SUZUKI

Way of Life!

Pak Suzuki Motor Company Limited

Annual Report 2013

38.3%

Gross profit increased by 38.3% from Rs. 2.345 billion to Rs. 3.242 billion

89.3%

Net profit increased by 89.3% from Rs. 0.977 billion to Rs. 1.849 billion

60%

Cash dividend increased by 60% from 25% to 40%

305%

Capital expenditure increased by 305% from Rs. 0.480 billion to Rs. 1.943 billion

SUZUKI

The 1st in Pakistan
Pioneer in Pakistan Automobile Industry
Largest Dealership Network
Highest Market Share
Has Become a Houshold name

Contents

Vision

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

Mission

- Strive to market value packed vehicles that meet customers expectations.
- Provide a platform where our stakeholders passionately contribute, invest and excel.
- Make valuable contribution to social development of Pakistan.

Hayabusa
Like its namesake, the Japanese peregrine falcon, hayabusa is for cutting through the air with incredible agility and performance. The resonating feel of pure power evokes an attitude of bold authority from both machine and rider.


Arai

Company Information

Board of Directors
Hirofumi Nagao - Chairman & Chief Executive
Satoshi Ina - Dy. Managing Director
Yosuke Yamada - Director
Mumtaz Ahmed Shaikh - Director
Jamil Ahmed - Director
Wazir Ali Khoja - Director
Kinji Saito - Director

Chief Financial Officer
Yosuke Yamada

Company Secretary
Abdul Nasir

Audit Committee
Wazir Ali Khoja - Chairman
Satoshi Ina - Member
Kinji Saito - Member
Obaid Rashid Zuberi - Secretary

Human Resource and Remuneration
(HR & R) Committee
Wazir Ali Khoja - Chairman
Hirofumi Nagao - Member
Satoshi Ina - Member
Abdul Nasir - Secretary

Auditors
Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

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.
The Bank of Tokyo-Mitsubishi UFJ, Ltd.

In March 2014, Mr. Wazir Ali Khoja was appointed as Chairman of Audit Committee in place of Mr. Yosuke Yamada

Legal Advisors
Syed Qamaruddin Hassan
Orr Dignam & Company

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

Registered Office
DSU-13, Pakistan Steel Industrial
Estate, Bin Qasim, Karachi.
Tel No. (021) 34723551 - 558
Fax No. (021) 34723521 - 523
Website: www.paksuzuki.com.pk

Area Offices
Lahore Office:
7-A, Aziz Avenue, Canal Bank Road,
Gulberg V, Lahore.
Tel No. (042) 35775456, (042) 35775457
Fax No. (042) 35751953

Rawalpindi Office:
3rd Floor, 112-B Mallahi Plaza, Murree Road,
Rawalpindi Cantt.
Tel No. (051) 5567518 - (051) 5518073
Fax No. (051) 5585738

Mehran Efi

New Passion, New Dynamics, New Energy

Mehran EFi is the best choice particularly for people who drive every day since it does not only give better mileage but also keeps the environment green. Its new exterior includes the bold and dynamic headlights with distinguished grille and turn signals. Maintenance is easy and economical.

Company Profile

Location :	Downstream Industrial Estate of Pakistan Steel, Karachi
Total Area :	259,200 m^2 (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. 13.150 billion
Production Capacity (double shift) :	
Car & LCV's Plant :	150,000 units per annum
Motorcycles Plant :	44,000 units per annum

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.

Pak Suzuki Motor Company Limited (PSMCL) is a public limited company with its shares quoted on Karachi & Lahore Stock Exchanges in Pakistan. 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.

Code of Conduct

Pak Suzuki Motor Company Limited conducts its business fairly, in an ethical and proper manner, fully compliant with all applicable laws and regulations. The highest standards of ethical business conduct and integrity are required of Pak Suzuki employees in the performance of their official responsibilities. Employees will not engage in any conduct or activity that may raise questions as to the Company's honesty, reputation or otherwise cause embarrassment to the Company.

Pak Suzuki's Code of Conduct outlines expected behaviours for all of its directors and employees. Pak Suzuki requires its directors and employees to ensure that:

- They will not engage in any activity that might create a conflict of interest between them and/or the Company. In a situation where any such conflict of interest arises, they will promptly disclose the same.
- They will not take advantage of their position in Pak Suzuki to seek personal gains through the inappropriate use of Pak Suzuki information or abuse their position.
- They will not engage in insider trading.
- They will maintain appropriate level of confidentiality of the information received or came to their knowledge during course of business.
- They will refrain from providing false and/or misleading information.
- They will observe fair dealing and transparency in all of their transactions and interactions.
- They will protect all Company assets and use them only for appropriate Company approved activities.
- Without exception, they will comply with all applicable laws, rules and regulations of the country.
- They will promptly report any illegal or unethical conduct to management or other appropriate authorities.
- They will strictly follow all policies, procedures & instructions issued by the Company from time to time.

