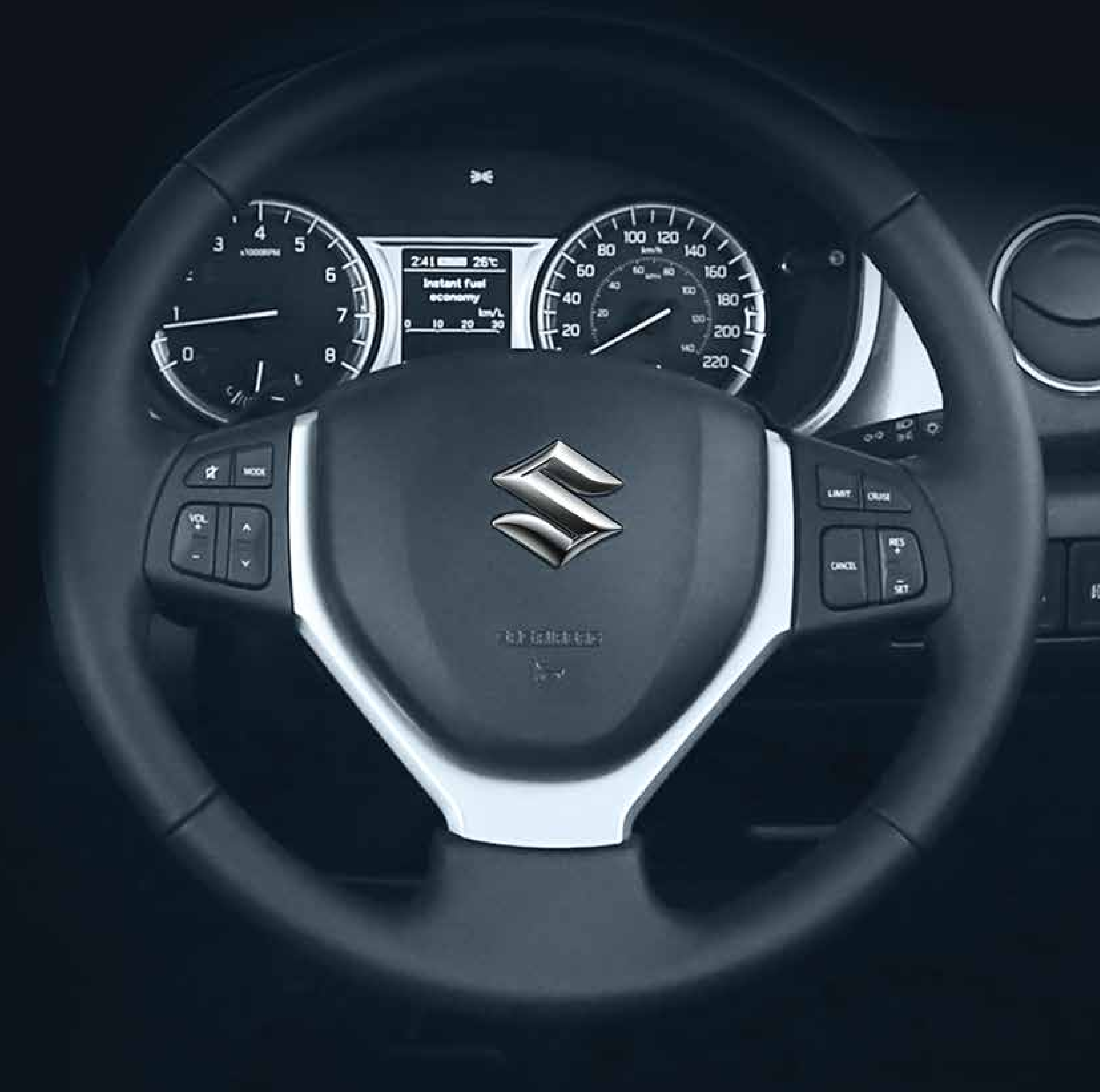
SUZUKI

Way of Life!

HALF YEARLY REPORT
June 2019



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

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Company Information

Board of Directors

Kinji Saito	Chairman
Masafumi Harano	Chief Executive
Tetsuya Fujioka	Dy. Managing Director
Shigeo Takezawa	Director
Kazuyuki Yamashita	Director
Moin M. Fudda	Director
Rukhsana Shah	Director

Chief Financial Officer
Miki Nakahara

Company Secretary
Abdul Nasir

Audit Committee

Moin M. Fudda	Chairman
Kinji Saito	Member
Shigeo Takezawa	Member

Human Resource and Remuneration (HR & R) Committee

Rukhsana Shah	Chairman
Kinji Saito	Member
Masafumi Harano	Member

Auditors
KPMG Taseer Hadi & Co. Chartered Accountants

Registrar
CDC Register Services Limited
CDC House, 99-B, Block"B", S.MC.H.S Main Shahrah-e-Faisal Karachi.

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

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

Registered Office
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Tel No. (021) 34723551 - 58
Fax No. (021) 34723521 - 22
Website: www.paksuzuki.com.pk

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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

Director's Report

On behalf of the Board, I present my review on the performance of the Company during the half year ended June 30, 2019.

Industry Outlook

During the period (January – June 2019), sales volume of auto industry for cars and light commercial vehicles was recorded at 118,519 units compared to 134,494 units in corresponding period of last year, registering decrease of 12%. Sales volume of the Company during the half year January - June 2019 declined by 11% from 76,482 units to 68,147 units, in line with industry trend. The total sales volume of the Company represented 56% of Pakistan's total market of cars and light commercial vehicles. The Company operated at 80% capacity utilization and achieved production volume of 60,098 units.

During the period under review, the organized market (PAMA member companies) for motorcycles and three wheelers decreased from 990,102 units to 855,396 units. Decrease of 134,706 units represents 14% decline in sales volume over same period of last year. However, Company sales volume remained consistent and achieved sales volume of 11,600 units as compared to sales volume of 11,292 units in corresponding period of last year.

