

# ANNUAL 20 REPORT 18





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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

# VITARA

## THE GAME CHANGER

From its bold styling to its All-Grip 4WD, its Superior Fuel Efficiency to its Safety Features, the Vitara changes everything. Available in an exciting array of colors with a 10.1 inch Infotainment System, it literally tops it all with its Panoramic Roof.



# Company Information

## Board of Directors

Kinji Saito	Chairman
Masafumi Harano	Chief Executive
Tetsuya Fujioka	Dy. Managing Director
Shigeo Takezawa	Director
Kazuyuki Yamashita	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

Central Depository Company of Pakistan Ltd. CDC House, 99 - B, Block "B", S.M.C.H.S, Main Shahrah-e-Faisal Karachi.

## Legal Advisors

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

## Bankers

Bank Alfalah Ltd.  
Bank Al Habib Ltd.  
Citibank N.A.  
Faysal Bank Ltd.  
Habib Bank Ltd.  
Habib Metropolitan Bank Limited  
MCB Bank Ltd.  
National Bank of Pakistan  
Standard Chartered Bank (Pakistan) Ltd.  
Summit Bank Ltd.  
The Bank of Punjab  
The Bank of Tokyo-Mitsubishi UFJ, 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](http://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





*Ciaz*  
**DRIVE**  
*Extraordinary*

**Make your experience  
exceptional with Suzuki Ciaz**

The new sedan takes you to your dream journey. The value packed features like DUAL SRS AIRBAGS, ABS with EBD, spacious interior and the powerful fuel efficient 1.4L K-series engine makes your journey extraordinarily comfortable.



# Company Profile

## Location

Downstream Industrial Estate of Pakistan Steel, Karachi

## Total Area

259,200 m<sup>2</sup> (64 acres)

## Facilities

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

## Cost

Rs. 22.631 billion

## Production Capacity (double shift)

### Car & LCV's Plant

150,000 units per annum

### Motorcycles Plant

44,000 units per annum

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

The foundation stone laying ceremony of the Company's existing plant located at Bin Qasim was

performed in early 1989 by the Prime Minister then in office. By early 1990, on completion of first phase of this plant, in-house assembly of all the Suzuki engines started. In 1992, the plant was completed and production of the Margalla Car commenced.

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

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

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



PSMCL and Suzuki Motor Corporation (SMC) Japan held 41% and 43% shares in SMPL respectively. Pak Suzuki issued and allotted 1,233,300 ordinary shares of Rs.10/- each to the qualifying shareholders of SMPL @ one ordinary share in Pak Suzuki for every twenty one shares held by SMPL shareholders as on the date of final book closure i.e. 29th October 2007. The trading in shares of SMPL on Karachi and Lahore Stock Exchanges ceased from the same date.

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

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

Joint Venture Agreement was signed between Pak Suzuki Motor Company Limited and Tecno Pack Telecom (Private) Limited to set up Tecno Auto Glass Limited ("TAG"). TAG's main area of operations will be manufacturing, development and designing of Auto Glass products to cater local as well as international markets.

# Code of Conduct

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

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

## For our customers

### (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.





# **SWIFT**

LET'S HAVE FUN!

## **Young, Fun and Dynamic!**

An eye-catching and dynamic sense of style has always set Swift apart from other compact cars. Swift gives you more of everything without compromising on style or performance. Swift is a young, fun and dynamic car for fun-loving people. With Swift you'll be loving the drive and loving your life more than you ever thought possible.



# 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.

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



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

Pak Suzuki Launched Suzuki Finance Arrangement Program (SFAP).

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



# ***CULTUS***

**NEW BEGINNING  
DIFFERENT ATTITUDE**

**It's Brighter - It's Better - It's Bolder**

The All-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.

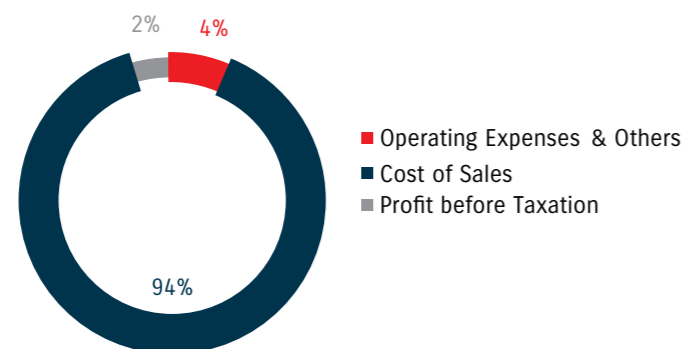


# Highlights of the Accounts

For the year ended December 31, 2018

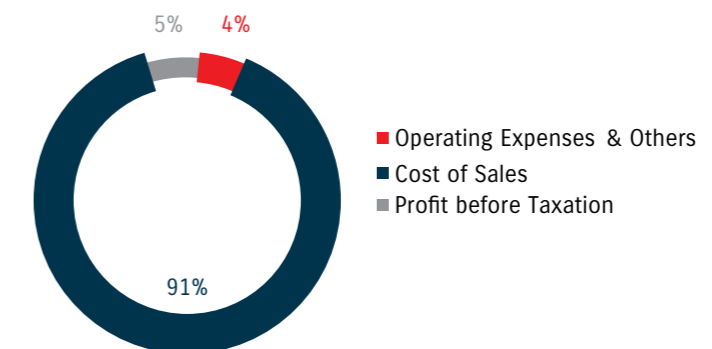
	2018	2017	Increase/(Decrease)	
			Amount	%
----- (Rupees in '000) -----				
Production volume (Nos.)				
- Motorcar	143,239	132,725	10,514	7.9
- Motorcycle	23,014	19,603	3,411	17.4
Sales volume (Nos.)				
- Motorcar	140,313	132,548	7,765	5.9
- Motorcycle	23,160	19,901	3,259	16.4
Gross Sales	125,842,362	107,095,587	18,746,775	17.5
Selling Commission as a % of gross sales	5,988,464 4.8	5,283,976 4.9	704,488	13.3 (0.1)
Net Sales	119,853,898	101,811,611	18,042,287	17.7
Gross profit as a % of net sales	7,044,865 5.9	9,652,573 9.5	(2,607,708)	(27.0) (3.6)
Distribution expenses as a % of net sales	2,706,853 2.3	2,804,256 2.8	(97,403)	(3.5) (0.5)
Administration expenses as a % of net sales	2,301,080 1.9	1,599,815 1.6	701,265	43.8 0.3
Finance Cost as a % of net sales	362,523 0.3	68,088 0.1	294,435	532.4 0.2

Sales Revenue Breakup - 2018



	2018	2017	Increase/(Decrease)	
			Amount	%
----- (Rupees in '000) -----				
Other income as a % of net sales	565,943 0.5	864,711 0.8	(298,768)	(34.6) (0.3)
Other operating expenses (WPPF & WWF) as a % of net sales	154,204 0.1	413,997 0.4	(259,793)	(62.8) (0.3)
Share of loss from associated company as a % of net sales	3,212 0.1	11,914 0.2	(8,702)	(73.0) (0.1)
Profit before taxation as a % of net sales	2,082,936 1.7	5,619,214 5.5	(3,536,278)	(62.9) (3.8)
Profit after taxation as a % of net sales	1,298,108 1.1	3,825,821 3.8	(2,527,713)	(66.1) (2.7)
Shareholders' equity	29,232,865	29,549,716	(316,851)	(1.1)
Earnings per share (Rs.)	15.77	46.49	(30.72)	(66.1)
Break-up value per share (Rs.)	355.20	359.05	(3.85)	(0.01)
Number of shares issued (000)	82,300	82,300	-	-
Exchange Rate (JPY to PKR)	1.0412	0.9433	0.0979	10.4
Exchange Rate (USD to PKR)	117.55	105.07	12.48	11.87

Sales Revenue Breakup - 2017



# Highlights of the Accounts Segment Wise

For the year ended December 31, 2018

	CAR DIVISION				MOTORCYCLE DIVISION				TOTAL			
	2018	2017	INCREASE/ DECREASE	%	2018	2017	INCREASE/ DECREASE	%	2018	2017	INCREASE/ DECREASE	%
	----- (Rupees in '000) -----											
Production volume (Nos.)	143,239	132,725	10,514	8	23,014	19,603	3,411	17	-	-	-	-
Sales volume (Nos.)	140,313	132,548	7,765	6	23,160	19,901	3,259	16	-	-	-	-
Gross Sales	122,532,685	104,518,068	18,014,617	17	3,309,677	2,577,519	732,158	28	125,842,362	107,095,587	18,746,775	18
Selling Commission & Discount as a % of gross sales	5,967,010 4.9	5,260,559 5.0	706,451	13 (0.1)	21,454 0.6	23,417 0.9	(1,963)	(8) (0.3)	5,988,464 4.8	5,283,976 4.9	704,488	13 (0.1)
Net Sales	116,565,675	99,257,509	17,308,166	17	3,288,223	2,554,102	734,121	29	119,853,898	101,811,611	18,042,287	18
Gross profit as a % of net sales	6,724,635 5.8	9,457,590 9.5	(2,732,955)	(29) (3.7)	320,230 9.7	194,983 7.6	125,247	64 2.1	7,044,865 5.9	9,652,573 9.5	(2,607,708)	(27) (3.6)
Distribution expenses as a % of net sales	2,645,962 2.3	2,775,083 2.8	(129,121)	(5) (0.5)	60,891 1.9	29,173 1.1	31,718	109 0.7	2,706,853 2.3	2,804,256 2.8	(97,403)	(3) (0.5)
Administration expenses as a % of net sales	2,099,491 1.8	1,481,995 1.5	617,496	42 0.3	201,589 6.1	117,820 4.6	83,769	71 1.5	2,301,080 1.9	1,599,815 1.6	701,265	44 0.4
Finance Cost as a % of net sales	360,604 0.3	66,851 0.1	293,753	439 0.2	1,919 0.1	1,237 0.0	682	55 0.1	362,523 0.3	68,088 0.1	294,435	432 0.2
Other income as a % of net sales	513,901 0.4	815,954 0.8	(302,053)	(37) (0.4)	52,042 1.6	48,757 1.9	3,285	7 (0.3)	565,943 0.5	864,711 0.9	(298,768)	(35) (0.4)
WPPF & WWF as a % of net sales	154,204 0.1	413,997 0.4	(259,793)	(63) (0.3)	- 0.0	- 0.0	-	0	154,204 0.1	413,997 0.4	(259,793)	(63) (0.3)
Share of loss of equity accounted investee as a % of net sales	3,212 0.0	11,914 0.0	(8,702)	(73) (0)	0 0.0	0 0.0	-	0	3,212 0	11,914 0	(8,702)	(73) (0)
Profit before taxation as a % of net sales	1,975,063 1.7	5,523,704 5.6	(3,548,641)	(64) (3.9)	107,873 3.3	95,510 3.7	12,363	13 (0.4)	2,082,936 1.7	5,619,214 5.5	(3,536,278)	(63) (3.8)
Profit after taxation as a % of net sales	1,190,235 1.0	3,730,311 3.8	(2,540,076)	(68) (2.8)	107,873 3.3	95,510 3.7	12,363	13 (0.4)	1,298,108 1.1	3,825,821 3.8	(2,527,713)	(66) (2.7)
Earnings per share (Rs.)	14.46	45.33	(30.87)	(68)	1.31	1.16	0.15	13	15.77	46.49	(30.72)	(66)
Number of shares issued (000)	82,300	82,300	-	-	82,300	82,300	-	-	82,300	82,300	-	-

# 6 Years at a Glance

	2018	2017	2016	2015	2014	2013
----- (Rupees in '000) -----						
<b>OPERATING RESULTS</b>						
Production volume ( Nos.)						
- Motorcar	143,239	132,725	111,979	134,391	80,384	77,142
- Motorcycle	23,014	19,603	18,374	19,610	23,871	22,977
Sales volume ( Nos.)						
- Motorcar	140,313	132,548	110,000	133,952	78,005	77,050
- Motorcycle	23,160	19,901	17,946	20,617	23,453	23,117
Sales revenue	119,853,898	101,811,611	76,516,040	84,548,757	53,664,947	51,061,333
Gross profit	7,044,865	9,652,573	7,348,577	11,487,448	4,183,699	3,242,513
Profit before taxation	2,082,936	5,619,214	4,415,236	8,685,171	2,623,394	2,353,439
Profit/(loss) after taxation	1,298,108	3,825,821	2,772,635	5,842,671	1,921,894	1,849,357
Dividends (cash/bonus shares)	260,068	1,530,777	452,649	1,234,498	411,499	329,199
Profit retained	1,038,040	2,295,044	2,319,986	4,608,173	1,510,395	1,520,158
<b>CAPITAL EMPLOYED</b>						
Share capital	822,999	822,999	822,999	822,999	822,999	822,999
Reserves	27,109,749	24,898,931	22,619,294	18,009,762	16,488,378	14,969,549
Unappropriated profit	1,300,117	3,827,786	2,774,614	5,846,477	1,925,305	1,852,610
Shareholders' equity	29,232,865	29,549,716	26,216,907	24,679,238	19,236,682	17,645,158
Current Liabilities	32,276,984	21,360,751	11,635,058	12,772,749	9,117,477	6,166,119
	<b>61,509,849</b>	<b>50,910,467</b>	<b>37,851,965</b>	<b>37,451,987</b>	<b>28,354,159</b>	<b>23,811,277</b>
<b>Represented By:</b>						
Fixed Assets	15,654,827	8,800,002	6,672,057	4,510,789	4,790,506	4,892,675
Other Non - Current Assets	2,173,188	1,104,378	661,665	425,792	456,080	546,237
Net Current Assets	43,681,834	41,006,087	30,518,243	32,515,406	23,107,573	18,372,365
	<b>61,509,849</b>	<b>50,910,467</b>	<b>37,851,965</b>	<b>37,451,987</b>	<b>28,354,159</b>	<b>23,811,277</b>

	2018	2017	2016	2015	2014	2013
<b>PROFITABILITY RATIOS</b>						
Gross profit as a % of net sales	5.9	9.5	9.6	13.6	7.8	6.4
Profit before taxation as a % of net sales	1.7	5.5	5.8	10.3	4.9	4.6
Profit/(loss) after taxation as a % of net sales	1.1	3.8	3.6	6.9	3.6	3.6
Earning/(loss) per Share (Rs.)	15.77	46.49	33.7	71.0	23.4	22.5
<b>LIQUIDITY &amp; LEVERAGE RATIOS</b>						
Current ratio	1.35	1.92	2.62	2.55	2.53	2.98
Quick ratio	0.44	0.79	1.21	1.51	0.88	1.23
Liabilities as a % of total assets	52	42	31	34	32	26
Equity as a % of total assets	48	58	69	66	68	74
<b>EFFICIENCY RATIOS</b>						
Inventory turn over ratio	3.8	3.8	4.2	5.6	3.3	4.5
No. of days stock held	95	95	86	65	110	82
No. of days sales in trade debts	0.7	0.8	5.7	6.7	9.2	7.0
Total assets turn over ratio	1.9	2.0	2.0	2.3	1.9	2.1
Net worth turn over ratio	4.1	3.4	2.9	3.4	2.8	2.9
<b>EQUITY RATIOS</b>						
Break up value per share (Rs.)	355.20	359.05	318.55	299.87	233.74	214.40
Cash Dividend as a % of capital	31.6	186	55	150	50	40
Dividend payout ratio (%)	20	40	16	21	21	18
Plough-back ratio (%)	80	60	84	79	79	82
<b>OTHER DATA</b>						
Permanent employees strength (Nos.)	2,024	1,345	1,269	1,257	1,272	1,273
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

	2018	%	2017	%	2016	%	2015	%	2014	%	2013	%
----- (Rupees in '000) -----												
<b>BALANCE SHEET</b>												
Fixed assets	15,768	75.5	8,985	33.2	6,745	46.8	4,594	(8.0)	4,996	(1.6)	5,075	25.3
Long-term investments	329	58.2	208	-	-	-	0	-	0	(100.0)	2	(60.0)
Long-term loans	4	100.0	2	(99.1)	231	2,210.0	10	-	10	66.7	6	500.0
Long-term deposits, prepayments and other receivables	456	19.4	382	1,217.2	29	16.0	25	8.7	23	(37.8)	37	(41.3)
Long-term installment sales receivables	118	(18.6)	145	51.0	96	(15.8)	114	(29.6)	162	(4.7)	170	4.3
Deferred taxation	1,152	386.1	237	1.3	234	20.0	195	248.2	56	(62.2)	148	-
Stores, spares and loose tools	147	27.8	115	3.6	111	12.1	99	20.7	82	24.2	66	(20.5)
Stock-in-trade	29,397	22.8	23,946	47.0	16,289	24.5	13,082	(12.6)	14,977	39.6	10,726	1.6
Trade debts	238	12.8	211	(82.5)	1,205	(22.9)	1,562	15.5	1,352	37.5	983	56.8
Current portion of long-term installment sales receivables	551	71.3	321	10.3	291	(16.4)	348	(10.3)	388	17.2	331	5.4
Loans and advances	41	10.8	37	(81.6)	201	1.5	198	(61.6)	515	25.0	412	111.3
Trade deposits and short term prepayments	1,357	40.5	966	1,154.5	77	8.5	71	34.0	53	(15.9)	63	61.5
Accrued profit on bank deposits	269	827.6	29	(76.0)	121	(37.3)	193	1,106.3	16	23.1	13	116.7
Other receivables	0	(100)	93	(27.9)	129	48.3	87	(35.1)	134	17.5	114	(39.0)
Sales tax and excise duty adjustable	4,370	282.0	1,144	(30.7)	1,651	493.9	278	(72.3)	1,002	24.8	803	(17.2)
Taxation - net	5,798	18.3	4,900	158.7	1,894	19.1	1,590	(42.1)	2,747	(5.2)	2,897	8.2
Cash and bank balances	1,515	(83.5)	9,189	7.5	8,548	(43.0)	15,006	715.1	1,841	(6.3)	1,965	38.6
<b>Total assets</b>	<b>61,510.0</b>	<b>20.8</b>	<b>50,910.0</b>	<b>34.5</b>	<b>37,852</b>	<b>1.1</b>	<b>37,452</b>	<b>32.1</b>	<b>28,354</b>	<b>19.1</b>	<b>23,811</b>	<b>11.4</b>
Share capital	823	-	823	-	823	-	823	-	823	-	823	-
Reserves	28,410	(1.1)	28,727	13.1	25,394	6.4	23,856	29.6	18,414	9.5	16,822	12.2
<b>Total Equity</b>	<b>29,233</b>	<b>(1.1)</b>	<b>29,550</b>	<b>12.7</b>	<b>26,217</b>	<b>6.2</b>	<b>24,679</b>	<b>28.3</b>	<b>19,237</b>	<b>9.0</b>	<b>17,645</b>	<b>11.6</b>
Trade and other payables	14,410	26.5	11,377	80.6	6,300	(2.2)	6,442	30.3	4,945	33.8	3,696	37.1
Advances	2,276	(57.3)	5,332	228.1	1,625	(61.5)	4,226	95.7	2,159	243.2	629	(45.0)
Accrued mark-up	0	-	0	-	0	-	0	(100.0)	9	-	0	-
Short-term finance	11,310	100	0	-	0	-	0	-	0	-	0	-
Security deposits	4,222	(8.2)	4,601	25.3	3,674	77.6	2,069	7.9	1,918	12.6	1,703	8.4
Unclaimed dividend	22	57.1	14									
Provision for custom duties and sales tax	36	-	36	-	36	-	36	(58.1)	86	(37.7)	138	-
<b>Total equity and liabilities</b>	<b>61,510.0</b>	<b>20.8</b>	<b>50,910.0</b>	<b>34.5</b>	<b>37,852</b>	<b>1.1</b>	<b>37,452</b>	<b>32.1</b>	<b>28,354</b>	<b>19.1</b>	<b>23,811</b>	<b>11.4</b>

## Horizontal Analysis of Profit or Loss Account

	2018	%	2017	%	2016	%	2015	%	2014	%	2013	%
----- (Rupees in '000) -----												
Sales	119,854	17.7	101,812	33.1	76,516	(9.5)	84,549	57.5	53,665	5.1	51,061	(12.8)
Cost of sales	(112,809)	22.4	(92,159)	33.2	(69,167)	(5.3)	(73,061)	47.7	(49,481)	3.5	(47,819)	(14.9)
<b>Gross profit</b>	<b>7,045</b>	<b>(27)</b>	<b>9,653</b>	<b>31.4</b>	<b>7,349</b>	<b>(36.0)</b>	<b>11,488</b>	<b>174.5</b>	<b>4,184</b>	<b>29.0</b>	<b>3,242</b>	<b>38.3</b>
Distribution and selling costs	(2,707)	(3.5)	(2,804)	39.9	(2,004)	3.0	(1,946)	160.9	(746)	33.2	(560)	56.0
Administrative expenses	(2,301)	43.8	(1,600)	3.9	(1,540)	25.1	(1,231)	11.7	(1,102)	14.9	(959)	11.6
Other expenses	(154)	62.8	(414)	24.0	(334)	(48.9)	(653)	233.2	(196)	12.0	(175)	57.7
Other income	566	34.56	865	(16.8)	1,040	(1.7)	1,058	107.5	510	(40.9)	863	74.7
<b>Operating profit</b>	<b>2,449</b>	<b>(57)</b>	<b>5,700</b>	<b>26.3</b>	<b>4,511</b>	<b>(48.2)</b>	<b>8,716</b>	<b>228.9</b>	<b>2,650</b>	<b>9.9</b>	<b>2,411</b>	<b>59.7</b>
Share of loss of equity accounted investee	(3)	(75)	(12)	-	-	-	-	-	-	-	-	-
Finance cost	(363)	526	(69)	(29.2)	(96)	209.7	(31)	14.8	(27)	(53.4)	(58)	427.3
<b>Profit before taxation</b>	<b>2,083</b>	<b>(62.9)</b>	<b>5,619</b>	<b>27.3</b>	<b>4,415</b>	<b>(49.2)</b>	<b>8,685</b>	<b>231.1</b>	<b>2,623</b>	<b>11.5</b>	<b>2,353</b>	<b>57.0</b>
Taxation	(785)	(56.2)	(1,793)	9.1	(1,642)	(42.2)	(2,843)	305.0	(702)	39.3	(504)	(3.4)
<b>Profit after taxation</b>	<b>1,298</b>	<b>(66.1)</b>	<b>3,826</b>	<b>38.0</b>	<b>2,773</b>	<b>(52.5)</b>	<b>5,842</b>	<b>204.0</b>	<b>1,921</b>	<b>3.9</b>	<b>1,849</b>	<b>89.3</b>

## Vertical Analysis of Balance Sheet

	2018	%	2017	%	2016	%	2015	%	2014	%	2013	%
----- (Rupees in '000) -----												
<b>BALANCE SHEET</b>												
Fixed assets	15,768	25.6	8,985	17.6	6,745	17.8	4,594	12.3	4,996	17.6	5,075	21.3
Long-term investments	329	0.5	208	0.4	-	0.0	-	0.0	0	0.0	2	0.0
Long-term loans	4	0.0	2	0.0	231	0.6	10	0.0	10	0.0	6	0.0
Long-term deposits, prepayments and other receivables	537	0.9	382	0.8	29	0.1	25	0.1	23	0.1	37	0.2
Long-term installment sales receivables	118	0.2	145	0.3	96	0.3	114	0.3	162	0.6	170	0.7
Deferred taxation	1,152	1.9	237	0.5	234	0.6	195	0.5	56	0.2	148	0.6
Stores, spares and loose tools	147	0.2	115	0.2	111	0.3	99	0.3	82	0.3	66	0.3
Stock-in-trade	29,397	47.8	23,946	47.0	16,289	43.0	13,084	34.9	14,976	52.8	10,726	45.0
Trade debts	238	0.4	211	0.4	1,205	3.2	1,562	4.2	1,352	4.8	983	4.1
Current portion of long-term installment sales receivables	550	0.9	321	0.6	291	0.8	348	0.9	388	1.4	331	1.4
Loans and advances	41	0.1	37	0.1	201	0.5	198	0.5	515	1.8	412	1.7
Trade deposits and short term prepayments	1,357	2.2	966	1.9	77	0.2	71	0.2	53	0.2	63	0.3
Accrued profit on bank deposits	0	0.0	29	0.1	121	0.3	193	0.5	16	0.1	13	0.1
Other receivables	187	0.3	93	0.2	129	0.3	87	0.2	134	0.5	114	0.5
Short-term investment	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Sales tax and excise duty adjustable	4,370	7.1	1,144	2.2	1,651	4.4	278	0.7	1,002	3.5	803	3.4
Taxation - net	5,798	9.4	4,900	9.6	1,894	5.0	1,590	4.2	2,747	9.7	2,897	12.2
Cash and bank balances	1,516	2.5	9,189	18.1	8,548	22.6	15,006	40.1	1,841	6.5	1,964	8.2
<b>Total assets</b>	<b>61,510.0</b>	<b>100.0</b>	<b>50,910.0</b>	<b>100.0</b>	<b>37,852.0</b>	<b>100.0</b>	<b>37,452.0</b>	<b>100.0</b>	<b>28,354.0</b>	<b>100.0</b>	<b>23,811.0</b>	<b>100.0</b>
<b>EQUITY AND LIABILITIES</b>												
Share capital	823	1.3	823	1.6	823	2.2	823	2.2	823	2.9	823	3.5
Reserves	28,410	46.2	28,726	56.4	25,394	67.1	23,856	63.7	18,414	64.9	16,822	70.6
<b>Total Equity</b>	<b>29,233</b>	<b>47.5</b>	<b>29,549</b>	<b>58.0</b>	<b>26,217</b>	<b>69.3</b>	<b>24,679</b>	<b>65.9</b>	<b>19,237</b>	<b>67.8</b>	<b>17,645</b>	<b>74.1</b>
Trade and other payables	14,410	23.4	11,378	22.3	6,301	16.6	6,443	17.2	4,945	17.4	3,696	15.5
Advances	2,276	3.7	5,332	10.5	1,625	4.3	4,226	11.3	2,159	7.6	629	2.6
Accrued mark-up	-	0.0	-	0.0	-	0.0	-	0.0	9	0.0	-	0.0
Short-term finance	11,311	18.4	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Security deposits	4,222	6.9	4,601	9.0	3,673	9.7	2,068	5.5	1,917	6.8	1,703	7.2
Unclaimed dividend	22	0.04	14	0.03	-	0.0	-	0.0	-	0.0	-	0.0
Provision for custom duties and sales tax	36	0.1	36	0.1	36	0.1	36	0.1	87	0.3	138	0.6
<b>Total equity and liabilities</b>	<b>61,510.0</b>	<b>100.0</b>	<b>50,910.0</b>	<b>100.0</b>	<b>37,852.0</b>	<b>100.0</b>	<b>37,452.0</b>	<b>100.0</b>	<b>28,354.0</b>	<b>100.0</b>	<b>23,811.0</b>	<b>100.0</b>

## Vertical Analysis of Profit or Loss Account

	2018	%	2017	%	2016	%	2015	%	2014	%	2013	%
----- (Rupees in '000) -----												
Sales	119,854	100	101,812	100	76,516	100	84,549	100	53,665	100	51,061	100
Cost of sales	(112,809)	(94.12)	(92,159)	(90.52)	(69,167)	(90.40)	(73,061)	(86.41)	(49,481)	(92.20)	(47,819)	(93.65)
Gross profit	7,045	5.88	9,653	9.48	7,349	9.60	11,488	13.59	4,184	7.80	3,242	6.35
Distribution and selling costs	(2,707)	(2.26)	(2,804)	(2.75)	(2,004)	(2.62)	(1,946)	(2.30)	(746)	(1.39)	(560)	(1.10)
Administrative expenses	(2,301)	(1.92)	(1,600)	(1.57)	(1,540)	(2.01)	(1,231)	(1.46)	(1,102)	(2.05)	(959)	(1.88)
Other expenses	(154)	(0.13)	(414)	(0.41)	(334)	(0.44)	(653)	(0.77)	(196)	(0.37)	(175)	(0.34)
Other income	566	0.47	865	0.85	1,040	1.36	1,058	1.25	510	0.95	863	1.69
<b>Operating profit</b>	<b>2,449</b>	<b>2.04</b>	<b>5,699</b>	<b>5.6</b>	<b>4,511</b>	<b>5.9</b>	<b>8,716</b>	<b>10.31</b>	<b>2,650</b>	<b>4.94</b>	<b>2,411</b>	<b>4.72</b>
Share of loss of equity accounted investee	(3)	(0.00)	(12)	(0.01)	-	-	-	-	-	-	-	-
Finance cost	(363)	(0.30)	(68)	(0.07)	(96)	0.13	(31)	(0.04)	(27)	(0.05)	(58)	(0.01)
<b>Profit before taxation</b>	<b>2,083</b>	<b>1.74</b>	<b>5,619</b>	<b>5.52</b>	<b>4,415</b>	<b>5.77</b>	<b>8,685</b>	<b>10.27</b>	<b>2,623</b>	<b>4.89</b>	<b>2,353</b>	<b>4.61</b>
Taxation	(785)	(0.65)	(1,793)	(1.76)	(1,643)	(2.15)	(2,843)	(3.36)	(702)	(1.31)	(504)	(0.99)
<b>Profit after taxation</b>	<b>1,298</b>	<b>1.08</b>	<b>3,826</b>	<b>3.76</b>	<b>2,773</b>	<b>3.62</b>	<b>5,842</b>	<b>6.91</b>	<b>1,921</b>	<b>3.58</b>	<b>1,849</b>	<b>3.62</b>

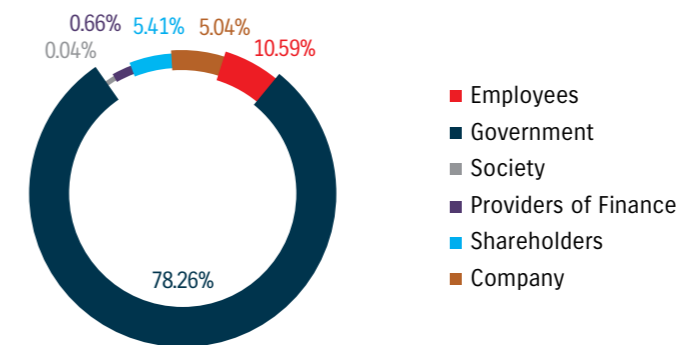




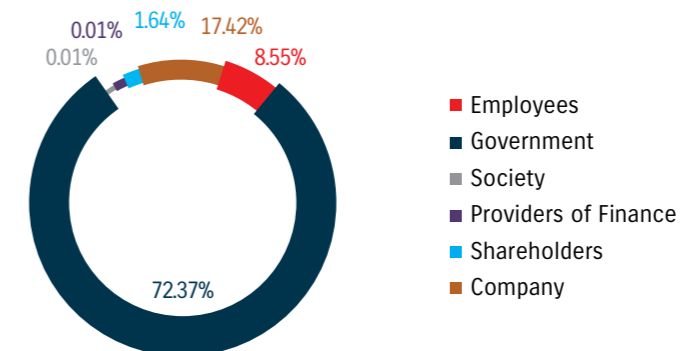
# Statement of Value Addition and its Distribution

	2018		2017	
	(Rupees in '000)	%	(Rupees in '000)	%
<b>Wealth Generated</b>				
Total gross revenue and other income	148,806,459		126,550,040	
Brought in materials and services	120,527,971		98,885,171	
	<u>28,278,488</u>	100	<u>27,664,869</u>	100
<b>Wealth distribution to stakeholders</b>				
<b>To Employees</b>				
Salaries, wages ,other cost including retirement benefits and WPPF	2,996,012	10.59	2,365,398	8.55
<b>To Government</b>				
Income tax, sales tax, excise duty, development surcharge, WWF	22,130,723	78.26	20,022,130	72.37
<b>To Society</b>				
Donation toward earthquake victims, IDPs and health	10,414	0.04	3,932	0.01
<b>To Shareholders</b>				
Dividend and bonus	1,530,777	5.41	452,649	1.64
<b>To providers of finance</b>				
Finance charges for borrowed funds	185,827	0.66	1,597	0.01
<b>To Company</b>				
Depreciation, amortisation and retained profit/ (loss)	1,424,735	5.04	4,819,163	17.42
	<u>28,278,488</u>	<u>100.00</u>	<u>27,664,869</u>	<u>100.00</u>

**Wealth distribution to stakeholders-2018**



**Wealth distribution to stakeholders-2017**



# WAGONR

## Be Practical

WagonR with its K- Series Engine is fuel efficient and guarantees a drive that is smooth, noiseless and powerful. Known for its practicality, performance and comfort, it is the perfect family car.