The highest standards of ethical business conduct and integrity are required of Pak Suzuki employees in the performance of their official responsibilities.

Cultus Efi

Executive Car for Professionals

It's a big world out there, filled with big choices. But there's no reason to be overwhelmed, as sometimes the best way to approach it all is with an executive perspective! Drive new Euro-II Suzuki Cultus
– it is absolutely executive and simply stylish and fun. And there's plenty of passenger space too
– a feature you'll truly appreciate along with its stylish exterior and classy interior.

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.

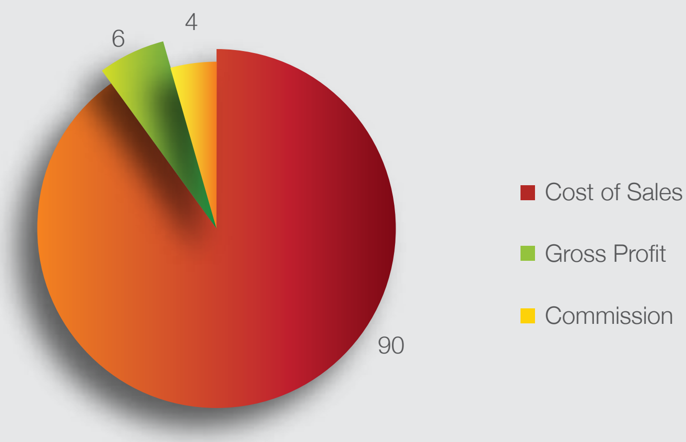
Exports of RAVI pickups to Bangladesh commenced.	1999
1000 cc passenger car SF-310 CULTUS replacing KHYBER was introduced. 1000 cc passenger car ALTO was introduced.	2000
Reborn MEHRAN was introduced. CNG version of MEHRAN, BOLAN and RAVI were launched.	2001
New BALENO was introduced. CNG version of BALENO, ALTO and CULTUS launched. The milestone of 250,000th vehicle from the new plant crossed.	2002
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.	2003
New Plastic Injection Molding Shop commenced production of Bumpers, Instrument Panels, Radiator Grills and Wheel Caps.	2004
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.	2005
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.	2006
Suzuki Motorcycles Pakistan Ltd. merged with Pak Suzuki Motor Company.	2007
The 1,000,000th vehicle rolled out from the Pak Suzuki Plant. Cargo Van was introduced.	2009
1300 cc locally manufactured car Swift was introduced.	2010
Inauguration of new motorcycle plant at Bin Qasim.	2011
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.	2012
Suzuki Gear Oil marketing started. Suzuki motorcycle, GD 110 launched. Suzuki heavy bikes introduced.	2013

Highlights of the Accounts

For the year ended December 31, 2013

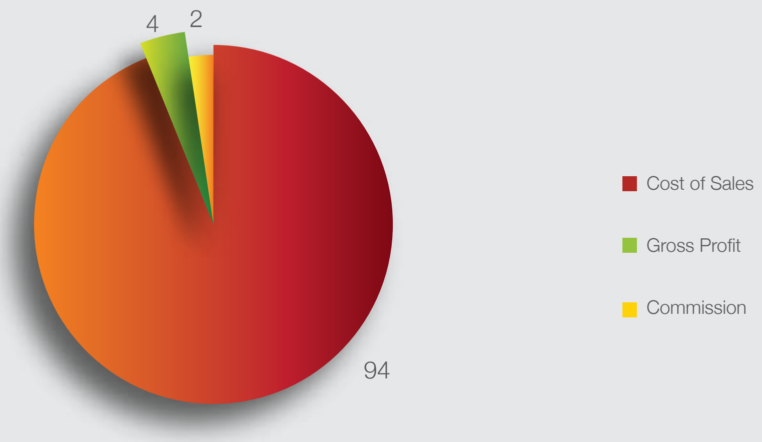
	2013	2012	Increase/(Decrease) Amount	%
	------------ (Rupees in thousands) ------------			
Production volume (Nos.)				
Motorcar	77,142	96,370	(19,228)	(20.0)
Motorcycle	22,977	21,312	1,665	7.8
Sales volume (Nos.)				
Motorcar	77,050	96,100	(19,050)	(19.8)
Motorcycle	23,117	20,298	2,819	13.9
Gross sales	52,922,850	60,011,247	(7,088,397)	(11.8)
Selling commission	1,861,517	1,480,110	381,407	25.8
as a % of gross sales	3.5	2.5		1.0
Net sales	51,061,333	58,531,137	(7,469,804)	(12.8)
Gross profit	3,242,513	2,344,871	897,642	38.3
as a % of gross sales	6.1	3.9	-	2.2
Distribution expenses	560,239	358,403	201,836	56.3
as a % of gross sales	1.1	0.6	-	0.5
Administration expenses	959,363	859,310	100,053	11.6
as a % of gross sales	1.8	1.4	-	0.4