Operating Results of the Company

Company incurred net loss of Rs 1,526 million compared to net profit Rs 1,298 million in same period of last year. Net sales revenues increased by Rs 3,145 million from Rs 62,284 million (Jan-Jun 2018) to Rs 65,429 million (Jan-Jun 2019). Higher prices in current period contributed in increased sales revenue by 5% over the same period of last year. Gross profit decreased in absolute terms by Rs 2,886 million from Rs 4,258 million (Jan-Jun 2018) to Rs 1,372 million (Jan-Jun 2019). Gross profit margins as a percentage of net sales declined from 6.8% to 2.1% of net sales. Devaluation of Pak Rupee resulted in increase in imported material cost, consequently adversely affecting the gross profit margins.

The Economy

Pakistan's economy is in difficult situation. We witnessed sharpest increase in policy rates in recent time by State Bank of Pakistan (SBP). SBP further increased policy rate by 100 basis points to 13.25% in 'Monetary Policy' announced in July 2019. Average inflation for fiscal year 2019-20 is expected to remain in the range of 11% to 12% due to higher fiscal deficit, inflation and Pak Rupee depreciation.

In July 2019, the Executive Board of the IMF program approved a 39-month arrangement under the Extended Fund Facility (EFF) for US$ 6 billion to support the Government of Pakistan's economic reform program. Outlook for external financing has improved with the disbursement of the first IMF tranche associated with IMF EFF, activation of Saudi Oil Facility and other commitments from multilateral and bilateral partners. Current Account deficit has continued to fall reducing external pressure.

Government Policies

Tax measures announced in the Federal Budget 2019-20 have severely hit the auto industry. Additional Customs Duty (ACD) on imported material has been increased by 2% to 5%. Government also imposed 'Regulatory Duty' on import of different kinds of vehicles. The government has enlarged the scope of Federal Excise Duty (FED) and imposed FED on locally assembled cars as well as on imported cars at the rate of 2.5% with engine capacity upto 1000cc, 5% from 1001cc to 2000cc and 7.5% on 2001cc and above. Tax credit on investment in Plant & Machinery under section 65B of Income Tax Ordinance has been reduced from 10% to 5% for tax year 2019 while no tax credit from tax year 2020 (corresponding income year of 2019 of Pak Suzuki) and onwards. 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 will likely affect sales volume of auto industry as price hikes will weaken the purchasing power of costumers.

Future Outlook & Conclusion

The Company is endeavoring to improve sales, profitability and diversity in its operations by upgrading the existing products and launching new products. Company launched the New Alto in June 2019. New Alto harbors contemporary 660cc R-series engine, modern design, spacious interior with great fuel efficiency and Japanese technology. New Alto received overwhelming response from customers due to its distinguished features.

Macroeconomic indicators of the country are challenging for auto industry. Pak Rupee devaluation, rising raw material prices, increase in interest rate and additional taxes and duties imposed through Federal Budget are major challenges for auto industry. Variation in forex rates and import duties influenced the pricing of products due to high element of imported components in total cost of products. Your Company has geared up to meet the challenges in future with wide range of quality products at competitive prices through an efficient network of authorized dealers.

KINJI SAITO
Chairman

Karachi: July 24, 2019

KPMG Taseer Hadi & Co.
Chartered Accountants
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Karachi, 75530 Pakistan
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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pak Suzuki Motor Company Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Pak Suzuki Motor Company Limited** as at 30 June 2019 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

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

Conclusion

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

KPMG Taseer Hadi & Co.

Other matter

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended 30 June 2019, have not been reviewed and we do not express a conclusion on them.

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

Date: July 24, 2019

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

Condensed Interim Statement of Financial Position

As at 30 June 2019

	Note	30 June 2019 (Unaudited)	31 December 2018 (Audited)
		(Rupees in '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	5	16,353,514	15,654,827
Right-of-use assets		187,594	-
Intangible assets		357,861	113,297
Long term investments	6	327,634	329,274
Long-term loans		3,479	4,203
Long-term deposits, prepayments and other receivables	7	498,299	456,208
Long-term installment sales receivables	8	131,369	118,318
Deferred taxation		2,861,888	1,151,888
		20,721,638	17,828,015
Current assets			
Stores, spares and loose tools		214,681	146,878
Stock-in-trade	9	25,097,127	29,397,056
Trade debts		401,020	237,538
Loans and advances		109,709	40,627
Trade deposits and short-term prepayments	10	2,571,453	1,357,271
Current portion of long-term installment sales receivables	8	644,712	549,627
Other receivables		222,932	268,622
Taxation - net		3,891,220	5,798,056
Sales tax and excise duty adjustable		4,133,496	4,369,996
Cash and bank balances	11	442,231	1,516,163
		37,728,581	43,681,834
TOTAL ASSETS		58,450,219	61,509,849
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital of 500,000,000 (31 December 2018: 150,000,000) ordinary shares of Rs.10/- each		5,000,000	1,500,000
Issued, subscribed and paid-up capital		822,999	822,999
Capital reserves		844,596	844,596
Revenue reserves		25,750,101	27,565,270
		27,417,696	29,232,865
LIABILITIES			
Non-current liabilities			
Long term - lease liability		145,856	-
Vendor tooling payable		413,003	-
		558,859	-
Current liabilities			
Trade and other payables		14,507,762	14,409,566
Short term finance	12	7,200,820	11,310,497
Current portion of lease liability		51,184	-
Advance from customers		4,749,084	2,276,078
Security deposits		3,901,341	4,222,249
Provision for custom duties and sales tax		36,299	36,299
Unclaimed dividend		27,174	22,295
		30,473,664	32,276,984
TOTAL LIABILITIES		31,032,523	32,276,984
Contingencies and commitments	13		
TOTAL EQUITY AND LIABILITIES		58,450,219	61,509,849

