

**HALF YEARLY
REPORT
JUNE 2022**





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

Table Of

CONTENTS

- 01** Directors' Report
- 04** Auditor's Report
- 07** Condensed Interim Statement of Financial Position
- 08** Condensed Interim Statement of Profit or Loss Account (Unaudited)
- 09** Condensed Interim Statement of Comprehensive Income (Unaudited)
- 10** Condensed Interim Statement of Changes in Equity (Unaudited)
- 11** Condensed Interim Cash Flow Statement (Unaudited)
- 12** Notes to the Condensed Interim Financial Statements (Unaudited)
- 39** Directors' Report (Urdu)

Director's Report

On behalf of the Board, I present my review on the performance of the Company for the half year ended June 30, 2022.

The Economy

The start of 2022 brought a wave of optimism as COVID restrictions were relaxed, raising hopes of an imminent return to normality and a sustained pick-up in economy. However, the ongoing Ukraine war, global monetary policy tightening, increase in commodity prices, sharp devaluation of Pak Rupee and sustained supply-chain disruptions had adversely impacted the economy of Pakistan, specially in last quarter of financial year 2021-22. Although there were some positive indicators like increase in Large scale manufacturing (LSM), exports and remittances from overseas Pakistanis. LSM sector including demand for automobiles has rebounded. LSM sector witnessed growth of 11.7% during financial year 2021-22 over same period of last year (SPLY). Exports have registered strong growth during financial year 2021-22. Exports worth US\$ 32.45 billion were achieved during the financial year Jul 2021 – Jun 2022 as compared to exports of US\$ 25.64 billion in last financial year. Remittances remained consistent on the back of supportive policy steps taken by the SBP under the Digital Pakistan account. Remittances amounting US\$ 31.24 million were received in financial year 2021-22 as compared to US 29.45 in last financial year, registering increase of 6%. However, surge in imports outperformed the growth in exports and remittances and substantially widened the trade deficit. Trade deficit surged to US\$ 27 billion for the financial year 2021-22, increased by 70% year on year. Consequently, Pakistan's current account deficit (CAD) surged to US\$ 12.1 billion during financial year 2021 – 22 against a surplus of US\$ 1.0 billion in SPLY. It resulted in downslide in Pak Rupee to all-time low parity with US\$, exceeding PKR 240 in July 2022. However, PKR regain ground against US\$ after the government reported the receipt of Letter of Intent (LoI) from the International Monetary Fund (IMF) for the revival of its loan program worth \$7 billion. The resumption of the loan program would facilitate other multilateral and bilateral creditors and friendly countries to allow foreign financing to Pakistan.

The impact of higher global commodity prices and recent PKR depreciation have begun to reflect in higher inflation. Average inflation during financial year 2021 – 22 arrives at 21% YoY vis-à-vis 12% SPLY. Inflation is expected to remain elevated in near future mainly on the back of surge in Food, Housing, and Transport indices. SBP initiated steps

Director's Report

for monetary tightening to counter these trends with increase in policy rate from 7% to 13.75% in 'Monetary Policies' announced during Sep 2021 – Jun 2022. SBP further increased the rate by 1.25% in July 2022 and policy rate increased to 15%. Political instability, high inflation, rising commodity prices, weakening of PKR remained potential factors impacting economic growth of Country.

Industry Outlook

Automobile industry witnessed huge recovery in 2021 well supported with Government incentives announced in Federal Budget 2021. However, OEMs still faced with massive supply chain constraints, both component imports such as semi conductor supply shortage as well as substantial increase in transportation costs and delayed freight schedules.

During the period (January – June 2022), sales volume of auto industry for cars and light commercial vehicles was recorded at 143,291 units compared to 101,443 units in corresponding period of last year, registering impressive growth of 41%. Sales volume of Company during the quarter January - June 2022 improved by 55% from 50,131 units to 77,625 units. Company outperformed the industry growth trend and market share to 54% for cars and light commercial vehicles within PAMA member companies. Company achieved 102% capacity utilization in current period, produced 76,325 units.

During the period under review, the organized market (PAMA member companies) for motorcycles and three wheelers decreased by 7% from 953,061 units in first half of 2021 to 883,530 units in current period. However, demand for Suzuki Motorcycles improved by 39%. During the period Jan-Jun 2022, Company sold 19,870 units as compared to sales volume of 14,333 units in corresponding period of last year.

Operating Results of the Company

The Company earned net profit of Rs 443 million during the quarter Apr – Jun 2022 compared to net profit of Rs 419 million in same period of last year. Company recovered the loss of 1st quarter of 2022 and incurred net loss of Rs 17 million during the half year period Jan – Jun 2022 compared to net profit of Rs 1,197 million in same

Director's Report

period of last year. Net sales revenues increased by Rs 46,515 million from Rs 66,110 million (Jan- Jun 2021) to Rs 112,625 million (Jan- Jun 2022). Sales revenue increased by 70% in current period due to improved sales volume. Gross profit increased in absolute terms by Rs 255 million from gross profit of Rs 3,955 million (Jan – Jun 2021) to Rs 4,210 million (Jan- Jun 2022). Gross profit margins as percentage of net sales declined from 6% to 4% in 2022. Further, financial charges increased by Rs 1,549 million from Rs 293 million (Jan-Jun 2021) to Rs 1,842 million (Jan-Jun 2022), primarily due to financial compensation to customers on delayed delivery of vehicles.

Future Outlook & Conclusion

Macroeconomic indicators of the country are still challenging for auto industry. Factors such as macro-fiscal shocks, including changes in primary and fiscal deficits, real interest rate movements, disruption in supply chain, higher global commodity and energy prices and recent PKR depreciation etc., hindering the growth of auto industry. Further, SBP introduced a mechanism for prior approval for import of certain categories including CKDs vide circular issued in May 2022 to restrict the decline in foreign exchange reserves of country. Auto industry supports the Government to overcome the foreign exchange crises. However, due to such restrictions, limited imports are allowed resulting in shortages of material for production. Consequently, OEMs are forced to opt for temporary plant shut down. We are hopeful that foreign exchange situation of the country will improve considering the positive development with regard to expected release of IMF tranche.



KINJI SAITO
Chairman

Karachi: August 25, 2022.



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Chartered Accountants
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Independent Auditors' Review Report

To the members of Pak Suzuki Motor Company Limited

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Pak Suzuki Motor Company Limited ("the Company") as at 30 June 2022 and the related condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, the condensed interim statement of changes in equity, the condensed interim statement of cash flows, and notes to the financial statements for the six months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures of the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the three months period ended 30 June 2022, have not been reviewed and we do not express a conclusion on them.



KPMG Taseer Hadi & Co.

The engagement partner on the engagement resulting in this independent auditors' review report is Aryn Malik.

Date: 25 August 2022

Karachi
UDIN: RR202210096XVSaqsoY


KPMG Taseer Hadi & Co.
Chartered Accountants

Company Information

As at 30 June 2022

Board of Directors

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

Chief Financial Officer

Miki Nakahara

Company Secretary

Abdul Nasir

Audit Committee

Moin M. Fudda	Chairman
Kinji Saito	Member
Motohiro Atsumi	Member

Human Resource and Remuneration

(HR & R) Committee

Rukhsana Shah	Chairman
Kinji Saito	Member
Masafumi Harano	Member

Auditors

KPMG Taseer Hadi & Co. Chartered Accountants

Registrar

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

Legal Advisors

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

Bankers

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

Registered Office

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

Regional Offices

Lahore Office:

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

Rawalpindi Office:

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

Multan Office:

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

Karachi Office:

Plot No. 49-B, Block No. 6, P.E.C.H.S Shahra-e-Faisal
Karachi.
Tel No. (021)-34316312