Sales Revenue Breakup - 2013



	2013	2012	Increase/(Decrease) Amount	%
	------------ (Rupees in thousands) ------------			
Finance cost	57,576	11,100	46,476	418.7
as a % of gross sales	0.1	0.0	-	0.1
Other income	863,241	493,985	369,256	74.8
as a % of gross sales	1.6	0.8	-	0.8
Other operating expenses (WPPF & WWF)	175,137	111,152	63,985	57.6
as a % of gross sales	0.3	0.2	-	0.1
Profit before taxation	2,353,439	1,498,891	854,548	57.0
as a % of gross sales	4.4	2.5	-	1.9
Profit after taxation	1,849,357	977,153	872,204	89.3
as a % of gross sales	3.5	1.6	-	1.9
Shareholders' equity	17,645,158	15,817,366	1,827,792	11.6
Earnings per share (Rs.)	22.47	11.87	10.60	89.3
Break-up value per share (Rs.)	214.40	192.19	22.21	11.6
Number of shares issued (000)	82,300	82,300	-	-

Sales Revenue Breakup - 2012



Highlights of the Accounts Segment Wise

For the year ended December 31, 2013

	Car Division			
	2013	2012	Increase/ (Decrease)	
	---------------- (Rupees	in thousands)	----------------	%
Production volume (Nos.)	77,142	96,370	(19,228)	(20.0)
Sales volume (Nos.)	77,050	96,100	(19,050)	(19.8)
Gross sales	51,099,965	58,602,191	(7,502,226)	(12.8)
Selling commission	1,848,769	1,472,277	376,492	25.6
as a % of gross sales	3.6	2.5		1.1
Net sales	49,251,196	57,129,914	(7,878,718)	(13.8)
Gross profit	3,468,308	2,626,101	842,207	32.1
as a % of gross sales	6.8	4.5		2.3
Distribution expenses	400,238	254,534	145,704	57.2
as a % of gross sales	0.8	0.4		0.4
Administration expenses	843,105	745,240	97,865	13.1
as a % of gross sales	1.6	1.3		0.3
Finance cost	55,363	9,760	45,603	467.2
as a % of gross sales	0.1	0.0		0.1
Other income	484,548	391,106	93,442	23.9
as a % of gross sales	0.9	0.7		0.2
WPPF & WWF	175,137	111,152	63,985	57.6
as a % of gross sales	0.3	0.2		0.1
Profit before taxation	2,479,013	1,896,521	582,492	30.7
as a % of gross sales	4.9	3.2		1.7
Profit after taxation	1,974,931	1,374,783	600,148	43.7
as a % of gross sales	3.9	2.3		1.6
Earnings per share (Rs.)	24.00	16.70	7.30	43.7
Number of shares issued (000)	82,300	82,300	-	-

Motorcycle Division				Total			
		Increase/				Increase/	
2013	2012	(Decrease)		2013	2012	(Decrease)	
----------- (Rupees in thousands)		---------	%	----------- (Rupees in thousands)		--------	%
22,977	21,312	1,665	7.8	-	-		
23,117	20,298	2,819	13.9	-	-		
1,822,885	1,409,056	413,829	29.4	52,922,850	60,011,247	(7,088,397)	(11.8)
12,748	7,833	4,915	(62.7)	1,861,517	1,480,110	381,407	25.8
0.7	0.5		(0.2)	3.5	2.5		1.0
1,810,137	1,401,223	408,914	29.2	51,061,333	58,531,137	(7,469,804)	(12.8)
(225,795)	(281,230)	55,435	(19.7)	3,242,513	2,344,871	897,642	38.3
(12.4)	(20)		7.6	6.1	3.9		2.2
160,001	103,869	56,132	54.0	560,239	358,403	201,836	56.3
8.8	7.4		1.4	1.1	0.6		0.5
116,258	114,070	2,188	1.9	959,363	859,310	100,053	11.6
6.4	8.1		(1.7)	1.8	1.4		0.4
2,213	1,340	873	65.1	57,576	11,100	46,476	418.7
0.1	0.1		-	0.1	0.0		0.1
378,693	102,879	275,814	268.1	863,241	493,985	369,256	74.8
20.8	7.3		13.5	1.6	0.8		0.8
-	-	-	-	175,137	111,152	63,985	57.6
0.0	0.0		-	0.3	0.2		0.1
(125,574)	(397,630)	272,056	(68.4)	2,353,439	1,498,891	854,548	57.0
(6.9)	(28.2)		21.3	4.4	2.5		1.9
(125,574)	(397,630)	272,056	(68.4)	1,849,357	977,153	872,204	89.3
(6.9)	(28.2)		21.3	3.5	1.6		1.9
(1.53)	(4.83)	3.30	(68.3)	22.47	11.87	10.60	89.3
82,300	82,300	-	-	82,300	82,300	-	-

