3,330,941)
	23,079,485	(11,283,624)

Increase / (decrease) in current liabilities:

Trade and other payables	1,521,436	(2,422,996)
Provision for custom duties and sales tax	1,283,948	546,527
Security deposits	(134,772)	(58,613)
Advance from customers	8,380,427	(778,961)
	11,051,039	(2,714,043)
	34,130,524	(13,997,667)

Notes to the Financial Statements

39. Cash And Cash Equivalents

Cash and cash equivalents includes the following:

		2020	2019
Note		----- (Rupees in '000) -----	
Cash and bank balances	19	17,818,607	3,267,510
Short-term running finance facilities		-	(32,411,037)
		17,818,607	(29,143,527)

40. Transactions With Related Parties

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

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

		Holding Company	Other related parties	Total
Note		----- (Rupees in '000) -----		
For the year ended 31 December 2020				
Purchases of components		13,418,534	7,368,908	20,787,442
Purchases of operating fixed assets		45,886	-	45,886
Export sales		3,987	26,522	30,509
Royalties and technical fee		1,464,268	-	1,464,268
Purchase of intangible assets		-	-	-
Travelling expenses of supervisors		125	-	125
Staff retirement benefits	40.4	-	162,421	162,421
Commission income from Corporate Guarantee		-	3,000	3,000
Remuneration to key management personnel		-	82,443	82,443
Markup on Parental loan		78,984	-	78,984
Income on development of SAP		19,705	-	19,705

		Holding Company	Other related parties	Total
Note		----- (Rupees in '000) -----		
For the year ended 31 December 2019				
Purchases of components		34,337,038	23,589,052	57,926,090
Purchases of operating fixed assets		58,699	-	58,699
Dividend paid		190,087	-	190,087
Export sales		25,339	16,239	41,578
Royalties and technical fee		1,988,106	-	1,988,106
Purchase of intangible assets		305,700	-	305,700
Travelling expenses of supervisors		-	-	-
Staff retirement benefits	40.4	-	138,009	138,009
Commission income from Corporate Guarantee		-	3,000	3,000
Remuneration to key management personnel		-	141,678	141,678
Sales promotional expenses and development expenses		4,013	-	4,013

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

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

Notes to the Financial Statements

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

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

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

41. PLANT CAPACITY AND ACTUAL PRODUCTION

	2020	2019
	(Number of vehicles)	
Plant capacity - Motorcar (double shifts basis)	150,000	150,000
Plant capacity - Motorcycle (double shifts basis)	44,000	44,000
Actual production - Motorcar	49,528	107,999
Actual production - Motorcycle	16,530	22,737

41.1 Under utilization of capacity was due to lower production due to closure of production plant for two months on account of Covid-19 pandemic.

42. REMUNERATION OF EXECUTIVES, DIRECTORS AND CHIEF EXECUTIVE

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

Description	2020				2019			
	Chief Executive	Non-Executive Directors	Executive Directors	Executive	Chief Executive	Non-Executive Directors	Executive Directors	Executive
	----- (Rupees in '000) -----							
Directors fees	-	4,160	-	-	-	6,100	-	-
Managerial remuneration	18,834	-	11,320	295,224	17,520	-	12,605	270,000
Bonus	-	-	-	14,060	10,220	-	5,608	166,270
Retirement benefits	-	-	-	21,978	-	-	-	17,758
Reimbursable expense	-	-	-	-	-	2,500	-	-
	18,834	4,160	11,320	331,262	27,740	8,600	18,213	454,028
Number of persons	1	5	1	65	1	5	2	62

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

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

43.1 Market risk

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

Notes to the Financial Statements

43.1.1 Interest rate risk

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

	2020	2019
	----- (Rupees in '000) -----	
Fixed rate financial instruments		
Installment sales receivables	1,731,548	1,070,909
Bank balances in deposit accounts	17,535,417	1,179,055
	19,266,965	2,249,964

Variable rate financial instruments

The Company holds various variable rate financial instruments amounting to Rs. 12,621 million (2019: Rs. 32,411 million) exposing the Company to cash flow interest rate risk. A change of 100 basis points as at 31 December 2020 would have increased / (decreased) loss after tax and equity for the year by Rs. 126.21 million (2019: Rs.324.110 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Fair value sensitivity analysis for fixed rate instruments

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

43.1.2 Currency risk

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

	2020	2019
	Amount in FCY	
JPY - Japanese Yen		
Bills payable	1,623,492	1,761,635
Royalty and technical fees payable to the Holding Company	247,883	77,527
Due from related parties	(150,542)	(42,763)
Net exposure - JPY in '000	1,720,833	1,796,399
USD - US Dollar		
Bills payable	4,497	5,119
Due from related parties	(4)	(694)
Net exposure - USD in '000	4,493	4,425
RMB - Chinese Ren-Min-Bi		
Bills payable in '000	-	4
EUR - Euros		
Bills payable in '000	1	11
SGD - Singapore Dollar		
Bills payable in '000	-	32
GBP - Great Britain pound		
Bills payable in '000	-	2

At December 31, 2020 if Pak Rupee had depreciated / appreciated by 1% against JPY, US Dollar, RMB, EUR, SGD and GBP with all other variables held constant, Company's loss before tax would have been Rs. 33.85 million (2019: Rs. 32.512 million) higher / lower as a result of exchange loss / gain on translation of foreign currency denominated financial instruments.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company is not exposed to other price risk.

Notes to the Financial Statements

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

	2020		
	Lease Liabilities	Loan from Holding Company	Total
	----- (Rupees in '000) -----		
Balance as at 1 January 2020	147,949	-	147,949
Changes from financing cash flows			
Payment of lease liabilities	(32,138)	-	(32,138)
Disbursement of Loan	-	12,480,000	12,480,000
Total changes from financing activities	115,811	12,480,000	12,595,811
Other changes			
Interest expense	14,332	78,968	93,300
Interest paid	(14,332)	-	(14,332)
Gain on termination of lease	14,070	-	14,070
Changes in lease liabilities	6,048	-	6,048
Exchange Loss on loan	-	62,400	62,400
Total changes	20,118	141,368	161,486
Balance as at 31 December 2020	135,929	12,621,368	12,757,297

43.2 Credit risk

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

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy, allowing advances to vendors / suppliers who have long standing with Company and placing deposits with banks with good rating. The maximum exposure to credit risk at the reporting date is:

	2020	2019
	----- (Rupees in '000) -----	
Trade debts	503,759	690,658
Installment sales receivable	1,731,548	1,070,909
Loans and advances	10,295	8,070
Trade deposits	1,454,644	212,476
Other receivables	1,155,493	683,525
Bank balances	17,810,984	3,256,818
	22,666,723	5,922,456

Trade debts and installment sales receivables

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

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

Bank balances

Bank balances are held with reputable banks with high quality credit ratings. At year end, the Company has bank balances with banks having credit ratings ranging from Aa3 to A1+.

Notes to the Financial Statements

43.3 Liquidity risk

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

	Contractual Cash flows		
	Carrying Amount	Upto one year	More than one year
	----- (Rupees in '000) -----		
31 December 2020			
Trade and other payables	11,698,976	(11,698,976)	-
Payable against purchase of asset	260,448	(223,243)	(37,205)
Short term finance	12,621,368	(12,621,368)	-
Security deposits	4,028,864	(3,807,074)	(221,790)
Lease liabilities	135,929	(38,444)	(97,485)
Unclaimed dividend	18,944	(18,944)	-
	<u>28,764,529</u>	<u>(28,408,049)</u>	<u>(356,480)</u>
31 December 2019			
Trade and other payables	10,584,161	(10,584,161)	-
Payable against purchase of asset	618,994	(455,637)	(163,357)
Short term finance	32,411,037	(32,411,037)	-
Security deposits	4,163,636	(3,927,506)	(236,130)
Lease liabilities	147,949	(31,757)	(116,192)
Unclaimed dividend	19,329	(19,329)	-
	<u>47,945,106</u>	<u>(47,429,427)</u>	<u>(515,679)</u>

43.4 Fair value of financial instruments

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

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

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

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

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

	2020						
	Carrying amount			Fair value			
	Amortised Cost	Fair value through OCI	Fair value liabilities	Other financial liabilities	Level 1	Level 2	Level 3
	----- (Rupees in '000) -----						
Financial assets not measured at fair value							
Long-term investments	-	-	-	-	-	-	-
Trade debts	503,759	-	-	-	-	-	-
Installment sales receivable	1,731,548	-	-	-	-	-	-
Loans and advances	10,295	-	-	-	-	-	-
Trade deposits	1,454,644	-	-	-	-	-	-
Other receivables	1,155,493	-	-	-	-	-	-
Cash and bank balances	17,818,607	-	-	-	-	-	-
	<u>22,674,346</u>	-	-	-	-	-	-
Other Financial liabilities not measured at fair value							
Trade and other payables	-	-	-	11,226,919	-	-	-
Short-term finance	-	-	-	12,621,368	-	-	-
Security deposits	-	-	-	4,028,864	-	-	-
Unclaimed dividend	-	-	-	18,944	-	-	-
Lease liabilities	-	-	-	135,929	-	-	-
Payable against purchase of asset	-	-	-	260,448	-	-	-
Derivative Financial liability measured at fair value							
Forward Foreign exchange contract	-	-	472,057	-	-	472,057	-
	-	-	<u>472,057</u>	<u>28,292,472</u>	-	<u>472,057</u>	-

Notes to the Financial Statements

	2019					
	Carrying amount			Fair value		
	Loan and receivables	Fair value through OCI	Fair value liabilities	Other financial liabilities	Level 1	Level 2
	----- (Rupees in '000) -----					
Financial assets not measured at fair value						
Long-term investments	-	-	-	-	-	-
Trade debts	690,658	-	-	-	-	-
Installment sales receivable	1,070,909	-	-	-	-	-
Loans and advances	8,070	-	-	-	-	-
Trade deposits	212,476	-	-	-	-	-
Other receivables	683,525	-	-	-	-	-
Cash and bank balances	3,267,510	-	-	-	-	-
	<u>5,933,148</u>	-	-	-	-	-
Financial liabilities not measured at fair value						
Trade and other payables	-	-	-	10,584,161	-	-
Short-term finance	-	-	-	32,411,037	-	-
Security deposits	-	-	-	4,163,636	-	-
Unclaimed dividend	-	-	-	19,329	-	-
Lease liabilities	-	-	-	147,949	-	-
Payable against purchase of asset	-	-	-	618,994	-	-
	-	-	-	<u>47,945,106</u>	-	-

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

For valuation of derivative (forward foreign exchange contract: refer note 24) at reporting date, the relevant rate has been taken from financial institution and has been classified into level 2 fair value management hierarchy as defined in IFRS 13.