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

Chairman	Cheif Financial Officer	Cheif Executive Officer

Condensed Interim Statement of Profit or Loss (Unaudited)

For the half year and quarter ended 30 June 2019

		Half year ended		Quarter ended	
		30 June 2019	30 June 2018	**30 June 2019**	30 June 2018
	Note	(Rupees in '000)			
Sales		65,429,412	62,391,543	31,039,879	30,880,756
Cost of sales		(64,057,042)	(58,026,114)	(30,728,340)	(29,132,122)
Gross profit		1,372,370	4,365,429	311,539	1,748,634
Distribution and selling costs		(1,681,171)	(1,445,925)	(1,000,623)	(642,098)
Administrative expenses		(1,206,985)	(1,015,733)	(580,439)	(517,434)
Other expenses		-	(151,760)	-	(53,992)
Other income	14	97,971	389,399	52,804	213,287
Finance costs	15	(706,422)	(92,864)	(379,617)	(19,520)
		(3,496,607)	(2,316,883)	(1,907,875)	(1,019,757)
Share of loss of equity accounted investee		(1,640)	(885)	(901)	(383)
(Loss) / profit before taxation		(2,125,877)	2,047,661	(1,597,237)	728,494
Taxation	16	600,520	(750,010)	1,052,624	(334,986)
(Loss) / profit after taxation		(1,525,357)	1,297,651	(544,613)	393,508
		(Rupees)			
(Loss) / earnings per share - basic and diluted		(18.53)	15.77	(6.62)	4.78

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

Chairman

Cheif Financial Officer

Cheif Executive Officer

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the half year and quarter ended 30 June 2019

	Half year ended		Quarter ended	
	30 June 2019	30 June 2018	**30 June 2019**	30 June 2018
	---------------------------- (Rupees in '000)	----------------------------		
(Loss) / profit after taxation	(1,525,357)	1,297,651	(544,613)	393,508
Other comprehensive (loss) / income				
Items that will never be reclassified to statement of profit or loss				
Re-measurement (loss) / gain on defined benefit plan - net	(7,354)	5,075	(2,295)	410
Total comprehensive (loss) / income for the period	(1,532,711)	1,302,726	(546,908)	393,918

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

Chairman

Cheif Financial Officer

Cheif Executive Officer

Condensed Interim Statement of Cash Flows (Unaudited)

For the half year and quarter ended 30 June 2019

	Note	30 June 2019 (Unaudited)	30 June 2018 (Unaudited)
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	17	5,410,451	4,908,396
Finance costs paid		(706,425)	(92,864)
Taxes refund / (paid)		797,356	(598,790)
Long term loans - net		724	1,738
Long-term deposits, prepayments and other receivables		(42,091)	(84,688)
Long-term installment sales receivables		(13,051)	30,337
Net cash generated from operating activities		5,446,964	4,164,129
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment including capital work in progress		(1,873,079)	(5,330,751)
Purchase of intangible assets		(318,409)	(4,537)
Investment in associate		-	(124,400)
Proceeds from disposal of property, plant and equipment		21,890	12,103
Profit received on bank deposits		37,046	300,768
Net cash used in investing activities		(2,132,552)	(5,146,817)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability		(23,478)	-
Dividend paid		(255,189)	(1,379,611)
		(278,667)	(1,379,611)
Net increase / (decrease) in cash and cash equivalents		3,035,745	(2,362,299)
Cash and cash equivalents at beginning of the period		(9,794,334)	9,189,552
Cash and cash equivalents at end of the period		(6,758,589)	6,827,253

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

Chairman **Cheif Financial Officer** **Cheif Executive Officer**

Condensed Interim Statement of Changes in Equity (Unaudited)

For the half year ended 30 June 2019

	Note	Share Capital	Revenue reserves				
			Capital reserves		Revenue reserves	Total reserves	Total
		Issued, subscribed and paid-up capital	Share premium	Reserve on merger			
		----------------------------		(Rupees in '000)		----------------------------	
Balances as at 1 January 2018		822,999	584,002	260,594	27,882,121	28,726,717	29,549,716
Total comprehensive income for the period ended 30 June 2018							
Profit for the period		-	-	-	1,297,651	1,297,651	1,297,651
Other comprehensive income		-	-	-	5,075	5,075	5,075
		-	-	-	1,302,726	1,302,726	1,302,726
Transactions with owners recorded directly in equity - distributions							
Final dividend on ordinary shares @ 186% for the year ended 31 December 2017		-	-	-	(1,530,777)	(1,530,777)	(1,530,777)
Balance as at 30 June 2018		822,999	584,002	260,594	27,654,070	28,498,666	29,321,665
Balances as at 31 December 2018		822,999	584,002	260,594	27,565,270	28,409,866	29,232,865
Effect of initial application of standard	3.2	-	-	-	(22,390)	(22,390)	(22,390)
Balances as at 1 January 2019 - (Restated)		822,999	584,002	260,594	27,542,880	28,387,476	29,210,475
Total comprehensive loss for the period ended 30 June 2019							
Loss for the period		-	-	-	(1,525,357)	(1,525,357)	(1,525,357)
Other comprehensive loss		-	-	-	(7,354)	(7,354)	(7,354)
		-	-	-	(1,532,711)	(1,532,711)	(1,532,711)
Transactions with owners recorded directly in equity - distributions							
Final dividend on ordinary shares @ 31.6% for the year ended 31 December 2018		-	-	-	(260,068)	(260,068)	(260,068)
Balance as at 30 June 2019		822,999	584,002	260,594	25,750,101	26,594,697	27,417,696

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

Chairman **Cheif Financial Officer** **Cheif Executive Officer**

Notes to the Condensed Interim Financial Statements (Unaudited)

For the half year ended 30 June 2019

1. STATUS AND NATURE OF BUSINESS

Pak Suzuki Motor Company Limited (the Company) was incorporated in Pakistan as a public limited company in August 1983 and started commercial production in January 1984. The Company was formed in accordance with the terms of a joint venture agreement concluded between Pakistan Automobile Corporation Limited (PACO) and Suzuki Motor Corporation, Japan (the Holding Company). The Company is engaged in the assembling, progressive manufacturing and marketing of Suzuki cars, pickups, vans, 4x4s and motorcycles and related spare parts. The Company is listed on Pakistan Stock Exchange. The registered office of the Company is situated at DSU – 13, Pakistan Steel Industrial Estate, Bin Qasim, Karachi.