6 Years at a Glance

	2013	2012	2011	2010	2009	2008
		----------- Rupees in thousands -----------				
OPERATING RESULTS						
Production volume (Nos.)						
Motorcar	77,142	96,370	92,529	78,840	51,032	90,421
Motorcycle	22,977	21,312	20,120	19,618	14,530	26,692
Sales volume (Nos.)						
Motorcar	77,050	96,100	92,705	79,138	52,011	93,123
Motorcycle	23,117	20,298	21,154	19,013	14,659	27,023
Sales revenue	51,061,333	58,531,137	52,718,563	42,642,762	26,234,061	39,669,730
Gross profit	3,242,513	2,344,871	1,869,410	1,003,787	569,299	588,053
Profit before taxation	2,353,439	1,498,891	1,365,297	668,015	427,843	992,176
Profit after taxation	1,849,357	977,153	794,421	211,143	255,219	624,785
Dividends	329,199	205,750	164,600	41,150	41,150	82,300
Profit retained	1,520,158	771,403	629,821	169,993	214,069	542,485
CAPITAL EMPLOYED						
Share capital	822,999	822,999	822,999	822,999	822,999	823,000
Reserves	14,969,549	14,015,364	13,732,930	13,459,414	13,244,414	12,694,414
Unappropriated profit	1,852,610	979,003	796,450	215,502	258,187	635,267
Shareholders' equity	17,645,158	15,817,366	15,352,379	14,497,915	14,325,600	14,152,681
Deferred liabilities	-	-	-	-	5,000	146,000
Current liabilities	6,166,119	5,547,980	8,008,085	4,752,449	3,325,134	2,657,462
	23,811,277	21,365,346	23,360,464	19,250,364	17,655,734	16,956,143
Represented By:						
Fixed assets	4,892,675	3,738,867	4,200,317	4,226,582	4,684,671	4,578,436
Other Non - Current assets	546,237	544,083	515,806	710,650	543,430	570,095
Net current assets	18,372,365	17,082,396	18,644,341	14,313,132	12,427,633	11,807,612
	23,811,277	21,365,346	23,360,464	19,250,364	17,655,734	16,956,143

	2013	2012	2011	2010	2009	2008
PROFITABILITY RATIOS						
Gross profit as a % of net sales	6.4	4.0	3.5	2.4	2.2	1.5
Profit before taxation as a % of net sales	4.6	2.6	2.6	1.6	1.6	2.5
Profit after taxation as a % of net sales	3.6	1.7	1.5	0.5	1.0	1.6
Earning per Share (Rs.)	22.5	11.9	9.7	2.6	3.1	7.6
LIQUIDITY & LEVERAGE RATIOS						
Current ratio	2.98	3.08	2.33	3.01	3.74	4.44
Quick ratio	1.23	1.16	0.71	1.36	0.95	0.80
Liabilities as a % of total assets	26	26	34	25	19	17
Equity as a % of total assets	74	74	66	76	81	84
EFFICIENCY RATIOS						
Inventory turn over ratio	4.5	5.3	3.9	4.8	3.7	5.1
No. of days stock held	82	69	93	77	98	72
No. of days sales in trade debts	7.0	3.9	2.2	2.1	5.2	2.6
Total assets turn over ratio	2.1	2.7	2.3	2.2	1.5	2.3
Net worth turn over ratio	2.9	3.7	3.4	2.9	1.8	2.8
EQUITY RATIOS						
Break up value per share (Rs.)	214.40	192.19	186.54	176.16	174.07	171.96
Cash Dividend as a % of capital	40	25	20	5	5	10
Dividend payout ratio (%)	18	21	21	19	16	13
Plough-back ratio (%)	82	79	79	81	84	87
OTHER DATA						
Permanent employees strength (Nos.)	1,273	1,193	1,029	963	906	990
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