Condensed Interim Statement of Financial Position

As at 30 June 2022

		30 June 2022 (Unaudited)	31 December 2021 (Audited)
	Note	(Rupees in '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	5	15,500,175	15,544,426
Intangible assets	6	468,938	384,360
Right-of-use assets	7	133,483	112,459
Long-term investments	8	159,336	190,492
Long-term loans		6,967	5,553
Long-term deposits, prepayments and other receivables	9	706,869	566,714
Long-term installment sales receivables	10	701,344	777,145
Deferred taxation - net		<u>8,552,185</u>	<u>7,345,367</u>
		26,229,297	24,926,516
Current assets			
Stores, spares and loose tools		497,663	363,922
Stock-in-trade	11	36,990,518	26,225,464
Trade debts	12	413,641	197,287
Loans and advances		519,484	164,107
Trade deposits and short-term prepayments	13	9,010,915	2,685,376
Current portion of long-term installment sales receivables	10	2,374,835	2,027,931
Other receivables	14	1,215,937	937,781
Taxation - net		5,032,587	4,615,527
Sales tax and excise duty		6,283,047	6,575,018
Cash and bank balances	15	<u>37,924,126</u>	<u>23,271,041</u>
		100,262,753	67,063,454
TOTAL ASSETS		<u>126,492,050</u>	<u>91,989,970</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital of 500,000,000 (31 December 2021: 500,000,000) ordinary shares of Rs.10 each		<u>5,000,000</u>	<u>5,000,000</u>
Issued, subscribed and paid-up capital		822,999	822,999
Capital reserves		844,596	844,596
Revenue reserves		<u>24,600,784</u>	<u>25,158,602</u>
		26,268,379	26,826,197
Non-current liabilities			
Payable against purchase of assets		92,518	2,211
Security deposits		242,700	229,200
Lease liabilities		104,716	89,022
Long-term loan	16	1,767,191	1,689,013
Deferred Government Grant	17	689,606	746,144
Employee Benefit Obligations		<u>605,084</u>	<u>568,513</u>
		3,501,815	3,324,103
Current liabilities			
Trade and other payables	18	36,583,729	20,053,569
Lease liabilities		46,414	40,565
Current portion of long-term loan	16	45,763	47,544
Current portion of deferred government grant	17	131,073	123,432
Advance from customers		55,899,601	35,355,675
Security deposits		3,287,191	3,828,605
Provision for custom duties and sales tax		336,435	2,371,443
Unclaimed dividend		<u>391,650</u>	<u>18,837</u>
		96,721,856	61,839,670
TOTAL LIABILITIES		<u>100,223,671</u>	<u>65,163,773</u>
TOTAL EQUITY AND LIABILITIES		<u>126,492,050</u>	<u>91,989,970</u>
Contingencies and commitments	19		

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.



Chairman



Chief Executive Officer



Chief Financial Officer

Condensed Interim Statement of Profit or Loss (Unaudited)

For the six months period ended 30 June 2022

	Note	Six months period ended		Three months period ended	
		30 June 2022 (Rupees in '000)	30 June 2021	30 June 2022 (Rupees in '000)	30 June 2021
Sales	20	112,624,614	66,110,386	64,888,533	30,012,690
Cost of sales	21	(108,415,033)	(62,155,701)	(62,028,253)	(28,266,518)
Gross profit		4,209,581	3,954,685	2,860,280	1,746,172
Distribution and marketing expenses		(1,646,280)	(1,265,656)	(914,131)	(555,445)
Administrative expenses		(1,481,219)	(1,332,742)	(741,162)	(666,784)
Reversal / (provision) of impairment losses		32,783	(65,233)	36,311	(64,581)
		(3,094,716)	(2,663,631)	(1,618,982)	(1,286,810)
		1,114,865	1,291,054	1,241,298	459,362
Other expenses		(55,150)	(128,862)	(55,150)	(46,399)
Other income	22	1,564,371	866,874	1,037,038	247,580
Finance costs	23	(1,842,324)	(292,583)	(811,217)	(42,133)
Share of loss of equity accounted investee	8.1.2	(31,156)	(50,815)	(13,156)	(28,314)
Profit before taxation		750,606	1,685,668	1,398,813	590,096
Taxation	24	(767,844)	(488,844)	(955,824)	(171,128)
(Loss) / profit after taxation		(17,238)	1,196,824	442,989	418,968
		(Rupees)		(Rupees)	
(Loss) / earnings per share - basic and diluted	25	(0.21)	14.54	5.38	5.09

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.



Chairman



Chief Executive Officer



Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the six months period ended 30 June 2022

	Six months period ended		Three months period ended	
	30 June 2022 (Rupees in '000)	30 June 2021	30 June 2022 (Rupees in '000)	30 June 2021
(Loss) / profit for the period	(17,238)	1,196,824	442,989	418,968
Other comprehensive loss				
<i>Items that will never be reclassified to statement of profit or loss</i>				
Re-measurement loss on defined benefit plan	(5,631)	(7,692)	5,619	(2,339)
Total comprehensive (loss) / income for the period	(22,869)	1,189,132	448,608	416,629

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.



Chairman



Chief Executive Officer



Chief Financial Officer

Condensed Interim Statement of Changes in Equity (Unaudited)

For the six months period ended 30 June 2022

	Share Capital				Reserves			Total revenue reserves	Total
	Issued, subscribed and paid-up capital	Capital reserves			General	Revenue reserves			
		Share premium	Reserve on merger	Total capital reserves		Un-appropriated profit/(accumulated loss)	Re-measurement loss on defined benefit plan		
	(Rupees in '000)								
Balances as at 1 January 2021	822,999	584,002	260,594	844,596	24,558,818	(1,611,312)	(265,651)	22,681,855	24,349,450
Transaction with owners in the capacity as owners directly recorded in equity-distribution									
Transfer from general reserve	-	-	-	-	(1,588,922)	1,588,922	-	-	-
Total comprehensive income for the period ended 30 June 2021									
Income for the period	-	-	-	-	-	1,196,824	-	1,196,824	1,196,824
Other comprehensive loss	-	-	-	-	-	-	(7,692)	(7,692)	(7,692)
	-	-	-	-	-	1,196,824	(7,692)	1,189,132	1,189,132
Balance as at 30 June 2021	822,999	584,002	260,594	844,596	22,969,896	1,174,434	(273,343)	23,870,987	25,538,582
Balances as at 1 January 2022	822,999	584,002	260,594	844,596	22,969,896	2,600,077	(411,371)	25,158,602	26,826,197
Final dividend for the year ended 31 December 2021 at the rate of Rs.6.50 per share			-	-		(534,949)		(534,949)	(534,949)
Total comprehensive loss for the period ended 30 June 2022									
Loss for the period	-	-	-	-	-	(17,238)	-	(17,238)	(17,238)
Other comprehensive loss	-	-	-	-	-	-	(5,631)	(5,631)	(5,631)
	-	-	-	-	-	(17,238)	(5,631)	(22,869)	(22,869)
Balance as at 30 June 2022	822,999	584,002	260,594	844,596	22,969,896	2,047,890	(417,002)	24,600,784	26,268,379

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.



Chairman



Chief Executive Officer



Chief Financial Officer

Condensed Interim Statement of Cash Flows (Unaudited)

For the six months period ended 30 June 2022

	Note	30 June 2022	30 June 2021
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	26	18,744,506	5,765,039
Mark-up paid on loans and borrowings		(30,783)	-
Income tax payment		(2,391,721)	(1,571,212)
Long-term loans		(1,414)	(1,847)
Payments to employee benefit funds		(37,429)	-
Mark-up paid on late delivery of vehicle		(697,330)	-
Long-term deposits, prepayments and other receivables		(140,155)	(28,749)
Long-term installment sales receivables		75,801	(232,269)
Net cash generated from operating activities		15,521,475	3,930,962
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(1,777,569)	(3,382,379)
Acquisition of intangible assets		(162,893)	(277,826)
Proceeds from disposal of property, plant and equipment		11,303	5,302
Profit received on bank deposits		1,227,993	636,333
Net cash used in investing activities		(701,166)	(3,018,570)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities		(32,587)	(24,242)
Loan paid		-	(12,621,368)
Loan received		27,499	1,391,365
Mark-up paid on loan and borrowings		-	(56,633)
Dividend paid		(162,136)	(76)
		(167,224)	(11,310,954)
Net increase / (decrease) in cash and cash equivalents		14,653,085	(10,398,562)
Cash and cash equivalents at beginning of the period		23,271,041	17,818,607
Cash and cash equivalents at end of the period		37,924,126	7,420,045
Cash and cash equivalents comprise of			
Cash and bank balances		37,924,126	7,465,386
Book overdrawn		-	(45,341)
		37,924,126	7,420,045

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.



Chairman



Chief Executive Officer



Chief Financial Officer

Notes to the Condensed Interim Financial Statements (Unaudited)

For the six months period ended 30 June 2022

1 STATUS AND NATURE OF BUSINESS

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 and 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.

