

ANNUAL REPORT 2019

**THE CAR FOR THE
NEW GENERATION**





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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



The interior of the all new Alto is designed modern and spacious. Whether you're driving in the town or going for a long drive, you will be pleased to recline and relax in the spacious interior of the car.

MODERN AND SPACIOUS



Company Information

Board of Directors

Kinji Saito	Chairman
Masafumi Harano	Chief Executive
Tadashi Homma	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

CDC Share Registrar Services Limited
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.
Habib Bank Ltd.
Habib Metropolitan Bank Limited
MCB Bank Ltd.
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Ltd.

Registered Office

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

Regional Offices

Lahore Office:

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

Rawalpindi Office:

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

Multan Office:

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





THE R SERIES

ENGINE

With the improved R series engine (R06A Type), high power-to-weight ratio, increased strength and the aerodynamic shape, the all new Alto is a highly reliable and fuel-efficient hatchback vehicle.

Company Profile

Location

Downstream Industrial Estate of Pakistan Steel, Karachi

Total Area

259,200 m² (64 acres)

Facilities

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

Cost

Rs. 32.094 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.



REFINED FUEL EFFICIENCY



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

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

For our customers

(1) Realization of products and services of superior value

Suzuki Group will provide customers with products and services exceeding their expectation as in line with the spirit "Develop products of superior value by focusing on the customer" which is listed as the first item in our "Mission Statement".

- We will make every effort to provide products and services that will satisfy our customers, by standing in our customers' place at all times.

(2) Activities on Quality

Suzuki Group will develop and produce high quality products which customers can use in relief and will provide after-sales services considering customers' safety and security with first priority.

If by any chance a quality related problem occurs, Suzuki Group will devote its sincere efforts to react on customer's voice, grasp the problem at an early stage and take measures with thorough investigation into the causes so that the customer can continue using Suzuki products in relief.

- We will never neglect any quality related problem on our product that may affect our customers' safety or security, noticed during development, production or after-sales service.
- We will never lead to a conclusion in our own

favour when reacting to indications from our customers related to the quality on our products.

- We will treat aforesaid quality related problems and customers' indications on quality with utmost sincerity, and will devote our best efforts not to spoil customers' trust.

For a Better Working Environment

(3) Respect of Human Right

Suzuki Group will be aware of international norms pertaining to human rights and respect fundamental human rights with reference to laws in each country or region.

- We will cooperate with each other as a member of Suzuki Group to create a working environment with no discrimination by personal attributes or harassment.

(4) Occupational Safety - Traffic Safety

Suzuki Group will review the workplace environment to create safe workplace.

Suzuki Group will thoroughly carry out education on safety to prevent occurrence of occupational injury.

- We will strictly obey rules related to safety so that we can maintain safe workplace and prevent occurrence of occupational injury.
- We will immediately report to our supervisors for improvement when we notice any problem related to safety at our workplace.
- We will be conscious that we take part in the automobile industry, observe traffic rules, keep in mind to drive vehicles safely as a social norm, and endeavour to prevent traffic accidents while on duty or in private.

(5) Promoting Kaizen Activities and Observing Basic Business Rules

Suzuki Group encourages employees to come up with inventive ideas to improve the workplace. Suggestions from employees on Kaizen will be

evaluated and effective measures will be adopted and widespread amongst Suzuki Group companies for a growth of the entire group.

Suzuki Group will create basic rules on our work for the employees to follow.

- We will always think seriously about our business, take the lead in action and make a proposal to the company when we notice any points of improvement.
- We will thoroughly enforce mutual understanding at our workplace and communicate over and over again until others comprehend sufficiently.
- We will always be conscious of overall optimization and make efforts to share information between departments and companies.
- We will observe the business rules provided from time to time in each workplace.

For Shareholders And All Other Stakeholders

(6) Compliance

While Suzuki Group acknowledges the existence of difference in laws related to competition such as Antitrust Law and laws related to fair trading by each country or region, Suzuki Group will grasp the difference and carry out training on employees to observe laws and societal norms in their respective countries and regions.

- We will observe the content of the guidance and training provided by the company on laws and societal norms.
- We will immediately consult with our supervisors when we notice any noncompliance or suspected noncompliance by another employee. In case we think it is improper to consult with our supervisors, we will report to the Consultation & Reporting Desk in our company or those provided by Suzuki Motor Corporation.

(7) Environmental Activities

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

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

(8) Refusing relations with antisocial forces

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

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

Questions on Code of Conduct?

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

MILESTONES

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

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

1984 The Company started commercial operations.

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

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

1989 Foundation stone of the new plant at Bin Qasim was laid by the then Prime Minister of Pakistan, Mohtarma Benazir Bhutto.

1990 Operation of the first phase of the new plant at Bin Qasim started with engine and transmission assembly.

1992 New plant commissioned with the production of three box Sedan passenger car initially SF-410 later on SF-413, known as MARGALLA. The Company was privatized with SMC acquiring additional 15% shares from PACO thus enhancing its shareholding to 40% and taking over the management.

1993 The paid-up capital was doubled with issuance of 100% right shares which increased the capital to Rs. 250 million.

1994 Shifting of Head Office and production of all models to new plant completed.

1995 The paid-up capital was increased again with the issuance of 100% right shares, raising the capital to Rs. 490 million.

1996 Taking initiative to control environmental pollution, the Company set-up waste water treatment plant at a cost of Rs. 40 million. The Joint Venture Agreement ended, PACO divested its entire shareholding to SMC, raising SMC's equity to 72.8%.

1997 The 100,000th vehicle rolled out from the Bin Qasim Plant. 1300 cc BALENO was introduced replacing MARGALLA.

1999 Exports of RAVI pickups to Bangladesh commenced.

2000 1000 cc passenger car SF-310 CULTUS replacing KHYBER was introduced. 1000 cc passenger car ALTO was introduced.

2001 Reborn MEHRAN was introduced. CNG version of MEHRAN, BOLAN and RAVI were launched.

2002 New BALENO was introduced. CNG version of BALENO, ALTO and CULTUS launched. The milestone of 250,000th vehicle from the new plant crossed.

2003 The Company received ISO 9001 : 2000 certification from AIB-VINCOTTE International Limited Brussels, Belgium, 20th Anniversary Celebrations. Commencement of Component export to Hungary, Sub-leasing of land to Vendors Industry of Pak Suzuki adjacent to its assembly plant.

2004 New Plastic Injection Molding Shop commenced production of Bumpers, Instrument Panels, Radiator Grills and Wheel Caps.

2005 Inauguration of first phase of capacity expansion (80,000 vehicles) by the Federal Minister for Production, Industries and Special Initiatives. Achieved milestone of 100,000 online factory fitted CNG Vehicles. The Company received ISO 14001 : 2004 and OHSAS 18001 : 1999 certification from AIB- VINCOTTE International Limited Brussels, Belgium.

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

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

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

2010 1300 cc locally manufactured car Swift was introduced.

2011 Inauguration of new motorcycle plant at Bin Qasim.

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

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

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

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

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

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

2017 Introduction of Suzuki Ciaz, Suzuki Mega Carry and Heavy Bike Suzuki GSX-R600 Launching of New Suzuki Cultus and Suzuki GR150 Inauguration of New Delivery Yard at Port Qasim, Karachi.


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

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

2018 Pak Suzuki was Certified on ISO 9001:2015-QMS & ISO 14001:2015-EMS.

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



A silver hatchback car with its rear door open, showing a spacious trunk filled with groceries and shopping bags. The trunk is packed with various items, including a large brown paper bag of produce, a white reusable shopping bag, and several colorful paper shopping bags. The car is parked on a light blue surface.

The back door opens leaving maximum width allowing ease of loading and unloading. A luggage under box offers storage space for umbrellas and other objects.

MAXIMUM LUGGAGE SPACE

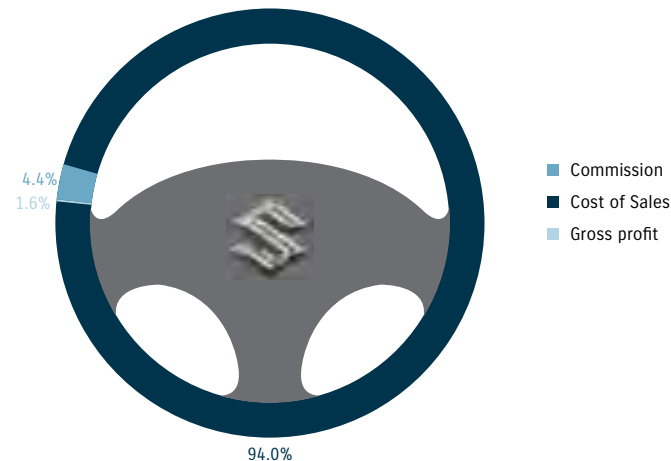
ALL NEW
ALTO

Highlights of the Accounts

For the year ended December 31, 2019

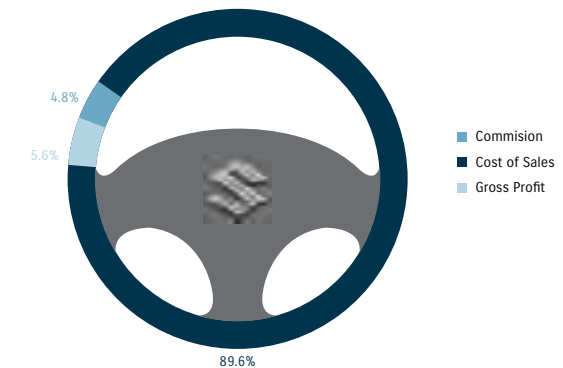
	2019	2018	Increase/(Decrease)	
			Amount	%
----- (Rupees in '000) -----				
Production volume (Nos.)				
- Motorcar	107,999	143,239	(35,240)	(24.6)
- Motorcycle	22,737	23,014	(277)	(1.2)
Sales volume (Nos.)				
- Motorcar	113,270	140,313	(27,043)	(19.3)
- Motorcycle	22,589	23,160	(571)	(2.5)
Gross Sales	122,186,750	125,842,362	(3,655,612)	(2.9)
Selling Commission as a % of gross sales	5,334,195 4.4	5,988,464 4.8	(654,269)	(10.9) (0.4)
Net Sales	116,548,013	119,853,898	(3,305,885)	(2.8)
Gross profit as a % of net sales	1,984,527 1.7	7,044,865 5.9	(5,060,338)	(71.8) (4.2)
Distribution expenses as a % of net sales	2,539,251 2.2	2,706,853 2.3	(167,602)	(6.2) (0.1)
Administration expenses as a % of net sales	2,550,663 2.2	2,323,313 1.9	227,350	9.8 0.3
Reversal/ (provision) of impairment on trade & installment sales as a % of net sales	22,588 -	22,233 -	355	1.6 -
Finance Cost as a % of net sales	2,087,752 1.8	362,523 0.3	1,725,229	475.9 1.5

Sales Revenue Breakup - 2019



	2019	2018	Increase/(Decrease)	
			Amount	%
----- (Rupees in '000) -----				
Other income as a % of net sales	222,504 0.2	565,943 0.5	(343,439)	(60.7) (0.3)
Other operating expenses (WPPF & WWF) as a % of net sales	348 0.0	154,204 0.1	(153,856)	(99.8) (0.1)
Share of loss from associated company as a % of net sales	3,349 0.1	3,212 0.1	137	4.3 -
Profit/(Loss) before taxation as a % of net sales	(4,951,744) (4.2)	2,082,936 1.7	(7,034,680)	(337.7) (5.9)
Profit/(Loss) after taxation as a % of net sales	(2,920,485) (2.5)	1,298,108 1.1	(4,218,593)	(325.0) (3.6)
Shareholders' equity	25,950,886	29,232,865	(3,281,979)	(11.2)
Earnings per share (Rs.)	-35.49	15.77	(51.26)	-325.0
Break-up value per share (Rs.)	315.32	355.20	(39.88)	(11.2)
Number of shares issued (000)	82,300	82,300	-	-
Exchange Rate (JPY to PKR)	1.3124	1.0412	0.27	26.1
Exchange Rate (USD to PKR)	142.9354	117.5524	25.38	21.6

Sales Revenue Breakup - 2018



Highlights of the Accounts Segment Wise

For the year ended December 31, 2019

	CAR DIVISION				MOTORCYCLE DIVISION				TOTAL			
	2019	2018	INCREASE/ DECREASE	%	2019	2018	INCREASE/ DECREASE	%	2019	2018	INCREASE/ DECREASE	%
	----- (Rupees in '000) -----				----- (Rupees in '000) -----				----- (Rupees in '000) -----			
Production volume (Nos.)	107,999	143,239	(35,240)	-25	22,737	23,014	(277)	-1	130,736	166,253	(35,517)	-21
Sales volume (Nos.)	113,270	140,313	(27,043)	-19	22,589	23,160	(571)	-2	135,859	163,473	(27,614)	-17
Gross Sales	118,519,470	122,532,685	(4,013,215)	-3.3	3,667,280	3,309,677	357,603	10.8	122,186,750	125,842,362	(3,655,612)	-3
Selling Commission & Discount as a % of gross sales	5,323,824 4.5	5,967,010 4.9	(643,186)	-11 -0.37	10,371 0.3	21,454 0.6	(11,083) (0.36)	-52 -30	5,334,195 4.38	5,988,464 4.76	(654,269)	-11 -0.38
Net Sales	112,994,512	116,565,675	(3,571,163)	-3	3,553,501	3,288,223	265,278	8	116,548,013	119,853,898	(3,305,885)	-3
Gross profit as a % of net sales	1,693,139 1.5	6,724,635 5.8	(5,031,496)	-75 -4.27	291,388 8.2	320,230 9.7	(28,842) (1.54)	-9	1,984,527 1.70	7,044,865 5.88	(5,060,338)	-72 -4.18
Distribution expenses as a % of net sales	2,479,961 2.2	2,645,962 2.3	(166,001)	-6 -0.08	59,290 1.7	60,891 1.9	(1,601) (0.18)	-3	2,539,251 2.18	2,706,853 2.26	(167,602)	-6 -0.08
Administration expenses as a % of net sales	2,303,766 2.0	2,099,491 1.8	204,275	10 0.24	246,897 6.9	201,589 6.1	45,308 0.82	22	2,550,663 2.19	2,301,080 1.92	249,583	11 0.27
Reversal/ (provision) of impairment on trade & installment sales as a % of net sales	1,000 -	5587 -	-	-	21,588	16,798			22,588			
Finance Cost as a % of net sales	2,084,717 1.8	360,604 0.3	1,724,113	478 1.54	3,035 0.1	1,919 0.1	1,116 0.03	58	2,087,752 1.79	362,523 0.30	1,725,229	476 1.49
Other income as a % of net sales	176,011 0.2	513,901 0.4	(337,890)	-66 (0.29)	46,493 1.3	52,042 1.6	(5,549) (0.27)	-11	222,504 0.19	565,943 0.47	(343,439)	-61 -0.28
WPPF & WWF as a % of net sales	348 0.0	154,204 0.1	(153,856)	-100 (0.13)	- 0.0	- 0.0	- -	-	348 0.00	154,204 0.13	(153,856)	-100 -0.13
Share of loss of equity accounted investee as a % of net sales	3,349 0.0	3,212 0.0	137	4 0.00	0 0.0	0 0.0	- -	-	3,349 0.00	3,212 0.00	137	4 0.00
Profit before taxation as a % of net sales	-5,001,991 (4.4)	1,975,063 1.7	(6,977,054)	-353 (6.12)	50,247 1.4	107,873 3.3	(57,626) (1.87)	-53	(4,951,744) -4.25	2,082,936 1.74	(7,034,680)	-338 -5.99
Profit after taxation as a % of net sales	-2,970,732 (2.6)	1,190,235 1.0	(4,160,967)	-350 (3.65)	50,247 1.4	107,873 3.3	(57,626) (1.87)	-53	(2,920,485) -2.51	1,298,108 1.08	(4,218,593)	-325 -3.59
Earnings per share (Rs.)	-36.10	14.46	(51)	-350	0.61	1.31	(0.70)	-53	(35.49)	15.77	(51)	-325
Number of shares issued (000)	82,300	82,300	-	0	82,300	82,300	-	-	82,300	82,300	-	0

6 Years at a Glance

	2019	2018	2017	2016	2015	2014
----- (Rupees in '000) -----						
OPERATING RESULTS						
Production volume (Nos.)						
- Motorcar	107,999	143,239	132,725	111,979	134,391	80,384
- Motorcycle	22,737	23,014	19,603	18,374	19,610	23,871
Sales volume (Nos.)						
- Motorcar	113,270	140,313	132,548	110,000	133,952	78,005
- Motorcycle	22,589	23,160	19,901	17,946	20,617	23,453
Sales revenue	116,548,013	119,853,898	101,811,611	76,516,040	84,548,757	53,664,947
Gross profit	1,984,527	7,044,865	9,652,573	7,348,577	11,487,448	4,183,699
Profit before taxation	(4,951,744)	2,082,936	5,619,214	4,415,236	8,685,171	2,623,394
Profit/(loss) after taxation	(2,920,485)	1,298,108	3,825,821	2,772,635	5,842,671	1,921,894
Dividends (cash/bonus shares)	-	260,068	1,530,777	452,649	1,234,498	411,499
Profit retained	(2,920,485)	1,038,040	2,295,044	2,319,986	4,608,173	1,510,395
CAPITAL EMPLOYED						
Share capital	822,999	822,999	822,999	822,999	822,999	822,999
Reserves	28,069,713	27,109,749	24,898,931	22,619,294	18,009,762	16,488,378
Unappropriated profit	(2,941,826)	1,300,117	3,827,786	2,774,614	5,846,477	1,925,305
Shareholders' equity	25,950,886	29,232,865	29,549,716	26,216,907	24,679,238	19,236,682
Non-Current Liabilities	515,679	215,730				
Current Liabilities	51,193,261	32,061,254	21,360,751	11,635,058	12,772,749	9,117,477
	77,659,826	61,509,849	50,910,467	37,851,965	37,451,987	28,354,159
Represented By:						
Fixed Assets	15,685,850	15,654,827	8,800,002	6,672,057	4,510,789	4,790,506
Other Non - Current Assets	3,828,757	2,173,188	1,104,378	661,665	425,792	456,080
Current Assets	58,145,219	43,681,834	41,006,087	30,518,243	32,515,406	23,107,573
	77,659,826	61,509,849	50,910,467	37,851,965	37,451,987	28,354,159

	2019	2018	2017	2016	2015	2014
PROFITABILITY RATIOS						
Gross profit as a % of net sales	1.7	5.9	9.5	9.6	13.6	7.8
Profit before taxation as a % of net sales	-4.2	1.7	5.5	5.8	10.3	4.9
Profit/(loss) after taxation as a % of net sales	-2.5	1.1	3.8	3.6	6.9	3.6
Earning/(loss) per Share (Rs.)	(35.5)	15.8	46.5	33.7	71.0	23.4
LIQUIDITY & LEVERAGE RATIOS						
Current ratio	1.14	1.36	1.92	2.62	2.55	2.53
Quick ratio	0.40	0.44	0.79	1.21	1.51	0.88
Liabilities as a % of total assets	67	52	42	31	34	32
Equity as a % of total assets	33	48	58	69	66	68
EFFICIENCY RATIOS						
Inventory turn over ratio	3.1	3.8	3.8	4.2	5.6	3.3
No. of days stock held	120	95	95	86	65	110
No. of days sales in trade debts	2.2	0.7	0.8	5.7	6.7	9.2
Total assets turn over ratio	1.5	1.9	2.0	2.0	2.3	1.9
Net worth turn over ratio	4.5	4.1	3.4	2.9	3.4	2.8
EQUITY RATIOS						
Break up value per share (Rs.)	315.32	355.20	359.05	318.55	299.87	233.74
Cash Dividend as a % of capital	0	32	186	55	150	50
Dividend payout ratio (%)	0	20	40	16	21	21
Plough-back ratio (%)	100	80	60	84	79	79
OTHER DATA						
Permanent employees strength (Nos.)	1,964	2,024	1,345	1,269	1,257	1,272
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

	2019	%	2018	%	2017	%	2016	%	2015	%	2014	%
----- (Rupees in Millions) -----												
BALANCE SHEET												
Fixed assets	16,031	1.7	15,768	75.5	8,985	33.2	6,745	46.8	4,594	(8.0)	4,996	(1.6)
Right to use of Assets	145	-	0	-	0	-	0	-	0	-	0	-
Long-term investments	326	(0.9)	329	58.2	208.00	-	0	-	0	-	0	(100.0)
Long-term loans	4	-	4	100.0	2	(99.1)	231	2,210.0	10	-	10	66.7
Long-term deposits, prepayments and other receivables	378	(17.1)	456	19.4	382	1,217.2	29	16.0	25	8.7	23	(37.8)
Long-term installment sales receivables	272	130.5	118	(18.6)	145	51.0	96	(15.8)	114	(29.6)	162	(4.7)
Deferred taxation	2,359	104.8	1,152	386.1	237	1.3	234	20.0	195	258.2	56	(62.2)
Stores, spares and loose tools	260	76.9	147	27.8	115	3.6	111	12.1	99	20.7	82	24.2
Stock-in-trade	37,517	27.6	29,397	22.8	23,946	47.0	16,289	24.5	13,082	(12.6)	14,977	39.6
Trade debts	691	190.3	238	12.8	211	(82.5)	1,205	(22.9)	1,562	15.5	1,352	37.5
Current portion of long-term installment sales receivables	799	45.3	550	71.3	321	10.3	291	(16.4)	348	(10.3)	388	17.2
Loans and advances	55	34.1	41	10.8	37	(81.6)	201	1.5	198	(61.6)	515	25.0
Trade deposits and short term prepayments	279	(79.4)	1,357	40.5	966	1,154.5	77	8.5	71	34.0	53	(15.9)
Accrued profit on bank deposits	0	(100.0)	269	827.6	29	(76.0)	121	(37.3)	193	1,106.3	16	23.1
Other receivables	349	-	0	(100.0)	92	(27.9)	129	48.3	87	(35.1)	134	17.5
Sales tax and excise duty adjustable	7,701	76.2	4,370	282.0	1,144	(30.7)	1,651	493.9	278	(72.3)	1,002	24.8
Taxation - net	7,226	24.6	5,798	18.3	4,900	158.7	1,894	19.1	1,590	(42.1)	2,747	(5.2)
Cash and bank balances	3,268	115.5	1,516	(83.5)	9,190	7.5	8,548	(43.0)	15,006	715.1	1,841	(6.3)
Total assets	77,660.0	26.3	61,510.0	20.8	50,910	34.5	37,852	1.1	37,452	32.1	28,354	19.1
Share capital	823	-	823	-	823	-	823	-	823	-	823	-
Reserves	25,128	(11.6)	28,410	(1.1)	28,727	13.1	25,394	6.4	23,856	29.6	18,414	9.5
Total Equity	25,951	(11.2)	29,233	(1.1)	29,549	12.7	26,217	6.2	24,679	28.3	19,237	9.0
Trade and other payables	12,887	(10.6)	14,411	26.6	11,378	80.6	6,301	(2.2)	6,443	30.3	4,945	33.8
Advances	1,497	(34.2)	2,276	(57.3)	5,332	228.1	1,625	(61.5)	4,226	95.7	2,159	243.2
Accrued mark-up	0	-	0	-	0	-	0	-	0	(100.0)	9	-
Short-term finance	32,411	186.6	11,310	-	0	-	0	-	0	-	0	-
Security deposits	4,164	(1.4)	4,222	(8.2)	4,601	25.3	3,673	77.6	2,068	7.9	1,917	12.6
Unclaimed dividend	19	(13.6)	22	57.1	14	-	-	-	-	-	-	-
Lease liability Unclaimed dividend	148	-	0	-	-	-	-	-	-	-	-	-
Provision for custom duties and sales tax	583	1,519.4	36	-	36	-	36	-	36	(58.1)	87	(37.7)
Total equity and liabilities	77,660.0	26.3	61,510.0	20.8	50,910	34.5	37,852	1.1	37,452	32.1	28,354	19.1

Horizontal Analysis of Profit or Loss Account

	2019	%	2018	%	2017	%	2016	%	2015	%	2014	%
----- (Rupees in Millions) -----												
Sales	116,548	(2.8)	119,854	17.7	101,812	33.1	76,516	(9.5)	84,549	57.5	53,665	5.1
Cost of sales	(114,563)	1.6	(112,809)	22.4	(92,159)	33.2	(69,167)	(5.3)	(73,061)	47.7	(49,481)	3.5
Gross profit	1,985	(71.8)	7,045	(27.0)	9,653	31.4	7,349	(36.0)	11,487	174.5	4,184	29.0
Distribution and selling costs	(2,539)	(6.2)	(2,707)	(3.5)	(2,804)	39.9	(2,004)	3.0	(1,946)	160.9	(746)	33.0
Administrative expenses	(2,528)	9.9	(2,301)	43.8	(1,600)	3.9	(1,540)	25.1	(1,231)	11.7	(1,102)	14.9
Reversal/ (provision) of impairment on trade & installment sales	23	4.5	22	-	-	-	-	-	-	-	-	-
Other expenses	-	(100.0)	(154)	(62.8)	(414)	24.0	(334)	(48.9)	(653)	233.2	(196)	12.0
Other income	223	(60.6)	566	(34.6)	865	(16.8)	1,040	(1.7)	1,058	107.5	510	(40.9)
Operating profit	(2,861)	(216.8)	2,449	(57.0)	5,699	26.3	4,511	(48.2)	8,716	228.9	2,650	9.9
Share of loss of equity accounted investee	(3)	-	(3)	(75.0)	(12)	-	-	-	-	-	-	-
Finance cost	(2,088)	475.2	(363)	433.8	(68)	(29.2)	(96)	209.7	(31)	14.8	(27)	(53.4)
Profit before taxation	(4,952)	(337.7)	2,083	(62.9)	5,619	27.3	4,415	(49.2)	8,685	231.1	2,623	11.5
Taxation	2,031	(358.7)	(785)	(56.2)	(1,793)	9.1	(1,643)	(42.2)	(2,843)	305.0	(702)	39.3
Profit after taxation	(2,920)	(325.0)	1,298	(66.1)	3,826	38.0	2,773	(52.5)	5,843	204.0	1,922	3.9

Vertical Analysis of Balance Sheet

	2019	%	2018	%	2017	%	2016	%	2015	%	2014	%
----- (Rupees in Millions) -----												
BALANCE SHEET												
Fixed assets	16,031	20.6	15,768	25.6	8,985	17.6	6,745	17.8	4,594	12.3	4,996	17.6
Right to use of Assets	145	0.2	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Long-term investments	326	0.4	329	0.5	208	0.4	-	0.0	-	0.0	0	0.0
Long-term loans	4	0.0	4	0.0	2	0.0	231	0.6	10	0.0	10	0.0
Long-term deposits, prepayments and other receivables	378	0.5	456	0.7	382	0.8	29	0.1	25	0.1	23	0.1
Long-term installment sales receivables	272	0.4	118	0.2	145	0.3	96	0.3	114	0.3	162	0.6
Deferred taxation	2,359	3.0	1,152	1.9	237	0.5	234	0.6	195	0.5	56	0.2
Stores, spares and loose tools	260	0.3	147	0.2	115	0.2	111	0.3	99	0.3	82	0.3
Stock-in-trade	37,517	48.3	29,397	47.8	23,946	47.0	16,289	43.0	13,082	34.9	14,977	52.8
Trade debts	691	0.9	238	0.4	211	0.4	1,205	3.2	1,562	4.2	1,352	4.8
Current portion of long-term installment sales receivables	799	1.0	550	0.9	321	0.6	291	0.8	348	0.9	388	1.4
Loans and advances	55	0.1	41	0.1	37	0.1	201	0.5	198	0.5	515	1.8
Trade deposits and short term prepayments	279	0.4	1,357	2.2	966	1.9	77	0.2	71	0.2	53	0.2
Accrued profit on bank deposits	-	0.0	269	0.4	29	0.1	121	0.3	193	0.5	16	0.1
Other receivables	349	0.4	-	0.0	93	0.2	129	0.3	87	0.2	134	0.5
Short-term investment	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Sales tax and excise duty adjustable	7,701	9.9	4,370	7.1	1,144	2.2	1,651	4.4	278	0.7	1,002	3.5
Taxation - net	7,226	9.3	5,798	9.4	4,900	9.6	1,894	5.0	1,590	4.2	2,747	9.7
Cash and bank balances	3,268	4.2	1,516	2.5	9,189	18.1	8,548	22.6	15,006	40.1	1,841	6.5
Non-current assets classified as held for sale	-	-	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Total assets	77,660.0	100.0	61,510.0	100.0	50,910.0	100.0	37,852.0	100.0	37,452.0	100.0	28,354.0	100.0
EQUITY AND LIABILITIES												
Share capital	823	1.1	823	1.3	823	1.6	823	2.2	823	2.2	823	2.9
Reserves	25,128	32.4	28,410	46.2	28,726	56.4	25,394	67.1	23,856	63.7	18,414	64.9
Total Equity	25,951	33.4	29,233	47.5	29,549	58.0	26,217	69.3	24,679	65.9	19,237	67.8
Trade and other payables	12,887	16.6	14,411	23.4	11,378	22.3	6,301	16.6	6,443	17.2	4,945	17.4
Advances	1,497	1.9	2,276	3.7	5,332	10.5	1,625	4.3	4,226	11.3	2,159	7.6
Accrued mark-up	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0	9	0.0
Short-term finance	32,411	41.7	11,311	18.4	-	0.0	-	0.0	-	0.0	-	0.0
Security deposits	4,164	5.4	4,222	6.9	4,601	9.0	3,673	9.7	2,068	5.5	1,917	6.8
Unclaimed dividend	19	0.02	22	0.04	14	0.0	-	0.0	-	0.0	-	0.0
Lease liability	148	0.2	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Provision for custom duties and sales tax	583	0.8	36	0.1	36	0.1	36	0.1	36	0.1	87	0.3
Total equity and liabilities	77,660.0	100.0	61,510.0	100.0	50,910.0	100.0	37,852.0	100.0	37,452.0	100.0	28,354.0	100.0

Vertical Analysis of Profit or Loss Account

	2019	%	2018	%	2017	%	2016	%	2015	%	2014	%
----- (Rupees in Millions) -----												
Sales	116,548	100	119,854	100	101,812	100	76,516	100	84,549	100	53,665	100
Cost of sales	(114,563)	(98.30)	(112,809)	(94.12)	(92,159)	(90.52)	(69,167)	(90.40)	(73,061)	(86.41)	(49,481)	(92.20)
Gross profit	1,985	1.70	7,045	5.88	9,653	9.48	7,349	9.60	11,487	13.59	4,184	7.80
Distribution and selling costs	(2,539)	(2.18)	(2,707)	(2.26)	(2,804)	(2.75)	(2,004)	(2.62)	(1,946)	(2.30)	(746)	(1.39)
Administrative expenses	(2,528)	(2.17)	(2,301)	(1.92)	(1,600)	(1.57)	(1,540)	(2.01)	(1,231)	(1.46)	(1,102)	(2.05)
Reversal/ (provision) of impairment on trade & installment sales	23	0.02	22	0.02	-	-	-	-	-	-	-	-
Other expenses	-	-	(154)	(0.13)	(414)	(0.41)	(334)	(0.44)	(653)	(0.77)	(196)	(0.37)
Other income	223	0.19	566	0.47	865	0.85	1,040	1.36	1,058	1.25	510	0.95
Operating profit	(2,861)	(2.45)	2,449	2.04	5,699	5.6	4,511	5.9	8,716	10.31	2,650	4.94
Share of loss of equity accounted investee	(3)	(0.00)	(3)	0	(12)	(0.01)	-	-	-	-	-	-
Finance cost	(2,088)	(1.79)	(363)	(0.30)	(68)	(0.07)	(96)	0.13	(31)	(0.04)	(27)	(0.05)
Profit/(loss) before taxation	(4,952)	(4.25)	2,083	1.74	5,619	5.52	4,415	5.77	8,685	10.27	2,623	4.89
Taxation	2,031	1.74	(785)	(0.65)	(1,793)	(1.76)	(1,643)	(2.15)	(2,843)	(3.36)	(702)	(1.31)
Profit/(loss) after taxation	(2,920)	(2.51)	1,298	1.08	3,826	3.76	2,773	3.62	5,843	6.91	1,922	3.58



Statement of Value Addition and its Distribution

	2019		2018	
	(Rupees in '000)	%	(Rupees in '000)	%
Wealth Generated				
Total gross revenue and other income	116,770,517		148,806,459	
Brought in materials and services	92,287,976		120,527,971	
	24,482,541	100	28,278,488	100
Wealth distribution to stakeholders				
To Employees				
Salaries, wages ,other cost including retirement benefits and WPPF	3,339,067	13.64	2,996,012	10.59
To Government				
Income tax, sales tax, excise duty, development surcharge, WWF	19,211,233	78.47	22,130,723	78.26
To Society				
Donation	8,952	0.04	10,414	0.04
To Shareholders				
Dividend	260,068	1.06	1,530,777	5.41
To providers of finance				
Finance charges for borrowed funds	1,948,546	7.96	185,827	0.66
To Company				
Depreciation, amortisation and retained profit/ (loss)	(285,325)	-1.17	1,424,735	5.04
	24,482,541	100.00	28,278,488	100.00

SUZUKI EXCHANGE CAR TRADE-IN PROGRAM

KEY TO KEY EXCHANGE

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

No additional charges
Priority Delivery
Right price for your old vehicle



The all new Alto is a highly efficient performance car that makes your daily shopping and outings a pleasant experience. Spacious cabin and storage accessories of the new model ensure complete comfort for you and your family.