## Visits & Events

### 2 Million Vehicles Line-Off Ceremony

A ceremony was held on 26th November 2018 to celebrate the landmark achievement of 2 million vehicles line-off in Pakistan.

Chairman Suzuki Motor Corporation, Mr. Osamu Suzuki graced the occasion with his presence and Advisor to Prime Minister for Commerce, Textile, Industry & Production, Mr. Abdul Razzaq Dawood was cordially invited as chief guest of the Ceremony.

Milestone of 2 million vehicles was the result of coordinated efforts of employees of PSMC, suppliers, dealers and continued patronage by customers.



## Visits & Events

### Chairman Suzuki Met PM Pakistan

Mr. Osamu Suzuki, Chairman Suzuki Motor Corporation - Japan and his team along with the ambassadors of Japan - Pakistan, Mr. Masafumi Harano, CEO Pak Suzuki and Mr. Kinji Saito, Chairman Pak Suzuki met Mr. Imran Khan, Prime Minister of Pakistan on 27th November, 2018 at PM Office Islamabad.



### Chairman Suzuki Visited Authorised Dealership

Mr. Osamu Suzuki, Chairman Suzuki Motor Corporation - Japan, his team and Mr. Masafumi Harano, CEO Pak Suzuki visited authorised dealership.



### Family Day:

The Company also celebrated the grand event of Family Day at PAF Museum, Karachi. A separate family area was designated for kids where diverse activities were organized for amusement of children of every age, followed by a grand musical show.



### Certified Used Car Gala

Pak Suzuki held multiple Used Car Galas during the year 2018. The events received tremendous public patronage.



### Farewell for Mr. Hirofumi Nagao, Sr. Advisory Director

Pak Suzuki arranged a farewell party for Mr. Hirofumi Nagao, Sr. Advisory Director on 21<sup>st</sup> April, 2018 at PC Hotel, Karachi. Functional, Divisional heads including Japanese officials also attended the farewell party.



## Visits & Events

### Training and Development:

In the year 2018, 720 locals as well as 12 foreign trainings were conducted for the benefit of the employees to further improve their productivity and skills related to their work responsibilities



### Sports and Social Events:

The Company arranges sport tournaments for recreation and entertainment of employees and to provide an environment where all employees can enjoy without any stress and job pressure.



## Inauguration of Dealerships



Suzuki Charsadda Motors



Suzuki Chichawatni Motors



Suzuki Gujar Khan Motors



Suzuki Indus Motors



Suzuki Shorkot Motors



Suzuki Summit Motors



Suzuki Battagram Motors



Suzuki Bhakkar Motors



# MEGA CARRY ◀XTRA▶

**Bhartay Jao, Barhtay Jao!**

Suzuki Mega Carry Xtra is the ideal choice for modern day requirements of light-commercial and fleet businesses, offering more loading space, outstanding performance, durability and reliability. The Mega Carry Xtra meets the diverse needs of its users.



# Chairman's Review

Pak Suzuki Motor Company Limited is the pioneer in automotive industry in Pakistan and maintained its position of market leader with more than 50% market share in cars and light commercial vehicles by providing diversified product range at competitive prices. During the year Company achieved the milestone of two million production of vehicles. The Company is playing an important role in the development of engineering sector of the country by promoting localization of components through suppliers' network and in-house manufacturing of components. The Company also contributes in the socio-economic development of the country by creating job opportunities and technology transfer to part manufacturing industry. It is my privilege to present review on the performance of the Company for the year ended December 31, 2018.

## Industry

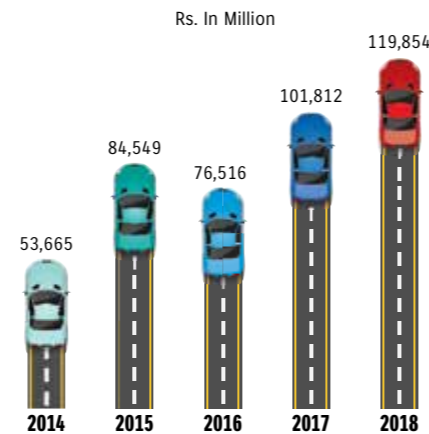
Pakistan auto sales clocked in highest ever sales in calendar year 2018. In year 2018, sales volume of automotive industry was recorded at 254,936 units compared to 239,724 units of last year, registering a steady growth of 6%. Steady growth in automotive industry was driven by steady economic growth, low inflation & interest rates, higher consumer lending and well acceptance of new models. However, volume slowdown was witnessed in later half of 2018 primarily due to restrictions imposed on non-filers for purchase of vehicles. Input costs of automobile industry are directly impacted due to variations in exchange parity of Pak Rupee. During the year Pak Rupee depreciated by 26% resulting in price increase of vehicles.

The organized market (PAMA member companies) for motorcycles and three wheelers increased by 7% from 1,771,618 units to 1,899,662 units.

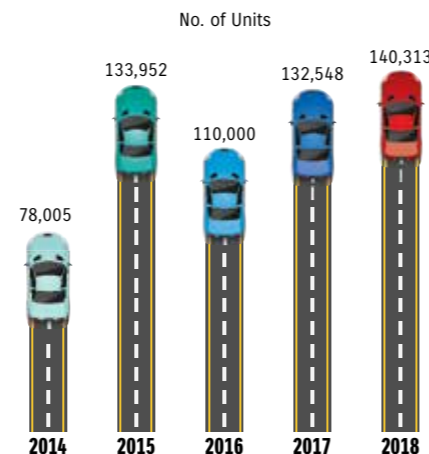
## Operating Results of the Company

Sales volume of automobiles increased by 6% from 132,548 Units to 140,313 Units, in line with industry growth. Major increase in sales was witnessed in sales volume of 1000cc car segment. Sales volume in 1000cc car segment increased by 21% from 43,651 units in 2017 to 52,885 units in 2018. The net sales revenue increased by 18% from Rs. 101,812 million to Rs. 119,854 million. Motorcycles sales increased by 16% from 19,901 units to 23,160 units. The production volume

### Sales Revenue



### Sales Volume Motorcars



of automobile and motorcycles were adjusted according to the demand. The production volume of automobile increased by 8% from 132,725 units to 143,239 units and motorcycles increased by 17% from 19,603 units to 23,014 Units. During the year, capacity utilization of automobile plant remained 95% as compared to 88% capacity utilization in last year. Because of lower demand of motorcycles, 48% production capacity of motorcycle plant remained un-utilized.

Gross profit decreased in absolute terms by Rs. 2,608 million from Rs. 9,652 million in 2017 to Rs. 7,044 million in 2018. Gross profit margins declined from 9.5% of last year to 5.9%. Company earned net profit after tax of Rs 1,298 million against Rs. 3,826 million of last year. Overall reduction in net profit of Company by Rs. 2,527 million is attributed to devaluation of Pak Rupee resulted in higher cost of imported components and change in sales mix.

## Marketing & Exports

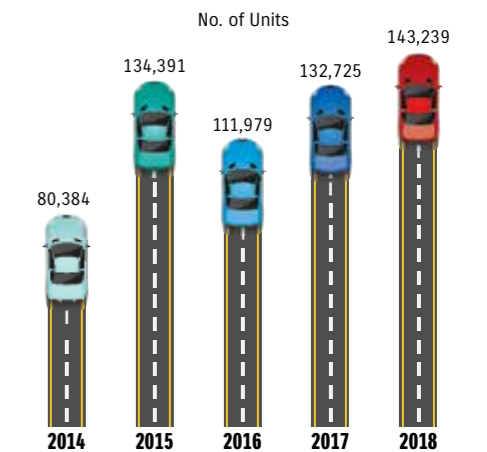
### Automobile Market:

Pak Suzuki remains the market leader in locally manufactured cars and light commercial vehicles by retaining 55% market share of the total domestic market. This is attributed to our focus on 1000 cc segment where our new models registered 21% growth in 2018. We remained committed to our strengths of providing quality products with diversified product range supported by 3S Dealerships' network, spread all over Pakistan. Strong dealership network ensured efficient services to customers including reliable after sales service and availability of spare parts.

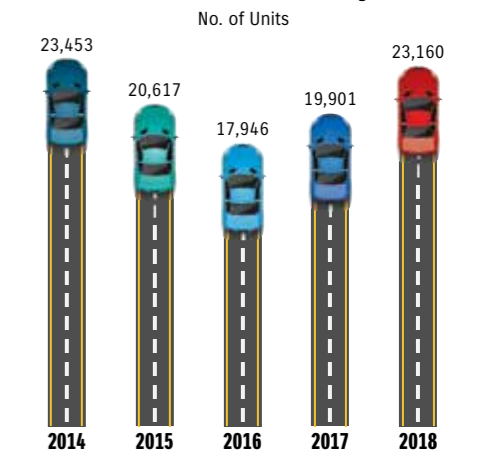
### Motorcycle Market:

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 sales operations ensures efficient services to customers through smooth workshop operations. Company is trying to expand its business in this segment.

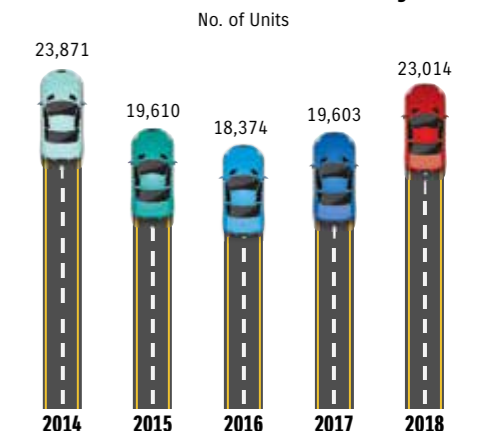
### Production Volume Motorcars



### Sales Volume Motorcycles



### Production Volume Motorcycles



### Exports:

During the year 30 units of Suzuki Ravi amounting Rs. 15.670 million were exported to Bangladesh as compared to 15 units of Suzuki Ravi worth Rs. 6.609 million were exported in last year. During the year, KD parts worth Rs. 21.7 million were exported to sister concern Vietnam Suzuki Corporation (VISUCO) against KD parts exports of Rs. 13.2 million in 2017. KD parts were exported for mass production of Suzuki mini-truck model in Vietnam. Further, during the year parts of Rs. 1.908 million were exported to Hungary for after sale market as compared to last year exports worth Rs. 1.949 million.

### Aftersales (Parts & Service):

Aftersales operations ensure efficient services to customers through smooth workshop operations and timely availability of parts at dealerships. As a result, the dealers' operations showing increasing trend. Total number of automobile job cards (services provided to customers for schedule maintenance, running repairs, mechanical repairs, body and dent jobs) reached up to 1.248 million, showing growth of 11% as compared to last year. The motorcycle aftersales market also shown positive trend in business operations. Total 226,769 Job cards were served in 2018.

The Automobile Parts sales for the year recorded Rs 3,085 million, showing overall growth of 33% as compared to last year. Yearly sales for Engine Oil reached to 2,045,220 liters, which shows growth of 23% as compared to last year. The motorcycle parts sale also reached to Rs. 212 million showing growth of 15% as compared to last year.

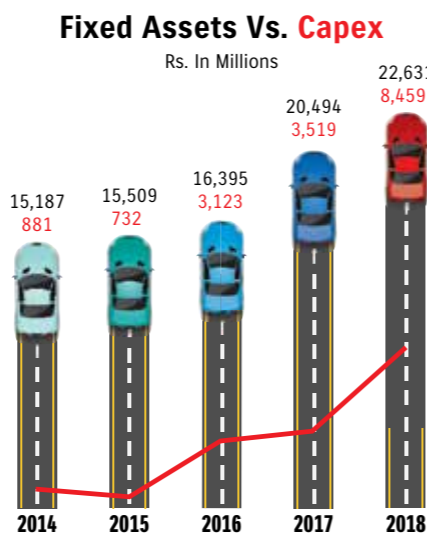
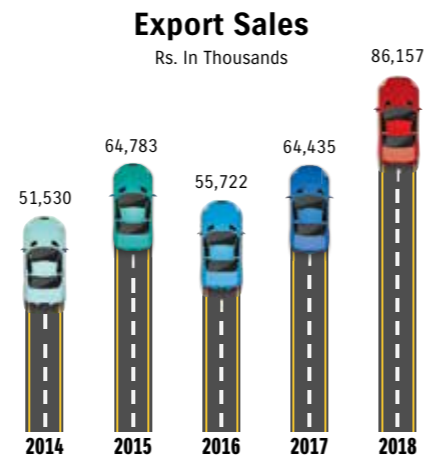
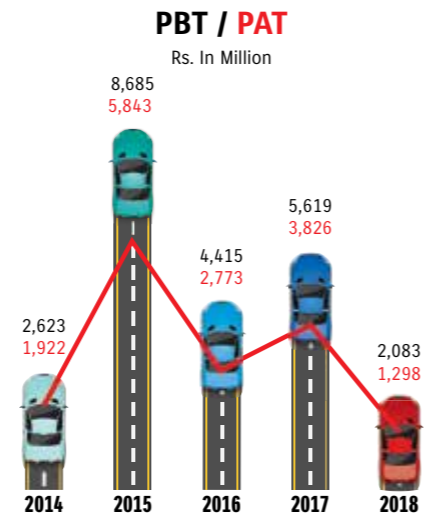
### Sales and Distribution Network

Pak Suzuki intends to provide quality services with convenient access to customers. The Company has strong dealership network spread all over the country. The Company has been continuously enhancing and strengthening the dealership network. As of December 31, 2018, Pak Suzuki dealership network expanded to 149 sales outlets in 81 cities all across Pakistan. To serve customers in uncovered areas eight 15 parts outlets were opened.

To facilitate the customers, Pak Suzuki opened 10 booking offices all over Pakistan. Suzuki Booking Offices facilitated customers by giving them the opportunity of booking vehicles with the initial advance payment. Further, 10 company operated showrooms for motorcycles are in operation where customers are provided sales and after sales service.

### Customers' Satisfaction & Retention

Company carried out follow-up surveys of customers on regular basis by our 24/7 Customer Relations Centre. Our



customers have shown more trust and satisfaction on the services rendered to them through dealers' network. Survey of 105,195 customers was carried out in 2018 which indicated the customers' satisfaction level of 88%.

### Dealers' Staff Skill Development & Motivation:

Company gives high priority for skill development of dealers' staff. On job trainings and regular training sessions were conducted for dealers' staff. Major areas covered through trainings include:

- The dealers technicians certification on global standards created a professional environment at dealers' workshops and ensures quality services to customers.
- "Skill Contests" were organized for dealers' Service Managers, Parts Managers, Customer Relation Managers, Customer Relation Officers, Service Advisors, Technicians & Painters.
- Promoted dealers' staff motivational activities such as, employees' get together, recreation activities, incentive prizes and foreign trips.

### New Initiatives:

Following 'New Initiatives' taken to facilitate Customers:

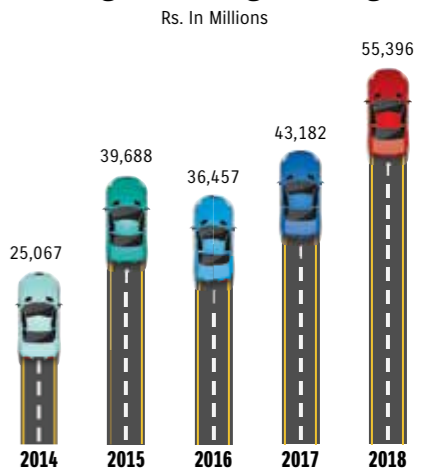
- Wide range of Suzuki Genuine accessories introduced to meet customers' expectations.
- Systemizing logistics to enhance parts availability, to shorten lead time and to satisfy customers.

### Localization

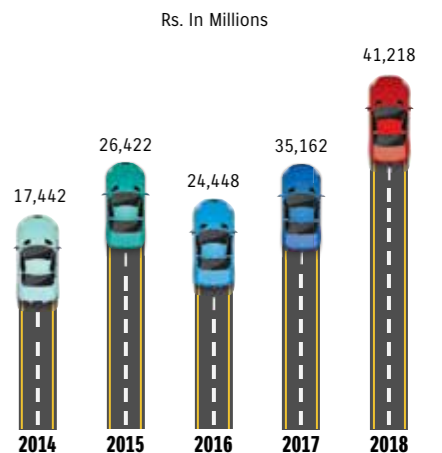
Pak Suzuki is proud to be the pioneer in the development of auto parts industry in Pakistan. The Company has been striving for localization of components through suppliers' network and in-house manufacturing of components. The Company also contributes in the socio-economic development of the country 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 localize functional components.

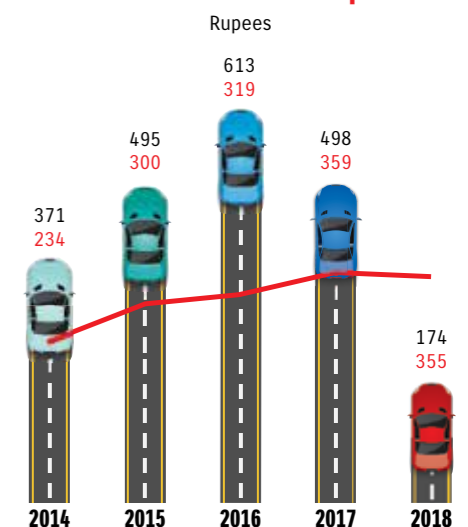
### Foreign Exchange Savings



### Duties & Taxes



### Share Price Vs. Breakup Value





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 which was approved by shareholders in Extraordinary General Meeting of the Company held on February 16, 2017. TAG is planned to commence commercial production by mid of 2019. 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.

### Improvement & Development of Suppliers:

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

- Multiple trainings in the areas of Quality, KPI management, Value Engineering, Development, etc.
- Comprehensive assessment of all suppliers at organizational level for improvement,
- Audits of suppliers along with SMC experts.

### Study Tours for Suppliers:

In order to align business practices of our local parts suppliers with international practices, Supply Chain Function arranged following study tours for its suppliers:

- **Magyar Suzuki Corporation (MSC) Ltd. Hungary and its suppliers:**

Study tour to MSC, Hungary and its 6 suppliers was arranged for 15 Plastic and Rubber components suppliers of Pak Suzuki.

- **Suzuki IndoMobil Motor (SIM), Indonesia and its suppliers:**

Study tour to SIM, Indonesia and its 8 suppliers was arranged for 15 sheet metal components suppliers of Pak Suzuki.

### 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.

### Facility Enhancements

- The company has developed warehouse facility at Manga Mandi, Multan Road, Lahore for capacity of more than 2,000 vehicles to facilitate the customers for early delivery of vehicles.
- To reduce the breakdown time, Air Supply and Exhaust system of Body and Plastic Parts painting has been replaced.
- The Company provides healthy and comfortable working environment to its employees. Therefore, environmental improvement activities have been carried out throughout the plant by installing Chiller units with Fan Coil Units to reduce the hot weather impact at shop floor.

### Human Resource

At Pak Suzuki, employees are not only part of the Suzuki Family but are also considered the back bone 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 amount of opportunities to develop themselves in terms of skills through specially designed programs for training and development. All measures are taken for the betterment and wellbeing of the employees and special activities are carried out to keep up the motivation level.

### Training and Development:

Pak Suzuki Motor 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. In the year 2018, 720 locals as well as 12 foreign trainings were conducted for the benefit of the

employees to further improve their productivity and skills related to their work responsibilities

### Talent Acquisition:

The Company has undertaken several campus recruitments drives at leading graduate educational institutions for Management Trainee and Trainee Engineers. Our aim is to reach out to the best talent available and be easily accessible to them. For this purpose, an HR portal has been developed and can be accessed at [www.paksuzuki.com.pk](http://www.paksuzuki.com.pk) where the candidates can register themselves online, upload their CVs and have a fair chance of selection. Due to the consistent implementation of the above-mentioned processes, the Company received a huge response from potential candidates and in the year 2018, 68 Management Trainees graduating from various reputable Engineering Universities, Technical Colleges and Business Schools were inducted in the Company, after successfully going through a well-defined selection process.

### Health and Safety:

The health and work place protection are the most vital areas to be considered for each member of the Suzuki Family regardless of being part of management, officer or worker cadre. Company strived to ensure the health and safety of Suzuki family members in the following ways:

- Compliance with all applicable Government and internal health, safety and environmental requirements;
- Design facilities and conduct operations in a way that avoids risk to human health, safety and the environment;
- Examine and communicate the known hazards of operations with relevant health safety and environmental protection information to potentially affected persons.

24-hour availability of dispensary facility, fully equipped with able team of doctors is always ready to provide medical care to the employees. Furthermore, considering our duty to protect and ensure maintenance of health of all Pak Suzuki family members, a yearly medical screening is conducted for all employees to make sure that they are fully aware of their health conditions and to protect them from any contagious diseases.

### Sports and Social Events:

Employee engagement in sports activities have been proven to reduce staff turnover and improve productivity. Every year, the Company arranges sport tournaments for recreation and entertainment of employees and to provide an environment where all employees can enjoy without any stress and job pressure. During the year, we arranged inter-departmental Cricket tournaments & Indoor games. These events provide an excellent opportunity for the staff to go a long way in instilling the spirit of competition among them in a healthy environment. The winners and runner up teams are presented with prizes and trophies.

Furthermore, the Company also celebrated the grand event of Family Day on September 8, 2018 at PAF Museum, Karachi. A separate family area was designated for kids where diverse activities were organized for amusement of children of every age, followed by a grand musical show for all to enjoy and savor the fun and entertainment.

### Corporate Events:

A ceremony was held on 26th November 2018 to celebrate the landmark achievement of 2 million vehicles line-off in Pakistan. Chairman Suzuki Motor Corporation, Mr. Osamu Suzuki graced the occasion with his presence and Advisor to Prime Minister for Commerce, Textile, Industry & Production, Mr. Abdul Razzaq Dawood was cordially invited as chief guest of the Ceremony. Milestone of 2 million vehicles was the result of coordinated efforts of employees of PSMC, suppliers, dealers and continued patronage by customers. Both the Chairman as well as the Advisor to the Prime Minister expressed their gratitude to the invited dealers, vendors & PSMCL employees for the recognition of their efforts & contribution.

### 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 essential for moving towards and achieving desired goals.

The Management of the Company therefore, strongly emphasizes harmonious relations with all stakeholders to ensure the productivity of the

employees in a conducive environment essential to the industrial progress.

### Information Technology:

Information Technology is driving innovation in the business environment. With rising volumes and upcoming challenges our business operations are becoming more complex. The key success factor is our 'Lean Thinking' and that is an integral part of our Enterprise IT. It helps us in adapting new technologies more quickly and minimizes the transformation challenges through our IT-Business Footprint. Pak Suzuki IT is focused to bring more robust systems to enhance collaboration among business stakeholders, innovation and smart adaption of digital technologies for improving quality of services and better customer experience.

### People Engagement & Collaboration:

Microsoft Office 365 and Microsoft SharePoint was implemented back in 2017. The main objective was to improve business workspace and automation experience. Recently, we collaborated with Global Suzuki Subsidiaries using SharePoint to work on Global Projects as TEAM SUZUKI. In 2018, an edge for cognitive data analytics with Microsoft Business Intelligence was added. It brings data visualization and empowers users to get business insights and meaning full information out of the BIG DATA.

### GENESYS CRM:

Recent introduction of GENESYS CRM Call Center System enables quick access to the relevant information that saves customers' valuable time. It personalizes the customer experience, deliver call center officers with complete insight into the customer journey, helps in prioritizing and deliver work items based on call center officers availability and skill. It delivers omnichannel customer experiences that include interactions through multiple digital channels and bridging the gap between CRM systems and call center processes.

### Business Continuity:

Information Technology is the eco system of all the business operations, and for that reason, it is at the center of recovery planning. To further strengthen Business Continuity, Pak Suzuki adopt the strategic shift from our existing On-Premises IT Disaster Recovery (DR) Site to Hybrid Cloud. The Disaster

Recovery is a framework of getting all important IT Infrastructure and operations up and running against an outage.

### Information Security:

Information and Cyber Security program is aimed to insulate the Company and its operations from potential security threats and therefore treated at the top most priority. Pak Suzuki has invested on Tools and Techniques to respond such emerging threats including Cyber Maturity Assessment and Vulnerability/Penetration testing conducted by external experts. Such Auditing greatly helps us in maintaining the stakeholders' confidence in Pak Suzuki IT Infrastructure and services.

### Economic Contribution

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

Year (Jan-Dec)	Duties & taxes	Foreign exchange Savings *
	(Rupees in billion)	
2013	15.380	27.275
2014	17.442	25.067
2015	26.422	39.688
2016	24.448	36.457
2017	35.162	43.182
2018	41.218	55.396

Duties and taxes paid by Company during the year represent around 1% of total tax revenues estimated in the Federal Budget for the fiscal year 2018-19.

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

### Government Policies

#### Fiscal Policies:

In its Federal Budget 2018-19; the Government provided reliefs by reducing rate of corporate tax from 30% to 29%, rate of super tax will be applicable @ 1% of profit before tax for accounting year 2018. Further, rate of tax on undistributed profits decreased from 7.5% of Profit before tax to 5% of Profit before

tax and condition of minimum distribution of dividend equal to 40% relaxed to 20% of profits after tax.

However, all these reliefs have been offset by increase in additional customs duty from 1% to 2% which directly results in increase in cost of products. Furthermore, restriction on purchase of vehicles by non-filers of tax returns was reflecting on the sales volume of automobile manufacturers as well as automotive suppliers' business.

Subsequent to the year end, the newly elected Government of Pakistan announced Finance Supplementary (Second Amendment) Bill, 2019 bringing a host of measures and policy changes to address the issues faced by industry. Key changes relevant to auto sector includes:

- Permission granted to non-filers to purchase locally manufactured cars;
- Super tax abolished from tax year 2020;
- Tax @ 5% of Profit before tax in case of dividend distribution of less than 20% abolished from Tax year 2019, corresponding accounting year 2019 of Pak Suzuki;
- 10% FED imposed on locally manufactured vehicles exceeding capacity of 1700cc; &
- Duties increased on imported cars from 20% to 25% for 1801-3000cc engine sizes and from 20% to 30% for over 3000cc engine sizes.

We welcome the positive policy measures taken by the Government and expect that policies will be made to boost industrial growth of country.

#### Automotive Development Policy (ADP):

Government has announced ADP in March 2016 applicable over a medium-term horizon of 2016-2021. ADP envisages development plan for automobile industry to facilitate higher volumes, attract investment and ensure enhanced competition. Objective of policy is to create balance between industrial growth and tariffs to ensure sustainability for all stakeholders. Incentives offered in ADP

encourages new entrants in auto industry and so far green field status (new entrant) has been awarded to Seventeen (17) entities and brown field status (revival of non-operational unit) to Two (2) entity. Existing OEM's in Pakistan were looking for expansions and expecting similar incentives as offered to potential new entrants.

Suzuki Motor Corporation, Japan (SMC), Principal shareholder and parent company of Pak Suzuki Motor Company Limited, is looking for opportunities for further expansion in Pakistan. We continue to engage with Government of Pakistan to find the best solution for investment in new plant.

#### Used Car Policy:

The import of used vehicles in big number is hindering the growth of industry. Despite the restriction on age limit of imported used vehicles for 3 years, 58,592 units of used vehicles were imported during the year as compared to 77,972 units of last year. In January 2019, Government has imposed a condition to show proof that the remittance for payment of duties and taxes originates from the bank account of Pakistani national sending the vehicle from abroad. The revised procedure will regularize the import of used cars.

### Future Outlook & Conclusion

Pakistan's economic indicators show signs of slowdown and economic growth in the fiscal year 2018-19. GDP is expected to remain around 4% due to large fiscal and current account deficits. During the calendar year 2018, we witnessed sharpest increase in policy rates in recent past by State Bank of Pakistan (SBP). Current policy rate is 10.25%. Average inflation for fiscal year 2019 is expected to remain in the range of 6.5% to 7.5% due to higher fiscal deficit, food inflation, higher oil prices and Pak Rupee depreciation. Pak Rupee is expected to remain under pressure in rising external debt scenario. Prevailing economic situation of rising interest rates, higher inflation, Pak Rupee devaluation and lower economic growth poses major challenges for auto industry.

However, Government is trying to bring down the fiscal and current accounts deficits. Along with ongoing projects of CPEC, investment from friendly countries like Saudi Arabia, UAE and China will contribute in country's annual growth rate. Procedural changes introduced to regularize the import of used cars will benefit the auto industry. We anticipate that Government will continue to support the industry with long term vision and consistent policies. New entrants are expected to enter into market in near future. Your Company has geared up to meet the challenges with optimal utilization of resources and improvement in efficiencies. Company offers quality products to customers at competitive prices through an efficient network of authorized dealers. Company has the wide range of products and it will continue to upgrade its product range to cater the needs of different segments.

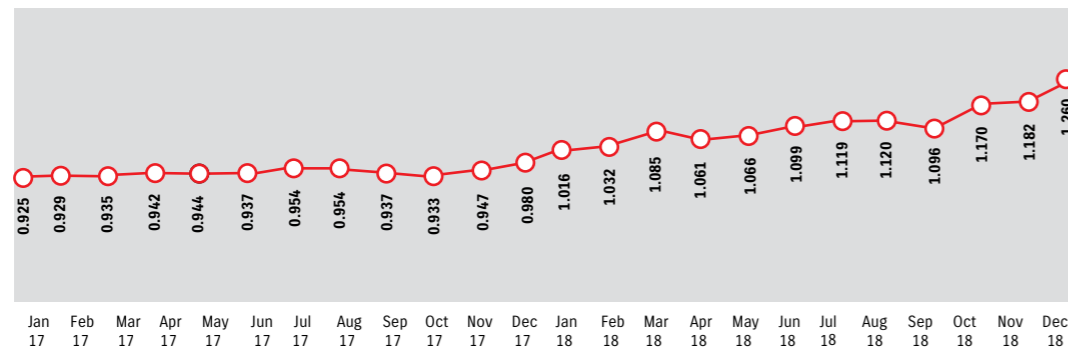
In conclusion, I on behalf of the Board and shareholders would like to express my appreciation to the management, executives, workers, dealers, suppliers and Suzuki experts for their efforts and contribution to the affairs of the Company. My sincere gratitude also goes out to all the government departments for their continued support and encouragement.