	2013	%	2012	%	2011	%	2010	%	2009	%	2008	%
						Rupees in millions						
BALANCE SHEET												
Fixed assets	5,075	25.3	4,051	(10.1)	4,504	(4.8)	4,732	(6.0)	5,032	1.4	4,962	4.6
Long-term investments	2	(60.0)	5	25.0	4	(20.0)	5	25.0	4	-	4	(24.5)
Long-term loans	6	500.0	1	(50.0)	2	100.0	1	(66.7)	3	(72.7)	11	(38.9)
Long-term deposits, prepayments and receivables	37	(41.3)	63	215.0	21	(28.6)	28	(20.0)	35	40.0	25	(3.8)
Long-term installment sales receivables	170	4.3	163	(12.4)	186	9.4	170	11.1	153	4.8	146	(23.6)
Deferred taxation	148	100.0	0	-	0	-	0	-	0	-	0	-
Stores, spares and loose tools	66	(20.5)	83	29.7	64	-	64	52.4	42	(55.3)	95	25.3
Stock-in-trade	10,727	1.6	10,562	(18.3)	12,922	47.7	8,748	27.2	6,880	(11.0)	7,733	(15.8)
Trade debts	983	56.8	627	94.1	323	34.0	241	(36.1)	376	31.4	287	54.3
Current portion of long-term installment sales receivables	331	5.4	314	3.3	304	21.1	251	21.8	206	(39.6)	341	(4.2)
Loans, advances and others	412	111.3	195	(10.1)	217	60.7	135	(40.3)	226	76.6	128	(17.4)
Trade deposits and short term prepayments	63	61.5	39	(53.0)	83	93.0	44	34.4	32	(37.3)	51	112.5
Accrued profit on bank deposits	13	116.7	6	-	6	(33.3)	9	12.5	8	(72.4)	29	(40.8)
Other receivables	114	(39.0)	187	(6.0)	199	84.3	108	40.3	77	(22.2)	99	153.8
Sales tax adjustable and income tax refundable - net	3,700	1.5	3,647	7.7	3,386	88.4	1,797	73.5	1,036	89.7	546	3.4
Cash and bank balances	1,964	38.6	1,417	24.4	1,139	(61.0)	2,917	(17.7)	3,546	41.9	2,499	(54.4)
Non-current assets classified as held for sale	0	(100.0)	5	100.0	0	-	0	-	0	-	0	-
Total assets	23,811	11.4	21,365	(8.5)	23,360	21.4	19,250	9.0	17,656	4.1	16,956	(20.0)
Share capital	823	-	823	-	823	-	823	-	823	-	823	-
Reserves	16,822	12.2	14,994	3.2	14,529	6.2	13,675	1.3	13,503	1.3	13,330	1.3
Total equity	17,645	11.6	15,817	3.0	15,352	5.9	14,498	1.2	14,326	1.2	14,153	1.3
Deferred taxation	0	-	0	-	0	-	0	(100)	5	(96.6)	146	47.5
Trade and other payables	3,696	37.1	2,695	(16.1)	3,211	4.3	3,080	66.2	1,853	40.8	1,315	(58.5)
Advances	629	(45.0)	1,144	(62.7)	3,066	837.3	327	(26.0)	442	18.8	372	(84.6)
Accrued mark-up	0	-	0	-	0	-	0	(100.0)	2	100.0	0	-
Short-term borrowing	0	-	0	(100.0)	75	50.0	50	(37.5)	80	100.0	0	-
Deposits against display of vehicles	1,616	8.7	1,486	3.4	1,437	34.6	1,068	47.5	723	(2.6)	743	(7.0)
Security deposits	87	2.4	85	4.9	81	(9.0)	89	2.3	87	3.6	84	10.5
Provision for custom duties and sales tax	138	-	138	-	138	-	138	-	138	(3.5)	143	(78.6)
Total equity and liabilities	23,811	11.4	21,365	(8.5)	23,360	21.4	19,250	9.0	17,656	4.1	16,956	(20.0)

Horizontal Analysis of Profit and Loss Account

	2013	%	2012	%	2011	%	2010	%	2009	%	2008	%
	Rupees in millions											
PROFIT AND LOSS ACCOUNT												
Sales	51,061	(12.8)	58,531	11.0	52,719	23.6	42,643	62.5	26,234	(33.9)	39,670	(22.0)
Cost of sales	(47,818)	(14.9)	(56,186)	10.5	(50,849)	22.1	(41,639)	62.2	(25,665)	(34.3)	(39,079)	(15.2)
Gross profit	3,243	38.3	2,345	25.5	1,870	86.2	1,004	76.4	569	(3.7)	591	(87.6)
Distribution cost	(560)	56.4	(359)	35.6	(264)	34.0	(198)	(8.4)	(215)	(30.4)	(309)	(27.6)
Administrative expenses	(960)	11.6	(859)	16.7	(736)	15.7	(636)	28.5	(494)	(2.0)	(505)	(1.2)
Other operating expenses	(175)	57.7	(111)	3.7	(107)	91.1	(56)	43.6	(39)	(47.3)	(74)	(76.7)
Other income	863	74.7	494	(20.3)	620	7.8	575	(7.3)	620	(53.8)	1,343	45.8
Operating profit	2,411	59.7	1,510	9.2	1,383	100.7	689	56.6	441	(57.9)	1,046	(76.4)
Finance cost	(58)	427.3	(11)	(38.9)	(18)	(14.3)	(21)	61.5	(13)	(75.5)	(53)	(63.2)
Profit before taxation	2,353	57.0	1,499	9.8	1,365	104.3	668	56.1	428	(56.9)	993	(76.8)
Taxation	(504)	(3.4)	(522)	(8.6)	(571)	24.9	(457)	164.2	(173)	(52.9)	(367)	(75.6)
Profit after taxation	1,849	89.3	977	23.0	794	274.5	211	(16.8)	255	(59.2)	626	(77.5)