ENHANCED COMFORT AND CONVENIENCE



Visits & Events



All-new Suzuki Alto Launch

Bringing another option for its customers, Pak Suzuki launched all-new Suzuki Alto 660 cc on 15th June 2019. All authorized dealerships, media personnels, corporate customers and many dignitaries attended this event.



Pakistan Auto Parts Show 2019

- Pak Suzuki participated as a Platinum sponsorship at Pakistan Auto Parts Show which was held on April 12 to 14, 2019 at Expo Centre, Karachi.
- All Automobile OEMs participated in this show with the objective to show their strengths and contribution towards development of local industry.
- With this event Pak Suzuki took the opportunity to display the most awaited product i.e SUZUKI ALTO 660cc with the introduction of BOOKING OPEN at PAPS 2019.
- Suzuki Alto, Cultus, WagonR, Gixxer SF, GR-150, GD-110S, GS-150SE, OBM, SGO, SGA & Localization of Alto were displayed.



Visits & Events

Collector of Customs

A delegation of officers from Customs along with Collector customs visited Pak Suzuki on 17th April - 2019 The Delegation was led by Mr. Mumtaz Ali Khoso (Collector of Customs) Mr. Masafumi Harano CEO Pak Suzuki Presented an overview on Pak Suzuki and Conducted Q&A Session.



Consul General Thailand Visit

A delegation of Consul General of Thailand along with Thai BOI Team visited Pak Suzuki on 21st June, - 2019 The Delegation was led by Consul General of Thailand.



Training and Development:

In the year 2019, 371 locals as well as 25 foreign trainings were conducted for the benefit of the employees to further improve their productivity and skills related to their work responsibilities.



Visits & Events

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 Jacobabad Motors



Suzuki Bhalwal Motors



Suzuki Shorkot Motors



Suzuki Barakahu Motors



Suzuki Khushab Motors



Suzuki Malir Cantt Motors



Suzuki Moro Motors



Suzuki Kashmore Motors



SRS

AIRBAGS

When the sensor detects more than a certain impact, the airbag is instantly deployed. Together with the effects of the seat belt, it reduces the impact on the head and chest of front occupants.



Chairman's Review

I am pleased to report that your Company continues to be 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. 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. I hereby present review on the performance of the Company for the year ended December 31, 2019.

Industry

In the year 2019, sales volume of auto industry for cars and light commercial vehicles was recorded at 187,846 units compared to 254,936 units in last year, registering decrease of 26%. Auto sales were badly hit during the 2nd half July – December 2019 and steep fall of 44% was witnessed in sales volume as compared to sales volume of corresponding period of last year. Sales volume declined in 2nd half of the year due to increase in prices of vehicles as OEMs passed on the impact of increase in duties & taxes and devaluation of Pak Rupee. Contraction in demand forced the OEMs to opt for non-production days to manage their inventory.

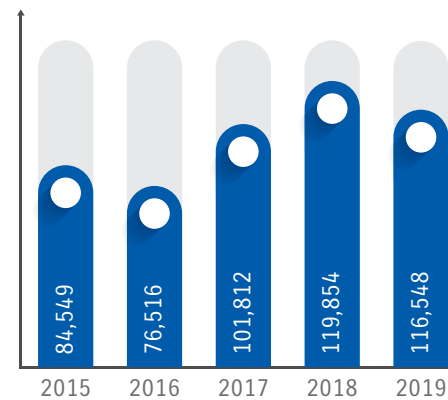
During 2019, the organized market (PAMA member companies) for motorcycles and three wheelers decreased from 1,889,662 units to 1,655,216 units. Decrease of 244,446 units represents 13% decline in sales volume over last year.

Operating Results of the Company

Sales volume during the year 2019 for cars and light commercial vehicles declined by 19% from 140,313 units to 113,270 units. As a result of less rate of decline in sales volume of Company in comparison with total industry, market share of your Company improved from 54% in year 2018 to 59% in 2019. New Alto performed exceptionally well in this depressed market and contributed in lower decline in sales volume and improved market share of the Company. The production volume of automobile and motorcycles were adjusted according to the demand. The Company operated at 72% capacity utilization and achieved production volume of

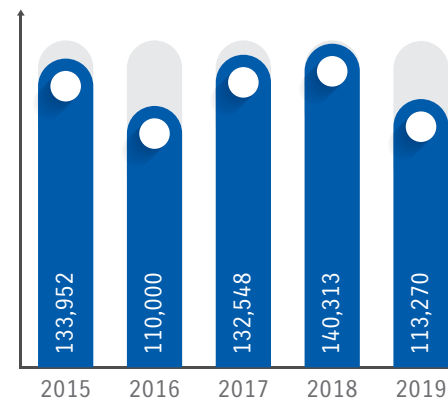
Sales Revenue

Rs. In Million



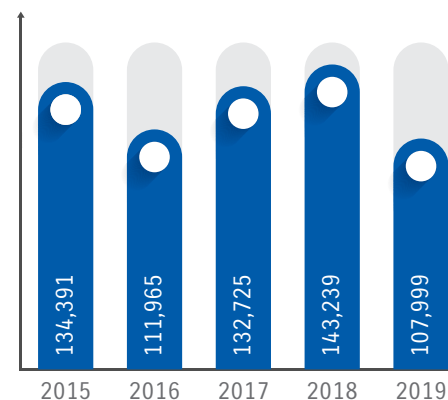
Sales Volume Motorcars

No. of Units



Production volume Motorcars

No. of Units



107,999 units of automobiles. Sales volume for motorcycles declined by 3%, Company achieved sales volume of 22,589 units as compared to sales volume of 23,160 units in corresponding period of last year.

Net sales revenues decreased by Rs 3,306 million from Rs 119,854 million to Rs 116,548 million. Sales revenue decreased by 3% in current year over last year due to decline in sales volume. Gross profit decreased in absolute terms by Rs 5,060 million from Rs 7,045 million to Rs 1,985 million. Gross profit margins as a percentage of net sales declined from 5.9% to 1.7%. Massive devaluation of Pak Rupee and multiple duty & tax increase levied from July 2019 budget resulted in increased imported material cost, consequently adversely affecting the profit margins. Company incurred net loss of Rs 2,921 million as compared to net profit Rs 1,298 million in last year. Beside decline in gross profits, another factor for adverse profitability was increase in financial charges by Rs. 1,763 million in current year from Rs. 185 million in 2018 to Rs. 1,948 million in 2019. Company has taken countermeasures and initiated cost cutting measures and improving efficiencies. Company also gradually increased the selling prices of its products to pass on the impact of increase in production cost. Prices are being increased in phases to maintain the sales volume.

Marketing & Exports

Automobile Market:

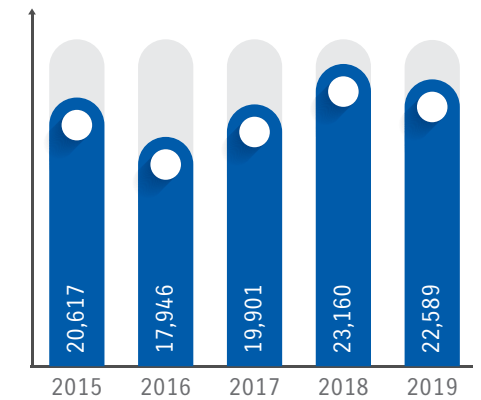
Although our sales faced decline due to increase in product costs; however, we remain committed to our strengths of providing quality products with diversified product range supported by 3S (Sales, Service & Spare Parts) Dealerships' network, spread all over Pakistan. Strong dealership network ensured efficient services to customers including reliable after sales service and availability of spare parts.

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

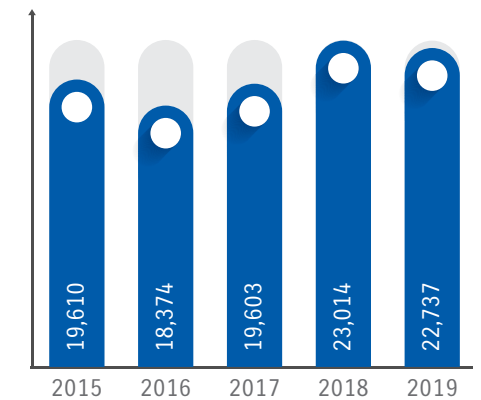
Sales volume Motorcycles

No. of Units



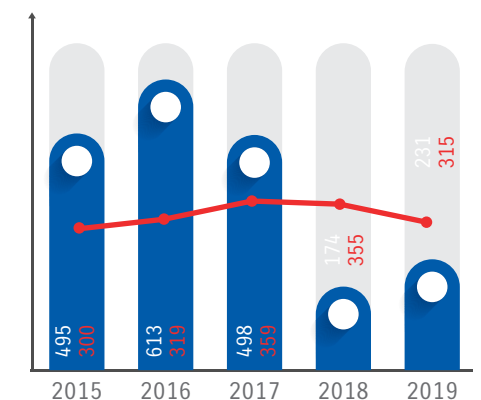
Production volume Motorcycles

No. of Units



Share Price vs Breakup Value

Rupees



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

Exports:

During the year, KD parts worth Rs.16.2 million were exported to sister concerns Vietnam Suzuki Corporation (VISUCO), Vietnam and Suzuki Indomobil Motors (SIM), Indonesia against KD parts exports of Rs.21.7 million in 2018. KD parts were exported for mass production of Suzuki mini-truck model in Vietnam and Suzuki WagonR Car model in Indonesia. Outboard motors of Rs 14.1 million were exported to Sri Lanka and Morocco. Further, during the year accessories of Rs. 6.6 million were exported to Hungary for after sale market.

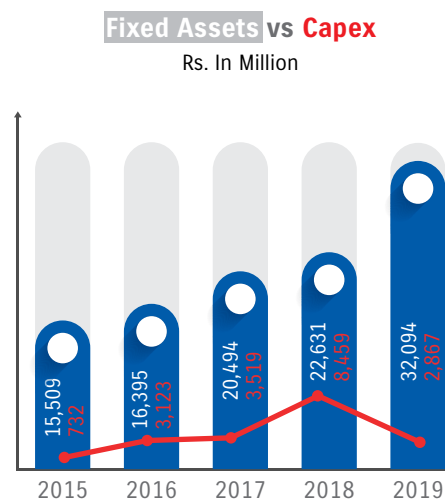
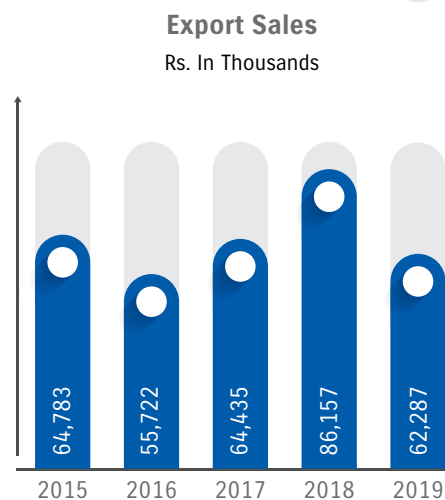
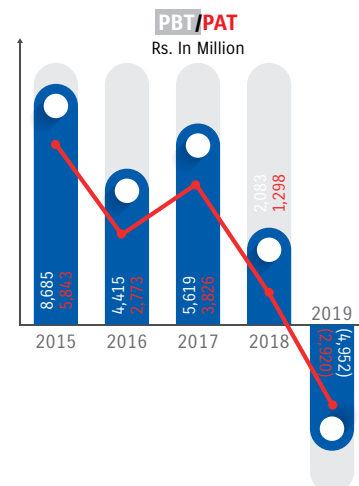
Sales And Distribution Net Work

We aim 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, 2019, Pak Suzuki dealership network expanded to 162 sales outlets in 95 cities all across Pakistan. To serve customers in uncovered areas, six 1S parts outlets were opened.

To facilitate the customers, Pak Suzuki opened 9 booking offices all over Pakistan. Suzuki Booking Offices facilitated customers by giving them the opportunity of booking vehicles with the initial advance payment. Further, 16 company operated showrooms for motorcycles are in operation where customers are provided sales and after sales service. In 2019; eight motorcycles 'franchise outlets' at dealerships were set up.

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 1.26 million. The motorcycle aftersales market also shown positive trend in business operations. Total 259,597 Job cards were served in 2019.



Automobile Parts sales for the year recorded Rs 3,433 million, showing overall growth of 11% as compared to last year. Yearly sales for Engine Oil reached to 2,168,891, liters, which shows growth of 6% as compared to last year. The motorcycle parts sale also reached to Rs. 244 million showing growth of 15% as compared to last year.

Customers' Satisfaction & Retention

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

The value addition of SMS service in Call Center Solution and CRM for customer information has enhanced our customer services for timely handling of customer queries/complaints.

Our customers have shown more trust and satisfaction on the services rendered to them through dealers' network. Survey of 105,297 customers was carried out in 2019 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 spare parts availability, and extended the logistics service providers to shorten lead time and to satisfy customers.
- Digitalized the spare parts warehouse operations to ensure accurate processes for quick and right part availability.

Induction of GENESYS CRM Call Center System enables quick access to the relevant information that saves customers' valuable time. It helps in prioritizing the task and deliver work more accurately and efficiently.

LOCALIZATION

Your Company is proud to be the pioneer in the development of auto parts industry in Pakistan. The Company has been striving for localization of components through suppliers' network and in-house manufacturing of components. The Company also contributes 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 enhance localization of functional and high-tech components.

Further, Company took initiative and made a strategy to enter into Joint Venture agreement with suppliers to provide confidence to Technical Assistance provider. In this regard, Tecno Auto 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 has planned to commence commercial production by first half of 2020. This Joint Venture is a first green field project between Pak Suzuki & its suppliers. Beside technology transfer and localization of glass for auto industry, the project will contribute significant cost saving to Company and earn reasonable returns on the investment.

Pak Suzuki continuing the enhancement in localization contents and working rigorously to provide maximum benefit of cost savings through localization thus providing business opportunities to local suppliers.

IMPROVEMENT & DEVELOPMENT OF SUPPLIERS:

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

- Up gradation program for suppliers by KAMI Supervisor from Suzuki Motor Company Japan to upgrade supplier's skills up to level of Suzuki Motor suppliers in term of safety, quality by March 2021.
- multiple trainings in the areas of Quality, KPI management, Value Engineering, Development, Supplier's drawing development and OJT for Sheet Metal Vendors at Pak Suzuki, etc.
- comprehensive assessment of all suppliers at organizational level for improvement,
- audits of suppliers along with SMC experts.

Study Tours for Employees:

In order to align business practices of our local parts suppliers with international practices, Supply Chain Function arranged study tours for its employees to Suzuki Motor Company, Japan and its suppliers for Sheet Metal, Plastic and Casting forging components.

Green Procurement:

Pak Suzuki, in coordination with Suzuki Motor Corporation, Japan initiated Green Procurement Guideline activities for its suppliers. The purpose of this activity is to ensure non-usage of Substance of

Concern (SOC) like Asbestos and other prohibited substance as designated by Pak Suzuki along with applicable law and regulations with respect to environment.

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

HUMAN RESOURCE

Our 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:

Your Company strives to provide its employees with inspiring training and education experiences that broaden and enhance skills and uncover new concepts and ideas. Talent development takes many forms at Pak Suzuki Motor Company, including training sessions for key functional areas. In the year 2019, 371 locals as well as 25 foreign trainings were

conducted for the benefit of the employees to further improve their productivity and skills related to their work responsibilities. Besides, 10 Permanent workers attended 6 months technical intern training at Suzuki Sagara Plant to enhance their technical skills. Company also enriched its Learning & Development portfolio with the launch of Digital Trainings, through which employees can access wide range of e-trainings from anywhere & at any time. In the year 2019, 206 e-Trainings have been completed by employees.

Health and Safety:

Employee Wellbeing:

Company is fully aware of the importance of employee wellbeing at workplace, therefore a wellness campaign "STAYWELL" was rolled out with an aim to provide knowledge and understanding to employees about how to become more fulfilled, accomplished and contented by taking care of their interpersonal, emotional & physical wellness. 1010 employees got benefitted from this wellness campaign.

Sports and Social Events:

Corporate sports events help to improve health and wellbeing, as well as influence engagement, culture and staff retention. 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, Company also organized congregation of Milad-un-Nabi within its premises in which along with company employees, contractor(s) employees also participated. Renowned Naat Khawans and religious scholars were invited to commemorate the event. Sweets were also distributed to all the

participants at the end of the event.

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.

Keeping in view the above, Referendum activity was smoothly conducted in the company in which permanent workers used their right of vote to elect a CBA in a peaceful manner. Furthermore, the elected CBA submitted their Charter of Demand for the two year period 2019 & 2020 which were negotiated and settled in a harmonious manner.

Information Technology:

Information Technology is driving innovation in the business environment. 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 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

Automation processes were implemented back in 2017. The main objective was to improve business workspace and automation experience. Recently, Company collaborated with Global Suzuki Subsidiaries using SharePoint to work on Global Projects as TEAM SUZUKI. In addition to that, 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.

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 (Rupees in billion)	Foreign exchange Savings *
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
2019	43.091	42.994

Duties and taxes paid by Company during the year represent around 0.74% of total tax revenues estimated in the Federal Budget for the fiscal year 2019-20.

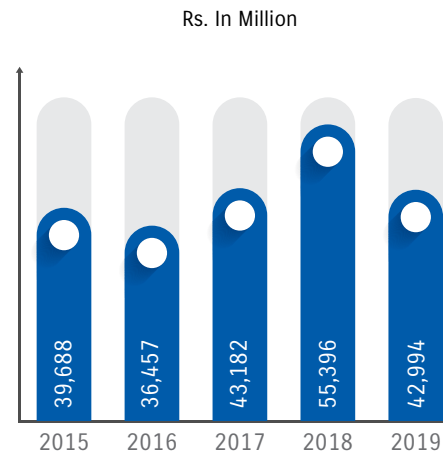
*Converted into Pak Rupees at year end exchange rate.

ECONOMIC CONDITION OF COUNTRY

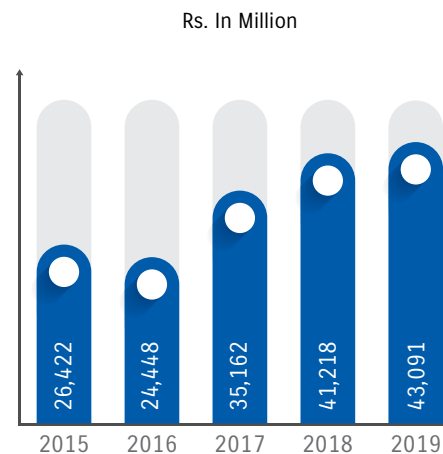
Pakistan's economy is in challenging situation. We witnessed sharpest increase in policy rates in recent time by State Bank of Pakistan (SBP). However, SBP reduced the policy rate by 75 basis points from 13.25% to 12.50% in the March 2020 monetary policy. This is the first rate cut by the SBP since May 2016. We foresee inflation to gradually decline in the year 2020 assuming stable exchange rate, downtrend in global commodity prices and higher base effect.

Economic reforms have gradually started showing positive results and fiscal consolidation measures have brought financial discipline and increased revenue growth by bringing about stability in the economy and it is expected that a path of sustainable economic growth can be achieved. Stable exchange rate, improved current account and better fiscal and monetary management, denote that the economic

Foreign Exchange Savings



Duties & Taxes



outlook seems promising. During first eight months of current financial year, Country's trade deficit witnessed significant reduction and improved by 26.52% as compared to the corresponding period of last year. Current Account deficit has continued to decline, easing external pressure. Country's exports registered 3.65% growth, whereas imports reduced by 14.06% according to the data of foreign trade statistics, released by the Pakistan Bureau of Statistics (PBS). The constant decline in the trade deficit shows the effectiveness of the Government policies to curb

the bloated trade deficit as imports have dropped despite nominal growth in exports proceeds.

EFFECT OF CORONA VIRUS (COVID - 19) ON ECONOMY

Coronavirus is severely impacting the economies around the world. Global economy is suffering from an unprecedented supply shock. People are not at work because they are sick or quarantined, potentially leading to stagflation, falling GDP growth alongside rising prices. Policy measures must be taken to prevent job loss with sustainable economic activity. Fiscal measures should be announced by Government so that economy could recover quickly once the pandemic is over. Company took following precautionary preventive measures to combat the menace of COVID-19 and ensured the safety & health of employees:

1. An awareness guideline which contains information about symptoms & preventive measures was circulated among all the employees;
2. Travel advisory was issued to avoid travelling in critical countries and enacted mandatory virus screening upon arrival back before joining duty;
3. Temperature screening has been started at Entrance gate;
4. Employees visiting company dispensary with suspected symptoms are being referred to hospital for detailed checking; &
5. Sufficient quantity of hand sanitizers has been provided in company and dealers and vendors were also advised to provide the same.

GOVERNMENT FISCAL POLICIES

Tax measures announced in the Federal Budget 2019-20 have severely hit the auto industry. The government has enlarged the scope of Federal Excise Duty (FED) on locally assembled cars. FED has been imposed @ 2.5% on major segment of Company's cars with engine capacity upto 1000cc, consequently increasing the cost to the customers. Tax credit on investment in Plant & Machinery under section 65B of Income Tax Ordinance has been withdrawn with effect from tax year 2020 (corresponding income year of

2019 of Pak Suzuki). Projects related to auto industry needed long period to materialize. Any abrupt change in policy affects the overall feasibility of the project. Additional Customs Duty (ACD) on imported material has been increased by 2% to 5%. Further Government withdrew gradual reduction in corporate tax rate from 29% to 25% and on the other hand increased minimum tax from 1.25% to 1.5% of turnover. These additional taxes coupled with massive depreciation of Pak Rupee adversely affected the cost of vehicles and it forced the OEMs to increase the prices of their vehicles. Consequently, higher prices of vehicles affected sales volume of auto industry resulting in sharp decline in sales volumes.

FUTURE OUTLOOK & CONCLUSION

Pakistan has a population of over 212 million (the world's 6th-largest). The economy of Pakistan is the 23rd largest in the world in terms of purchasing power parity. Yet, Pakistan has a low ratio of consumption of cars as compared to other emerging economies. Hence there is potential for growth of the auto industry.

Current auto policy was applicable for the period 2016 to 2021 and new auto policy is expected to be announced. It is expected that new auto policy will be Industry friendly and it will offer incentives to existing OEMs and vendors' industry. Suzuki Motor Corporation, Japan (SMC), Principal shareholder and parent company of Pak Suzuki Motor Company Limited, is looking for opportunities for further growth in Pakistan.

New entrants, enjoying incentives under ADP 2016-21, are gradually entering into market. Macroeconomic indicators of the country are challenging for auto industry, yet the Company is endeavoring to improve sales, pro-fitability and diversity in its operations by upgrading the existing products and offers quality products to customers at competitive prices through an efficient network of authorized dealers.

In conclusion, I on behalf of the Board and shareholders would like to express my appreciation

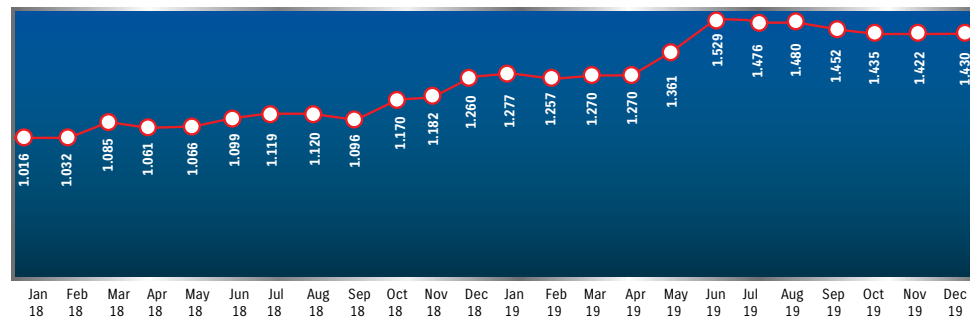
to the management, executives, workers, dealers, suppliers and Suzuki experts for their efforts and contribution to the affairs of the Company. My sincere hope is that all the government departments continue their support to the automobile industry.



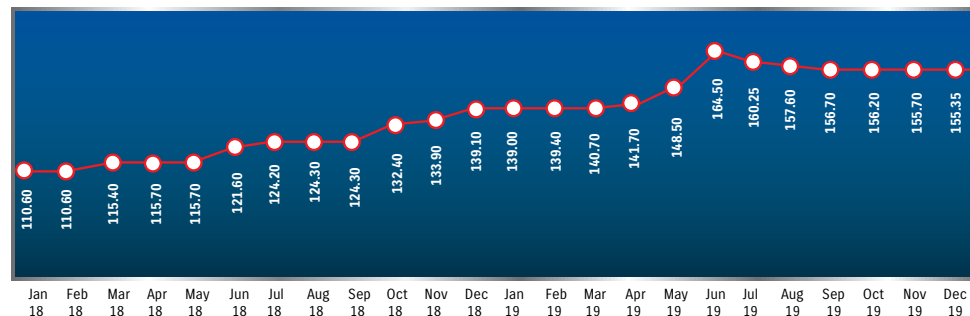
KINJI SAITO
Chairman
Karachi. March 20, 2020.

Exchange Rates Movement

Yen - Rs. PARITY



USD - Rs. PARITY



7 SOLUTIONS AT SUZUKI AUTHORIZED DEALERSHIPS



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



The unique rear end design inspires a moment of awe and appreciation. The back door emphasizes the shape of the rear end while the tail lamps fitted in the rear bumper complete the compact design. The all new Alto comes in a variety of colours and you might find it difficult to settle for a choice.

IRRESISTIBLY STYLISH BACK



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, 2019.

Accounts

	(Rs in 000)
Loss before taxation	(4,951,744)
Taxation	2,031,259
Loss after taxation	(2,920,485)
Retained earnings of prior years	1,049
Net loss available for appropriation	(2,919,436)
Less: Appropriations	
Transfer to General Reserve	(2,920,000)
Proposed Cash Dividend Rs.Nil @ Nil%	-
	(2,920,000)
Retained earnings carried forward	564

Earnings per Share

The loss per share for the year was Rs. 35.49.

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 including internal controls over financial reporting 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 28 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 19	Dec 18
Provident Fund	Rs. 945.222 million	Rs. 852.215 million
Gratuity Fund	Rs. 553.850 million	Rs. 495.998 million

Board of Directors Meetings

During the year five (5) meetings of the Board of Directors were held. Attendance of each director was as follows:

	No of meetings attended
Mr. Kinji Saito	5
Mr. Masafumi Harano	5
Mr. Tetsuya Fujioka / Mr. Tadashi Homma	5
Ms. Rukhsana Shah	5
Mr. Shigeo Takezawa	4
Mr. Kazuyuki Yamashita	5
Mr. Moin M. Fudda	5

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 no meeting was held of the Human Resource & Remuneration Committee. However, key HR matters were discussed and approved during the board meetings.

Directors' Training Program

All the directors on the Board are fully conversant with their duties and responsibilities as directors of corporate bodies. In accordance with the criteria specified in regulation 19 of the Code, four 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.

Remuneration for Non- Executive and Independent Directors

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

Pattern of Shareholdings

The pattern of shareholdings as of December 31, 2019 is given on pages 148 to 151.