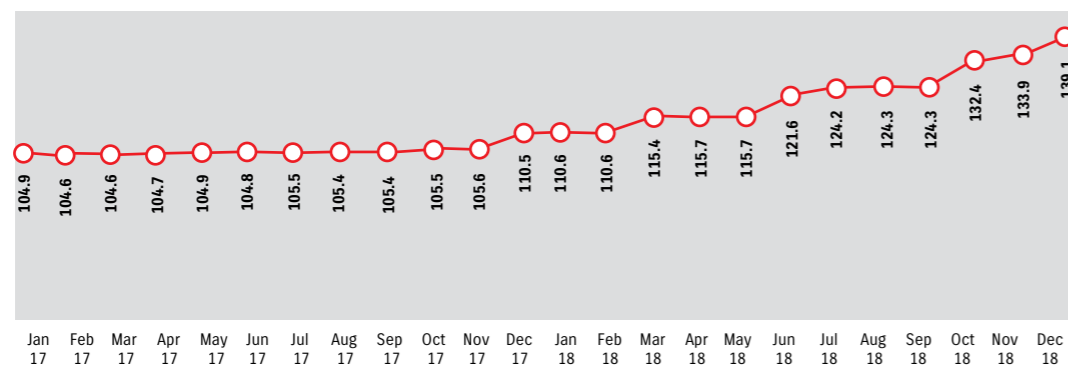
**KINJI SAITO**  
Chairman  
Karachi. March 25, 2019.

## Exchange Rates Movement

Yen - Rs. PARITY



USD - Rs. PARITY



**GSX-R 600**

## Top Performance in its Class

The GSX-R600 – designed to be the top performer in its class is a total package designed to own the racetrack. Featuring a lightweight chassis with a compact wheelbase and race-developed suspension, along with a powerful 4-cylinder engine delivers a real-world demonstration of advanced race-proven technology.





SUZUKI  
**GIXXER**  
**SF**  
*The Street Sport Bike*

**The premium Suzuki Gixxer SF is  
a fully faired 155cc motorcycle.**

The ultra-light weight and punchy engine under the sleek  
fairing of the Gixxer SF has been powered with cutting  
edge SEP technology which enables the Gixxer SF to  
deliver great power without compromising fuel economy.



# 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, 2018.

## Accounts

	(Rs in 000)
Profit before taxation	2,082,936
Taxation	(784,828)
Profit after taxation	1,298,108
Retained earnings of prior years	2,009
Net Profit available for appropriation	1,300,117
Less: Appropriations	
Transfer to General Reserve	1,039,000
Proposed Cash Dividend @ Rs. 3.16 (31.6%)	260,068
	1,299,068
Retained earnings carried forward	<u>1,049</u>

## Earnings per Share

The earnings per share for the year were Rs. 15.77

## 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 42 to 50 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 24 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 18	Dec 18
Provident Fund	852.215 million	757.220 million
Gratuity Fund	495.998 million	452.257 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. Hirofumi Nagao / Mr. Tetsuya Fujioka	4
Ms. Rukhsana Shah	3
Mr. Shigeo Takezawa	4
Mr. Kazuyuki Yamashita	4
Mr. Moin M. Fudda	4

Leave of absence was granted to director who could not attend the meeting

## 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 three (3) meetings of the Human Resource & Remuneration Committee were held. Attendance of each director is as follows:

	No of meetings attended
Ms. Rukhsana Shah	2
Mr. Kinji Saito	3
Mr. Masafumi Harano	3

Leave of absence was granted to director who could not attend the Committee meeting.

## 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 20 of the Code, five 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, 2018 is given on pages 138 to 141.

## Trading in Shares of the Company by Directors and Executives

Directors, executives and their spouses and minor children have not carried out trading in shares of Company.

## 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, 2019. The Directors endorse recommendation of Audit Committee.

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

During the year, the elections of Board were held on February 2, 2018 and following persons were elected as directors of the Company for the period of three (3) years with effect from February 7, 2018:

1. Mr. Kinji Saito – Non-Executive Director
2. Mr. Masafumi Harano – Executive Director
3. Mr. Hirofumi Nagao – Executive Director
4. Mr. Shigeo Takezawa – Non-Executive Director
5. Mr. Kazuyuki Yamashita – Non-Executive Director
6. Mr. Moin M. Fudda – Independent Director
7. Mrs. Rukhsana Shah – Independent Director

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

<b>Audit Committee:</b>	<b>Human Resource and Remuneration Committee</b>
-------------------------	--------------------------------------------------

- |                                                                                                                                            |                                                                                                                                             |
|--------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none"> <li>1. Mr. Moin M. Fudda;</li> <li>2. Mr. Kinji Saito; &amp;</li> <li>3. Mr. Shigeo Takezawa</li> </ol> | <ol style="list-style-type: none"> <li>1. Mrs. Rukhsana Shah;</li> <li>2. Mr. Kinji Saito; &amp;</li> <li>3. Mr. Masafumi Harano</li> </ol> |
|--------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|

Further, Mr. Moin M. Fudda has been nominated as Chairman of Audit Committee and Mrs. Rukhsana Shah as Chairman of Human Resource and Remuneration Committee.

It may be noted that requirements of Code of Corporate Governance 2017 have been duly complied with in the election of directors in February 2018, i.e., 2 independent directors including a female has been elected on the Board.

On July 05, 2018, Mr. Tetsuya Fujioka was appointed on the Board as member in place of Mr. Hirofumi Nagao who had resigned as member.

As at December 31, 2018 the Board comprised of the following directors: -

1. Mr. Kinji Saito
2. Mr. Masafumi Harano
3. Mr. Tetsuya Fujioka
4. Mr. Shigeo Takezawa
5. Mr. Kazuyuki Yamashita
6. Mr. Moin M. Fudda
7. Mrs. Rukhsana Shah

## 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 books & furniture for Library in Government School Haji Natho

Pak Suzuki donated racks, books, chairs and tables for a library in Government Boys & Girls Higher Secondary School Haji Natho on 16th March 2018.

### NED Scholarship Awarding Ceremony

NED University of Engineering and Technology is one of the most reputable institution of Pakistan, serving the nation since 1922. Continuing the Education Support Program under CSR, total 14 scholarships were awarded among students of NED University of Engineering & Technology during sixth NED Scholarship ceremony held on 16th May 2018. It may be noted that since inception of scholarship program in 2013, till now 48 scholarship awardees have become engineers.



## 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. Lower Secondary Scholarship awarding ceremony held on 30th January, 2019. Total 86 scholarships awarded to Grade 6 & 7 students, selected from Government Schools. Higher Secondary Scholarship awarding ceremony held on 23rd April 2018, total 64 scholarships awarded among selected students of Government Schools, Colleges and Universities students.

## Suzuki Bolan van Donation to Uqaily Family & Friends Association

Uqaily Family & Friends Association provides education since 2010 to extend opportunities of quality education to the underprivileged segments of community. It has taken an abandoned Government School building in Mori Thatta and established a co-education middle school by developing additional infrastructure such as well-equipped Computer and Science Lab, Library, Class rooms and staff room and operationalized the school in August 2017. Pak Suzuki donated a Suzuki Bolan van to Uqaily Family & Friends Association on 28th February, 2018, for transport facility to teachers.



### Suzuki Ravi Pickup Moving Library Donation

Pak Suzuki donated a Suzuki Ravi Pickup as a Mobile Library on 13th September, 2018 to Joint Committee of Ghulkin & Passu, working in villages of Hunza, Gilgit Biltistan. Hath Hath, Japanese Non Profit Organization, has also contributed by providing more than 3000 books (ranging from nursery to graduation level). The donated Mobile Library will move around Government & Community Schools and other education institutions located in Gilgit Biltistan (Passu, Ghulkin & other Villages). The concept behind Moving Library is to develop and enhance the book reading interest and facilitate students as well as others to fulfil their need by availability of books at their door step.



### Used Machines Donation to PSTC & STEVTA

59 Used Machines (Lathe, Drill, Milling & CNC) has been lifted by Sindh Technical Education & Vocational Training Authority (STEVTA) and Pak Swiss Training Center (PSTC), on 19th & 20th November, 2018. After overhauling, these used machines will be used for students' practical training and skills development. These institutes are engaged in Human Resource

development by degree programs, Diploma of Associate and Short Professional Courses in different technologies.

### Donation of Wooden Tables

Company donated 362 used wooden tables to different Government Schools, Technical, Health & Education offices, Hospitals, in order to fulfill their needs.

### Donation to TEVTA Bahawalpur

In order to facilitate Vocational Training Program for Juvenile Imprisoned Trainees, Company donated Water Dispenser and Safety Items to Government Technical Education & Vocational Training Authority (TEVTA), Central Jail, Bahawalpur, Punjab, on 31st January, 2019.

### Environment

#### Plantation at PCSIR & PSTC

Plantation activity carried out at Pakistan Council of Scientific & Industrial Research (PCSIR) and Pak Swiss Training Centre (PSTC) on 7th December, 2018, for enhancing the beautification and make the environment cleaner and healthier. The project consisted of planting 300 saplings including Mango, Sapodilla (chikoo) and Neem at several locations.

### Health, Safety & Environment (HSE) Awareness Session

#### Safety Instructions Booklet Donation to NH & MP

Pak Suzuki donated three thousand Safety Instructions Booklets to National Highway & Motorway Police (NH & MP) on 26th February, 2018, which will be distributed among the drivers using National Highways & Motorways.

### Health, Safety & Environment Awareness Session

Health, Safety & Environment Awareness Session conducted on 13th July, 2018 for company employees'



children, brothers & sisters. In awareness session, importance of safety & security, environmental issues and tips to stay healthy were highlighted. Total 37 participants attended the awareness session.

### Safe Driving Techniques Awareness Session

Driving Awareness Session about "Safe Driving Techniques" conducted in company for Car Carriers' owners, managers, supervisors and drivers on Friday 26th October, 2018. During the session, participants were educated about Safe Driving Techniques, Highway Driving Rules and Tips for Maintenance of Vehicles. Awareness session also comprised of pictorial/video demonstration about traffic signs, techniques, accidents and safety precautions.

### Placement of Traffic Safety Sign Boards in Multan & Jinnah Gate, Pakistan Steel, Karachi

Pak Suzuki installed 86 different Traffic Safety Sign Boards at different locations. Multan project was completed in March, 2018 and Karachi project was

completed in July 2018. The purpose of this initiative is to create safety awareness among the drivers, passengers and pedestrians to follow traffic rules and regulations.

### Community Health

#### Medical Equipment Donation to Burns Centre

Pak Suzuki donated an Electric Boiler, Ultrasound Machine, Tourniquet and Surgical Instruments Sets to Burns Centre, Civil Hospital on 10th May, 2018, to facilitate surgical and medical procedures provided by Burns Centre. Burns Centre has been playing a vital role in providing health care services, medical treatments, surgical procedures, etc. Burn Centre caters burnt patients, suffering from burn injuries and operate them at free of cost.

#### Ventilator Donation

Pak Suzuki donated a ventilator to Indus Hospital on 11th June, 2018 to accommodate the need of Indus Hospital.



### Blood Donation Camp

Blood Donation Camp organized in the company on 3rd & 6th August, 2018 in collaboration with Indus Hospital. The Indus Hospital Blood Centre is the first centralized regional blood center of Pakistan with a vision to provide safest possible blood and bi-products by meeting international standards, to all segments of the society without discrimination. Total 325 donors donated their blood voluntarily.

### Suzuki APV Ambulance Donation to GDA Hospital Gwadar

Pak Suzuki donated a Suzuki APV ambulance to GDA Hospital Gwadar on 30th August, 2018, for transporting patients to Karachi for advance medical treatment.

GDA Hospital Gwadar provides services through qualified, trained and experienced doctors, nurses, technicians and administrative staff. The hospital is equipped with all necessary facilities and providing medical treatments free of cost to local community.

### 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 acquired Re-Certification on latest version of ISO 9001:2015 Quality Management System in June 2018 by the Lloyd’s Register Quality Assurance (LRQA) and as per external Auditor, PSMC system is quite strong, well updated and found no such non-conformity in any area during the audit.

### Environmental Management System (EMS)

Pak Suzuki is committed to improve Environment. Company was also recertified on latest version of ISO 14001:2015 which is in place and 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 waste water treatment plant.

### Occupational Health and Safety Management System (OHSAS)

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

By Order of the Board

**MASAFUMI HARANO**  
Chief Executive

**KINJI SAITO**  
Chairman

Karachi  
March 25, 2019



# Statement of Compliance with the Code of Corporate Governance

For the year ended December 31, 2018

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
  - b. Female 1
2. At the year ended December 31, 2018, the composition of the Board of Directors (the Board) is as follows:
  - a) Independent Directors**
    1. Mr. Moin M. Fudda Director
    2. Mrs. Rukhsana Shah Director
  - b) Executive Directors**
    3. Mr. Masafumi Harano Chief Executive
    4. Mr. Tetsuya Fujioka Director
  - c) Non-Executive Directors**
    5. Mr. Kinji Saito Chairman
    6. Mr. Shigeo Takezawa Director
    7. Mr. Kazuyuki Yamashita Director

The independent director meets the criteria of independence under the Companies Act, 2017.

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

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. As at December 31, 2018, five directors namely; Mr. Shigeo Takezawa, Mr. Kazuyuki Yamashita, Mrs. Rukhsana Shah, Mr. Tetsuya Fujioka and Mr. Masafumi Harano have acquired the prescribed certification under the Directors' Training Program (DTP), one director Mr. Moin M. Fudda has the exemption from the requirement of the director's training programme (DTP).
10. The Board has approved appointment of the Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. The Chief Financial Officer (CFO) and Chief Executive Officer (CEO) have 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, 2018
  - Board HR & Remuneration Committee: Three meetings during the financial year ended December 31, 2018.
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 (ICAP) and registered with the Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

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 other requirements of the Regulations have been complied with.



**KINJI SAITO**  
Chairman

March 25, 2019



**MASAFUMI HARANO**  
Chief Executive

# Notice of Meeting

Notice is hereby given that the 36th Annual General Meeting of the shareholders of Pak Suzuki Motor Company Limited will be held at Ramada Plaza Hotel, near Airport, Karachi on Tuesday, April 23, 2019 at 10:00 a.m. to transact the following business:

## Ordinary Business

- 1- To confirm minutes of Annual General Meeting held on April 25, 2018.
- 2- To confirm minutes of Extra Ordinary General Meeting held on January 29, 2019.
- 3- To receive, consider and adopt the audited accounts of the Company for the year ended December 31, 2018, together with Directors' and Auditors' reports thereon.
- 4- To approve payment of cash dividend @ 31.6% i.e. Rs. 3.16 per share of Rs. 10/- each.
- 5- To appoint auditors for the year ending December 31, 2019 and fix their remuneration. Messrs KPMG Taseer Hadi & Co., Chartered Accountants, retire and being eligible have offered themselves for re-appointment.
- 6- To consider any other business with the permission of the Chair.

BY ORDER OF THE BOARD

ABDUL NASIR  
COMPANY SECRETARY

Karachi: March 28, 2019

## Notes:

- 1- The share transfer books of the Company will remain closed from April 17, 2019 to April 23, 2019 (both days inclusive) and no transfer will be accepted for registration during this period. Transfers received in order till close of business on April 16, 2019 will be accepted for transfer.
- 2- Only those persons whose names appear in the Register of Members of the Company as at April 17, 2019 will be entitled to attend / participate in / vote at the Annual General Meeting and be entitled to receive above stated cash dividends.

- 3- 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.
- 4- Members are requested to notify change in their address, if any, to the Company's share registrar Central Depository Company of Pakistan Ltd., CDC House, 99-B, Block 'B', S.M.C.H.S. Main Shahrah-e-Faisal, Karachi.
- 5- CDC Account Holders will further have to follow the under mentioned guidelines as laid down in the Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

## For Attending the Meeting

- i. In case of individuals, the account holder or sub account holder 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.
- 6- 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 Central Depository Company of Pakistan Ltd., CDC House, 99-B, Block 'B', S.M.C.H.S. Main Shahrah-e-Faisal, Karachi. Dividend Warrants of the shareholders who will not submit the copies of their CNICs will be withheld by the or Company.

- 7- The Government of Pakistan, through Finance Act 2018, has made certain amendments in Section 150 of The Income Tax Ordinance 2001 whereby different rates are prescribed for deduction of withholding tax on amount of dividend paid to shareholders. These tax rates are as under
  - a. For filers of income tax returns 15%
  - b. For non-filers of income tax returns 20%

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of @ 20%, all the shareholders whose names are not included in the Active Taxpayers' List (ATL) available on the website of FBR despite of being filers are advised to

make sure that their names are added in ATL before the start of book closure.

Further, according to clarification received from Federal Board of Revenue (FBR), with-holding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as joint holder(s) based on their shareholding proportions, in case of joint accounts. In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them (only if not already provided) to our Shares Registrar, in writing as follows:

Name	Folio/CDS Account Number	Total Shares	Principal Shareholder		Joint Shareholder	
			Name & CNIC Number	Shareholding Proportion (No. of Shares)	Name & CNIC Number	Shareholding Proportion (No. of Shares)

- 8- 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.

- 9- Members can also 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 Extra-Ordinary General 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 \_\_\_\_\_."
- 10- Annual Report of the company for the year ended December 31, 2018 have been placed on the website of the company, <https://www.paksuzuki.com.pk>.

**GR150**

**MOVE TO THE NEXT LEVEL**

The GR 150 is the new model for the very successful 150cc motorcycle range. Its aero-dynamic and sleek design accentuates the ride while the powerful suspension and tough frame provide a thrilling ride.





**KPMG Taseer Hadi & Co.**

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

**To the members of Pak Suzuki Motor Company Limited  
Review Report on Statement of Compliance contained in Listed Companies  
(Code of Corporate Governance) Regulations, 2017**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 ("the Regulations") prepared by the Board of Directors of Pak Suzuki Motor Company Limited ("the Company") for the year ended 31 December 2018 in accordance with the requirements of regulation 40 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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 2018.

Date: March 25, 2019  
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 2018, 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, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of the profit 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.



**KPMG Taseer Hadi & Co.**

Following are the key audit matters:

S No.	Key audit matters	How the matters were addressed in our audit
1.	<p><b>Revenue recognition</b></p> <p>Refer notes 5.14 and 26 to the Company's financial statements.</p> <p>Revenue is recognized from sale of goods in accordance with applicable accounting standards and measured net of discounts and commission.</p> <p>We identified revenue recognition as a key audit matter because Company focuses on revenue as a key performance measure which could create an incentive for revenue to be recognized before the risks and rewards have been transferred, resulting in a significant risk associated with revenue from an audit perspective. Further, discounts and commission offered to customers are accrued based on sales and and there could be a risk of incorrect measurement of revenue due to such adjustments.</p>	<p>Our audit procedures to assess the recognition of revenue, amongst others, including the following;</p> <ul style="list-style-type: none"> <li>▪ obtaining an understanding of the Company's sale of goods process and related controls, including assessing the design and testing the implementation and operating effectiveness of the relevant key controls over revenue recognition, calculation of discounts and sales commission including timing of revenue recognition;</li> <li>▪ considering the appropriateness of the Company's accounting policies for revenue recognition including those relating to discounts and commission and assessing compliance of those policies with applicable accounting standards;</li> <li>▪ obtaining and inspecting a sample of contracts with customers to understand the conditions required for commission;</li> <li>▪ testing, on a sample basis, the accuracy of the amounts of commission recognized by agreeing to individual customer agreements and perform recalculations;</li> <li>▪ testing, on a sample basis, invoices and inspecting credit notes issued subsequent to year end for completeness and accuracy of revenue and commission to the customers; and</li> <li>▪ comparing, 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.</li> </ul>



**KPMG Taseer Hadi & Co.**

S No.	Key audit matters	How the matters were addressed in our audit
2.	<p><b>Valuation of Trade debtors and Instalment sales receivable</b></p> <p>Refer notes 5.7, 11 and 15 to the Company's financial statements. The Company has material amounts of trade debts and instalment sale receivables that are past due but not impaired.</p> <p>We identified the recoverability of trade debtors and instalment sales receivables as a key audit matter because estimating the recoverable amount of trade debts and instalment sale receivables involves inherent uncertainty and significant management judgment.</p>	<p>Our audit procedures to assess the valuation of trade debts and instalment sales receivables, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>▪ obtaining an understanding of and assessing the design and testing implementation of management's key internal controls relating to credit control process (including credit account application approvals and credit limit review), debt collection process and making allowances for doubtful debts calculations;</li> <li>▪ testing the accuracy of trade receivable aging report, on a sample basis, by comparing individual balances in the report with underlying documentation to ensure the balances appearing in the aging report were classified within appropriate ageing bracket;</li> <li>▪ assessing the appropriateness of assumptions and estimates made by management for provision against doubtful debts by comparing, on a sample basis, historical cash collections, actual write offs and cash receipts from customers subsequent to the financial year end with the underlying documentation; and</li> <li>▪ assessing the historical accuracy of provision for bad debts recorded by examining the utilization or release of previously recorded provisions; and</li> <li>▪ recalculating on a sample basis the present value and unearned finance income of the instalments by discounting the amount of instalments receivable from the customers using the relevant rate of interest.</li> </ul>



KPMG Taseer Hadi & Co.

S No.	Key audit matters	How the matters were addressed in our audit
3.	<p><b>Valuation of Stock-in-trade</b></p> <p>Refer notes 5.5 and 14 to the Company's financial statements.</p> <p>Stock-in-trade forms a significant part of the Company's total assets. Inventories comprise 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 because determining an appropriate write-down as a result of net realizable value (NRV) being lower than their cost and provisions for slow moving and obsolete inventories involves significant management judgment and estimation.</p>	<p>Our audit procedures to assess the valuation of stock-in-trade, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>obtaining an understanding of and assessing the design and testing implementation of management's controls designed to identify slow moving and / or obsolete inventories;</li> <li>obtaining an understanding of and testing, on a sample basis, management's determination of NRV and the key estimates adopted, including future selling prices, future costs to complete work-in-process and costs necessary to make the sale, their basis of calculation, justification for the amount of the write-downs and provisions; and</li> <li>checking on a sample basis specific provision for slow-moving stock-in-trade with underlying documentation.</li> </ul>
4.	<p><b>Capitalization of Property, Plant and Equipment</b></p> <p>Refer notes 5.1, and 6 to the Company's financial statements.</p> <p>The Company has incurred significant amount of capital expenditure during the year.</p> <p>We identified capitalization of property, plant and equipment as a key audit matter because there is a risk that amounts being capitalized may not meet the capitalization criteria with related implications on depreciation charge for the year.</p>	<p>Our audit procedures to assess the capitalization of property, plant and equipment, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>obtaining an understanding of the design and implementation of management controls over capitalization and performing tests of control over authorization of capital expenditure and accuracy of its recording in the system;</li> <li>testing, on sample basis, the costs incurred on projects with supporting documentation and contracts;</li> <li>assessing the nature of costs incurred for the capital projects through testing, on sample basis, of amounts recorded and considering whether the expenditure meets the criteria for capitalization as per the applicable accounting standards; and</li> <li>inspecting supporting documents for the date of capitalization when project was ready for its intended use to assess whether depreciation commenced and further capitalization of costs ceased from that date and assessing the useful life assigned by management including testing the calculation of related depreciation.</li> </ul>



KPMG Taseer Hadi & Co.

### 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.



**KPMG Taseer Hadi & Co.**

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

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

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

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

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



**KPMG Taseer Hadi & Co.**

not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, statement of other 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) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is **Moneeza Usman Butt**.

Date: March 25, 2019  
Karachi

**KPMG Taseer Hadi & Co.**  
Chartered Accountants

# Financial

# Statement

## 2018

Automobile Sales Volume

**140,313**

Units

Automobile Sales Revenue

**119,854**

Rs. in Million

Capital Expenditure

**8,459**

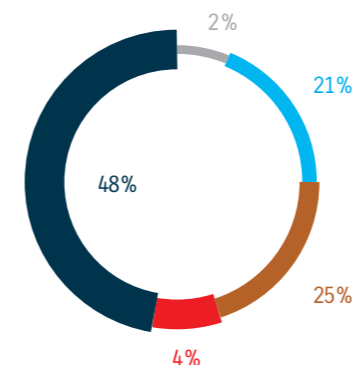
Rs. in Million

Net Profit

**1,298**

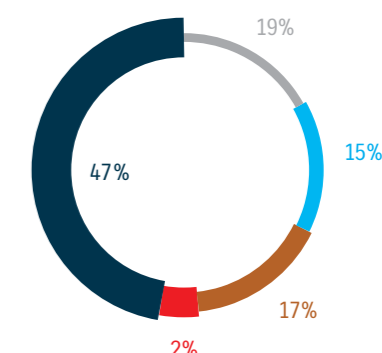
Rs. in Million

Assets - 2018

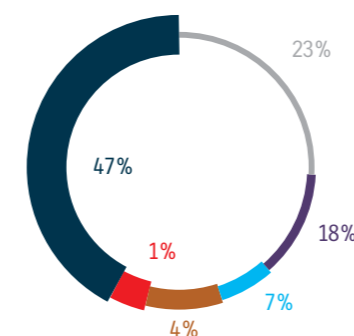


■ Cash & Bank Balances   
 ■ Other Current Assets   
 ■ Property Plant & Equipment  
■ Other Non Current Assets   
 ■ Stock in Trade

Assets - 2017

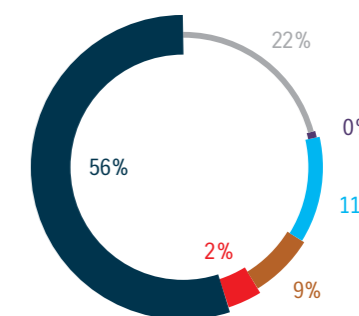


Equity & Liabilities - 2018



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

Equity & Liabilities - 2017





# Statement of Financial Position

As at December 31, 2018

		2018	2017
	Note	----- (Rupees in '000) -----	
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	15,654,827	8,800,002
Intangible assets	7	113,297	185,333
Long-term investments	8	329,274	208,086
Long-term loans	9	4,203	2,361
Long-term deposits, prepayments and other receivables	10	456,208	327,319
Long-term installment sales receivables	11	118,318	144,779
Deferred taxation	12	1,151,888	236,500
		<u>17,828,015</u>	<u>9,904,380</u>
<b>Current assets</b>			
Stores, spares and loose tools	13	146,878	114,789
Stock-in-trade	14	29,397,056	23,946,058
Trade debts	15	237,538	211,358
Loans and advances	16	40,627	37,481
Trade deposits and short term prepayments	17	1,357,271	965,722
Current portion of long-term installment sales receivables	11	549,627	320,996
Other receivables	18	268,622	176,474
Taxation - net		5,798,056	4,899,972
Sales tax and excise duty adjustable		4,369,996	1,143,685
Cash and bank balances	19	1,516,163	9,189,552
		<u>43,681,834</u>	<u>41,006,087</u>
<b>Total Assets</b>		<b><u>61,509,849</u></b>	<b><u>50,910,467</u></b>

## Equity and Liabilities

### Share capital and reserves

		2018	2017
	Note	----- (Rupees in '000) -----	
Authorized share capital			
150,000,000 (2017: 150,000,000) ordinary shares of Rs. 10/- each		<u>1,500,000</u>	<u>1,500,000</u>
Issued, subscribed and paid-up share capital	20	822,999	822,999
Capital reserves		844,596	844,596
Revenue reserves		27,565,270	27,882,121
		<u>29,232,865</u>	<u>29,549,716</u>

### Current liabilities

Trade and other payables	21	14,409,566	11,377,815
Short-term finance	22	11,310,497	-
Advance from customers		2,276,078	5,331,948
Security deposits	23	4,222,249	4,600,552
Provision for custom duties and sales tax	24	36,299	36,299
Unclaimed dividend		22,295	14,137
		<u>32,276,984</u>	<u>21,360,751</u>
Contingencies and commitments	25		

### Total Equity And Liabilities

<b><u>61,509,849</u></b>	<b><u>50,910,467</u></b>
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The annexed notes from 1 to 45 form an integral part of these financial statements.