Vertical Analysis of Balance Sheet

(as a percentage of total assets)

	2013	%	2012	%	2011	%	2010	%	2009	%	2008	%
	Rupees in millions											
BALANCE SHEET												
Fixed assets	5,075	21.3	4,051	19.0	4,504	19.3	4,732	24.6	5,032	28.5	4,962	29.3
Long-term investments	2	0.0	5	0.0	4	0.0	5	0.0	4	0.0	4	0.0
Long-term loans	6	0.0	1	0.0	2	0.0	1	0.0	3	0.0	12	0.1
Long-term deposits, prepayments and receivables	37	0.2	63	0.3	21	0.1	28	0.2	35	0.2	25	0.1
Long-term installment sales receivables	170	0.7	163	0.8	186	0.8	170	0.9	153	0.9	146	0.9
Deferred taxation	148	0.6	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Stores, spares and loose tools	66	0.3	83	0.4	64	0.3	64	0.3	42	0.2	95	0.6
Stock-in-trade	10,727	45.0	10,562	49.4	12,922	55.3	8,748	45.4	6,880	39.0	7,732	45.6
Trade debts	983	4.1	627	2.9	323	1.4	241	1.3	376	2.1	287	1.7
Current portion of long-term installment sales receivables	331	1.4	314	1.5	304	1.3	251	1.3	206	1.2	341	2.0
Loans, advances and others	412	1.7	195	0.9	217	0.9	135	0.7	226	1.3	129	0.8
Trade deposits and short term prepayments	63	0.3	39	0.2	83	0.4	44	0.2	32	0.2	51	0.3
Accrued profit on bank deposits	13	0.1	6	0.0	6	0.0	9	0.0	8	0.0	29	0.2
Other receivables	114	0.5	187	0.9	199	0.9	108	0.6	77	0.4	98	0.6
Sales tax adjustable	803	3.4	970	4.5	1,023	4.4	389	2.0	256	1.4	112	0.7
Income tax refundable - net	2,897	12.2	2,677	12.5	2,363	10.1	1,408	7.3	780	4.4	434	2.6
Cash and bank balances	1,964	8.2	1,417	6.6	1,139	4.9	2,917	15.2	3,546	20.1	2,499	14.7
Non-current assets classified as held for sale	-	0.0	5	0.0	-	0.0	-	0.0	-	0.0	-	-
Total assets	23,811	100	21,365	100	23,360	100	19,250	100	17,656	100	16,956	100
Share capital	823	3.5	823	3.9	823	3.5	823	4.3	823	4.7	823	4.9
Reserves	16,822	70.6	14,994	70.2	14,529	62.2	13,675	71.0	13,503	76.5	13,330	78.6
Total equity	17,645	74.1	15,817	74.0	15,352	65.7	14,498	75.3	14,326	81.1	14,153	83.5
Deferred taxation	-	0.0	-	0.0	-	0.0	-	0.0	5	0.0	146	0.9
Trade and other payables	3,696	15.5	2,695	12.6	3,211	13.7	3,080	16.0	1,852	10.5	1,315	7.8
Advances	629	2.6	1,144	5.4	3,066	13.1	327	1.7	442	2.5	372	2.2
Accrued mark-up	-	0.0	-	0.0	-	0.0	-	0.0	2	0.0	-	0.0
Short-term borrowing - export refinancing	-	0.0	-	0.0	75	0.3	50	0.3	80	0.5	-	0.0
Deposits against display of vehicles	1,616	6.8	1,486	7.0	1,437	6.2	1,068	5.5	724	4.1	743	4.4
Security deposits	87	0.4	85	0.4	81	0.3	89	0.5	87	0.5	84	0.5
Provision for custom duties and sales tax	138	0.6	138	0.6	138	0.6	138	0.7	138	0.8	143	0.8
Total equity and liabilities	23,811	100	21,365	100	23,360	100	19,250	100	17,656	100	16,956	100

Vertical Analysis of Profit and Loss Account

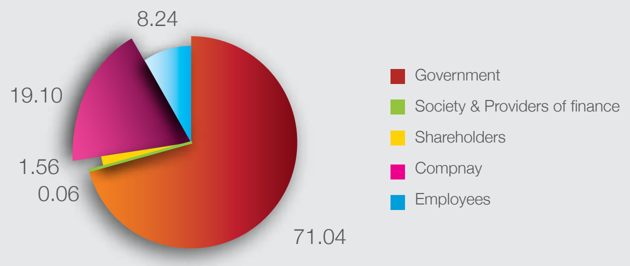
(as a percentage of total sales)