Trading in Shares of the Company by Directors and Executives

During the year following director and executives have carried out trading in shares of the Company:

Name of Director / Executive	Date of Transaction	No. of Purchased Shares	No. of Sold Shares	Rate of Transaction PKR
Masafumi Harano	Jan 22, 2019	119		218.00
M. Ali Lodi	Feb 4, 2019	100		300.19
S.M. Raza Rizvi	Feb 4, 2019	700		325.00
S.M. Raza Rizvi	Dec 4, 2019		700	270.20

Except these transactions, no other director, executives and their spouses and minor children have carried out trading in shares of Company.

Business Risk Management System

Formal risk management framework is in place to assess the risks faced in the context of the broader political, operational and macroeconomic environment. The risk management system identifies risks related to broader business operations. The purpose of risk management is about to make informed decisions regarding risks and having processes in place to effectively manage and respond to risks in pursuit of a Company's objectives by maximizing opportunities and minimizing adverse effects.

Directors' Evaluation

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

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, 2020. The Directors endorse recommendation of Audit Committee.

Related Party Transactions

All transactions with related parties have been executed at arm's length and in normal course of business, which have been disclosed in the financial statements under relevant notes. Related party transactions were duly approved by Audit Committee and notified to Board of directors in accordance with section 208 of the Companies Act 2017.

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

On September 20, 2019, Mr. Tadashi Homma was appointed on the Board as member in place of Mr. Tetsuya Fujioka who had resigned as member.

As at December 31, 2019 the Board comprised of the following directors: -

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

Total number of directors:

- | | |
|--------------------|----|
| a) Male directors | 06 |
| b) Female director | 01 |

Composition:

- | | |
|-----------------------------|----|
| i. Independent directors | 02 |
| ii. Non-executive directors | 03 |
| iii. Executive directors | 02 |

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.

Abbottabad on 26th September, 2019. It will cater the need of transportation of special needs children and teaching staff. SAM Institute is helping the special needs children affected by physical, mental and thalassemic disabilities through physical and intellectual exercises, so that they would lead to live



Education & Technical Support Program

Construction & Renovation of Government School, Nishtarabad.

Pak Suzuki successfully completed the Construction and Renovation Project in Government Boys & Girls Urdu Primary School, Nishtarabad, Karachi. The project has been inaugurated by Mr. Masafumi Harano, MD & CEO Pak Suzuki on 18th July, 2019. This project includes, constructions and renovation of new school building with five classrooms, office, washrooms, assembly area, donating furniture including benches, chairs, cupboard, tables & sound system, water cooler & play rides, etc.

Suzuki Bolan Van Donation to SAM Institute

Pak Suzuki donated a Suzuki Bolan Van to SAM Institute of Special (Inclusive) Education & Rehabilitation,

healthier and normal life. The institute is also striving to provide students best of academic program and creating public awareness regarding the children with Autism and other disabilities, offering these services free of cost to poor children of town.

NED Scholarship Awarding Ceremony

NED University of Engineering and Technology is one of the most reputable institution of Pakistan, serving the nation since 1922. The company is committed to support higher education in Pakistan in order to contribute in the economic and socio development of the nation. Continuing the Education Support Program under CSR, total 6 scholarships were awarded among students of NED University of Engineering & Technology during scholarship ceremony held on 22nd August, 2019. From 2013 to 2019, Pak Suzuki granted total 211 scholarships to students of NED University.

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. Higher Secondary Scholarship ceremony held on 29th March, 2019. Total 81 scholarships awarded to selected students of Government Schools, Colleges and Universities students.

Used Machines Donation to Pak Swiss Training Centre (PSTC)

Pak Suzuki donated 29 Used Machines (Drill, Milling, Vector, Turret Lathe Machines, etc.) to Pak Swiss Training Centre (PSTC), ceremony held on 4th October, 2019. After overhauling, these used machines would be used for students' practical training and skills development. PSTC is engaged in Human Resource development by degree programs, Diploma of Associate and Short Professional Courses in different technologies.



Donation to BasicNeeds Pakistan

Pak Suzuki donated Sewing Machines, Stitching related items, Stationery, Medicines, etc. to BasicNeeds Pakistan on 17th December, 2019. The purpose of this donation is to enhance the training facilities at their training centers. BasicNeeds Pakistan is helping underprivileged women affected by mental illness or epilepsy by providing mental health care and socio-economic services through outreach clinics and livelihoods programs. The women are given vocational trainings such as fashion designing, making of dresses, purses, hand embroidery, jewelry, etc. Psychiatric patients are also provided with clinical consultancy and medicines, all free of cost. The objective is to enable these underprivileged women to live a normal and healthy life, become financially independent and contribute to their family as well.

Water Cooler Set Donation

Pak Suzuki has donated Water Cooler Sets to Pak Swiss Training Centre and Government Girls Secondary School, Natho Khoso, in November & December, 2019 to fulfill their need.

Awareness Sessions "CSR Guidelines for Suppliers"

Pak Suzuki has a mission to consider the safety of its customers, conservation of environment, laws and social norms to run the business while keeping the proper relationship with all stakeholders and SUZUKI Family in accordance with the guideline of Suzuki Motor Corporation, Japan (SMC). For strengthening mutual understanding and trust with our stakeholders, Pak Suzuki conducted awareness sessions on "SMC-CSR Guidelines For Suppliers" to share the concepts & issues related to social responsibilities with our suppliers. In January 2020, these sessions were conducted for Karachi & Lahore based suppliers which was attended by ~ 100 supplier's representatives.



14 types of 90 saplings including Mulberry, Java Plum, Almond, Common Fig, Indian Jujube, Guava, Pomegranate, Lemon, Curry Leaf, Tamarind, Berry, Golden Shower, Sapodilla, Sugar Apple.

Plantation by Area Office Multan

Tree plantation campaign was also organized by Regional Office Multan with the help of Multan Region dealers from 1st March to 30th April, 2019. The main purpose of this campaign was to create awareness about importance of Environment Protection among public.

Total 17 dealers of Multan Region participated in Plantation activity and planted total 47,150 plants at different place e.g. Industrial Area, Public parks, School, Universities, Hospitals, etc.

Beach Cleaning Campaign

'Beach Cleaning Campaign' under Suzuki Motor Corporation "Clean-up the World Campaign" was carried out on 9th December, 2019 at Seaview, Clifton. The purpose was to create awareness about the importance of environment protection and marine life conservation among public. The campaign was very successful as around 250 employees of Pak Suzuki and representatives of our nearby vendors participated in this campaign. Around 1 Ton of garbage was collected and disposed off properly via Cantonment Board Clifton (CBC).

With above activities, Pak Suzuki is also contributing towards Government's vision of "Clean & Green Pakistan."



Environment

Urban Forest Plantation Project at NED University

Urban Forest Plantation Project completed at NED University of Engineering & Technology on 19th February, 2020 for enhancing the beautification and make the environment cleaner and healthier. On growing, it will also be the natural protection against heat stroke in summer season and the research based Urban Forest will be helpful in reduction of 2 tons CO2 per year. The project consisted of planting



Health, Safety & Environment (HSE) Awareness Session:

Health, Safety & Environment and Computer Literacy Awareness Sessions

Health, Safety & Environment (HSE) Awareness Session conducted on 3rd May, 2019 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.

HSE Awareness Sessions & Computer Literacy Programs were also conducted at Area Offices Multan, Rawalpindi and Lahore respectively on 3rd July, 27th September, 2019 and 24th January, 2020 for the employees' children, brothers & sisters. Total 52 children participated in these sessions.

Safe Driving Techniques Awareness Session

Awareness Sessions about "SAFE DRIVING TECHNIQUES" conducted in company for Car Carriers' Owner, Managers, Supervisors and Drivers on 1st March, 24th July & 29th November, 2019. The

purpose of these sessions was to enhance the safety level of Car Carrier Team to ensure their safe journey. During the session, supervisors and drivers were educated about Safe Driving Techniques, Highway Driving Rules and Tips for Maintenance of Vehicles. Awareness sessions also comprised of pictorial/video demonstration about driving signs and techniques, accidents and their precautions. Total 95 participants were trained through these sessions.

Community Health

Blood Donation Camp

Blood Donation Camp organized in the company on 21st & 24th June, 2019 in collaboration with Indus Hospital. Blood Donation Campaign was also organized at Area Office Multan in collaboration with Indus Hospital on 15th July, 2019. 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 280 donors donated their blood voluntarily.

Quality, Environment, Health & Safety Management Systems:

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

Quality Management system (QMS):

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

Environmental Management system (EMS):

Pak Suzuki is committed to improve Environment. Company was also recertified on ISO 14001:2015 which is in place and maintained through regular surveillance audits. It is a key factor in operations of the company. It helps organization to improve its environmental performance through more efficient use of resources and reduction of waste. Pak Suzuki

continuously monitors the waste generated from its activities and, wherever required, has Environmental Control Equipment and facilities in place like wastewater treatment plant. Company is complying with applicable regulatory requirement with respect to environment. Hazardous Waste is properly disposed of as per SEPA requirement. Company complies with the Environment policy of Zero Landfill and, as a result, sludge pit was cleaned & closed permanently.

Occupational Health and Safety Management System (OHSAS):

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

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

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

By Order of the Board

MASAFUMI HARANO
Chief Executive

Karachi
March 20, 2020

KINJI SAITO
Chairman

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

For the year ended December 31, 2019

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, 2019, the composition of the Board of Directors (the Board) is as follows:
 - a) Independent Director**
 1. Mr. Moin M. Fudda Director
 - b) Independent Female Director**
 2. Mrs. Rukhsana Shah Director
 - c) Non-Executive Directors**
 3. Mr. Kinji Saito Chairman
 4. Mr. Shigeo Takezawa Director
 5. Mr. Kazuyuki Yamashita Director
 - d) Executive Directors**
 6. Mr. Masafumi Harano Chief Executive
 7. Mr. Tadashi Homma Director
3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and these Regulations with respect to frequency, recording and circulating minutes of the meeting of the Board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. During the year, board has not arranged any director training program, as five out of seven directors are compliant with training requirement;
10. There has been no change in the position of Chief Financial Officer, Company Secretary and Head of Internal Audit during the year;
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed Committees comprising of members given below:
 - a) Audit Committee**

Mr. Moin M Fudda	Chairman
Mr. Kinji Saito	Member
Mr. Shigeo Takezawa	Member
 - b) HR & Remuneration Committee**

Ms. Rukhsana Shah	Chairman
Mr. Kinji Saito	Member
Mr. Masafumi Harano	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
14. The frequency of meetings of the committees during the year was as per the following:
 - Board Audit Committee: Four quarterly meetings during the financial year ended December 31, 2019
15. The Board has set up an effective internal audit function who is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations

- 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:
 - a) Board HR & Remuneration Committee: There were no meetings during the financial year ended December 31, 2019 as there was no agenda to discuss and recommend to the Board. However, key HR matters were discussed and approved during the board meetings.
 - b) Approval of related party transactions: All related party transactions of the Company were carried out in ordinary course of business on arm's length basis and were therefore exempt under the Companies Related Party Transactions and Maintenance of Related Records Regulations, 2018 notified under section 208 of the Companies Act, 2017 from the requirement to obtain Board Approval. Accordingly, these transactions were approved by the Board Audit Committee and notified to the Board.



KINJI SAITO
Chairman
March 20, 2020



MASAFUMI HARANO
Chief Executive Officer

Notice of Meeting

Notice is hereby given that the 37th Annual General Meeting of the shareholders of Pak Suzuki Motor Company Limited will be held at Registered Office, Karachi on Wednesday, May 20, 2020 at 09:30 a.m. to transact the following business:

Ordinary Business

- 1- To confirm minutes of Annual General Meeting held on April 23, 2019.
- 2- To receive, consider and adopt the audited accounts of the Company for the year ended December 31, 2019, together with Directors' and Auditors' reports thereon.
- 3- To appoint auditors for the year ending December 31, 2020 and fix their remuneration Messrs KPMG Taseer Hadi & Co., Chartered Accountants, retire and being eligible have offered themselves for re-appointment.
- 4- To consider any other business with the permission of the Chair.

SPECIAL BUSINESS

- 5- To approve extension of Corporate Guarantee upto PKR 600 million to Meezan Bank Limited for Tecno Auto Glass Limited (TAG), an associated company, in respect of financing facilities for setting up plant of automobile glass for further period of two years starting from July 01, 2020 to June 30, 2022.
To consider and if thought fit, pass the following Special Resolution under section 199 of the Companies Act, 2017, with or without modification(s), addition (s) or deletion (s).

Resolved that approval of the shareholders of Pak Suzuki Motor Company Limited ("the Company") be and is hereby accorded in terms of Section 199 of the Companies Act, 2017, Regulation No. 5(7) of Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 and subject to the compliance with all statutory and legal requirement, to approve corporate guarantee up to PKR 600 million to Meezan Bank Limited on behalf of Tecno Auto Glass Limited (TAG), an associated undertaking, in respect

of financing facilities for setting up plant of automobile glass for further period of two years, starting from July 01, 2020 to June 30, 2022.

- 6- To authorize the Board of Directors of the company to approve transaction with the Related Parties for the financial year ending December 31, 2020 by passing the following special resolution with or without modification:
"Resolved that the Board of Directors of the company be and is hereby authorized to approve the transactions to be conducted with the related parties for the financial year ending December 31, 2020."
"Further resolved that these transactions by the Board of Directors shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification / approval."
A Statement of Material Facts under Section 199(3) (b) of The Companies Act 2017 covering the above-mentioned special businesses is being sent to the shareholders along with a copy of this notice.

BY ORDER OF THE BOARD

ABDUL NASIR
COMPANY SECRETARY

Karachi: April 27, 2020

Notes:

- 1- The share transfer books of the Company will remain closed from May 14, 2020 to May 20, 2020 (both days inclusive) and no transfer will be accepted for registration during this period. Transfers received in order till close of business on May 13, 2020 will be accepted for transfer.
- 2- Only those persons whose names appear in the Register of Members of the Company as at May 13, 2020 will be entitled to attend / participate in / vote at the Annual General Meeting.
- 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 CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S. Main Shahrah-e-Faisal, Karachi - 74400.
- 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 CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S. Main Shahrah-e-Faisal, Karachi - 74400. Dividend Warrants of the shareholders

who will not submit the copies of their CNICs will be withheld by the or Company.

- 7- 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.
- 8- Video Conference Facility: In light of the very recent direction of the Government of Sindh through its notification No. SO(CIV)/SGA&CD/3-I/2020, dated 14 March, 2020, for the control and prevention of Coronavirus (COVID/19), all functions, events and gatherings at clubs, hotels, halls, auditoriums etc. have been suspended with immediate effect. In compliance with the guidelines issued by Securities and Exchange Commission of Pakistan vide circular No. 5 of 2020 and directives of Government of Sindh, Company has arranged video link facility for shareholders to participate in the meeting proceedings. Shareholders interested in attending the meeting through webinar are requested to register by submitting their following particulars at the Company Secretary's email (company.secretary@paksuzuki.com.pk) before the close of business hours on Tuesday, 19th May, 2020. The link to participate in the webinar will be sent to the shareholders on the email address provided by them. Shareholders are requested to fill the particulars as per below table:

S.No.	Name of Shareholder	CNIC NO.	Folio No.	CDC Account No.	No. of Shares held	Cell No.	Email address

The login facility will be opened at 9:00 a.m. on 20th May, 2020 enabling the participants to join the proceedings which will start at 9:30 a.m. sharp.

Shareholders can also provide their comments/suggestions via email: company.secretary@paksuzuki.com.pk. for the agenda items proposed to be conducted in the meeting in the same manner as it is to be discussed in the meeting, and later shall be made part of the minutes of the meeting.

The purpose of the aforementioned arrangements is to ensure maximum participation of the shareholders in the meeting through an online facility (webinar). Shareholders are also requested to consolidate their attendance through proxies, so that the quorum requirement may also be fulfilled.

- 9- Notice of the Annual General meeting and Annual Report of the company for the year ended December 31, 2019 have been placed on the website of the company, <https://www.paksuzuki.com.pk>.

Statement of Material Facts under Section 134(3)(b) of The Companies Act 2017.

Item No. 5 of the Notice: Issuance of Corporate Guarantee up to PKR 600 million to Meezan Bank Limited for Tecno Auto Glass Limited (TAG), an associated company, in respect of financing facilities for setting up plant of automobile glass.

The information required to be annexed to the Notice by Companies (Investment in Associated Companies or Associated Undertakings) Regulation 2017 is set out below:

- (i) Name of the associated company or associated undertaking;
 - Tecno Auto Glass Limited (TAG).
- (ii) Basis of relationship;
 - TAG is an associated company with 40% shareholding held by Pak Suzuki Motor Company Limited (PSMCL).
- (iii) Earnings per share for the last three years;
 - The loss per share for year 2019, 2018 and 2017

- are PKR 0.15, PKR 0.39, PKR 0.58 respectively.
- (iv) Break-up value per share, based on latest audited financial statements;
 - The break-up value per as at June 30, 2019 is PKR 9.50 (Audited).
- (v) Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements;
 - Financial Position as per the latest audited Financial Statements of TAG as on June 30, 2019, is as follows:

	'Rupees in thousand'
Non-current assets:	
Property, plant & equipment	2,138,033
Other non-current asset	390
Total non-current assets	2,138,423
Total current assets	
	152,511
Total assets	2,290,934
Equity:	
Issued, subscribed & paid-up capital	861,000
Accumulated loss	(42,409)
Total equity	818,591
Non-current liabilities	
Long term finance- secured	795,135
Current liabilities	
Trade and other payables	48,728
Current portion of Long term finance- secured	308,980
Short term borrowing	319,500
Total current liabilities	677,208
Total equity & liabilities	2,290,934

- (vi) The project has not commenced operations, the additional information required to be disclosed are as follows:
 - (I) Description of the project and its history since

conceptualization; Tecno Auto Glass Limited incorporated in Pakistan as a public limited company under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017) on 16 March 2017. The Company's main area of operations will be manufacturing, of Auto Glass to cater local as well as international markets.

The Company is a subsidiary of Tecno Pack Telecom (Pvt) Ltd, which holds 51,660,000 (60%) of the shares of the Company, while Pak Suzuki Motor Company Limited holds 34,440,000 (40%).

- (II) Starting date and expected date of completion of work;
 - The project was started on July 2017 and expected to be completed by April 2020.
- (III) Time by which such project shall become commercially operational;
 - June 2020
- (IV) Expected time by which the project shall start paying return on investment; and
 - Financial year 2021 – 22.
- (V) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and noncash amounts;
 - Pak Suzuki Motor Company has injected PKR 344.4 million as equity participation in the associated company.
 - Tecno Pack Telecom (Pvt) Ltd has injected PKR 516.6 million as equity participation in the Tecno Auto Glass Limited
 - Tecno Pack Telecom (Pvt) Ltd also injected PKR 319.5 million as short term loan.
- (vi) Maximum amount of investment to be made;
 - The maximum amount of corporate guarantee is PKR 600 million.
- (viii) Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment

Purpose

- To support the associated company.

Benefit

-To facilitate the associated company (TAG) for continued financial arrangements for project financing from Meezan Bank. Pak Suzuki will purchase automobile glass for its vehicles from TAG after the commencement of commercial production.

Period of Corporate Guarantee

- 2 years from July 1, 2020 to June 30, 2022.

- (ix) Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds;
 - Not applicable.
- (x) Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;
 - Not applicable.
- (xi) Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;
 - The Directors of the company have no personal interest in TAG which is an associated company, except that a director of the company is also a Director of TAG and he hold a share in TAG as nominee director of the company.
- (xii) In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs;
 - There is no impairment or write off in the investment in the associated company.
- (xiii) Any other important details necessary for the members to understand the transaction;
 - None.
- (xiv) Category-wise amount of investment is as follows;
 - The maximum amount of corporate guarantee is PKR 600 million
- (xv) Average borrowing cost of the investing

company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period;
 - Not applicable.

(xvi)Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;
 - PSMCL will charge 0.5% per annum as service charge for issuance of Corporate Guarantee till the Corporate Guarantee served as a security for financing facilities by TAG.

(xvii)Particulars of collateral or security to be obtained in relation to the proposed investment;
 - Counter Corporate guarantee from TAG.

(xviii)If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;
 - None.

(xix)Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking;
 - Not applicable.

Information pursuant to the Regulation 4 of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

The following director of TAG is also member of the investing company:
 - Mr. Masafumi Harano, director has no personal interest in the matter.

The duly audited latest annual financial statements along with the latest interim financial statements, if any, shall be made available for inspection of the members in the shareholder meeting.

Declaration pursuant to Section 199(2) of the Companies Act 2017 and Regulations 3(4) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

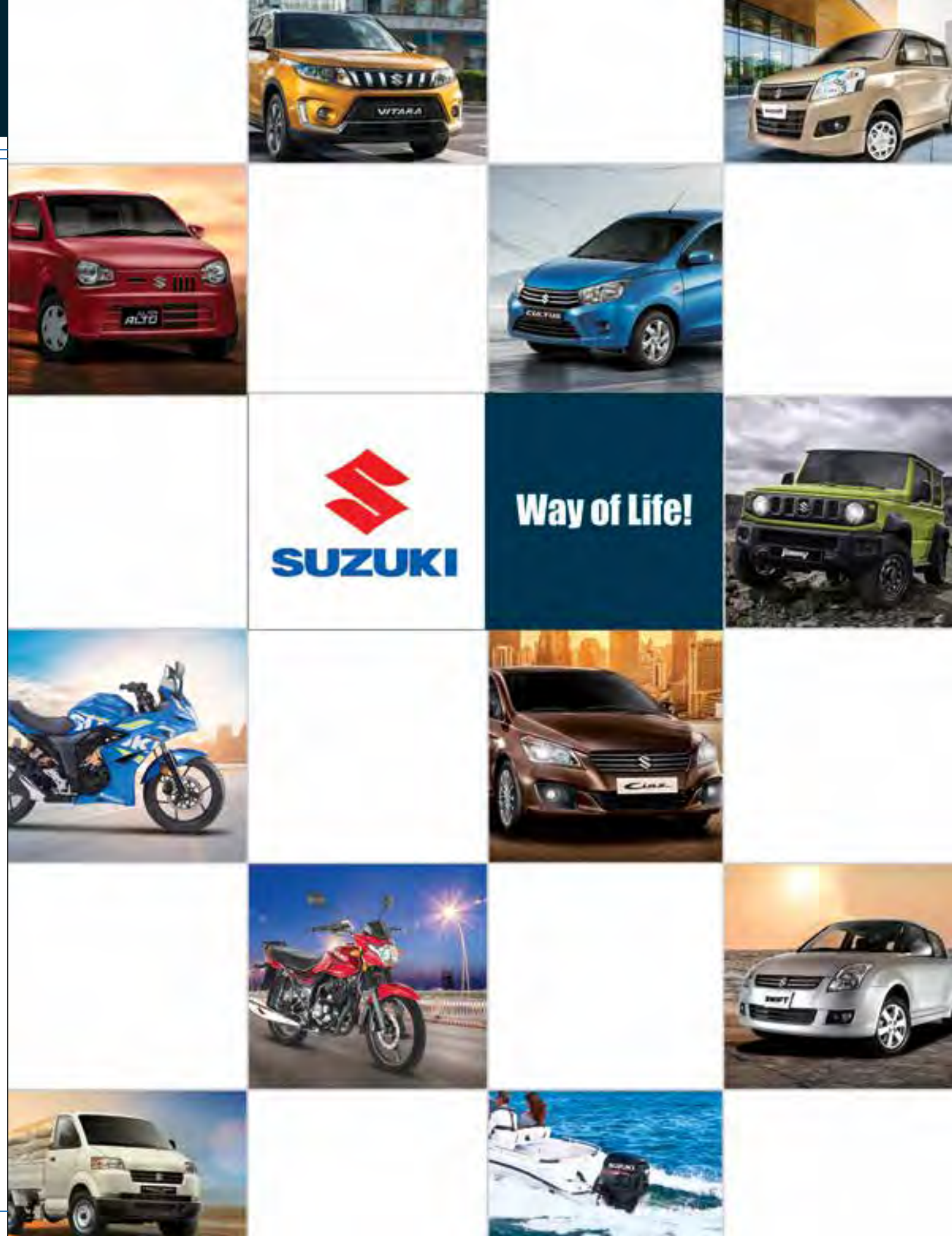
The directors certify to the members of the company that they have carried out necessary due diligence for the proposed investment before recommending it for members approval.

The duly signed recommendations of the due diligence report, shall be made available to the members for inspection in the meeting.

Item No. 6 of the Notice:

The Company shall be conducting transactions with its related parties during the year ending Dec 31, 2020 on an arm's length basis as per approved policy with respect to 'transactions with related parties' in the normal course of business. The majority of Directors are interested in these transactions due to their relationship with the parent company. In order to promote the transparent business practices, the shareholders authorize the Board of Directors to approve transactions with the related parties from time-to-time basis for the year ending December 30, 2020, which transactions shall be deemed to be approved by the shareholders. The nature and scope of such related party transactions is explained in the note 41 of the Financial Statement for the year ended December 31, 2019. These transactions shall be placed before the Shareholders in the next AGM for their formal ratification / approval.

The Directors are interested in the resolution only to the extent of their relationship with such related parties.





KPMG Taseer Hadi & Co.

Chartered Accountants
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INDEPENDENT AUDITOR'S REVIEW REPORT

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") prepared by the Board of Directors of Pak Suzuki Motor Company Limited ("the Company") for the year ended 31 December 2019 in accordance with the requirements of regulation 36 of the Regulations.

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

As a part of our audit of 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 2019.

Further, we highlight below instances of non-compliance with the non-mandatory provisions of the Regulations as reflected in the paragraph reference wherein these are stated in the Statement of Compliance.

Paragraph reference Description

- 9(a) No meetings held of Board HR & Remuneration Committee during the year
- 19(b) Explanation of the matter pertaining to approval of related party transactions

Date: March 31, 2020
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants



KPMG Taseer Hadi & Co.

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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 2019, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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>Revenue recognition</p> <p>Refer notes 4.1.2, 4.15 and 30 to the Company's financial statements.</p> <p>Revenue is recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service to a customer. Revenue is measured based on the consideration specified in a contract with a customer and is stated net of discounts, returns and value added taxes.</p> <p>We identified revenue recognition as key audit matter because revenue is one of the key performance indicators and there is a potential risk that revenue transactions may not be recognized in the appropriate period and risk of misapplication of new accounting standard IFRS 15 "Revenue from Contracts with Customers" in revenue recognition.</p>	<p>Our audit procedures in relation to recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none"> ▪ assessed the design, implementation and operating effectiveness of the relevant key internal controls over the Company's system which governs revenue recognition; ▪ assessed the appropriateness of the Company's accounting policies for revenue recognition including those related to discounts and commissions including its compliance with applicable accounting standards; ▪ evaluated management's assessment of applicable accounting standard to check the reasonableness, accuracy and completeness of the impact on the financial statements including adequacy of disclosures; ▪ obtained an understanding of the nature of the revenue contracts entered into by the Company, tested a sample of sales contracts to understand and assess appropriateness of management's application of applicable accounting standard's requirements; ▪ checked invoices and related documents, on a sample basis for selected revenue transactions recorded during the current year to assess whether the related revenue was recognized in accordance with the requirements of applicable accounting standard; and ▪ tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue have been recognized in the appropriate accounting period.



KPMG Taseer Hadi & Co.

S No.	Key audit matters	How the matters were addressed in our audit
2.	<p>Valuation of Stock-in-trade</p> <p>Refer notes 4.6 and 14 to the Company's financial statements.</p> <p>Stock-in-trade forms a significant part of the Company's total assets. Stock-in-trade comprises of raw material, work in process, finished goods and trading stocks which are stated at lower of cost and estimated net realizable value.</p> <p>We identified the valuation of stock-in-trade as a key audit matter 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 involve significant management judgment and estimation.</p>	<p>Our audit procedures in relation to valuation of stock-in-trade, amongst others, included the following:</p> <ul style="list-style-type: none"> ▪ obtained an understanding of controls over valuation of stock in trade including creation of provision for slow moving and obsolete items. Further, we tested on a sample basis their design, implementation and operating effectiveness; ▪ obtained an understanding of management's determination of net realizable value (NRV) and the key estimates adopted, including future selling prices and costs necessary to make the sales and their basis; ▪ tested, on a sample basis, management's assessment of the NRV of stock in trade by comparing to its recent sales prices and executed purchase orders for future sales, if any; ▪ compared NRV, on a sample basis, with cost to assess valuation of stock-in-trade has been in accordance with the Company's accounting policy; and ▪ assessed adequacy of provision for slow-moving stock-in-trade at year end is in line with the company policy.



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

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disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

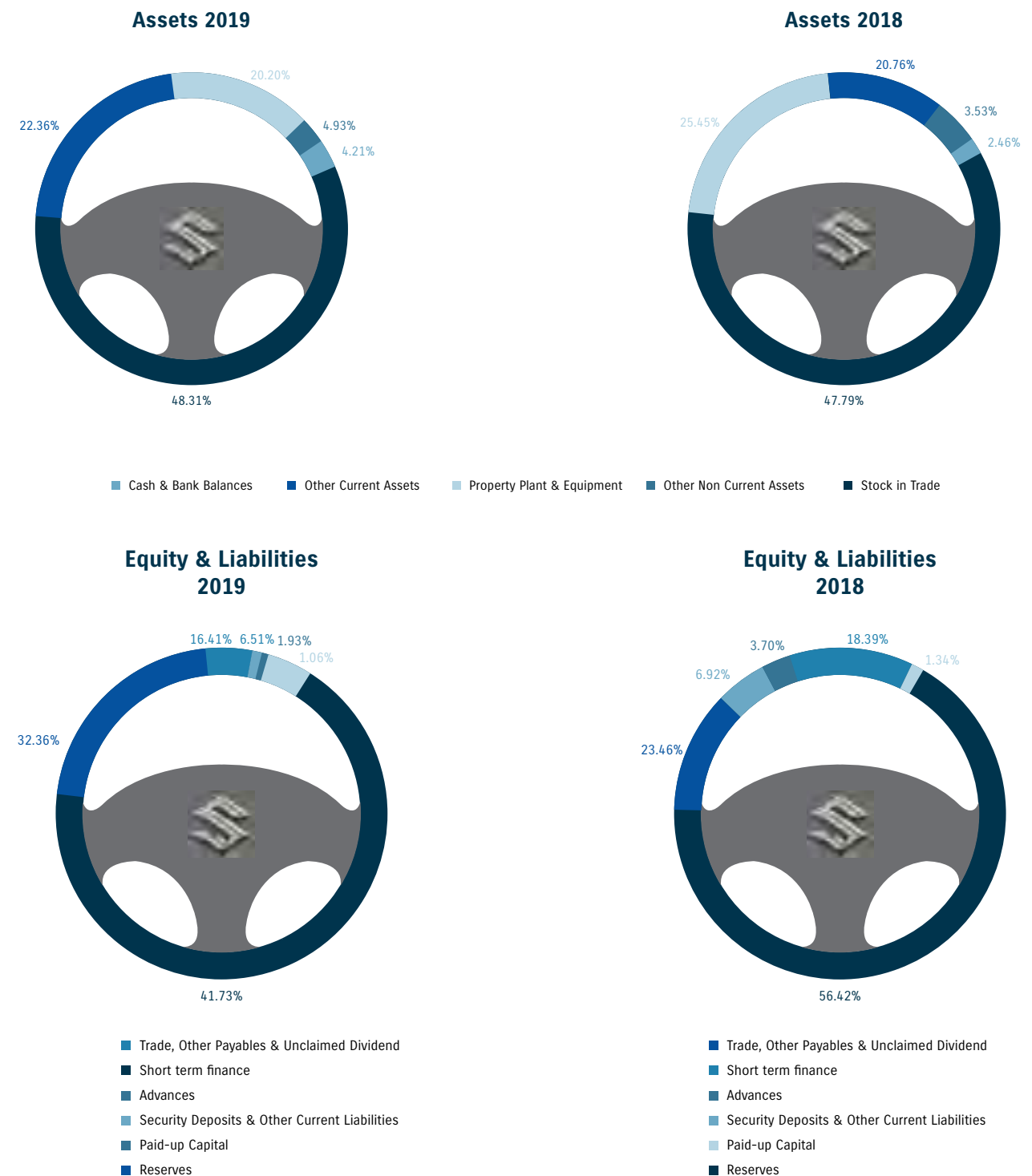
Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) 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 **Mohammad Mahmood Hussain**.