The Company's interest in equity accounted investee - Techo Auto Glass Limited comprise 40% equity interest.

2. BASIS OF PREPARATION

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

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

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

2.2 These condensed interim financial statements does not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual audited financial statements for the year ended 31 December 2018.

2.3 The figures included in the condensed interim statement of profit or loss for the quarter ended 30 June 2019 and 30 June 2018 and in notes forming part thereof have not been reviewed by the external auditors of the Company as they have reviewed the accumulated figures for the half year ended 30 June 2019 and 30 June 2018.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual audited financial statements of the Company as at and for the year ended 31 December 2018 except as disclosed in note 3.2 below.

3.2 New standards, interpretations and ammendments adopted by the Company

The following accounting standards became effective during the period as applicable in Pakistan for the first time for the period ended 30 June 2019 and are relevant to the Company.

3.2.1 IFRS 15 'Revenue 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.

The Company has adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2019). Accordingly, the information presented for 2018 has not been restated – i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations.

Under IFRS 15, revenue is recognized when a contractual promise to a customer (performance obligation) has been fulfilled by transferring control over the promised goods and services to the customer. Management has concluded that revenue from sale of goods be recognised at the point in time when control of the product has transferred, being when the products are delivered to the customer. Invoices are generated and revenue is recognised on delivery of goods.

The consideration which the Company receives in exchange for its goods or services may be fixed or variable. Variable consideration is only recognized when it is highly probable that a significant reversal will not occur. Revenue is measured based on the consideration specified in a contract with a customer, net of returns, amounts collected on behalf of third parties (FED and sales taxes etc), pricing allowances, other trade discounts, volume rebates and couponing, price promotions to consumers / customers and any other consideration payable to customers.

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

The above is generally consistent with the timing of revenue the Company recognised in accordance with the previous standard, IAS 18 and related interpretations. Therefore, the adoption of IFRS 15 did not have an impact on the timing of revenue recognition of the Company except for extended warranty services for which management has concluded that the income from such service be recognized over time as the management believes that the customer simultaneously receives and consumes the benefit as and when the services are being rendered.

The impact of adoption of IFRS 15 on the condensed interim statement of profit or loss and other comprehensive income for the six months period ended 30 June 2019 is as follows:

	As reported	Adjustment	Amounts without adoption of IFRS 15
	(Rupees in '000)		
Sales	65,429,412	(105,362)	65,534,774
Other income	97,971	(5,763)	103,734
Distribution and selling cost	(1,681,171)	111,125	(1,792,296)

3.2.2 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 lessees. 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 guest houses 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 ranged between 11% - 13%.

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 impact of adoption of IFRS 16 on the condensed interim statement of financial position as at 30 June 2019 is as follows:

	30 June 2019	1 January 2019
	(Rupees in '000)	
Right-of-use assets	187,594	214,732
Lease liability	197,040	237,122

3.2.3 IFRS 9 'Financial Instruments'

IFRS 9 "Financial Instruments" has replaced IAS 39 "Financial Instruments: Recognition and Measurement" for annual periods beginning on or after 1 July 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting, with the initial application date of 1 July 2018 as notified by the Securities and Exchange Commission of Pakistan (SECP).

3.2.3.1 Classification

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 and available for sale. Under IFRS 9, on initial recognition, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value either through Other Comprehensive Income (FVOCI), or through profit or loss (FVTPL); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

Under IFRS 9 the Company reclassifies debt investments when and only when its business model for managing those assets changes. Trade and other receivables and cash and cash equivalents that were classified as loans and receivables under IAS 39 are now classified at amortised cost. Trade receivable is initially measured at transaction price and are subsequently measured at amortised cost using the effective interest method, net of impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit or loss. Any gain or loss on derecognition is recognised in statement of profit or loss. Investments previously classified under Available For Sale category are now classified as measured at Fair value through OCI.

3.2.3.2 Impairment of financial assets

Considering the nature of the financial assets, the Company has applied the standard's simplified approach and has calculated Expected Credit Loss (ECL) based on life time ECL. For this purpose, the management has conducted an exercise to assess the impairment of its financial assets using historical data and forward looking information. Based on such exercise, the Company has concluded that adoption of expected loss approach has not resulted in any material change in impairment provision for any financial asset.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience. Actual results may differ from these estimates.

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended 31 December 2018 except as disclosed in note 3.2 above.

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's annual audited financial statements as at and for the year ended 31 December 2018.