	2013	%	2012	%	2011	%	2010	%	2009	%	2008	%
						Rupees in millions						
PROFIT AND LOSS ACCOUNT												
Sales	51,061	100	58,531	100	52,719	100	42,643	100	26,234	100	39,670	100
Cost of sales	(47,818)	(93.65)	(56,186)	(95.99)	(50,849)	(96.45)	(41,639)	(97.65)	(25,665)	(97.83)	(39,079)	(98.51)
Gross profit	3,243	6.35	2,345	4.01	1,870	3.55	1,004	2.35	569	2.17	591	1.49
Distribution cost	(560)	(1.10)	(359)	(0.61)	(264)	(0.50)	(198)	(0.46)	(215)	(0.82)	(309)	(0.78)
Administrative expenses	(960)	(1.88)	(859)	(1.47)	(736)	(1.40)	(636)	(1.49)	(494)	(1.89)	(505)	(1.27)
Other operating expenses	(175)	(0.34)	(111)	(0.19)	(107)	(0.20)	(56)	(0.13)	(39)	(0.15)	(74)	(0.19)
Other income	863	1.69	494	0.84	620	1.18	575	1.35	620	2.36	1,343	3.39
Operating profit	2,411	4.72	1,510	2.58	1,383	2.62	689	1.62	441	1.67	1,046	2.64
Finance cost	(58)	(0.11)	(11)	(0.02)	(18)	(0.03)	(21)	(0.05)	(13)	(0.05)	(53)	(0.13)
Profit before taxation	2,353	4.61	1,499	2.56	1,365	2.59	668	1.57	428	1.62	993	2.51
Taxation	(504)	(0.99)	(522)	(0.89)	(571)	(1.08)	(457)	(1.07)	(173)	(0.66)	(367)	(0.93)
Profit after taxation	1,849	3.62	977	1.67	794	1.51	211	0.50	255	0.96	626	1.58

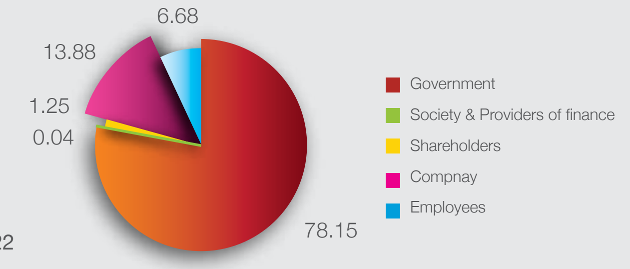
Statement of Value Addition and its Distribution

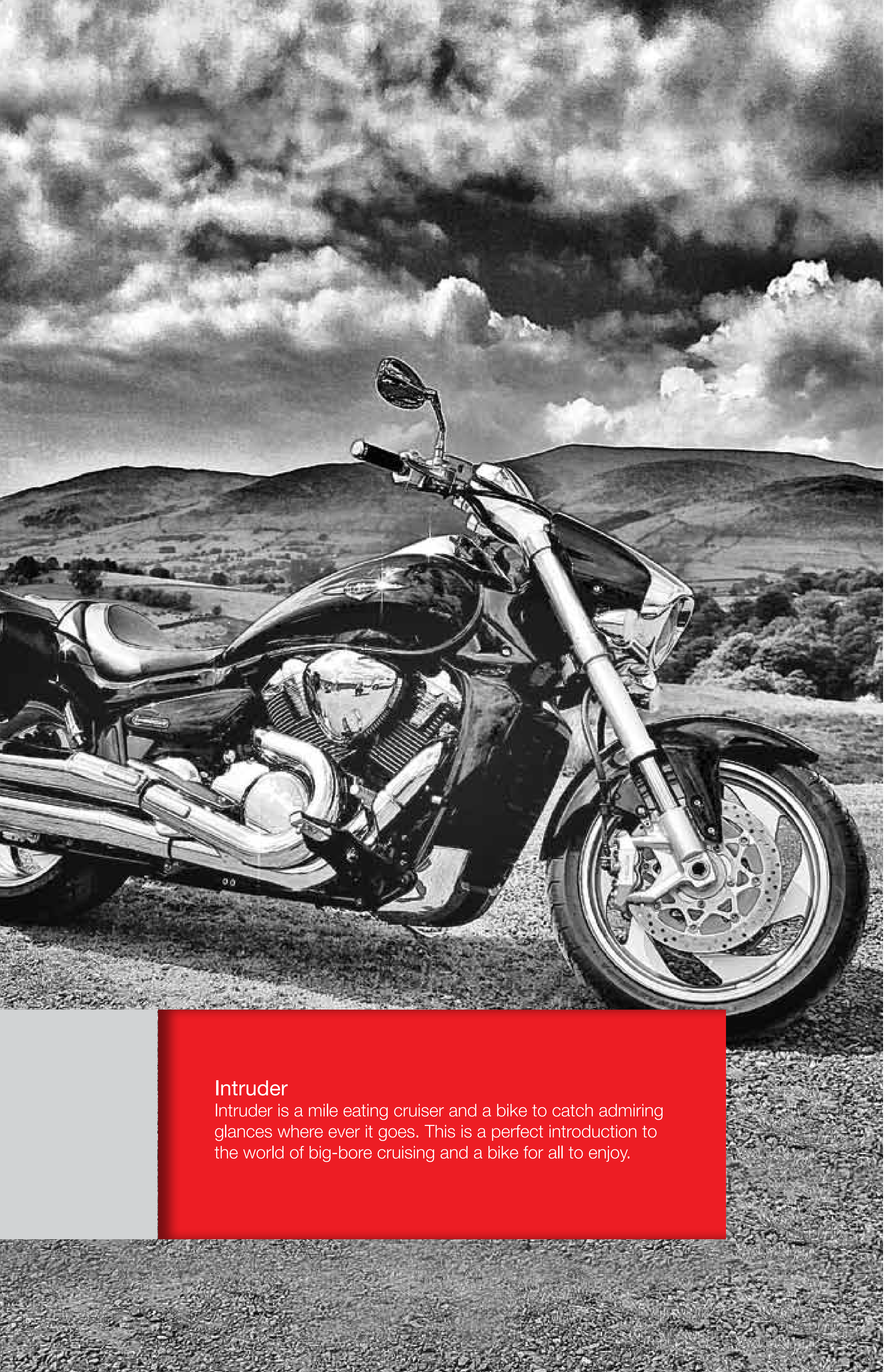
	2013 (Rupees in '000')	%	2012 (Rupees in '000')	%
Wealth Generated				
Total gross revenue and other income	62,505,533		70,110,518	
Brought in materials and services	49,276,044		57,009,476	
	13,229,489	100	13,101,042	100
Wealth distribution to stakeholders				
To employees				
Salaries, wages ,other cost including retirement benefits	1,090,181	8.24	874,555	6.68
To Government				
Income tax, sales tax, excise duty, WPPF and WWF	9,398,661	71.04	10,238,176	78.15
To society				
Donations	6,740	0.05	2,290	0.02
To Shareholders				
Dividend	205,750	1.56	164,600	1.26
To providers of finance				
Finance charges for borrowed funds	859	0.01	2,381	0.02
To Company				
Depreciation, amortisation and retained profit	2,527,298	19.10	1,819,040	13.88
	13,229,489	100.00	13,101,042	100.00