Chairman



Chief Financial Officer



Chief Executive Officer

## Statement of Profit or Loss

For the year ended December 31, 2018

		2018	2017
	Note	----- (Rupees in '000) -----	
Sales	26	119,853,898	101,811,611
Cost of sales	27	(112,809,033)	(92,159,038)
Gross profit		7,044,865	9,652,573
Distribution and selling costs	28	(2,706,853)	(2,804,256)
Administrative expenses	29	(2,301,080)	(1,599,815)
Other expenses	30	(154,204)	(413,997)
Other income	31	565,943	864,711
Finance costs	32	(362,523)	(68,088)
		(4,958,717)	(4,021,445)
		2,086,148	5,631,128
Share of loss of equity accounted investee		(3,212)	(11,914)
Profit before taxation		2,082,936	5,619,214
Taxation	33	(784,828)	(1,793,393)
Profit after taxation		<b>1,298,108</b>	<b>3,825,821</b>
		----- (Rupees) -----	
Earnings per share - basic and diluted	34	<b>15.77</b>	<b>46.49</b>

The annexed notes from 1 to 45 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, 2018

	2018	2017
	----- (Rupees in '000) -----	
<b>Profit after taxation</b>	1,298,108	3,825,821
<b>Other comprehensive loss</b>		
<i>Items that may not to be reclassified subsequently to profit and loss account</i>		
Remeasurement loss on defined benefit plan - net of tax	(84,182)	(40,363)
<b>Total comprehensive income for the year</b>	<b>1,213,926</b>	<b>3,785,458</b>

The annexed notes from 1 to 45 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, 2018

	Reserves								
	Share capital	Capital reserves			Revenue reserves				
		Issued, subscribed and paid-up capital	Share premium	Reserve on merger	Total capital reserve	General	Un-appropriated profit	Re-measurement loss on defined benefit plan	Total revenue reserve
	(Rupees in '000)								
Balance as at 1 January 2017	822,999	584,002	260,594	844,596	21,824,818	2,774,614	(50,120)	24,549,312	26,216,907
<b>Transaction with owners in the capacity as owners directly recorded in equity - distribution</b>									
Final dividend on ordinary shares @ 55% for the year ended 31 December 2016	-	-	-	-	-	(452,649)	-	(452,649)	(452,649)
Transfer to general reserve	-	-	-	-	2,320,000	(2,320,000)	-	-	-
<b>Total comprehensive income for the year ended 31 December 2017</b>									
Profit for the year	-	-	-	-	-	3,825,821	-	3,825,821	3,825,821
Other comprehensive loss	-	-	-	-	-	-	(40,363)	(40,363)	(40,363)
<b>Balance as at 31 December 2017</b>	<b>822,999</b>	<b>584,002</b>	<b>260,594</b>	<b>844,596</b>	<b>24,144,818</b>	<b>3,827,786</b>	<b>(90,483)</b>	<b>27,882,121</b>	<b>29,549,716</b>
<b>Transaction with owners in the capacity as owners directly recorded in equity - distribution</b>									
Final dividend on ordinary shares @ 186% for the year ended 31 December 2017	-	-	-	-	-	(1,530,777)	-	(1,530,777)	(1,530,777)
Transfer to general reserve	-	-	-	-	2,295,000	(2,295,000)	-	-	-
<b>Total comprehensive income for the year ended 31 December 2018</b>									
Profit for the year	-	-	-	-	-	1,298,108	-	-	-
Other comprehensive loss	-	-	-	-	-	-	(84,182)	(84,182)	(84,182)
<b>Balance as at 31 December 2018</b>	<b>822,999</b>	<b>584,002</b>	<b>260,594</b>	<b>844,596</b>	<b>26,439,818</b>	<b>1,300,117</b>	<b>(174,665)</b>	<b>26,267,162</b>	<b>27,934,757</b>

The annexed notes from 1 to 45 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, 2018

		2018	2017
	Note	(Rupees in '000)	
<b>Cash Flows From Operating Activities</b>			
Cash (used in) / generated from operations	35	(6,399,681)	9,188,578
Finance cost paid		(231,499)	(68,088)
Income tax paid		(2,598,304)	(4,801,818)
Long-term loans		(1,842)	(1,201)
Long-term deposits, prepayments and other receivables		(128,889)	(69,216)
Long-term installment sales receivables		26,461	(48,746)
<b>Net cash (used in) / generated from operating activities</b>		<b>(9,333,754)</b>	<b>4,199,509</b>
<b>Cash Flows From Investing Activities</b>			
Purchase of property, plant and equipment		(8,458,516)	(3,519,215)
Purchase of intangible assets		(16,845)	(195,904)
Proceeds from sale of property, plant and equipment		75,184	42,727
Profit received on bank accounts		397,064	787,242
Investment in associated companies		(124,400)	(220,000)
<b>Net cash used in investing activities</b>		<b>(8,127,513)</b>	<b>(3,105,150)</b>
<b>Cash Flows From Financing Activities</b>			
Dividend paid		(1,522,619)	(453,100)
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(18,983,886)</b>	<b>641,259</b>
Cash and cash equivalents at beginning of the year		9,189,552	8,548,293
<b>Cash and cash equivalents at end of the year</b>		<b>(9,794,334)</b>	<b>9,189,552</b>
Cash and cash equivalents comprise of			
Cash and bank balances	19	1,516,163	9,189,552
Short-term finance	22	(11,310,497)	-
		<b>(9,794,334)</b>	<b>9,189,552</b>

The annexed notes from 1 to 45 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, 2018

## 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, Japan (the Holding Company). 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. 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.
- 3rd Floor, 112-B Mallahi Plaza, Murree Road, Rawalpindi Cantt.
- 402, 4th Floor United Mall, Abdali Road Multan.
- Shop No. G27,28 Ocean Mall, Khayaban-e-Iqbal, Block 9 Clifton, Karachi.
- Shop No. LG-02, Mall Dean's Trade Center, Peshawar Cantt.

- Shop No. 6, Ground and 1st Floor,170 Arcade block, Fortress stadium, Lahore Cantt.

#### Sales offices (Motorcycle Division):

- BJ Suzuki 7, Nizam Chamber, Ground Floor Shahrah-e-Fatima Jinnah, Queens Road, Lahore.
- SG Suzuki 8-A, 118 opp Mian Park University of Engineering & Tech Gate # 6, G.T Road, Lahore.
- GT Suzuki Gujranwala Near Peoples Colony Chowk Nigar cinema GT Road, Gujranwala.
- FSD Suzuki Faisalabad 16-Jinnah Colony Nar Wala Road, Faisalabad.
- 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.
- TS Suzuki Plot # 862, Block-D, Near Akber Chowk, Faisal Town, Lahore.
- WR Suzuki 39-E, Main Walton Road, Lahore.
- SR Suzuki Sialkot Mohallah Bijli Ghar Near Anmol Shadi Hall, Shahabpura road, Sialkot.
- Multan Suzuki 494-A, Al-Tamash Road, Dera Adda Chowk, Multan.
- AR Suzuki Dua Arcade, Survey # 391, Sheet A.M., Frere Road, Artillery Maidan Quarters, 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 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. TAG's main area of operations will be manufacturing, development and designing of Auto Glass products to cater local as well as international markets.

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 8.1 to these financial statements.

## 2. Summary of Significant Events and Transactions In the Current Reporting Period

The Company's financial position and performance was particularly affected by the following events and transactions during the reporting period:

- During the year the Company has incurred expenditure amounting to Rs. 642.89 million on its stock yard located in Manga Mandi, Lahore which were capitalized as operating fixed assets during the year.
- Due to the first time application of financial reporting requirements under the Companies Act, 2017, including disclosure and presentation requirements of the fourth schedule of the Companies Act, 2017, some of the amounts reported for the previous period have been reclassified (refer note 42 to financial statements).
- For detailed discussion about the Company's performance please refer to the Directors' report accompanied in the annual report of the Company for the year ended 31 December 2018.

## 3. Summary Of Significant Accounting Policies

### 3.1 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.

### 3.2 Basis of preparation

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

### 3.3 Functional and presentation currency

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

### 3.4 Significant accounting estimates and judgements

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of 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. Judgements made by the management in the

# Notes to the Financial Statements

For the year ended December 31, 2018

application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with significant risk of material adjustment in the next year are described in the following:

- Determining the useful lives and residual value of items of property, plant and equipment (note 5.1 and 6).
- Investment in associate (note 5.3 and 8).
- Provision for slow moving and obsolete store and spares (note 5.4 & 13).
- Provision for slow moving and obsolete stock-in-trade (note 5.5 & 14).
- Provision for doubtful trade debts (note 5.7 and 15).
- Provision for retirement benefits (note 5.11 and 21.4).
- Provision for custom duties and sales tax (note 5.12 and 24).
- Provision for taxation (note 5.12, 12 and 33).
- Provision for warranty obligations (note 5.15 and 21.2).
- Contingencies and commitments (note 25).

## 4. Accounting Standards, Interpretations and Amendments to Published Approved Accounting Standards

### 4.1 Standards, interpretations and amendments to published approved accounting standards that are effective and relevant:

- Disclosure initiative - amendments to 'IAS 7, 'Statement of Cash Flows' became effective during the year requiring entities to explain changes in their liabilities for which cash flows have been or will be classified as financing activities in the Statement of Cash Flows. The amendment resulted in an additional disclosure which has been included in these financial statements.
- The Companies Act, 2017 ('the Act') has also brought certain changes with regards to preparation and presentation of annual

financial statements of the Company. These changes include change in nomenclature of primary financial statements and disclosure requirements in the fourth Schedule to the Act have been revised resulting in the elimination of duplicative disclosures to align with the IFRSs and incorporation of significant additional disclosures, which have been included in these financial statements.

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

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2019:

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on Company's financial statements.
- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 July 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The Company is currently in the process of analyzing the potential impact of changes required in revenue recognition policies on adoption of the standard.
- IFRS 9 'Financial Instruments' and amendment - Prepayment Features with

Negative Compensation (effective for reporting period / year ending on or after 30 June 2019 and for annual periods beginning on or after 1 January 2019 respectively). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The management has completed an initial assessment of changes required in classification and measurement of financial instruments on adoption of the standard and has also carried out an initial exercise to calculate impairment required under expected credit loss model. Based on initial assessment the management considered that there is no significant change in the recognition criteria or carrying value of the financial assets or liabilities except for classification of financial assets from loan and receivables as per IAS 39 to amortized cost as per IFRS 9 and impact of expected loss model on adoption of the standard and no additional significant impairment is expected.

- IFRS 16 'Leases' (effective for annual periods beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases - Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions

for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The Company is currently in the process of analyzing the potential impact of its lease arrangements that will result in recognition of right to use assets and liabilities on adoption of the standard.

- Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgements when preparing their general purpose financial statements in accordance with IFRS Standards.
- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on Company's financial statements.

Annual Improvements to IFRS Standards 2015-2017 Cycle - the improvements address amendments to following approved accounting standards:

- IAS 12 Income Taxes - the amendment clarifies that all income tax consequences

# Notes to the Financial Statements

For the year ended December 31, 2018

of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.

- IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
- IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above amendments are effective from annual period beginning on or after 1 January 2019 and are not likely to have an impact on Company's financial statements.

## 5. Significant Accounting Policies

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

### 5.1 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 balance sheet 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.

#### 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.

### 5.2 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.

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 balance sheet 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.

### 5.3 Investment in associate

Associates are those entities in which the Company has significant influence, but not control or joint-control, over the financial and operating policies. Interests in associate 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 and movements in other comprehensive income of the equity accounted associate, after adjustments, if any, from the date that significant influence commences until the date it ceases. Share of post acquisition profit and loss of associate is recognized in the profit or loss and other comprehensive income is recognized in the other comprehensive income. Distributions received from associate reduce the carrying amount of investment. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that investment (including any long-term interests that, in substance, form part of the Company's net investment in the associate) is reduced to nil and the recognition of further losses is discontinued.

The carrying amount of investments in associate is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the investments is estimated which is higher of its value in use and its fair value less costs to sell. An impairment loss is recognized if the carrying amount exceeds its recoverable amount and is charged to 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 profit or loss.

### 5.4 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.

### 5.5 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 are stated at invoice value plus other charges accrued thereon to the balance sheet 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

# Notes to the Financial Statements

For the year ended December 31, 2018

values are determined on the basis of each line of product.

## 5.6 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.

## 5.7 Trade debts and installment sales receivables

Trade debts 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 provision for doubtful debts. Installment sales receivables are recognized at original invoice amount and are subsequently reduced by the principle portion of installments received. When the recovery of the amount is considered uncertain by the management, a provision is made for the same. Bad debts are written off when they are identified.

## 5.8 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.

## 5.9 Financial instruments

### 5.9.1 Financial assets

#### Classification

The management determines the appropriate classification of its financial assets in accordance with the requirements of IAS 39 "Financial Instruments: Recognition and Measurement" at the time of purchase of financial assets and re-evaluates this classification on a regular basis. The financial assets of the Company are categorized as follows:

#### a) At fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as 'financial assets at fair value through profit or loss' category.

#### b) Loans and receivables

These are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables comprise of trade debts, loans and advances, deposits, bank balances and other receivables in the balance sheet.

#### c) Held to maturity

These are financial assets with fixed or determinable payments and fixed maturity with the Company having positive intent and ability to hold to maturity.

#### d) Available for sale

Financial assets intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in equity prices, are classified as 'available for sale'. Available for sale financial instruments are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) held to maturity, or (c) financial assets at fair value through profit or loss.

#### Initial recognition and measurement

All financial assets are recognized at the time the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially recognized at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. In case of financial assets carried at fair value through profit or loss, relevant transaction costs are taken directly to the profit and loss account.

#### Subsequent measurement.

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

#### a) Financial asset at 'fair value through profit or loss' and 'available for sale'

Financial assets at 'fair value through profit or loss' are carried on the balance sheet at fair value. Net gains and losses arising on changes in fair values of these financial assets are taken to the profit and loss account in the period in which these arise.

'Available for sale' financial assets are carried on the balance sheet at fair value. Net gains and losses arising on changes in fair values of these financial assets are taken to other comprehensive income.

Fair value is determined by reference to quoted market price. Investments for which a quoted market price is not available or the fair value cannot be reasonably calculated, are measured at cost, subject to review for impairment at each balance sheet date.

#### b) 'Loans and receivables' and 'held to maturity'

'Loans and receivables' and 'held to maturity' financial assets are carried at amortized cost.

### 5.9.2 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.

### 5.9.3 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.

### 5.9.4 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 profit and loss account.

### 5.9.5 Impairment

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired. Impairment loss on all financial assets is recognized in the profit and loss account. In arriving at the provision in respect of any diminution in long-term financial assets, consideration is given only if there is a permanent impairment in the value of the financial assets.

### 5.10 Provisions

Provisions are recognized in the balance sheet 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 balance sheet

# Notes to the Financial Statements

For the year ended December 31, 2018

date and adjusted to reflect current best estimate.

## 5.11 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 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 profit and loss account. The latest actuarial valuation was conducted at the balance sheet 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.

## 5.12 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 balance sheet 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 balance sheet 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 balance sheet 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.

## 5.13 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 profit and loss account currently.

## 5.14 Revenue recognition

Revenue is recognized when goods are sold and services are rendered. Goods are treated as sold when they are delivered and invoiced. Warranty and insurance claims are recognized when the claims in respect thereof are lodged with the respective parties.

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.

## 5.15 Warranty obligations

The Company accounts for its warranty obligations on accrual basis.

## 5.16 Cash and cash equivalents

These are carried at cost and include cash / cheques in hand and balance with banks.

## 5.17 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.

## 5.18 Borrowing costs

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

## 5.19 Segment reporting

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

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

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

## 6. Property, Plant and Equipment

		2018	2017
	Note	----- (Rupees in '000) -----	
Operating fixed assets	6.1	7,820,608	7,068,071
Capital work-in-progress	6.5	7,834,219	1,731,931
		<b>15,654,827</b>	<b>8,800,002</b>



# Notes to the Financial Statements

For the year ended December 31, 2018

## 6.1 Operating fixed assets

The following is a statement of operating fixed assets:

	2018										
	Cost as at 01 January	Additions	Deletions / written off	Cost as at 31 December	Accumulated depreciation / impairment losses as at 01 January	Depreciation charge for the year	Depreciation on deletion / written off	Impairment for the year	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	137,158	15,854	-	-	153,012	781,608	60-75 Years
Freehold land	371,514	-	-	371,514	-	-	-	-	-	371,514	
Buildings on leasehold land											
- Factory	2,050,937	113,713	-	2,164,650	1,103,331	101,724	-	-	1,205,055	959,595	10-20
- Office	3,253	-	-	3,253	2,563	138	-	-	2,701	552	20
Buildings on Freehold land											
- Factory	-	642,894	-	642,894	-	5,357	-	-	5,357	637,537	10
Test tracks other buildings	63,463	-	-	63,463	36,509	5,391	-	-	41,900	21,563	20
Plant and machinery	7,856,083	435,705	(38,080)	8,253,708	6,472,060	326,092	(35,814)	-	6,762,338	1,491,370	8 Years
Welding guns	401,467	-	-	401,467	358,552	16,369	-	-	374,921	26,546	4 Years
Waste water treatment plant	120,222	-	-	120,222	120,222	-	-	-	120,222	-	8 Years
Permanent and special tools	575,479	77,184	(24,639)	628,024	435,419	56,653	(24,639)	-	467,433	160,591	4 Years
Dies	3,321,754	402,189	(1,795)	3,722,148	2,700,317	251,765	(1,685)	-	2,950,397	771,751	5 Years
Jigs and fixtures	1,336,623	92,873	(36,367)	1,393,129	775,596	186,690	(36,367)	-	925,919	467,210	5 Years
Vendor tooling (Note 6.1.1)	2,100,257	252,210	-	2,352,467	485,487	432,459	-	9,139	927,085	1,425,382	5 Years
Electrical installations	314,292	55,932	-	370,224	227,030	27,379	-	-	254,409	115,815	8 Years
Furniture and fittings	24,582	49,477	-	74,059	15,318	9,501	-	-	24,819	49,240	20
Vehicles	670,287	171,324	(104,992)	736,619	327,055	84,398	(82,533)	-	328,920	407,699	20
Air conditioners and refrigerators	55,119	14,395	(387)	69,127	20,676	7,916	(291)	-	28,301	40,826	20
Office equipment	96,700	12,135	(5,515)	103,320	60,468	9,019	(4,610)	-	64,877	38,443	20
Computers	197,661	36,194	(8,034)	225,821	148,481	31,818	(7,844)	-	172,455	53,366	50
	<b>20,494,313</b>	<b>2,356,225</b>	<b>(219,809)</b>	<b>22,630,729</b>	<b>13,426,242</b>	<b>1,568,523</b>	<b>(193,783)</b>	<b>9,139</b>	<b>14,810,121</b>	<b>7,820,608</b>	

	2017										
	Cost as at 01 January	Additions	Deletions / written off	Cost as at 31 December	Accumulated depreciation / impairment losses as at 01 January	Depreciation charge for the year	Depreciation on deletion / written off	Impairment for the year	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	121,304	15,854	-	-	137,158	797,462	60-75 Years
Freehold land	371,514	-	-	371,514	-	-	-	-	-	371,514	
Leasehold improvements	27,938	-	(27,938)	-	27,938	-	(27,938)	-	-	-	5-9 Years
Buildings on leasehold land											
- Factory	1,542,378	508,559	-	2,050,937	1,016,119	87,212	-	-	1,103,331	947,606	10-20
- Office	3,253	-	-	3,253	2,391	172	-	-	2,563	690	20
Test tracks other buildings	63,463	-	-	63,463	29,771	6,738	-	-	36,509	26,954	20
Plant and machinery	7,224,221	707,810	(75,948)	7,856,083	6,206,612	339,495	(74,047)	-	6,472,060	1,384,023	8 Years
Welding guns	354,219	47,248	-	401,467	327,213	31,339	-	-	358,552	42,915	4 Years
Waste water treatment plant	120,222	-	-	120,222	120,222	-	-	-	120,222	-	8 Years
Permanent and special tools	435,043	145,688	(5,252)	575,479	401,155	39,497	(5,233)	-	435,419	140,060	4 Years
Dies	2,802,114	522,334	(2,694)	3,321,754	2,479,749	223,262	(2,694)	-	2,700,317	621,437	5 Years
Jigs and fixtures	779,259	557,364	-	1,336,623	619,936	155,660	-	-	775,596	561,027	5 Years
Vendor tooling (Note 6.1.1)	626,561	1,474,016	(320)	2,100,257	151,957	333,733	(203)	-	485,487	1,614,770	5 Years
Electrical installations	263,970	50,322	-	314,292	206,879	20,151	-	-	227,030	87,262	8 Years
Furniture and fittings	20,501	4,081	-	24,582	13,175	2,143	-	-	15,318	9,264	20
Vehicles	545,182	194,466	(69,361)	670,287	302,744	67,508	(43,197)	-	327,055	343,232	20
Air conditioners and refrigerators	43,029	13,876	(1,786)	55,119	14,498	7,767	(1,589)	-	20,676	34,443	20
Office equipment	86,529	10,814	(643)	96,700	53,296	7,752	(580)	-	60,468	36,232	20
Computers	151,132	46,797	(268)	197,661	124,223	24,518	(260)	-	148,481	49,180	50
	<b>16,395,148</b>	<b>4,283,375</b>	<b>(184,210)</b>	<b>20,494,313</b>	<b>12,219,182</b>	<b>1,362,801</b>	<b>(155,741)</b>	<b>-</b>	<b>13,426,242</b>	<b>7,068,071</b>	

# Notes to the Financial Statements

For the year ended December 31, 2018

**6.1.1** Vendor tooling having book value of Rs. 1,425.38 million (2017: Rs. 1,614.77 million) are in the possession of seventy five (75) {2017: seventy four (74)} vendors dispersed all over Pakistan. Vendor wise breakup is summarized below:

	Cost		Accumulated depreciation and impairment losses		Book value	
	2018	2017	2018	2017	2018	2017
	----- (Rupees in '000) -----					
AB Engineering	25,602	23,943	10,167	5,323	15,435	18,620
Aerotech Industries	2,266	2,266	1,276	827	990	1,439
Al-Aftab Metal	4,333	2,805	1,239	636	3,094	2,169
Alba Engineering	3,823	3,823	1,916	1,193	1,907	2,630
Al-Huda Engineering	6,092	1,679	1,099	616	4,993	1,063
Alsons Auto Parts	46,853	46,853	21,710	12,646	25,143	34,207
A-One Technique	49,134	46,262	26,748	18,064	22,386	28,198
Asif Engineering & Mechanics	2,093	2,093	1,190	773	903	1,320
Asif Rubber Industries	839	839	750	661	89	178
Automate Industries	362	362	353	300	9	62
Automotive Component	2,751	1,577	1,622	1,209	1,129	368
Auvitronics Ltd	63,904	63,904	24,043	11,262	39,861	52,642
Bahawalpur Engineering	46,111	-	2,846	-	43,265	-
Brothers Engineering	4,956	4,956	2,214	1,223	2,742	3,733
Cosmos Engineering	364	364	209	156	155	208
Darson Industries	3,718	3,718	2,037	1,363	1,681	2,355
Dawood	60,496	60,496	19,157	7,058	41,339	53,438
Electro Polymers	32,207	32,207	12,499	6,071	19,708	26,136
Engineering Excellent	11,053	8,673	5,443	3,696	5,610	4,977
Fatima Industries	14,597	14,254	7,724	5,141	6,873	9,113
Feroz Industries	4,204	4,204	1,962	1,121	2,242	3,083
Galaxy Engineering	2,889	2,889	2,514	2,020	375	869
Galaxy Enterprise	1,194	1,194	693	457	501	737
General Tyre	19,025	19,025	8,630	4,825	10,395	14,200
Half Man	15,580	11,573	5,145	2,707	10,435	8,866
Hawks Engineers	17,437	17,437	7,712	3,884	9,725	13,553
Hybrid Tech	291	291	222	186	69	105
Indus Engineers	3,809	3,809	2,185	1,426	1,624	2,383
Javed Steel Manufacturing	2,092	2,092	1,186	767	906	1,325
Jawed Metal	4,405	4,405	2,706	734	1,699	3,671
Khan Engineering Works	24	24	14	9	10	15
Loads Limited	281,318	242,692	91,965	38,330	189,353	204,362
Masood Engineering Work	5,439	5,439	2,204	1,117	3,235	4,322
Mehran Commercial Enterprises	1,703	1,703	903	563	800	1,140
Mehran Engineering Industries	475	475	269	174	206	301
Metaline Industries	87,313	80,590	28,107	11,765	59,206	68,825
MGA Industries	72,688	72,688	44,069	31,967	28,619	40,721

	Cost		Accumulated depreciation and impairment losses		Book value	
	2018	2017	2018	2017	2018	2017
	----- (Rupees in '000) -----					
Mumtaz Engineers	2,913	2,913	1,937	1,487	976	1,426
National Automotive Component	23,912	21,642	9,329	4,967	14,583	16,675
Noor Engineering	10,432	10,432	7,643	5,681	2,789	4,751
Pak-Orient Engineering	2,956	2,724	1,263	711	1,693	2,013
PCI Automotive	264,073	263,957	132,415	80,669	131,658	183,288
Peracha Engineers	2,192	1,340	801	491	1,391	849
Pioneer Plastic	758	758	329	189	429	569
Plastech Pak	4,980	4,980	3,471	2,475	1,509	2,505
Poly Crafts	336	336	199	136	137	200
Pressed Steel	758	758	468	334	290	424
Procon Engineers.	373,518	367,825	142,947	69,511	230,571	298,314
Ravi Autos Sheikhpura	5,449	5,449	1,998	908	3,451	4,541
Ravi Autos Sundar	7,287	5,471	2,044	885	5,243	4,586
Razi Sons	333,665	316,229	121,042	59,007	212,623	257,222
Rubatech	11,536	11,536	5,217	2,914	6,319	8,622
ST Engineering	110,244	67,340	33,534	11,628	76,710	55,712
Sadiq Engineering Works	59	59	57	45	2	14
Sanpak Engineering Industries	35,731	35,731	20,248	13,101	15,483	22,630
Shah Rubber	19,287	19,116	8,152	4,405	11,135	14,711
Shaheen Engineers	10,614	10,614	4,927	2,827	5,687	7,787
Shahid Engineering Works	20,809	19,143	8,327	4,369	12,482	14,774
Silver Falcon	398	398	241	161	157	237
Standard Mechanical	593	593	261	142	332	451
Stanley Industries	5,688	5,688	2,672	1,534	3,016	4,154
Super Engineers	520	520	404	305	116	215
Super Tech Autos	1,754	1,754	843	492	911	1,262
Synthetic Product	12,610	6,068	3,065	1,957	9,545	4,111
Tariq Engineering	5,205	5,205	2,436	1,395	2,769	3,810
Techmen	999	999	366	167	633	832
Techno Fabrik	36,602	17,862	7,435	1,733	29,167	16,129
Technoline Industries	255	255	144	93	111	162
Tecno Pack Telecom	16,904	16,904	6,511	3,130	10,393	13,774
Thal Engineering	75,004	36,149	26,574	11,003	48,430	25,146
Thermosole Industries	25,829	23,754	11,140	6,486	14,689	17,268
United Mechanical Industries	12,883	12,883	5,863	3,408	7,020	9,475
Yusuf Auto Industries	7,967	7,967	5,417	4,494	2,550	3,473
Zaib Engineering	1,392	1,392	752	473	640	919
Zia Engineering	4,915	1,909	1,885	1,504	3,030	405
	<b>2,352,467</b>	<b>2,100,257</b>	<b>927,085</b>	<b>485,487</b>	<b>1,425,382</b>	<b>1,614,770</b>

# Notes to the Financial Statements

For the year ended December 31, 2018

**6.2** Depreciation charge for the year has been allocated as follows:

		2018	2017
	Note	----- (Rupees in '000) -----	
Cost of goods manufactured	27.1	1,404,580	1,239,912
Administrative expenses	29	163,943	122,889
		<b>1,568,523</b>	<b>1,362,801</b>

**6.3** Impairment loss for the year amounting to Rs. 9,139 million (2017: Nil) has been allocated to cost of goods manufactured.

**6.4** The details of property, plant and equipment sold / disposed of during the year are as follows:

Description	Cost	Accumulated depreciation	Written down value	Sales proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of buyers	Relationship with the purchaser
	----- (Rupees in '000) -----							
<b>Aggregate value of items where WDV is greater than Rs. 500,000</b>								
Vehicles	1,589	981	608	636	28	Negotiations	Will Impex	Dealer
Vehicles	2,464	1,569	895	955	60	Negotiations	Will Impex	Dealer
Vehicles	1,425	889	536	525	(11)	Company Policy - Market Value	Mansoor Ali	Employee
Vehicles	1,425	889	536	500	(36)	Company Policy - Market Value	M.Bilal Anwar	Employee
Vehicles	1,425	889	536	490	(46)	Company Policy - Market Value	Asif Rais	Employee
Vehicles	1,425	889	536	500	(36)	Company Policy - Market Value	S.Talha Sultan	Employee
Vehicles	1,321	764	557	500	(57)	Company Policy - Market Value	M.Shaheryar	Employee
Plant and machinery	2,804	1,490	1,314	3,315	2,001	Market Value Insurance	EFU General	Insurer
<b>Aggregate value of items where WDV is greater than Rs. 500,000</b>								
	205,931	185,423	20,508	67,763	47,255	Company policies/ negotiations/ tender	Company employees/ various parties	
<b>2018</b>	<b>219,809</b>	<b>193,783</b>	<b>26,026</b>	<b>75,184</b>	<b>49,158</b>			
2017	184,210	155,741	28,469	42,727	14,258			

**6.5 Capital work-in-progress**

	2018	2017
	----- (Rupees in '000) -----	
Plant and machinery	7,774,888	1,171,576
Civil works	59,331	516,583
Advance for capital expenditure	-	43,772
	<b>7,834,219</b>	<b>1,731,931</b>

**6.5.1 Movement in capital work-in-progress**

Opening balance	1,731,931	2,496,091
Additions during the year	8,292,609	3,396,350
Transfer to operating fixed assets	(2,190,321)	(4,160,510)
Closing balance	<b>7,834,219</b>	<b>1,731,931</b>

**6.6 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	<b>2,789,974</b>
Leasehold land DSU-32,Port Qasim	<b>658,627</b>
Leasehold land DSU-38,Port Qasim	<b>612,236</b>
Leasehold land DSU-13a,Port Qasim	<b>5,227,200</b>
Land Eastern Industrial Zone, Port Qasim	<b>1,742,400</b>
Property situated at Plot No.84/1,Korangi Karachi	<b>43,560</b>
Land at Multan road, Lahore	<b>1,329,669</b>

# Notes to the Financial Statements

For the year ended December 31, 2018

## 7. Intangible Assets

	Years	Cost as at 01 January 2018	Additions	Cost as at 31 December 2018	Accumulated amortization at 01 January 2018	Charge for the year	Accumulated amortization as at 31 December 2018	Book value as at 31 December 2018
(Rupees in '000)								
License fees and drawings	3	382,940	-	382,940	239,674	63,673	303,347	79,593
Softwares	3	88,267	16,845	105,112	46,200	25,208	71,408	33,704
<b>2018</b>		<b>471,207</b>	<b>16,845</b>	<b>488,052</b>	<b>285,874</b>	<b>88,881</b>	<b>374,755</b>	<b>113,297</b>

	Years	Cost as at 01 January 2017	Additions	Cost as at 31 December 2017	Accumulated amortization at 01 January 2017	Charge for the year	Accumulated amortization as at 31 December 2017	Book value as at 31 December 2017
(Rupees in '000)								
License fees and drawings	3	191,920	191,020	382,940	181,257	58,417	239,674	143,266
Softwares	3	83,383	4,884	88,267	21,427	24,773	46,200	42,067
<b>2017</b>		<b>275,303</b>	<b>195,904</b>	<b>471,207</b>	<b>202,684</b>	<b>83,190</b>	<b>285,874</b>	<b>185,333</b>

### 7.1 Amortization charge has been allocated as follows:

	Note	2018	2017
(Rupees in '000)			
Cost of goods manufactured	27.1	63,673	58,417
Administrative expenses	29	25,208	24,773
		<b>88,881</b>	<b>83,190</b>

## 8. Long-Term Investments

### Investment in related party (equity accounted)

Investment in associate - unquoted Tecno Auto Glass Limited (TAG)	8.1	329,274	208,086
-------------------------------------------------------------------	-----	---------	---------

### Other investments

Available for sale - unquoted			
- Arabian Sea Country Club Limited (ASCCL)	8.2	5,000	5,000
- Provision for impairment in the value of investment		(5,000)	(5,000)
		-	-
- Automotive Testing & Training Centre (Private) Limited (AT & TC)	8.3	1,250	1,250
- Provision for impairment in the value of investment		(1,250)	(1,250)
		-	-
		<b>329,274</b>	<b>208,086</b>

**8.1** The shareholders of the Company in their extra-ordinary general meeting held on 16 February 2017 approved the proposal for long term equity investment of Rs. 344.4 million for setting up "Tecno Auto Glass Limited" (TAG) for the manufacturing of automobile glass under Technical Assistance Agreement with Asahi India Solutions Limited. TAG was incorporated on 16 March 2017 and has not yet commenced commercial operations. The incorporation and principle 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 the TPT. TAG is an associated company of the Company due to 40% shareholding. Upto balance sheet date, the Company has made investment of Rs. 344.4 million (2017: Rs. 220 million). During the year the shares amounting to Rs. 124.4 million (2017: Rs. 220 million) were issued in the name of the Company through right issue.