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 TAG is situated at 255 A, Block 6, P.E.C.H.S, Shahrah-e-Faisal, Karachi. The manufacturing plant of TAG is set up at Bin Qasim National Industrial Parks - Special Economic Zone for manufacturing of auto glass. TAG had entered into a technical assistance agreement with Asahi India Glass Limited ("AIS") under which AIS has granted to TAG a right and license to use technical information to manufacture its products.

TAG is a subsidiary of Tecno Pack Telecom (Private) Limited, which owns 60% of the shares of TAG, while remaining 40% of the shares were acquired by the Company.

2 BASIS OF PREPARATION

2.1 These condensed interim financial statements for the six months period ended 30 June 2022 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standards (IAS) 34 "Interim Financial Reporting " issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provision of and directives issued under the Companies Act, 2017 have been followed.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the six months period ended 30 June 2022

2.1.1 These condensed interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual audited financial statements for the year ended 31 December 2021. However, selected explanatory notes are included to explain events and transactions that are significant to understanding of changes in Company's financial position and performance since the last annual financial statements.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Pak Rupees which is also the Company's functional and presentational currency. Figures in these condensed interim financial statements have been rounded off to the nearest thousand rupees, unless stated otherwise.

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022 clarifies that the 'cost of fulfilling a contract' for the purposes of the onerous contract assessment comprises the costs that relate directly to the contract, including both the incremental costs and an allocation of other direct costs to fulfil the contract. 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.

2.5 Standards, interpretations and amendments to accounting and reporting standards that are effective

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

Notes to the Condensed Interim Financial Statements (Unaudited)

For the six months period ended 30 June 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. This amendment enables the fair value measurement of biological assets on a post-tax basis.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after 01 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.
- 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.
- Classification of liabilities as current or non-current (Amendments to IAS 1) apply retrospectively for the annual periods beginning on or after 1 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as ‘current’. The standard also amends the aspect of classification of liability as

Notes to the Condensed Interim Financial Statements (Unaudited)

For the six months period ended 30 June 2022

non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:
 - requiring entities to disclose their material accounting policies rather than their significant accounting policies;
 - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
 - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

- Definition of Accounting Estimates (Amendments to IAS 8) introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the six months period ended 30 June 2022

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

The above improvements are not likely to have significant impact on these condensed interim financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the Company's audited financial statements as at and for the year ended 31 December 2021.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. In preparing these condensed interim financial statements, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited financial statements for the year ended 31 December 2021.

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's annual audited financial statements as at and for the year ended 31 December 2021.

5 PROPERTY, PLANT AND EQUIPMENT

		30 June 2022 (Unaudited)	31 December 2021 (Audited)
	<i>Note</i>	(Rupees in '000)	
Operating property plant and equipment	5.1	13,256,013	9,917,235
Capital work-in-progress	5.2	2,244,162	5,627,191
		<u>15,500,175</u>	<u>15,544,426</u>

Notes to the Condensed Interim Financial Statements (Unaudited)

For the six months period ended 30 June 2022

5.1 The following are the additions and disposals of property, plant and equipment during the period:

	<u>Six months period ended</u>	
	<u>30 June</u> <u>2022</u> <u>(Unaudited)</u>	<u>30 June</u> <u>2021</u> <u>(Unaudited)</u>
	<u>(Rupees in '000)</u>	
<i>Additions / transfer from capital work-in-progress</i>		
Dies	2,654,355	163,605
Jigs and fixtures	1,372,347	-
Plant and machinery	742,562	63,286
Vehicles	340,613	44,367
Electrical installations	23,602	4,650
Welding guns	9,916	-
Permanent and special tools	9,490	9,141
Buildings on leasehold land - factory building	7,713	7,676
Furniture and fittings	-	1,244
Air conditioners and refrigerators	-	1,624
Office equipments	-	2,793
Computers	-	2,734
	<u>5,160,598</u>	<u>301,120</u>
<i>Disposal - at book value</i>		
Vehicles	9,160	2,922
Air conditioners and refrigerators	150	1,571
Office equipments	138	400
Furniture and fittings	-	9
Jigs and fixtures	-	1,287
Plant and machinery	-	924
Computers	-	107
	<u>9,448</u>	<u>7,220</u>

5.1.1 Dies include assets having book value of Rs. 3,882 million (31 December 2021: Rs. 2,169.16 million) which are in the possession of vendors dispersed all over Pakistan and in a foreign country for contract manufacturing of components.

5.2 Capital work-in-progress

	<u>30 June</u> <u>2022</u> <u>(Unaudited)</u>	<u>31 December</u> <u>2021</u> <u>(Audited)</u>
	<u>(Rupees in '000)</u>	
Plant and machinery	2,152,193	5,608,356
Civil works	91,969	18,835
	<u>2,244,162</u>	<u>5,627,191</u>

5.2.1 During the current period, additions to capital work-in-progress amounted to Rs. 1,434 million (30 June 2021: Rs. 3,369 million) and transfers to property, plant and equipment amounted to Rs. 4,817 million (30 June 2021: Rs. 288 million).

Notes to the Condensed Interim Financial Statements (Unaudited)

For the six months period ended 30 June 2022

6 INTANGIBLE ASSETS	30 June 2022 (Unaudited)	31 December 2021 (Audited)
	(Rupees in '000)	
Intangible assets	310,521	49,654
Capital work-in-progress	158,417	334,706
	<u>468,938</u>	<u>384,360</u>

7 RIGHT-OF-USE ASSETS

During the period, additions in right-of-use-assets made amounting to Rs. 46.2 million (30 June 2021: Rs. 35 million).

8 LONG TERM INVESTMENTS	30 June 2022 (Unaudited)	31 December 2021 (Audited)
	(Rupees in '000)	
Investment in associate (equity accounted)		
Tecno Auto Glass Limited (TAG)	8.1 159,336	190,492
Other long term investments		
Equity securities - at fair value through OCI	8.2 -	-
	<u>159,336</u>	<u>190,492</u>

8.1 Investment in associate

TAG was incorporated on 16 March 2017 and commenced its commercial operations from July 2020. The incorporation and principal place of business of TAG is The Islamic Republic of Pakistan. TAG is a joint venture company between Tecno Pack Telecom (Private) Limited (TPT) and the Company where the Company holds 40% shareholding and balance 60% is held by TPT. The associate's share of loss has been included in these condensed interim financial statements based on the unaudited financial information of the associate company as at 30 June 2022.

8.1.1 The summarized financial information in respect of Tecno Auto Glass Limited is set out below. The summarized financial information represents the amounts shown in the associate's financial statements for the year ended 30 June 2022.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the six months period ended 30 June 2022

	30 June 2022 (Unaudited)	31 December 2021 (Unaudited)
	(Rupees in '000)	
Current assets	641,096	457,928
Non-current assets	2,902,718	2,899,599
Current liabilities	(2,634,243)	(2,241,563)
Non-current liabilities	(511,233)	(639,735)
Net Assets	<u>398,338</u>	<u>476,229</u>

	30 June 2022 (Unaudited)	30 June 2021 (Audited)
	(Rupees in '000)	
Revenue	<u>924,330</u>	<u>326,705</u>
Loss for the year	<u>(108,717)</u>	<u>(303,829)</u>
Total comprehensive loss	<u>(108,717)</u>	<u>(303,829)</u>

8.1.2 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:

	30 June 2022 (Unaudited)	31 December 2021 (Unaudited)
	(Rupees in '000)	
Net assets of the associate	<u>398,338</u>	<u>476,229</u>
Proportion of the Company's ownership	<u>40%</u>	<u>40%</u>
Carrying amount of interest in TAG	<u>159,335</u>	<u>190,492</u>

Movement

34,440,000 (2021: 34,440,000) fully paid ordinary shares of Rs. 10/- each (Shareholding 40%)
Share of loss of equity accounted investee

	190,492	344,400
	(31,156)	(153,908)
	<u>159,336</u>	<u>190,492</u>

Notes to the Condensed Interim Financial Statements (Unaudited)

For the six months period ended 30 June 2022

8.2 Equity securities - at fair value through OCI

	Note	30 June 2022 (Unaudited)		31 December 2021 (Audited)	
		Shares (Number)	Fair value (Rupees in '000)	Shares (Number)	Fair value (Rupees in '000)
- Arabian Sea Country Club Limited (ASCCL)	8.2.1	500,000	-	500,000	-
- Automotive Testing & Training Centre (Private) Limited (AT & TC)	8.2.2	125,000	-	125,000	-
			-		-

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

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

8.2.3 Investment in ASCCL (unquoted) and AT & TC (unquoted) were fully impaired in prior years and there has been no change in fair value recognized in these condensed interim financial statements.