44. Capital Risk Management

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

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

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

45.1 Segment revenue and results

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

	2020			2019		
	Automobile	Motorcycle	Total	Automobile	Motorcycle	Total
	----- (Rupees in '000) -----					
Net sales	73,808,344	2,911,788	76,720,132	112,994,512	3,553,501	116,548,013
Gross profit	3,102,573	198,940	3,301,513	1,693,139	291,388	1,984,527
Distribution and marketing expenses	(1,586,419)	(53,372)	(1,639,791)	(2,479,961)	(59,290)	(2,539,251)
Administration expenses	(1,559,441)	(231,384)	(1,790,825)	(2,303,766)	(246,897)	(2,550,663)
Reversal of impairment losses	500	(34,051)	(33,551)	1,000	21,588	22,588
Other income	481,165	223,229	704,394	176,011	46,493	222,504
Finance cost	(2,656,716)	(8,018)	(2,664,734)	(2,084,717)	(3,035)	(2,087,752)
Segment results	(2,218,338)	95,344	(2,122,994)	(4,998,294)	50,247	(4,948,047)
Unallocated corporate expenses						
Other expenses			(15,000)			(348)
Share of loss of equity accounted investee			(47,765)			(3,349)
Taxation			596,273			2,031,259
			533,508			2,027,562
Loss after tax			(1,589,486)			(2,920,485)

45.1.1 Revenue from sale of Automobiles represent 96.20% (2019: 97%) of the gross sales of the Company.

45.1.2 99.96% (2019: 99.95%) of the gross sales of the Company are made to customers located in Pakistan.

45.1.3 All non-current assets of the Company as at 31 December 2020 are located in Pakistan.

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

Notes to the Financial Statements

45.2 Segment assets and liabilities

	2020			2019		
	Automobile	Motorcycle	Total	Automobile	Motorcycle	Total
----- (Rupees in '000) -----						
Assets						
Segment assets	49,482,908	3,200,822	52,683,730	56,670,776	2,854,697	59,525,473
Unallocated corporate assets	-	-	14,020,635	-	-	18,134,353
	49,482,908	3,200,822	66,704,365	56,670,776	2,854,697	77,659,826
Liabilities						
Segment liabilities	29,468,656	128,962	29,597,618	17,614,158	74,987	17,689,145
Unallocated corporate liabilities	-	-	12,757,297	-	-	34,019,795
	29,468,656	128,962	42,354,915	17,614,158	74,987	51,708,940

45.3 Other segment information

Capital expenditure	759,635	19,366	779,001	1,671,824	866,921	2,538,745
Depreciation	3,289,145	114,517	3,403,662	2,686,478	120,101	2,806,579

46. CORRESPONDING FIGURES

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

47. NON-ADJUSTING EVENT AFTER REPORTING DATE

The Board of Directors in their meeting held on 22 March 2021 have approved the transfer of an amount of Rs. 1,589 million (2019: Rs. 2,920 million) from general reserve to accumulated losses. These financial statements do not reflect this transfer which will be accounted for in the financial statements for the year ending 31 December 2021.

48. IMPACT OF COVID 19 ON THE FINANCIAL STATEMENTS

Pandemic of Coronavirus (COVID-19) has unfolded one of the worst health crisis across the globe. World Economy, including Pakistan, has experienced a slowdown. Commercial and industrial activities in Pakistan were stopped from March 21, 2020 in compliance with lockdown directives to contain the spread of COVID-19. Business activities partially resumed from June 2020 due to relaxation allowed by Government. Accordingly, the Company resumed production activity from June 15, 2020 with adequate preventive measures and following SOPs as advised by the Government.

Economic condition of country was badly hit due to pandemic of COVID-19 resulting in negative growth rate in 2019-20. Accordingly sales volumes of auto industry witnessed a sharp decline in the 2nd Quarter of 2020. The demand for automobiles improved from 4th Quarter of 2020 and it is expected that the demand of the Company's product will remain stable due to improved business activities.

Management based on its assessment considers that there would be no significant material impact of COVID-19 that will adversely affect the Company's business results of operations and financial conditions in future periods.

49. NUMBER OF EMPLOYEES

The detail of number of employees are as follows:

	2020	2019
Total employees of the Company at year end	2,102	1,964
Average employees of the Company during the year	2,033	1,994

50. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorized for issue by the Board of Directors of the Company in its meeting held on March 22, 2021.


Chairman


Chief Financial Officer


Chief Executive Officer

Pattern of Shareholding

For the year ended December 31, 2020

No. of Shareholders	Shareholdings 'Slab		Total Shares Held	
3886	1	to	100	98,166
1452	101	to	500	453,327
679	501	to	1000	555,567
720	1001	to	5000	1,713,333
121	5001	to	10000	920,163
39	10001	to	15000	486,050
24	15001	to	20000	425,119
19	20001	to	25000	440,987
11	25001	to	30000	302,700
7	30001	to	35000	228,400
8	35001	to	40000	302,299
7	40001	to	45000	290,219
7	45001	to	50000	336,050
4	50001	to	55000	209,450
2	55001	to	60000	119,000
1	60001	to	65000	62,000
4	65001	to	70000	267,530
2	70001	to	75000	145,600
4	75001	to	80000	307,400
2	80001	to	85000	166,200
1	85001	to	90000	90,000
2	90001	to	95000	184,650
1	95001	to	100000	99,200
2	100001	to	105000	205,200
1	105001	to	110000	110,000
2	120001	to	125000	249,900
1	130001	to	135000	132,800

No. of Shareholders	Shareholdings 'Slab		Total Shares Held	
2	140001	to	145000	285,000
1	145001	to	150000	145,600
1	155001	to	160000	158,600
1	160001	to	165000	162,900
1	170001	to	175000	171,800
1	180001	to	185000	183,662
1	195001	to	200000	200,000
1	265001	to	270000	268,900
1	285001	to	290000	287,500
1	295001	to	300000	300,000
1	300001	to	305000	300,001
1	305001	to	310000	310,000
1	325001	to	330000	327,400
1	380001	to	385000	383,200
1	455001	to	460000	455,800
1	535001	to	540000	536,423
1	595001	to	600000	600,000
1	805001	to	810000	805,250
1	865001	to	870000	868,000
1	900001	to	905000	902,860
1	920001	to	925000	923,940
1	1060001	to	1065000	1,064,000
1	1160001	to	1165000	1,160,574
1	3345001	to	3350000	3,345,900
1	59250001	to	59255000	59,251,231
7035				82,299,851

Pattern of Shareholding

As at December 31, 2020

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
MR. MASAFUMI HARANO	1	119	0.00
MOIN M FUDDA	1	500	0.00
Associated Companies, undertakings and related parties			
M/S. SUZUKI MOTOR CORPORATION	2	60,154,091	73.09
Executives	2	107	0.00
Public Sector Companies and Corporations	11	2184846	2.65
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	21	1914089	2.33
Mutual Funds			
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	1	49,100	0.06
CDC - TRUSTEE PAKISTAN INCOME FUND	1	500	0.00
CDC - TRUSTEE PICIC INVESTMENT FUND	1	31,000	0.04
CDC - TRUSTEE PICIC GROWTH FUND	1	40,500	0.05
CDC - TRUSTEE ALFALAH GHP VALUE FUND	1	18,000	0.02
CDC - TRUSTEE AKD INDEX TRACKER FUND	1	5,020	0.01
CDC - TRUSTEE FAYSAL ASSET ALLOCATION FUND	1	25,100	0.03
CDC - TRUSTEE NBP STOCK FUND	1	268,900	0.33
CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	1	43,700	0.05
CDC - TRUSTEE HBL - STOCK FUND	1	49,500	0.06
CDC - TRUSTEE ALFALAH GHP STOCK FUND	1	60,000	0.07

Categories of Shareholders	Shareholders	Shares Held	Percentage
CDC - TRUSTEE ALFALAH GHP ALPHA FUND	1	31,000	0.04
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	536,423	0.65
CDC - TRUSTEE LAKSON EQUITY FUND	1	162,900	0.20
CDC - TRUSTEE NBP MAHANA AMDANI FUND - MT	1	41,000	0.05
CDC - TRUSTEE AKD AGGRESSIVE INCOME FUND - MT	1	11,100	0.01
CDC - TRUSTEE MCB DYNAMIC CASH FUND - MT	1	11,000	0.01
CDC - TRUSTEE HBL EQUITY FUND	1	65,900	0.08
CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	1	7,000	0.01
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	923,940	1.12
CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	1	10,700	0.01
CDC - TRUSTEE FAYSAL MTS FUND - MT	1	39,900	0.05
CDC - TRUSTEE LAKSON TACTICAL FUND	1	21,100	0.03
CDC - TRUSTEE LAKSON ISLAMIC TACTICAL FUND	1	19,800	0.02
CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND	1	7,086	0.01
CDC - TRUSTEE NBP FINANCIAL SECTOR INCOME FUND - MT	1	1,000	0.00
General Public			
a. Local	6837	8750200	10.63
b. Foreign	12	46811	0.06
Foreign Companies	14	5024710	6.11
Others	108	1743209	2.12
Totals	7035	82,299,851	100.00

Share holders holding 10% or more	Shares Held	Percentage
M/S. SUZUKI MOTOR CORPORATION	60,154,091	73.09

Dealer Network

Azad Kashmir			
Mirpur	1	Layyah	1
Muzaffarabad	1	Pakpattan	1
Kotli	1	Mianchannu	1
Dadyal	1	Chichawatni	1
Tattapani	1	Sadiqabad	1
		Rajanpur	1
		Ahmedpur east	1
Baluchistan		Muzaffargarh	1
Quetta	2	Shorkot	1
Kuchlak	1	Dipalpur	1
Gwadar	1	Chishtian	1
		Khanpur	1
Khyber Pakhtun Khwa		Burewala	1
Peshawar	3	Lodhran	1
D.I.Khan	1	Kot Addu	1
Abbottabad	1	Alipur	1
Mardan	1	Zahirpir	1
Haripur	1	D.G Khan	1
Swat	1	Pir Mahal	1
Nowshera	1	Okara	1
Kohat	1	Sahiwal	1
Swabi	1	Jhelum	1
Charsadda	2	Islamabad	8
Dir	1	Bara Kahu	2
Shabqadar	1	Rawalpindi	5
Haveliyan	1	Taxila	1
		Mianwali	1
Punjab		Gujar khan	1
Lahore	19	Attock	1
Kasur	1	Fatehjang	1
Sialkot	2	Mandi Bahauddin	1
Gujranwala	2	Talagang	1
Sarghodha	1	Khushab	1
Gujrat	1	Bhakkar	1
Faisalabad	5	Kallar Syedan	1
Jhang	1	Doultala	1
Toba Tek Singh	1		
Wazirabad	1	Sindh	
Chunian	1	Karachi	15
Sheikhupura	1	Hyderabad	3
Daska	1	Sukkur	2
Hafizabad	1	Mirpurkhas	1
Kamonki	1	Tando Allahyar	1
Kharian	1	Larkana	1
Pasrur	1	Nawabshah	1
Narowal	1	Makli	1
Chiniot	1	Moro	1
Jaranwala	1	Jacobabad	1
Bhalwal	1	Kashmore	1
Multan	7	Sanghar	1
Vehari	1	Ghotki	1
Rahimyar Khan	2	Jamshoro	1
Bahawalpur	1	Dadu	1
D.G.Khan	1	Badin	1
Khanewal	1		
Bahawalnagar	1	Grand Total	165

SERVING THE NATION



GWADAR TO GILGIT
& KARACHI TO KHYBER

Pak Suzuki serving its valued customers since over 4 decades is dedicated to its philosophy of **Convenience to The Customer**. We take pride in being present in **96 cities nationwide with 162 Authorized Dealerships**.