5. PROPERTY, PLANT AND EQUIPMENT

		30 June 2019 (Unaudited)	31 December 2018 (Audited)
		(Rupees in '000)	
Operating fixed assets		15,596,637	7,820,608
Capital work in progress	5.2	756,877	7,834,219
		16,353,514	15,654,827

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

	For the half year ended	
	30 June 2019	30 June 2018
	(Rupees in '000)	
Additions / transfer from CWIP		
Buildings on leasehold land - factory building	31,163	98,262
Plant and machinery	1,771,332	140,014
Welding guns	112,609	-
Permanent and special tools	20,734	22,413
Dies	2,887,035	-
Jigs and fixtures	598,985	4,779
Electrical installations	93,516	-
Furniture and fittings	3,284	33,396
Vehicles	101,779	70,042
Air conditioners and refrigerators	3,422	4,866
Office equipments	4,086	11,289
Computers	19,431	7,806
Tooling at vendor premises	3,303,045	116,990
	8,950,421	509,857
Disposal - at book value		
Plant and machinery	-	952
Dies	-	110
Vehicles	15,671	6,073
Air conditioners and refrigerators	53	96
Office equipments	41	9
Computers	21	-
	15,786	7,240

5.2 Capital Work in Progress

	30 June 2019 (Unaudited)	31 December 2018 (Audited)
	(Rupees in '000)	
Plant and machinery	745,613	7,774,888
Civil works	11,264	59,331
	756,877	7,834,219

During current period, additions to capital work-in-progress amounted to Rs. 1,768 million (30 June 2018: Rs. 5,251 million) and transfer to fixed assets amounted to Rs. 8,845 million (30 June 2018: Rs. 430 million).

6. LONG TERM INVESTMENTS

	30 June 2019 (Unaudited)	31 December 2018 (Audited)
	(Rupees in '000)	
Investment in related party (equity accounted)		
Investment in associate - unquoted		
- Tecno Auto Glass Limited		
34,400,000 (2018: 34,400,000) fully paid ordinary shares of Rs. 10/- each (Shareholding 40%)	327,634	329,274
Other investments		
Fair value through OCI		
- Arabian Sea Country Club Limited		
500,000 (2018: 500,000) fully paid ordinary shares of Rs. 10/- each (Shareholding 6.45%)	5,000	5,000
Provision for impairment in the value of investment	(5,000)	(5,000)
	-	-
- Automotive Testing & Training Centre (Private) Limited		
125,000 (2018: 125,000) fully paid ordinary shares of Rs. 10/- each (Shareholding 6.94%)	1,250	1,250
Provision for impairment in the value of investment	(1,250)	(1,250)
	-	-
	327,634	329,274

7. LONG-TERM DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	30 June 2019 (Unaudited)	31 December 2018 (Audited)
Deposits and prepayments		40,330	37,892
Other receivable from employees	7.1	549,515	499,571
Less: Receivable within one year		(91,546)	(81,255)
		457,969	418,316
		498,299	456,208

7.1 This represents receivable against vehicles given to employees under the Vehicle Ownership Employee Scheme. These receivables are interest free and secured against the personnel guarantees and provident fund balances of the respective employees. These are receivable in maximum eighty-four equal monthly installments.

8. LONG TERM INSTALLMENT SALES RECEIVABLES - secured, considered good

	30 June 2019 (Unaudited)	31 December 2018 (Audited)
	(Rupees in '000)	
Installment sales receivables	814,771	704,273
Less: Unearned finance income	(11,787)	(13,558)
	802,984	690,715
Less: Allowance for impairment loss on installment sales receivables	(26,903)	(22,770)
	776,081	667,945
Less: Current maturity	(644,712)	(549,627)
	131,369	118,318

8.1 This represents balances receivable under various installment sale agreements in equal monthly installments. These include installment sales of cars and motorcycles to registered vendors and retail customers (motorcycles only) 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 customers / vendor after the entire dues are cleared. Mark-up on installment sales receivables range from 9% to 28% (2018: 9% to 28%) per annum, excluding up to 36 months installment sales which are subject to 0% markup. However, overdue rentals are subject to additional surcharge.

9. STOCK IN TRADE

	30 June 2019 (Unaudited)	31 December 2018 (Audited)
	(Rupees in '000)	
Raw material and components [including items in transit Rs. 6,319.45 million (2018: Rs. 6,063.46 million)]	14,189,865	14,484,249
Less: Provision for slow moving and obsolete items		
- at beginning of the period	86,360	31,444
- provision during the period	77,848	54,916
	164,208	86,360
	14,025,657	14,397,889
Work-in-process	92,192	56,425
Finished goods	9,595,667	12,929,908
Trading stocks [including items in transit Rs. 58.88 million (2018: Rs. 52.49 million)]	1,466,420	2,072,049
Less: Provision for slow moving and obsolete items		
- at beginning of the period	59,215	65,786
- provision / (reversal) during the period	23,594	(6,571)
	82,809	59,215
	1,383,611	2,012,834
	25,097,127	29,397,056

9.1 Of the aggregate amount, stocks worth Rs. 4,195 million (2018: Rs. 7,216.59 million) were in the custody of dealers and vendors dispersed all over Pakistan.

9.2 Raw material and components, work-in-process, finished goods and trading stocks have been written down by Rs. 365.92 million, Rs. 0.89 million, Rs. 66.64 million and Rs. 220.97 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.

10. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

	30 June 2019	31 December 2018
	(Rupees in '000)	
Trade deposits	550	1,972
Margin against letter of credits and imports	2,017,338	1,077,955
	2,017,888	1,079,927
Prepayments		
- Collector of custom	475,412	211,030
- Rent	17,314	50,439
- Insurance	30,766	2,049
- Other	30,073	13,826
	553,565	277,344
	2,571,453	1,357,271

11. CASH AND BANK BALANCES

	Note	**30 June 2019**	31 December 2018
Cash in hand		15,690	9,507
Cash at banks:			
- in deposit accounts - conventional	11.1	250,248	355,164
- in a special deposit account - conventional	11.2	128,955	117,955
- in current accounts		47,338	1,033,537
		426,541	1,506,656
		442,231	1,516,163

11.1 These carry profits rates ranging from 9.45% to 11.85% (2018: 6.10% to 7.30%) per annum.

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

12. SHORT TERM FINANCE

The effective rate of mark-up on short-term running finance facility ranges from 12.33% to 12.80% (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. 37,200 million (2018: Rs. 15,547.76 million) out of which Rs. 29,702 million (2018: 4,237.27 million) remained unutilised as of reporting date. Financing facilities amounting Rs. 23,400 million (2018: 2,000 million) are secured against group guarantee from holding company, Suzuki Motor Corporation. Remaining Facilities are secured by way of pari passu hypothecation charge over Company's stock & trade debts.