9 LONG-TERM DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	30 June 2022 (Unaudited)	31 December 2021 (Audited)
		(Rupees in '000)	
Deposits		60,650	57,484
Other receivable from employees at amortized cost	9.1	878,202	653,952
Less: Current maturity	14	(231,983)	(144,722)
		646,219	509,230
		706,869	566,714

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

10 LONG-TERM INSTALLMENT SALES RECEIVABLES

	Note	30 June 2022 (Unaudited)	31 December 2021 (Audited)
		(Rupees in '000)	
Gross amount of installment sales receivables	10.1	3,402,468	3,064,519
Less: Unearned finance income		(8,229)	(6,028)
Gross amount of installment sales receivables		3,394,239	3,058,491
Less: Impact of discounting		(246,452)	(188,075)
Installment sales receivables		3,147,787	2,870,416
Less: Provision of impairment allowance		(71,608)	(65,340)
		3,076,179	2,805,076
Less: Current maturity		(2,374,835)	(2,027,931)
		701,344	777,145

Notes to the Condensed Interim Financial Statements (Unaudited)

For the six months period ended 30 June 2022

- 10.1** This represents amount receivable under various installment credit sale agreements in equal monthly installments. It includes installment sales of motorcycles to customers and automobiles to registered vendors of the Company.

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

For installment sales to vendors, no mark-up is charged on 12 months installment sales and mark-up is charged at 12% per annum (2021: 12% per annum) on installment sales exceeding 12 months period. These vehicles are carried in the names of vendors 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.

11 STOCK-IN-TRADE	30 June 2022 (Unaudited)	31 December 2021 (Audited)
	(Rupees in '000)	
Raw material and components [including items in transit Rs. 13,304 million (2021: Rs. 8,896 million)]	33,613,341	20,875,587
Less: Provision for slow moving and obsolescence		
- at beginning of the period / year	357,594	281,345
- (reversal) / provision during the period / year	(16,302)	76,249
	341,292	357,594
	33,272,049	20,517,993
Work-in-process	133,074	1,763,567
Finished goods	2,319,171	3,001,546
Trading stocks [including items in transit Rs.129 million (2021: Rs. 81 million)]	1,345,292	1,031,289
Less: Provision for slow moving and obsolescence		
- at beginning of the period / year	88,931	187,262
- reversal during the period / year	(9,863)	(98,331)
	79,068	88,931
	1,266,224	942,358
	36,990,518	26,225,464

- 11.1** Stock-in-trade includes Rs. 1,685 million (31 December 2021: Rs. 1,625 million) which were in the custody of dealers and vendors dispersed all over Pakistan.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the six months period ended 30 June 2022

- 11.2 Raw material and components, work-in-process, finished goods and trading stocks have been written down by Rs. 34 million, Rs. 1 million, Rs. 2 million and Rs. 1 million (2021: Rs. 332 million, Rs. 29 million, Rs. 25 million and Rs. 1 million) respectively to arrive at net realizable value.

12 TRADE DEBTS

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
<i>Note</i>	(Rupees in '000)	
Considered good		
- Due from government agencies	206,601	64,384
- Others	207,040	132,903
	413,641	197,287
Considered doubtful	26,364	65,415
Less: Provision for doubtful debts	(26,364)	(65,415)
	-	-
	413,641	197,287

13 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Trade deposits	109,385	76,677
Margin held with banks against letter of credits and imports	7,079,976	2,132,385
	7,189,361	2,209,062
Advance Payments		
- Collector of custom	1,427,306	430,146
- Rent	19,012	23,945
- Insurance	591	3,310
- Others	374,645	18,913
	1,821,554	476,314
	9,010,915	2,685,376

14 OTHER RECEIVABLES

Due from related parties	569,038	553,876
Accrued profit on bank deposits	260,245	169,260
Current portion of long-term deposits, prepayments other receivables	231,983	144,722
Due from vendors for material and components returned	15,874	19,572
Duty draw back	486	486
Expenses recoverable from dealers	264	109
Workers' Profit Participation Fund	-	236
Others	138,047	49,520
	1,215,937	937,781

Notes to the Condensed Interim Financial Statements (Unaudited)

For the six months period ended 30 June 2022

15 CASH AND BANK BALANCES

Cash in hand	15.1	62,557	45,935
Cash at banks:			
- in term deposit account	15.2	33,500,000	22,000,000
- in deposit accounts	15.3	4,134,775	247,150
- in a special deposit account	15.4	129,955	117,955
- in current accounts		96,839	860,001
		37,861,569	23,225,106
		<u>37,924,126</u>	<u>23,271,041</u>

15.1 These includes cheques in hand balances amounting to Rs.15.2 million (2021: Rs. 29.5 million).

15.2 This represents amount placed by the company in Term Deposit Receipts carrying profits ranging from 15.5% to 17.4% (2021: 11.0% to 12.5%).

15.3 These carry profits rates ranging from 12.0% to 15.5% (2021: 5.5% to 9.5%) per annum.

15.4 A special account is maintained in respect of security deposits in accordance with the requirements of Section 217 of the Companies Act, 2017.

15.5 The Company does not have any Shariah compliant bank deposits / bank balances as at 30 June 2022.

16 LONG-TERM LOAN

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

The loans are measured at the fair value i.e. present value of the expected future cash flows discounted at the relevant market-related interest rates, determined with reference to respective acquisition dates and to be in the range of 8.99% to 12.95%. The benefit of below market interest is recognized as government grant (refer note 17), which is being amortised to other income over the period of the facility. The reconciliation of the carrying amount is as follows:

Notes to the Condensed Interim Financial Statements (Unaudited)

For the six months period ended 30 June 2022

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
	(Rupees in '000)	
Balance as at beginning of the period / year	1,736,557	-
Disbursements during the period / year	27,500	2,606,133
Repayments during the period / year	-	-
	<u>1,764,057</u>	<u>2,606,133</u>
Discounting for recognition at fair value - deferred government grant	(11,261)	(908,192)
Unwinding of discount	60,158	38,616
Balance as at end of the period / year	<u>1,812,954</u>	<u>1,736,557</u>
Current portion	45,763	47,544
Non-Current portion	<u>1,767,191</u>	<u>1,689,013</u>
Total	<u>1,812,954</u>	<u>1,736,557</u>

17 DEFERRED GOVERNMENT GRANT

As mentioned in note 16, the purpose of the government grant given under TERF is to facilitate the Company in making payments of new plant and machinery to be used for setting-up of new project. The reconciliation of the carrying amount is as follows:

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
	(Rupees in '000)	
Balance as at beginning of the period / year	869,576	-
Deferred government grant recognized during the period / year	11,261	908,192
Credited to profit or loss - amortized during the period / year	<u>(60,158)</u>	<u>(38,616)</u>
	820,679	869,576
Less: Current portion shown under current liabilities	<u>(131,073)</u>	<u>(123,432)</u>
Balance as at end of the period / year	<u>689,606</u>	<u>746,144</u>

Notes to the Condensed Interim Financial Statements (Unaudited)

For the six months period ended 30 June 2022

18 TRADE AND OTHER PAYABLES		30 June 2022 (Unaudited)	31 December 2021 (Audited)
	<i>Note</i>	(Rupees in '000)	
Trade creditors - foreign	18.1	15,924,222	3,744,823
Trade creditors - local		5,765,011	4,236,266
Royalties and technical fee payable to the Holding Company		3,623,964	3,469,169
Provision for Sindh Infrastructure Development Cess	18.3	3,328,232	2,493,650
Accrued liabilities		2,435,826	2,855,349
Payable to dealers		2,251,462	1,192,134
Mark-up payable on account of late deliveries of vehicles		1,081,747	245,675
Provision for unexpired free service and warranty		411,507	384,113
Payable against purchase of asset		177,038	56,790
Un-earned income - extended warranty		131,218	101,149
Workers' Welfare Fund		110,663	94,906
Workers' Profit Participation Fund		39,157	-
Retention money		38,176	1,507
Accrued markup on Short term borrowing		18,506	19,722
Payable to Provident fund		12,941	-
Gas Infrastructure Development Cess payable	18.2	5,634	14,453
Payable to directors		5,125	4,000
Deposits from employees against purchase of vehicles		182	182
Others	18.4	1,223,118	1,139,681
		36,583,729	20,053,569

18.1 This includes Rs. 10,524 million (2021: Rs. 316.38 million) due to the Holding Company and Rs. 5,274 million (2021: Rs. 3,258.55 million) due to other related parties.