The associate's share of loss has been included in these financial statements based on the unaudited condensed interim financial information of the investee company as at 31 December 2018. 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 2018.

**8.1.1** 34,440,000 (2017: 22,000,000) fully paid ordinary shares of Rs. 10/- each (Shareholding 40%) 8.1

Share of loss of equity accounted investee

	2018	2017
(Rupees in '000)		
	344,400	220,000
	(15,126)	(11,914)
	<b>329,274</b>	<b>208,086</b>
	<b>329,274</b>	<b>208,086</b>

### 8.1.2 Summarized balance sheet

Non-current assets	1,658,517	835,459
Current assets	109,542	83,242
Non-current liabilities	(906,569)	(319,727)
Current liabilities	(38,306)	(3,760)
	<b>823,184</b>	<b>595,214</b>

### 8.1.3 Summarized statement of profit or loss and comprehensive income

Revenue	-	-
Loss for the year / period	8,441	29,785
Other comprehensive income	-	-
Total comprehensive loss	8,441	29,785

# Notes to the Financial Statements

For the year ended December 31, 2018

**8.2** Investment in ASCCL (unquoted) represents 0.5 million (2017: 0.5 million) fully paid ordinary shares of Rs. 10/- each, representing 6.45% (2017: 6.45%) of ASCCL's paid up share capital as at 31 December 2018.

**8.3** Investment in AT & TC (unquoted) represents 0.125 million (2017: 0.125 million) fully paid ordinary shares of Rs. 10/- each, representing 6.94% (2017: 6.94%) of AT & TC's paid up share capital as at 31 December 2018.

**8.4** The investment in associated companies have been made in accordance with the requirements of the Companies Act, 2017.

## 9. Long-Term Loans - Secured, Considered Good

		2018	2017
Note		----- (Rupees in '000) -----	
Loans to employees	9.1	8,334	4,327
Less: Receivable within one year	16	(4,131)	(1,966)
		<b>4,203</b>	<b>2,361</b>

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

## 10. Long-Term Deposits, Prepayments and Other Receivables

		2018	2017
Note		----- (Rupees in '000) -----	
Deposits		35,295	30,559
Prepayments		2,597	122
Secured, considered good			
Other receivables from employees	10.1	499,571	351,372
less: Receivable within one year	18	(81,255)	(54,734)
		418,316	296,638
		<b>456,208</b>	<b>327,319</b>

**10.1** This represent receivables against vehicles sold to employees under the Vehicle Ownership Employee Scheme. These receivables are secured against the personnel guarantees and provident fund balances of respective employees. These are receivables in maximum eighty-four equal monthly installments.

## 11. Long Term Installment Sales Receivables - Unsecured, Considered Good

		2018	2017
		----- (Rupees in '000) -----	
Installment sales receivables	11.1 & 11.2	704,273	509,639
Less: Unearned finance income		(13,558)	(28,961)
		690,715	480,678
Less: Provision for doubtful receivables	11.3	(22,770)	(14,903)
		667,945	465,775
Less: Current maturity		(549,627)	(320,996)
		<b>118,318</b>	<b>144,779</b>

**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, the Company retains the title and registers the documents of the motorcycles in its name as a security. For installment sales to vendors, vehicles are lien marked and registered in joint 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. Mark-up on installment sales receivables ranges from 9% to 28% (2017: 12% to 28%) per annum, excluding up to 18 months installment sales which are subject to 0% markup. However, 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	
	2018	2017	2018	2017
	----- (Rupees in '000) -----			
Less than one year	559,926	343,024	549,627	320,996
One to five years	144,347	166,615	141,088	159,682
	704,273	509,639	690,715	480,678
Less: Provision for doubtful receivables	(22,770)	(14,903)	(22,770)	(14,903)
	<b>681,503</b>	<b>494,736</b>	<b>667,945</b>	<b>465,775</b>

**11.2** This includes an overdue portion of installment sales receivables amounting Rs. 5.418 million (2017: Rs. 4.335 million) out of which Rs. 5.224 million (2017: Rs. 4.034 million) is overdue for more than 6 months and fully provided.

# Notes to the Financial Statements

For the year ended December 31, 2018

## 11.3 Provision for doubtful installment sales receivables

Note	2018	2017
	----- (Rupees in '000) -----	
Balance at beginning of the year	14,903	11,603
Provision during the year	7,867	3,300
Balance at end of the year	<b>22,770</b>	<b>14,903</b>

## 12. Deferred Taxation

### Deductible temporary differences arising from:

Provisions	349,886	338,000
Local development costs	42,908	17,500
Minimum tax u/s 113 of Income Tax Ordinance, 2001	920,980	-
	1,313,774	355,500

### Taxable temporary differences arising from:

Accelerated tax depreciation	(161,886)	(119,000)
	<b>1,151,888</b>	<b>236,500</b>

## 13. Stores, Spares And Loose Tools

Stores	77,059	72,531
Spares	102,203	80,708
Loose tools	26,280	17,498
	205,542	170,737
Less: Provision for slow moving and obsolete items		
- at beginning of the year	55,948	44,723
- provision for the year	2,716	11,225
	58,664	55,948
	<b>146,878</b>	<b>114,789</b>

## 14. Stock-In-Trade

Raw material and components [including items in transit Rs. 6,063.46 million (2017: Rs. 5,732.93 million)]

Less: Provision for slow moving and obsolescence

- at beginning of the year
- provision / (reversal) for the year

Work-in-process

Finished goods

Trading stocks [including items in transit Rs. 52.489 million (2017: Rs. 742.71 million)]

Less: Provision for slow moving and obsolescence

- at beginning of the year
- (reversal) / provision for the year

2018	2017
----- (Rupees in '000) -----	
14,484,249	11,785,859
31,444	35,639
54,916	(4,195)
86,360	31,444
14,397,889	11,754,415
56,425	70,600
12,929,908	8,499,570
2,072,049	3,687,259
65,786	21,740
(6,571)	44,046
59,215	65,786
2,012,834	3,621,473
<b>29,397,056</b>	<b>23,946,058</b>

**14.1** Stock in trade includes Rs. 7,216.59 million (2017: Rs. 8,116.6 million) 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. 272.25 million, Rs. 0.016 million, Rs. 1.12 million and Rs. 309.08 million (2017: Nil, Nil, Nil and Rs. 106.38 million) respectively to arrive at net realizable value.

# Notes to the Financial Statements

For the year ended December 31, 2018

## 15. Trade Debts

	2018	2017
Note	----- (Rupees in '000) -----	
Considered good		
- secured	210,629	209,921
- unsecured	26,909	1,437
Considered doubtful	30,412	60,512
	<u>267,950</u>	<u>271,870</u>
Less: Provision for doubtful debts	15.1 (30,412)	(60,512)
	<u>237,538</u>	<u>211,358</u>

### 15.1 Provision for doubtful trade debts

Balance at the beginning of the year		60,512	88,440
Reversal of provision for doubtful trade debts	29	(30,100)	(27,928)
Balance at the end of the year		<u>30,412</u>	<u>60,512</u>

### 15.2 The ageing of trade debts as at the balance sheet date are as under:

	2018		
	Gross	Impairment	Total
	----- (Rupees in '000) -----		
<b>Not past due</b>	<b>219,349</b>	<b>(20,625)</b>	<b>198,724</b>
<b>Past due 91-180 days</b>	-	-	-
<b>Past due 181-360 days</b>	<b>5,874</b>	-	<b>5,874</b>
<b>Past due over 360 days</b>	<b>42,727</b>	<b>(9,787)</b>	<b>32,940</b>
	<u>267,950</u>	<u>(30,412)</u>	<u>237,538</u>
	2017		
	Gross	Impairment	Total
	----- (Rupees in '000) -----		
Not past due	214,767	(50,465)	164,302
Past due 91-180 days	-	-	-
Past due 181-360 days	6,800	-	6,800
Past due over 360 days	50,303	(10,047)	40,256
	<u>271,870</u>	<u>(60,512)</u>	<u>211,358</u>

**15.3** This includes trade debts of Rs. 170.025 million (2017: Rs. 177.566 million) which are secured by way of property mortgages of Rs. 210.400 million (2017: Rs. 217.704 million) and trade debts of Rs. 40.604 million (2017: Rs. 32.355 million) which are secured by way of security deposits

### 15.4 Receivable from related parties

	2018	2017
	----- (Rupees in '000) -----	
Suzuki Motor Corporation	88	92
Magyar Suzuki Corporation	285	456
PT. Suzuki IndoMobil Motor	48	48
	<u>421</u>	<u>596</u>

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

Suzuki Motor Corporation	1,680	92
Magyar Suzuki Corporation	1,061	456
PT. Suzuki IndoMobil Motor	48	48

**15.4.2** The age analysis of trade debts due from related parties are as follows:

	2018		2017	
	Gross	Impairment	Gross	Impairment
	----- (Rupees in '000) -----			
Not past due	-	-	427	-
Past due over 360 days	421	-	169	-
	<u>421</u>	<u>-</u>	<u>596</u>	<u>-</u>

**15.5** The detail of export sales in respect of outstanding trade debts is as follows:

Particulars of Customer	Location	Mode of Security	2018	2017
			----- (Rupees in '000) -----	
Suzuki Motor Corporation	Japan	Letter of credit	41,597	36,996
Magyar Suzuki Corporation	Hungary	Letter of credit	1,909	1,949
PT. Suzuki IndoMobil Motor	Indonesia	Letter of credit	-	46
			<u>43,506</u>	<u>38,991</u>

# Notes to the Financial Statements

For the year ended December 31, 2018

## 16. Loans And Advances

		2018	2017
Note		----- (Rupees in '000) -----	
<b>Loans - secured, considered good</b>			
	Current portion of loans to employees	4,131	1,966
<b>Advances - unsecured, considered good</b>			
	- Suppliers / vendors	30,549	32,168
	- Employees - against expenses	5,947	3,347
		36,496	35,515
		<b>40,627</b>	<b>37,481</b>

16.1 These advances do not carry any markup arrangement.

## 17. Trade Deposits and Prepayments

		2018	2017
		----- (Rupees in '000) -----	
	Trade deposits	1,972	12,437
	Margin with banks against letter of credits and imports	1,077,955	253,261
		1,079,927	265,698
	<b>Prepayments:</b>		
	- Collector of customs	211,030	637,593
	- Rent	50,439	33,461
	- Insurance	2,049	2,371
	- Others	13,826	26,599
		277,344	700,024
		<b>1,357,271</b>	<b>965,722</b>

## 18. Other Receivables - Considered Good

		2018	2017
Note		----- (Rupees in '000) -----	
	Due from related parties	105,263	42,403
	Due from vendors for material / components returned	3,359	9,420
	Duty draw back	486	1,604
	Expenses recoverable from dealers	55,762	21,107
	Current portion of long term other receivables	81,255	54,734
	Accrued profit on bank deposits	46	28,699
	Others	22,451	18,507
		<b>268,622</b>	<b>176,474</b>

18.1 This represents receivable from following related parties:

		2018	2017
	Suzuki Motor Corporation	104,569	41,709
	PT. Suzuki IndoMobil Motor	694	694
		<b>105,263</b>	<b>42,403</b>

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

		2018	2017
	Suzuki Motor Corporation	135,275	41,709
	PT. Suzuki IndoMobil Motor	694	694

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

	2018		2017	
	Gross	Impairment	Gross	Impairment
	----- (Rupees in '000) -----			
	97,360		16,373	
Not past due				
Past due 91-180 days	613		13,000	
Past due 181-360 days	-	-	4,357	-
Past due over 360 days	7,290	-	8,673	-
	<b>105,263</b>	<b>-</b>	<b>42,403</b>	<b>-</b>



# Notes to the Financial Statements

For the year ended December 31, 2018

## 19. Cash and Bank Balances

		2018	2017
	Note	----- (Rupees in '000) -----	
Cash in hand		9,507	9,332
Cheques in hand	19.1	-	1,254,462
Cash at bank:			
- In deposit accounts - Conventional	19.2	355,164	7,713,688
- In a special deposit account - Conventional	19.3	117,955	102,955
- In current accounts		1,033,537	109,115
		1,506,656	7,925,758
		<b>1,516,163</b>	<b>9,189,552</b>

**19.1** This represents cheques that were received on the last day and were deposited on the next working day.

**19.2** These carry profits rates ranging from 6.10% to 7.30% (2017: 5.80% to 6.75%) per annum.

**19.3** A special account is maintained in respect of security deposits (note 23) 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 2018.

## 20. Issued, Subscribed and Paid-Up Share Capital

	2018	2017		2018	2017
	----- (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
	<b>82,299,851</b>	<b>82,299,851</b>		<b>822,999</b>	<b>822,999</b>

**20.1** The Holding Company held 60,154,091 (2017: 60,154,091) ordinary shares of Rs. 10/- each, constituting 73.09% (2017: 73.09%) holding in the Company.

**20.2** Subsequent to year-end the shareholders of the Company in the Extra-Ordinary General Meeting held on 29 January 2019 have approved the increase of authorized share capital of the Company from Rs. 1,500 million (divided into 150 million ordinary shares of Rs. 10/- each) to Rs. 5,000 million (divided into 500 million ordinary shares of Rs. 10/- each).

## 21. Trade and Other Payables

		2018	2017
	Note	----- (Rupees in '000) -----	
Creditors		2,506,224	1,991,718
Bills payable	21.1	4,009,536	3,755,163
Accrued liabilities		2,320,592	2,075,261
Royalties and technical fee payable to the Holding Company		2,330,492	908,110
Mark-up on waiting for delivery of vehicles		3,676	3,679
Provision for unexpired free service and warranty period	21.2	84,778	87,197
Dealers' commission payable		1,063,283	1,082,129
Provision for Infrastructure Development Cess		1,202,266	790,783
Workers' Profit Participation Fund	21.3	1,855	1,660
Workers' Welfare Fund		44,642	114,631
Retention money		2,520	6,818
Deposits from employees against purchase of vehicles		7,592	48,452
Payable to gratuity fund	21.4	190,583	94,920
Un-earned income - extended warranty		84,594	81,784
Others		556,933	335,510
		<b>14,409,566</b>	<b>11,377,815</b>

**21.1** This include Rs. 1,919.479 million (2017: Rs. 1,861.425 million) due to the Holding Company and Rs. 1,951.137 million (2017: Rs. 1,848.936 million) due to other related parties.

## 21.2 Provision for unexpired free service and warranty period

		2018	2017
	Note	----- (Rupees in '000) -----	
Balance at the beginning of the year		87,197	67,862
(Reversal) / provision for the year	28	(2,419)	19,335
Balance at the end of the year		<b>84,778</b>	<b>87,197</b>

# Notes to the Financial Statements

For the year ended December 31, 2018

## 21.3 Workers' Profit Participation Fund

		2018	2017
	Note	----- (Rupees in '000) -----	
Balance at beginning of the year		1,660	17,443
Interest on funds utilized in the Company's business	32	508	1,597
		2,168	19,040
Allocation for the year	30	111,856	301,660
		114,024	320,700
Less: Paid during the year		112,169	319,040
Balance at end of the year		<b>1,855</b>	<b>1,660</b>

## 21.4 Payable to gratuity fund

2018	2017
----- (Rupees in '000) -----	
<b>190,583</b>	<b>94,920</b>

**21.4.1** The latest actuarial valuation of gratuity fund was carried out as at 31 December 2018 using the Projected Unit Credit Method.

### 21.4.2 Amount recognized in the balance sheet

	2018	2017
	----- (Rupees in '000) -----	
Present value of defined benefit obligation	684,151	536,351
Fair value of plan assets	(495,998)	(452,257)
Benefits due but not paid (payables)	2,430	10,826
	<b>190,583</b>	<b>94,920</b>

### 21.4.3 Amounts recognized in total comprehensive income

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

*Component of defined benefit costs recognized in profit and loss account*

	2018	2017
Current service cost	47,205	39,736
Interest cost on defined benefit obligation	42,909	36,228
Return on plan assets	(37,758)	(33,694)
	<b>52,356</b>	<b>42,270</b>

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

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

- Gain due to change in financial assumptions
- Loss due to change in experience adjustments

Return on plan assets excluding interest income

Total defined benefit cost recognized in profit and loss account and other comprehensive income

Expected contribution in the following year

Weighted average duration of the defined benefit obligation (years)

	2018	2017
	----- (Rupees in '000) -----	
	(660)	(13,842)
	90,825	51,596
	90,165	37,754
	(5,983)	2,609
	<b>84,182</b>	<b>40,363</b>
	<b>84,182</b>	<b>40,363</b>
	82,090	50,793
	<b>8</b>	<b>9</b>

### 21.4.4 Movement in net liability recognized in the balance sheet

Opening balance

Expense recognized during the year

Re-measurement loss recognized in other comprehensive income

Contribution made by the Company during the year

Closing balance

	2018	2017
	94,920	61,902
	52,356	42,270
	84,182	40,363
	(40,875)	(49,615)
	<b>190,583</b>	<b>94,920</b>

### 21.4.5 Movement in present value of defined benefit obligation

Opening balance

Current service cost

Interest cost on defined benefit obligation

Benefits due but not paid (payables)

Benefit paid

Remeasurement loss on defined benefit obligation

Closing balance

	2018	2017
	536,351	483,074
	47,205	39,736
	42,909	36,228
	(2,430)	(10,826)
	(30,049)	(49,615)
	90,165	37,754
	<b>684,151</b>	<b>536,351</b>

# Notes to the Financial Statements

For the year ended December 31, 2018

## 21.4.6 Movement in fair value of plan assets

	2018	2017
	----- (Rupees in '000) -----	
Opening balance	452,257	421,172
Contributions	(40,875)	(49,615)
Return on plan assets	37,758	33,694
Benefit paid	40,875	49,615
Remesurement gain / (loss) on plan assets	5,983	(2,609)
Closing balance	<b>495,998</b>	<b>452,257</b>

## 21.4.7 Principle actuarial assumption used are as follows

	2018	2017
Discount rate used for profit and loss charge	8.25%	8.00%
Discount rate used for year end obligation	13.25%	8.25%
Expected rate of eligible salaries increase in future years	13.25%	8.25%
Mortality rates	SLIC 2001 - 2005 Setback 1 Year	SLIC 2001 - 2005 Setback 1 Year
Retirement assumption	<b>Age 60</b>	<b>Age 60</b>

## 21.4.8 Actual return on plan assets

	2018	2017
	----- (Rupees in '000) -----	
Interest income on plan assets	37,758	33,694
Remesurement gain/ (loss) on plan assets	5,983	(2,609)
	<b>43,741</b>	<b>31,085</b>

## 21.4.9 Analysis of present value of defined benefit obligation

Type of Members:	2018	2017
- Management	559,748	442,311
- Non - management	124,403	94,040
	<b>684,151</b>	<b>536,351</b>

## 21.4.10 Major categories / composition of plan assets are as follows

	2018	2017
	----- (Rupees in '000) -----	
Government securities	377,602	340,287
Mutual funds	67,800	76,615
Term finance certificates	38,872	34,373
Bank balances	11,724	982
	<b>495,998</b>	<b>452,257</b>

## 21.4.11 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%	650,025	489,601
Discount rate - 1%	723,955	591,044
Long term salary increase + 1%	723,895	591,232
Long term salary decrease - 1%	650,024	488,561

## 22. Short-Term Finance

Short term running finance - conventional	<b>11,310,497</b>	-
-------------------------------------------	-------------------	---

**22.1** The effective rate of mark-up on short-term running finance facility ranges from 8.8% to 10.4% (2017: 7.26%) per annum. These facilities are renewable subject to payment of repurchase price on specified dates. 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. 15,547.76 million (2017: Rs. 4,800 million) out of which Rs. 4,237.26 million (2017: 4,800 million) remained unutilised as of reporting date. Out of the total available facilities one of the arrangement amounting Rs. 2,000 million (2017: Nil) is secured against support from holding company, Suzuki Motor Corporation. Remaining facilities are secured by way of pari passu hypothecation charge over Company's stock in trade and trade debts.

# Notes to the Financial Statements

For the year ended December 31, 2018

**22.2** The Company does not have any Shariah compliant borrowings as at 31 December 2018.

## 23. Security Deposits

		2018	2017
	Note	----- (Rupees in '000) -----	
Deposits against display of vehicles	23.1	4,006,519	4,430,397
Dealership deposits	19.3	117,955	102,955
Others		97,775	67,200
		<b>4,222,249</b>	<b>4,600,552</b>

**23.1** This represents the amount deposited by the dealers as security against the vehicles delivered to them for display.

## 24. Provision For Custom Duties and Sales Tax

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.

## 25. Contingencies and Commitments

**25.1** Capital expenditure contracted for but not incurred amounted to Rs. 930.907 million (2017: Rs. 4,408.498 million).

**25.2** The facilities for opening letters of credit as at 31 December 2018 amounted to Rs. 10,400 million (2017: 12,608 million) of which the amount remaining unutilized at year end was Rs. 9,778.72 million (2017: 9,835.88 million).

**25.3** The facilities for opening letters of guarantees as at 31 December 2018 amounted to Rs. 1,728 million (2017: 1,026 million) of which the amount remaining unutilized at December end was Rs. 365.486 million (2017: 60.952 million).

**25.4** The Company has issued a corporate guarantee on behalf of Tecno Auto Glass Limited, an associated company, amounting to Rs. 600 million (2017: Rs. 600 million) to a commercial bank in relation to borrowing facilities granted to the associated company.

## 26. Sales

		2018	2017
	Note	----- (Rupees in '000) -----	
Manufactured goods	26.1	113,139,598	96,072,235
Trading stocks	26.2	6,714,300	5,739,376
		<b>119,853,898</b>	<b>101,811,611</b>
<b>26.1 Manufactured goods</b>			
- Vehicles		139,866,732	118,485,949
- Spare parts		616,176	498,824
	26.3	<b>140,482,908</b>	<b>118,984,773</b>
Less: Sales tax		20,409,115	17,309,530
Discounts		1,083,344	426,491
Sales commission to dealers		5,850,851	5,176,517
		<b>27,343,310</b>	<b>22,912,538</b>
		<b>113,139,598</b>	<b>96,072,235</b>
<b>26.2 Trading stocks</b>			
- Vehicles		4,717,976	4,377,976
- Spare parts		3,039,632	2,322,580
		<b>7,757,608</b>	<b>6,700,556</b>
Less: Sales tax		894,432	806,870
Discounts		11,263	46,851
Sales commission to dealers		137,613	107,459
		<b>1,043,308</b>	<b>961,180</b>
		<b>6,714,300</b>	<b>5,739,376</b>

**26.3** These include export sales of Rs. 86.157 million (2017: Rs. 64.435 million).

# Notes to the Financial Statements

For the year ended December 31, 2018

## 27. Cost of Sales

	2018	2017
Note	----- (Rupees in '000) -----	
<b>Manufactured goods</b>		
Finished goods at beginning of the year	8,499,570	6,479,613
Cost of goods manufactured	111,411,390	89,284,726
Export expenses	15,805	23,468
	119,926,765	95,787,807
Less: Finished goods at end of the year	12,929,908	8,499,570
	106,996,857	87,288,237
<b>Trading stocks</b>		
Stocks at beginning of the year	3,621,473	1,613,485
Purchases during the year	4,203,537	6,878,789
	7,825,010	8,492,274
Less: Stocks at end of the year	2,012,834	3,621,473
	5,812,176	4,870,801
	<b>112,809,033</b>	<b>92,159,038</b>

## 27.1 Cost of goods manufactured

	2018	2017
Note	----- (Rupees in '000) -----	
Raw materials and components at beginning of the year	11,754,415	8,112,011
Purchases during the year	106,297,839	86,441,330
	118,052,254	94,553,341
Less: Raw materials and components at end of the year	14,397,889	11,754,415
Raw materials and components consumed	<b>103,654,365</b>	<b>82,798,926</b>
Stores and spares consumed	72,584	67,347
Provision for slow moving and obsolete stores, spares and loose tools	2,716	11,225
Utilities	445,511	401,955
Vehicle running expenses	23,764	23,023
Salaries, wages and other benefits	1,778,470	1,291,041
Outsourced job contractor charges	1,060,684	958,360
Rent, rates and taxes	25,091	19,660
Travelling	118,376	65,002
Training	34,305	17,915
Insurance	10,000	9,650
Repairs and maintenance	520,084	461,045
Royalty	1,597,221	1,231,754
Technical fee	330,526	222,621
Travelling expenses of supervisors (Reversal) / provision of provincial sales tax on royalty and technical fees	1,609	2,792
	(160,094)	160,094
Depreciation	1,404,580	1,239,912
Impairment loss	9,139	-
Amortization	63,673	58,417
Conveyance and transportation	290,013	298,750
Communication	3,064	2,966
Hired security guards services	15,750	14,921
Local development costs	215,892	39,143
Printing and stationery	1,212	587
Others	21,494	10,967
	7,885,664	6,609,147
	111,540,029	89,408,073
Add: Work-in-process at beginning of the year	70,600	83,499
	111,610,629	89,491,572
Less: Work-in-process at end of the year	56,425	70,600
	111,554,204	89,420,972
Less: Cost of own used vehicles	142,814	136,246
	<b>111,411,390</b>	<b>89,284,726</b>

# Notes to the Financial Statements

For the year ended December 31, 2018

**27.1.1** Purchases are stated net of proceeds from the sale of packing materials Rs. 345.967 million (2017: Rs. 184.219 million).

**27.1.2** This includes Rs. 29.153 million (2017: Rs. 21.231 million) and Rs. 31.869 million (2017: Rs. 26.320 million) in respect of provident fund and gratuity fund respectively.

**27.1.3** This represents royalty payable to the Holding Company, Suzuki Motor Corporation Japan as per the royalty agreement duly registered with the State Bank of Pakistan.

## 28. Distribution and Selling Costs

	2018	2017
Note	----- (Rupees in '000) -----	
Transportation and handling charges	1,715,390	1,386,950
Advertising and sales promotion	634,499	1,049,997
Free service	242,302	223,901
Warranty claims	60,334	75,765
(Reversal against) / provision for unexpired free service and warranty period	21.2 (2,419)	19,335
Royalty on trading spare parts	28.1 59,246	45,809
(Reversal) / provision of provincial sales tax on royalty and technical fees	(2,499)	2,499
	<b>2,706,853</b>	<b>2,804,256</b>

**28.1** This represents royalty payable to Holding Company, Suzuki Motor Corporation Japan as per the royalty agreement duly registered with the State Bank of Pakistan.

## 29. Administrative Expenses

	2018	2017
Note	----- (Rupees in '000) -----	
Salaries, wages and other benefits	29.1 1,105,686	772,697
Outsourced job contractor charges	249,043	176,957
Travelling	112,312	92,504
Training	48,697	9,722
Hired security guards services	48,599	38,021
Rent, rates and taxes	102,719	83,548
Utilities	29,884	23,481
Vehicle running expense	70,839	56,181
Insurance	16,240	12,782
Repairs and maintenance	80,754	43,258
Depreciation	6.2 163,943	122,889

	2018	2017
Note	----- (Rupees in '000) -----	
Amortization	7.1 25,208	24,773
Auditors' remuneration	29.2 3,564	3,683
Legal and professional charges	12,478	15,287
Conveyance and transportation	117,336	54,515
Entertainment	130	2,134
Celebration of special events	38,107	14,538
Printing and stationery	40,857	31,274
Communication	17,777	16,090
Directors' fees	6,395	190
Provision / (reversal) for doubtful:		
- installment sales receivables	11.3 7,867	3,300
- trade debts	15.1 (30,100)	(27,928)
- other receivables	-	3,255
Trade debts written-off	71	897
Computer software license fee and ERP maintenance charges	13,337	10,306
Corporate Social Responsibility	29.3 10,414	3,932
Others	8,923	11,529
	<b>2,301,080</b>	<b>1,599,815</b>

**29.1** This includes Rs. 17.712 million (2017: Rs. 13.350 million) and Rs. 20.486 million (2017: Rs. 15.950 million) in respect of defined contributory provident fund and gratuity fund respectively.

## 29.2 Auditors' remuneration

	2018	2017
	----- (Rupees in '000) -----	
Audit fee	1,500	1,500
Half-yearly review	450	450
Fee for corporate governance certificate	110	110
Fee for special certifications	940	1,000
Out of pocket expenses	247	204
Sindh sales tax	317	419
	<b>3,564</b>	<b>3,683</b>

# Notes to the Financial Statements

For the year ended December 31, 2018

**29.3** Contribution for Corporate Social Responsibility to the following organizations exceed Rs. 500,000:

	2018	2017
	----- (Rupees in '000) -----	
Burns Central Civil Hospital	1,164	-
GDA Hospital Gawadar	2,578	-
Joint Committee of Ghulkin and Passu	726	-
NED University	656	997
Uqaily Family & Friends Association	766	-
Karachi Vocational Training Centre	1,334	-
Indus Hospital	-	730
	<b>7,224</b>	<b>1,727</b>

**29.3.1** 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.

## 30. Other Expenses

	2018	2017
	----- (Rupees in '000) -----	
Workers' Profit Participation Fund	111,856	301,660
Workers' Welfare Fund	42,348	112,337
	<b>154,204</b>	<b>413,997</b>

## 31. Other Income

### Income from financial assets

Profit on bank accounts	31.1	368,411	695,180
Commission income	31.2	3,000	500
Finance income on installment sales		24,757	42,242
		396,168	737,922

### Income from non-financial assets

Gain on disposal of fixed assets	6.4	49,158	14,258
Extended warranty income		30,960	50,833
Scrap sales		16,758	11,717
Miscellaneous income		72,899	49,981
		169,775	126,789
		<b>565,943</b>	<b>864,711</b>

**31.1** The Company has not earned any profit from Shariah compliant bank deposits / bank balances during the year ended 31 December 2018.

**31.2** This represent commission income on corporate guarantee provided to a commercial bank on behalf of Tecno Auto Glass Limited, associated company, amounting to Rs. 600 million (2017: Rs. 600 million) in relation to borrowing facilities granted to the associated company.

## 32. Finance Costs

	Note	2018	2017
		----- (Rupees in '000) -----	
Mark-up on short-term running finance	32.1	185,319	-
Markup on Workers' Profit Participation Fund	21.3	508	1,597
Exchange loss - net		102,157	38,634
Bank charges		74,539	27,857
		<b>362,523</b>	<b>68,088</b>

**32.1** The Company has not paid any markup on Islamic mode of financing during the year ended 31 December 2018.

## 33. Taxation

	2018	2017
	----- (Rupees in '000) -----	
Current		
- for the year	1,744,746	1,465,000
- prior year	(44,530)	331,143
Deferred	(915,388)	(2,750)
	<b>784,828</b>	<b>1,793,393</b>

## 33.1 Reconciliation between tax expense and accounting profit

Accounting profit for the year before taxation	2,082,936	5,619,214
Corporate tax rate	29%	30%
Tax on accounting profit at applicable rate	604,052	1,685,764
Tax effect of:		
- prior year	(44,530)	331,143
- tax rebate on additions under section 65B under Income Tax Ordinance, 2001	(97,101)	(350,478)
- income assessed under Final Tax Regime	17,007	43,917
- effect of super tax	212,120	145,000
- tax effect of permanent differences	70,570	12,000
- others	22,710	(73,953)
	<b>784,828</b>	<b>1,793,393</b>

# Notes to the Financial Statements

For the year ended December 31, 2018

**33.2** Finance Act, 2018 enacted gradual reduction in the corporate tax rates for companies from 30% to 25% over a period of five years. 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. Provision for the current year has been made on the basis of minimum tax on turnover and final tax regime under Income Tax Ordinance, 2001. The tax provision made in the financial statements is sufficient. A comparison of last three years of income tax provision with tax assessed is presented below:

	2017	2016	2015
	----- (Rupees in '000) -----		
Income tax provision for the year (as per accounts)	1,465,000	1,688,000	3,000,000
Income tax as per tax assessment	<u>1,445,920</u>	<u>1,547,033</u>	<u>3,183,610</u>

**33.2.1** The differences mainly pertains to super tax provisions booked for previous years as the amendments became effective retrospectively through Finance Act of subsequent periods.