During the year, new loan has been obtained from Standard Chartered Bank UK - Dubai through Standard Chartered Bank (Pakistan) Limited amounting to USD 23 million equivalent to fixed amount of Rs. 3,499 million for meeting working capital requirements. The tenor of the loan is six months i.e. from May 2019 to Nov 2019. Foreign currency loan is duly hedged with forward cover and the fixed effective price of the loan to the company (including interest, brokerage and hedging expense) is six month KIBOR - 0.40%."

13. CONTINGENCIES AND COMMITMENTS

13.1 Capital expenditure contracted for but not incurred amounted to Rs. 418.53 million (2018: Rs.930.90 million).

13.2 The facilities for opening letters of credit as at reporting date, amounted to Rs. 13,620 million (2018: Rs. 10,400 million) of which the amount remaining unutilised at the period end was Rs. 12,378 million (2018: Rs. 9,778.72 million).

13.3 Guarantees issued by various commercial banks on behalf of the Company amounted to Rs. 2,076 million (2018: Rs. 1,728 million) of which amount remaining unutilised at December end was Rs. 639.24 million (2018: Rs. 365.48 million).

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

14. OTHER INCOME

		For the half year ended	
		30 June 2019	30 June 2018
		(Rupees in '000)	
Mark-up on bank balances		37,650	314,591
Commission income	14.1	1,500	1,500
Finance income on installment sales		7,465	14,355
		46,615	330,446
Gain on disposal of fixed assets		6,104	4,863
Scrap sales		11,204	8,705
Miscellaneous income		34,048	45,385
		51,356	58,953
		97,971	389,399

14.1 This represents commission income on corporate guarantee provided to Meezan Bank Limited on behalf of Tecno Auto Glass Limited, associated company, amounting to Rs. 600 million in relation to borrowing facilities granted to the associated company.

15. FINANCE COSTS

	For the half year ended	
	30 June 2019	30 June 2018
	(Rupees in '000)	
Interest on lease liability	11,049	-
Mark-up on workers' profit participation fund	93	508
Mark-up on Short term running Finance	485,353	-
Exchange loss - net	172,319	59,296
Bank charges	37,608	33,060
	706,422	92,864

16. TAXATION

- Current	(1,060,929)	(957,862)
- Prior	(48,551)	(4,580)
- Deferred	1,710,000	212,432
	600,520	(750,010)

17. CASH GENERATED FROM OPERATIONS

(Loss) / profit before taxation		(2,125,877)	2,047,661
Adjustments for non cash charges and other items:			
Depreciation		1,158,606	754,698
Amortisation		73,845	43,643
Depreciation - right-of-use assets		27,137	-
Gain on disposal of fixed assets		(6,104)	(4,863)
Share of loss of equity accounted investee		1,640	885
Profit on bank deposits		(37,650)	(314,591)
Finance costs		706,422	92,864
		1,923,896	572,636
Working capital changes	17.1	5,612,432	2,288,099
		5,410,451	4,908,396

For the half year ended 30 June 2019

17.1 Working capital changes

	For the half year ended 30 June 2019	For the half year ended 30 June 2018
	(Rupees in '000)	
Decrease / (increase) in current assets:		
Stores, spares and loose tools	(67,803)	(19,181)
Stock in trade	4,299,929	4,734,013
Trade debts	(163,482)	(124,792)
Loans and advances	(69,082)	9,661
Trade deposits and short term prepayments	(1,214,182)	(29,544)
Current portion of long-term installment sales receivables	(95,085)	(1,249,441)
Other receivables	46,294	(24,571)
Sales tax and excise duty adjustable	236,500	(630,383)
	2,973,089	2,665,762
(Decrease) / increase in current liabilities		
Trade and other payables	487,245	(494,959)
Advances from customers	2,473,006	193,053
Security deposits	(320,908)	(75,757)
	2,639,343	(377,663)
	5,612,432	2,288,099

18. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties during the period are as follows:

For the half year ended 30 June 2019	**Holding**	**Other related company**	**Total parties**
		(Rupees in '000)	
Transactions			
Purchases of components	**12,782,670**	**11,887,959**	**24,670,629**
Purchases of fixed assets	**58,194**	**-**	**58,194**
Dividend paid	**190,087**	**-**	**190,087**
Sales including exports sales	**25,344**	**4,462**	**29,806**
Royalty and technical fee	**954,008**	**-**	**954,008**
Purchase of intangible asset	**305,700**	**-**	**305,700**
Sales promotional and development expenses	**2,102**	**-**	**2,102**
Commission income from Corporate Guarantee	**-**	**1,500**	**1,500**
Staff retirement benefits	**-**	**69,146**	**69,146**

For the half year ended 30 June 2018	Holding	Other related company	Total parties
		(Rupees in '000)	
Transactions			
Purchases of components	12,244,954	10,083,933	22,328,887
Purchases of fixed assets	2,062,271	62	2,062,333
Sales including exports sales	2,434	10,519	12,953
Royalty and technical fee	926,608	-	926,608
Travelling expenses of supervisors	706	-	706
Sales promotional and development expenses	82,154	1,248	83,402
Commission income from Corporate Guarantee	-	1,500	1,500
Staff retirement benefits	-	45,460	45,460