Our legacy is shaped by our customers' satisfaction & the journey to serve **you** continues...



Way of Life!

ہے۔ پاک سوزوکی موٹر کمپنی لمیٹڈ نے اس سال کے دوران انڈس اسپتال کو آٹو اسٹریٹیشن کے ساتھ CO2 انکیو بیٹیشن بطور عطیہ فراہم کی ہے۔

برنس سینٹر، سول ہسپتال میں نئے او پی ڈی وارڈ کا افتتاح:

برنس سینٹر 2005 کے بعد سے ہیلتھ کیئر سروسز، میڈیکل ٹریینٹ، سرجیکل پروسیجر وغیرہ کی بلا معاوضہ فراہمی میں اہم کردار ادا کر رہا ہے۔ اس میں (مرہ، خواتین اور بچوں کے لئے) انتہائی گہما گہماشت یونٹس، دو آپریشن تھیٹر ز اور ایمرجنسی آپریشن تھیٹر وغیرہ سمیت چھیا سٹھ (66) بیڈز کی سہولت موجود ہے۔

پاک سوزوکی نے میڈیکل آلات اور فرنیچر کی بطور عطیہ فراہمی کے بعد، سول ہسپتال کے برنس سینٹر کو طبی طور پر جدید یونٹس نو تعمیر شدہ او پی ڈی وارڈ تکمیل کے بعد حوالے کیا ہے۔ نئے او پی ڈی وارڈ میں مرد اور خواتین ڈاکٹروں کے لئے علیحدہ کمرے، مرد اور خواتین مریضوں کے لئے علیحدہ ڈریسنگ روم، مرد اور خواتین مریضوں کے لئے علیحدہ شاور روم شامل ہیں۔

ساتبان کو عطیہ:

ساتبان این جی او نیلم اور اس کے قریبی علاقوں میں فلاحی سرگرمیوں میں (خاص طور پر فری ایجوکیشن سروس کی فراہمی) میں 2001 کے بعد سے مصروف عمل ہے۔ پاک سوزوکی نے ساتبان این جی او کو طبی سہولیات سے مکمل طور پر آراستہ سوزوکی بولان وین بطور ایجوکیشن عطیہ کی ہے۔

معیار، ماحول، صحت و حفاظت مینجمنٹ سسٹم:

پاک سوزوکی موٹر کمپنی لمیٹڈ معیار، ماحول، صحت و حفاظت مینجمنٹ سسٹم (QHSE) کے کلچر کے مسلسل فروغ کے لئے پرعزم ہے۔ کمپنی وقتاً فوقتاً اپنے QHSE فریم ورک کا جائزہ لیتی ہے اور اگر ضروری ہو تو سسٹم کی کارکردگی کو بہتر بنانے کے لئے اقدامات کرتی ہے۔

کوالٹی مینجمنٹ سسٹم (QMS):

پاک سوزوکی نے ISO 9001:2015 کوالٹی مینجمنٹ سسٹم کی سند کو برقرار رکھا ہے، جس کی باقاعدہ نگرانی بذریعہ آڈٹ لائیو رجسٹریشن کوالٹی ایسٹورنس (LRQA) کے ذریعے کی جاتی ہے اور بیرونی آڈیٹرز کے مطابق PSMC کا سسٹم آپ ڈیڈ، بینٹینڈ اور معیاری تقاضوں سے ہم آہنگ ہے۔ مزید برآں، ریگولر سروپلینٹس آڈٹ کے ساتھ ساتھ انٹرنل آڈٹ کے ذریعے بھی سرٹیفیکیشن کو برقرار رکھا جائے گا جو باقاعدہ وقفوں سے منعقد کی جائے گی۔ یہ نظام ہماری مصنوعات کی پیداواری صلاحیت اور معیار کو بہتر بنانے کا ایک اہم ٹول ہے۔ QMS نے ہمارے صارفین کے اطمینان اور ضروریات کے مطابق مسابقتی قیمت پر معیاری مصنوعات کی فراہمی میں مدد فراہم کی ہے۔

ماحولیاتی مینجمنٹ سسٹم (EMS):

پاک سوزوکی ماحول کو بہتر بنانے کے لئے پرعزم ہے۔ کمپنی نے ISO 14001:2015 کا تازہ ترین ورژن کو بھی ری سرٹیفیکیشن کر دیا ہے جو تاحال موجود ہے اور جسے ریگولر سروپلینٹس آڈٹ کے ذریعے مینٹین کیا جاتا ہے۔ یہ کمپنی کے آپریشنز میں اہم عنصر ہے۔ یہ آرگنائزیشن کو وسائل کے زیادہ موثر استعمال اور فضلے میں کمی کے ذریعے اس کی ماحولیاتی کارکردگی کو بہتر بنانے میں معاون ہے۔ پاک سوزوکی اپنی سرگرمیوں سے پیدا ہونے والے فضلات کی مسلسل نگرانی کرتا ہے اور جہاں کہیں ضروری ہو وہاں ویسٹ واٹر ٹریٹمنٹ پلانٹ اور ماحولیاتی کنٹرول کے سازو سامان کی سہولیات موجود ہیں۔ کمپنی ماحول کے حوالے سے قابل اطلاق ریگولیشنز کی تعمیل کر رہی ہے۔ SEPA کی ضروریات کے مطابق معزز صحت فضلے کو مناسب طریقے سے تلف کیا جاتا ہے۔ کمپنی زیر لینڈ فی ل ماحولیاتی پالیسی کی تعمیل کرتی ہے اور اس کے نتیجے میں کچرے کو گڑھے کو صفائی کے بعد مستحقاً بند کر دیا گیا ہے۔

پیشہ ورانہ صحت اور حفاظتی مینجمنٹ سسٹم (OHSAS):

پاک سوزوکی ایسے نظام کی فراہمی کے لئے پرعزم ہے جو غیر محفوظ اور غیر معتبر کام کے حالات کے خاتمے میں معاون ہو۔ خطرات کی نشاندہی اور حادثات پر قابو پانے کے تمام طریقوں پر عملدرآمد ہو رہا ہے، نیز خطرات کی تشخیص اور حادثات سے بچاؤ کے لئے تمام ضروری حفاظتی اقدامات کئے جاتے ہیں۔

پیشہ ورانہ صحت اور حفاظت سے متعلق نظم و نسق کا مقصد کام کی جگہ پر ملازمین کی حفاظت اور صحت پر توجہ مرکوز کرنا ہے اور اس بات کو یقینی بنانا ہے کہ بہترین طریقوں پر مکمل عمل درآمد ہو رہا ہے۔ حادثات اور ہنگامی صورتحال سے نمٹنے کے لئے ہنگامی تیاری، جوابی طریقہ کار اور منصوبے مرتب کیئے گئے ہیں۔

ہر علاقے میں مستقل بنیادوں پر حفاظتی اقدامات کو بہتر بنانے کے لئے، پاک سوزوکی کام اور سامان سے متعلق ممکنہ خطرات کی نشاندہی اور تجزیہ کرتی ہے اور ایک موثر جاپانی تکنیک ”ہیاری ہاتو“ (غیر متوقع حادثات سے بچاؤ) کی سرگرمی کے ذریعے کئے گئے اقدامات مرتب کرتی ہے۔

کشی سنہا
چیئر مین

ماسافومی ہارانو
چیف ایگزیکٹو

کراچی، 22 مارچ 2021

آڈٹ کمیٹی کے اجلاس:

سال کے دوران آڈٹ کمیٹی کے چار (4) اجلاس کا انعقاد کیا گیا۔ ہر ڈائریکٹر کی اجلاس میں حاضری مندرجہ ذیل رہی:

جناب معین ایم فدا	شرکت کردہ اجلاس کی تعداد
4	
جناب کنجی سانیٹو	4
جناب شی گیوتا کیزاوا	4

افراد قوت (Human Resource) اور مشاہرہ کمیٹی

(Remuneration Committee) کا اجلاس:

سال کے دوران افراد قوت اور مشاہرہ کمیٹی کا ایک (1) اجلاس منعقد کیا گیا۔ ہر ڈائریکٹر کی اجلاس میں حاضری مندرجہ ذیل رہی:

محترمہ رخسانہ شاہ	1
جناب کنجی سانیٹو	1
جناب ماسافومی ہارانو	1

ڈائریکٹران کا تربیتی پروگرام:

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

پٹرین آف شیئر ہولڈنگ:

31 دسمبر 2020 کے پٹرین آف شیئر ہولڈنگ سالانہ رپورٹ کے صفحہ نمبر 146 تا 149 پر درج کئے گئے ہیں۔

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

سال کے دوران کسی بھی ڈائریکٹر، ایگزیکٹوز اور ان کے اہل خانہ اور نابالغ بچوں نے کمپنی کے حصص میں ٹریڈنگ نہیں کی ہے۔

بزنس رسک مینجمنٹ سسٹم:

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

ڈائریکٹرز کا جائزہ:

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

نان ایگزیکٹوز اور آزاد ڈائریکٹرز کے لئے مشاہرہ:

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

آڈیٹرز کی تقرری:

M/s. KPMG Taseer Hadi & Co. چارٹرڈ اکاؤنٹنٹس سکدوش ہو گئے ہیں اور انہوں نے دوبارہ تقرری کے لئے اپنی خدمات کی پیشکش کی ہے۔ آڈٹ کمیٹی نے 31 دسمبر 2021 کو ختم ہونے والے سال کے لئے آڈیٹرز کی دوبارہ تعیناتی کے لئے سفارش کی ہے۔ ڈائریکٹران نے آڈٹ کمیٹی کی سفارشات کی تصدیق کی ہے۔

متعلقہ پارٹی سے متعلق ٹرانزیکشنز:

متعلقہ فریقین کے ساتھ تمام ٹرانزیکشنز کو حسب دستور اور کاروباری معمول کے مطابق انجام دیا گیا ہے۔ جو کہ متعلقہ نوٹس کے تحت مالیاتی گوشواروں میں بیان کیا گیا ہے۔ مزید برآں، کمپنی نے 31 دسمبر 2020 کو ختم ہونے والے مالی سال کے لئے متعلقہ فریقین کے مابین ٹرانزیکشنز کے لئے کمپنی کے بورڈ آف ڈائریکٹرز کو اجازت دینے والے حصص یافتگان سے منظوری حاصل کی تھی۔ بعد ازاں آئندہ سالانہ اجلاس عام میں اس کی توثیق / منظوری کے لئے حصص یافتگان کے روبرو پیش کیا جائے گا۔ 31 دسمبر 2020 کو ختم ہونے والے سال کے دوران متعلقہ پارٹی ٹرانزیکشنز کو حصص یافتگان کی منظوری کے لئے کمپنی کی جانب سے سالانہ اجلاس عام میں پیش کیا جائے گا۔ متعلقہ پارٹی ٹرانزیکشنز کو آڈٹ کمیٹی نے باضابطہ طور پر تجویز کیا تھا اور کمپنیز ایکٹ 2017 کی دفعہ 208 کے مطابق بورڈ آف ڈائریکٹرز نے اس کی منظوری دی۔

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

جناب کازو یوکی یا ماسھیتا جنہوں نے ممبر کے عہدے سے استعفیٰ دے دیا تھا، یکم دسمبر 2020 کو ان کی جگہ پر جناب ہساشی تاکیوچی کی بورڈ میں بطور ممبر تقرری کی گئی تھی۔

31 دسمبر 2020 تک بورڈ مندرجہ ذیل ڈائریکٹرز پر مشتمل تھا:

- 1۔ جناب کنجی سانیٹو
- 2۔ جناب ماسافومی ہارانو
- 3۔ جناب تاداشی ہوما
- 4۔ جناب ہساشی تاکیوچی
- 5۔ جناب شی گیوتا کیزاوا
- 6۔ جناب معین ایم فدا
- 7۔ محترمہ رخسانہ شاہ

ڈائریکٹرز کی کل تعداد:

- (الف) مرد ڈائریکٹرز: چھ (6)
- (ب) خواتین ڈائریکٹرز: ایک (1)

کمپوزیشن:

- (i) آزاد ڈائریکٹرز: دو (2)
- (ii) نان ایگزیکٹوز ڈائریکٹرز: تین (3)
- (iii) ایگزیکٹوز ڈائریکٹرز: دو (2)

سال کے اختتام پر، بورڈ کے انتخابات 29 جنوری 2021 کو منعقد ہوئے اور مندرجہ ذیل افراد 7 فروری 2021 سے تین سال کی مدت کے لئے کمپنی کے ڈائریکٹر منتخب ہوئے:

- 1۔ جناب کنجی سانیٹو
- 2۔ جناب ماسافومی ہارانو
- 3۔ جناب تاداشی ہوما
- 4۔ جناب ہساشی تاکیوچی
- 5۔ جناب شی گیوتا کیزاوا
- 6۔ جناب معین ایم فدا
- 7۔ محترمہ رخسانہ شاہ

جناب کنجی سانیٹو اور جناب ماسافومی ہارانو کو دوبارہ بالترتیب بورڈ کا چیئرمین اور چیف ایگزیکٹو آفیسر منتخب کیا گیا ہے۔ اس کے نتیجے میں، آڈٹ کمیٹی اور ہیومن ریسورس اینڈ ریویژن کمیٹی (HR&R) کی تنظیم نو کی گئی ہے اور بورڈ نے مندرجہ ذیل ڈائریکٹرز کو آڈٹ کمیٹیوں اور HR&R کا ممبر نامزد کیا ہے۔

آڈٹ کمیٹی

- 1۔ جناب معین ایم فدا
- 2۔ جناب کنجی سانیٹو؛ اور
- 3۔ جناب شی گیوتا کیزاوا

کارپوریٹ سماجی ذمہ داری (CSR)

کمپنی بطور ذمہ دار کارپوریٹ آرگنائزیشن معاشرے کی بہتری کے لئے تعلیم، صحت اور ماحول کے شعبوں میں اپنی بھرپور شرکت کے ذریعے سے مجموعی طور پر لوگوں کا معیار زندگی بہتر بنانے کے لئے پُر عزم ہے۔

تعلیم اور تکنیکی معاونت کا پروگرام:

SAHEE کے لئے "WAY TO HAPPINESS" کتابچوں کا عطیہ:

SAHEE معاشرتی بہتری کے شعبے میں 1996 سے کام کر رہی ہے اور اپنے تربیتی پروگراموں کے ذریعے قیدیوں کے ہائینڈ سیٹ کو تبدیل کرنے کا کام سرانجام دے رہی ہے۔ پاک سوزو کی نے (سوسائٹی فار دایڈوائس آف ہیلتھ، ایجوکیشن اینڈ انوائزمنٹ) SAHEE کی درخواست پر "Way to Happiness" کے نام سے کتابچے بطور عطیہ فراہم کئے۔ یہ کتابچے قیدیوں میں ان کی بحالی اور ترقی کے لئے تقسیم کئے جائیں گے تاکہ وہ صحیح راہ پر چل کر عام اور خوشگوار زندگی گزاریں۔

فرنچیز کا عطیہ:

پاک سوزو کی کی جانب سے ان سکولوں کو ککڑی کی میزیں اور کرسیوں کا فرنچیز بطور عطیہ فراہم کیا گیا، گورنمنٹ ہوائز اینڈ گراؤتھ اینڈ سیکنڈری اسکول حاجی تھو، گورنمنٹ گراؤتھ پرائمری اسکول، رزاق آباد اور گورنمنٹ پرائمری اسکول، بیچیری۔

اسکالر شپ پروگرام:

باصلاحیت اور ضرورت مند طالب علموں کو سہانے اور ان کی حوصلہ افزائی کے ذریعے مقامی کمیونٹی کی معاونت کے فروغ کے لئے کمپنی نے اسکالر شپ پروگراموں کا آغاز کیا ہے تاکہ وہ اپنی تعلیم کو آگے جاری رکھ سکیں، جو انہیں خوابوں کی تکمیل کے لئے بااختیار بناتی ہے اور ملک کے لئے ایک کامیاب شخص اور کارآمد شہری بننے میں معاون ثابت ہوتی ہے۔

گریڈ 6، 7، اور 8 کی لوزر سیکنڈری کلاسوں کے طلباء کو ڈیڑھ سو (150) وظائف دینے کے جبکہ گریڈ 11 اور 12 کی ہائر سیکنڈری کلاسوں کے طلباء میں اسٹھ (61) وظائف تقسیم کئے گئے۔

کمیونٹی صحت:

کوہی گوٹھ ویمن اسپتال کو عطیہ:

کوہی گوٹھ ویمن اسپتال، دیہہ لائڈھی کراچی کے غریب ترین علاقے میں 250 بیڈز پر مشتمل ایک ہسپتال ہے۔ خواتین کے امراض سے متعلق بیماریوں کے بچاؤ کے لئے یہ ہسپتال سرگرم عمل ہے۔ یہ جنوبی ایشیاء کا واحد نسجی لائبرینٹ سینٹر ہے جو عالمی معیار کی لبروائسکوپی سرجری اور نسجی لائبرینٹ ٹریڈنگ بھی فراہم کرتا ہے۔ پاک سوزو کی نے نظریہ اینڈ عطیہ فاؤنڈیشن چیریٹیبل ٹرسٹ (ZAAFCT) کے کوہی گوٹھ ویمن اسپتال کو COVID-19 کے خلاف تحفظ کے لئے حفاظتی اشیاء بطور عطیہ فراہم کی ہیں۔

انڈس ہسپتال میں CO2 انکیوبیٹر مشین کا بطور عطیہ:

انڈس ہسپتال صحت کی دیکھ بھال کی خدمات، طبی علاج، جراحی کے طریقہ کار اور 150 بیڈز پر مشتمل خصوصی مشاورتی نگہداشت وغیرہ کی فراہمی میں اہم کردار ادا کرتا رہا ہے۔ انڈس ہسپتال COVID-19 کے لئے مشاورت اور ٹیسٹ، بلا معاوضہ علاج معالجے اور ادویات کی فراہمی کے ساتھ پاکستان میں COVID-19 کے پھیلاؤ کے خلاف بھی اپنا فعال کردار ادا کر رہا

ڈائریکٹرز رپورٹ

- اندرونی کنٹرول کا نظام ڈیرائن کے اعتبار سے بہت مستحکم ہے، جس کا موثر اطلاق اور باقاعدہ نگرانی کی جاتی ہے۔
- کمپنی کی Going Concern قابلیت پر کسی قسم کا کوئی شک و شبہ نہیں ہے۔
- مناسب باخبر تحفظ کا میکانزم (whistleblower protection mechanism) قائم کیا گیا ہے۔
- کمپنی اپنے ملازمین کی حفاظت اور صحت کو ترجیح دیتی ہے۔ ملازمین کا مناسب طبی احاطہ اور وقتاً فوقتاً طبی جانچ کرواتی ہے۔
- درج شدہ مفصل قواعد میں سے کارپوریٹ گورننس کی بہترین مشق سے کسی بھی قسم کا مادی انخلاء، روٹنا نہیں ہوا ہے۔

کلیدی آپریشننگ اور مالیاتی اعداد و شمار:

کمپنی کے چھ سالہ اہم آپریشن اور مالیاتی اعداد و شمار کا صفحہ نمبر 24 پر خلاصہ کیا گیا ہے۔

گورنمنٹ ٹیکس:

آؤٹ اسٹینڈنگ ٹیکسوں اور لیویز کو نوٹ 36 میں اختصاں شدہ آڈٹ کردہ مالی بیانات میں بیان کیا گیا ہے۔

ملازمین کی ریٹائرمنٹ فنڈز کی سرمایہ کاری:

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

دسمبر 2019	دسمبر 2020
945.22 ملین روپے	1,007.03 ملین روپے
553.85 ملین روپے	604.95 ملین روپے

بورڈ آف ڈائریکٹرز کے اجلاس:

سال کے دوران بورڈ آف ڈائریکٹرز کے چار (4) اجلاس کا انعقاد کیا گیا۔ ہر ڈائریکٹر کی اجلاس میں حاضری مندرجہ ذیل رہی:

شرکت کردہ اجلاس کی تعداد	جناب کبھی سائینو
4	جناب ماسانومی ہارانو
4	جناب تاداشی ہوما
4	جناب شی گیوتا کیزاوا
4	جناب کازویوکی یاماشیتا
4	جناب معین ایم فدا
4	محترمہ رخسانہ شاہ

آپ کی کمپنی کے ڈائریکٹرز نہایت مسرت کے ساتھ 31 دسمبر 2020 کو ختم ہونے والے مالی سال کے لئے سالانہ رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے بعد آڈیٹرز رپورٹ پیش کر رہے ہیں۔

اکاؤنٹس	(000 روپے)
قبل از ٹیکس نقصان	(2,185,759)
محصولات	596,273
بعد از ٹیکس نقصان	(1,589,486)
گذشتہ سالوں کا مجموعی نقصان	(21,826)
مجموعی نقصان	(1,611,312)

کم: تخصیص

عمومی ذخائر سے منتقلی

مجوزہ منافع منقسمہ صفر روپے بشرح صفر فیصد

(1,589,000)
-
(1,589,000)
22,312

مجموعی نقصان جس میں اضافہ ہوا

آمدنی فی حصص (EPS)

سال کے لئے نقصان فی حصص 19.31 روپے رہی۔

ہولڈنگ کمپنی:

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

چیئرمین کا جائزہ

صفحہ نمبر 38 تا 46 پر چیئرمین کا جائزہ، سال کی سرگرمیوں سے متعلق ہے اور کمپنی کے ڈائریکٹران اس کے مندرجات کی حمایت کرتے ہیں۔

کارپوریٹ گورننس:

کمپنی کی انتظامیہ اعلیٰ کارپوریٹ گورننس کی پابند ہے اور کام کے بہترین طریقوں پر عملدرآمد کرتی ہے۔ کوڈ آف کارپوریٹ گورننس کے تحت ڈائریکٹر مندرجہ ذیل عوامل پیش کرتے ہیں:

- کمپنی کی انتظامیہ کی جانب سے تیار شدہ مالی گوشوارے واضح کرتے ہیں، اس کے معاملات، اس کے آپریشنز کے نتائج، زرفنڈ (cash flows) اور ایکویٹی میں تبدیلی۔
- کمپنی کے کھاتوں کا مناسب اندراج کیا جاتا ہے۔
- مالی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کا مسلسل اطلاق کیا گیا ہے نیز تخمینہ جات موزوں اور متناظر 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۔

مستقبل کا لائحہ عمل اور خلاصہ:

آٹو انڈسٹری کی ترقی کے لئے طویل مدتی مستقل پالیسیاں اہم ہیں۔ موجودہ آٹو پالیسی 2016 سے 2021 تک کے عرصے کے لئے نافذ العمل تھی نیز مستقبل قریب میں نئی آٹو پالیسی کا اعلان متوقع ہے۔ اس بات کی بھی توقع کی جا رہی ہے کہ نئی آٹو پالیسی انڈسٹری کے لئے موافق ہوگی اور اس میں موجودہ OEMs اور وینڈرز انڈسٹری کے لئے بھی مراعات پیش کی جائیں گی۔ ہمیں امید ہے کہ نئی آٹو پالیسی آٹو انڈسٹری کی نشوونما میں فعال کردار ادا کر سکے گی۔

2016-21 ADP کے تحت مراعات سے لطف اندوز ہونے والے نوواردین بتدریج مارکیٹ میں داخل ہو رہے ہیں۔ گرین فیلڈ براؤن فیلڈ سرمایہ کاروں کے طور پر 21 نوواردین کی میدان میں آمد ہوئی ہے۔ جن میں سے 6 نوواردین نے پیداواری عمل کا پیلے ہی آغاز کر دیا ہے، 2021 میں دیگر نوواردین کی جانب سے بھی پیداواری عمل کا آغاز متوقع ہے۔ ملک کے میکرو اکنامک انڈیکس آٹو انڈسٹری کو چیلنج کر رہے ہیں، اس کے باوجود کمپنی موجودہ مصنوعات کو آپ گریڈ کر کے اپنے امور میں سبز، منفعت اور تنوع کو بہتر بنانے کے لئے کوشاں ہے نیز مجاز ڈیلرز کے ایک موثر نیٹ ورک کے ذریعے مسابقتی قیمتوں پر صارفین کو معیاری مصنوعات پیش کرتی ہے۔

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



کنجی سائینو

چیئرمین

کراچی

22 مارچ 2021

فوری شناخت اور وائرس کے پھیلاؤ کو روکنے کے لئے دیگر حفاظتی اقدامات کے ساتھ ساتھ مشتبہ ملازمین کے ان ہاؤس ایبٹنی باڈی ٹیسٹ بھی کئے گئے۔

لیبر اور مینجمنٹ کے تعلقات:

پاک سوزوکی میں، لیبر - مینجمنٹ کے تعلقات کا مقصد مینجمنٹ اور لیبر کے مفاد کا تحفظ ہے، لہذا لیبر اور مینجمنٹ کے مابین ایک مضبوط اور دیرینہ تعلقات کو مطلوبہ مقاصد کے حصول اور ان کی جانب بڑھنے کے لئے بطور ایک سازگار ماحول بنیادی کلید سمجھا جاتا ہے۔

سال 2020 میں، جب عالمی وبائی صورتحال نے دنیا کو اپنی پلیٹ میں لے لیا ہے، پاک سوزوکی موٹر کمپنی لمیٹڈ کی لیبر اور مینجمنٹ نے کمپنی کے ملازمین اور کارکنوں کی صحت پر سمجھوتہ نہ کرتے ہوئے کاروباری امور کا آسانی سرانجام دینے کے لئے باہمی تعاون کیا۔ پاک سوزوکی موٹر کمپنی لمیٹڈ کی انتظامیہ نے متعلقہ سرکاری حکام کی جاری کردہ COVID-19 کی ایس او پیز پر عمل درآمد کو یقینی بنایا، نیز کمپنی کے ملازمین اور کارکنوں میں اس وائرس کے خاتمے اور روک تھام کے لئے تمام متعلقہ حفاظتی اقدامات پر غور کرتے ہوئے اپنی لیبر کے لئے مکمل تعاون اور ہم آہنگی کے ساتھ آپریشنز کو جاری رکھا۔

انفارمیشن ٹیکنالوجی (آئی ٹی):

انفارمیشن ٹیکنالوجی کا کاروباری ماحول میں جدت طرازی کر رہی ہے۔ اہم کامیابی ذہانت، بصیرت اور مہارت کے ساتھ کاروباری امور کی انجام دہی ہے۔ کارکردگی کو بہتر بنائیں، نیز AI اور IoT کے ساتھ خود کو بدلتے ہوئے حالات کے مطابق ڈھالیں۔ آئی ٹی، کاروباری اسٹیک ہولڈرز کے مابین تعاون بڑھانے کے لئے زیادہ مضبوط سسٹم لانے سروس کے معیاری بہتری اور کسٹمر کے بہتر تجربے کے لئے ڈیجیٹل ٹیکنالوجیز کی جدت اور اس کی Smart Adaptation پر ہماری توجہ مرکوز ہے۔

COVID-19 کے دوران محفوظ کاروباری تسلسل کو برقرار رکھنا

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

اقتصادی شراکت:

کمپنی کو آٹوموبائل انڈسٹری میں عوامی سرمائے کے لئے بطور ایک اہم شراکت دار کے ایک مخصوص مقام حاصل ہے۔ آپریشن کے آخری چھ سالوں میں کمپنی کی جانب سے ادا کردہ ڈیویڈنڈ اور ڈیویڈنڈ اور محفوظ کردہ فارن کرنسی درج ذیل ہیں:

سال (جنوری - دسمبر)	ڈیویڈنڈ اور ڈیویڈنڈ	فارن ایکسیچینج سٹیوکنگز*
	(روپے ملین میں)	
2015	26.422	39.688
2016	24.448	36.457
2017	35.162	43.182
2018	41.218	55.396
2019	42.994	43.448
2020	26.738	28.500

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

اضافہ ہوا، نتیجتاً 2019 میں منافع کے مارجن میں مثبت اثرات مرتب ہوئے۔ تاہم کمپنی نے اپنی مصنوعات کی قیمتوں میں بتدریج اضافہ کیا تاکہ پیداواری لاگت میں اضافے کے اثرات کو عبور کیا جاسکے۔ جس کے نتیجے میں 2020 میں مارجن میں بہتری آئی۔ مزید برآں، کمپنی نے لاگت میں کمی اور کارکردگی کو بہتر بنانے کے اقدامات کا آغاز کیا۔ گزشتہ سال 2,921 ملین روپے کل منافع کے مقابلے میں کمپنی کو 1,589 ملین روپے گل خسارہ ہوا۔ مجموعی منافع میں کمی کے علاوہ، سال کے دوران ہونے والے نقصان کی بڑی وجہ سیلز والیوم میں نمایاں کمی تھی۔

مارکیٹنگ اور ایکسپورٹ:

آٹوموبائل مارکیٹ:

پاکستان بھر میں پھیلے ہوئے S 3 (سیلز، سروس، اسپئیر پارٹس) ڈیلرشپ نیٹ ورک کی معاونت سے متنوع مصنوعات کی وسیع رینج کے ساتھ معیاری مصنوعات کی فراہمی کے لئے ہم پرعزم ہیں۔ مضبوط ڈیلرشپ نیٹ ورک بشمول بعداز فروخت سروس اور اسپئیر پارٹس کی دستیابی کے ساتھ قابل اعتماد صارفین کو موثر خدمات فراہم کرتا ہے۔ کمپنی ڈیلرشپ نیٹ ورک مسلسل اضافے کے ساتھ اسے مضبوط بنا رہی ہے۔ 31 دسمبر 2020 تک پاکستان بھر کے 100 شہروں میں ڈیلرشپ نیٹ ورک کی تعداد بڑھ کر 165 بیلز آؤٹ لیس تک ہو گئی ہے۔

صارفین کی سہولت کے لئے پاک سوزوکی نے پاکستان بھر میں 7 بنگلے آفسز قائم کر رکھے ہیں۔ سوزوکی بنگلے آفسز نے ابتدائی پیشگی ادائیگی کے ساتھ کسٹمرز کو گاڑیوں کی بنگلے کے مواقع فراہم کر کے انہیں سہولیات فراہم کیں۔