## 34. Earnings Per Share - Basic and Diluted

### 34.1 Basic

	2018	2017
	----- (Rupees in '000) -----	
Profit for the year	<u>1,298,108</u>	<u>3,825,821</u>
	(Number of shares)	
Weighted average number of ordinary shares in issue during the year	<u>82,299,851</u>	<u>82,299,851</u>
	(Rupees)	
Basic earnings per share	<u>15.77</u>	<u>46.49</u>

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

## 35. Cash Generated From Operations

Note	2018	2017
	----- (Rupees in '000) -----	
Profit before taxation	2,082,936	5,619,214
Adjustments for non cash charges and other items:		
Depreciation	1,568,523	1,362,801
Impairment loss	9,139	-
Amortization	88,881	83,190
Gain on disposal of fixed assets	(49,158)	(14,258)
Share of loss of equity accounted investee	3,212	11,914
Profit on bank accounts	(368,411)	(695,180)
Finance costs	362,523	68,088
	1,614,709	816,555
Working capital changes	35.1 (10,097,326)	2,752,809
	<u>(6,399,681)</u>	<u>9,188,578</u>

### 35.1 Working capital changes

#### (Increase) / decrease in current assets:

Stores, spares and loose tools	(32,089)	(3,783)
Stock in trade	(5,450,998)	(7,657,450)
Current portion of long-term installment sales receivables	(228,631)	(29,742)
Trade debts	(26,180)	993,911
Loans and advances	(3,146)	125,538
Trade deposits and short-term prepayments	(391,549)	(888,593)
Other receivables	(120,801)	19,531
Sales tax and excise duty adjustable	(3,226,311)	507,616
	(9,479,705)	(6,932,972)

#### Increase / (decrease) in current liabilities:

Trade and other payables	3,431,423	5,051,917
Security deposits	(993,174)	927,388
Advance from customers	(3,055,870)	3,706,476
	(617,621)	9,685,781
	<u>(10,097,326)</u>	<u>2,752,809</u>



# Notes to the Financial Statements

For the year ended December 31, 2018

## 36. Transactions With Related Parties

Related parties of the Company include the Holding Company and related group companies, local associated companies, 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
<b>Note</b>	<b>(Rupees in '000)</b>		
<b>For the year ended 31 December 2018</b>			
Purchases of components	27,946,226	26,254,787	54,201,013
Purchases of operating fixed assets	3,569,530	62	3,569,592
Export sales	41,597	23,700	65,297
Royalties and technical fee	1,970,877	-	1,970,877
Travelling expenses of supervisors	706	-	706
Staff retirement benefits	36.4	99,222	99,222
Commission income from Corporate Guarantee	-	3,000	3,000
Remuneration to key management personnel	-	158,238	158,238
Sales promotional expenses and development expenses	106,358	1,276	107,634

	Holding Company	Other related parties	Total
<b>Note</b>	<b>(Rupees in '000)</b>		
<b>For the year ended 31 December 2017</b>			
Purchases of components	26,428,989	20,470,455	46,899,444
Purchases of operating fixed assets	388,089	187,485	575,574
Purchases of intangible assets	191,020	-	191,020
Export sales	36,996	20,739	57,735
Royalties and technical fee	1,579,870	-	1,579,870
Travelling expenses of supervisors	6,606	-	6,606
Staff retirement benefits	36.4	76,852	76,852
Commission income from Corporate Guarantee	-	500	500
Remuneration to key management personnel	-	71,496	71,496
Sales promotional expenses and development expenses	22,578	-	22,578

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

36.2 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
Suzuki Italia S.P.A.	Group Company	N/A
Tecno Auto Glass Limited	Associate Company	4.0%

36.3 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	Registered Address	Country of Incorporation	Name of chief executive	Operational Status	Aggregate % of Shareholding
Suzuki Motor Corporation	300 Takatsuka Cho, Minami-Ku, Hamamatsu City.	Japan	Toshihiro Suzuki	Active	73.09%
PT. Suzuki Indomobil Motor	JL Raya Bekasi KM 19 RT 009 RW 01, Kel Rawa Terate, Kec Cakung Pulogadung, Jakarta Timur.	Indonesia	Sugiyama Shinichiro	Active	N/A
Thai Suzuki Motor Co. Limited	31/1 Rangsit-Ongkharak Road, Bungveetho, Thanyaburi, Pathumthani 12130.	Thailand	Tsuneo Ohashi	Active	N/A
Jiangmen Dachangjiang Group Co. Limited	No.5 Jiandabei Rd. Jiangmen, Guangdong.	China	James Tei	Active	N/A
Magyar Suzuki Corporation Limited	2500 Esztergom, Schweidel J.ut 52/A, 2501, Esztergom.	Hungary	Tamas Tarnai	Active	N/A
Suzuki Motor (Thailand) Co. Limited	500/121 Moo 3, T.Tasit, A.Pluakdeng, Rayong 21140.	Thailand	Minoru Amano	Active	N/A
Jinan Qingqi Motorcycle Co. Limited	No. 1999, Kechuang Road, Suncun Area, Hi-Tech Development Zone, Jinan.	China	Sokenori Masuda	Active	N/A
Suzuki Deutschland	Suzuki Deutschland, 64625 Bensheim	Germany	Masato Atsumi	Active	N/A
Vietnam Suzuki Corporation	Road No.2 Long Binh IP, Bein Hoa City, Dong Nai Province	Vietnam	Shozo Ono	Active	N/A
Suzuki Italia S.P.A.	Corso Fratelli Kennedy, 12, 10070 Zona Industriale di Robassomero TO.	Italy	Junya Kumataki	Active	N/A

# Notes to the Financial Statements

For the year ended December 31, 2018

**36.3.1** The latest available audit report of Suzuki Motor Corporation ("Holding Company") for the year ended 31 March 2018 is unmodified. For other Group companies, the information is not publicly available as these are unlisted companies in different jurisdictions.

**36.4** 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.

## 37. Plant Capacity and Actual Production

	2018	2017
	(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	143,239	132,725
Actual production - Motorcycle	23,014	19,603

**37.1** Under utilization of capacity was due to lower demand of certain products.

## 38. 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	2018				2017			
	Chief Executive	Non-Executive Directors	Executive Directors	Executive	Chief Executive	Non-Executive Directors	Executive Directors	Executive
	----- (Rupees in '000) -----							
Directors fees	-	2,290	-	-	-	-	196	-
Managerial remuneration	17,680	-	14,523	236,522	14,597	-	14,340	128,419
Bonus	3,452	-	8,746	152,369	6,182	-	4,373	72,306
Retirement benefits	-	-	-	15,754	-	-	-	7,872
Reimbursable expense	10	4,105	569	8,381	65	-	632	2,766
	<b>21,142</b>	<b>6,395</b>	<b>23,838</b>	<b>413,026</b>	<b>20,844</b>	<b>-</b>	<b>19,541</b>	<b>211,363</b>
Number of persons	<b>1</b>	<b>5</b>	<b>2</b>	<b>58</b>	<b>2</b>	<b>5</b>	<b>2</b>	<b>33</b>

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

**38.2** Comparative figures have been adjusted to reflect changes in the definition of executive as per Companies Act, 2017.

## 39. 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:

### 39.1 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.

#### (i) 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:

	2018	2017
	----- (Rupees in '000) -----	
<b>Fixed rate financial instruments</b>		
Installment sales receivables	667,945	465,775
Bank balances in deposit accounts	473,119	7,816,643
	<b>1,141,064</b>	<b>8,282,418</b>

#### Variable rate financial instruments

The Company holds various variable rate financial instruments amounting to Rs. 11,310 million (2017: Nil) exposing the Company to cash flow interest rate risk. A change of 100 basis points as at 31 December 2018 would have increased / (decreased) profit after tax and equity for the year by Rs. 19.238 million (2017: Nil). 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 profit and loss account.

# Notes to the Financial Statements

For the year ended December 31, 2018

## (ii) 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:

	2018	2017
<b>JPY - Japanese Yen</b>		
Bills payable	1,526,811	1,903,314
Royalty and technical fees payable to the Holding Company	1,100,489	468,744
Due from related parties	(20,202)	(8,256)
Net exposure - JPY in '000	<b>2,607,098</b>	<b>2,363,802</b>
<b>USD - US Dollar</b>		
Bills payable	14,578	16,811
Export sales receivables	(4)	(834)
Net exposure - USD in '000	<b>14,574</b>	<b>15,977</b>
<b>RMB - Chinese Ren-Min-Bi</b>		
Bills payable in '000	2,710	1,432
<b>EUR - Euros</b>		
Bills payable in '000	5	53
<b>SGD - Singapore Dollar</b>		
Bills payable in '000	22	13
<b>GBP - Great Britain pound</b>		
Bills payable in '000	2	-

At December 31, 2018 if Pak Rupee had depreciated / appreciated by 1% against JPY, US Dollar, RMB, EUR, SGD and GBP with all other variables held constant, Company's profit before tax would have been Rs. 37.553 million (2017: Rs. 28.765 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.

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

	2018			
	Short-term finance used for cash management purpose	Accrued markup	Unappropriated profit	Total
	----- (Rupees in '000) -----			
Balance as at 1 January 2018	-	-	27,882,121	27,882,121
Changes from financing cash flows				
Dividend paid	-	-	(1,522,619)	(1,522,619)
<b>Total changes from financing activities</b>	-	-	(1,522,619)	(1,522,619)
Other changes - interest cost				
Interest expense	-	185,319	-	185,319
Interest paid	-	(54,292)	-	(54,292)
Changes in running finance	11,310,497	-	-	11,310,497
<b>Total loan related other changes</b>	11,310,497	131,027	-	11,441,524
<b>Total equity related other changes</b>	-	-	1,205,768	1,205,768
<b>Balance as at 31 December 2018</b>	<b>11,310,497</b>	<b>131,027</b>	<b>27,565,270</b>	<b>39,006,794</b>

# Notes to the Financial Statements

For the year ended December 31, 2018

## 39.2 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:

	2018	2017
	----- (Rupees in '000) -----	
Trade debts	237,538	211,358
Installment sales receivable	667,945	465,775
Long-term loans	4,203	2,361
Loans and advances	40,627	37,481
Trade deposits and short term prepayments	1,357,271	965,722
Other receivables	268,622	176,474
Bank balances	1,506,656	7,925,758
	<b>4,082,862</b>	<b>9,784,929</b>

### Trade debts and installment sales receivables

For trade debts and installment sales receivables, internal risk assessment process determines the credit quality of the customers. Taking into account their past experience, consideration of financial position, past track records and recoveries, the Company believes that appropriate impairment has been made and no impairment allowance is necessary in respect of unprovided amounts as there are reasonable grounds to believe that the amounts will be recovered in due course of time. When the recovery of the amount is considered uncertain by the management, a provision is made for the same. Known bad debts are written-off when they are identified.

### 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 A1+ to A1.

## 39.3 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:

	Less than 3 month	Over 3 month	Total
	----- (Rupees in '000) -----		
<b>31 December 2018</b>			
<b>Trade and other payables</b>	<b>13,478,890</b>	<b>930,676</b>	<b>14,409,566</b>
<b>Advances from customers</b>	<b>1,780,428</b>	<b>495,650</b>	<b>2,276,078</b>
<b>Deposits against display of vehicles</b>	<b>263,648</b>	<b>3,742,871</b>	<b>4,006,519</b>
<b>Unclaimed dividend</b>	<b>22,295</b>	<b>-</b>	<b>22,295</b>
<b>Security deposits</b>	<b>-</b>	<b>215,730</b>	<b>215,730</b>
	<b>15,545,261</b>	<b>5,384,927</b>	<b>20,930,188</b>
<b>31 December 2017</b>			
Trade and other payables	9,798,258	1,579,557	11,377,815
Advances from customers	2,864,778	2,467,170	5,331,948
Deposits against display of vehicles	50,651	4,379,746	4,430,397
Unclaimed dividend	14,137	-	14,137
Security deposits	-	170,155	170,155
	12,727,824	8,596,628	21,324,452

## 39.4 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.

# Notes to the Financial Statements

For the year ended December 31, 2018

	2018					
	Carrying amount			Fair value		
	Loan and receivables	Fair value-liabilities	Other financial liabilities	Level 1	Level 2	Level 3
	----- (Rupees in '000) -----					
<b>Financial assets not measured at fair value</b>						
Trade debts	237,538	-	-	-	-	-
Installment sales receivable	667,945	-	-	-	-	-
Long-term loans	4,203	-	-	-	-	-
Loans and advances	40,627	-	-	-	-	-
Trade deposits and short term prepayments	1,357,271	-	-	-	-	-
Other receivables	268,622	-	-	-	-	-
Cash and bank balances	1,516,163	-	-	-	-	-
<b>Financial liabilities not measured at fair value</b>						
Trade and other payables	-	-	14,409,566	-	-	-
Short-term finance	-	-	11,310,497	-	-	-
Security deposits	-	-	4,222,249	-	-	-
Unclaimed dividend	-	-	22,295	-	-	-

	2017					
	Carrying amount			Fair value		
	Loan and receivables	Fair value-liabilities	Other financial liabilities	Level 1	Level 2	Level 3
	----- (Rupees in '000) -----					
<b>Financial assets not measured at fair value</b>						
Trade debts	211,358	-	-	-	-	-
Installment sales receivable	465,775	-	-	-	-	-
Long-term loans	2,361	-	-	-	-	-
Loans and advances	37,481	-	-	-	-	-
Trade deposits and short term prepayments	965,722	-	-	-	-	-
Other receivables	176,474	-	-	-	-	-
Cash and bank balances	9,189,552	-	-	-	-	-
<b>Financial liabilities not measured at fair value</b>						
Trade and other payables	-	-	11,377,815	-	-	-
Security deposits	-	-	4,600,552	-	-	-
Unclaimed dividend	-	-	14,137	-	-	-

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.

## 40. 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.

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

### 41.1 Segment revenue and results

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

	2018			2017		
	Automobile	Motorcycle	Total	Automobile	Motorcycle	Total
	----- (Rupees in '000) -----					
Net sales	116,565,676	3,288,222	119,853,898	99,257,509	2,554,102	101,811,611
Gross profit	6,724,635	320,230	7,044,865	9,457,590	194,983	9,652,573
Distribution expenses	(2,645,962)	(60,891)	(2,706,853)	(2,775,083)	(29,173)	(2,804,256)
Administration expenses	(2,099,491)	(201,589)	(2,301,080)	(1,481,995)	(117,820)	(1,599,815)
Operating profit	1,979,182	57,750	2,036,932	5,200,512	47,990	5,248,502
Other income	513,901	52,042	565,943	815,954	48,757	864,711
Finance cost	(360,604)	(1,919)	(362,523)	(66,851)	(1,237)	(68,088)
<b>Segment results</b>	<b>2,132,479</b>	<b>107,873</b>	<b>2,240,352</b>	<b>5,949,615</b>	<b>95,510</b>	<b>6,045,125</b>
<b>Unallocated corporate expenses</b>						
Other operating expenses			(154,204)			(413,997)
Share of loss of equity accounted investee			(3,212)			(11,914)
Taxation			(784,828)			(1,793,393)
			(942,244)			(2,219,304)
<b>Profit after tax</b>			<b>1,298,108</b>			<b>3,825,821</b>

Revenue from sale of Automobiles represent 98% (2017: 98%) of the gross sales of the Company. 99.99% (2017: 99.99%) of the gross sales of the Company are made to customers located in Pakistan. All non-current assets of the Company at 31 December 2018 are located in Pakistan. The Company's customer base is diverse with no single customer accounting for more than 10% of sales.

# Notes to the Financial Statements

For the year ended December 31, 2018

## 41.2 Segment assets and liabilities

	2018			2017		
	Automobile	Motorcycle	Total	Automobile	Motorcycle	Total
----- (Rupees in '000) -----						
<b>Assets</b>						
Segment assets	46,060,015	2,015,834	48,075,849	33,369,277	1,686,921	35,056,198
Unallocated corporate assets	-	-	13,434,000	-	-	15,854,269
	<b>46,060,015</b>	<b>2,015,834</b>	<b>61,509,849</b>	<b>33,369,277</b>	<b>1,686,921</b>	<b>50,910,467</b>
<b>Liabilities</b>						
Segment liabilities	20,878,740	87,747	20,966,487	21,209,327	151,424	21,360,751
Unallocated corporate liabilities	-	-	11,310,497	-	-	-
	<b>20,878,740</b>	<b>87,747</b>	<b>32,276,984</b>	<b>21,209,327</b>	<b>151,424</b>	<b>21,360,751</b>

## 41.3 Other segment information

Capital expenditure	8,257,285	201,231	<b>8,458,516</b>	3,428,516	90,699	<b>3,519,215</b>
Impairment	9,139	-	<b>9,139</b>	-	-	-
Depreciation	<b>1,438,779</b>	<b>129,744</b>	<b>1,568,523</b>	<b>1,244,152</b>	<b>118,649</b>	<b>1,362,801</b>

## 42. Corresponding Figures

The fourth schedule to the Companies Act, 2017 has introduced certain presentation and classification requirements for the elements of financial statements. Accordingly, the corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of Companies Act, 2017. Following reclassification has been made at year end other than disclosed elsewhere in these financial statements.

Description	Reclassified from	Reclassified to	2018
--- (Rupees in '000) ---			
Unclaimed dividend	Trade and other payables	Unclaimed dividend (presented on face of statement of financial position)	22,295
Accrued profit on bank deposits	Accrued profit on bank deposits	Other Receivables - Considered Good	46

Management consider that above reclassification is not material to these financial statements.

## 43. Non-Adjusting Event After the Balance Sheet Date

**43.1** The Board of Directors in their meeting held on March 25, 2019 has recommended a final cash dividend on ordinary shares at the rate of 31.6% (2017: 186%). The Board of Directors have further approved the transfer of Rs. 1,039,000 million (2017: 2,295 million) from unappropriated profit to general reserves. The approval of the members for the said appropriations will be obtained at the Annual General Meeting of the Company to be held on April 23, 2019.

**43.2** Under section 5A of Income Tax Ordinance, 2001 (as amended by the Finance Act 2018), a tax shall be imposed at the rate of 5% of the accounting profit before tax on the every public company, other than scheduled bank or modaraba, that drives profit for a tax year but does not distribute at least 20% of its after tax profits within six months of the end of the tax year through cash or bonus shares.

The Board of Directors in their meeting held on March 25, 2019 have recommended sufficient cash dividend for the year ended 31 December 2018 for the consideration and approval of the shareholders of the Company in the forthcoming Annual General Meeting which complies with the above stated requirements. Accordingly, no provision for tax on undistributed profit has been recognized in these financial statements for the year ended 31 December 2018.

## 44. Number of Employees

The detail of number of employees are as follows:

	2018	2017
Total employees of the Company at the year end	2,024	1,345
Average employees of the Company during the year	<b>1,649</b>	<b>1,307</b>
Employees working in the Company's factory at the year end	887	336
Average employees working in the Company's factory during the year	<b>550</b>	<b>340</b>

## 45. 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 25, 2019.



Chairman



Chief Financial Officer



Chief Executive Officer

# Pattern of Shareholding

As at December 31, 2018

No. of Shareholders	Shareholdings 'Slab		Total Shares Held
4034	1	to 100	93,715
1245	101	to 500	369,000
534	501	to 1000	425,427
478	1001	to 5000	1,074,974
79	5001	to 10000	603,058
28	10001	to 15000	354,637
13	15001	to 20000	227,784
8	20001	to 25000	184,109
3	25001	to 30000	82,125
5	30001	to 35000	165,475
4	35001	to 40000	151,239
5	40001	to 45000	214,019
3	45001	to 50000	147,850
1	50001	to 55000	52,350
2	65001	to 70000	134,330
1	70001	to 75000	70,400
1	75001	to 80000	75,800
2	80001	to 85000	166,569
2	85001	to 90000	177,700
1	90001	to 95000	92,150
5	95001	to 100000	495,050
2	100001	to 105000	201,100
1	110001	to 115000	114,400
1	130001	to 135000	135,000
1	155001	to 160000	158,600
2	180001	to 185000	367,262
3	195001	to 200000	600,000

No. of Shareholders	Shareholdings 'Slab		Total Shares Held
1	210001	to 215000	214,500
2	230001	to 235000	469,250
1	245001	to 250000	250,000
1	255001	to 260000	255,900
1	270001	to 275000	271,900
1	335001	to 340000	340,000
1	380001	to 385000	383,200
1	450001	to 455000	454,400
1	565001	to 570000	568,523
1	595001	to 600000	600,000
1	670001	to 675000	674,400
1	705001	to 710000	705,200
1	805001	to 810000	805,250
1	900001	to 905000	902,860
1	1120001	to 1125000	1,122,140
1	1160001	to 1165000	1,160,574
1	1505001	to 1510000	1,506,600
1	2140001	to 2145000	2,142,200
1	3285001	to 3290000	3,287,600
1	59250001	to 59255000	59,251,231
<b>6,485</b>			<b>82,299,851</b>

# Pattern of Shareholding

As at December 31, 2018

Categories of Shareholders	Shareholders	Shares Held	Percentage
<b>Directors and their spouse(s) and minor children</b>			
MOIN M FUDDA	1	500	0.00
<b>Associated Companies, undertakings and related parties</b>			
M/S. SUZUKI MOTOR CORPORATION	2	60,154,091	73.09
<b>Executives</b>	1	7	0.00
<b>Public Sector Companies and Corporations</b>	8	906,645	1.10
<b>Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds</b>	25	2,205,740	2.68
<b>Mutual Funds</b>			
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	568,523	0.69
MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	1	100	0.00
CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND	1	150	0.00
CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	1	200	0.00
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	1,122,140	1.36
CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	1	70,400	0.09
MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	1	8,550	0.01
CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	1	100	0.00
CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND	1	86	0.00
CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	1	10,000	0.01
CDC TRUSTEE - MEEZAN DEDICATED EQUITY FUND	1	100	0.00

Categories of Shareholders	Shareholders	Shares Held	Percentage
CDC - TRUSTEE MEEZAN BALANCED FUND	1	60	0.00
CDC - TRUSTEE FIRST DAWOOD MUTUAL FUND	1	1,000	0.00
CDC - TRUSTEE ALFALAH GHP VALUE FUND	1	100	0.00
CDC - TRUSTEE AKD INDEX TRACKER FUND	1	4,720	0.01
CDC - TRUSTEE AL MEEZAN MUTUAL FUND	1	200	0.00
CDC - TRUSTEE MEEZAN ISLAMIC FUND	1	66,700	0.08
CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	1	50	0.00
CDC - TRUSTEE NAFA STOCK FUND	1	50	0.00
CDC - TRUSTEE KSE MEEZAN INDEX FUND	1	26,700	0.03
MCBFSL - TRUSTEE PAK OMAN ISLAMIC ASSET ALLOCATION FUND	1	1,350	0.00
<b>General Public</b>			
a. Local	6295	6,343,610	7.71
b. Foreign	6	21,951	0.03
<b>Foreign Companies</b>	20	9,231,147	11.22
<b>Others</b>	106	1,554,881	1.89
<b>Totals</b>	<b>6485</b>	<b>82,299,851</b>	<b>100.00</b>

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



# Dealer Network

## Azad Kashmir

Dadyal	1
Kotli	1
Mirpur	1
Muzaffarabad	1

## Baluchistan

Gwadar	1
Kuchlak	1
Quetta	2

## Khyber Pakhtun Khwa

Abbottabad	1
Battagram	1
Charsadda	2
D.I.Khan	1
Dir	1
Gilgit	1
Haripur	1
Haveliyan	1
Kohat	1
Mansehra	1
Mardan	1
Nowshera	1
Peshawar	4
Swabi	1
Swat	1

## Punjab

Alipur	1
Bahawalnagar	1
Bahawalpur	1
Bhakkar	1
Burewala	1
Chakwal	1
Chichawatni	1
Chiniot	1
Chishtian	1
Chunian	1
D.G.Khan	1
Daska	1
Dipalpur	1
Faisalabad	3
Gujar Khan	1
Gujranwala	1
Gujrat	1
Islamabad	6
Jhang	1

Jhelum	1
Kamonki	1
Kasur	1
Khanewal	1
Khanpur	1
Kharian	1
Khushab	1
Kot Addu	1
Lahore	18
Layyah	1
Lodhran	1
Mandi Bahauddin	1
Mianchannu	1
Mianwali	1
Multan	6
Narowal	1
Okara	1
Pakpattan	1
Pasrur	1
Rahimyar Khan	2
Rajanpur	1
Rawalpindi	4
Sadiqabad	1
Sahiwal	2
Sarghodha	1
Sheikhupura	1
Shorkot	1
Sialkot	2
Talagang	1
Taxila	1
Toba Tek Singh	1
Vehari	1
Wazirabad	1

## Sindh

Badin	1
Hyderabad	5
Karachi	19
Larkana	1
Makli	1
Mirpur Khas	1
Moro	1
Nawabshah	1
Sukkur	3
Tando Allahyar	1

**Grand Total** **149**



## TEVTA بہاؤ پور کو عطیہ کی فراہمی:

جویناٹل جیل میں ٹرینی قیدیوں کے لئے ووکیشنل ٹریننگ پروگرام کی سہولیات کی فراہمی کے لئے کمپنی نے گورنمنٹ ٹیکنیکل ایجوکیشن اینڈ ووکیشنل ٹریننگ اتھارٹی (TEVTA)، سینٹرل جیل، بہاؤ پور، پنجاب کو 31 جنوری 2019 کو واٹر ڈپنسر اور سیفٹی آنر بطور عطیہ فراہم کئے ہیں۔

## ماحولیات:

### PCSIR اور PSTC میں شجر کاری:

پاکستان کونسل آف سائنٹیفک اینڈ ایڈوائزری ریسرچ (PCSIR) اور پاک سوسٹس ٹریننگ سینٹر (PSTC) میں 7 دسمبر 2018 کو خوبصورتی میں اضافے اور ماحول کو صاف اور صحت مند بنانے کے لئے شجر کاری مہم کی سرگرمیوں کا انعقاد کیا گیا۔ اس پروجیکٹ میں مختلف مقامات پر آم، چیکو اور نیم کے 300 پودے لگائے گئے۔

### صحت، حفاظت اور ماحولیات (HSE) آگاہی سیشن:

نیشنل ہائی وے اور موٹروے پولیس (NH & MP) کو حفاظتی ہدایات کے کتابچوں کا عطیہ:

پاک سوزوکی نے نیشنل ہائی وے اور موٹروے پولیس (NH & MP) کو 26 فروری 2018 کو تین ہزار حفاظتی ہدایات کے کتابچوں کا عطیہ فراہم کیا، جو کہ نیشنل ہائی وے اور موٹروے استعمال کرنے والے ڈرائیوروں میں تقسیم کیا جائے گا۔

### صحت، حفاظت اور ماحولیات آگاہی سیشن:

13 جولائی 2018 کو کمپنی ملازمین کے بچوں، بھائیوں اور بہنوں کے لئے صحت، حفاظت اور ماحولیات (HSE) آگاہی سیشن منعقد کیا گیا۔ اس آگاہی سیشن میں حفاظت اور سکیورٹی، ماحولیاتی مسائل اور صحت مندر بننے کے لئے تجاویز کی اہمیت کو اجاگر کیا گیا۔ مجموعی طور پر 137 افراد نے اس آگاہی سیشن میں شرکت کی۔

### محفوظ ڈرائیونگ ٹکنیک آگاہی سیشن:

’محفوظ ڈرائیونگ ٹکنیک‘ کے بارے میں کمپنی میں کاررکھنے والے مالکان، منیجرز،

سپر وائزرز اور ڈرائیوروں کے لئے بروز جمعہ مورخہ 26 اکتوبر 2018 کو ڈرائیونگ آگاہی سیشن کا انعقاد کیا گیا۔ اس سیشن کے دوران شرکاء کو محفوظ ڈرائیونگ ٹکنیک، ہائی وے ڈرائیونگ قواعد اور گاڑیوں کی مینٹیننس کی تجاویز کے بابت معلومات فراہم کی گئیں۔ آگاہی سیشن میں ٹریفک سائن، ٹکنیک، حادثات و حفاظتی تدابیر سے متعلق تصاویر اور ویڈیو بھی دکھائی گئیں۔

### ملتان اور جناح گیٹ، پاکستان اسٹیل، کراچی میں ٹریفک سیفٹی سائن بورڈز کی تنصیب:

پاک سوزوکی نے مختلف مقامات پر 86 مختلف ٹریفک سیفٹی سائن بورڈز نصب کیئے۔ ملتان پروجیکٹ مارچ 2018 اور کراچی پروجیکٹ جولائی 2018 میں مکمل ہوا۔ اس اقدام کا مقصد ڈرائیوروں، مسافروں اور پیدل چلنے والے افراد کے درمیان ٹریفک قواعد و ضوابط کی پیروی کے لئے حفاظتی شعور بیدار کرنا تھا۔

### کیونٹی صحت:

برنس سینٹر کو میڈیکل آلات کا عطیہ پاک سوزوکی نے میڈیکل اور سرجیکل پروسیجر کی سہولیات کی فراہمی کے لئے برنس سینٹر، سول اسپتال کو 10 مئی 2018 کو الیکٹریک بوائلر، الٹراساؤنڈ مشین، ٹرنی کٹ اور سرجیکل انسٹرومنٹ سیٹ بطور عطیہ فراہم کئے۔ برنس سینٹر ہسپتال کی کیمرس، میڈیکل ٹریٹمنٹ، سرجیکل پروسیجر وغیرہ کے لئے گرانقدر خدمات سرانجام دے رہا ہے۔ برنس سینٹر جملے ہوئے مریضوں، برن انجریز سے متاثرہ افراد اور ان کے آپریشن کے لئے مفت خدمات فراہم کرتا ہے۔

### وینٹی لیٹر کا عطیہ:

پاک سوزوکی نے 11 جون 2018 کو انڈس اسپتال کی ضروریات کی تکمیل کے لئے ایک وینٹی لیٹر انڈس اسپتال کو عطیہ کیا۔

### خون عطیہ کی کمپ:

کمپنی میں 3 اور 6 اگست 2018 کو انڈس اسپتال کے تعاون سے خون کے عطیہ کے کمپ کا انعقاد کیا گیا۔ انڈس اسپتال بلڈ سینٹر پاکستان کا پہلا سینٹرلائزڈ ریجنل بلڈ سینٹر ہے جو بین