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

In August 2020, Sui Southern Gas Company Limited (SSGC) billed the arrears of GIDC and started recovery of all previous GIDC arrears and charged Rs. 2 million out of total outstanding Rs. 51 million as first installment of GIDC. Management has historically been carrying provision amounting to Rs. 57 million against such exposure of GIDC and accordingly assessed that these arrears will be paid within 24 installments .

Accordingly balance of GIDC payable as at period end has been recorded at present value amounting to Rs. 5.6 million.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the six months period ended 30 June 2022

18.3 Provision for Sindh Infrastructure Development Cess

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

- 18.4 It includes a balance amounting to Rs. 759.57 million (2021: Rs. 584.79 million) payable to dealers. The Company as a matter of abundant precaution has not paid this amount as rate of withholding tax is subject matter of pending litigation.

19 CONTINGENCIES AND COMMITMENTS

There is no significant change in the status of contingencies as reported in the annual audited financial statements for theyear ended 31 December 2021, except for the following:

- 19.1 Capital expenditure contracted for but not incurred amounted to Rs. 3,020 million (2021: Rs. 1,916 million)
- 19.2 The facilities for opening letters of credit as at 30 June 2022 amounted to Rs. 10,300 million (2021: Rs. 13,800 million) of which the amount remaining unutilized at period end was Rs. 8,389.61 million (2021: 11,210 million).
- 19.3 The facilities for opening letters of guarantees as at 30 June 2022 amounted to Rs. 12,126 million (2021: Rs. 4,126 million) of which the amount remaining unutilized at period end was Rs. 8,004.35 million (2021: Rs. 795.3 million).

Notes to the Condensed Interim Financial Statements (Unaudited)

For the six months period ended 30 June 2022

19.4 The Company has issued a corporate guarantee on behalf of Tecno Auto Glass Limited, an associated company, amounting to Rs. 1000 million (2021: Rs. 1000 million) to Meezan Bank Limited in relation to borrowing facilities granted to the associated company. The same guarantee has been disclosed in the financial statements of Tecno Auto Glass Limited.

19.5 Tax contingencies are included in note 24.

20 SALES

	<i>Note</i>	Six months period ended 30 June (Unaudited)	
		2022	2021
		(Rupees in '000)	
Manufactured goods	20.1	110,681,788	64,509,081
Trading stock	20.2	2,219,721	1,800,600
Extended warranty income		5,990	14,437
Less: Free service		(107,639)	(108,347)
Less: Markup on discounting of financial assets		(175,246)	(105,385)
		<u>112,624,614</u>	<u>66,110,386</u>
20.1 Manufactured goods			
Vehicles		143,635,317	82,658,997
Spare parts		422,258	359,504
		<u>144,057,575</u>	<u>83,018,501</u>
Less: Sales Tax		18,400,460	14,046,494
Federal excise duty		2,699,541	1,440,712
Discounts		7,536,496	263,122
Sales commission to dealers		4,739,290	2,759,092
		<u>33,375,787</u>	<u>18,509,420</u>
		<u>110,681,788</u>	<u>64,509,081</u>

Notes to the Condensed Interim Financial Statements (Unaudited)

For the six months period ended 30 June 2022

20.2 Trading stock

	Six months period ended 30 June (Unaudited)	
	2022	2021
	(Rupees in '000)	
Vehicles	486,614	688,606
Spare parts	2,221,372	1,849,214
	<u>2,707,986</u>	<u>2,537,820</u>
Less: Sales Tax	459,392	428,035
Federal excise duty	24,208	305,774
Discounts	1,115	854
Sales commission to dealers	3,550	2,557
	<u>488,265</u>	<u>737,220</u>
	<u>2,219,721</u>	<u>1,800,600</u>
21 COST OF SALES		
Manufactured goods:		
Finished goods at beginning of the period	3,001,546	4,574,565
Cost of goods manufactured	105,995,390	65,676,403
Export expenses	37,980	40,563
	<u>109,034,916</u>	<u>70,291,531</u>
Less: Finished goods at end of the period	(2,319,171)	(9,400,015)
	<u>106,715,745</u>	<u>60,891,516</u>
Trading stock:		
Stock at beginning of the period	942,358	939,994
Purchases during the period	2,023,154	1,312,403
	<u>2,965,512</u>	<u>2,252,397</u>
Less: Stock at end of the period	(1,266,224)	(988,212)
	<u>1,699,288</u>	<u>1,264,185</u>
	<u>108,415,033</u>	<u>62,155,701</u>

21.1 In the year 2021, the Company has changed its accounting policy relating to valuation of stock-in-trade. The comparative figures of stock of prior periods in these financial statements have not been restated as the impact was not significant. However, the impact of the change was duly incorporated and explained in detail in note 4.21 to the annual financial statements for the year ended 31 December 2021.

22 OTHER INCOME

	Note	Six months period ended 30 June (Unaudited)	
		2022	2021
		(Rupees in '000)	
Profit on bank balances		1,227,993	636,333
Income from unwinding of installment sales receivable		118,325	77,762
Government grant recognized during the period	17	60,158	4,266
Scrap sales		21,790	22,447
Finance income on installment sales		3,040	1,578
Commission income	22.1	2,500	1,500
Income from unwinding of loan to employees		-	30,978
Processing fee		103,615	70,332
Miscellaneous income		26,950	21,678
		<u>1,564,371</u>	<u>866,874</u>

22.1 This represents commission income on corporate guarantee provided to Meezan Bank Limited on behalf of Tecno Auto Glass Limited, associated company, amounting to Rs. 1,000 million (2021: Rs.600 million) in relation to borrowing facilities granted to the associated company.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the six months period ended 30 June 2022

23 FINANCE COSTS

	Note	Six months period ended	
		30 June (Unaudited)	
		2022	2021
		(Rupees in '000)	
Mark-up payable on account of late deliveries of vehicles		1,533,402	-
Exchange loss - net		171,130	195,075
Mark-up on long term loan		89,725	65,037
Bank charges		33,252	25,028
Markup on lease liability		7,965	7,443
Demurage & Detention Charges		6,850	-
		<u>1,842,324</u>	<u>292,583</u>

24 TAXATION

- Current	24.2	1,547,088	863,351
- Prior	24.3	428,422	-
- Deferred		(1,207,666)	(374,507)
	24.1	<u>767,844</u>	<u>488,844</u>

24.1 Reconciliation of income tax expense for the period

Profit before taxation		750,606	1,685,668
Applicable normal tax rate		29%	29%
Applicable super tax rate		4%	0%
Cumulative applicable tax rate		33%	29%
Tax calculated at the cumulative applicable tax rate		247,700	488,844
Tax effect of :			
- prior year tax charge		428,422	-
- prior year impact on deferred tax due to super tax		3,748	-
- income assessed under Final Tax Regime (If FTR were NTR)		53,687	-
- Tax effect of permanent differences		9,035	-
- others		25,252	-
		<u>767,844</u>	<u>488,844</u>

24.2 This includes super tax at the rate of 4 percent of taxable profit for the current period. This new tax has been enacted and is applicable vide Finance Act 2022.

24.3 This represents super tax at the rate of 10 percent of taxable profit applicable on tax year 2022. This new tax has been enacted and is applicable retrospectively vide Finance Act 2022.

24.4 Income tax is recognized based on the best estimate of weighted average annual income tax rate expected for the full financial year. The returns of income tax have been filed up to and including tax year 2021.