Date: March 31, 2020
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants



Statement of Financial Position

As at 31 December 2019

		2019	2018
	Note	----- (Rupees in '000) -----	
Assets			
Non-current assets			
Property, plant and equipment	5	15,685,850	15,654,827
Intangible assets	6	345,419	113,297
Right-of-use assets	7	144,959	-
Long-term investments	8	325,925	329,274
Long-term loans	9	3,500	4,203
Long-term deposits, prepayments and other receivables	10	378,019	456,208
Long-term installment sales receivables	11	271,873	118,318
Deferred taxation - net	12	2,359,062	1,151,888
		<u>19,514,607</u>	<u>17,828,015</u>
Current assets			
Stores, spares and loose tools	13	260,424	146,878
Stock-in-trade	14	37,516,571	29,397,056
Trade debts	15	690,658	237,538
Loans and advances	16	55,390	40,627
Trade deposits and short term prepayments	17	279,304	1,357,271
Current portion of long-term installment sales receivables	11	799,036	549,627
Other receivables	18	348,919	268,622
Taxation - net	19	7,226,470	5,798,056
Sales tax and excise duty adjustable		7,700,937	4,369,996
Cash and bank balances	20	3,267,510	1,516,163
		<u>58,145,219</u>	<u>43,681,834</u>
Total Assets		<u>77,659,826</u>	<u>61,509,849</u>

Equity and Liabilities

Share capital and reserves

		2019	2018
	Note	----- (Rupees in '000) -----	
Authorized share capital			
500,000,000 (2018: 150,000,000) ordinary shares of Rs. 10 each		5,000,000	1,500,000
Issued, subscribed and paid-up share capital	21	822,999	822,999
Capital reserves		844,596	844,596
Revenue reserves		24,283,291	27,565,270
		<u>25,950,886</u>	<u>29,232,865</u>

Non-current liabilities

Payable against purchase of asset	22	163,357	-
Security deposits	23	236,130	215,730
Lease liabilities	24	116,192	-
		<u>515,679</u>	<u>215,730</u>

Current liabilities

Trade and other payables	25	12,723,689	14,409,566
Lease liabilities	24	31,757	-
Short-term finance	26	32,411,037	11,310,497
Advance from customers		1,497,117	2,276,078
Security deposits	27	3,927,506	4,006,519
Provision for custom duties and sales tax	28	582,826	36,299
Unclaimed dividend		19,329	22,295
		<u>51,193,261</u>	<u>32,061,254</u>

Total Equity And Liabilities

Contingencies and commitments	29	<u>77,659,826</u>	<u>61,509,849</u>
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The annexed notes from 1 to 50 form an integral part of these financial statements.


Chairman


Chief Financial Officer


Chief Executive Officer

Statement of Profit or Loss

For the year ended 31 December 2019

		2019	2018
	Note	----- (Rupees in '000) -----	
Sales	30	116,548,013	119,853,898
Cost of sales	31	(114,563,486)	(112,809,033)
Gross profit		1,984,527	7,044,865
Distribution and marketing expenses	32	(2,539,251)	(2,706,853)
Administrative expenses	33	(2,550,663)	(2,323,313)
Reversal of impairment losses		22,588	22,233
Other expenses	34	(348)	(154,204)
Other income	35	222,504	565,943
Finance costs	36	(2,087,752)	(362,523)
		(6,932,922)	(4,958,717)
		(4,948,395)	2,086,148
Share of loss of equity accounted investee		(3,349)	(3,212)
(Loss)/ profit before taxation		(4,951,744)	2,082,936
Taxation	37	2,031,259	(784,828)
(Loss)/ profit for the year		(2,920,485)	1,298,108
		----- (Rupees) -----	
(Loss)/earnings per share - basic and diluted	38	(35.49)	15.77

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



Chairman



Chief Financial Officer



Chief Executive Officer

Statement of Comprehensive Income

For the year ended December 31, 2019

	2019	2018
	----- (Rupees in '000) -----	
(Loss)/ profit for the year	(2,920,485)	1,298,108
Other comprehensive loss		
<i>Items that may not to be reclassified subsequently to statement of profit or loss</i>		
Remeasurement loss on defined benefit plan - net of tax	(79,036)	(84,182)
Total comprehensive (loss)/ income for the year	(2,999,521)	1,213,926

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



Chairman



Chief Financial Officer



Chief Executive Officer

Statement of Changes in Equity

For the year ended December 31, 2019

	Share capital	Reserves							Total
	Issued, subscribed and paid-up capital	Capital reserves			Revenue reserves				
		Share premium	Reserve on merger	Total capital reserve	General	Un-appropriated profit/(Accumulated Loss)	Re-measurement loss on defined benefit plan	Total revenue reserve	
	(Rupees in '000)								
Balance as at 1 January 2018	822,999	584,002	260,594	844,596	24,144,818	3,827,786	(90,483)	27,882,121	29,549,716
Transaction with owners in the capacity as owners directly recorded in equity - distribution									
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)	-	-	-
Total comprehensive income for the year ended 31 December 2018									
Profit for the year	-	-	-	-	-	1,298,108	-	1,298,108	1,298,108
Other comprehensive loss	-	-	-	-	-	-	(84,182)	(84,182)	(84,182)
	-	-	-	-	-	1,298,108	(84,182)	1,213,926	1,213,926
Balance as at 31 December 2018	822,999	584,002	260,594	844,596	26,439,818	1,300,117	(174,665)	27,565,270	29,232,865
Effect of initial application of IFRS 16	-	-	-	-	-	(22,390)	-	(22,390)	(22,390)
Balances as at 1 January 2019 - Restated	822,999	584,002	260,594	844,596	26,439,818	1,277,727	(174,665)	27,542,880	29,210,475
Transaction with owners in the capacity as owners directly recorded in equity - distribution									
Final dividend on ordinary shares @ 31.6% for the year ended 31 December 2018	-	-	-	-	-	(260,068)	-	(260,068)	(260,068)
Transfer to general reserve	-	-	-	-	1,039,000	(1,039,000)	-	-	-
Total comprehensive loss for the year ended 31 December 2019									
Loss for the year	-	-	-	-	-	(2,920,485)	-	(2,920,485)	(2,920,485)
Other comprehensive loss	-	-	-	-	-	-	(79,036)	(79,036)	(79,036)
	-	-	-	-	-	(2,920,485)	(79,036)	(2,999,521)	(2,999,521)
Balance as at 31 December 2019	822,999	584,002	260,594	844,596	27,478,818	(2,941,826)	(253,701)	24,283,291	25,950,886

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


Chairman


Chief Financial Officer


Chief Executive Officer

Statement of Cash Flows

For the year ended December 31, 2019

		2019	2018
	Note	(Rupees in '000)	
Cash Flows From Operating Activities			
Cash used in operating activities	39	(14,048,233)	(6,399,681)
Markup paid on short-term finance		(1,464,539)	(231,499)
Income tax paid		(604,329)	(2,598,304)
Long-term loans		703	(1,842)
Long-term deposits, prepayments and other receivables		78,189	(128,889)
Long-term installment sales receivables		(153,555)	26,461
Net cash used in operating activities		(16,191,764)	(9,333,754)
Cash Flows From Investing Activities			
Purchase of property, plant and equipment		(2,538,745)	(8,458,516)
Purchase of intangible assets		(410,298)	(16,845)
Proceeds from sale of property, plant and equipment		45,681	75,184
Profit received on bank accounts		74,024	397,064
Investment in joint venture		-	(124,400)
Net cash used in investing activities		(2,829,338)	(8,127,513)
Cash Flows From Financing Activities			
Payment of lease liabilities		(65,057)	-
Dividend paid		(263,034)	(1,522,619)
		(328,091)	(1,522,619)
Net decrease in cash and cash equivalents		(19,349,193)	(18,983,886)
Cash and cash equivalents at beginning of the year		(9,794,334)	9,189,552
Cash and cash equivalents at end of the year	40	(29,143,527)	(9,794,334)

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


Chairman


Chief Financial Officer


Chief Executive Officer

Notes to the Financial Statements

For the year ended December 31, 2019

1. Corporate Information, Operations and Legal Status

Pak Suzuki Motor Company Limited

Pak Suzuki Motor Company Limited ("the Company") was incorporated in Pakistan as a public limited company in August 1983 and started commercial production in January 1984. The Company was formed in accordance with the terms of a joint venture agreement concluded between Pakistan Automobile Corporation Limited ("PACO") and Suzuki Motor Corporation (SMC), Japan (the Holding Company) having registered address of 300 Takatsuka-Cho, Minami-Ku, Hamamatsu City. In 1996, the joint venture agreement was ended & PACO divested its entire shareholding to SMC. The Company is engaged in the assembling, progressive manufacturing and marketing of Suzuki cars, pickups, vans, 4x4s and motorcycles and related spare parts. The Company is listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at DSU - 13, Pakistan Steel Industrial Estate, Bin Qasim, Karachi.

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

Factory:

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

Warehouses:

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

Booking offices:

- 7-A, Aziz Avenue, Canal Bank Road, Gulberg V, Lahore.
- Office No. 402, 4th Floor United Mall, Abdali Road Multan.
- Shop No. 6, Ground and 1st Floor, 170 Arcade block, Fortress stadium, Lahore Cantt.

- Plot No. 233/A, Ali Bhai Centre, Ground Floor, Shahrah-e-Qaideen, Block 2, P.E.C.H.S Karachi.
- Mohalla bijli ghar, near anmol marriage hall, shahab pura road, Siakot.
- Plot No. 749, Near Peoples colony chowk. Near cinema GT road Gujranwala.
- Plot No. 25, Dhoobi Ghaat, GC university link road, saeed mart, Faisalabad.
- Shop No. 149-B, Main Chandni chowk, Muree road, Rawalpindi.
- Tajwar palace, chughal pura, near mal mandi, ring road, Peshawar.

Regional offices:

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

Sales offices (Motorcycle Division):

- 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, P-25, Dhobi Ghat GC University Link Road, Main Branch, 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.
- M.R Suzuki, 3-Mareer Pull, Near Wheel & Wheels Workshop, Adjacent Muree Road, Behind Jang Building, City Branch, Rawalpindi.
- FR Suzuki, Shop G-3 Jilani Centre, Plot No. Am-303, J.M.A School Street, Frere Road Karachi.
- Empress Suzuki, 7, Empress Road, Fort Gujjar, Near Haji Camp, Meclod Road Branch, Lahore.
- UP Suzuki, Shop No. 1,2&3 Plot No. Sb-42, Super Terrace UP Motorcycle Market, North Karachi.
- Riaz Motor Suzuki (Franchise), 233-A/2, Shahrah-E-Qaideen, Block 2 Pechs, Karachi.
- KR Suzuki, Plot #55-T, Nr Metro Station, Chowk Kumharan Wala, Multan.
- Suzuki South (Franchise), Main Korangi Industrial Area Service Rd, Mehran Town Sector 23 Korangi, Karachi.
- Suzuki Motorcycles Gujrat (Franchise), Opposite Science College G.T Road, Gujrat.
- Suzuki Motorcycles Gujranwala (Franchise), Rahwali Mandiala Mor Besides Executive, Passport Office G. T. Road, Gujranwala.
- H.S Traders-Gujjar Motor (Franchise), Waris Khan Stop, Motorcycle plaza, Muree Road, Rawalpindi.
- MR Showroom, Chandni Chowk, Muree Road, Rawalpindi.
- TR Showroom, 233-A/2, Shahrah-e-Qaideen, Block 2 PECHS, Karachi.
- GR Showroom, 139 Multan Rd near Yateem Khana Chowk, Lahore.

- PR Peshawar, Tajwar Palace, Chughal pura, Near Mall Mandi, Ring Road Peshawar.
- Ravi motors (Franchise), Lahore Ring Rd, Lahore, Punjab.
- Falcon motors (Franchise), Lahore Rd, Sargodha, Punjab.

Tecno Auto Glass Limited

Tecno Auto Glass Limited ("TAG") is a Company incorporated in Pakistan as a public limited Company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) on 16 March 2017. The registered office of the Company is situated at 255 A, Block 6, P.E.C.H.S, Shahrah-e-Faisal, Karachi. TAG is currently in the process of setting up a manufacturing plant of auto glass at Bin Qasim National Industrial Parks - Special Economic Zone (SEZ). The import of plant and machinery for manufacturing of auto glass from Australia has been completed and is currently in the process of installation. The Company also entered into a technical assistance agreement with Asahi India Glass Limited to provide assistance for installation of plant and machinery.

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. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Significant accounting estimates and judgements

The preparation of financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about judgements made by the management in the application of approved accounting and reporting standards, as applicable in Pakistan, that have most significant effect on the amount recognized in the financial statements and information about assumptions and estimation uncertainties with significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next year are described in the following:

- Determining the useful lives and residual value of items of property, plant and equipment (note 4.2 and 5).
- Investment in joint venture (note 4.4 and 8).
- Provision for slow moving and obsolete store and spares (note 4.5 & 13).
- Provision for slow moving and obsolete stock-in-trade (note 4.6 & 14).
- Provision for impairment of trade debt & installment sales receivable (note 4.8 & 15).
- Provision for retirement benefits (note 4.12 and 25.3).
- Provision for custom duties and sales tax (note 28).
- Provision for taxation (note 4.13, 12, 19 and 37).
- Provision for warranty obligations (note 4.16 and 25.4).
- Contingencies and commitments (note 29).
- Lease liabilities (note 4.1.3 and 24)

3. Accounting Standards, Interpretations And Amendments To Published Approved Accounting Standards

3.1 New or amendments / interpretations to existing standards, interpretation and forthcoming requirements

There are new and amended standards and interpretations that are mandatory for accounting periods beginning on or after July 01, 2018 other than those disclosed in note 4.1, are considered not to be relevant or do not

have any significant effect on the Company's financial statements and are therefore not stated in these financial statements.

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

The following standards, amendments and interpretations of accounting standards are only effective for annual periods beginning from the dates specified below:

- Amendment to IFRS 3 'Business Combinations'
 - Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after January 01, 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.
- 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 January 01, 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 judgments when preparing their general purpose financial statements in accordance with IFRS Standards.
- On 29 March 2018, the International Accounting Standards Board (the IASB) has

issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process - this means that the overall impact on standard setting may take some time to crystallise.

The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of January 01, 2020, unless the new guidance contains specific scope outs.

- "Interest Rate Benchmark Reform which amended IFRS 9, IAS 39 and IFRS 7 is applicable for annual financial periods beginning on or after 1 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provide relief from the potential effects of the uncertainty caused by the reform. A company shall apply the

exceptions to all hedging relationships directly affected by interest rate benchmark reform. The amendments are not likely to affect the financial statements.

4. Summary of significant accounting policies

The significant accounting policies set out below are consistently applied for all periods presented in these financial statements except as disclosed in note 4.1 below.

4.1 Changes in significant accounting policies

The Company has adopted IFRS 9 'Financial Instruments', IFRS 15 'Revenue from Contracts with Customers' and IFRS 16 'Leases' from 01 January 2019.

The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below:

4.1.1 IFRS 9 'Financial Instruments'

IFRS 9 - Financial Instruments became applicable to the Company for the reporting period beginning from 01 January 2019. IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below:

Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables, held for trading and available for sale. IFRS 9, classifies financial assets in the following three categories:

- Fair value through other comprehensive income (FVOCI);
- Fair value through profit or loss (FVTPL); and
- Measured at amortised cost.

Impairment

From 01 January, 2019 the Company has implemented an expected credit loss impairment model for financial assets. For trade & installment sales receivables, the calculation methodology has been updated to consider expected losses based on aging profile. The adoption of the expected loss approach has not resulted in a material change in impairment provision for trade & installment receivables only. The comprehensive policy is disclosed in note 4.10.1.

Classification and measurement of financial instruments

The measurement category and the carrying amount of financial assets and liabilities in accordance with IAS 39 and IFRS 9 at 01 January, 2019 are compared as follows:

Financial Assets	IAS 39		IFRS 9	
	Measurement Category	Carrying Amount	Measurement Category	Carrying Amount
----- (Rupees in '000) -----				
Loans and advance	Loans and receivables	8,334	Amortised Cost	8,334
Trade deposits	Loans and receivables	1,115,222	Amortised Cost	1,115,222
Other receivables	Loans and receivables	686,938	Amortised Cost	686,938
Trade Debts	Loans and receivables	237,538	Amortised Cost	237,538
Installment sales receivable	Loans and receivables	667,945	Amortised Cost	667,945
Cash and bank balances	Loans and receivables	1,516,163	Amortised Cost	1,516,163
Long term investments	Available for sale	-	Fair value through OCI	-

Financial Liabilities

- Short-term finance
- Trade and other payables
- Security deposits
- Unclaimed dividend

	IAS 39		IFRS 9	
	Measurement Category	Carrying Amount	Measurement Category	Carrying Amount
----- (Rupees in '000) -----				
Short-term finance	Amortised Cost	11,310,497	Amortised Cost	11,310,497
Trade and other payables	Amortised Cost	13,122,522	Amortised Cost	13,122,522
Security deposits	Amortised Cost	4,222,249	Amortised Cost	4,222,249
Unclaimed dividend	Amortised Cost	22,295	Amortised Cost	22,295

4.1.2 IFRS 15 'Revenue from contracts with customers'

IFRS 15 - Revenue from contracts with customers (IFRS 15) became applicable to the Company from 01 January, 2019. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS 15, revenue is recognised when a customer obtains control of goods or services.

The Company has applied the modified retrospective method upon adoption of IFRS 15 as allowed under the standard. This method requires the recognition of the cumulative effect (without practical expedients) of initially applying IFRS 15 to retained earnings. Accordingly, the information presented for comparative period in these financial statements have not been restated i.e. it is presented, as previously reported under IAS 18 and related interpretations.

Management has concluded that revenue from sale of goods be recognized at a point in time when control of the asset is transferred to the customer, which is when the goods are delivered and invoiced to the customer. The company's contract with the customer for the sale of goods generally include one performance obligation.

In general the contracts for the sale of goods do not provide customers with a right of return. Accordingly, the application of the constraint

on variable consideration (e.g free service and warranty period) did not have any impact on the revenue recognised by the company as the warranty of raw material is given by the vendors.

The above is generally consistent with the timing and amounts of revenue that the Company recognised in accordance with the previous standard, IAS 18. Therefore, management has concluded that the adoption of IFRS 15 did not have material impact on the timing and amounts of revenue recognition of the Company.

Extended warranty services for which management has concluded that the income from such service be recognized over time as the management concluded that the customer simultaneously receives and consumes the benefit as and when the services are being rendered.

Prior to adoption of IFRS 15, certain expenses were included in 'Distribution and marketing expenses' which are now deducted from 'Sales' directly. In addition to this 'Income from extended warranty' was included in 'Other income' which has now been reclassified to 'Sales'.

The impact of adoption of IFRS 15 on the statement of profit or loss for year ended 31 December 2019 is as follows:

	As reported under IAS 18	Reclassification	As reported under IFRS 15
Sales	116,749,147	(201,134)	116,548,013
Cost of sales	(114,563,486)	-	(114,563,486)
Gross profit	2,185,661	(201,134)	1,984,527
Distribution and marketing expenses	(2,747,510)	208,259	(2,539,251)
Administrative expenses	(2,550,663)	-	(2,550,663)
Reversal of impairment losses	22,588	-	22,588
Other expenses	(348)	-	(348)
Other income	229,629	(7,125)	222,504
Finance costs	(2,087,752)	-	(2,087,752)
	(7,134,056)	201,134	(6,932,922)
	(4,948,395)	-	(4,948,395)
Share of loss of equity accounted investee	(3,349)	-	(3,349)
Loss before taxation	(4,951,744)	-	(4,951,744)

4.1.3 IFRS 16 'Leases'

The Company has adopted IFRS 16 'Leases' from 1 January 2019. The standard introduces a single, on-balance sheet accounting model for leases. As a result, the Company as a lessee has recognised right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligations to make lease payments.

The Company has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated - i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the change in accounting policies are discussed below.

The Company has various lease agreements for Suzuki houses, area offices and showrooms which were previously classified by the company based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for all the leases - i.e. these leases are on statement of financial position.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The lease liabilities are measured at the present value of remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 is 12%.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental

borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs, and

- Restoration costs.

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of properties that have a lease term of 12 months or less and leases of low-value assets. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The impact of adoption of IFRS 16 on the statement of financial position as at 31 December 2019 is as follows:

		31 December 2019	1 January 2019
----- (Rupees in '000) -----			
Right-of-use assets	7	144,959	214,732
Lease liability	24	147,949	237,122

4.2 Property, plant and equipment

Operating assets and depreciation

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

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

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

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

The carrying value of the property, plant and equipment is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the relevant asset is estimated. An impairment loss is recognized in 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.

4.3 Intangible assets

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

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

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

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

4.4 Investment in joint venture

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

These are initially recognized at cost, which include transaction cost, if any. The financial statements include the Company's share of profit or loss and movements in other comprehensive income of the equity accounted joint venture, after adjustments, if any, from the date that significant influence commences until the date it ceases. Share of post acquisition profit and loss of joint venture is recognized in the statement of profit or loss and other comprehensive income is recognized in the statement of comprehensive income. Distributions received from joint venture reduce

the carrying amount of investment. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that investment (including any long-term interests that, in substance, form part of the Company's net investment in the joint venture) is reduced to nil and the recognition of further losses is discontinued.

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

4.5 Stores, spares and loose tools

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

4.6 Stock-in-trade

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

factory overhead and direct labor. Provision is made annually in the financial statements for slow moving and obsolete items.

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

4.7 Non-current assets classified as held for sale

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

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

4.8 Trade debts and installment sales receivables

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

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

4.9 Trade and other payables

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

4.10 Financial instruments

4.10.1 Financial assets

Classification

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

a) Financial assets at amortised cost

- These are the financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- These are the financial assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Initial recognition and measurement

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

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

a) Debt Investments at FVOCI

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

b) Equity Investments at FVOCI

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

c) Financial assets at FVTPL

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

d) Financial assets measured at amortized cost

These assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced

by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss.

Impairment

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. IFRS 9 introduces a forward looking expected credit losses model, rather than the current incurred loss model, when assessing the impairment of financial assets in the scope of IFRS 9. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

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

4.10.2 Financial liabilities

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

4.10.3 Offsetting of financial assets and liabilities

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

or realize the assets and settle the liabilities simultaneously.

4.10.4 Derecognition of financial assets and liabilities

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

4.11 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 date and adjusted to reflect current best estimate.

4.12 Employees benefit schemes

Gratuity scheme

The Company operates a funded Gratuity Scheme (the Plan) for eligible employees of the Company. The Company's obligation under the scheme is determined through actuarial valuation carried out at each year end under the Projected Unit Credit Method. Remeasurements which comprise actuarial gains and losses are recognized immediately in 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.

4.13 Taxation

Current tax

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

Deferred tax

Deferred tax is recognized using the balance sheet liability method, on temporary differences at the 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 reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part for the deferred tax asset to be utilized.

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

4.14 Foreign currency translation

Transactions in foreign currencies are translated into reporting currency at the rates of exchange prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into reporting currency equivalents using year end spot foreign exchange rates. Non-monetary assets and liabilities are translated using exchange rate that existed when the values were determined. Exchange differences on foreign currency translations are taken to profit and loss account currently.

4.15 Revenue recognition

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

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

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

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

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

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

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

Miscellaneous income is recognized on receipt basis.

4.16 Warranty obligations

The Company accounts for its warranty obligations on accrual basis.

4.17 Cash and cash equivalents

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

4.18 Dividend and appropriation to reserves

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

4.19 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs

are expensed out in the period they occur. Borrowing costs consist of interest and other cost that an entity incurs in connection with the borrowing of funds.

4.20 Segment reporting

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

business of the Company has two reportable operating segments i.e. Automobiles segment and Motorcycles segment.

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

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

5. Property, Plant and Equipment

		2019	2018
Note		----- (Rupees in '000) -----	
Operating fixed assets	5.1	15,033,621	7,820,608
Capital work-in-progress	5.4	652,229	7,834,219
		15,685,850	15,654,827

For the year ended December 31, 2019

5.1 Operating fixed assets

The following is a statement of operating fixed assets:

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

	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 (Note 5.1.1)	5,422,011	654,399	(1,795)	6,074,615	3,185,804	684,224	(1,685)	9,139	3,877,482	2,197,133	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
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
	20,494,313	2,356,225	(219,809)	22,630,729	13,426,242	1,568,523	(193,783)	9,139	14,810,121	7,820,608	

For the year ended December 31, 2019

5.1.1 Dies include assets having book value of Rs. 3,971.8 million (2018: Rs. 1,425.38 million) which are in the possession of seventy eight (78) {2018: seventy five (75)} vendors dispersed all over Pakistan for contract manufacturing of components. Vendor wise breakup is summarized below:

	Cost		Accumulated depreciation and impairment losses		Book value	
	2019	2018	2019	2018	2019	2018
	----- (Rupees in '000) -----					
Ab Engineering (Pvt) Ltd.	25,944	25,602	15,339	10,167	10,605	15,435
Aerotech Industries (Pvt.) Ltd.	5,478	2,266	1,946	1,276	3,532	990
Al-Aftab Metals Engineering Ind. (Pvt) Ltd.	7,705	4,333	2,528	1,239	5,177	3,094
Alba Engineering Company	6,331	3,823	2,900	1,916	3,431	1,907
Al-Huda Engineering (Pvt) Ltd.	12,740	6,092	3,093	1,099	9,647	4,993
Alsons Auto Parts (Pvt)Ltd	46,853	46,853	30,651	21,710	16,202	25,143
A-One Techniques (Pvt) Ltd.	98,447	49,134	41,522	26,748	56,925	22,386
Aq Industries.	8,533	-	1,100	-	7,433	-
Asif Engg. & Mechanical Works.	2,093	2,093	1,607	1,190	486	903
Asif Rubber Industries (Pvt) Ltd.	839	839	789	750	50	89
Automate Industries (Pvt) Ltd.	362	362	362	353	-	9
Automotive Components Limited	171,057	2,751	131,536	1,622	39,521	1,129
Auvitronics Limited	185,532	63,904	50,271	24,043	135,261	39,861
Bahawalpur Engineering Limited	46,111	46,111	12,069	2,846	34,042	43,265
Baluchistan Wheels Ltd.	27,334	-	3,189	-	24,145	-
Brothers Engineering Industries	9,512	4,956	3,737	2,214	5,775	2,742
Cosmos Engineering.	364	364	263	209	101	155
Darson Industries (Pvt) Limited.	4,960	3,718	2,803	2,037	2,157	1,681
Dawood Engineering (Pvt) Ltd.	129,326	60,496	41,581	19,157	87,745	41,339
Electropolymers (Pvt) Ltd.	32,207	32,207	18,349	12,499	13,858	19,708
Engineering Excellence Company(Pvt) Ltd.	32,412	11,053	10,362	5,443	22,050	5,610
Fatima Industries (Pvt) Ltd	48,697	14,597	15,321	7,724	33,376	6,873
Feroz Industries	4,204	4,204	2,802	1,962	1,402	2,242
Galaxy Polymer Engineering(Private)Limited	1,194	2,889	925	2,514	269	375
Galaxy Enterprises	24,008	1,194	5,791	693	18,217	501
The General Tyre & Rubber Co. Of Pakistan Ltd.	19,025	19,025	12,435	8,630	6,590	10,395
Halfman	106,528	15,580	21,317	5,145	85,211	10,435
Hawks Engineering Services (Pvt.) Limited	32,207	17,437	12,763	7,712	19,444	9,725
Hybrid Technics (Pvt) Ltd	291	291	254	222	37	69
Indus Engineering	6,626	3,809	3,244	2,185	3,382	1,624
Javed Steel Manufacturing Works	2,092	2,092	1,604	1,186	488	906
Jawed Metal Industries Pvt Ltd	4,405	4,405	3,307	2,706	1,098	1,699
Khan Engineering Works	24	24	18	14	6	10
Loads Limited	918,394	281,318	239,152	91,965	679,242	189,353
Masood Engineering Works	7,043	5,439	3,468	2,204	3,575	3,235
Mehran Commercial Enterprises	2,157	1,703	1,282	903	875	800
Mehran Engineering Industries (Pvt) Ltd.	475	475	364	269	111	206
Metaline Industries (Pvt) Ltd.	349,943	87,313	81,281	28,107	268,662	59,206
Mga Industries (Pvt) Limited.	102,092	72,688	58,500	44,069	43,592	28,619

	Cost		Accumulated depreciation and impairment losses		Book value	
	2019	2018	2019	2018	2019	2018
	----- (Rupees in '000) -----					
Mumtaz Engineering	2,913	2,913	2,388	1,937	525	976
National Automotive Components (Pvt) Ltd	114,233	23,912	25,740	9,329	88,493	14,583
Noor Engineering Services (Pvt) Ltd.	16,919	10,432	9,617	7,643	7,302	2,789
Pak Orient Industries	10,110	2,956	2,691	1,263	7,419	1,693
Pci Automotive (Private) Limited	306,398	264,073	85,148	132,415	221,250	131,658
Peracha Engineering Co	6,779	2,192	1,839	801	4,940	1,391
Pioneer Plastic Industries	1,117	758	513	329	604	429
Plastech Pakistan	4,980	4,980	4,196	3,471	784	1,509
Poly Crafts (Pvt) Limited	336	336	262	199	74	137
Pressed Steel Industries (Pvt) Ltd	758	758	602	468	156	290
Procon Engineering Pvt Ltd	1,157,162	373,518	318,709	142,947	838,453	230,571
Ravi Autos Sheikhpura (Pvt) Limited.	15,678	5,449	4,697	1,998	10,981	3,451
Ravi Autos Sundar (Pvt) Limited.	4,961	7,287	2,811	2,044	2,150	5,243
Razi Sons (Pvt.) Ltd.	472,172	333,665	203,332	121,042	268,840	212,623
Rubatech Manufacturing Co.Pvt.Ltd.	28,215	11,536	9,696	5,217	18,519	6,319
S.T.Engineering Services (Pvt) Ltd	161,997	110,244	63,002	33,534	98,995	76,710
Sadiq Engineering Works	59	59	59	57	-	2
Sanpak Engineering Industries (Pvt) Ltd.	96,235	35,731	34,453	20,248	61,782	15,483
Shah Rubber Products.	35,929	19,287	14,228	8,152	21,701	11,135
Shaheen Automotive Private Limited	15,452	10,614	7,463	4,927	7,989	5,687
Shahid Engineering Works	33,813	20,809	14,343	8,327	19,470	12,482
Silver Falcon Engg:Corporation	3,344	398	705	241	2,639	157
Standard Mechanical Works	1,157	593	464	261	693	332
Stanley Industries	14,329	5,688	5,016	2,672	9,313	3,016
Super Engineering Company (Pvt) Ltd.	520	520	445	404	75	116
Super Tech Autoparts (Pvt) Ltd.	1,754	1,754	1,194	843	560	911
Synthetic Products Enterprises Ltd.	250,715	12,610	25,168	3,065	225,547	9,545
Tariq Engineering Products (Pvt) Ltd.	10,207	5,205	4,061	2,436	6,146	2,769
Techmen Engineering.	999	999	566	366	433	633
Techno Fabrik (Pvt) Ltd.	211,920	36,602	40,759	7,435	171,161	29,167
Technoline Industries	255	255	195	144	60	111
Tecno Pack Telecom (Pvt) Ltd.	21,352	16,904	10,411	6,511	10,941	10,393
Thal Limited Engineering Division	137,382	75,004	47,874	26,574	89,508	48,430
Thermosole Industries (Pvt) Ltd.	73,114	25,829	22,734	11,140	50,380	14,689
United Mechanical Industries (Pvt) Ltd.	17,336	12,883	8,811	5,863	8,525	7,020
Ushin Thailand	4,214	-	421	-	3,793	-
Yusuf Auto Industries (Pvt) Ltd	79,508	7,967	16,828	5,417	62,680	2,550
Zaib Engineering (Pvt) Ltd.	1,392	1,392	1,030	752	362	640
Zia Engineering Works	7,757	4,915	2,917	1,885	4,840	3,030
	5,807,016	2,352,467	1,835,213	927,085	3,971,803	1,425,382

For the year ended December 31, 2019

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

		2019	2018
	Note	----- (Rupees in '000) -----	
Cost of goods manufactured	31.1	2,625,616	1,404,580
Administrative expenses	33	180,963	163,943
		2,806,579	1,568,523

5.3 Impairment loss for the year amounting to Rs. Nil (2018: Rs. 9.139 million) has been allocated to cost of goods manufactured.