مروجہ شرح سود پر غور کرتے ہوئے پاک سوزوکی نے آٹو فنانسنگ سیلز پر خاص توجہ مرکوز کی منتخب کردہ ماڈل پر مفت رجسٹریشن، مفت ایک سال کی میینٹنس، مسابقتی مارک آپ کی شرح اور انشورنس ریش کی آفر کے ذریعے صارفین کو ”ویلیو ایڈیشن سرومز“ فراہم کرنے کے لئے معروف بینکوں کے ساتھ اشتراک کیا۔ اس سلسلے کا آغاز جولائی 2020 سے شروع کیا گیا جس کے حوصلہ افزا نتائج سامنے آئے۔ ہم نے مستقبل میں بھی ایسی سرگرمیوں کو جاری رکھنے کی منصوبہ بندی کی ہے۔

موٹر سائیکل مارکیٹ:

پاکستان کی موٹر سائیکل مارکیٹ میں 170cc انجن کی صلاحیت کے حامل موٹر سائیکلوں کو غلبہ حاصل ہے۔ پاک سوزوکی نے 110cc اور اس سے اوپر کے انجن کی صلاحیت رکھنے والی موٹر سائیکلوں کو مارکیٹ میں پیش کیا ہے۔ کمپنی کی توقع ہے کہ پاکستان میں موٹر سائیکل کی طلب رجحان کے دیگر ممالک کی طرح سے زیادہ صلاحیت کے حامل انجن کی جانب منتقل ہو جائے گی اور سوزوکی موٹر سائیکلوں کے لئے مارکیٹ مزید بہتر ہو جائے گی۔ پاکستان بھر میں پھیلے ہوئے مضبوط اتھارائزڈ ڈیلرشپ نیٹ ورک کے ذریعے صارفین کو معیاری مصنوعات اور موثر خدمات فراہم کر کے کمپنی اس شعبے میں اپنے کاروبار کو آگے وسعت دینے کے لئے کوشاں ہے۔ مزید برآں کمپنی آپریٹڈ 16 شورومز اور 10 فرنیچرائزڈ آؤٹ لیس ڈیلرشپ کے طور پر کام کر رہے ہیں جہاں صارفین کو موٹر سائیکلوں کی سیلز اور آفزیلز کی خدمات فراہم کی جاتی ہیں۔

برآمدات:

سال کے دوران، سال 2019 کے 16.2 ملین روپے کے برخلاف 26.5 ملین روپے مالیت کے ’کے ڈی‘ پارٹس کو کسٹمر کنسرن بیت نام سوزوکی کارپوریشن (VISUCO) اور سوزوکی انڈوموبائل (SIM)، انڈونیشیا کو برآمد کیے گئے۔ بیت نام میں سوزوکی مشی ٹرک اور انڈونیشیا میں سوزوکی ویگن آر ماڈل کی وسیع پیمانے پر پیداوار کے لئے ’کے ڈی‘ پارٹس کو برآمد کیا گیا تھا۔ سوزوکی موٹر کارپوریشن، جاپان کو 4 ملین روپے مالیت کے پارٹس (Accessories) آفزیلز مارکیٹ کے لئے

برآمد کئے گئے۔

آفزیلز (پارٹس اینڈ سرومز):

تربیت یافتہ عملے کے ساتھ کسٹمرز کو اطمینان بخش ورکشاپ آپریشنز اور ڈیلرشپس پر پارٹس کی بروقت دستیابی کے ذریعے، آفزیلز آپریشنز صارفین کے اطمینان اور معیاری خدمات کو یقینی بناتا ہے۔ خصوصاً چھوٹے شہروں اور دیہاتوں میں آفزیلز نیٹ ورک میں مسلسل اضافہ ہو رہا ہے۔ تاہم COVID-19 کی وبائی صورتحال میں، اپریل تا مئی 2020 کے دوران مکمل لاک ڈاؤن کی وجہ سے ڈیلرشپ آپریشنز بری طرح سے متاثر ہوئے اور بعد ازاں کسٹمرز COVID-19 کے سبب سرومز کے لئے ڈیلرشپ آنے سے گریزاں رہے۔ صورتحال پر قابو پانے کے لئے پاک سوزوکی نے ڈیلرز کی فعال شرکت کے ساتھ مندرجہ ذیل اصلاحاتی اقدامات کئے:

- حکومت کی جاری کردہ ایس او بیز کے مطابق ورکشاپ کو گائیڈ لائنز جاری کی گئیں اور ایس او بیز پر عمل درآد کو یقینی بنایا گیا؛
- صارفین کو شیل میڈیا / کسٹمر ریلیشن سینٹر کے ذریعے معلومات فراہم کی گئیں؛
- صارفین کی سہولت کے لئے وارنٹی کی مدت میں توسیع؛
- ڈیلرز آپریشنز کی معاونت کے لئے کسٹمائزڈ پالیسیاں؛ اور
- صارفین کی خدمت کے لئے محدود عملے کا ساتھ پارٹس کی فروخت۔

جوابی اقدامات کے نتیجے میں ڈیلرز آپریشنز میں مثبت رجحانات کے ساتھ نمایاں بہتری ہوئی۔

کسٹمرز کی فیڈ بیک کا نظام:

کسٹمر ریلیشن سینٹر کے ذریعے کمپنی نے باقاعدہ طور پر کسٹمرز کے فالو آپ سروے کئے۔ صارفین کی رائے کے تحت ہم ڈیلرز نیٹ ورک میں سرومز کو مسلسل بہتر بناتے ہیں۔ حتیٰ کہ وبائی صورتحال کے دوران بھی ہمارے صارفین نے ڈیلرز نیٹ ورک کے توسط سے انہیں فراہم کی گئی سرومز پر اپنے اعتماد اور اطمینان کا اظہار کیا ہے۔

ڈیلرز اسٹاف کی اسکل ڈیولپمنٹ اور حوصلہ افزائی:

اپنے ڈیلرز اسٹاف کی اسکل ڈیولپمنٹ، حوصلہ افزائی اور انہیں برقرار رکھنا کمپنی کی اولین ترجیح ہے۔ COVID-19 کے دوران درپیش چیلنجوں کے باوجود ٹیکنیکل اور سافٹ اسکل ٹریننگ تیار کی گئی اور صارفین کے بھروسے کو قائم رکھنے کے لئے ڈیلرز اسٹاف کے اسکل لیول کو آپ گریڈ کرنے کی غرض سے آن لائن آن جاب ٹکنیکی معاملات اور طرز عمل کے تربیتی سیشنز کو جاری رکھا گیا۔

نئے اقدامات:

صارفین کی سہولیات کے لئے مندرجہ ذیل نئے اقدامات کئے گئے:

- منتخب کردہ ماڈلز کے لئے ایک سال کی مفت میینٹنس۔
- صارفین کی توقعات کی تکمیل کے لئے سوزوکی چیئمن پُرزہ جات کی وسیع رینج متعارف کروائی گئی۔
- کسٹمر کے اطمینان اور خدمات کی یاد دہانی (CS + SR) کا نظام وضع کیا گیا۔ جو گہری نگرانی اور فالو آپ کے ذریعے صارفین کے اطمینان، فیڈ بیک اور انہیں برقرار رہنے کو یقینی بنائے گا۔

لوکلائزیشن:

پاک سوزوکی پاکستان میں آٹو پارٹس انڈسٹری کی ترقی میں پانچیر ہونے پر فخر محسوس کرتا ہے۔ سپلائرز نیٹ ورک کے ذریعے سے اجزاء کی لوکلائزیشن اور مقامی طور پر اجزاء کی مینوفیکچرنگ کے لئے کمپنی اقدامات کر رہی ہے۔ کمپنی نے ملازمتوں کے مواقع پیدا کر کے اور مینوفیکچرنگ انڈسٹری میں یکنیٹا لوجی

کی منتقلی کے ذریعے ملک کی سماجی ومعاشی ترقی میں بھی کردار ادا کیا ہے۔ مصنوعات کی لاگت کو کم کرنے اور فارمان ایچینج میں بچت کے علاوہ مسابقتی قیمتوں کو برقرار رکھنے کے لئے کمپنی لوکلائزیشن کو جاری رکھنا چاہتی ہے۔

مقامی آٹو پارٹس انڈسٹری کے لئے یہ ضروری ہے کہ جدید ٹیکنالوجی کے ساتھ پیداواری سہولیات کو بھی آپ گریڈ کریں۔ پاک سوزوکی اپنے سپلائرز کو جدید ٹیکنالوجی سے ہم آہنگ کرنے کے لئے ٹکنیکی معاونت فراہم کر رہی ہے۔ پاک سوزوکی نے فعال اور ہائی ٹیک اجزاء کی لوکلائزیشن کو بڑھانے کے لئے معروف بین الاقوامی پارٹس مینوفیکچررز کے ساتھ مقامی سپلائرز کے لئے متعدد ٹکنیکی معاونت کے معاہدوں کا بندوبست کیا ہے۔

مزید برآں، کمپنی نے سپلائرز کے ساتھ جوائنٹ ونچر ایگریمنٹ کے ذریعے ٹکنیکی معاونت فراہم کنندگان کو اعتماد کی فراہمی کے لئے حکمت عملی تیار کی۔ اس ضمن میں، آٹوموبائل گلاسز کی مینوفیکچرنگ کے لئے ٹیکو گلاس لمیٹڈ (TAG) کا قیام 16 مارچ 2017 کو مکمل میں لایا گیا۔ TAG، ٹیکو پاک ٹیلی کام (پرائیوٹ) لمیٹڈ اور کمپنی کے مابین ایک جوائنٹ ونچر کمپنی ہے۔ کمپنی نے 16 فروری 2017 کو منعقدہ میٹنگ کے غیر معمولی اجلاس عام میں حصہ داران کی جانب سے توثیق کردہ 344.4 ملین روپے کی ایکویٹی انویسٹمنٹ میں حصہ لیا تھا۔ TAG نے، سال 2020 کی پہلی سہ ماہی میں تجارتی پیداوار کا آغاز کر دیا ہے۔ یہ جوائنٹ ونچر پاک سوزوکی اور اس کے سپلائرز کے درمیان پہلا گرین فیلڈ منصوبہ ہے۔ آٹو انڈسٹری کے لئے گلاس کی لوکلائزیشن اور ٹیکنالوجی کی منتقلی کے علاوہ، اس منصوبے میں کمپنی کو نمایاں لاگت کی بچت اور سرمایہ کاری پر مناسب ریٹرن حاصل ہوگا۔