الاقوامی معیار کے مطابق ممکنہ محفوظ خون اور ہائی پروڈکٹس کی فراہمی کے نقطہ نظر کے ساتھ معاشرے کے تمام شعبوں میں بلا امتیاز فراہم کرتا ہے۔ کل 325 ڈونرز نے اپنا خون رضا کارانہ طور پر عطیہ کیا۔

### GDA اسپتال گوادر کو سوزوکی APV ایسولنس کا عطیہ:

پاک سوزوکی نے 30 اگست 2018 کو مریضوں کو ایڈوانس میڈیکل ٹریٹمنٹ کی فراہمی کے لئے کراچی منتقلی کے لئے ایک سوزوکی APV ایسولنس GDA اسپتال گوادر کو بطور عطیہ فراہم کی۔ GDA اسپتال گوادر قابل، تربیت یافتہ اور تجربہ کار ڈاکٹروں، نرسوں، ٹیکنیشنز اور ایڈمنسٹریٹیشن اسٹاف کے ذریعے خدمات فراہم کرتا ہے۔ یہ اسپتال تمام ضروری سہولیات سے لیس ہے اور مقامی افراد کو مفت طبی علاج فراہم کرتا 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 لائیو رجسٹریشن کوالٹی ایسورنس (Lloyd's Register Quality Assurance) کی جانب سے جون 2018 میں ISO 9001:2015 کوالٹی

بجلم بورڈ



ماسافومی ہارانو

چیف ایگزیکٹو

کراچی

25 مارچ 2019

مینجمنٹ سسٹم کا تازہ ترین ورژن حاصل کیا۔ بیرونی آڈیٹرز کے مطابق PSMC کا سسٹم نہایت مضبوط، اچھی طرح سے آپ ڈیٹ کیا گیا ہے اور آڈٹ کے دوران کسی بھی شعبے سے اس میں کوئی غیر مطابقت (non-conformity) نہیں ملی۔

### 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 سرٹیفائیڈ کروا لیا ہے جو موجود ہے اور کمپنی کے آپریشنز میں اہم عنصر ہے۔ یہ آرگنائزیشن کو وسائل کے زیادہ موثر استعمال اور

فضلے میں کمی کے ذریعے سے 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 ساز و سامان کی سہولیات موجود ہیں۔

### 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۔



سنجی سائیو

چیئر مین

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

ڈائریکٹرز، ایگزیکٹوز اور ان کے اہلخانہ اور چھوٹے بچوں نے کمپنی کے حصص میں ٹریڈنگ نہیں کی ہے۔

## آڈیٹرز کی تقرری:

M/s. KPMG Taseer Hadi & Co. چارٹرڈ اکاؤنٹنٹس سبڈوش ہو گئے ہیں اور انہوں نے دوبارہ تقرری کے لئے اپنی خدمات کی پیشکش کی ہے۔ آڈٹ کمیٹی نے 31 دسمبر 2019 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۔

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

سال کے دوران، بورڈ کے انتخابات 2 فروری 2018 کو منعقد کئے گئے اور مندرجہ ذیل افراد 7 فروری 2018 سے شروع ہونے والی تین (3) سالہ مدت کے لئے کمپنی کے ڈائریکٹر کے طور پر منتخب کئے گئے:

- 1- جناب کنجی سائیتو - نان ایگزیکٹو ڈائریکٹر
- 2- جناب ماسانومی ہارانو - ایگزیکٹو ڈائریکٹر
- 3- جناب ہیرو فومی ناگاؤ - ایگزیکٹو ڈائریکٹر
- 4- جناب شیکو تاکیزاوا - نان ایگزیکٹو ڈائریکٹر
- 5- جناب کازویوکی یاماشیتا - نان ایگزیکٹو ڈائریکٹر
- 6- جناب معین ایم فدا - انڈیپنڈنٹ ڈائریکٹر
- 7- محترمہ رخسانہ شاہ - انڈیپنڈنٹ ڈائریکٹر

جناب کنجی سائیتو اور جناب ماسانومی ہارانو کا بااثر تیب بطور بورڈ کے چیئرمین اور چیف ایگزیکٹو افسر نواختاب کیا گیا ہے۔ اس کے نتیجے میں، افرادی قوت و مشاہرہ کمیٹی اور آڈٹ کمیٹی کو از سر نو منظم کیا گیا ہے اور بورڈ نے افرادی قوت و مشاہرہ کمیٹی اور آڈٹ کمیٹی کے لئے مندرجہ ذیل ڈائریکٹران کو بطور ارکان نامزد کیا ہے۔

## آڈٹ کمیٹی:

- 1- جناب معین ایم فدا
- 2- جناب کنجی سائیتو اور
- 3- جناب شیکو تاکیزاوا

اس کے علاوہ، جناب معین ایم فدا کو آڈٹ کمیٹی کا چیئرمین اور محترمہ رخسانہ شاہ کو افرادی قوت و مشاہرہ کمیٹی کا چیئرمین نامزد کیا گیا ہے۔

یہ قابل غور ہے کہ کوڈ آف کارپوریٹ گورننس 2017 کی ضروریات کو فروری 2018 میں ڈائریکٹران کے انتخابات میں باقاعدہ عمل کیا گیا ہے، یعنی بہ شمول ایک خاتون 2 آزاد ڈائریکٹران کو بورڈ میں منتخب کیا گیا ہے۔

5 جولائی 2018 کو جناب تیتسو یامیوچیکا کو جناب ہیرو فومی ناگاؤ کی جگہ بورڈ کارکن تقریباً ہے، جو بطور رکن اپنے عہدے سے مستعفی ہو گئے تھے۔

جیسا کہ 31 دسمبر 2018 سے بورڈ مندرجہ ذیل ڈائریکٹران پر مشتمل ہے:-

- 1- جناب کنجی سائیتو
- 2- جناب ماسانومی ہارانو
- 3- جناب تیتسو یامیوچیکا
- 4- جناب شیکو تاکیزاوا
- 5- جناب کازویوکی یاماشیتا
- 6- جناب معین ایم فدا
- 7- محترمہ رخسانہ شاہ

## 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:

سرکاری اسکول حاجی تھو میں لائبریری کے لئے کتابوں اور فرنیچر کا عطیہ پاک سوزوکی نے 16 مارچ 2018 کو گورنمنٹ ہوائز اینڈ گریڈ ہائرسینڈری اسکول حاجی تھو میں لائبریری کے لئے، ریکس، کتابیں، کرسیاں اور میزیں بطور عطیہ فراہم کیں۔

## این ای ڈی اسکالرشپ ایوارڈ کی تقریب:

این ای ڈی یونیورسٹی آف انجینئرنگ اینڈ ٹیکنالوجی پاکستان کے نامور اداروں میں سے ایک ہے جو 1922 سے قوم کے لئے خدمات سرانجام دے رہا ہے۔ سی ایس آر کے تحت تعلیمی معاونت پروگرام کو جاری رکھتے ہوئے 16 مئی 2018 کو منعقدہ چھٹی این ای ڈی اسکالرشپ کی تقریب کے دوران این ای ڈی یونیورسٹی آف انجینئرنگ اینڈ ٹیکنالوجی کے طالب علموں کے درمیان 14 اسکالرشپ تقسیم کی گئیں۔ اس بات پر بھی غور کیا جاسکتا ہے کہ 2013 میں اس پروگرام کے آغاز سے لے کر اب تک 48 اسکالرشپ کے اعزازات حاصل کرنے والے طالب علم انجینئر بن چکے ہیں۔

## اسکالرشپ 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 اسکالرشپ پروگراموں کا آغاز کیا ہے تاکہ وہ اپنی تعلیم کو آگے جاری رکھ سکیں، جو انہیں خواہوں کی تکمیل کے لئے بااختیار بناتی ہے اور ملک کے لئے ایک کامیاب شخص اور کارآمد شہری بننے میں معاون ثابت ہوتی ہے۔ 30 جنوری 2019 کو لوہڑسیکینڈری اسکالرشپ تقسیم کرنے کی تقریب کا انعقاد کیا گیا۔ گورنمنٹ اسکولوں سے منتخب کئے گئے گریڈ 6 اور 7 کے طلباء و طالبات میں کل 186 اسکالرشپ تقسیم کی گئیں۔ ہائرسینڈری اسکول اسکالرشپ کا انعقاد 23 اپریل 2018 کو کیا گیا جس میں گورنمنٹ اسکولوں، کالجوں اور یونیورسٹیوں سے منتخب کئے گئے طالب علموں کو 164 اسکالرشپ کے اعزازات سے نوازا گیا۔

## سوزوکی بولان بطور عطیہ برائے عقلمندی فیملی اینڈ فرینڈز ایسوسی ایشن:

عقلمندی فیملی اینڈ فرینڈز ایسوسی ایشن 2010 سے نادار و غریب بچوں کو معیاری تعلیم کی فراہمی کے مواقعوں کو آگے بڑھا رہا ہے۔ اس نے موری ٹھٹھہ میں ایک متروک سرکاری

اسکول کی عمارت کو اپنا کر اس میں اضافی انفراسٹرکچر جیسے بہترین اور مکمل ساز و سامان سے آراستہ کمپیوٹر اور سائنس لیب، لائبریری، کلاس روم اور اسٹاف روم بنا کر ایک مخلوط نظام تعلیم کا مدلل اسکول قائم کیا اور اگست 2017 سے اس اسکول نے اپنا آپریشن کے آغاز کیا ہے۔ پاک سوزوکی نے عقلمندی فیملی اینڈ فرینڈز ایسوسی ایشن کو ٹیچرز کی ٹرانسپورٹ کی سہولت کے لئے 28 فروری 2018 کو ایک بولان وین بطور عطیہ فراہم کی ہے۔

## سوزوکی پک اپ موبائل لائبریری کا عطیہ:

پاک سوزوکی نے سوزوکی راوی پک اپ بطور موبائل لائبریری 13 ستمبر 2018 کو ہنزہ، گلگت بلتستان کے گاؤں میں کام کرنے والی گلگن اور پاسو کی جوائنٹ کمیٹی کو عطیہ کی ہے۔ ہاتھ ہاتھ، ایک جاپانی غیر منافع بخش تنظیم ہے، جس نے 3000 سے زائد کتابیں (زسری سے گریجویٹ کی سطح تک) فراہم کرنے میں بھی معاونت فراہم کی ہے۔ عطیہ کی گئی موبائل لائبریری گلگت بلتستان (پاسو، گلگن اور دیگر گاؤں) میں واقع سرکاری اور کمیونٹی اسکولوں اور دیگر تعلیمی اداروں میں خدمات فراہم کرے گی۔ موبائل لائبریری کے پس پردہ مقاصد ہیں کہ طلباء اور دیگر میں کتب بینی کا شوق اور سہولیات کو فروغ دیا جائے اس کے ساتھ ساتھ انہیں دلہیز پر ہی دستیاب کتابوں سے اپنی ضروریات کی تکمیل میں مدد ملتی رہے۔

## PSTC اور STEVTA کو استعمال شدہ مشینوں کا عطیہ:

سندھ ٹیکنیکل ایجوکیشن اینڈ وکیشنل ٹریننگ اتھارٹی (STEVTA) اور پاک سوس ٹریننگ سینٹر (PSTC) کی جانب سے 19 اور 20 نومبر 2018 کو استعمال شدہ مشینیں (لیتھ، ڈرل، ملنگ اور سی این سی) کو وصول کیا گیا ہے۔ مرمت اور تنصیب کے بعد یہ استعمال شدہ مشینیں طالب علموں کی عملی تربیت اور اسکل ڈولپمنٹ کے لئے استعمال کی جائیں گی۔ یہ ادارے ہیومن ریسورس ڈولپمنٹ میں ڈگری پروگرام، ڈپلومہ آف ایسوسی ایشن اور مختلف ٹیکنالوجیز میں شارٹ پروفیشنل کورسز کے لئے مصروف عمل ہیں۔

## کٹری کی میزوں کا عطیہ:

کمپنی نے مختلف سرکاری اسکولوں، ٹیکنیکل، ہیلتھ اور ایجوکیشن آفسوں، اسپتالوں میں ان کی ضروریات کی تکمیل کے لئے 362 استعمال شدہ کٹری کی میزیں بطور عطیہ فراہم کی ہیں۔

# ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز نہایت مسرت کے ساتھ 31 دسمبر 2018 کو ختم ہونے والے مالی سال کے لئے سالانہ رپورٹ اور آڈٹ شدہ مالیاتی حسابات بمعہ آڈیٹرز رپورٹ پیش کر رہے ہیں۔

## اکاؤنٹس

قبل از ٹیکس منافع	(000 روپے)
محصولات	2,082,936
بعد از ٹیکس منافع	(784,828)
گذشتہ سالوں کا برقرار منافع	1,298,108
تخصیص کے لئے دستیاب گُل منافع	2,009
کم تخصیص	1,300,117
عمومی ذخائر میں منتقلی	1,039,000
مجوزہ منافع منقسمہ 3.16 روپے بشرح 31.6 فیصد	260,068
برقرار آمدن جس میں اضافہ ہوا	1,299,068
	1,049

## آمدنی فی حصص (EPS)

سال کے لئے آمدنی فی حصص (EPS) 15.77 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۔

## چیئر مین کا جائزہ

صفحہ 42 تا 50 پر چیئر مین 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، زر نقد (cash flows) اور ایکویٹی میں تبدیلی۔
- کمپنی کے کھاتوں کا مناسب اندراج کیا جاتا ہے۔
- مالی گوشواروں کی تیاری میں ایکاؤنٹنگ کی مناسب پالیسیز کا مسلسل اطلاق کیا گیا ہے نیز تخمینہ جات موزوں اور محتاط فیصلوں کی بنیاد پر بنائے گئے ہیں۔
- مالی گوشواروں کی تیاری میں، پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی جاتی ہے۔
- اندرونی کنٹرول کا نظام ڈیزائن 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 مختلف دورانیے میں طبی جانچ کروائی جاتی ہے۔
- درج شدہ مفصل قواعد میں سے کارپوریٹ گورننس کی بہترین مشق سے کسی بھی قسم کی مادی انخلاء رونما نہیں ہوا ہے۔

## کلیدی آپریٹنگ 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:

آڈٹ اسٹینڈنگ ٹیکسوں اور لیویز کو نوٹ 24 میں اختصا 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:

پر ویڈنٹ فنڈ	دسمبر 2018	دسمبر 2018
گر بیوٹی فنڈ	852.215 ملین	757.220 ملین
	495.998 ملین	452.257 ملین

## 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	شرکت کردہ اجلاس کی تعداد
جناب کنجی سائیٹو	4
جناب ماسافومی ہارانو	4
جناب ہیرو فومی ناگاؤ / تیتسو یانیوچو کا	4
محترمہ رخسانہ شاہ	3
جناب شیکو تاکیزاوا	4
جناب کازویوکی یاماشیتا	4
جناب معین ایم فدا	4

جو ڈائریکٹر اجلاس میں شرکت کرنے سے قاصر تھے انہیں غیر حاضر ہونے کی اجازت فراہم کی گئی۔

## 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:

شرکت کردہ اجلاس کی تعداد	شرکت کردہ اجلاس کی تعداد
جناب معین ایم فدا	4
جناب کنجی سائیٹو	4
جناب شیکو تاکیزاوا	4

## افراد قوت (Human Resource) اور مشاہرہ کمیٹی (Remuneration Committee) کا اجلاس:

سال کے دوران افراد قوت اور مشاہرہ کمیٹی کے تین (3) اجلاس کا انعقاد کیا گیا۔ ہر ڈائریکٹر کی اجلاس میں حاضری مندرجہ ذیل رہی:

شرکت کردہ اجلاس کی تعداد	شرکت کردہ اجلاس کی تعداد
محترمہ رخسانہ شاہ	2
جناب کنجی سائیٹو	3
جناب ماسافومی ہارانو	3

جو ڈائریکٹر اجلاس میں شرکت کرنے سے قاصر تھے انہیں غیر حاضر ہونے کی اجازت فراہم کی گئی۔

## ڈائریکٹران کا تربیتی پروگرام:

بورڈ کے تمام ڈائریکٹرز کارپوریٹ باڈیز کے ڈائریکٹر کے طور پر اپنے فرائض و ذمہ داریوں سے بخوبی آگاہ ہیں۔ کوڈ کے قواعد 20 میں بیان کردہ معیار کے مطابق، ڈائریکٹران کے تربیتی پروگرام کے تحت کمپنی کے پانچ ڈائریکٹروں کو سند حاصل ہے اور کمپنی کے ایک ڈائریکٹر کو ڈائریکٹران کے تربیتی پروگرام کی ضروریات سے استثنیٰ حاصل ہے۔

## پٹرین آف شیئر ہولڈنگ:

31 دسمبر 2018 کے پٹرین آف شیئر ہولڈنگ سالانہ رپورٹ کا صفحہ نمبر 138 تا 141 پر درج کئے گئے ہیں۔

## انفارمیشن سیکورٹی:

انفارمیشن اور سائبر سیکورٹی پروگرام کا مقصد یہ ہے کہ ممکنہ سلامتی کے خطرات کے پیش نظر کمپنی اور اس کے آپریٹنگز کو لگ کر دیا جائے اور ایسی وجہ سے اس پر انحصار اولین ترجیح ہے۔ پاک سوزوکی نے اس طرح کے ابھرتے ہوئے خطرات کے پیش نظر ٹولز اور ٹیکنیکس پر سرمایہ کاری کی ہے، جس میں سائبر میچورٹی اسیسمنٹ اور خطرات/رسانی کی بیرونی ماہرین کی جانب سے جانچ شامل ہے۔ اس طرح کی آڈیٹنگ سے پاک سوزوکی انفراسٹرکچر اور خدمات پر شراکت داروں کے اعتماد کو برقرار رکھنے میں بہت معاونت حاصل ہوئی 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 ڈیوٹیز اور ٹیکسز اور محفوظ کردہ فارن کرنسی درج ذیل ہیں:

سال (جنوری-دسمبر)	ڈیوٹیز اور ٹیکسز (روپے بلین میں)	فارن ایکسچینج سیونگنز* (روپے بلین میں)
2013	15.380	27.275
2014	17.442	25.067
2015	26.422	39.688
2016	24.448	36.457
2017	35.162	43.182
2018	41.218	55.396

سال کے دوران کمپنی کی جانب سے ادا کردہ ڈیوٹیز اور ٹیکسز اندازے کے مطابق مالی سال 2018-19 کے وفاقی بجٹ کے کل ٹیکس ریونیو کا تقریباً ایک فیصد ہے۔

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

## حکومتی پالیسیاں:

### مالیاتی پالیسیاں:

اپنے وفاقی بجٹ 2018-19 میں، حکومت نے کارپوریٹ ٹیکس کی شرح کو 30 فیصد سے 29 فیصد تک کم کر کے ریلیف فراہم کیا، سال 2018 کے لئے سپر ٹیکس کی شرح کا منافع قبل از ٹیکس ایک فیصد کے حساب سے اطلاق ہوگا۔ مزید برآں، غیر منقولہ منافع پر ٹیکس کی شرح میں 7.5 فیصد منافع قبل از ٹیکس سے 5 فیصد منافع قبل از ٹیکس کی کمی ہوئی اور کم از کم منافع منقسمہ کی تقسیم کی شرط 40 فیصد کے مساوی سے بعد از ٹیکس منافع 20 فیصد رہا تھا۔

تاہم اضافی کسٹم ڈیوٹی میں ایک فیصد سے 2 فیصد تک اضافے کی وجہ سے ان تمام ریلیف کی تلافی کردی گئی ہے، جس سے مصنوعات کی لاگت میں براہ راست اضافہ ہوا ہے۔

مزید برآں، ٹیکس ریٹرنز کے نان فائلرز پر گاڑیوں کی خریداری پر عائد کردہ پابندی سے آٹو موہائل مینوفیکچر کے سیلز والیوم کے ساتھ آٹو موہیوسپلائرز کے کاروبار پر بھی اثرات مرتب ہوئے ہیں۔

سال کے اختتام کے بعد، نئی منتخب شدہ حکومت پاکستان نے انڈسٹری کو درپیش مسائل کے حل اور پالیسیوں میں تبدیلی لانے کے لئے نئے اقدامات کے طور پر 23 جنوری 2019 کوغنی مالیاتی ایکٹ 2019 (دوسری ترمیم) پیش کیا۔

آٹو سیکٹرز سے متعلقہ کلیدی تبدیلیوں میں شامل ہیں:

- 1۔ مقامی طور پر تیار شدہ گاڑیوں کی خریداری کے لئے نان فائلرز کو اجازت دی گئی
- 2۔ ٹیکس سال 2020 سے سپر ٹیکس کا خاتمہ
- 3۔ منافع منقسمہ 20 فیصد کم ہونے کی صورت میں 5 فیصد قبل از ٹیکس منافع کا ٹیکس سال 2019 سے خاتمہ، پاک سوزوکی کا متعلقہ محاسب سال 2019 ہے
- 4۔ مقامی طور پر تیار کردہ 1700 سی سی سے زائد کی صلاحیت کی حامل گاڑیوں پر 10 فیصد فیڈرل ایکسائز ڈیوٹی کا نفاذ
- 5۔ درآمد شدہ 1801 سے 3000 سی سی انجن سائز کی گاڑیوں پر ڈیوٹیز میں 20 فیصد سے بڑھا کر 25 فیصد تک اضافہ اور 3000 سی سی انجن سائز سے زائد کی گاڑیوں پر ڈیوٹیز میں 20 فیصد سے بڑھا کر 30 فیصد تک اضافہ

ہم حکومت کی جانب سے کی گئیں مثبت پالیسیوں کے اقدامات کا خیر مقدم کرتے ہیں اور امید کرتے ہیں کہ ان پالیسیوں کو ملک کی صنعتی ترقی کے فروغ کے لئے بنایا جائے گا۔

## آٹو موہیوڈو پلینٹ پالیسی (ADP):

حکومت نے مارچ 2016 میں اے ڈی پی کا اعلان کیا ہے جو 2016 سے 2021 کی درمیان مدت پر لاگو ہے۔ اے ڈی پی آٹو موہائل انڈسٹری کے ترقیاتی منصوبے کے لئے زیادہ حجم کی سہولت دینے، سرمایہ کاری کو اپنی جانب مائل کرنے اور بہتر مسابقت کو یقینی بنانے کا ادراک کرتا ہے۔ پالیسی کا مقصد تمام اسٹیک ہولڈرز کے لئے استحکام کو یقینی بنانے کی غرض سے صنعتی ترقی اور ٹیئر ف کے درمیان توازن قائم کرنا ہے۔ اے ڈی پی میں کی گئی پیشکش آٹو انڈسٹری میں نئے داخل ہونے والوں کی حوصلہ افزائی کرتی ہے اور تاحال سترہ (17) اینٹیٹیٹیو (Entities) کو گرین فیلڈ اسٹیٹس (نو وارد) اور دو (2) کو براؤن فیلڈ اسٹیٹس (غیر عملیاتی یونٹوں کی بحالی) سے نوازا گیا۔ پاکستان میں موجودہ او ای ایبز (OEM's) توسیع کو دیکھ رہے تھے اور اس طرح کی پیشکش کی خواہاں تھے جو کہ ممکنہ نو واردین کو پیش کی گئی ہیں۔

سوزوکی موٹر کارپوریشن جاپان (SMC)، پاک سوزوکی موٹر کمپنی پاکستان لمیٹڈ کا پرنسپل شیئر ہولڈر اور بانی کمپنی ہے، جو پاکستان میں مزید توسیع کے مواقعوں کی تلاش میں سرگرداں ہے۔ ہم حکومت پاکستان کے ساتھ مسلسل رابطے میں ہیں کہ نئے پلانٹس میں سرمایہ کاری کے لئے بہترین حل تلاش کئے جائیں۔

## استعمال شدہ گاڑیوں کی (Used Car) پالیسی:

بڑی تعداد میں استعمال شدہ گاڑیوں کی درآمد صنعت کی ترقی کی راہ میں حائل ہے۔ 3 سالوں تک درآمد شدہ گاڑیوں کی عمر کی حد پر پابندی کے باوجود، گزشتہ سال 77,972 یونٹس کے مقابلے میں سال کے دوران استعمال شدہ گاڑیوں کے 58,592 یونٹس درآمد کئے گئے۔ جنوری 2019 میں حکومت نے ثبوت ظاہر کرنے کے لئے شرط عائد کی ہے کہ ڈیوٹیز اور ٹیکسوں کی ادائیگی اس پاکستانی شہری کے اکاؤنٹ سے کی گئی ہیں جسے بیرون ملک سے گاڑی روانہ کی جارہی ہے۔ نظر ثانی شدہ طریقہ کار گاڑیوں کی درآمد کو ریگولرائز کر دے گا۔

## مستقبل کا لائحہ عمل اور خلاصہ:

سال 2018-19 میں ملک کے میکرو اکنامک انڈیکس سب سے زیادہ ترقی یافتہ معیشتوں میں سے ایک کے طور پر ظاہر کرتے ہیں۔ بڑے مالی اور کرنٹ اکاؤنٹ خسارے کے باعث جی ڈی پی کی شرح تقریباً 4 فیصد رہنے کا امکان ہے۔ سال 2018 کے دوران ہم نے ماضی قریب میں اسٹیٹ بینک آف پاکستان (SBP) کی جانب سے پالیسی کی شرح میں نمایاں اضافہ دیکھا۔ پالیسی کی موجودہ شرح 10.25 فیصد ہے۔ بلند تر مالی خسارے کے سبب مالی سال 2019 کے دوران خوراک و تیل کی قیمتوں میں اضافہ، اور پاکستانی روپے کی قدر میں کمی کے باعث اوسط افراط زر 6.5 سے 7.5 فیصد تک متوقع ہے۔ بیرونی قرضوں کی صورتحال میں اضافے سے پاکستانی روپے کے دباؤ میں رہنے کی توقع ہے۔ شرح سود میں اضافہ اور بڑھتا ہوا افراط زر، پاکستانی روپے کی قدر میں کمی اور معاشی صورتحال کے باعث آٹو انڈسٹری کو بڑے چیلنجز کا سامنا ہے۔

تاہم حکومت مالی اور کرنٹ اکاؤنٹ خسارے میں کمی کے لئے کوشاں ہے۔ سی پیک کے جاری منصوبوں، دوست ممالک جیسے سعودی عرب، یو اے ای، اور چین کی جانب سے سرمایہ کاری ملک کی سالانہ ترقی کی شرح میں معاون ثابت ہوگی۔ استعمال شدہ گاڑیوں کی درآمد کو ریگولرائز کئے جانے کا متعارف کردہ طریقہ کار بھی آٹو انڈسٹری کے لئے مفید ہوگا۔

ہم امید کرتے ہیں کہ حکومت طویل مدتی وژن اور مستقل پالیسیوں کے ساتھ انڈسٹری کو ایسی طرح سپورٹ کرتی رہے گی۔ مستقبل قریب میں مارکیٹ میں نو واردین کی آمد کی امید ہے۔ آپ کی کمپنی وسائل کے زیادہ سے زیادہ استعمال اور صلاحیتوں میں بہتری کے ساتھ چیلنجز کا سامنا کرنے اور ان کی تکمیل کے لئے مکمل طور پر تیار ہے۔ کمپنی صارفین کو مسابقتی قیمتوں پر معیاری مصنوعات، مجاز ڈیلرز کے موثر نیٹ ورک کے ذریعے سے فراہم کرتی ہے۔ کمپنی کی مصنوعات کی وسیع رینج ہے اور یہ مختلف حصوں کی ضروریات کی تکمیل کے لئے اپنی مصنوعات کی رینج کو اپ گریڈ کرنے کا عمل جاری رکھے گی۔

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



کنجی سائیتو

چیئرمین

کراچی

25 مارچ 2019

## سہولیات میں اضافہ:

- کمپنی نے ماڈرن مینڈی، ملتان روڈ، لاہور میں 2,000 سے زائد گاڑیوں کی گنجائش کا حامل گودام تیار کیا ہے تاکہ صارفین کو گاڑیوں کی جلد ترسیل کی سہولیات فراہم ہو سکیں۔
- بریک ڈاؤن ٹائم میں کمی کے لئے، ایئر سپلائی اور باڈی کا ایگزاسٹ سسٹم اور پلاسٹک پارٹس بینٹنگ کو تبدیل کر دیا گیا ہے۔
- کمپنی اپنے ملازمین کو کام کرنے کے لئے صحت مند، آرام دہ اور پرسکون ماحول فراہم کرتی ہے۔ لہذا پورے پلانٹ میں شاپ فلور پر گرمی کے اثرات زائل کرنے کے لئے فین کوائل یونٹ کے ساتھ چلرز یونٹ انسٹال کر کے ماحولیاتی بہتری کے لئے سرگرمیاں کی گئی ہیں۔

## افراد کی قوت (HR):

پاک سوزوکی میں ملازمین ناصر 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 سبھی سمجھے جاتے ہیں۔

کمپنی ایک ایسا ماحول فراہم کرنے کے لئے پر عزم ہے جس سے ملازمین کو زیادہ سے زیادہ ممکنہ کارکردگی کا مظاہرہ کرنے میں سہولت ملتی ہے، جبکہ کام کی زندگی کے دوران توازن برقرار رکھا جاتا ہے۔ یہ ایک وقت، اس بات کو بھی یقینی بنایا جاتا ہے کہ ڈیزائن کردہ ٹریڈنگ 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۔ ملازمین کی بہتری اور خوشحالی کے لئے تمام تر اقدامات کئے جاتے ہیں اور حوصلہ افزائی کی سطح کو برقرار رکھنے کے لئے خصوصی سرگرمیاں کی جاتی ہیں۔

## ترہیت اور ترقی:

پاک سوزوکی موٹر کمپنی اپنے ملازمین کو حوصلہ افزا ترہیت اور تعلیمی تجربات کے ساتھ فراہم کرنے کی کوشش کرتی ہے تاکہ وہ اپنی مہارت کو آگے بڑھا سکیں اور نئے خیالات اور آئیڈیاز کی 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۔ ملازمین کے فائدے کے لئے سال 2018 میں، 720 مقامی اور 12 غیر ملکی ٹریڈنگ کا انعقاد کیا گیا تھا تاکہ ان کے کام کی ذمہ داریوں سے متعلق ان کی پیداواری صلاحیت اور مہارت کو مزید بہتر بنایا جاسکے۔

## ٹیلنٹ کا حصول:

کمپنی نے منجمنٹ ٹرینی اور ٹریڈنگ انجینئرز کے لئے معروف گریجویٹ تعلیمی اداروں میں کئی بھرتی کیسٹس قائم کئے ہوئے ہیں۔ اس مقصد کے لئے ایک ایچ آر پورٹل تیار کیا گیا ہے جس کی رسائی ویب سائٹ [www.paksuzuki.com.pk](http://www.paksuzuki.com.pk) پر حاصل کی جاسکتی ہے جہاں امیدوار انتخاب کے منصفانہ مواقع حاصل کرنے کے لئے اپنی ہی وی آپ لوڈ یا خود کو آن لائن رجسٹر کروا سکتے ہیں۔ مذکورہ بالا عوامل کے مسلسل عمل درآمد کے باعث، کمپنی کو سال 2018 میں بہترین امیدواروں کا زبردست ریسیلٹس موصول ہوا، ایک بہترین شفاف انتخابی مرحلے کے ذریعے سے متعدد معروف انجینئرنگ یونیورسٹیوں، ٹیکنیکل کالجز اور بزنس اسکولز سے گریجویٹ ہونے والے 68 منجمنٹ ٹرینی کمپنی میں شامل کئے گئے۔