5.4 Capital work-in-progress

		2019	2018
		----- (Rupees in '000) -----	
Plant and machinery		632,254	7,774,888
Civil works		19,975	59,331
		652,229	7,834,219

5.4.1 Movement in capital work-in-progress

		2019	2018
Opening balance		7,834,219	1,731,931
Additions during the year		2,708,531	8,292,609
Transfer to operating fixed assets		(9,890,521)	(2,190,321)
Closing balance		652,229	7,834,219

5.5 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Location	Total Area (In Sq. Ft.)
Leasehold land DSU-13,Port Qasim	2,789,974
Leasehold land DSU-32,Port Qasim	658,627
Leasehold land DSU-38,Port Qasim	612,236
Leasehold land DSU-13a,Port Qasim	5,227,200
Land Eastern Industrial Zone, Port Qasim	1,742,400
Property situated at Plot No.84/1,Korangi Karachi	43,560
Land at Multan road, Lahore	1,329,669

6. Intangible Assets

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

	Years	Cost as at 01 January 2018	Additions	(Retirements) during the year	Cost as at 31 December 2018	Accumulated amortization at 01 January 2018	Charge for the year	(Retirements) during 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
2018		471,207	16,845	-	488,052	285,874	88,881	-	374,755	113,297

6.1 Amortization charge has been allocated as follows:

		2019	2018
	Note	----- (Rupees in '000) -----	
Cost of goods manufactured	31.1	146,646	63,673
Administrative expenses	33	31,530	25,208
		178,176	88,881

7. RIGHT-OF-USE ASSETS

	Suzuki Houses	Showrooms	Area Offices	Total
----- (Rupees in '000) -----				
Balance as at 1 January, 2019	21,582	86,547	106,603	214,732
Add: Additions during the year	-	10,091	-	10,091
Less: Disposal during the year	-	(3,015)	(19,730)	(22,746)
Depreciation charge for the year	(10,744)	(19,777)	(26,599)	(57,118)
Balance as at 31 December, 2019	10,838	73,846	60,274	144,959

The term of lease agreements is as follows:

- Suzuki houses: 2 years
- Showrooms: 2 - 10 years
- Area offices: 3 - 7 years

8. Long-Term Investments

Note	2019	2018
----- (Rupees in '000) -----		
Investment in related party (equity accounted)		
Investment in joint venture - unquoted Tecno Auto Glass Limited (TAG)	325,925	329,274
Other long term investments		
Equity securities - at FVOCI	-	-
	325,925	329,274

8.1 Equity securities - at FVOCI

Note	Shares		Fair value
	(Number)	2019	
Arabian Sea Country Club Limited (ASCCL)	500,000	-	
Automotive Testing & Training Centre (Private) Limited (AT & TC)	1,250	-	
		-	

8.2 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.

8.2.1 The joint venture's share of loss has been included in these financial statement based on the unaudited condensed interim financial information of the investee company as at 31 December 2019. 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 2019. The details of the financial statements of half year ended 31 December of TAG are as follows:

Note	2019	2018
----- (Rupees in '000) -----		
34,440,000 (2018: 22,000,000) fully paid ordinary shares of Rs. 10/- each (Shareholding 40%)	344,400	344,400
Share of loss of equity accounted investee	(18,475)	(15,126)
	325,925	329,274
	325,925	329,274
Percentage Ownership Interest	40%	40%
Non-current assets	946,503	663,407
Current assets (including cash and cash equivalents - 2019: Rs. 32 Million, 2018: Rs. 3 Million)	81,344	43,817
Non-current liabilities (including non-current financial Non-current liabilities (including non-current financial liabilities excluding trade and other payables and provisions - 2019: Rs. Nil Million, 2018: Rs. Nil Million)	343,174	362,628
Current liabilities (including current financial liabilities excluding trade and other payables and provisions - 2019: Rs. 38 Million, 2018: Rs. 49 Million)	358,748	15,322
Net Assets (40%)	325,925	329,274
Group's share of net assets	325,925	329,274
Carrying Amount of Interest in Joint Venture	325,925	329,274
Profit and total comprehensive loss (100%)	(8,373)	(8,030)
Profit and total comprehensive loss (40%)	(3,349)	(3,212)
Group's Share of Total Comprehensive Loss	(3,349)	(3,212)

8.3 Investment in ASCCL (unquoted) represents 0.5 million (2018: 0.5 million) fully paid ordinary shares of Rs. 10 each, representing 6.45% (2018: 6.45%) of ASCCL's paid up share capital as at 31 December 2019.

8.4 Investment in AT & TC (unquoted) represents 0.125 million (2018: 0.125 million) fully paid ordinary shares of Rs. 10 each, representing 6.94% (2018: 6.94%) of AT & TC's paid up share capital as at 31 December 2019.

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

9. Long-Term Loans

		2019	2018
	Note	----- (Rupees in '000) -----	
Loans to employees	9.1	8,070	8,334
Less: Receivable within one year	16	(4,570)	(4,131)
		3,500	4,203

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

		2019	2018
	Note	----- (Rupees in '000) -----	
Deposits		43,380	35,295
Prepayments		33	2,597
		43,413	37,892
Secured, considered good		646,489	499,571
Other receivables from employees		(211,964)	-
	10.1	434,525	499,571
less: Receivable within one year	18	(99,919)	(81,255)
		334,606	418,316
		378,019	456,208

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/gratuity fund balances of respective employees. These are receivable in maximum eighty-four equal monthly installments.

	Gross amount of receivables from employees		Present value of receivables from employees	
	2019	2018	2019	2018
	----- (Rupees in '000) -----			
Less than one year	107,344	81,255	99,919	81,255
One to five years	388,311	358,986	267,325	358,986
Less: Provision for doubtful receivables	150,834	59,330	67,281	59,330
	646,489	499,571	434,525	499,571

11. Long Term Installment Sales Receivables

	2019	2018
	----- (Rupees in '000) -----	
Gross amount of installment sales receivables	1,198,632	704,273
Less: Impact of discounting	(103,408)	-
Installment sales receivables	1,095,224	704,273
Less: Unearned finance income	(6,210)	(13,558)
	11.1	690,715
Less: Provision of impairment allowance on receivables	11.2	(22,770)
		667,945
Less: Current maturity	(799,036)	(549,627)
	271,873	118,318

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% (2018: 9% to 28%) per annum, excluding up to 24 months installment sales which 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	
	2019	2018	2019	2018
	----- (Rupees in '000) -----			
Less than one year	842,550	559,926	799,036	549,627
One to five years	356,082	144,347	289,978	141,088
	1,198,632	704,273	1,089,014	690,715
Less: Provision of impairment allowance on receivables	(18,105)	(22,770)	(18,105)	(22,770)
	1,180,527	681,503	1,070,909	667,945

11.2 Impairment for doubtful installment sales receivables

	2019	2018
	----- (Rupees in '000) -----	
Balance at beginning of the year	22,770	14,903
(Reversal) / provision during the year	(2,463)	7,867
Write - off during the year	(2,202)	-
Balance at end of the year	18,105	22,770

12. Deferred Taxation

Deductible temporary differences arising from:

Provisions	666,165	349,886
Local development costs	33,879	42,908
Lease liability	42,335	-
	742,379	392,794

Taxable temporary differences arising from:

Accelerated tax depreciation and tax amortisation	(570,220)	(161,886)
Right-of-use assets	(41,479)	-
	(611,699)	(161,886)

Unused tax losses and credits arising from:

	Note	2019	2018
		----- (Rupees in '000) -----	
Excess of minimum turnover tax carried forward		-	920,980
Unused tax credit u/s 65B carried forward	12.2	548,421	-
Business losses other than depreciation carried forward	12.3	381,439	-
Unrealized tax depreciation losses carried forward		1,298,522	-
		2,228,382	920,980
		2,359,062	1,151,888

12.1 Movement of deferred tax is as follows:

	Note	2019	2018
		----- (Rupees in '000) -----	
Opening balance		1,151,888	236,500
Less: Transfer from deferred tax asset to taxation - net		(920,980)	-
Add: Deferred tax income during the year		2,128,154	915,388
Closing balance		2,359,062	1,151,888

12.2 Unused tax credit u/s 65B carried forward

	(Rupees in '000)	Expiry tax Year
Recognised in 2019	548,421	2021

12.3 Business losses other than depreciation carried forward

Recognised in 2019	381,439	2025
--------------------	---------	------

13. Stores, Spares And Loose Tools

	2019	2018
Note	----- (Rupees in '000) -----	
Stores	166,660	77,059
Spares	144,882	102,203
Loose tools	31,829	26,280
	343,371	205,542
Less: Provision for slow moving and obsolete items		
- at beginning of the year	58,664	55,948
- provision for the year	24,283	2,716
	82,947	58,664
	260,424	146,878

14. Stock-In-Trade

Raw material and components [including items in transit Rs. 4,578.33 million (2018: Rs. 6,063.46 million)]	21,363,836	14,484,249
Less: Provision for slow moving and obsolescence		
- at beginning of the year	86,360	31,444
- provision for the year	140,102	54,916
	226,462	86,360
	21,137,374	14,397,889
Work-in-process	160,626	56,425
Finished goods	14,903,629	12,929,908
Trading stocks [including items in transit Rs. 198.204 million (2018: Rs. 52.489 million)]	1,389,339	2,072,049
Less: Provision for slow moving and obsolescence		
- at beginning of the year	59,215	65,786
- provision / (reversal) for the year	15,182	(6,571)
	74,397	59,215
	1,314,942	2,012,834
	37,516,571	29,397,056

14.1 Stock in trade includes Rs. 7,784 million (2018: Rs. 7,217 million) which were in the custody of dealers and vendors dispersed all over the Pakistan.

14.2 Raw material and components, work-in-process, finished goods and trading stocks have been written down by Rs. 39.65 million, Rs. Nil, Rs. 1.05 million and Rs.50.06 million (2018: Rs. 272.25 million, Rs. 0.016 million, Rs. 1.12 million and Rs. 309.08 million) respectively to arrive at net realizable value.

15. Trade Debts

	2019	2018
Note	----- (Rupees in '000) -----	
Trade debts	700,945	267,950
Less: Provision for impairment allowance	(10,287)	(30,412)
	690,658	237,538
15.1 Provision for impairment allowance		
Balance at the beginning of the year	30,412	60,512
Reversal of provision of impairment allowance	(20,125)	(30,100)
Balance at the end of the year	10,287	30,412

15.2 Receivable from related parties

	2019	2018
Note	----- (Rupees in '000) -----	
Suzuki Motor Corporation	-	88
Magyar Suzuki Corporation	-	285
PT. Suzuki IndoMobil Motor	-	48
	-	421

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

Suzuki Motor Corporation	19,297	1,680
Magyar Suzuki Corporation	6,564	1,061
PT. Suzuki IndoMobil Motor	4,332	48

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

	2019		2018	
	Gross	Impairment	Gross	Impairment
----- (Rupees in '000) -----				
Not past due	-	-	-	-
Past due over 360 days	-	-	421	-
	-	-	421	-

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

Particulars of Customer	Location	2019	2018
		----- (Rupees in '000) -----	
Suzuki Motor Corporation	Japan	-	41,597
Magyar Suzuki Corporation	Hungary	-	1,909
		-	43,506

16. Loans And Advances

Loans	Note	2019	2018
		----- (Rupees in '000) -----	
Current portion of loans to employees	9	4,570	4,131
Advances			
- Suppliers	16.1	45,715	30,549
- Employees - against expenses		5,105	5,947
		50,820	36,496
		55,390	40,627

16.1 These advances do not carry any mark up arrangement.

17. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

	2019	2018
	----- (Rupees in '000) -----	
Trade deposits	1,090	1,972
Margin with banks against letter of credits and imports	168,006	1,077,955
	169,096	1,079,927
Prepayments:		
- Collector of customs	49,054	211,030
- Rent	31,150	50,439
- Insurance	4,142	2,049
- Others	25,862	13,826
	110,208	277,344
	279,304	1,357,271

18. Other Receivables

	Note	2019	2018
		----- (Rupees in '000) -----	
Due from related parties	18.1	196,019	105,263
Due from vendors for material / components returned		851	3,359
Duty draw back		486	486
Expenses recoverable from dealers		15,873	55,762
Current portion of long term other receivables	10	99,919	81,255
Accrued profit on bank deposits		525	46
Others		35,246	22,451
		348,919	268,622

18.1 This represents receivable from following related parties:

Note	2019	2018
	----- (Rupees in '000) -----	
Suzuki Motor Corporation	195,325	104,569
PT. Suzuki IndoMobil Motor	694	694
	196,019	105,263

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

	2019	2018
Suzuki Motor Corporation	195,325	135,275
PT. Suzuki IndoMobil Motor	694	694

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

	2019		2018	
	Gross	Impairment	Gross	Impairment
	----- (Rupees in '000) -----			
Not past due	40,943	-	97,360	-
Past due 91-180 days	17,955	-	613	-
Past due 181-360 days	22,768	-	-	-
Past due over 360 days	114,353	-	7,290	-
	196,019	-	105,263	-

19. TAXATION - NET

19.1 This also includes minimum tax on turnover chargeable under section 113 of the Income Tax Ordinance, 2001 of Rs. 921 million. Minimum tax is paid where, the Company has suffered taxable losses or has insufficient taxable profits due to which actual tax liability is not sufficient to meet the minimum tax requirements as per the said section 113. The excess of minimum tax over actual tax chargeable (where actual tax is nil in case of taxable losses) is adjustable against taxable income of limited number of future years (refer Note 19.2). The Company has recognised the minimum tax paid in advance during the year as an asset because the management considers it probable that sufficient future taxable profits would be available against which this excess minimum tax can be utilised.

19.2 Excess of minimum turnover tax carried forward

	(Rupees in '000)	Expiry tax Year
Recognised in 2018	920,980	2023

20. Cash and Bank Balances

Note	2019	2018
	----- (Rupees in '000) -----	
Cash in hand	10,692	9,507
Cash at bank:		
- In deposit accounts - Conventional	20.1 1,048,100	355,164
- In a special deposit account - Conventional	20.2 130,955	117,955
- In current accounts	2,077,763	1,033,537
	3,256,818	1,506,656
	3,267,510	1,516,163

20.1 These carry profits rates ranging from 5.5% to 12.85% (2018: 6.10% to 7.30%) per annum.

20.2 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.

20.3 The Company does not have any Shariah compliant bank deposits / bank balances as at 31 December 2019.

21. Issued, Subscribed and Paid-Up Share Capital

2019	2019		2019	2018
----- (Number of Shares) -----			----- (Rupees in '000) -----	
45,517,401	45,517,401	Fully paid ordinary shares of Rs. 10/- each issued for cash	455,174	455,174
2,800,000	2,800,000	Issued for consideration other than cash	28,000	28,000
33,982,450	33,982,450	Issued as fully paid bonus shares	339,825	339,825
82,299,851	82,299,851		822,999	822,999

21.1 The Holding Company held 60,154,091 (2018: 60,154,091) ordinary shares of Rs. 10 each, constituting 73.09% (2018: 73.09%) holding in the Company.

22. Payable Against Purchase Of Asset

	Note	2019	2018
		----- (Rupees in '000) -----	
Payable against purchase of asset	22.1	618,994	290,494
Less: Payable within one year	25	(455,637)	(290,494)
		163,357	-

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

23. Security Deposits

	Note	2019	2018
		----- (Rupees in '000) -----	
Dealership deposits	20.2	130,955	117,955
Others		105,175	97,775
		236,130	215,730

24. Lease Liabilities

Note	2019	2018
	----- (Rupees in '000) -----	
Maturity Analysis - Contractual discounted Cash Flows		
Less than one year	31,757	-
One to five years	84,076	-
More than five years	32,116	-
	147,949	-
Lease liabilities included in the statement of financial position as at 31st December		
Current	31,757	-
Non-current	116,192	-
	147,949	-

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

25. Trade and Other Payables

Creditors		1,598,600	2,215,730
Bills payable	25.1	3,320,134	4,009,536
Accrued liabilities		2,362,717	2,320,592
Royalties and technical fee payable to the Holding Company		1,421,584	2,330,492
Mark-up on waiting for delivery of vehicles		3,676	3,676
Payable to dealers		292,821	1,063,283
Accrued makup on Short term borrowing		614,940	131,026
Workers' Profit Participation Fund	25.2	-	1,855
Workers' Welfare Fund		-	44,642
Retention money		5,226	2,520
Deposits from employees against purchase of vehicles		182	7,592
Payable to gratuity fund	25.3	324,764	190,583
Un-earned income - extended warranty		118,292	84,594
Payable against purchase of asset	22	455,637	290,494
Provision for unexpired free service and warranty	25.4	70,662	84,778
Provision for Sindh Infrastructure Development Cess	25.5	1,613,229	1,202,266
Others		521,225	425,907
		12,723,689	14,409,566

25.1 This include Rs. 2,513.94 million (2018: Rs. 1,919.479 million) due to the Holding Company and Rs. 743.06 million (2018: Rs. 1,951.137 million) due to other related parties.

25.2 Workers' Profit Participation Fund

		2019	2018
	Note	----- (Rupees in '000) -----	
Balance at beginning of the year		1,855	1,660
Interest on funds utilized in the Company's business	36	93	508
		1,948	2,168
Allocation for the year	34	-	111,856
		1,948	114,024
Less: Paid during the year		(1,948)	(112,169)
Balance at end of the year		-	1,855
		324,764	190,583

25.3 Payable to gratuity fund

25.3.1 The latest actuarial valuation of gratuity fund was carried out as at 31 December 2019 using the Projected Unit Credit Method.

25.3.2 Amount recognized in the statement of financial position

	2019	2018
	----- (Rupees in '000) -----	
Present value of defined benefit obligation	867,927	684,151
Fair value of plan assets	(553,850)	(495,998)
Benefits due but not paid (payables)	10,687	2,430
	324,764	190,583

25.3.3 Amounts recognized in total comprehensive income

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

Component of defined benefit costs recognized in statement of profit or loss account

	2019	2018
	----- (Rupees in '000) -----	
Current service cost	59,867	47,205
Interest cost on defined benefit obligation	88,298	42,909
Return on plan assets	(65,874)	(37,758)
	82,291	52,356

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

	2019	2018
Re-measurements: Actuarial (gain) / loss on obligation		
- Gain due to change in financial assumptions	(9,777)	(660)
- Loss due to change in experience adjustments	80,784	90,825
	71,007	90,165
Return on plan assets excluding interest income	8,022	(5,983)
	79,029	84,182
Total defined benefit cost recognized in statement of other comprehensive income	79,029	84,182
Expected contribution in the following year	106,786	82,090
Weighted average duration of the defined benefit obligation (years)	9	8

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

	2019	2018
Opening balance	190,583	94,920
Expense recognized during the year	82,292	52,356
Re-measurement loss recognized in other comprehensive income	79,029	84,182
Contribution made by the Company during the year	(27,140)	(40,875)
Closing balance	324,764	190,583

25.3.5 Movement in present value of defined benefit obligation

	2019	2018
	----- (Rupees in '000) -----	
Opening balance	684,151	536,351
Current service cost	59,867	47,205
Interest cost on defined benefit obligation	88,298	42,909
Benefits due but not paid (payables)	(10,687)	(2,430)
Benefit paid	(24,709)	(30,049)
Remeasurement loss on defined benefit obligation	71,007	90,165
Closing balance	867,927	684,151

25.3.6 Movement in fair value of plan assets

Opening balance	495,998	452,257
Contributions	27,140	(40,875)
Return on plan assets	65,874	37,758
Benefit paid	(27,140)	40,875
Remeasurement (loss)/ gain on plan assets	(8,022)	5,983
Closing balance	553,850	495,998

25.3.7 Principle actuarial assumption used are as follows

Discount rate used for profit and loss charge	13.25%	8.25%
Discount rate used for year end obligation	11.25%	13.25%
Expected rate of eligible salaries increase in future years	11.25%	13.25%
Mortality rates	SLIC 2001 - 2005 Setback 1 Year	SLIC 2001 - 2005 Setback 1 Year
Withdrawal Rates	Age Based	Age Based
Retirement assumption	Age 60	Age 60

25.3.8 Actual return on plan assets

	2019	2018
	----- (Rupees in '000) -----	
Interest income on plan assets	65,874	37,758
Remeasurement (loss) / gain on plan assets	(8,022)	5,983
	57,852	43,741

25.3.9 Analysis of present value of defined benefit obligation

Type of Members:		
- Management	731,691	559,748
- Non - management	136,236	124,403
	867,927	684,151

25.3.10 Major categories / composition of plan assets are as follows

Government securities	40,622	377,602
Mutual funds	76,411	67,800
Term finance certificates	41,303	38,872
Bank balances	395,514	11,724
	553,850	495,998

25.3.11 Sensitivity analysis

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

Change in assumption	Defined benefit obligation (Incase of changes)	
Discount rate + 1%	793,608	650,025
Discount rate - 1%	954,476	723,955
Long term salary increase + 1%	954,659	723,895
Long term salary decrease - 1%	792,091	650,024

25.4 Provision for unexpired free service and warranty

Balance at the beginning of the year	84,778	87,197
Paid during the year	(225,757)	(302,636)
Charge during the year	211,641	300,217
Balance at the end of the year	70,662	84,778

25.5 Provision for Sindh Infrastructure Development Cess

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

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

26. Short-Term Finance

Short term running finance - conventional

	2019	2018
	----- (Rupees in '000) -----	
	32,411,037	11,310,497

26.1 The effective rate of mark-up on short-term running finance facility ranges from 13.03% to 13.68% (2018: 8.8% to 10.4%) 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. 38,000 million (2018: Rs. 15,547.76 million) out of which Rs. 5,588 million (2018: 4,237.27 million) remained unutilised as of reporting date. Financing facilities from two banks, amounting Rs. 25,000 million (2018: 2,000 million) are secured against support from holding company, Suzuki Motor Corporation.

26.2 The Company does not have any Shariah compliant borrowings as at 31 December 2019.

27. Security Deposits

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

28. Provision For Custom Duties And Sales Tax

		2019	2018
	Note	----- (Rupees in '000) -----	
Provision for custom duties and sales tax	28.1	36,299	36,299
Provision for additional custom duties	28.2	546,527	-
		582,826	36,299

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

28.2 On 28th June 2019, Ministry of Finance issued notification vide SRO 670/2019 through which the Additional Customs duty was increased from 2% up to 7% on imported goods falling under various tariff slabs. Petition has been filed in Sindh High Court (SHC) to challenge the increase in additional customs duty. The plea of the Industry, including Pak Suzuki, is that in pursuance of Auto Policy 2016-21, five year tariff plan for customs duties was committed by Government of Pakistan, covering the period from 2016 to 2021. SHC granted stay on 5th October 2019 against SRO and directed petitioners to submit the corporate guarantee amounting to Rs. 1,260 million to cover additional duty levied through the challenged SRO till the petition is decided. As a matter of prudence, provision amounting to Rs. 546 million has been accounted for in these financial statements.

29. Contingencies and Commitments

29.1 Capital expenditure contracted for but not incurred amounted to Rs. 392.470 million (2018: Rs. 930.907 million).

29.2 The facilities for opening letters of credit as at 31 December 2019 amounted to Rs. 10,300 million (2018: 10,400 million) of which the amount remaining unutilized at year end was Rs. 9,897 million (2018: 9,778.72 million).

29.3 The facilities for opening letters of guarantees as at 31 December 2019 amounted to Rs. 2,126 million (2018: Rs. 1,728 million) of which the amount remaining unutilized at December end was Rs. 456.371 million (2018: Rs. 365.486 million).

29.4 The Company has issued a corporate guarantee on behalf of Tecno Auto Glass Limited, an associated company, amounting to Rs. 600 million (2018: Rs. 600 million) to a commercial bank in relation to borrowing facilities granted to the associated company.

30. Sales

	Note	2019 ----- (Rupees in '000) -----	2018 ----- (Rupees in '000) -----
Manufactured goods	30.1	111,147,960	113,139,598
Trading stocks	30.2	5,704,595	6,714,300
		<u>116,852,555</u>	<u>119,853,898</u>
Add: Extended warranty income		7,125	-
		<u>116,859,680</u>	<u>119,853,898</u>
Less: Mark-up on discounting of financial assets		(103,408)	-
Free service		(208,259)	-
		<u>116,548,013</u>	<u>119,853,898</u>

30.1 Manufactured goods

- Vehicles		139,206,536	139,866,732
- Spare parts		645,278	616,176
		<u>139,851,814</u>	<u>140,482,908</u>

Less: Sales tax		20,331,777	20,409,115
Federal excise duty	30.4	1,227,456	-
Discounts		1,896,601	1,083,344
Sales commission to dealers		5,248,020	5,850,851
		<u>(28,703,854)</u>	<u>27,343,310</u>
		<u>111,147,960</u>	<u>113,139,598</u>

30.2 Trading stocks

- Vehicles		3,096,174	4,717,976
- Spare parts		3,634,517	3,039,632
		<u>6,730,691</u>	<u>7,757,608</u>

	Note	2019 ----- (Rupees in '000) -----	2018 ----- (Rupees in '000) -----
Less: Sales tax		910,715	894,432
Federal excise duty	30.4	26,646	-
Discounts		2,560	11,263
Sales commission to dealers		86,175	137,613
		<u>(1,026,096)</u>	<u>1,043,308</u>
		<u>5,704,595</u>	<u>6,714,300</u>

30.3 These include export sales of Rs. 62.287 million (2018: Rs. 86.157 million)

30.4 During the year federal excise duty (FED) has been imposed vide Finance Act 2019 effective from July 01, 2019 on all motor vehicles excluding commercial vehicle.

30.5 The amount of Rs. 2,155 million included in advances from customers as at 31 December 2018 has been recognised as revenue in 2019.

30.6 In the following table, revenue is disaggregated by primary geographical market, major products/service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Company's two strategic divisions, which are its reportable segments (Refer Note 30).