24.5 There is no significant change in the status of tax contingencies as reported in the annual audited financial statements for the year ended 31 December 2021, except for the following:

Notes to the Condensed Interim Financial Statements (Unaudited)

For the six months period ended 30 June 2022

Name of the court, agency or authority	Description of the factual basis of the proceedings and relief sought	Principal parties	Date instituted
Federal Board of Revenue	The income tax return of the tax year 2016 was selected for audit by the tax department. Notices were issued by tax authorities for filing of required information and documents. The same has been filed and proceedings are in progress. On 2 February 2022, Deputy Commissioner Inland Revenue issued notice to amend assessment u/s 122(9) which was comprehensively responded by the Company. The Tax Officer created a demand of Rs. 402 million through his order dated 30 June 2022. The Company has challenged the demand before Commissioner Appeals and has received the stay. The management in consultation with its tax advisor believes that the outcome will be in its favour and therefore no provision is required to be recognized in these financial statements.	Commissioner Inland Revenue Appeals and the Company	16-Apr-21
Appellate Tribunal Inland Revenue (ATIR)	<p>The Company has received order in respect of tax year 2013 under section 122(5A) amending the deemed assessment order under S.120 of the Income Tax Ordinance, 2001. The Company had filed appeal before Commissioner (Appeals) where by substantial relief was granted to the Company except for 10% Tax Credit under section 65B of Rs.5.7 million on addition to Plant and Machinery through order u/s 122(5A) while remanded back some matters to the Tax Officer. The Company has filed appeal before Appellate Tribunal which is pending for hearing.</p> <p>On 29 June 2022, Additional Commissioner issued appeal effect order u/s 124 on remanded back matters of previous Appeal order without allowing opportunity of being heard and created demand of Rs. 59.7 million. The Company challenged the demand before Commissioner Appeal on 27 July 2022. The management in consultation with its tax advisor believes that the outcome will be in its favour and therefore no provision is required to be recognized in these financial statements.</p>	Commissioner Inland Revenue Appeals and the Company	30-Jun-19
Federal Board of Revenue	Sales tax audit from January 2017 to December 2017 was selected for audit of sales tax by the tax department. Notice was issued by tax department for filing of required information and documents. The same has been filed and proceedings are in progress. Deputy Commissioner - Audit issued a show-cause on 11 February 2022 creating a Demand of Rs 36.965 billion. The Company has replied on the said demand created after which the Deputy Commissioner reduced his demand to Rs. 757 million through his Order in original dated 31 May 2022. The Company has challenged the remaining demand before Commissioner Appeals on 28 June 2022. The management in consultation with its tax advisor believes that the outcome will be in its favour and therefore no provision is required to be recognized in these financial statements.	Commissioner Inland Revenue Appeals and the Company	Various dates

Notes to the Condensed Interim Financial Statements (Unaudited)

For the six months period ended 30 June 2022

25 (LOSS) / EARNINGS PER SHARE - basic and diluted

	Six months period ended 30 June (Unaudited)	
	2022	2021
(Loss) / profit for the period	<i>Rupees in '000</i> (17,238)	1,196,824
Weighted average ordinary number of shares	<i>Numbers in '000</i> 82,300	82,300
(Loss) / earnings per share - basic and diluted	<i>Rupees</i> (0.21)	14.54

26 CASH GENERATED FROM OPERATIONS

	Six months period ended 30 June (Unaudited)	
	2022	2021
Profit before taxation	750,606	1,685,668
<i>Adjustments for non cash charges and other items:</i>		
Depreciation	1,812,371	1,642,099
Amortization of intangible assets	78,315	70,609
Depreciation - right-of-use assets	25,141	23,833
Gain on disposal of fixed assets	(1,854)	-
Loss on disposal of fixed assets	-	1,984
Share of loss of equity accounted investee	31,156	50,815
Profit on bank balances	(1,227,993)	(636,333)
Mark-up on lease liability	7,965	7,443
Income on Government Grant	(60,158)	-
Mark-up on account of late deliveries of vehicles	1,533,402	-
Mark-up on long term loans	89,725	65,037
	2,288,070	1,225,487
Working capital changes	26.1 15,705,830	2,853,884
	18,744,506	5,765,039

26.1 Working capital changes

(Increase) / decrease in current assets:

Stores, spares and loose tools	(133,741)	(32,198)
Stock in trade	(10,765,054)	(7,720,394)
Trade debts	(216,354)	286,008
Current portion of long-term installment sales receivables	(346,904)	(257,696)
Loans and advances	(355,377)	31,881
Trade deposits and short term prepayments	(6,325,539)	(1,944,171)
Other receivables	(278,156)	104,123
Sales tax and excise duty	291,971	387,066
	(18,129,154)	(9,145,381)

Increase / (decrease) in current liabilities

Trade and other payables	15,853,980	5,890,112
Provision for custom duties and sales tax	(2,035,008)	1,936,962
Security deposits	(527,914)	(865,499)
Advances from customers	20,543,926	5,037,690
	33,834,984	11,999,265
	15,705,830	2,853,884

Notes to the Condensed Interim Financial Statements (Unaudited)

For the six months period ended 30 June 2022

27 TRANSACTIONS WITH RELATED PARTIES

	Note	30 June 2022 (Unaudited) (Rupees in '000)	31 December 2021 (Audited)
27.1 Balances with related parties at the end of period / year are as follows:			
Due from holding company at the end of period / year	14	<u>569,038</u>	<u>553,876</u>
Payable to holding company at the end of period / year	18.1	<u>(10,524,225)</u>	<u>(316,380)</u>
Royalties and technical fee payable to the Holding Company	18	<u>3,623,964</u>	<u>3,469,169</u>
Payable to other related parties at the end of period / year	18.1	<u>(5,274,326)</u>	<u>(3,258,550)</u>

27.2 Transactions with related parties during the period are as follows:

For the six months period ended 30 June 2022 (Unaudited)	Holding company	Other related parties	Total
	(Rupees in '000)		

Transactions

Purchases of components	34,111,417	16,790,751	50,902,168
Sales including exports sales	35,854	44,069	79,923
Royalty and technical fee	2,615,670	-	2,615,670
Travelling expense of Supervisors	778	-	778
Commission income from corporate guarantee	-	2,500	2,500
Remuneration to key management personnel	-	57,593	57,593
Disposal of vehicles to key management personnel	-	3,516	3,516
Purchase of property, plant and equipment	159,605	5,124	164,729
Staff retirement benefits	-	115,548	115,548
Purchase of intangible asset for new model	309,040	-	309,040

For the six months period ended 30 June 2021 (Unaudited)	Holding company	Other related parties	Total
	(Rupees in '000)		

Transactions

Purchases of components	13,529,812	15,095,772	28,625,584
Sales including exports sales	54,031	17,939	71,970
Royalty and technical fee	1,296,675	-	1,296,675

Notes to the Condensed Interim Financial Statements (Unaudited)

For the six months period ended 30 June 2022

Travelling expense of Supervisors	19,438	-	19,438
Commission income from corporate guarantee	-	1,500	1,500
Remuneration to key management personnel	14,644	-	14,644
Purchase of property, plant and equipment	15,650	2,637	18,287
Staff retirement benefits	-	95,944	95,944
Mark-up to parent company	45,747	-	45,747

28 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

The Company classifies fair value measurements of its investments using a hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

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

28.1 Accounting classifications and fair values

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

		30 June 2022 (Unaudited)						
		Carrying Amount			Fair Value			
Note	Financial asset at amortized cost	Fair value liabilities	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
(Rupees in '000)								

Financial assets not measured at fair value

Long-term investments	28.2	159,336	-	-	159,336
Long-term loans	28.2	6,967	-	-	6,967
Long-term deposits, prepayments and other receivables	28.2	706,869	-	-	706,869
Trade debts	28.2	413,641	-	-	413,641
Installment sales receivable	28.2	3,076,179	-	-	3,076,179
Loans and advances	28.2	519,484	-	-	519,484
Trade deposits and short-term prepayments	28.2	7,189,361	-	-	7,189,361
Other receivables	28.2	1,215,937	-	-	1,215,937
Cash and bank balances	28.2	37,924,126	-	-	37,924,126
		51,211,900	-	-	51,211,900

Notes to the Condensed Interim Financial Statements (Unaudited)

For the six months period ended 30 June 2022

Other Financial liabilities not measured at fair value

Payable against purchase of asset	28.2	-	-	92,518	92,518
Security deposits	28.2	-	-	3,529,891	3,529,891
Lease liabilities	28.2	-	-	151,130	151,130
Long-term loan	28.2	-	-	1,767,191	1,767,191
Trade and other payables	28.2	-	-	32,811,839	32,811,839
Unclaimed dividend	28.2	-	-	391,650	391,650
		-	-	38,744,219	38,744,219