## صحت اور تحفظ:

منجمنٹ، ایف ایس آر کن کیڈر ہونے سے قطع نظر سوزوکی فیملی کے ہر رکن کے لئے صحت اور کام کرنے کی جگہ پر تحفظ سب سے اہم شعبہ ہے، کمپنی نے سوزوکی فیملی ارکان کی صحت و تحفظ کو مندرجہ ذیل طریقوں سے یقینی بنانے کی کوشش کی:

- تمام قابل اطلاق حکومتی اور اندرونی صحت، تحفظ اور ماحولیاتی ضروریات کی تکمیل:
- ایسی ڈیزائن کی سہولیات اور آپریشن کے ایسے عوامل اور راستے جو انسانی صحت، حفاظت اور ماحول کو خطرات سے بچا سکیں؛
- ممکنہ طور پر متاثرہ افراد کو متعلقہ صحت کی حفاظت اور ماحولیاتی تحفظ کی معلومات کے ساتھ آپریشن کے نمایاں خطرات کی جانچ اور آگاہی۔

ڈاکٹروں کی قابل ٹیم کے ساتھ مکمل طور پر لیس ڈسپنری کی سہولت 24 گھنٹے دستیاب ہے، جو ملازمین کو طبی نگہداشت فراہم کرنے کے لئے ہمہ وقت تیار ہیں۔ مزید برآں، پاک سوزوکی فیملی کے ارکان کی صحت کی دیکھ بھال کو یقینی بنانے اور تحفظ کے لئے ہمارے فرائض پر غور کرتے ہوئے، تمام ملازمین کے لئے ایک سالانہ طبی اسکریننگ کا اہتمام کیا جاتا ہے تاکہ اس بات کو یقینی بنایا جاسکے کہ آیا وہ اپنی صحت کے حالات سے مکمل طور پر واقف ہیں اور انہیں کسی بھی متعدی بیماری سے بچایا جاسکے۔

## کھیل اور سماجی تقریبات:

اسٹاف ٹرن اوور کو کم کرنے اور پیداوار کو بہتر بنانے کے لئے کھیلوں کی سرگرمیوں میں ملازمین کی مشغولیت ثابت شدہ ہے۔ کمپنی ہر سال ملازمین کی تفریح و تفریح اور خوشی کے لئے اسپورٹس ٹورنامنٹ کا انتظام کرتی ہے، اور ایسا ماحول فراہم کیا جاتا ہے جہاں تمام ملازمین

کسی بھی پریشانی یا کام کے دباؤ کے بغیر لطف اندوز ہو سکیں۔ سال کے دوران، ہم نے انٹر ڈپارٹمنٹل کرکٹ ٹورنامنٹس اور ان ڈور گیمرز کا اہتمام کیا۔ یہ ایونٹس اسٹاف کو اس صحت مند ماحول میں ان کے درمیان مقابلے کی روح کو بیدار کر کے ایک طویل راہ بنانے کا ایک بہترین موقع فراہم کرتے ہیں۔ فاتح اور رنر اپ ٹیموں کو ٹرافیوں اور انعامات پیش کئے جاتے ہیں۔

اس کے علاوہ، کمپنی نے 8 ستمبر 2018 کو پی اے ایف میوزیم، کراچی میں فیملی ڈے گریڈ ایونٹ کی زبردست تقریب کا بھی اہتمام کیا۔ بچوں کے لئے ایک علیحدہ فیملی ایریا مختص کیا گیا تھا، جہاں ہر عمر کے بچوں کے لئے متعدد سرگرمیاں آرگنائز کی گئیں، اس کے بعد سب کے لئے تفریح سے بھر پور لطف اندوز ہونے کے لئے ایک گریڈ میوزیکل شو کا اہتمام کیا گیا۔

## کارپوریٹ ایونٹ:

26 نومبر 2018 کو ایک تقریب کا انعقاد کیا گیا جس میں پاکستان میں 2 ملین گاڑیوں کی فروخت کی تاریخی کامیابی کا بھرپور جشن منایا گیا۔ چیئر مین سوزوکی موٹر کارپوریشن، مسٹر اوسامو سوزوکی نے اس موقع پر وزیر اعظم کے مشیر برائے تجارت، ٹیکسٹائل، صنعت و پیداوار جناب عبدالرزاق داؤد سے ملاقات کی جنہیں اس تقریب میں بطور مہمان خصوصی مدعو کیا گیا تھا۔ 2 ملین گاڑیوں کا سنگ میل پاک سوزوکی موٹر کمپنی لمیٹڈ کے ملازمین، سپلائرز، ڈیلرز کی مشترکہ کاوشوں اور صارفین کے مسلسل اعتماد کا نتیجہ تھا۔ چیئر مین اور وزیر اعظم کے مشیر دونوں نے مدعو کئے گئے ڈیلرز، وینڈرز اور پاک سوزوکی موٹر کمپنی لمیٹڈ کے ملازمین کی کوششوں اور شرکت کو سراہتے ہوئے ان کا شکریہ ادا کیا۔

## لیبر اور منجمنٹ کے تعلقات:

پاک سوزوکی میں، لیبر-منجمنٹ کے تعلقات کا مقصد منجمنٹ اور لیبر کے مفاد کا تحفظ ہے، لہذا لیبر اور منجمنٹ 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۔

لہذا کمپنی کی منجمنٹ تمام اسٹیک ہولڈرز کے ساتھ ہم آہنگ تعلقات پر زور دیتی ہے تاکہ صنعتی ترقی کے لئے درکار سازگار ماحول میں ملازمین کی پیداواری صلاحیت کو یقینی بنایا جاسکے۔

## انفارمیشن ٹیکنالوجی (آئی ٹی):

انفارمیشن ٹیکنالوجی کاروباری ماحول کی رواں جدت ہے۔ بڑھتے حجم اور درپیش چیلنجز کے

ساتھ ہمارے بزنس آپریشنز زیادہ پیچیدہ ہو رہے ہیں۔ کامیابی کا اہم عنصر ہماری منفر د سوچ ہے اور یہ ہمارے انٹر پرائز آئی ٹی کا ایک لازمی جزو ہے۔ آئی ٹی ہمیں نئی ٹیکنالوجیز کو تیزی سے اپنانے میں مدد کرتا ہے اور ہمارے آئی ٹی بزنس فٹ پرنٹ کے ذریعے سے ٹرانسفارمیشن چیلنجز کو کم کرتا ہے۔ پاک سوزوکی کاروباری اسٹیک ہولڈرز، سروس کے معیار کی بہتری اور کسٹمر کے بہتر تجربے کے لئے ڈیجیٹل ٹیکنالوجیز کی جدت اور اس کی اسٹارٹ اڈا پٹیشن اور آئی ٹی کے زیادہ مضبوط سسٹم لانے پر توجہ مرکوز کئے ہوئے ہے۔

## افراد کی مشغولیات و معاونت:

مانیکر و سافٹ 365 اور مانیکر و سافٹ شیئر پوائنٹ کا 2017 میں از سر نو نفاذ کیا گیا۔ جس کا بنیادی مقصد بزنس ورک اسپیس اور آٹومیشن کے تجربات کو بہتر بنانا تھا۔ حال ہی میں، ہم نے گلوبل منصوبوں پر بطور ٹیم سوزوکی کام کرنے کے لئے شیئر پوائنٹ استعمال کرتے ہوئے گلوبل سوزوکی سبسڈریز کے ساتھ تعاون کیا ہے۔ 2018 میں مانیکر و سافٹ بزنس انٹیلی جنس کے ساتھ قابل شناخت تجزیاتی ڈیٹا کے لئے ایک حد کو شامل کیا گیا۔ یہ ڈیٹا وٹو لائزیشن کو سامنے لاتا ہے اور صارفین کو کاروباری بصیرت کے حصول میں معاونت کرتا ہے اور بڑے اعداد و شمار (BIG DATA) سے متعلق مکمل معلومات فراہم کرتا ہے۔

## جینیسیس CRM:

حالیہ متعارف کردہ جینیسیس CRM کال سینٹر سسٹم متعلقہ معلومات کی فوری رسائی فراہم کرتا ہے، جو صارفین کے قیمتی وقت کو بچاتا ہے۔ یہ صارف کے تجربے کو ذاتی بناتا ہے، کال سینٹر افسران کو صارف کے سفر سے متعلق مکمل بصیرت فراہم کرتا ہے، کال سینٹر افسران کی مہارت اور دستیابی کی بنیاد پر کام کرنے والی اشیاء کی فراہمی اور ترجیح دینے میں معاونت کرتا ہے۔ یہ صارف کو اونٹنی چیمیل تجربات فراہم کرتا ہے جس میں متعدد ڈیجیٹل چیمیلز کے ذریعے سے تعامل شامل ہیں اور CRM سسٹم اور کال سینٹر کے عمل کے درمیانی خلاء کو باہم مربوط کرتے ہیں۔

## کاروباری تسلسل:

انفارمیشن ٹیکنالوجی تمام کاروباری عوامل کا ایکوسٹم ہے، اور اسی وجہ سے یہ ریکوری پلاننگ کا مرکز ہے۔ کاروباری تسلسل کو مزید مضبوط بنانے کے لئے، پاک سوزوکی نے اسٹریٹجک شفٹ کرتے ہوئے ہمارے موجودہ احاطے میں واقع آئی ٹی ڈیزائن ریکوری (DR) سائٹ سے ہائبرڈ کلاؤڈ کو اپنایا ہے۔ ڈیزائن ریکوری تمام آئی ٹی انفراسٹرکچر کے حصول آپریشنز کو جاری رکھنے اور تمام بندشوں کے خلاف چلنے کا ایک فریم ورک 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 انجن کی صلاحیت کے حامل موٹر سائیکلوں کو مارکیٹ کیا ہے۔ کمپنی کی توقع ہے کہ پاکستان میں موٹر سائیکل کی طلب ریجن 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۔ کمپنی کا سیکلز آپریشن، ہموار ورکشاپ آپریشنز کے ذریعے سے صارفین کے لئے موثر خدمات کو یقینی بناتا ہے۔ کمپنی اس شعبے میں اپنے کاروبار کو آگے وسعت دینے کے لئے کوشاں ہے۔

## برآمدات:

سال کے دوران گزشتہ سال سوزوکی راوی کے 6.609 ملین روپے مالیت کے 15 پونٹس کے مقابلے میں سوزوکی راوی کے 15.670 ملین روپے مالیت کے 30 پونٹس بنگلہ دیش برآمد کئے گئے۔ سال 2017 کے 13.2 ملین روپے مالیت کے 'کے ڈی' پارٹس کے برخلاف رواں سال کے دوران، 21.7 ملین روپے مالیت کے 'کے ڈی' پارٹس کو سسٹرنس ویت نام سوزوکی کارپوریشن (VISUCO) کو برآمد کئے گئے۔ ویت نام میں سوزوکی مٹی ٹرک کی وسیع پیمانے پر پیداوار کے لئے 'کے ڈی' پارٹس کو برآمد کیا گیا تھا۔ مزید برآں، گزشتہ سال 1.949 ملین روپے مالیت کی برآمدات کی نسبت رواں سال کے دوران 1.908 ملین روپے مالیت کے پارٹس آفٹر سیلز مارکیٹ کے لئے ہنگری کو برآمد کئے گئے۔

## آفٹر سیلز (پارٹس اینڈ سروسز):

آفٹر سیلز آپریشنز کسٹمرز کو ہموار ورکشاپ آپریشنز اور ڈیلرشپس پر پارٹس کی بروقت دستیابی کے ذریعے موثر خدمات کو یقینی بناتا ہے۔ اس کے نتیجے میں ڈیلرز کے آپریشنز کے رجحانات میں نمایاں اضافہ دیکھنے میں آیا ہے۔ آٹوموبائل جاب کارڈز کی گُل تعداد (بشمول شیڈول مینٹیننس کے ذریعے کسٹمرز کو فراہم کی جانے والی سروسز، رنگ ریپینٹ، مکینیکل ریپینٹ، ہاڈی اور ڈینٹ کے لئے فراہم کی جانے والی سروسز) 1.248 ملین تک پہنچ گئی ہے، جو گزشتہ سال کے مقابلے میں 11 فیصد کی نشوونما ظاہر کرتی ہے۔ موٹر سائیکل مارکیٹ آفٹر سیلز مارکیٹ میں برنس آپریشنز میں بھی مثبت رجحان دیکھا گیا ہے۔ سال 2018 میں کل 226,769 جاب کارڈز کے لئے خدمات سرانجام دی گئیں۔

سالانہ آٹوموبائل پارٹس کی فروخت میں 3,085 ملین روپے ریکارڈ کئے گئے، جو کہ گزشتہ سال کی نسبت مجموعی طور پر 33 فیصد اضافہ ہے۔ انجن آئل کی سالانہ سیکلز 2,045,220 لیٹر تک پہنچ گئی، جو کہ گزشتہ سال کی نسبت 23 فیصد زائد ہے۔ موٹر سائیکل پارٹس کی سیکلز بھی 212 ملین تک پہنچ گئی جس میں گزشتہ سال کی نسبت 15 فیصد اضافہ ہوا ہے۔

## سیلز اور ڈسٹری بیوشن نیٹ ورک:

پاک سوزوکی اپنے کسٹمرز کو آسان رسائی کے ساتھ معیاری خدمات فراہم کرنے کا ارادہ رکھتا ہے۔ کمپنی کا مضبوط ڈیلرشپ نیٹ ورک ملک بھر میں پھیلا ہوا ہے۔ کمپنی ڈیلرشپ نیٹ ورک کو مسلسل بہتر بنانے کے ساتھ مضبوط تر کر رہی ہے۔ 31 دسمبر 2018 تک، پاک سوزوکی ڈیلرشپ نیٹ ورک پاکستان بھر کے 81 شہروں میں 149 آؤٹ لیسٹس تک پھیل چکا ہے۔ نمایاں علاقوں میں صارفین کو خدمات فراہم کرنے کے لئے 1S پارٹس آؤٹ لیسٹس کو کھولا گیا ہے۔

صارفین کو سہولیات فراہم کرنے کے لئے، پاک سوزوکی نے پاکستان بھر میں 10 بنگل آفسز کھولے ہیں۔ سوزوکی بنگل آفسز نے صارفین کو ابتدائی ایڈوائس سینٹر کے ساتھ گاڑیوں کی بنگل کا موقع دینے کی سہولت فراہم کی۔ موٹر سائیکلوں کے لئے کمپنی آپریٹڈ 10 مزید شورومز آپریشن کر رہے ہیں جہاں کسٹمرز کو آفٹر سیلز اینڈ سروسز کی سہولیات فراہم کی جاتی ہیں۔

## صارفین کا اطمینان اور استحکام:

ہمارے 24/7 کسٹمر ریلیشنز سینٹر کی جانب سے کمپنی نے باقاعدہ طور پر کسٹمرز کے فالو اپ سروسز کئے۔ ہمارے صارفین نے ڈیلرز نیٹ ورک کے ذریعے سے انہیں فراہم کی جانے والی خدمات پر زیادہ اعتماد اور اطمینان کا اظہار کیا ہے۔ سال 2018 میں 105,195 صارفین کا سروے کیا گیا تھا جس میں صارفین کے اعتماد کی شرح 88 فیصد تھی۔

## ڈیلرز اسٹاف کی اسکل ڈیولپمنٹ اور حوصلہ افزائی:

کمپنی اپنے ڈیلرز اسٹاف کی اسکل ڈیولپمنٹ کو نہایت ترجیح دیتی ہے۔ ڈیلرز اسٹاف کے لئے باقاعدگی سے آن جاب ٹریننگ اور ریگولر ڈیٹنگ سیشن منعقد کئے جاتے ہیں۔ ٹریننگ کے ذریعے احاطہ کئے گئے واضح حصوں میں شامل ہیں:

- عالمی معیار پر ڈیلرز ٹیکنیشن سرٹیفیکیشن ڈیلرز ورکشاپ میں پیشہ ورانہ ماحول پیدا کرنا ہے اور صارفین کو معیاری خدمات کی فراہمی کو یقینی بنانا ہے۔
- ڈیلرز کے سروس نیچرز، پارٹس نیچرز، کسٹمر ریلیشن نیچرز، کسٹمر ریلیشن آفیسرز، سروس ایڈوائزرز، ٹیکنیشن اور پینٹرز کے لئے اسکل کو ٹیسٹ کا انعقاد کیا گیا۔
- ڈیلرز اسٹاف کے لئے حوصلہ افزا سرگرمیوں کو فروغ دیا گیا جیسا کہ ملازمین کی دعوتیں، تفریحی سرگرمیاں، حوصلہ افزائی کے انعامات اور بیرون ملک دورے۔

## نئے اقدامات:

- صارفین کی سہولیات کے لئے کئے گئے مندرجہ ذیل نئے اقدامات:
- صارفین کی توقعات کی تکمیل کے لئے متعارف کروائی گئی سوزوکی جینیٹ اسسیر یز کی وسیع رینج۔
- درکار وقت کو کم کرنے اور صارفین کے اطمینان کے لئے پارٹس کی دستیابی کو بڑھانے کے لئے مربوط و منظم لاجسٹکس۔

## لوکلائزیشن:

پاک سوزوکی پاکستان میں آٹو پارٹس اینڈ سٹری کی ترقی میں پائینئر 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 اینڈ سٹری میں ٹیکنالوجی کی منتقلی کے ذریعے ملک کی سماجی و معاشی ترقی میں بھی کردار ادا کیا ہے۔ مصنوعات کی لاگت کو کم کرنے اور فارن ایکسچینج میں بچت کے علاوہ مسابقتی قیمتوں کو برقرار رکھنے کے لئے کمپنی لوکلائزیشن کو جاری رکھنا چاہتی ہے۔

مقامی آٹو پارٹس اینڈ سٹری 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 تکنیکی معاونت کر رہا ہے۔ پاک سوزوکی نے فعال اجزاء کی لوکلائزیشن کے لئے قابل ذکر بین الاقوامی پارٹس مینوفیکچررز کے ساتھ مقامی سپلائرز کے لئے متعدد تکنیکی معاونت کے معاہدوں کا اہتمام کیا ہے۔

مزید، کمپنی نے سپلائرز کے ساتھ جوائنٹ وینچر اینگریمنٹ کے ذریعے تکنیکی معاونت فراہم کنندگان کو اعتماد کی فراہمی کے لئے حکمت عملی تیار کی۔ اس ضمن میں، آٹو موہائل گلاسز کی مینوفیکچرنگ کے لئے ٹیکنالوجی گلاس لمیٹڈ (TAG) کا قیام 16 مارچ 2017 کو عمل میں لایا گیا۔ TAG، ٹیکو پاک ٹیلی کام (پرائیویٹ) لمیٹڈ اور کمپنی کے درمیان ایک جوائنٹ وینچر کمپنی ہے۔ کمپنی نے 16 فروری 2017 کو منعقدہ کمپنی کے غیر معمولی اجلاس

عام میں حصص داران کی جانب سے توثیق کردہ 344.4 ملین روپے کی ایکویٹی انویسٹمنٹ میں حصہ لیا تھا۔ TAG، 2019 کے وسط تک تجارتی پیداوار شروع کرنے کا ارادہ رکھتا ہے۔ یہ جوائنٹ وینچر پاک سوزوکی اور اس کے سپلائرز کے درمیان پہلا گرین فیلڈ منصوبہ ہے۔ آٹو اینڈ سٹری 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۔

## سپلائرز کا فروغ اور ترقی:

- کمپنی نے مسلسل بہتری کے ماحول کے فروغ کے لئے مندرجہ ذیل اقدامات کیلئے:
- کوالٹی، KPI، منجمنٹ، ویلیو انجینئرنگ، ڈیولپمنٹ وغیرہ کے شعبوں میں متعدد تربیتی خدمات۔
- کارکردگی بہتر بنانے کے لئے تنظیمی سطح پر تمام سپلائرز کی جامع تشخیص،
- SMC ماہرین کے ہمراہ سپلائرز کا آڈٹ،

## سپلائرز کے لئے مطالعاتی دورے:

مقامی پارٹس سپلائرز کی بزنس پریکٹس کو عالمی پریکٹس سے ہم آہنگ کرنے کے لئے سپلائی چین فنکشن کی جانب سے اپنے سپلائرز کے لئے مندرجہ ذیل مطالعاتی دوروں کا انتظام کیا گیا:

## ملکی سوزوکی کارپوریشن (MSC) لمیٹڈ، ہنگری اور اس کے سپلائرز:

پاک سوزوکی کے 15 پلاسٹک اور ربر کمپونینٹ سپلائرز کے لئے (MSC) ہنگری اور اس کے 6 سپلائرز کے مطالعاتی دورہ کا انتظام کیا گیا۔

## سوزوکی اینڈ موہائل موٹر (SIM)، انڈونیشیا اور اس کے سپلائرز:

پاک سوزوکی کے 15 شیٹ میٹل کمپونینٹ سپلائرز کے لئے (SIM)، انڈونیشیا اور اس کے 8 سپلائرز کے مطالعاتی دورہ کا انتظام کیا گیا۔

## گرین پرو کیورمنٹ:

سوزوکی موٹر کارپوریشن، جاپان کے تعاون کے ساتھ پاک سوزوکی نے اپنے سپلائرز کے لئے گرین پرو کیورمنٹ گائیڈ لائن کی سرگرمیاں شروع کی ہیں۔ اس سرگرمی کا مقصد تفکر کا باعث بننے والی اشیا (SOC) جیسا کہ ایسیسٹنس 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۔

## چیرمین کے تاثرات

پاک سوزوکی موٹر کمپنی لمیٹڈ پاکستان میں آٹوموٹیو انڈسٹری میں پائینئر ہے اور مسابقتی قیمتوں پر متنوع پراڈکٹ رینج فراہم کرتے ہوئے کاروں اور ہلکی تجارتی گاڑیوں میں 50 فیصد سے زائد مارکیٹ شیئرز کے ساتھ مارکیٹ لیڈر کی اپنی پوزیشن کو برقرار رکھے ہوئے ہے۔ کمپنی نے سال 2018 کے دوران 20 لاکھ (2 ملین) گاڑیوں کی پیداوار کا سگ میل عبور کیا۔ مقامی پرزہ جات کے فروغ اور مقامی طور پر پرزہ جات کی مینوفیکچرنگ کرتے ہوئے سپلائرز نیٹ ورک کے ذریعے سے ملک کے انجینئرنگ سیکٹر کی ترقی میں کمپنی ایک اہم کردار ادا کر رہی ہے۔ کمپنی روزگار کے وسیع مواقع پیدا کرتے ہوئے اور مینوفیکچرنگ انڈسٹری میں ٹیکنالوجی کی منتقلی کے ذریعے سے ملک کی سماجی و معاشی ترقی میں بھی بھرپور کردار ادا کر رہی ہے۔ 31 دسمبر 2018 کو ختم ہونے والی مالی سال کے لئے کمپنی کی کارکردگی کا جائزہ پیش کرنا میرے لئے باعث امتیاز ہے۔

### صنعت:

مالی سال 2018 میں پاکستان کی آٹوموبیلز میں اب تک کا نمایاں اضافہ دیکھا گیا۔ مالی سال 2018 میں، آٹوموٹیو انڈسٹری کی فروخت کا حجم گزشتہ سال 239,724 یونٹس کے مقابلے میں 6 فیصد کی مستحکم شرح نمو کے ساتھ 254,936 یونٹس ریکارڈ کیا گیا ہے۔ آٹوموٹیو انڈسٹری میں مستحکم ترقی، مسلسل معاشی ترقی، کم افراط زر اور شرح سود، صارفین کے لئے زیادہ قرضے اور نئے ماڈل کی حوصلہ افزائی کے سبب ممکن ہوئی۔ تاہم، بنیادی طور پر گاڑیوں کی خریداری کے لئے نان فاکٹرز پر عائد پابندی کے باعث مالی سال 2018 کی آخری ششماہی میں حجم کی سست روی کو دیکھا گیا۔ پاکستانی روپے کی مساوی شرح تبادلہ میں تغیرات کے باعث آٹوموبائل انڈسٹری کے ان پٹ اخراجات براہ راست متاثر ہوتے ہیں۔ گزشتہ سال کے دوران پاکستانی روپے کی قیمت میں 26 فیصد تک کمی دیکھی گئی جس کے نتیجے میں گاڑیوں کی قیمت میں اضافہ ہوا۔

### مارکیٹنگ اور ایکسپورٹ:

#### آٹوموبائل مارکیٹ:

پاک سوزوکی کو 55 فیصد مارکیٹ شیئرز کے ساتھ گل ڈومیسٹک مارکیٹ میں مقامی طور پر تیار کردہ گاڑیوں اور لائٹ کمرشل و ہیکل میں مارکیٹ لیڈر کی حیثیت حاصل ہے۔ یہ ہزار سی سی (1000cc) گاڑیوں کا شعبہ ہماری توجہ سے منسوب ہے جہاں ہماری نئی ماڈل گاڑیوں نے 2018 میں 21 فیصد کی نشوونما رجسٹر کی گئی۔ پاکستان بھر میں پھیلے ہوئے 3S ڈیلرشپ نیٹ ورک کی معاونت سے متنوع مصنوعات کی وسیع رینج کے ساتھ معیاری مصنوعات کی فراہمی کے لئے پرعزم ہیں۔ مضبوط ڈیلرشپ نیٹ ورک بشمول بعد از فروخت سروس اور اسپئر پارٹس کی دستیابی کے ساتھ قابل اعتماد صارفین کو موثر خدمات فراہم کرتا ہے۔

### کمپنی کے آپریٹنگ نتائج:

پاک سوزوکی موٹر کمپنی لمیٹڈ پاکستان میں آٹوموٹیو انڈسٹری میں پائینئر ہے اور مسابقتی قیمتوں پر متنوع پراڈکٹ رینج فراہم کرتے ہوئے کاروں اور ہلکی تجارتی گاڑیوں میں 50 فیصد سے زائد مارکیٹ شیئرز کے ساتھ مارکیٹ لیڈر کی اپنی پوزیشن کو برقرار رکھے ہوئے ہے۔ کمپنی نے سال 2018 کے دوران 20 لاکھ (2 ملین) گاڑیوں کی پیداوار کا سگ میل عبور کیا۔ مقامی پرزہ جات کے فروغ اور مقامی طور پر پرزہ جات کی مینوفیکچرنگ کرتے ہوئے سپلائرز نیٹ ورک کے ذریعے سے ملک کے انجینئرنگ سیکٹر کی ترقی میں کمپنی ایک اہم کردار ادا کر رہی ہے۔ کمپنی روزگار کے وسیع مواقع پیدا کرتے ہوئے اور مینوفیکچرنگ انڈسٹری میں ٹیکنالوجی کی منتقلی کے ذریعے سے ملک کی سماجی و معاشی ترقی میں بھی بھرپور کردار ادا کر رہی ہے۔ 31 دسمبر 2018 کو ختم ہونے والی مالی سال کے لئے کمپنی کی کارکردگی کا جائزہ پیش کرنا میرے لئے باعث امتیاز ہے۔

مالی سال 2018 میں پاکستان کی آٹوموبیلز میں اب تک کا نمایاں اضافہ دیکھا گیا۔ مالی سال 2018 میں، آٹوموٹیو انڈسٹری کی فروخت کا حجم گزشتہ سال 239,724 یونٹس کے مقابلے میں 6 فیصد کی مستحکم شرح نمو کے ساتھ 254,936 یونٹس ریکارڈ کیا گیا ہے۔ آٹوموٹیو انڈسٹری میں مستحکم ترقی، مسلسل معاشی ترقی، کم افراط زر اور شرح سود، صارفین کے لئے زیادہ قرضے اور نئے ماڈل کی حوصلہ افزائی کے سبب ممکن ہوئی۔ تاہم، بنیادی طور پر گاڑیوں کی خریداری کے لئے نان فاکٹرز پر عائد پابندی کے باعث مالی سال 2018 کی آخری ششماہی میں حجم کی سست روی کو دیکھا گیا۔ پاکستانی روپے کی مساوی شرح تبادلہ میں تغیرات کے باعث آٹوموبائل انڈسٹری کے ان پٹ اخراجات براہ راست متاثر ہوتے ہیں۔ گزشتہ سال کے دوران پاکستانی روپے کی قیمت میں 26 فیصد تک کمی دیکھی گئی جس کے نتیجے میں گاڑیوں کی قیمت میں اضافہ ہوا۔

موٹر سائیکلوں اور تھری وہیلرز کے لئے آرگنائزڈ مارکیٹ (PAMA ممبر کمپنیاں) میں 1,771,618 یونٹس سے 1,899,662 یونٹس تک 7 فیصد اضافہ ہوا۔

صنعت کی ترقی کے ساتھ، آٹوموبائل کی سیکلز کا حجم 6 فیصد اضافے کے ساتھ 132,548 یونٹس سے بڑھ کر 140,313 یونٹس ہو گیا۔ مالی سال 2018 میں ہزار سی

## Form of Proxy

I/We \_\_\_\_\_  
Of \_\_\_\_\_  
(Full Address)

being member(s) of Pak Suzuki Motor Co. Limited and holder of \_\_\_\_\_ shares under Folio No. \_\_\_\_\_ and/or CDC participant I.D. No. \_\_\_\_\_ and Sub Account No. \_\_\_\_\_ hereby appoint \_\_\_\_\_ of \_\_\_\_\_  
(Full Address)

Folio No. \_\_\_\_\_ and/or CDC participant I.D. No. \_\_\_\_\_ and Sub Account No. \_\_\_\_\_ as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 36<sup>th</sup> Annual General Meeting of the Company to be held on 23<sup>rd</sup> day of April 2019 at 10:00 am at Ramada Plaza Hotel Karachi and at any adjournment thereof.

As witness my/our hand this \_\_\_\_\_ day \_\_\_\_\_ 2019

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, Central Depository Company of Pakistan Ltd. CDC House, 99 - B, Block S.M.C.H.S, Main Shahrah-e-Faisal Karachi, not less than 48 hours before the time for holding the meeting.



# 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 : \_\_\_\_\_  
Title of Account (\*) : \_\_\_\_\_  
Account Number : \_\_\_\_\_  
IBAN Number (\*\*): \_\_\_\_\_  
Name of Bank : \_\_\_\_\_  
Bank branch & Code : \_\_\_\_\_  
Mailing Address of Branch : \_\_\_\_\_  
CNIC No. (attach attested 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 the Company informed in case of any changes 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.

AFFIX  
CORRECT  
POSTAGE

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



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**PAK SUZUKI MOTOR CO. LTD.**

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

Tel: 021-34723551-58, Fax: 021-34723521-2

Website: [www.paksuzuki.com.pk](http://www.paksuzuki.com.pk)