مزید برآں، کمپنی COVID-19 کی وبا کی وجہ سے پیش آنے والی مشکلات کے ازالے کے لئے سپلائرز کی مدد کرتی ہے۔ ہم نے اپنے مقامی سپلائرز کو آپریشنز جاری رکھنے کے لئے مالی معاونت اور خصوصی سپورٹ بیج دینے میں جن میں ٹولنگ کے برعکس ایڈوائس شامل ہیں۔

سپلائرز کا فروغ اور ترقی:

کمپنی نے مسلسل بہتری کے ماحول کے فروغ کے لئے مندرجہ ذیل اقدامات کیئے:

- سوزوکی موٹر کمپنی جاپان کی جانب KAML سپروائزرز کے ذریعے سپلائرز کے لئے آپ گریڈیشن پروگرام، حفاظت، معیار اور 5S کی اصطلاح میں مارچ 2021 تک سوزوکی موٹر سپلائرز کے برابر سپلائرز کی صلاحیتوں کو آپ گریڈ کرنا۔
- گواٹھی KPI، چیئمنٹ، ویلیو انجینئرنگ، ڈیولپمنٹ، سپلائرز ڈرائیگ ڈیولپمنٹ اور پاک سوزوکی میں OJT برائے شیٹ میٹل ویڈرز وغیرہ کے شعبوں میں متعدد تربیتی خدمات۔
- کارکردگی بہتر بنانے کے لئے تخلیقی سطح پر تمام سپلائرز کی جامع تشخیص۔
- SMC ماہرین کے ہمراہ سپلائرز کا معیاری آڈٹ۔

گرین پروکیورمنٹ:

سوزوکی موٹر کارپوریشن، جاپان کے تعاون کے ساتھ پاک سوزوکی نے اپنے سپلائرز کے لئے گرین پروکیورمنٹ گائیڈ لائن کی سرگرمیاں شروع کی ہیں۔ اس سرگرمی کا مقصد تفکر کا باعث بننے والی اشیاء (SOC) جیسا کہ ایسوسی اٹس اور ماحول سے متعلق قابل اطلاق قانون اور قواعد و ضوابط اور پاک سوزوکی کی جانب سے نامزد کردہ اور دیگر ممنوعہ اشیاء کے عدم استعمال کو یقینی بنانا ہے۔ پاک سوزوکی نے گرین پروکیورمنٹ پالیسی گائیڈ لائن 2019 میں متعارف کروائی اور گرین پروکیورمنٹ پالیسی کی مکمل آگاہی اور عملدرآمد کے بارے میں تمام سپلائرز کو ضروری تربیت فراہم کی۔ تمام سپلائرز کو دستاویزی عمل اور جہاں ضرورت ہوون ٹوون ٹریننگ کے ذریعے تربیت فراہم کی گئی۔

ہمارے پرعزم انجینئروں کی ٹیم گرین پروکیورمنٹ گائیڈ لائن کے نفاذ پر کام کرتی ہے اور باقاعدگی سے آڈٹ کرتی ہے۔ گرین پروکیورمنٹ پالیسی گائیڈ لائن کو پاک سوزوکی کے آفیشل ویب سٹیج پر تمام اسٹیک ہولڈرز کے ساتھ شیئر کیا گیا ہے۔

سپلائرز کا نفرنس:

کمپنی اپنے ویڈرز کو اسٹریٹجک پارٹنر سمجھتی ہے جو یکساں پیداواری عمل کے لئے اہم ہے۔ کمپنی اس حقیقت سے بخوبی واقف ہے کہ یکساں سپلائی چین آپریشن وسیع پیمانے پر بروقت ترسیل کے ساتھ معیاری پارٹس کی فراہمی کیلئے موثر سپلائرز آپریشنز پر انحصار کرتا ہے۔ ویڈرز کے ساتھ قریبی روابط نے ہمیشہ ان کے آپریشنز کو بہتر بنانے میں مدد فراہم کی ہے، جس سے ان کو ترسیل کے کھرے معیار پر پورا اترنے میں مدد ملتی ہے۔ ہمارے سپلائرز کی جانب سے سال بھر میں فراہم کی گئی سپورٹ کا جائزہ لینے اور اس کی اہمیت اُجاگر کرنے کے لئے سالانہ سپلائرز کانفرنس ایک فورم ہے۔ سال رواں میں، ”مستقبل بنائیں ساتھ ساتھ“ کے عزم کے ساتھ 27 فروری 2020 کو کراچی میں سالانہ سپلائرز کانفرنس کا انعقاد کیا گیا۔ کمپنی کے ایم ڈی جناب ماسافومی ہارانو نے شرکاء سے خطاب کیا۔ کاروباری ڈھانچے میں تبدیلی اور متعلقہ کاروباری معلومات سپلائرز کے ساتھ شیئر کی گئیں تاکہ وہ لوکلائزیشن کے لئے مستقبل کا لائحہ عمل تیار کر سکیں۔ بہترین معیار، لاگت میں بہتری، پُرزہ جات کی فراہمی، پارٹس ڈولپمنٹ اور معیاری ماحول کے حصول کے لئے سپلائرز میں تقریبی اسناد تقسیم کی گئیں۔

افراد ی قوت (HR):

پاک سوزوکی میں ملازمین ناصرف سوزوکی خاندان کا حصہ ہیں بلکہ کام کے اخلاقیات اور سازگار ماحول، پیداوار کے اعلیٰ ترین معیار کے حصول اور اسے برقرار رکھنے کے لئے کمپنی کی کوششوں میں کمپنی کی ریڈھ کی بڑی سمجھ جاتے ہیں۔

کمپنی ایک ایسا ماحول فراہم کرنے کے لئے پرعزم ہے جس سے ملازمین کو زیادہ سے زیادہ ممکنہ کارکردگی کا مظاہرہ کرنے میں سہولت ملتی ہے تاکہ پروفیشنل اور توجی زندگی کے درمیان توازن برقرار رکھا جاسکے۔ بیک وقت، اس بات کو بھی یقینی بنایا جاتا ہے کہ بڑیزائن کردہ ٹریننگ اور ڈیولپمنٹ پروگراموں کے ذریعے سے وقت کے ساتھ ملازمین کو اپنی مہارت کے لحاظ سے ترقی حاصل کرنے کے کافی زیادہ مواقع ملتے رہیں۔ COVID-19 کی وبائی صورتحال کے پیش نظر ملازمین کی بہتری، خوشحالی اور حفاظت کے لئے غیر معمولی حفاظتی اقدامات کئے گئے ہیں۔

تربیت اور ترقی:

پاک سوزوکی موٹر کمپنی اپنے ملازمین کو متاثر کن تربیت اور تعلیمی تجربہ فراہم کرنے کے لئے کوشاں ہے تاکہ وہ اپنی مہارت کو مزید آگے بڑھا سکیں اور نئے خیالات اور آئیڈیاز دریافت کر سکیں۔ پاک سوزوکی موٹر کمپنی میں ٹیلنٹ کی ترقی کی کئی اقسام ہیں بشمول کلیدی فعال شعبہ جات کے لئے تربیتی سیشن بھی شامل ہیں۔ COVID-19 کی وبائی صورتحال کے دوران کمپنی نے اپنے لرننگ اینڈ ڈولپمنٹ پورٹ فولیو میں بہتری کے ذریعے ملازمین کی صلاحیتوں کو بہتر بنا کر انہیں لیس کرنے کی کوششوں کو جاری رکھا۔ ہیومن ریسورس ڈیپارٹمنٹ نے لکڈ ان لرننگ کو وسیع دی جس کے ذریعے ملازمین کہیں بھی اور کسی بھی وقت معروف ای ٹریننگ تک رسائی حاصل کر سکتے ہیں۔ سال 2020 میں، ملازمین کی جانب سے 1140 ای ٹریننگز مکمل ہو چکی ہیں۔ ’حفاظت اور اختیاطی تدابیر‘ پر ای ٹریننگز کے علاوہ COVID-19 سے حفاظت اور اندرونی حفاظتی پروٹوکول کے بارے میں آگاہی پروگرام کو بھی متعارف کروایا گیا۔

صحت اور تحفظ:

COVID-19 کے لئے ان ہاؤس اینٹی باڈی ٹیسٹ کروانے کے انتظامات:

COVID-19 نے عالمی سطح پر تمام انسانوں کی خیر و عافیت پر گہرے اثرات مرتب کئے ہیں اور دنیا میں بیشتر افراد اس کے نتائج سے بری طرح سے متاثر ہوئے ہیں۔ اسی طرح پاکستان میں بھی ہزاروں افراد اس وائرس سے متاثر ہوئے ہیں۔ ملازمین کی خیر و عافیت پر غور کرتے ہوئے اور کمپنی ملازمین میں وائرس کے پھیلاؤ کے خاتمے کو یقینی بنانے کے لئے، پاک سوزوکی موٹر کمپنی لمیٹڈ نے متاثرہ افراد کی

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 38th Annual General Meeting of the Company to be held on 22nd day of April 2021 at 10:00 am.

As witness my/our hand this _____ day _____ 2021

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 Shahrh-e-Faisal, Karachi, not less than 48 hours before the time for holding the meeting.