31 December 2021 (Audited)

Financial asset at amortized cost	Carrying Amount			Fair Value			
	Fair value liabilities	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
(Rupees in '000)							

Financial assets not measured at fair value

Trade debts	28.2	197,287	-	-	197,287
Installment sales receivable	28.2	2,805,076	-	-	2,805,076
Loans and advances	28.2	13,232	-	-	13,232
Trade deposits	28.2	2,266,546	-	-	2,266,546
Other receivables	28.2	1,447,011	-	-	1,447,011
Cash and bank balances	28.2	23,225,106	-	-	23,225,106
		29,954,258	-	-	29,954,258

Other Financial liabilities not measured at fair value

Payable against purchase of asset	28.2	-	-	59,001	59,001
Security deposits	28.2	-	-	4,057,605	4,057,605
Lease liabilities	28.2	-	-	129,587	129,587
Long-term loan	28.2	-	-	17,36,557	1,736,557
Trade and other payables	28.2	-	-	17,868,883	17,868,883
Unclaimed dividend	28.2	-	-	18,837	18,837
		-	-	23,870,470	23,870,470

28.2 The Company has not disclosed fair values for these financial assets and financial liabilities because their carrying amounts are reasonable approximation of fair value.

29 OPERATING SEGMENTS

The activities of the Company have been grouped into two operating segments, i.e. automobile and motorcycle as follows:

	30 June 2022 (Unaudited)			30 June 2021 (Unaudited)		
	Automobile	Motorcycle	Total	Automobile	Motorcycle	Total
	(Rupees in '000')					
Segment results						
Sales	108,842,805	3,781,809	112,624,614	63,591,282	2,519,104	66,110,386
Gross profit	4,071,889	137,692	4,209,581	3,738,592	216,093	3,954,685
Distribution and marketing expenses	(1,582,299)	(63,981)	(1,646,280)	(1,224,544)	(41,112)	(1,265,656)
Administrative expenses	(1,217,416)	(263,803)	(1,481,219)	(1,236,979)	(95,763)	(1,332,742)
Reversal / (Provision) of impairment losses	39,052	(6,269)	32,783	(60,878)	(4,355)	(65,233)
	1,311,226	(196,361)	1,114,865	1,216,191	74,863	1,291,054
Other income	1,266,181	298,190	1,564,371	700,481	166,393	866,874
Finance cost	(1,768,408)	(73,916)	(1,842,324)	(284,406)	(8,177)	(292,583)
	808,999	27,913	836,912	1,632,266	233,079	1,865,345

Notes to the Condensed Interim Financial Statements (Un audited)

For the six months period ended 30 June 2022

Unallocated corporate expenses

Share of loss of equity accounted investee						
			(31,156)			(50,815)
Other Expense			(55,150)			(128,862)
Taxation			(767,844)			(488,844)
(Loss) / profit after taxation			<u>(17,238)</u>			<u>1,196,824</u>

Capital expenditure	<u>1,747,201</u>	<u>145,828</u>	<u>1,893,029</u>	3,368,914	13,465	<u>3,382,379</u>
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Depreciation	<u>1,762,272</u>	<u>50,099</u>	<u>1,812,371</u>	1,588,995	53,104	<u>1,642,099</u>
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	30 June 2022 (Unaudited)			31 December 2021 (Audited)		
	Automobile	Motorcycle	Total	Automobile	Motorcycle	Total

	(Rupees in '000')					
Assets						
Segment assets	91,439,922	5,186,162	96,626,084	65,437,898	4,554,534	69,992,432
Unallocated corporate assets	-	-	29,865,966	-	-	21,997,538
	<u>91,439,922</u>	<u>5,186,162</u>	<u>126,492,050</u>	<u>65,437,898</u>	<u>4,554,534</u>	<u>91,989,970</u>

Liabilities						
Segment liabilities	97,056,731	382,178	97,438,909	62,147,582	280,471	62,428,053
Unallocated corporate liabilities	-	-	2,784,762	-	-	2,735,720
	<u>97,056,731</u>	<u>382,178</u>	<u>100,223,671</u>	<u>62,147,582</u>	<u>280,471</u>	<u>65,163,773</u>

30 EVENTS AFTER REPORTING PERIOD

30.1 Subsequent to the period end, the State Bank of Pakistan (SBP) has introduced a mechanism for prior approval for import of certain categories owing to the depleting foreign exchange reserves of the country coupled with the significant depreciation of Rupees against USD. The major raw material of the company falls under said categories which subsequent to the period end has negatively impacted the operations of the Company.

31 GENERAL

31.1 Figures in these condensed interim financial statements have been rounded off to the nearest thousand rupees, unless otherwise stated.

32 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorized for issue by the Board of Directors of the Company in its meeting held on _____.



Chairman



Chief Executive Officer



Chief Financial Officer

مستقبل کے امکانات اور اختتام:

ملک کے بنیادی اقتصادی اشاریے اب بھی آٹو انڈسٹری کے لئے چیلنجنگ ہیں۔ سپلائی چین میں خلل، عالمی سطح پر اجناس کی قیمتوں میں اضافہ، توانائی کی قیمتوں میں اضافہ اور حالیہ پاکستانی روپے کی بے قدری وہ عوامل ہیں جو آٹو انڈسٹری کی ترقی کی راہ میں رکاوٹ پیدا کر رہے ہیں۔ مزید یہ کہ اسٹیٹ بینک آف پاکستان نے ملک کے زرمبادلہ کے ذخائر میں کمی کو روکنے کے لیے مئی 2022 میں جاری کردہ سرکلر کے ذریعے CKDs سمیت بعض زمروں کی درآمد کے لیے پیشگی منظوری کے لیے ایک طریقہ کار متعارف کرایا۔ زرمبادلہ کے بحران پر قابو پانے کے لیے آٹو انڈسٹری حکومت کا ساتھ دیتی ہے۔ تاہم، اس طرح کی پابندیوں کے باعث محدود درآمدات کی اجازت ہے جس کے نتیجے میں پیداوار کے لیے مواد کی قلت ہے۔ نتیجتاً، OEMs عارضی پلانٹ بند کرنے پر مجبور ہیں۔ ہمیں امید ہے کہ IMF کی متوقع قسط کے اجراء کے حوالے سے مثبت پیش رفت کے پیش نظر ملک کی زرمبادلہ کی صورتحال میں بہتری آئے گی۔



کنجی سینو

چیئر مین

کراچی 25 اگست 2022

کاروں اور ہلکی کمرشل گاڑیوں کا کل %54 حاصل کر لیا ہے۔ کمپنی نے موجودہ مدت میں %102 صلاحیت حاصل کی اور 76,325 یونٹس تیار کئے ہیں۔

دوران جائزہ مدت، آرگنائزڈ مارکیٹ (PAMA ممبر کمپنیوں) میں موٹر سائیکلوں اور تین پہیوں والی گاڑیوں کی شرح تقریباً مستحکم رہی اور اس میں معمولی سی کمی یعنی 2021 کی پہلی ششماہی میں 953,061 یونٹس سے 7 فیصد کم ہو کر موجودہ مدت میں 883,530 یونٹ رہ گئے۔ تاہم، سوزو کی موٹر سائیکلوں کی طلب میں 39 فیصد اضافہ ہوا۔ جنوری تا جون 2022 کی مدت کے دوران، کمپنی نے 19,870 یونٹس فروخت کیے جس کا موازنہ گذشتہ سال کے اسی عرصہ کے 14,333 یونٹس سے کیا جاسکتا ہے۔

کمپنی کے عملیاتی نتائج:

کمپنی نے اپریل تا جون 2022 کی سہ ماہی کے دوران 443 ملین روپے کا خالص منافع حاصل کیا جبکہ گذشتہ سال کی اسی مدت میں 419 ملین روپے کا خالص منافع ہوا تھا۔ کمپنی نے 2022 کی پہلی سہ ماہی کے نقصان کو پورا کیا اور 751 ملین روپے کا قبل از ٹیکس خالص منافع کمایا۔ تاہم سپر ٹیکس کے زیادہ ٹیکس واقعات کی وجہ سے، وفاقی بجٹ 23-22 کے حساب سے سال 2021 سے سابقہ طور پر لگایا گیا۔ جنوری تا جون 2022 کی ششماہی کے دوران کمپنی کو 17 ملین روپے کا خالص نقصان ہوا جبکہ گذشتہ سال کی اسی مدت میں 1,197 ملین روپے کا خالص منافع ہوا تھا۔ مجموعی منافع میں مبلغ 255 ملین روپے کا اضافہ ہوا یعنی (جنوری تا جون 2021) کا مجموعی منافع 3,955 ملین روپے سے بڑھ کر (جنوری تا جون 2022) میں 4,210 ملین روپے ہو گیا۔ مجموعی منافع کا مارجن جیسا کہ خالص فروختگی فیصد 2022 میں %6 سے کم ہو کر %4 ہو گیا۔ مزید یہ کہ مالیاتی اخراجات میں بھی 293 ملین روپے کا اضافہ ہوا جو کہ (جنوری تا جون 2021) میں 1,549 ملین روپے کے مقابلے میں (جنوری تا جون 2022) میں 1,842 ملین روپے ریکارڈ کیئے گئے، جس کی بنیادی وجہ گاڑیوں کی تاخیر سے ڈیوری پر صارفین کو دی جانے والی مالی رعایت ہے۔

2022 میں 240 روپے سے تجاوز کر گیا۔ تاہم، امریکی ڈالر کے مقابلے میں پاکستانی روپیہ دوبارہ مستحکم ہوا جب حکومت کی جانب سے 7 بلین ڈالر کے قرض کے پروگرام کی بحالی کے لیے بین الاقوامی مالیاتی فنڈ (IMF) سے لیٹر آف انٹینٹ (LoI) کی وصولی کی اطلاع دی گئی۔ قرضہ پروگرام کے دوبارہ شروع ہونے سے دیگر کثیر جہتی اور دوطرفہ قرض دہندگان اور دوست ممالک کو پاکستان کو غیر ملکی فنانسنگ کی اجازت دینے میں مدد ملے گی۔

زیادہ کموڈٹی پرائسز اور حالیہ پاکستانی روپیہ کی قدر میں کمی کے اثرات بلند افراط زر میں ظاہر ہونا شروع ہو گئے ہیں۔ مالی سال 2021-22 کے دوران اوسط افراط زر SPLY 12% کے مقابلے میں سالانہ 12% پر پہنچ گیا۔ مستقبل قریب میں خاص طور پر خوراک، رہائش، اور ٹرانسپورٹ انڈیکس میں اضافے کی وجہ سے افراط زر کے بلند رہنے کی توقع ہے۔ اسٹیٹ بینک آف پاکستان نے ستمبر 2021 تا جون 2022 کے دوران اعلان کردہ ”مانیٹری پالیسیوں“ میں پالیسی ریٹ میں 7% سے 13.75% تک اضافے کے ساتھ ان رجحانات کا مقابلہ کرنے کے لیے مالیاتی سختی کے لیے اقدامات شروع کیے ہیں۔ اسٹیٹ بینک آف پاکستان نے جولائی 2022 میں شرح میں مزید 1.25 فیصد اضافہ کیا اور پالیسی ریٹ 15 فیصد تک بڑھ گیا۔ سیاسی عدم استحکام، بلند افراط زر، اشیاء کی قیمتوں میں اضافہ، پاکستانی روپیہ کا کمزور ہونا ملک کی اقتصادی ترقی کو متاثر کرنے والے ممکنہ عوامل رہے ہیں۔

صنعت کے حوالے سے مستقبل کے امکانات:

وفاقی بجٹ 2022 میں اعلان کردہ حکومتی مراعات کے ساتھ 2021 میں آٹو موبائل انڈسٹری میں زبردست بحالی دیکھنے میں آئی۔ تاہم، OEMs کو سی سی کنڈکٹر کے ساتھ ساتھ نقل و حمل کے اخراجات میں خاطر خواہ اضافہ اور فریٹ شیڈول میں تاخیر کے سبب اب بھی بڑے پیمانے پر سپلائی چین کی رکاوٹوں کا سامنا ہے۔

دوران عرصہ (جنوری تا جون 2022)، کاروں اور ہلکی کمرشل گاڑیوں کے حوالے سے آٹو انڈسٹری کا فروختگی حجم 143,291 یونٹس ریکارڈ کیا گیا جو کہ گزشتہ سال کے اسی عرصے میں 101,443 یونٹس تھا، جس میں 41 فیصد کا متاثر کن اضافہ دیکھنے میں آیا۔ سہ ماہی جنوری تا جون 2022 کے دوران کمپنی کے فروختگی حجم میں 55% اضافہ ہوا یعنی 50,131 یونٹس کے مقابلے میں 77,625 یونٹس فروخت ہوئے۔ کمپنی نے PAMA ممبر کمپنیوں کے درمیان

ڈائریکٹرز رپورٹ

بورڈ کی جانب سے میں انتہائی مسرت کے ساتھ 30 جون 2022ء کو اختتام پذیر ہونے والی ششماہی کیلئے کمپنی کی مالیاتی کارکردگی پر اپنا جائزہ پیش کر رہا ہوں۔

معاشی جائزہ:

سال 2022ء کا آغاز امید کی نئی کرن ہے جس میں کورونا وائرس (کووڈ-19) کے تحت کی گئی پابندیوں میں نرمی اختیار کی گئی، جس سے صورتحال معمول کے مطابق بہتر ہوئی اور معیشت میں اضافہ کی امیدیں اجاگر ہوئیں۔ تاہم یوکرائن میں جاری جنگ، عالمی مانیٹری پالیسی میں سختی، اجناس کی قیمتوں میں اضافہ، پاکستانی روپے کی قدر میں تیزی سے کمی اور سپلائی چین میں مسلسل رکاوٹوں نے، خاص طور پر مالیاتی سال 2021-22 کی آخری سہ ماہی میں پاکستان کی معیشت کو بری طرح متاثر کیا۔ اگرچہ کچھ مثبت اشارے جیسا کہ بڑے پیمانے پر مینوفیکچرنگ (LSM)، برآمدات اور بیرون ملک مقیم پاکستانیوں کی ترسیلات زر میں اضافہ تھا۔ LSM سیکٹر بشمول آٹوموبائل کی طلب میں تیزی آئی ہے۔ مالی سال 2021-22 کے دوران LSM سیکٹر میں گزشتہ سال کی اسی مدت (SPLY) کے مقابلے میں 11.7 فیصد اضافہ دیکھنے میں آیا۔ مالی سال 2021-22 کے دوران برآمدات میں خاطر خواہ اضافہ ریکارڈ کیا گیا۔ مالی سال جولائی 2021 تا جون 2022 کے دوران 32.45 بلین امریکی ڈالر کی برآمدات حاصل کی گئیں جبکہ گزشتہ مالی سال میں 25.64 بلین امریکی ڈالر کی برآمدات کی گئی تھیں۔ اسٹیٹ بینک آف پاکستان کی جانب سے ڈیجیٹل پاکستان اکاؤنٹ کے تحت کیے گئے معاون پالیسی اقدامات کی وجہ سے ترسیلات زر میں تسلسل رہا۔ مالی سال 2021-22 میں 31.24 بلین امریکی ڈالر کی ترسیلات موصول ہوئیں جو کہ گزشتہ مالی سال میں 29.45 امریکی ڈالر کے مقابلے میں 6 فیصد زیادہ ہیں۔ تاہم، درآمدات میں اضافے نے برآمدات اور ترسیلات زر میں اضافے سے بہتر کارکردگی کا مظاہرہ کیا اور تجارتی خسارے کو کافی حد تک بڑھا دیا۔ مالی سال 2021-22 میں تجارتی خسارہ بڑھ کر 27 بلین امریکی ڈالر تک پہنچ گیا جو کہ سالانہ 70 فیصد اضافہ ہے۔ اس کے نتیجے میں، پاکستان کا کرنٹ اکاؤنٹ خسارہ (CAD) مالی سال 2021-22 کے دوران SPLY میں 1.0 بلین امریکی ڈالر کے سرپلس کے مقابلے میں 12.1 بلین امریکی ڈالر تک بڑھ گیا۔ اس کے نتیجے میں امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی واقع ہوئی اور ڈالر جولائی



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