	Automobile		Motorcycle		Total	
	2019	2018	2019	2018	2019	2018
	----- (Rupees in '000) -----					
Primary Geographical Markets						
Pakistan	112,940,403	116,479,519	3,545,323	3,288,222	116,485,725	119,767,741
Japan	25,339	42,694	-	-	25,339	42,694
Vietnam	7,262	21,759	-	-	7,262	21,759
Others	23,122	21,704	6,564	-	29,687	21,704
	<u>112,996,126</u>	<u>116,565,676</u>	<u>3,551,887</u>	<u>3,288,222</u>	<u>116,548,013</u>	<u>119,853,898</u>
Major product/service lines						
Automobile Products	112,989,001	116,565,676	-	-	112,989,001	116,565,676
Motorcycle Products	-	-	3,551,887	3,288,222	3,551,887	3,288,222
Extended Warranty	7,125	-	-	-	7,125	-
	<u>112,996,126</u>	<u>116,565,676</u>	<u>3,551,887</u>	<u>3,288,222</u>	<u>116,548,013</u>	<u>119,853,898</u>

	Automobile		Motorcycle		Total	
	2019	2018	2019	2018	2019	2018
	----- (Rupees in '000) -----					
Timing of Revenue Recognition						
Products transferred at a point in time	112,996,126	116,565,676	3,551,887	3,288,222	116,548,013	119,853,898
Products and services transferred over time	-	-	-	-	-	-
	112,996,126	116,565,676	3,551,887	3,288,222	116,548,013	119,853,898

31. Cost of Sales

		2019	2018
	Note	----- (Rupees in '000) -----	
Manufactured goods			
Finished goods at beginning of the year		12,929,908	8,499,570
Cost of goods manufactured	31.1	111,401,501	111,411,390
Export expenses		14,829	15,805
		124,346,238	119,926,765
Less: Finished goods at end of the year		14,903,629	12,929,908
		109,442,609	106,996,857
Trading stocks			
Stocks at beginning of the year		2,012,834	3,621,473
Purchases during the year		4,422,985	4,203,537
		6,435,819	7,825,010
Less: Stocks at end of the year		1,314,942	2,012,834
		5,120,877	5,812,176
		114,563,486	112,809,033

31.1 Cost of goods manufactured

		2019	2018
	Note	----- (Rupees in '000) -----	
Raw materials and components at beginning of the year		14,397,889	11,754,415
Purchases during the year	31.1.1	108,809,785	106,297,839
		123,207,674	118,052,254
Less: Raw materials and components at end of the year		21,137,374	14,397,889
Raw materials and components consumed		102,070,300	103,654,365
Stores and spares consumed		61,630	72,584
Provision for slow moving and obsolete stores, spares and loose tools	13	24,283	2,716
Utilities		425,306	445,511
Vehicle running expenses		29,126	23,764
Salaries, wages and other benefits	31.1.2	2,072,281	1,778,470
Outsourced job contractor charges		907,628	1,060,684
Expenses relating to short-term leases		32,541	25,091
Travelling		85,278	118,376
Training		10,157	34,305
Insurance		20,796	10,000
Repairs and maintenance		639,582	520,084
Royalty	31.1.3	1,680,777	1,597,221
Technical fee	31.1.3	345,018	330,526
Travelling expenses of supervisors		9,059	1,609
(Reversal) of provision of provincial sales tax on royalty and technical fees		-	(160,094)
Depreciation	5.2	2,625,616	1,404,580
Impairment loss	5.3	-	9,139
Amortization	6.1	146,646	63,673
Conveyance and transportation		300,145	290,013
Communication		4,642	3,064
Hired security guards services		22,563	15,750
Local development costs		69,652	215,892
Printing and stationery		533	1,212
Computer software license fee and ERP maintenance charges		5,787	-
Legal & Professional charges		500	-
Others		18,282	21,494
		9,537,828	7,885,664
		111,608,128	111,540,029
Add: Work-in-process at beginning of the year		56,425	70,600
		111,664,553	111,610,629
Less: Work-in-process at end of the year		160,626	56,425
		111,503,927	111,554,204
Less: Cost of own used vehicles		102,426	142,814
		111,401,501	111,411,390

31.1.1 Purchases are stated net of proceeds from the sale of packing materials amounting to Rs. 313.466 million (2018: Rs. 345.967 million).

31.1.2 This includes Rs. 33.813 million (2018: Rs. 29.153 million) and Rs. 51.027 million (2018: Rs. 31.869 million) in respect of provident fund and gratuity fund respectively.

31.1.3 This represents royalty and technical fee payable to the Holding Company, Suzuki Motor Corporation Japan as per License agreement' duly registered with the State Bank of Pakistan which expired on 10 December, 2019. The agreement is in the process of renewal and the Company has accrued the charges for royalty and technical fee for the period on the basis of subject agreement duly approved by the Board which is submitted to the State Bank of Pakistan for approval.

32 Distribution And Marketing Expenses

		2019	2018
	Note	----- (Rupees in '000) -----	
Transportation and handling charges		1,736,317	1,715,390
Advertising and sales promotion		734,925	634,499
Free service		-	242,302
Warranty claims		3,381	57,915
Royalty on trading spare parts	32.1	64,628	59,246
(Reversal) of provision of provincial sales tax on royalty and technical fees		-	(2,499)
		2,539,251	2,706,853

32.1 This represents royalty and technical fee payable to the Holding Company, Suzuki Motor Corporation Japan as per License agreement' duly registered with the State Bank of Pakistan which expired on 10 December, 2019. The agreement is in the process of renewal and the Company has accrued the charges for royalty and technical fee for the period on the basis of subject agreement duly approved by the Board which is submitted to the State Bank of Pakistan for approval.

33. Administrative Expenses

		2019	2018
	Note	----- (Rupees in '000) -----	
Salaries, wages and other benefits	33.1	1,266,786	1,105,686
Outsourced job contractor charges		226,856	249,043
Travelling		140,756	112,312
Training		17,955	48,697
Hired security guards services		52,351	48,599
Depreciation - Right of use of asset		57,119	-
Expenses relating to short-term leases		57,651	102,719
Utilities		35,794	29,884

		2019	2018
	Note	----- (Rupees in '000) -----	
Vehicle running expense		81,078	70,839
Insurance		30,055	16,240
Repairs and maintenance		83,310	80,754
Depreciation	5.2	180,963	163,943
Amortization	6.1	31,530	25,208
Auditors' remuneration	33.2	3,742	3,564
Legal and professional charges		38,179	12,478
Conveyance and transportation		118,481	117,336
Entertainment		441	130
Printing and stationery		42,870	40,857
Communication		26,598	17,777
Directors' fees		8,600	6,395
Trade debts written-off		204	71
Computer software license fee and ERP maintenance charges		16,131	13,337
Corporate Social Responsibility	33.3	8,952	10,414
Others		24,261	47,030
		2,550,663	2,323,313

33.1 This includes Rs. 21.587 million (2018: Rs. 17.712 million) and Rs. 31.582 million (2018: Rs. 20.486 million) in respect of defined contributory provident fund and gratuity fund respectively.

33.2 Auditors' remuneration

		2019	2018
		----- (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	940
Out of pocket expenses		465	247
Sindh sales tax		277	317
		3,742	3,564

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

	2019	2018
	----- (Rupees in '000) -----	
Burns Central Civil Hospital	-	1,164
GDA Hospital Gawadar	-	2,578
Joint Committee of Ghulkin and Passu	-	726
NED University	-	656
Uqaily Family & Friends Association	-	766
Karachi Vocational Training Centre	-	1,334
Govt. Girls Primary School, Nishtarabad	4,729	-
	4,729	7,224

33.3.1 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.

34. Other Expenses

	2019	2018
Note	----- (Rupees in '000) -----	
Workers' Profit Participation Fund	-	111,856
Workers' Welfare Fund	-	42,348
Workers' Welfare Fund - Prior year charge	348	-
	348	154,204

35. Other Income

Income from financial assets

Profit on bank accounts	35.1	74,024	368,411
Commission income	35.2	3,000	3,000
Finance income on installment sales		11,904	24,757
		88,928	396,168

Income from non-financial assets

Gain on disposal of fixed assets	35.3	16,038	49,158
Extended warranty income		-	30,960
Scrap sales		20,950	16,758
Miscellaneous income		96,588	72,899
		133,576	169,775
		222,504	565,943

35.1 The Company has not earned any profit from Shariah compliant bank deposits / bank balances during the year ended 31 December 2019.

35.2 This represent commission income on corporate guarantee provided to Meezan Bank Limited on behalf of Tecno Auto Glass Limited, associated company, amounting to Rs. 600 million (2018: Rs. 600 million) in relation to borrowing facilities granted to the associated company.

35.3 This includes loss on fixed assets written off during the year amounting to Rs. 2.402 million

36. Finance Costs

	Note	2019	2018
		----- (Rupees in '000) -----	
Mark-up on lease liability		19,954	-
Mark-up on short-term running finance	36.1	1,948,453	185,319
Markup on Workers' Profit Participation Fund	25.2	93	508
Exchange loss - net		52,899	102,157
Bank charges		66,353	74,539
		2,087,752	362,523

36.1 The Company has not paid any markup on Islamic mode of financing during the year ended 31 December 2019.

37. Taxation

Current			
- for the year		96,895	1,744,746
- prior year		-	(44,530)
Deferred		(2,128,154)	(915,388)
		(2,031,259)	784,828

37.1 Reconciliation between tax expense and accounting profit

Accounting (loss)/profit for the year before taxation	(4,951,744)	2,082,936
Corporate tax rate	29%	29%
Tax on accounting profit/(loss) at applicable rate	(1,436,006)	604,052
Tax effect of:		
- prior year	-	(44,530)
- tax rebate on additions under section 65B under Income Tax Ordinance, 2001	(548,421)	(97,101)
- income assessed under Final Tax Regime	39,468	17,007
- effect of super tax	-	212,120
- tax effect of permanent differences	971	70,570
- Deferred tax Adjustment due to change in future corporate tax rate & FTR adjustment	(55,146)	-
- others	(32,125)	22,710
	(2,031,259)	784,828

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

Minimum tax charge under section 113 of the Income Tax Ordinance, 2001 amounting to Rs. 1,808 million for current year has not been accounted for in these financial statements as management is confident that sufficient future taxable profits would be available against which this minimum tax can be utilized.

38. (Loss)/Earnings Per Share - Basic And Diluted	2019	2018
	----- (Rupees in '000) -----	
38.1 Basic		
(Loss)/Profit for the year	<u>(2,920,485)</u>	<u>1,298,108</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 (loss)/earnings per share	<u>(35.49)</u>	<u>15.77</u>

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

39. Cash Generated From Operations

	2019	2018
	----- (Rupees in '000) -----	
(Loss) / profit before taxation	(4,951,744)	2,082,936
Adjustments for non cash charges and other items:		
Depreciation	2,806,579	1,568,523
Impairment loss	-	9,139
Amortization	178,176	88,881
Depreciation - right of use assets	57,119	-
Gain on disposal of fixed assets	(16,038)	(49,158)
Share of loss of equity accounted investee	3,349	3,212
Profit on bank accounts	(74,024)	(368,411)
Effect of initial application of IFRS 16	(22,390)	-
Mark-up on lease liability	19,954	-
Markup on short term borrowings	1,948,453	362,523
	4,901,178	1,614,709
Working capital changes	(13,997,667)	(10,097,326)
	(14,048,233)	(6,399,681)

39.1 Working capital changes

Note	2019	2018
	----- (Rupees in '000) -----	
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(113,546)	(32,089)
Stock in trade	(8,119,515)	(5,450,998)
Trade debts	(453,120)	(26,180)
Current portion of long-term installment sales receivables	(249,409)	(228,631)
Loans and advances	(14,763)	(3,146)
Trade deposits and short-term prepayments	1,077,967	(391,549)
Other receivables	(80,297)	(120,801)
Sales tax and excise duty adjustable	(3,330,941)	(3,226,311)
	<u>(11,283,624)</u>	<u>(9,479,705)</u>
Increase / (decrease) in current liabilities:		
Trade and other payables	(2,422,996)	3,431,423
Provision for custom duties and sales tax	546,527	-
Security deposits	(58,613)	(993,174)
Advance from customers	(778,961)	(3,055,870)
	<u>(2,714,043)</u>	<u>(617,621)</u>
	(13,997,667)	(10,097,326)

40. Cash And Cash Equivalents

Cash and cash equivalents included in the Statement of Cash Flow comprise of the following statement of financial position amounts:

	Note	2019	2018
Cash and bank balances	20	3,267,510	1,516,163
Short-term running finance facilities	26	(32,411,037)	(11,310,497)
		(29,143,527)	(9,794,334)

41. 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
Note	----- (Rupees in '000) -----		
For the year ended 31 December 2019			
Purchases of components	34,337,038	23,589,052	57,926,090
Purchases of operating fixed assets	58,699	-	58,699
Dividend paid	190,087	-	190,087
Export sales	25,339	16,239	41,578
Royalties and technical fee	1,988,106	-	1,988,106
Purchase of intangible assets	305,700	-	305,700
Travelling expenses of supervisors	-	-	-
Staff retirement benefits	41.4	138,009	138,009
Commission income from Corporate Guarantee	-	3,000	3,000
Remuneration to key management personnel	-	141,678	141,678
Sales promotional expenses and development expenses	4,013	-	4,013
	Holding Company	Other related parties	Total
Note	----- (Rupees in '000) -----		
For the year ended 31 December 2018			
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	41.4	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

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

41.2 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%

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

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

41.4 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 there under.

42. Plant Capacity and Actual Production

	2019	2018
	(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	107,999	143,239
Actual production - Motorcycle	22,737	23,014

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

43. 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	2019				2018			
	Chief Executive	Non-Executive Directors	Executive Directors	Executive	Chief Executive	Non-Executive Directors	Executive Directors	Executive
	----- (Rupees in '000) -----							
Directors fees	-	6,100	-	-	-	2,290	-	-
Managerial remuneration	17,520	-	12,605	270,000	17,680	-	14,523	236,522
Bonus	10,220	-	5,608	166,270	3,452	-	8,746	152,369
Retirement benefits	-	-	-	17,758	-	-	-	15,754
Reimbursable expense	-	2,500	-	-	10	4,105	569	8,381
	27,740	8,600	18,213	454,028	21,142	6,395	23,838	413,026
Number of persons	1	5	2	62	1	5	2	58

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

44. 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:

44.1 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:

	2019	2018
	----- (Rupees in '000) -----	
Fixed rate financial instruments		
Installment sales receivables	1,070,909	667,945
Bank balances in deposit accounts	1,179,055	473,119
	2,249,964	1,141,064

Variable rate financial instruments

The Company holds various variable rate financial instruments amounting to Rs. 32,411 million (2018: 11,310 million) exposing the Company to cash flow interest rate risk. A change of 100 basis points as at 31 December 2019 would have increased / (decreased) profit after tax and equity for the year by Rs. 324.110 million (2018: 19.238 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Fair value sensitivity analysis for fixed rate instruments

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

(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:

	2019	2018
JPY - Japanese Yen		
Bills payable	1,761,635	1,526,811
Royalty and technical fees payable to the Holding Company	77,527	1,100,489
Due from related parties	(42,763)	(20,202)
Net exposure - JPY in '000	1,796,399	2,607,098
USD - US Dollar		
Bills payable	5,119	14,578
Export sales receivables	-	(4)
Due from related parties	(694)	(694)
Net exposure - USD in '000	4,425	13,880
RMB - Chinese Ren-Min-Bi		
Bills payable in '000	4	2,710
EUR - Euros		
Bills payable in '000	11	5
SGD - Singapore Dollar		
Bills payable in '000	32	22
GBP - Great Britain pound		
Bills payable in '000	2	2

At December 31, 2019 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. 32.512 million (2018: Rs. 37.553 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.

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

	2019		
	Lease Liabilities	Unappropriated profit	Total
	----- (Rupees in '000) -----		
Balance as at 1 January 2019	-	27,565,270	27,565,270
Effect of initial application of IFRS 16	237,122	(22,390)	214,732
Balances as at 1 January 2019 - Restated	237,122	27,542,880	27,780,002
Changes from financing cash flows			
Payment of lease liabilities	(65,057)	-	(65,057)
Dividend paid	-	(263,034)	(263,034)
Total changes from financing activities	172,065	27,279,846	27,451,911
Other changes - interest cost			
Interest expense	19,954	-	19,954
Interest paid	(19,954)	-	(19,954)
Changes in lease liabilities	(24,116)	-	(24,116)
Total loan related other changes	(24,116)	-	(24,116)
Total equity related other changes	-	(2,996,555)	(2,996,555)
Balance as at 31 December 2019	147,949	24,283,291	24,431,240

44.2 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:

	2019	2018
	----- (Rupees in '000) -----	
Trade debts	690,658	237,538
Installment sales receivable	1,070,909	667,945
Loans and advances	8,070	8,334
Trade deposits	212,476	1,115,222
Other receivables	683,525	686,938
Bank balances	3,256,818	1,506,656
	5,922,456	4,222,633

Trade debts and installment sales receivables

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

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

Bank balances

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

44.3 Liquidity risk

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

	Carrying Amount	Upto one year	More than one year
	----- (Rupees in '000) -----		
31 December 2019			
Trade and other payables	10,584,161	(10,584,161)	-
Payable against purchase of asset	618,994	(455,637)	(163,357)
Short term finance	32,411,037	(32,411,037)	-
Security deposits	4,163,636	(3,927,506)	(236,130)
Lease liabilities	147,949	(31,757)	(116,192)
Unclaimed dividend	19,329	(19,329)	-
	47,945,106	(47,429,427)	(515,679)
31 December 2018			
Trade and other payables	13,122,522	(13,122,522)	-
Short term finance	11,310,497	(11,310,497)	-
Security deposits	4,222,249	(4,006,519)	(215,730)
Unclaimed dividend	22,295	(22,295)	-
	28,677,563	(28,461,833)	(215,730)

44.4 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.

	2019						
	Carrying amount			Fair value			
	Amortised Cost	Fair value through OCI	Fair value liabilities	Other financial liabilities	Level 1	Level 2	Level 3
	----- (Rupees in '000) -----						
Financial assets not measured at fair value							
Other long-term investments	-	-	-	-	-	-	
Trade debts	690,658	-	-	-	-	-	
Installment sales receivable	1,070,909	-	-	-	-	-	
Loans and advances	8,070	-	-	-	-	-	
Trade deposits	212,476	-	-	-	-	-	
Other receivables	683,525	-	-	-	-	-	
Cash and bank balances	3,267,510	-	-	-	-	-	
	5,933,148	-	-	-	-	-	
Financial liabilities not measured at fair value							
Trade and other payables	-	-	-	10,584,161	-	-	
Short-term finance	-	-	-	32,411,037	-	-	
Security deposits	-	-	-	4,163,636	-	-	
Unclaimed dividend	-	-	-	19,329	-	-	
Lease liabilities	-	-	-	147,949	-	-	
Payable against purchase of asset	-	-	-	618,994	-	-	
	-	-	-	47,945,106	-	-	
	----- (Rupees in '000) -----						
	2018						
	Carrying amount			Fair value			
	Loan and receivables	Fair value through OCI	Fair value liabilities	Other financial liabilities	Level 1	Level 2	Level 3
	----- (Rupees in '000) -----						
Financial assets not measured at fair value							
Long-term investments	-	-	-	-	-	-	
Trade debts	237,538	-	-	-	-	-	
Installment sales receivable	667,945	-	-	-	-	-	
Loans and advances	8,334	-	-	-	-	-	
Trade deposits	1,115,222	-	-	-	-	-	
Other receivables	686,938	-	-	-	-	-	
Cash and bank balances	1,516,163	-	-	-	-	-	
	4,232,140	-	-	-	-	-	
Financial liabilities not measured at fair value							
Trade and other payables	-	-	-	13,122,522	-	-	
Short-term finance	-	-	-	11,310,497	-	-	
Security deposits	-	-	-	4,222,249	-	-	
Unclaimed dividend	-	-	-	22,295	-	-	
	-	-	-	28,677,563	-	-	

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

45. 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.

46. Segment Information

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

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

46.1 Segment revenue and results

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

	2019			2018		
	Automobile	Motorcycle	Total	Automobile	Motorcycle	Total
	----- (Rupees in '000) -----					
Net sales	112,994,512	3,656,909	116,548,013	116,565,676	3,288,222	119,853,898
Gross profit	1,693,139	291,388	1,984,527	6,724,635	320,230	7,044,865
Distribution and marketing expenses	(2,479,961)	(59,290)	(2,539,251)	(2,645,962)	(60,891)	(2,706,853)
Administration expenses	(2,303,766)	(246,897)	(2,550,663)	(2,099,491)	(201,589)	(2,301,080)
Reversal of impairment losses	1,000	21,588	22,588	5,435	16,798	22,233
Other income	176,011	46,493	222,504	513,901	52,042	565,943
Finance cost	(2,084,717)	(3,035)	(2,087,752)	(360,604)	(1,919)	(362,523)
Segment results	4,998,294	50,247	(4,948,047)	2,132,479	107,873	2,240,352
Unallocated corporate expenses						
Other expenses			(348)			(154,204)
Share of loss of equity accounted investee			(3,349)			(3,212)
Taxation			2,031,259			(784,828)
			2,027,562			(942,244)
Loss after tax			(2,920,485)			1,298,108

Revenue from sale of Automobiles represent 97% (2018: 98%) of the gross sales of the Company. 99.95% (2018: 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 2019 are located in Pakistan. The Company's customer base is diverse with no single customer accounting for more than 10% of sales.

46.2 Segment assets and liabilities

	2019			2018		
	Automobile	Motorcycle	Total	Automobile	Motorcycle	Total
----- (Rupees in '000) -----						
Assets						
Segment assets	56,670,776	2,854,697	59,525,473	46,060,015	2,015,834	48,075,849
Unallocated corporate assets	-	-	18,134,353	-	-	13,434,000
	56,670,776	2,854,697	77,659,826	46,060,015	2,015,834	61,509,849
Liabilities						
Segment liabilities	17,614,158	74,987	17,689,145	20,878,740	87,747	20,966,487
Unallocated corporate liabilities	-	-	34,019,795	-	-	11,310,497
	17,098,479	74,987	51,708,940	20,878,740	87,747	32,276,984

46.3 Other segment information

Capital expenditure	2,712,229	155,016	2,867,245	8,257,285	201,231	8,458,516
Impairment	-	-	-	9,139	-	9,139
Depreciation	2,686,478	120,101	2,806,579	1,438,779	129,744	1,568,523

47. Corresponding Figures

The corresponding figures have been rearranged and reclassified, wherever considered necessary for better presentation, 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	2019
--- (Rupees in '000) ---			
Dealership deposits and others	Security deposit (Short-term)	Security deposit (Long-term)	215,730
Provision / (reversal) for doubtful:	Administrative expenses	Reversal of impairment losses	
-Installment sales receivables			7,867
-Trade debts			(30,100)

Management consider that above reclassifications are not material to these financial statements.

48. Non-Adjusting Event After the Balance Sheet Date

48.1 The Board of Directors in their meeting held on 20th March, 2020 has recommended a final cash dividend on ordinary shares at the rate of Nil (2018: 31.6%). The Board of Directors have further approved the transfer of unappropriated loss of Rs. 2,920 million (2018: unappropriated profit Rs.1,039 million) 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 20th May, 2020.

49. Number of Employees

The detail of number of employees are as follows:

	2019	2018
Total employees of the Company at the year end	1,964	2,024
Average employees of the Company during the year	1,994	1,649

50. Date of Authorisation For Issue

These financial statements have been authorized for issue by the Board of Directors of the Company in its meeting held on March 20, 2020.


Chairman


Chief Financial Officer


Chief Executive Officer

Pattern of Shareholding

For the year ended December 31, 2019

No. of Shareholders	Shareholdings 'Slab		Total Shares Held	
3936	1	to	100	93,058
1289	101	to	500	386,752
567	501	to	1000	461,711
542	1001	to	5000	1,237,082
75	5001	to	10000	571,009
35	10001	to	15000	441,263
13	15001	to	20000	232,900
10	20001	to	25000	236,806
4	25001	to	30000	110,200
3	30001	to	35000	93,163
4	35001	to	40000	151,239
5	40001	to	45000	210,019
2	45001	to	50000	97,850
3	50001	to	55000	155,450
1	60001	to	65000	61,000
2	65001	to	70000	136,330
1	75001	to	80000	75,800
1	80001	to	85000	82,500
1	85001	to	90000	90,000
1	90001	to	95000	92,150
2	100001	to	105000	204,529
1	105001	to	110000	110,000
1	110001	to	115000	115,000
1	120001	to	125000	124,900
1	130001	to	135000	134,000
2	135001	to	140000	276,600
1	145001	to	150000	146,300

No. of Shareholders	Shareholdings 'Slab		Total Shares Held	
1	155001	to	160000	158,600
1	180001	to	185000	183,662
2	195001	to	200000	400,000
1	325001	to	330000	325,500
1	380001	to	385000	383,200
1	455001	to	460000	455,800
1	535001	to	540000	536,423
1	550001	to	555000	554,200
1	595001	to	600000	600,000
1	705001	to	710000	710,000
1	805001	to	810000	805,250
1	900001	to	905000	902,860
1	920001	to	925000	923,940
1	960001	to	965000	964,700
1	1160001	to	1165000	1,160,574
1	1180001	to	1185000	1,183,800
1	1450001	to	1455000	1,451,100
1	5220001	to	5225000	5,221,400
1	59250001	to	59255000	59,251,231
6524				82,299,851

Pattern of Shareholding

As at December 31, 2019

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
MR. MASAFUMI HARANO	1	119	0.00
MOIN M FUDDA	1	500	0.00
Associated Companies, undertakings and related parties			
M/S. SUZUKI MOTOR CORPORATION	2	60,154,091	73.09
Executives	2	107	0.00
Public Sector Companies and Corporations	11	2038346	2.48
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	15	633739	0.77
Mutual Funds			
CDC - TRUSTEE ALFALAH GHP VALUE FUND	1	100	0.00
CDC - TRUSTEE AKD INDEX TRACKER FUND	1	5,420	0.01
CDC - TRUSTEE NBP STOCK FUND	1	50	0.00
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	536,423	0.65
CDC - TRUSTEE NBP MAHANA AMDANI FUND - MT	1	22,100	0.03
MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	1	100	0.00
CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	1	2,000	0.00
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	923,940	1.12
CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	1	10,700	0.01
CDC - TRUSTEE NBP SAVINGS FUND - MT	1	14,000	0.02
MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	1	550	0.00

Categories of Shareholders	Shareholders	Shares Held	Percentage
CDC - TRUSTEE UBL INCOME OPPORTUNITY FUND - MT	1	1,000	0.00
CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND	1	86	0.00
General Public			
a. Local	6365	5620061	6.83
b. Foreign	8	136101	0.17
Foreign Companies	19	10921276	13.27
Others	87	1279042	1.55
Totals	6524	82,299,851	100.00

Share holders holding 5% or more	Shares Held	Percentage
M/S. SUZUKI MOTOR CORPORATION	60,154,091	73.09
MATTHEWS EMERGING ASIA FUND [000910600034]	5,221,400	6.34

Dealer Network

Azad Kashmir			
Dadyal	1	Jaranwala	1
Kotli	1	Jhang	1
Mirpur	1	Jhelum	1
Muzaffarabad	1	Kallar Syedan	1
		Kamonki	1
		Kasur	1
Baluchistan		Khanewal	1
Gwadar	1	Khanpur	1
Kuchlak	1	Kharian	1
Quetta	2	Khushab	1
		Kot Addu	1
Khyber Pakhtun Khwa		Lahore	18
Abbottabad	1	Layyah	1
Battagram	1	Lodhran	1
Charsadda	2	Mandi Bahauddin	1
D.I.Khan	1	Mianchannu	1
Dir	1	Mianwali	1
Gilgit	1	Multan	7
Haripur	1	Muzaffargarh	1
Haveliyan	1	Narowal	1
Kohat	1	Pakpattan	1
Mansehra	1	Pasrur	1
Mardan	1	Rahimyar Khan	2
Nowshera	1	Rajanpur	1
Peshawar	3	Rawalpindi	6
Shabqadar	1	Sadiqabad	1
Swabi	1	Sarghodka	1
Swat	1	Sheikhupura	1
		Shorkot	1
Punjab		Sialkot	2
Ahmedpur east	1	Talagang	1
Alipur	1	Taxila	1
Bahawalnagar	1	Toba Tek Singh	1
Bahawalpur	1	Vehari	1
Bara Kahu	2	Wazirabad	1
Bhakkar	1	Zahirpir	1
Bhalwal	1		
Burewala	1	Sindh	
Chakwal	1	Badin	1
Chichawatni	1	Dadu	1
Chiniot	1	Hyderabad	3
Chishtian	1	Jacobabad	1
Chunian	1	Jamshoro	1
D.G.Khan	1	Karachi	19
Daska	1	Kashmore	1
DG Khan	1	Larkana	1
Dipalpur	1	Makli	1
Doultala	1	Mirpurkhas	1
Faisalabad	5	Moro	1
Gujar Khan	1	Nawabshah	1
Gujranwala	2	Sukkur	1
Gujrat	1	Tando Allahyar	1
Hafizabad	1		
Islamabad	6	Grand Total	162

SERVING THE NATION

GWADAR TO GILGIT
& KARACHI TO KHYBER

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

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





Way of Life!