19. SEGMENT ANALYSIS

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

	30 June 2019 (Unaudited)			30 June 2018 (Unaudited)		
	Automobile	**Motorcycle**	**Total**	Automobile	Motorcycle	Total
		(Rupees in '000)			(Rupees in '000)	
Segment results						
Sales	63,606,950	1,822,462	65,429,412	60,781,366	1,610,177	62,391,543
Gross profit	1,167,539	204,831	1,372,370	4,176,022	189,407	4,365,429
Distribution costs	(1,648,174)	(32,997)	(1,681,171)	(1,418,465)	(27,460)	(1,445,925)
Administrative expenses	(1,116,476)	(90,509)	(1,206,985)	(934,667)	(81,066)	(1,015,733)
Operating profit	(1,597,111)	81,325	(1,515,786)	1,822,890	80,881	1,903,771
Other income	84,369	13,602	97,971	366,670	22,729	389,399
Finance cost	(703,944)	(2,478)	(706,422)	(92,619)	(245)	(92,864)
	(2,216,686)	92,449	(2,124,237)	2,096,941	103,365	2,200,306
Unallocated corporate expenses						
Other expenses			-			(151,760)
Share of loss of equity accounted investee			(1,640)			(885)
Taxation			600,520			(750,010)
(Loss) / Profit after taxation			(1,525,357)			1,297,651
Capital expenditure	1,852,342	20,737	1,873,079	5,226,407	104,344	5,330,751
Depreciation	1,121,903	63,841	1,185,744	694,407	60,292	754,699

Notes to the Condensed Interim Financial Statements (Unaudited)

For the half year ended 30 June 2019

	30 June 2019 (Unaudited)			31 December 2018 (Audited)		
	Automobile	**Motorcycle**	**Total**	Automobile	Motorcycle	Total
	(Rupees in '000)			(Rupees in '000)		
Assets						
Segment assets	44,069,191	2,314,034	46,383,225	46,060,015	2,015,834	48,075,849
Unallocated corporate assets	-	-	12,066,994	-	-	13,434,000
	44,069,191	2,314,034	58,450,219	46,060,015	2,015,834	61,509,849
Liabilities						
Segment liabilities	23,558,193	49,296	23,607,489	20,878,740	87,747	20,966,487
Unallocated corporate liabilities	-	-	7,425,034	-	-	11,310,497
	23,558,193	49,296	31,032,523	20,878,740	87,747	32,276,984

20. GENERAL

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

20.2 Corresponding figures have been arranged or reclassified, wherever necessary, for the purpose of comparison and better presentation.

21. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorised for issue by the Board of Directors of the Company in its meeting held on July 24, 2019.

Chairman | **Cheif Financial Officer** | **Cheif Executive Officer**

حکومتی پالیساں

وفاقی بجٹ20-2019 میں اعلان کردہ ٹیکس اقدامات نے آٹو کی صنعت کو شدید دھچکا پہنچایا ہے- اضافی کسٹم ڈیوٹی (ACD) کی وجہ سے درآمدی خام مال کی لاگت میں 2 فیصد تا5 فیصد اضافہ ہوا ہے-حکومت نے مختلف قسم کی گاڑیوں کی درآمد پر ''ریگولیٹری ڈیوٹی'' عائد کردی ہے-حکومت نے فیڈرل ایکسائز ڈیوٹی (FED) کے احاطہ میں وسعت کی ہے اور مقامی طور پر اسمبل کردہ گاڑیوں کے ساتھ ساتھ درآمدی کاروں میں 1000 سی سی پر 2.5 فیصد،1001 سی سی سے2000 سی سی تک 5 فیصد اور 2001 سی سی یا اس سے اوپر کی گاڑیوں پر 7.5 فیصد عائد کردی کی گئی ہے-2019 کے لئے انکم ٹیکس آرڈیننس کی دفعہ 65B کے تحت پلانٹ اور مشینری پر ٹیکس کریڈٹ 10 فیصد سے کم کرکے 5 فیصد کردیا گیا ہے جبکہ ٹیکس ایئر 2020 (2019 کے پاک سوزوکی کی آمدن کا اگلا سال) اور اس سے اگلے سالوں میں کوئی ٹیکس کریڈٹ نہیں ملے گا- مزید برآں حکومت نے 29 فیصد سے 25 فیصد تک کارپوریٹ ٹیکس میں بتدریج کمی کو ختم کردیا ہے اور دوسری جانب فروخت آمدنی پر کم ازکم ٹیکس کو 1.25 سے بڑھا کر 1.5 فیصد کردیا ہے- ان اضافی ٹیکسوں کے ساتھ پاکستانی روپے کی قدر میں بڑے پیمانے پر کمی نے گاڑیوں کی لاگت پر برے اثرات مرتب کئے ہیں اور جس کی وجہ سے OEMs گاڑیوں کی قیمتوں میں اضافہ کرنے پر مجبور ہوگئے ہیں-نتیجتاً گاڑیوں کی بلند قیمتوں کی وجہ سے آٹو کی صنعت کے فروخت کے حجم پر اثرات مرتب ہونگے کیونکہ قیمتوں میں اضافہ کی وجہ سے صارفین کی قوت خرید کمزور ہوجائے گی-

مستقبل کا منظر نامہ اور اختتامیہ

کمپنی فروخت، منافع کاری میں بہتری، اپنی موجودہ مصنوعات میں بہتری اور نئی مصنوعات کو متعارف کروا کر بہتری کے لئے کوشاں ہے- کمپنی نے جون 2019 میں نئی آلٹو کار متعارف کروائی ہے- اس نئی آلٹو میں بہترین 660 سی سی کا R سیریز کا انجن، جدید ڈیزائن، اندرونی خوبصورتی کے ساتھ ایندھن کی بچت اور جاپانی ٹیکنالوجی استعمال کی گئی ہے- اس کی نمایاں خصوصیات کی وجہ سے آلٹو کار کو گاہکوں سے زبردست ردعمل موصول ہوا-