چیسر میں کے تاثرات

صنعت:

کورونا وائرس (COVID-19) کی وباء کے باعث ملک کی معاشی حالت بری طرح سے متاثر ہوئی ہے جس کے نتیجے میں 2019-20 میں شرح نمو منفی رہی اور آٹو انڈسٹری کے سیکڑ والیوم پر منفی اثرات مرتب ہوئے ہیں۔ مالی سال 2020 میں، (PAMA ممبران کمپنیوں کی) گاڑیوں اور لائٹ کمرشل گاڑیوں کے لئے آٹو انڈسٹری کی فروخت کا حجم گذشتہ سال 187,846 یونٹس کے مقابلے میں 34 فیصد کمی کے ساتھ 124,088 یونٹس ریکارڈ کیا گیا ہے۔ مالی سال 2020 کی دوسری اور تیسری سہ ماہی میں آٹو سیکڑ بری طرح سے متاثر ہوئی۔ تاہم چوتھی سہ ماہی کے دوران آٹو سیکڑ والیوم میں بہتری نظر آئی، کم شرح سود کے باعث کارفرمانگ کے والیوم میں اضافہ، زرعی آمدن میں بہتری اور غیر ملکی ترسیلات زر میں اضافے کے باعث صارفین کی آمدنی میں اضافہ آٹو موٹو بائیل انڈسٹری کی بحالی میں اہم عوامل رہے تھے۔

سال 2020 کے دوران، (PAMA ممبران کمپنیوں کی) موٹر سائیکلوں اور تھری ویلر کی منظم مارکیٹ 2019 میں 1,655,216 یونٹس سے گھٹ کر 1,521,056 یونٹس رہ گئی جو گذشتہ سال کے دوران سیکڑ والیوم میں 8 فیصد کمی ظاہر کرتی ہے۔

الیکٹریکل وہیکل (EV) پالیسی:

حکومت نے حال ہی میں پاکستان کے لئے پانچ سالہ EV پالیسی کا اعلان کیا ہے۔ اس پالیسی میں مسافر گاڑیوں اور ہیوی کمرشل گاڑیوں کے لئے مخصوص اہداف کے ساتھ ایک مضبوط الیکٹریکل گاڑی کی مارکیٹ کے لئے ہدف کا تصور کیا گیا ہے۔ اگرچہ الیکٹریکل گاڑیوں کی ٹیکنالوجی کا مستقبل امید افزا ہے لیکن یہ ٹیکنالوجی اب بھی بہت ہنگامی ہے۔ مزید برآں پوری پلاننگ چین کو بیک آپ کرنے کے لئے EV کے ساتھ منسلک انفراسٹرکچر کی بھی فوری ضرورت ہوگی، خاص طور پر چارجنگ اسٹیشنز کی ترقی کے لئے خطی سرمایہ کاری درکار ہے۔

اس کے برعکس، ہائبرڈ وہیکل ٹیکنالوجی کافی حد تک بہتر ہے اور یہ پاکستانی ماحول کے لئے بہت کم ہنگامی اور سازگار ہے۔ نیز اس کے لئے بنیادی ڈھانچے میں کسی بھی طرح کی سرمایہ کاری درکار نہیں ہوگی، یہ عمل اگلی مرحلے میں بیٹری الیکٹریکل وہیکل کی جانب بڑھنے سے پہلے ایک ٹیل کا کام کرے گا۔ لہذا، حکومت پاکستان میں تیار کردہ ہائبرڈ گاڑیوں کے مینوفیکچررز کے لئے مراعات کی اجازت دینے پر غور کر سکتی ہے جیسا کہ الیکٹریکل وہیکل کے لئے کیا گیا ہے، سیکڑ ٹیکس میں کمی، فیڈرل ایکسائز ڈیوٹی اور اضافی کسٹم ڈیوٹی کی واپسی وغیرہ۔

کمپنی کے آپریٹنگ نتائج:

سال 2020 کے دوران، گاڑیوں اور لائٹ کمرشل گاڑیوں کا سیکڑ حجم 48 فیصد کمی کے بعد 113,270 یونٹس سے گھٹ کر 59,281 یونٹس رہ گیا۔ کم لاگت کی گاڑیوں کی ڈیمانڈ نے منفی اثرات ڈالے نتیجتاً سال 2019 میں کمپنی کا مارکیٹ شیئر 59 فیصد سے کم ہو کر 2020 میں 48 فیصد ہو گیا۔ آٹو موٹو بائیل اور موٹر سائیکلوں کا پیداواری حجم طلب کے مطابق ایڈجسٹ کیا گیا تھا۔ کمپنی نے استفادہ کی گنجائش میں 33 فیصد کام کر کے آٹو موٹو بائیلز کے 49,528 یونٹس کا پیداواری حجم حاصل کیا۔ موٹر سائیکلوں کا سیکڑ والیوم 24 فیصد کم ہو گیا، گذشتہ سال اسی مدت کے دوران کمپنی کے سیکڑ والیوم 22,589 یونٹس کے مقابلے میں کمپنی نے 17,111 یونٹس کا سیکڑ والیوم حاصل کیا۔

نیٹ سیکڑ ریونیو 39,828 ملین روپے کمی کے بعد 116,548 ملین روپے سے گھٹ کر 76,720 ملین روپے ہو گیا۔ سیکڑ والیوم میں کمی کی وجہ سے گزشتہ سال کی نسبت رواں سال کے دوران سیکڑ ریونیو میں 34 فیصد کمی واقع ہوئی ہے۔ مجموعی منافع 1,985 روپے سے مکمل طور پر منقطع 1,317 ملین روپے کے اضافے کے بعد 3,302 ملین روپے ہو گیا۔ مجموعی منافع کا مارجن نیٹ سیکڑ شرح سے 1.7 فیصد بہتری کے بعد بڑھ کر 4.3 فیصد ہو گیا۔ سال 2019 میں پاک روپے کی قدر گرنے اور وفاقی بجٹ 2019 کے تحت نافذ ٹیکسوں اور ڈیوٹیوں کے نتیجے میں پیداواری لاگت میں

مجھے یہ مطلع کرتے ہوئے نہایت مسرت ہے کہ آپ کی کمپنی نے اپنے ملازمین اور کاروباری شراکت داروں کی بھرپور معاہدت کے ساتھ COVID 19 کی وباء کے باعث مشکل آپریٹنگ ماحول کو بخوبی سنبھالا۔ میں اس کے تحت 31 دسمبر 2020 کو ختم ہونے والی مالی سال کے لئے کمپنی کی کارکردگی کا جائزہ پیش کرتا ہوں۔

معیشت:

ہم آزمائشی وقت سے گزر رہے ہیں کیونکہ کرونا وائرس (COVID-19) کی وباء نے پوری دنیا میں صحت کے بدترین بحران کو جنم دیا ہے اور پاکستان کے اہم اکٹماک انڈیکسٹرز پر بھی اس کا گہرا اثر پڑا ہے۔ باقی دنیا کی طرح، سال 2020 میں پاکستان کو اہم معاشی و اقتصادی چیلنجوں کا سامنا رہا۔ COVID-19 کے پھیلاؤ کو روکنے کے لئے ملک میں مکمل لاک ڈاؤن کے ساتھ عالمی سطح پر سست روی کے نتیجے میں، 2020 کی ابتدائی دو سہ ماہی کے دوران پاکستان کی معاشی صحت کو سخت دھچکا لگا۔ 2020 کی تیسری سہ ماہی کے بعد سے پاکستان میں لاک ڈاؤن کی بعد کی صورتحال میں اہم اکٹماک انڈیکسٹرز میں مثبت علامات دیکھی گئیں۔ حکومت نے معیشت پر پڑنے والے اثرات میں کمی کے لئے متعدد اسکیموں کا آغاز کیا اور مالی اقدامات کئے گئے۔ اسٹیٹ بینک آف پاکستان (SBP) نے چار مہینوں (مارچ تا جون 2020) میں شرح سود 13.25 سے کم کر کے 7 فیصد کر دی بعد ازاں اسی شرح کو 7 فیصد پر برقرار رکھا گیا۔

عالمی سطح پر ویکسین کی مثبت خبروں کے ذریعے اقدامات کے ساتھ حکومت کی جانب سے فراہم کردہ مضبوط کریڈٹ سپورٹ نے بھی برآمدات میں تیزی کا رجحان پیدا کیا۔ ٹیکسٹائل، چاول، سیمنٹ، کیمیکلز اور دوا سازی کے شعبہ جات میں مستحکم بحالی کے ساتھ ہی جولائی 2020 سے برآمدات COVID بحران سے پہلے کی ماہانہ سطح پر 2 ارب امریکی ڈالر تک جا پہنچیں۔ اسٹیٹ بینک آف پاکستان (SBP) کی جانب سے ڈیجیٹل پاکستان اکاؤنٹ کے تحت اٹھائے گئے مثبت پالیسی اقدامات کے باعث ترتیب وار شرح تبادلہ کی معاہدت سے ترسیلات زر نے غیر معمولی کارکردگی کا مظاہرہ کیا۔ رواں مالی سال کے ابتدائی سات ماہ (جولائی 2020 تا جنوری 2021) کے دوران، کرنٹ اکاؤنٹ میں 912 ملین امریکی ڈالر کا سرپلس دیکھا گیا، جو کہ 136 فیصد کی نمو کو ظاہر کرتا ہے۔ یہ سرپلس درکار کے ترسیلات زر میں اضافے کا محرک ہوا ہے، اس کے ساتھ ہی گل برآمدات میں بھی اضافہ ہوا ہے۔ ان عوامل نے روپے کو مستحکم کرنے میں معاونت کی جس سے زرمبادلہ کے خطرات کو کم کرنے میں بھی مدد ملی۔ ایک امریکی ڈالر 160 پاکستانی روپے کے مساوی رہا ہے۔ بنیادی طور پر خوراک و اجناس کی قیمتوں کو فراہمی کے حالیہ دھچکے کے سبب مہنگائی میں اضافہ متوقع ہے۔ مالی سال 2020-21 کے دوران اوسط افراط زر 7 تا 9 فیصد کی حد میں رہنے کی توقع ہے۔

تعمیراتی اور مینوفیکچرنگ کے شعبوں میں بہتری کے بعد حالیہ مہینوں میں پاکستان کے معاشی شعبے میں تیزی آئی ہے۔ اسٹارٹ لاک ڈاؤن کی پالیسی کے نفاذ کا حکومتی اقدام وائرس کے پھیلاؤ کو روکنے اور معیشت کے مختلف شعبہ جات میں سرگرمی برقرار رکھنے کی ضرورت میں توازن قائم کرتا ہے، معاشی سرگرمیوں کو درپیش خطرات کو کم سے کم کرنا چاہئے۔ تعمیراتی سرگرمی کے اہم انڈیکسٹرز بالخصوص اسٹیل اور سیمنٹ نے لچک کا مظاہرہ کیا ہے، ہاؤسنگ اینڈ کنسٹرکشن کی سرگرمیوں کے فروغ کے لئے حکومت کی جانب سے فراہم کردہ مراعاتی پیکیج نے اس کی بھرپور معاونت کی ہے۔ اسی طرح، ایشیائے جنوبیہ (FMCG's) کی حالیہ فروخت بھی COVID بحران سے پہلے کی سطح پر بحال ہو گئی ہے، جبکہ لارج اسکیل مینوفیکچرنگ سیکڑ سمیت آٹو موٹو بائیل کی مانگ میں اضافہ ہوا ہے۔ ویکسین کی مثبت خبروں سے مجموعی معیشت میں مزید بہتری ہونا چاہئے۔ تاہم افراط زر، بجلی کے بڑھتے نرخ، ایندھن اخراجات میں اضافہ وغیرہ معاشی نمو کو متاثر کرنے والے ممکنہ عوامل رہے ہیں۔

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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.



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PAK SUZUKI MOTOR CO. LTD.

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