سرٹیفیکیشن آڈٹ کے ساتھ ساتھ انٹرنل آڈٹ کے ذریعے بھی سرٹیفیکیشن کو برقرار رکھا جائے گا جو باقاعدہ وقتوں سے منعقد کی جائے گی۔ یہ نظام ہماری مصنوعات کی پیداواری صلاحیت اور معیار کو بہتر بنانے کا ایک اہم ٹول ہے۔ QMS نے ہمارے صارفین کے اطمینان اور ضروریات کے مطابق مسابقتی قیمت پر معیاری مصنوعات کی فراہمی میں مدد فراہم کی ہے۔

ماحولیاتی مینجمنٹ سسٹم (EMS):

پاک سوزوکی ماحول کو بہتر بنانے کے لئے پُر عزم ہے۔ کمپنی نے ISO 14001: 2015 کا تازہ ترین ورژن کو بھی ری سرٹیفائیڈ کر دیا ہے جو تاحال موجود ہے اور جسے ریگولر سرٹیفیکیشن آڈٹ کے ذریعے یقین کیا جاتا ہے۔ یہ کمپنی کے آپریشنز میں اہم عنصر ہے۔ یہ آرگنائزیشن کو وسائل کے زیادہ موثر استعمال اور فضلے میں کمی کے ذریعے 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۔ کمپنی ماحول کے حوالے سے قابل اطلاق ریگولیشنز کی تعمیل کر رہی ہے۔ SEPA کی ضروریات کے مطابق مضر صحت فضلے کو مناسب طریقے سے تلف کیا جاتا ہے۔ کمپنی زیرو لیمنڈ فل کی ماحولیاتی پالیسی کی تعمیل کرتی ہے اور اس کے نتیجے میں کچھ کے گڑھے کو صفائی کے بعد مستطاً بند کر دیا گیا ہے۔

پیشہ ورانہ صحت اور حفاظتی مینجمنٹ سسٹم (OHSAS):

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

پیشہ ورانہ صحت اور حفاظت سے متعلق نظم و نسق کا مقصد کام کی جگہ پر ملازمین کی حفاظت اور صحت پر توجہ مرکوز کرنا ہے اور اس بات کو یقینی بنانا ہے کہ بہترین طریقوں پر عمل درآمد ہو رہا ہے۔ حادثات اور ہنگامی صورتحال سے نمٹنے کے لئے ہنگامی تیاری، جوابی طریقہ کار اور منصوبے مرتب کیے گئے ہیں۔ ہر علاقے میں مستقل بنیادوں پر حفاظتی اقدامات کو بہتر بنانے کے لئے، پاک سوزوکی کام اور سامان سے متعلق ممکنہ خطرات کی نشاندہی اور تیز یہ کرتی ہے اور ایک موثر جاپانی تکنیک ”ہیباری ہاتو“ (خطا کے قریب اور مشکل سے بچاؤ/غیر متوقع حادثات سے بچاؤ) کی سرگرمی کے ذریعے کئے گئے اقدامات مرتب کرتی ہے۔

کنجی سائیٹو
چیز مین

محفوظ ڈرائیونگ تکنیک آگاہی سیشن:

’محفوظ ڈرائیونگ تکنیک‘ کے بارے میں کمپنی میں کارکنوں والے مالکان، منجروں، سپروائزرز اور ڈرائیورز کے لئے یکم مارچ، 24 جولائی اور 29 نومبر 2019 کو آگاہی سیشنز کا انعقاد کیا گیا۔ ان سیشنز کا مقصد کارکنوں کی حفاظت کے معیار میں اضافہ کرنا تھا تاکہ ان کے محفوظ سفر کو یقینی بنایا جاسکے۔ سیشن کے دوران سپروائزرز اور ڈرائیورز کو محفوظ ڈرائیونگ تکنیک، ہائی وے ڈرائیونگ قواعد اور گاڑیوں کی مینٹیننس کے نکات کے بارے میں آگاہی کی گئی۔ آگاہی سیشنز میں ٹریفک سائن، تکنیک، حادثات و حفاظتی تدابیر سے متعلق تصاویر اور ویڈیو بھی دکھائی گئیں۔ ان سیشنز کے ذریعے کل 95 شرکاء کو تربیت فراہم کی گئی۔

کیونٹی صحت:

خون عطیہ کمپ:

انڈس اسپتال کے تعاون سے 21 اور 24 جون 2019 کو کمپنی میں خون کے عطیہ کے کیمپ کا انعقاد کیا گیا۔ انڈس اسپتال کے اشتراک سے 15 جولائی 2019 کو ایریا آفس ملتان میں بھی بلڈ ڈویژن کیمپ کا انعقاد کیا گیا۔ انڈس اسپتال بلڈ سینٹر پاکستان کا ہیڈ سینٹر لائزڈ ریجنل بلڈ سینٹر ہے جو بین الاقوامی معیار کے مطابق مکمل محفوظ خون اور ہائی پروڈکشن کی فراہمی کے نقطہ نظر کے ساتھ معاشرے کے تمام شعبوں میں بلا امتیاز فراہم کرتا ہے۔ کل 280 ڈونرز نے اپنا خون رضا کارانہ طور پر عطیہ کیا۔

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 پُر عزم ہے۔ کمپنی وقتاً فوقتاً اپنے QHSE فریم ورک کا جائزہ لیتی ہے اور اگر ضروری ہو تو سسٹم کی کارکردگی کو بہتر بنانے کے لئے اقدامات کرتی ہے۔

کوالٹی مینجمنٹ سسٹم (QMS):

پاک سوزوکی نے ISO 9001: 2015 کوالٹی مینجمنٹ سسٹم کی سند کو برقرار رکھا ہے، جس کی باقاعدہ نگرانی بذریعہ آڈٹ لائینڈ رجسٹریشن کوالٹی ایسورنس (LRQA) کے ذریعے کی جاتی ہے اور بیرونی آڈیٹرز کے مطابق PSMC کا سسٹم آپ ڈیٹڈ، مینٹینڈ اور معیاری تقاضوں سے ہم آہنگ ہے۔ مزید برآں، ریگولر

بحکم بورڈ

ماسافومی ہارائو
چیف ایگزیکٹو

کراچی
20 مارچ 2020

ڈائریکٹران کا تربیتی پروگرام:

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

ٹان ایگزیکٹو اور آزاد ڈائریکٹرز کے لئے معاوضہ:

کمپنی کے آرٹیکل آف ایسوی ایشن کے ذریعے، بورڈ آف ڈائریکٹرز کو وقتاً فوقتاً بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لئے آزاد اور ٹان ایگزیکٹو ڈائریکٹرز کا معاوضہ مقرر کرنے کا اختیار حاصل ہے۔

پیئرن آف شیئر ہولڈنگ:

31 دسمبر 2019 کے پیئرن آف شیئر ہولڈنگ سالانہ رپورٹ کے صفحہ نمبر 148 تا 151 پر درج کئے گئے ہیں۔

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

سال کے دوران مندرجہ ذیل ڈائریکٹرز اور ایگزیکٹوز نے کمپنی کے حصص میں ٹریڈنگ کی ہے۔

ڈائریکٹرز / ایگزیکٹوز کے نام	ٹرانزیکشن کی تاریخ	خریدے گئے حصص کی تعداد	فروخت کردہ حصص کی تعداد	ٹرانزیکشن کی شرح (پاکستانی روپے میں)
ماسافومی ہارانو	22 جنوری 2019	119		218.00
ایم علی لودھی	4 فروری 2019	100		300.19
ایس ایم رضارضوی	4 فروری 2019	700		325.00
ایس ایم رضارضوی	4 دسمبر 2019		700	270.20

اس ٹرانزیکشن کے علاوہ کسی دوسرے ڈائریکٹرز، ایگزیکٹوز، ان کے اہل خانہ اور نابالغ بچوں نے کمپنی کے حصص میں ٹریڈنگ نہیں کی ہے۔

برزنس رسک مینجمنٹ سسٹم:

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

ڈائریکٹرز کا جائزہ:

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

آڈیٹرز کی تقرری:

M/s. KPMG Taseer Hadi & Co. چارٹرڈ اکاؤنٹنٹس سکروش ہو گئے ہیں اور انہوں نے دوبارہ تقرری کے لئے اپنی خدمات کی پیشکش کی ہے۔ آڈٹ کمیٹی نے 31 دسمبر 2020 کو ختم ہونے والے سال کے لئے آڈیٹرز کی دوبارہ تعیناتی کے لئے سفارش کی ہے۔ ڈائریکٹران نے آڈٹ کمیٹی کی سفارشات کی تصدیق کی ہے۔

متعلقہ پارٹی سے متعلق ٹرانزیکشنز:

متعلقہ فریقین کے ساتھ تمام ٹرانزیکشنز کو حسب دسترس اور کاروباری معمول کے مطابق انجام دیا گیا ہے۔ جو کہ متعلقہ نوٹس کے تحت مالیاتی گوشواروں میں بیان کیا گیا ہے۔ متعلقہ پارٹی ٹرانزیکشنز کو آڈٹ کمیٹی نے باضابطہ طور پر منظور کیا تھا اور کنٹریبا ایکٹ 2017 کی دفعہ 208 کے مطابق بورڈ آف ڈائریکٹرز کو بھی مطلع کیا گیا تھا۔

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

جناب تیبو یا نیوچو کا جنہوں نے ممبر کے عہدے سے استعفی دے دیا تھا، 20 ستمبر 2019 کو ان کی جگہ پر جناب تاداشی ہوما کی بورڈ میں بطور ممبر تقرری کی گئی تھی۔

31 دسمبر 2019 تک بورڈ مندرجہ ذیل ڈائریکٹرز پر مشتمل تھا:

- جناب گنجی سانیو
- جناب ماسافومی ہارانو
- جناب تاداشی ہوما
- جناب ٹیکو تاکیزاوا
- جناب کازویوکی یاماہیتا
- جناب معین ایم فاؤدا
- محترمہ رخسانہ شاہ

ڈائریکٹرز کی کل تعداد:

06	(الف) مرد ڈائریکٹرز
01	(ب) خواتین ڈائریکٹرز
	تفصیل:
02	i. آزاد ڈائریکٹرز
03	ii. ٹان ایگزیکٹو ڈائریکٹرز
02	iii. ایگزیکٹو ڈائریکٹرز

کارپوریٹ سماجی ذمہ داری (CSR)

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

تعلیم اور تکنیکی معاونت کا پروگرام:

گورنمنٹ اسکول نشتر آباد کی تعمیر اور ترمیم و آرائش:

پاک سوزوکی نے گورنمنٹ بورائز اینڈ گراڈرو پرائمری اسکول، نشتر آباد، کراچی میں تعمیرات اور ترمیم و آرائش کا مالیاتی کے ساتھ تکمیل تک پہنچایا۔ اس منصوبے کا افتتاح مورخہ 18 جولائی 2019 کو جناب ماسافومی ہارانو، ایم ڈی اور سی ای او پاک سوزوکی نے کیا۔ یہ منصوبہ پانچ کلاس رومز، آفس، واش رومز، آسٹلی اریا سمیت اسکول کی نئی عمارت کی ترمیم و آرائش پر مشتمل تھا۔ اسکول کے بچوں کے استعمال کے لئے فینچر جن میں بیچیں، کرسیاں، الماری، میزیں اور ساؤنڈ سسٹم سمیت وائر کولر اور پلے رائیڈز وغیرہ بھی بطور عطیہ فراہم کی گئیں۔

SAM انسٹیٹیوٹ کے لئے سوزوکی بولان کا عطیہ:

پاک سوزوکی نے مورخہ 26 ستمبر 2019 کو SAM انسٹیٹیوٹ آف ایڈیٹل (بٹول) ایجوکیشن اینڈ ری ٹیبلٹی میں، ایبٹ آباد کو سوزوکی وین بطور عطیہ فراہم کی۔ جس سے انجینئر بچوں اور ٹیچنگ اسٹاف کی ٹرانسپورٹ کی ضروریات کی تکمیل ممکن بنائی جاسکتی گی۔ SAM انسٹیٹیوٹ فریکل اور ایملنگ پبلک ایگسرسائز

کے ذریعے ذہنی، جسمانی اور تھیلیسیک معذوری سے متاثرہ بچوں کی خصوصی ضروریات میں اعانت فراہم کر رہا ہے، تاکہ وہ صحت مند اور معمول کی زندگی گزار سکیں۔ یہ انسٹیٹیوٹ طلباء کو بہترین تعلیمی پروگرام مہیا کرنے اور Autism اور دیگر معذوریوں سے متاثرہ بچوں کے بارے میں عوامی شعور کو اجاگر کرنے کے لئے کوشاں ہے، اور یہ خدمات شہر کے غریب بچوں کو بلا معاوضہ پیش کی جا رہی ہیں۔

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۔ قوم کی معاشی و سماجی ترقی میں اپنا کردار ادا کرنے کے لئے، پاکستان میں اعلیٰ تعلیم کی مدد کے لئے کمپنی پرعزم ہے۔ سی ایس آر کے تحت تعلیمی معاونت پروگرام کو جاری رکھتے ہوئے 22 اگست 2019 کو منعقدہ این ای ڈی اسکالرشپ کی تقریب کے دوران این ای ڈی یونیورسٹی آف انجینئرنگ اینڈ ٹیکنالوجی کے طالب علموں کے درمیان 16 اسکالرشپ تقسیم کی گئیں۔ 2013 سے 2019 تک، پاک سوزوکی کی جانب سے این ای ڈی یونیورسٹی کے طالب علموں کو کل 1211 اسکالرشپ کے اعزازات دیئے جا 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۔ ہائریکنڈری اسکول اسکالرشپ کا انعقاد 29 مارچ 2019 کو کیا گیا جس میں گورنمنٹ اسکولوں، کالجوں اور یونیورسٹیوں سے منتخب کئے گئے طالب علموں کو 81 اسکالرشپ کے اعزازات سے نوازا گیا۔

پاک سوئس ٹریڈنگ سینٹر (PSTC) کو استعمال شدہ مشینوں کا عطیہ:

مورخہ 14 اکتوبر 2019 کو منعقدہ ایک تقریب میں پاک سوزوکی کی جانب سے 29 استعمال شدہ مشینیں (ڈرل، ملینگ، ویکٹر، ٹریٹ لیٹہ وغیرہ) پاک سوئس ٹریڈنگ سینٹر (PSTC) کو بطور عطیہ فراہم کیں۔ مرمت اور تنصیب کے بعد یہ استعمال شدہ مشینیں طالب علموں کی عملی تربیت اور اسکل ڈویلپمنٹ کے لئے استعمال کی جائیں گی۔ پاک سوئس ٹریڈنگ سینٹر (PSTC) مختلف ٹیکنالوجیز میں ڈگری پروگراموں، ڈپلومہ آف ایسوی ایٹس کے ذریعے ہیومن ریسورس ڈویلپمنٹ میں مصروف عمل ہے۔

بیسک نیڈز پاکستان کو عطیات:

پاک سوزوکی نے مورخہ 17 دسمبر 2019 کو بیسک نیڈز پاکستان کو سلامتی مشینوں، سلامتی سے متعلق دیگر اشیاء، اسٹیشنری، ادویات وغیرہ بطور عطیہ فراہم کیں۔ اس عطیہ کا مقصد ان کے ٹریڈنگ سینٹر میں تربیت کی سہولیات کا اضافہ کرنا تھا۔ بیسک نیڈز پاکستان، دور دراز علاقوں میں کھینک اور ذرائع معاش کے پروگراموں کے ذریعے سے ذہنی امراض یا مرگی کا شکار نادار و پسماندہ خواتین کو ذہنی صحت کی دیکھ بھال اور معاشرتی و معاشی خدمات کی فراہمی کے ذریعے مدد فراہم کر رہی ہے۔ خواتین کو پیشہ ورانہ تربیت فراہم کی جاتی ہے جیسا کہ فیشن ڈیزائننگ، کپڑے، برس، ہاتھ کی کڑھائی، جپوڑی کی تیاری وغیرہ۔ نفسیاتی مرلیضوں کو کلینک میں مشاورت اور ادویات بھی بنا کسی قیمت کے فراہم کی جاتی ہیں۔ اس کا بنیادی مقصد یہ ہے کہ ان پسماندہ اور غریب خواتین کو عام اور صحت مند زندگی گزارنے، معاشی خود مختاری اور اپنے خاندان کی کفالت میں اپنا کردار ادا کرنے کے قابل بنایا جاسکے۔

وائر کولریٹ کا عطیہ:

پاک سوزوکی کی جانب سے نومبر اور دسمبر 2019 میں پاک سوئس ٹریڈنگ سینٹر اور گورنمنٹ گرلز سینڈری اسکول، تاتھوھو کو ان کی ضروریات کی تکمیل کے لئے وائر کولریٹ بطور عطیہ فراہم کئے۔

آگاہی سیشنز ”سپلائرز کے لئے CSR کے رہنما خطوط“:

پاک سوزوکی کا مشن ہے کہ وہ سوزوکی موٹر کارپوریشن، جاپان (SMC) کے رہنما اصولوں کے مطابق، تمام اسٹیک ہولڈرز اور سوزوکی فیملی کے ساتھ مناسب تعلقات استوار رکھتے ہوئے اپنے صارفین کی حفاظت، ماحولیات کے تحفظ، قوانین اور کاروبار کو چلانے کے لئے معاشرتی اصولوں کو پیش نظر رکھے۔

ہمارے اسٹیک ہولڈرز کے ساتھ باہمی افہام و تفہیم کو مستحکم کرنے کے لئے، پاک سوزوکی نے اپنے سپلائرز کے ساتھ معاشرتی ذمہ داریوں سے متعلق تصورات اور امور کو موثر کر کے لئے ”SMC-CSR رہنما خطوط“ پر آگاہی سیشنز منعقد کئے۔ جنوری 2020 میں، یہ سیشن کراچی اور لاہور میں مقیم سپلائرز کے لئے کروائے گئے تھے جس میں سو (100) سے زائد سپلائرز کے نمائندگان نے شرکت کی۔

ماحولیات:

این ای ڈی یونیورسٹی میں شہری جنگلات لگانے کا منصوبہ:

خوبصورتی میں اضافے اور ماحول کو صاف ستھرا اور صحت مند بنانے کے لئے مورخہ 19 فروری 2020 کو این ای ڈی یونیورسٹی میں شہری جنگلات لگانے کا منصوبہ مکمل کیا گیا۔ موسم گرما میں بڑھتے ہوئے ہیٹ اسٹروک کے خلاف یہ قدرتی تحفظ کا باعث ہوگا اور تحقیق پر مبنی شہری جنگلات ہر سال 2 ٹن کاربن ڈائی آکسائیڈ کو کم کرنے میں بھی مددگار ثابت ہوں گے۔ اس منصوبے کے تحت 14 اقسام کے 90 پودے لگائے جائیں گے جن میں شہتوت، جامن، بادام، انجیر، عناب، امرود، کڑی پتہ، ملی، پیری، الملتاں، چنگو اور شریفہ شامل ہیں۔

ایریا آفس ملتان کے ذریعے شجرکاری مہم:

مورخہ یکم مارچ سے 30 اپریل 2019 تک، ملتان ریجن ڈیپارٹمنٹ کے ذریعے ریجنل آفس ملتان کے ذریعے درختوں کی شجرکاری مہم کا بھی انعقاد کیا گیا تھا۔ اس مہم کا بنیادی مقصد لوگوں میں ماحولیات کی تحفظ کی اہمیت کے بارے میں شعور بیدار کرنا تھا۔ ملتان ریجن کے کل 17 ڈیپارٹمنٹ شجرکاری کی سرکرمیوں میں حصہ لیا اور مختلف جگہوں پر کل 47,150 پودے لگائے۔ جیسا کہ ایڈمنسٹریل اریا، پبلک پارکس، اسکول، یونیورسٹیاں، اسپتال وغیرہ۔

سائل سمندری صفائی مہم:

”سائل سمندری صفائی مہم“ سوزوکی موٹر کارپوریشن کے زیر اہتمام ”کلین آپ دی ولڈ کمپین“ مورخہ 9 دسمبر 2019 کو سی ویو کلفٹن پر منعقد کی گئی۔ اس کا مقصد عوام میں ماحولیات کی تحفظ اور سمندری زندگی کے تحفظ کی اہمیت کے بارے میں شعور بیدار کرنا تھا۔ یہ مہم نہایت کامیاب رہی کیونکہ پاک سوزوکی کے تقریباً 250 ملازمین اور ہمارے قریبی وینڈرز کے نمائندگان نے اس مہم میں بھرپور حصہ لیا۔ کنٹونمنٹ بورڈ کلفٹن (CBC) کے ذریعے تقریباً 1 ٹن پتھر اکٹھا کیا گیا اور اسے مناسب طور پر ٹھکانے لگایا گیا۔ مذکورہ سرکرمیوں کے ساتھ، پاک سوزوکی حکومت کے ”کلین اینڈ گرین پاکستان“ کے وژن میں بھی اپنا حصہ ڈال رہی ہے۔

صحت، حفاظت اور ماحولیات (HSE) آگاہی سیشن:

صحت، حفاظت اور کمپیوٹر خواندگی کے آگاہی سیشن:

مورخہ 3 مئی 2019 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 سیکورٹی، ماحولیات کی مسائل اور صحت مندر بننے کے لئے نکات پر روشنی ڈالی گئی۔ مجموعی طور پر 137 افراد نے اس آگاہی سیشن میں شرکت کی۔ اریا آفسز ملتان، راولپنڈی اور لاہور میں ملازمین کے بچوں، بھائیوں اور بہنوں کے لئے بالترتیب 3 جولائی، 27 ستمبر 2019 اور 24 جنوری 2020 کو آگاہی سیشن کا انعقاد کیا گیا۔ ان آگاہی سیشنز میں مجموعی طور پر 52 بچوں نے حصہ لیا۔

ڈائریکٹرز رپورٹ

▪ درج شدہ مفصل قواعد میں سے کارپوریٹ گورننس کی بہترین مشق سے کسی بھی قسم کا مادی انخلاء رونما نہیں ہوا ہے۔

کلیدی آپریٹنگ اور مالیاتی اعداد و شمار:

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

گورنمنٹ ٹیکس:

آؤٹ اسٹینڈنگ ٹیکسوں اور لیویز کوٹوں 24 میں اختصا ص شدہ آؤٹ کردہ مالی بیانات میں بیان کیا گیا ہے۔

ملازمین کی ریٹائرمنٹ فنڈز کی سرمایہ کاری:

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

دسمبر 2019	دسمبر 2017
945.222 ملین روپے	852.215 ملین روپے
553.850 ملین روپے	495.998 ملین روپے

بورڈ آف ڈائریکٹرز کے اجلاس:

سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ (5) اجلاس کا انعقاد کیا گیا۔ ہر ڈائریکٹر کی اجلاس میں حاضری مندرجہ ذیل رہی:

شرکت کردہ اجلاس کی تعداد	جناب کنجی سائیتو
5	5
5	5
5	5
5	5
4	5
5	5
5	5

آؤٹ کمیٹی کے اجلاس:

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

شرکت کردہ اجلاس کی تعداد	جناب معین ایم فدا
4	4
4	4
4	4

انفرادی قوت (Human Resource) اور مشاہرہ کمیٹی

Remuneration Committee) کا اجلاس:

سال کے دوران انفرادی قوت اور مشاہرہ کمیٹی کا کوئی بھی اجلاس منعقد نہیں کیا گیا تھا۔ تاہم، بورڈ اجلاس کے دوران ہیومن ریسورس (HR) کے اہم عوامل پر تفصیلی تبادلہ خیال کیا گیا اور ان کی منظوری دی گئی۔

آپ کی کمپنی کے ڈائریکٹرز نہایت مسرت کے ساتھ 31 دسمبر 2019 کو ختم ہونے والے مالی سال کے لئے سالانہ رپورٹ اور آؤٹ شدہ مالیاتی حسابات بعد آؤٹ رپورٹ پیش کر رہے ہیں۔

اکاؤنٹس

قبل از ٹیکس نقصان	(4,951,744)
محصولات	2,031,259
بعد از ٹیکس نقصان	(2,920,485)
گذشتہ سالوں کا برقرار منافع	1,049
تخصیص کے لئے دستیاب ٹیکس نقصان	(2,919,436)
کم تخصیص	(2,920,000)
عمومی ذخائر میں منتقلی	-
مجوزہ منافع منقسمہ صفر روپے بشرح صفر فیصد	(2,920,000)
برقرار آمدن جس میں اضافہ ہوا	564

آمدنی فی حصص (EPS)

سال کے لئے نقصان فی حصص 35.49 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 ڈائریکٹرز 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، زرفلڈ (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 متبادل فیصلوں کی بنیاد پر بنائے گئے ہیں۔
- مالی گوشواروں کی تیاری میں، پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی جاتی ہے۔
- داخلی کنٹرول کا نظام بشمول فنانشل رپورٹنگ سے زیادہ داخلی کنٹرول ڈیزائن میں مستحکم ہے اور پر موثر انداز میں عمل درآمد اور نگرانی کی گئی 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۔

حکومت کی مالیاتی پالیسیاں:

وفاقی بجٹ 20-2019 میں اعلان کردہ ٹیکس اقدامات نے آٹو انڈسٹری کو شدید متاثر کیا ہے۔ حکومت نے مقامی طور پر تیار ہونے والی گاڑیوں پر فیڈرل ایکسائز ڈیوٹی (FED) کا دائرہ کار بڑھا دیا ہے۔ کمپنی کی 1000 سی سی تک کی گاڑیوں کے برے حصے پر 2.5 فیصد کی شرح سے FED عائد کی گیا ہے، اس کے نتیجے میں صارفین کی لاگت میں اضافہ ہوگا۔ آٹو ٹیکس آرڈیننس کی دفعہ 65B کے تحت پلانٹ اینڈ مشینری میں سرمایہ کاری پر ٹیکس کریڈٹ کو (پاک سوزوکی کے 2019 کے اسی سالانہ آمدنی سال سے) واپس لے لیا گیا ہے جو ٹیکس سال 2020 سے نافذ العمل ہوگا۔ آٹو انڈسٹری سے متعلق منصوبوں کو عملی شکل دینے کے لئے طویل عرصہ درکار تھا۔ پالیسی میں کسی بھی اچانک تبدیلی سے منصوبے کی مجموعی فراہمائی متاثر ہوتی ہے۔ درآمدی مواد پر اضافی ٹیکس ڈیوٹی (ACD) کو 2 فیصد سے بڑھا کر 5 فیصد کر دیا گیا۔ مزید برآں حکومت نے کارپوریٹ ٹیکس کی شرح میں 29 فیصد سے 25 فیصد کی بتدریج کمی کو واپس لے لیا اور دوسری جانب کم سے کم ٹیکس کی شرح میں 1.25 فیصد سے 1.5 فیصد تک کا اضافہ کر دیا۔ ای اضافی ٹیکسوں کے ساتھ پاکستانی کرنسی کی بے قدری نے بھی گاڑیوں کی لاگت کو بری طرح سے متاثر کیا اور اس صورتحال نے OEMs کو مجبور کر دیا کہ وہ اپنی گاڑیوں کی قیمتوں میں اضافہ کریں۔ اسی بناء پر، گاڑیوں کی بڑھتی قیمتوں نے آٹو انڈسٹری کی فروخت کے حجم کو متاثر کیا جس کے نتیجے میں سیلز و ایروم میں بھی نمایاں کمی واقع ہوئی۔

مستقبل کا لاگت عمل اور خلاصہ:

پاکستان کی آبادی 212 ملین (دنیا کی چھٹا بڑا حصہ) ہے۔ قوت خرید میں برابری کے لحاظ سے پاکستان کی معیشت 23 ویں نمبر پر ہے۔ تاہم، دیگر اُبھرتی معیشتوں کی مناسبت سے پاکستان میں گاڑیوں کی کھپت کا تناسب کم ہے۔ لہذا آٹو انڈسٹری کی نشوونما کے امکانات موجود ہیں۔

موجودہ آٹو پالیسی 2016 سے 2021 تک کے عرصے کے لئے نافذ العمل تھی نیز نئی آٹو پالیسی کا اعلان متوقع ہے۔ اس بات کی بھی توقع کی جارہی ہے کہ نئی آٹو پالیسی انڈسٹری کے لئے موافق ہوگی اور اس میں موجودہ OEMs اور وینڈرز انڈسٹری کے لئے بھی مراعات پیش کی جائیں گی۔

ADP 2016-21 کے تحت مراعات سے لطف اندوز ہونے والے نوواردین بتدریج مارکیٹ میں داخل ہو رہے ہیں۔ ملک کے ٹیکس و اکانامک انڈیکسٹرز آٹو انڈسٹری کو چیلنج کر رہے ہیں، اس کے باوجود کمپنی موجودہ مصنوعات کو آپ گریڈ کر کے اپنے آپریشنز میں سبز، منفعت اور تنوع کو بہتر بنانے کے لئے کوشاں ہے نیز مجاز ڈیلرز کے ایک موثر نیٹ ورک کے ذریعے مسابقتی قیمتوں پر صارفین کو معیاری مصنوعات پیش کرتی ہے۔

آخر میں، بورڈ اور حصص داران کی جانب سے بیجمنٹ، ایگزیکٹوز، ورکرز، ڈیلرز، سپلائرز اور سوزوکی ماہرین کا کمپنی کے معاملات میں ان کی کاوشوں اور شراکت کے لئے، میں تسلیم و تحسین کا اظہار کرنا چاہتا ہوں۔ میری خلصانہ امید ہے کہ تمام سرکاری محکمے آٹو موٹو بائیل انڈسٹری میں اپنا تعاون جاری رکھیں گے۔



کنجی سائیتو
چیئر مین

کراچی

20 مارچ 2020

سال کے دوران کمپنی کی جانب سے ادا کردہ ڈیویڈنڈ اور ڈیویڈنڈ سے ادا کردہ کے مطابق مالی سال 20-2019 کے وفاقی بجٹ کے کل ٹیکس ریونیو کا تقریباً 0.74 فیصد ہے۔

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

ملک کی اقتصادی حالت:

پاکستان کی معیشت مشکل صورتحال میں ہے۔ ہم نے حالیہ وقتوں میں اسٹیٹ بینک آف پاکستان (SBP) کی جانب سے پالیسی کی شرحوں میں پیش ہوا اضافہ دیکھا۔ تاہم، اسٹیٹ بینک نے مارچ 2020 کی مانیٹری پالیسی میں پالیسی کی شرح کو 75 بنیادی پوائنٹس سے 13.25 فیصد سے کم کر کے 12.50 فیصد کر دیا ہے۔ مئی 2016 کے بعد سے لگی شرح میں یہ پہلی کمی ہے۔ سال 2020 میں مستحکم شرح تبادلہ، عالمی اجناس کی قیمتوں میں مندی اور زیادہ بنیادی اثرات کو مد نظر رکھ کر، ہم افراط زر کی شرح میں بتدریج کمی کی پیش گوئی کر سکتے ہیں۔ توقع ہے کہ اسٹیٹ بینک آف پاکستان سال 2020 میں پالیسی کی شرح میں مزید کمی پر غور کر سکتا ہے۔

معاشی اصلاحات نے بتدریج مثبت نتائج دینا شروع کر دیے ہیں اور مالی استحکام کے اقدامات نے مالیاتی نظم و ضبط اور معیشت میں استحکام لاکر محصولات میں اضافہ کیا ہے اور یہ توقع کی جارہی ہے کہ پائیدار معاشی نمو کا راستہ حاصل کیا جاسکتا ہے۔

مستحکم شرح تبادلہ، کرنٹ اکاؤنٹ میں بہتری اور بہتر شکل اور مانیٹری بیجمنٹ، اس بات کی نشاندہی کرتے ہیں کہ اکانامک آؤٹ لک امید افزا ہے۔ رواں مالی سال کے پہلے آٹھ ماہ کے دوران، ملک کے تجارتی خسارے میں نمایاں کمی دیکھی گئی اور گذشتہ سال کے اسی عرصے کی نسبت اس میں 26.52 فیصد کی شرح سے بہتری واقع ہوئی۔ بیرونی دباؤ میں کمی کرتے ہوئے کرنٹ اکاؤنٹ خسارہ مسلسل کم ہوتا جا رہا ہے۔ پاکستان بیورو آف اسٹاتسٹکس (PBS) کے جاری کردہ اعداد و شمار کے مطابق ملکی برآمدات میں 3.65 فیصد کی شرح سے نشوونما دیکھی گئی، جبکہ فارن ٹریڈ اسٹیلکس کے ڈیٹا کے مطابق درآمدات میں 14.06 فیصد کی کمی واقع ہوئی۔ چونکہ برآمدات میں معمولی اضافے کے باوجود درآمدات میں کمی آئی ہے تجارتی خسارے میں ہونے والی مسلسل گراؤت بڑھتے تجارتی خسارے کو روکنے کے لئے حکومتی پالیسیوں کی تاثیر کو ظاہر کرتی ہے۔