ملک کے اقتصادی اشاریئے آٹو کی صنعت کے لئے انتہائی دشوار گزار ہیں- پاکستانی روپے کی قدر میں کمی، خام مال کی بڑھتی ہوئی قیمتیں، شرح سود میں اضافہ اور اضافی ٹیکس اور ڈیوٹیاں جنہیں وفاقی بجٹ کے ذریعے عائد کیا گیا ہے وہ آٹو صنعت کے بڑے چیلنجز ہیں- مبادلہ کے نرخوں اور درآمدی ڈیوٹیوں نے مصنوعات کی قیمتوں پر اثر مرتب کیے ہیں جو کہ کل مصنوعات کی لاگت ہے- آپ کی کمپنی ان چیلنجز کا مقابلہ وسیع پیمانے پر اعلیٰ معیاری مصنوعات کی مسابقتی قیمتوں پر فراہمی بذریعہ مجاز ڈیلروں کے نیٹ ورک کے ذریعے کرے گی-

کنجی سائیتو

چیئرمین

کراچی: 24 جولائی 2019

ڈائریکٹرز رپورٹ

بورڈ کی جانب سے میں کمپنی کی کارکردگی پر اپنا جائزہ برائے مختتمہ مدت 30 جون 2019 پیش کر رہا ہوں-

صنعت کا منظر نامہ

جائزہ مدت کے دوران (جنوری تا جون 2019) آٹو صنعت میں کاروں اور ہلکی تجارتی گاڑیوں کا فروخت کا حجم 118,519 یونٹس رہا جبکہ گزشتہ سال اسی مدت میں 134,494 یونٹس تھا، جس سے 12 فیصد کمی کی عکاسی ہوتی ہے- جاری صنعتی رجحان کی وجہ سے کمپنی کی فروخت میں بھی 11 فیصد کمی ہوئی جو کہ گزشتہ سال کے 76,482 یونٹس سے کم ہو کر 68,147 یونٹس رہ گئی- پاکستان میں کاروں اور ہلکی تجارتی گاڑیوں کی فروخت کی کل مارکیٹ میں کمپنی کا حصہ 56 فیصد ہے- کمپنی کی 80 فیصد پیداواری گنجائش سے استفادہ کیا گیا اور پیداواری حجم 60,098 یونٹس رہا-

جائزہ مدت کے دوران منظّم مارکیٹ (PAMA کی ممبر کمپنیوں) کی موٹر سائیکلوں اور تین پہیوں والی گاڑیوں کی فروخت کا حجم 990,102 یونٹس سے کم ہو کر 855,396 یونٹس رہ گیا- گزشتہ سال کے مقابلے میں 134,706 یونٹس کی کمی 14 فیصد کمی کی نشاندہی کرتی ہے- تاہم کمپنی کی فروخت کے حجم میں تسلسل برقرار رہا اور فروخت کا حجم 11,600 یونٹ رہا جو کہ گزشتہ سال اسی مدت میں 11,292 یونٹس تھا-

کمپنی کے مالیاتی نتائج

گزشتہ سال کی اسی مدت کے دوران 1,298 ملین روپے کے مقابلے میں کمپنی کا خالص منافع 1,526 ملین روپے رہا- کل فروخت میں 3,145 ملین روپے کا اضافہ کے ساتھ 62,284 ملین روپے (جنوری تا جون 2018) سے بڑھ کر 65,429 ملین روپے ہو گیا (جنوری تا جون 2019)- موجودہ مدت میں بلند قیمتوں کی وجہ سے گزشتہ سال اسی مدت کی بہ نسبت مالیت فروخت میں 5 فیصد اضافہ ہوا- خام منافع میں قطعی لحاظ سے 2,886 ملین روپے (جنوری تا جون 2018) رہا جو کہ گزشتہ سال 4,258 ملین روپے (جنوری تا جون 2019) رہا- بلحاظ خالص فروخت خام منافع کی شرح خالص فروخت کے 6.8 فیصد سے کم ہو کر 2.1 فیصد رہ گئی- پاکستانی روپے کی قدر میں کمی سے درآمدی مال کی لاگت میں اضافہ ہوا جس کے نتیجے میں خام منافع کی شرح پر منفی اثرات مرتب ہوئے-

معیشت

پاکستان کی معیشت کو اس وقت دشوار صورتحال کا سامنا ہے- حال ہی میں اسٹیٹ بینک آف پاکستان (SBP) کی جانب سے پالیسی نرخوں میں تیز ترین اضافہ دیکھا گیا- SBP نے جولائی 2019 میں اپنی اعلان کردہ مالیاتی پالیسی میں اپنے مالیسی نرخوں میں 100 بنیادی پوائنٹس کا اضافہ کر کے انہیں 13.25 فیصد کر دیا- انتہائی مالیاتی خسارے، افراط اور پاکستانی روپے کی قدر میں کمی کی وجہ سے اندازہ ہے کہ مالیاتی سال 20-2019 میں اوسطاً افراط زر 11 سے 12 فیصد تک رہے گا-

جولائی 2019 میں آئی ایم ایف پروگرام کے ایگزیکٹو بورڈ نے حکومت پاکستان کی معاشی اصلاحات کے پروگرام کو سہارا دینے کے لئے 39 ماہی اہتمام کے تحت 6 بلین یو ایس ڈالر کی Extended Fund Facility منظور کی- IMF کی EEF کے تحت کے قسط کی وصولی، سعودی آئل کی سہولت اور دیگر کثیر القومی اور باہمی شراکت داروں کے وعدوں کی وجہ سے بیرونی سرمایہ کاری کے منظر نامہ میں اضافہ ہوا- موجودہ رواں کھاتے کے خسارہ میں کمی کی وجہ سے بیرونی دباؤ میں کمی آرہی ہے-

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