معیشت پر کوویڈ-19 (COVID-19) کے اثرات:

کرونا وائرس پوری دنیا کی معیشتوں کو برح طرح سے متاثر کر رہا ہے۔ عالمی معیشت سپلائی کے غیر معمولی جھکے کے باعث مشکلات سے دوچار ہے۔ لوگ کام کاج پر نہیں جاسکتے کیونکہ یا تو وہ بیمار ہیں یا قرنطینہ میں ہیں، جو کہ ممکنہ طور پر موجود کا باعث ہے، بڑھتی ہوئی قیمتوں کے ساتھ ساتھ جی ڈی پی کی نمو بھی گہری ہے۔ پائیدار معاشی سرگرمی کے ساتھ ملازمتوں کے زیاں کو روکنے کے لئے مثبت پالیسی اقدامات کرنا ہوں گے۔ حکومت کی جانب سے مالی اقدامات کا اعلان کیا جانا چاہئے تاکہ جوئی یہ باہم ختم ہو تو معیشت تیزی کے ساتھ بحال ہو سکے۔ کمپنی نے کرونا وائرس (COVID-19) کے خطرات سے نمٹنے اور ملازمین کی حفاظت کو یقینی بنانے کی خاطر احتیاطی طور پر مندرجہ ذیل اقدامات اٹھائے ہیں:

- 1- ایک آگاہی ہدایت نامہ جس میں علامات اور حفاظتی اقدامات کے بارے میں معلومات موجود ہیں، تمام ملازمین کے درمیان تقسیم کی گئی تھی؛
- 2- متاثرہ ممالک میں سفر سے گریز کرنے کے لئے ٹریپول اینڈ وائزر جاری کر دی گئی اور ڈیوٹی کو دو بارہ سے جوائن کرنے سے قبل واپس آنے پر وائزر کی اسکریننگ لازمی طور پر نافذ کی گئی؛
- 3- داخلی دروازے پر درجہ حرارت کی اسکریننگ کا آغاز کر دیا گیا ہے؛
- 4- مشتبہ علامات کے ساتھ کمپنی ڈیپنٹسری جانے والے ملازمین کو طبی معائنے کے لئے اسپتال بھیجا جا رہا ہے؛ اور
- 5- کمپنی میں پینڈ سینیٹائزر کو لکھل سینیٹائزر کے ساتھ تبدیل کر دیا گیا ہے۔

سال 2019 میں کل 259,597 جاب کارڈ کے لئے خدمات سرانجام دی گئیں۔

سالانہ آٹوموبائل پارٹس کی فروخت میں 3,433 ملین روپے ریکارڈ کئے گئے، جو کہ گزشتہ سال کی نسبت مجموعی طور پر 11 فیصد اضافہ ہے۔ انجن آئل کی سالانہ سیکڑ 2,168,891 لیٹر تک پہنچ گئی، جو کہ گزشتہ سال کی نسبت 6 فیصد زیادہ ہے۔ موٹر سائیکل پارٹس کی سیکڑ بھی 244 ملین تک پہنچ گئی جس میں گزشتہ سال کی نسبت 15 فیصد اضافہ ہوا ہے۔

صارفین کا اطمینان اور استحکام:

ہمارے 24/7 کسٹمر ریلیشنز سیکٹرز کی جانب سے کمپنی نے باقاعدہ طور پر کسٹمرز کے فالو آپ سروے کئے۔ صارفین سے متعلق معلومات کے لئے کال سینٹرل اور CRM میں ایس ایم ایس سروے کے ذریعے اضافی سے کسٹمرز کے سوالات اشکایات کو بروقت نمٹانے کے لئے، ہماری کسٹمر سروے میں بہتری آئی ہے۔ ہمارے صارفین نے ڈیلر نیٹ ورک کے ذریعے سے انہیں فراہم کی جانے والی خدمات پر زیادہ اعتماد اور اطمینان کا اظہار کیا ہے۔ سال 2019 میں 105,297 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 ریکورڈنگ ٹیکنیکل سیشن منعقد کئے جاتے ہیں۔

ٹریننگ کے ذریعے احاطہ کئے گئے واضح حصوں میں شامل ہیں:

- عالمی معیار پر ڈیلرز ٹرینیشن سرٹیفیکیشن ڈیلرز ورکشاپ میں پیشہ ورانہ ماحول پیدا کرنا اور صارفین کو معیاری خدمات کی فراہمی کو یقینی بنانا ہے۔
- ڈیلرز کے سروے نیچرز، پارٹس نیچرز، کسٹمر ریلیشن نیچرز، کسٹمر ریلیشن آفیسرز، سروے ایڈوائزرز، ٹیکنیشن اور پیئرز کے لئے اسکل کوچنگ کا انعقاد کیا گیا۔
- ڈیلرز اسٹاف کے لئے حوصلہ افزا سرگرمیوں کو فروغ دیا گیا جیسا کہ ملازمین کی دعوتیں، انفرجی 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 سوزوکی ٹیکنیشن پڑھ جات کی وسیع رینج متعارف کروائی گئی۔
- درکار وقت کو کم کرنے اور صارفین کے اطمینان کے خاطر، اسپئیر پارٹس کی دستیابی کو بڑھانے کے لئے مربوط و منظم رسد یا لاجسٹکس نظام کی تشکیل اور لاجسٹکس فرواہم کرنے والوں میں توسیع۔
- فوری اور درست اسپئیر پارٹس کی دستیابی کے لئے درست حوالہ کو یقینی بنانے کی خاطر اسپئیر پارٹس کے ویب ہاؤسز کو ڈیجیٹائزڈ کیا گیا۔

GENESYS CRM کال سینٹر کے نظام کی شمولیت متعلقہ معلومات تک فوری رسائی کے قابل بنانا ہے، جس سے صارفین کا قیمتی وقت بچا جاتا ہے۔ یہ کام کی ترجیح اور کام کو زیادہ درست اور موثر طور پر فراہمی میں معاونت کرتا ہے۔

لوکلائزیشن:

آپ کی کمپنی پاکستان میں آٹو پارٹس انڈسٹری کی ترقی میں پائینر ہونے پر فخر محسوس کرتا ہے۔ سپلائر نیٹ ورک کے ذریعے سے اجزاء کی لوکلائزیشن اور مقامی طور پر اجزاء کی مینوفیکچرنگ کے لئے کمپنی اقدامات کر رہی ہے۔ کمپنی نے ملازمتوں کے مواقع پیدا کر کے اور مینوفیکچرنگ انڈسٹری میں ٹیکنالوجی کی منتقلی کے ذریعے ملک کی سماجی و معاشی ترقی میں بھی کردار ادا کیا ہے۔ مصنوعات کی لاگت کو کم کرنے اور فارمانہ کچھج میں بچت کے علاوہ مسابقتی قیمتوں کو برقرار رکھنے کے لئے کمپنی لوکلائزیشن کو جاری رکھنا چاہتی ہے۔

مقامی آٹو پارٹس انڈسٹری کے لئے یہ ضروری ہے کہ جدید ٹیکنالوجی کے ساتھ پیداواری سہولیات کو بھی آپ

گریڈ کریں۔ پاک سوزوکی اپنے سپلائرز کو جدید ٹیکنالوجی سے ہم آہنگ کرنے کے لئے تکنیکی معاونت فراہم کر رہی ہے۔ پاک سوزوکی نے فعال اور باہمی ٹیک ایجزاء کی لوکلائزیشن کو بڑھانے کے لئے معروف بین الاقوامی پارٹس مینوفیکچررز کے ساتھ مقامی سپلائرز کے لئے متعدد تکنیکی معاونت کے معاہدوں کا بندوبست کیا ہے۔

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

پاک سوزوکی لوکلائزیشن کے مندرجات میں اضافے کو جاری رکھے ہوئے ہے اور لوکلائزیشن کے ذریعے سے بچت کی لاگت کے زیادہ سے زیادہ فوائد کی فراہمی کے لئے کٹھن محنت کی جارہی ہے، تاکہ مقامی سپلائرز کو کاروبار کے بھرپور مواقع میسر ہوں۔

سپلائرز کا فروغ اور ترقی:

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

- سوزوکی موٹر کمپنی جاپان کی جانب KAMI سپروائزرز کے ذریعے سپلائرز کے لئے آپ گریڈیشن پروگرام، حفاظت، معیار کی اصطلاح میں مارچ 2021 تک سوزوکی موٹر سپلائرز کے برابر سپلائرز کی صلاحیتوں کو آپ گریڈ کرنا۔
- کوائٹی KPI ٹینجمنٹ، ویلیو انجینئرنگ، ڈیولپمنٹ، سپلائرز ڈرائیونگ ڈیولپمنٹ اور پاک سوزوکی میں OJT برائے شیٹ میٹل وینڈرز وغیرہ کے شعبوں میں متعدد تربیتی خدمات۔
- کارکردگی بہتر بنانے کے لئے تکنیکی سطح پر تمام سپلائرز کی جامع تفتیش۔
- S M C ماہرین کے ہمراہ سپلائرز کا آڈٹ۔

ملازمین 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 سوزوکی موٹر کمپنی جاپان میں اپنے ملازمین اور اپنے شیٹ میٹل، پلاسٹک اور آہن گرمی کا سٹنگ اجزاء کے سپلائرز کے لئے مطالعاتی دوروں کا انتظام کیا گیا۔

گرین پروکیورمنٹ:

سوزوکی موٹر کارپوریشن، جاپان کے تعاون کے ساتھ پاک سوزوکی نے اپنے سپلائرز کے لئے گرین پروکیورمنٹ گائیڈ لائن کی سرگرمیاں شروع کی ہیں۔ اس سرگرمی کا مقصد فکڑ کا باعث بننے والی اشیاء (SOC) جیسا کہ اسٹیل سٹروس اور ماحول سے متعلق قابل اطلاق قانون اور قواعد و ضوابط اور پاک سوزوکی کی جانب سے تاحذر کردہ اور دیگر ممنوعہ اشیاء کے عدم استعمال کو یقینی بنانا ہے۔

ہم نے گرین پروکیورمنٹ پالیسی کا نیا لائن 2019 میں متعارف کروائی اور گرین پروکیورمنٹ پالیسی کی مکمل آگاہی اور عملدرآمد کے بارے میں تمام سپلائرز کو ضروری تربیت فراہم کی۔ تمام سپلائرز کو دستاویزی عمل اور جہاز ضرورت ہونے والی ٹریننگ کے ذریعے تربیت فراہم کی گئی۔

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

افراد کی قوت (HR):

کمپنی کے ملازمین نام صرف 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 بڑھتی پڑتی سمجھے جاتے ہیں۔

کمپنی ایک ایسا ماحول فراہم کرنے کے لئے پڑعزم 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۔ بیک وقت، اس بات کو بھی یقینی بنایا جاتا ہے کہ ڈیزائن کردہ ٹریننگ اور ڈیولپمنٹ پروگراموں کے ذریعے سے وقت کے ساتھ ملازمین کو اپنی مہارت کے لحاظ سے ترقی حاصل کرنے کے کافی زیادہ مواقع ملے رہیں۔ ملازمین کی بہتری اور خوشحالی کے لئے تمام تر اقدامات کئے جاتے ہیں اور حوصلہ افزائی کی سطح کو بڑھانے کے لئے خصوصی سرگرمیوں کا انعقاد کیا جاتا ہے۔

تربیت اور ترقی:

آپ کی کمپنی اپنے ملازمین کو متاثر کن تربیت اور تعلیمی تجربات فراہم کرنے کے لئے کوشاں ہے تاکہ وہ اپنی مہارت کو مزید آگے بڑھاسکیں اور نئے خیالات اور آئیڈیاز دریافت کر سکیں۔ پاک سوزوکی موٹر کمپنی میں ٹیلنٹ کی ترقی کی کئی اقسام ہیں جنہوں نے کلیدی فعال شعبہ جات کے لئے تربیتی سیشن بھی شامل ہیں۔ ملازمین کے فائدے کے لئے سال 2019 میں، 371 مقامی اور 25 غیر ملکی ٹریننگز کا انعقاد کیا گیا تاکہ ان کے کام کی ذمہ داریوں سے متعلق ان کی پیداواری صلاحیت اور مہارت کو مزید بہتر بنایا جاسکے۔ علاوہ ازیں، 10 مستقل ملازمین نے اپنی تکنیکی مہارت میں اضافے کے لئے سوزوکی ساگار پلانٹ میں 6 ماہ کی ٹیکنیکل انٹرن ٹریننگ میں شرکت کی۔ ڈیجیٹل ٹریننگ کے آغاز سے کمپنی نے اپنے لرننگ اینڈ ڈیولپمنٹ رپورٹ فولیو کو بھی تقویت بخشی، جس کے ذریعے ملازمین کہیں بھی اور کسی بھی وقت، وسیع پیمانے پر دستیاب ای ٹریننگ تک حاصل کر سکتے ہیں۔ سال 2019 میں، ملازمین کی جانب سے 206 ای ٹریننگز مکمل ہو چکی ہیں۔

صحت اور تحفظ:

ملازمین کی بہبود:

کام کی جگہ پر ملازمین کی بہبود کی اہمیت سے کمپنی بخوبی آگاہ ہے، لہذا ایک بہبودی مہم "STAYWELL" کا آغاز کیا گیا جس کا مقصد ملازمین کو ان کی باہمی، جذباتی اور جسمانی تندرستی کا خیال رکھنے ہونے پر زیادہ مطمئن، مہارت یافتہ اور پُر سکون ہونے کے طریقوں کی آگاہی اور توجہ فراہم کرنا ہے۔ فلاح و بہبود کی اس مہم سے 1010 ملازمین مستفید ہوئے۔

کھیل اور سماجی تقریبات:

کارپوریٹ کھیلوں کے ایوشن صحت و تندرستی اور بہبود کو بہتر بنانے میں معاون ہوتے ہیں، اس کے ساتھ ساتھ اثر و رسوخ، ثقافت اور عمل کی ذہنی صلاحیتوں کو بھی برقرار رکھتے ہیں۔ 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 انٹرا پارٹنیشنل کرکٹ ٹورنامنٹس اور ان ڈور گیمز کا اہتمام کیا۔ یہ ایوشن 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۔ فلاح اور رزراپ ٹیموں کو ٹرائیاں اور انعامات پیش کئے جاتے ہیں۔

اس کے علاوہ، کمپنی نے اپنے احاطے میں میلاڈالٹی کا بھی اہتمام کیا جس میں کمپنی کے ملازمین کے ساتھ، کنٹریکٹرز (ملازمین) نے بھی بھرپور حصہ لیا۔ اس تقریب کو یادگار بنانے کے لئے معروف نعت خواں حضرات اور علمائے دین کو بھی مدعو کیا گیا۔ تقریب کے اختتام پر تمام شرکاء میں مٹھائی بھی تقسیم کی گئی۔

لیبر اور ٹینجمنٹ کے تعلقات:

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

مذکورہ بالا بنیاد کو مد نظر رکھتے ہوئے، کمپنی میں ریفرنڈم کی سرگرمی یا آسانی سرانجام دی گئی جس میں مستقل کارکنان نے پُر امن طور پر پی ٹی اے کے انتخاب کے لئے اپنا حق رائے دہی استعمال کیا۔ مزید برآں، منتخب کردہ پی ٹی اے نے اپنا چارٹرڈ آف ڈیمانڈ دو سال 2019 اور 2020 کے لئے پیش کیا جس پر مذاکرات کئے گئے اور معاملات کو خوش اسلوبی کے ساتھ حل کیا گیا۔

انفارمیشن ٹیکنالوجی (آئی ٹی):

انفارمیشن ٹیکنالوجی کاروباری ماحول میں جدت طرازی کر رہی ہے۔ کامیابی کا اہم عنصر ہماری منفرد 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 کرتی ہے اور ہمارے آئی ٹی بزنس فٹ پرنٹ کے ذریعے انفارمیشن ٹیکنالوجی کو کم کرتی ہے۔ پاک سوزوکی آئی ٹی، کاروباری اسٹیک ہولڈرز کے مابین تعاون کو بڑھانے کے لئے زیادہ مضبوط سسٹم لانے سروے کے معیار کی بہتری اور کسٹمر کے بہتر تجربے کے لئے ڈیجیٹل ٹیکنالوجی کو تیزی سے اپنانے اور اس کی Smart Adaptation پر توجہ مرکوز کئے ہوئے ہے۔

افراد کی مشغولیات و معاونت:

آئی ٹی کے عمل کا 2017 میں از سر نو نفاذ کیا گیا۔ جس کا بنیادی مقصد بزنس ورک آپس اور آئی ٹی کے تجربات کو بہتر بنانا تھا۔ حال ہی میں، ہم نے گلوبل منصوبوں پر بطور ٹیم سوزوکی کام کرنے کے لئے سٹریٹجی پوائنٹ استعمال کرتے ہوئے گلوبل سوزوکی سبسڈریز کے ساتھ تعاون کیا ہے۔ علاوہ ازیں، مائیکروسافٹ کے ساتھ قابل شناخت تجزیاتی ڈیٹا کے لئے ایک edge کے طور پر بزنس انٹیلی جنس کو شامل کیا گیا۔ یہ ڈیٹا ڈولائزیشن (data visualization) 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۔

اقتصادی شراکت:

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

سال (جنوری-دسمبر)	ڈیویڈنڈ اور ڈیویڈنڈ (روپے ملین میں)	فارن ایکسچینج سیویکٹرز *
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
2019	43.091	42.994

مارکیٹنگ اور ایکسپورٹ:

آٹوموبائل مارکیٹ:

اگرچہ مصنوعات کی لاگت میں اضافے کی وجہ سے ہماری سیکلز کو کمی کا سامنا کرنا پڑا، تاہم پاکستان بھر میں پھیلے ہوئے 3S (Sales, Service & Spare Parts) ڈیلرشپ نیٹ ورک کی معاونت سے متنوع مصنوعات کی وسیع رینج کے ساتھ معیاری مصنوعات کی فراہمی کے لئے ہم اپنی بھرپور قوت کے ساتھ پُر عزم ہیں۔ مضبوط ڈیلرشپ نیٹ ورک بشمول بعد از فروخت سروس اور اسپیر پارٹس کی دستیابی کے ساتھ قابل اعتماد صارفین کو موثر خدمات فراہم کرتا ہے۔

موٹر سائیکل مارکیٹ:

پاکستان کی موٹر سائیکل مارکیٹ میں 170cc انجن کی صلاحیت کے حامل موٹر سائیکلوں کو غلبہ حاصل ہے۔ پاک سوزوئی نے 110cc انجن کی صلاحیت کے حامل موٹر سائیکلوں کو مارکیٹ کیا ہے۔ کمپنی کی توقع ہے کہ پاکستان میں موٹر سائیکل کی طلب رجحان کے دیگر ممالک کی طرح سے زیادہ صلاحیت کے حامل انجن کی جانب منتقل ہو جائے گی اور سوزوئی موٹر سائیکلوں کے لئے مارکیٹ مزید بہتر ہو جائے گی۔ کمپنی کا سیکلز آپریشن ہوار 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 2018 کے 21.7 ملین روپے مالیت کے 'ڈی' پارٹس کے برخلاف رواں سال کے دوران، 16.2 ملین روپے مالیت کے 'ڈی' پارٹس کو سسٹم کنسرن ویت نام سوزوئی کارپوریشن (VISUCO) اور سوزوئی انڈونیشیا (SIM)، انڈونیشیا کو برآمد کیے گئے۔ ویت نام میں سوزوئی مٹی ٹرک اور انڈونیشیا میں سوزوئی ویکن آر ماڈل کی وسیع پیمانے پر پیداوار کے لئے 'ڈی' پارٹس کو برآمد کیا گیا تھا۔ سری لنکا اور مراکش کو 14.1 ملین روپے کی آؤٹ بورڈ موٹرز برآمد کی گئیں۔ مزید برآں، سال کے دوران 6.6 ملین روپے مالیت کے پارٹس (Accessories) آؤٹ سیکلز مارکیٹ کے لئے ہنگری کو برآمد کئے گئے۔

سیکلز اور ڈسٹری بیوشن نیٹ ورک:

ہمارا مقصد کسٹمرز کو آسان رسائی کے ساتھ معیاری خدمات فراہم کرنا 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 2019 تک، پاک سوزوئی ڈیلرشپ نیٹ ورک پاکستان بھر کے 95 شہروں میں 162 آؤٹ لیٹس تک پھیل چکا ہے۔ دور دراز علاقوں میں صارفین کو خدمات فراہم کرنے کے لئے 1S پارٹس کی چھ آؤٹ لیٹس کو کھولا گیا ہے۔

صارفین کو سہولیات فراہم کرنے کے لئے، پاک سوزوئی نے پاکستان بھر میں 9 بنگل آفسز کھولے ہیں۔ سوزوئی بنگل آفسز نے صارفین کو ابتدائی ایڈوائس سروس کے ساتھ گاڑیوں کی بنگل کا موقع دینے کی سہولت فراہم کی۔ موٹر سائیکلوں کے لئے کمپنی آپریٹنگ 16 مزید شورومز آپریشن کر رہے ہیں جہاں کسٹمرز کو آؤٹ سیکلز اینڈ سروسز کی سہولیات فراہم کی جاتی ہیں۔ سال 2019 میں ڈیلرشپس پر آؤٹ سیکلز مارکیٹنگ فرنیچر آؤٹ لیٹس، قائم کی گئیں۔

آؤٹ سیکلز (پارٹس اینڈ سروسز):

آؤٹ سیکلز آپریشنز کسٹمرز کو ہوار 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 کل تعداد (بشمول شیڈول مینٹیننس کے ذریعے کسٹمرز کو فراہم کی جانے والی سروسز، رنگ ریپنٹر، مینٹیننس ریپنٹر، ہاڈی اور ڈیٹ کے لئے فراہم کی جانے والی سروسز) 1.26 ملین تک پہنچ گئی ہے۔ موٹر سائیکل مارکیٹ آؤٹ سیکلز مارکیٹ میں بزنس آپریشنز میں بھی مثبت رجحان دیکھا گیا ہے۔

مجھے یہ مطلع کرتے ہوئے نہایت مسرت ہے کہ آپ کی کمپنی پاکستان میں آٹوموبائل انڈسٹری میں پائینٹر ہے اور سابقہ قیمتی قیمتوں پر منتوع پراڈکٹ رینج فراہم کرتے ہوئے کاروں اور لائٹ کمرشل گاڑیوں میں 50 فیصد سے زائد مارکیٹ شیئرز کے ساتھ مارکیٹ لیڈر کی اپنی پوزیشن کو برقرار رکھے ہوئے ہے۔ مقامی پرزہ جات کے فروغ اور مقامی طور پر پرزہ جات کی مینوفیکچرنگ کرتے ہوئے سپلائرز نیٹ ورک کے ذریعے سے ملک کے انجینئرنگ سیکٹرز کی ترقی میں اپنی 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۔ میں اس کے تحت 31 دسمبر 2019 کو ختم ہونے والی مالی سال کے لئے کمپنی کی کارکردگی کا جائزہ پیش کرتا ہوں۔

صنعت:

مالی سال 2019 میں، کاروں اور لائٹ کمرشل گاڑیوں کے لئے آٹوموبائل انڈسٹری کی فروخت کا حجم گذشتہ سال 254,936 یونٹس کے مقابلے میں 26 فیصد کمی کے ساتھ 187,846 یونٹس ریکارڈ کیا گیا ہے۔ جولائی تا دسمبر 2019 کی دوسری ششماہی کے دوران آؤٹ سیکلز بری طرح سے متاثر ہوئی اور گذشتہ سال اسی عرصے کی فروخت کے حجم کے مقابلے میں سیکلز و ایوم میں 44 فیصد کمی نمایاں کی دیکھی گئی۔ گاڑیوں کی قیمتوں میں اضافے کے باعث سال کی دوسری ششماہی میں فروخت کا حجم کم ہوا کیونکہ OEM's کو ٹیکسوں میں اضافے اور پاکستانی روپے کی قدر میں کمی کے اثرات سے گزرنا پڑا۔ طلب میں کمی نے OEM's کو اس بات پر مجبور کر دیا کہ وہ انویسٹری کو منظم کرنے کے لئے غیر پیداواری دنوں کا انتخاب کریں۔

سال 2019 کے دوران، موٹر سائیکلوں اور تھری وہیلرز کے لئے آرگنائز مارکیٹ (PAMA ممبر کمپنیز) 1,889,662 یونٹس سے گھٹ کر 1,655,216 یونٹس ہو گیا۔ 244,446 یونٹس کی کمی گذشتہ سال کے مقابلے میں فروخت کے حجم میں 13 فیصد کمی کو ظاہر کرتی ہے۔

کمپنی کے آپریٹنگ نتائج:

سال 2019 کے دوران، کاروں اور لائٹ کمرشل گاڑیوں کے لئے سیکلز و ایوم 19 فیصد کمی کے بعد 140,313 یونٹس سے گھٹ کر 113,270 یونٹس رہ گیا۔ کل مارکیٹ کے مقابلے میں کمپنی کے سیکلز و ایوم میں کمی کی شرح خفیف ہونے کے باعث کل حجم سال 2018 کے 54 فیصد سے بہتری کے بعد سال 2019 میں 59 فیصد ہو گیا۔ اس مایوس کن مارکیٹ میں نئی آن لائن غیر معمولی کارکردگی کا مظاہرہ کیا اور سیکلز و ایوم میں خفیف کمی اور کمپنی کے مارکیٹ شیئرز کی بہتری میں معاون ثابت ہوئی۔ آٹوموبائل اور موٹر سائیکلوں کا پیداواری حجم طلب کے مطابق ایڈجسٹ کیا گیا تھا۔ کمپنی نے استفادہ کی گنجائش میں 72 فیصد کام کر کے آٹوموبائلز کے 107,999 یونٹس کا پیداواری حجم حاصل کیا۔ موٹر سائیکلوں کا سیکلز و ایوم 3 فیصد کم ہو گیا، گذشتہ سال اسی مدت کے دوران کمپنی کے سیکلز و ایوم 23,160 یونٹس کے مقابلے میں کمپنی نے 22,589 یونٹس کا سیکلز و ایوم حاصل کیا۔

نیٹ سیکلز ریویو 3,306 ملین روپے کمی کے بعد 119,854 ملین روپے سے گھٹ کر 116,548 ملین روپے ہو گیا۔ سیکلز و ایوم میں کمی کی وجہ سے گذشتہ سال کی نسبت رواں سال کے دوران سیکلز ریویو میں 3 فیصد کمی واقع ہوئی ہے۔ مجموعی منافع 7,045 روپے سے مکمل طور پر منقطع 1,985 ملین روپے کے کھانٹے کے بعد 5,060 ملین روپے ہو گیا۔ مجموعی منافع کا مارجن نیٹ سیکلز کی شرح سے 5.9 فیصد کی نسبت گھٹ کر 1.7 فیصد ہو گیا۔ جولائی 2019 کے بجٹ سے پاکستانی روپے میں زبردست افراط زر اور ایک سے زائد ڈیولٹی اور ڈیکسز میں اضافے کے باعث نتیجتاً درآمد شدہ مواد کی لاگت میں اضافہ ہوا، جس کے نتیجے میں پرافٹ مارجن پر منفی اثر پڑا ہے۔ گذشتہ سال 1,298 ملین روپے کل منافع کے مقابلے میں کمپنی کو 2,921 ملین روپے کل خسارہ ہوا۔ مجموعی منافع میں کمی کے علاوہ منفی منافع کا دوسرا اہم عنصر مالیاتی لاگت میں 185 ملین روپے تک کا اضافہ تھا، جو سال 2018 کے 1,763 ملین روپے کے مقابلے میں سال 2019 میں بڑھ کر 1,948 ملین روپے ہو گیا تھا۔ کمپنی نے جوابی کارروائی کی ہے اور لاگت میں کمی اور افادیت بہتر بنانے کے اقدامات کا آغاز کیا ہے۔ کمپنی نے بھی اپنی مصنوعات کی قیمت فروخت میں بتدریج اضافہ کیا تا کہ پیداواری لاگت میں اضافے کے اثرات کو عبور کیا جاسکے۔ سیکلز و ایوم کو برقرار رکھنے کے لئے مرحلہ وار قیمتوں میں اضافہ کیا جا رہا ہے۔

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 37th Annual General Meeting of the Company to be held on 20th day of May 2020 at 9:30 am at registered office of the Company, Karachi and at any adjournment thereof.

As witness my/our hand this _____ day _____ 2020

Signed by the Said _____

Witnesses:

Signature _____
Name _____
Address _____
CNIC No./Passport No. _____

(Signature should agree with the SPECIMEN signature registered with the Company)

Notes:

1. A member entitled to attend and vote at the annual General Meeting of the Company is entitled to appoint a proxy to attend and vote instead of him/her
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his constituted attorney or if such appointer is a corporation/company either under the common seal of such corporation company or under the hand of an officer or attorney so authorized.
3. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
4. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
5. The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
6. The proxy form, duly completed, must be deposited with the Company's registrar, CDC Share Registrar Services Limited, CDC House, 99 - B, Block-B, S.M.C.H.S, Main Shahrah-e-Faisal, Karachi, not less than 48 hours before the time for holding the meeting.

Electronic Dividend Mandate Form

AFFIX
CORRECT
POSTAGE

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

Pak Suzuki Motor Company Limited

In accordance with the provisions of section 242 of the Companies Act, 2017 and Companies (Distribution of Dividend) Regulations, 2017, it is mandatory that dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder.

Shareholders are requested to send the attached Form duly filled and signed, along with attested copy of their CNIC to the Company's Share Registrar M/s. Central Depository Company of Pakistan Limited (CDC), CDC House, 99-B, Block-B, SMCHS, Main Shahrah-e-Faisal, Karachi. Shareholders who hold shares with Participants / CDC are advised to provide the Dividend Mandate and attested copy of CNIC, directly to their concerned Broker (Participants) / CDC.

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

Name of shareholder : _____
Folio Number/CDC Account No. : _____ of Pak Suzuki Motor Company Limited.
Mobile number of shareholder : _____
E-mail id of shareholder : _____
Title of Account (*) : _____
Account Number : _____
IBAN Number (**): _____
Name of Bank : _____
Bank branch & Code : _____
Mailing Address of Branch : _____
CNIC No. (attach copy) : _____
NTN (in case of corporate entity) : _____

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

Shareholder's Signature

Date

NOTES:

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

PAK SUZUKI MOTOR CO. LTD.

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