Wealth distribution to stakeholders-2013



Wealth distribution to stakeholders-2012





Intruder

Intruder is a mile eating cruiser and a bike to catch admiring glances where ever it goes. This is a perfect introduction to the world of big-bore cruising and a bike for all to enjoy.

Visits & Events

Visit of Deputy Minister Foreign Affairs-Japan Mr. Minoru Kiuchi

Visit of Ambassador of Japan Mr. Hiroshi Inomata

Launching of Suzuki GD 110

Launching of Suzuki Heavy Bikes

30th Annual General Meeting

Sports Activities

Sports Activities

Inhouse Training

Inauguration of Dealerships

Capital Motors-Rawalpindi

Habib Motors-Rahim Yar Khan

Okara Motors-Okara

North Motors-Karachi

Customer's Facilitations

Free Checkup Campaign

Free Checkup Campaign

Free Checkup Campaign

Suzuki Used Car Gala-Karachi

Chairman's Review

It is my privilege to present review on the performance of the Company for the year ended December 31, 2013.

Industry

The industry of locally manufactured cars and light commercial vehicles shrunk by 10%. During the year 139,022 units were sold compared to 154,735 units last year. The lower volume in current year was due to phasing out of two models Suzuki Alto & Daihatsu Coure (produced by Indus Motors) and completion of Punjab Government's Yellow Cab Scheme. These models were not available for sale during the year. The import of used cars in big number still continues. During the year about 22,500 units of used cars were imported.

The organized market (PAMA members companies) for motorcycles and three wheelers declined by 3.5% over last year. During the year 794,835 units were sold against 824,003 units last year.

Operating Results of the Company

Company earned net profit of Rs 1.849 billion against Rs. 0.977 billion last year.

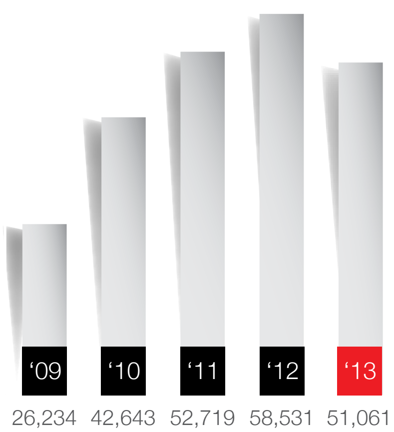
The sales revenue decreased by 12% from

Gross profit increased by 38.3% from Rs. 2.345 billion to Rs.3.242 billion as gross profit margin improved from 3.9% to 6.1% due to better exchange rate.

Increased

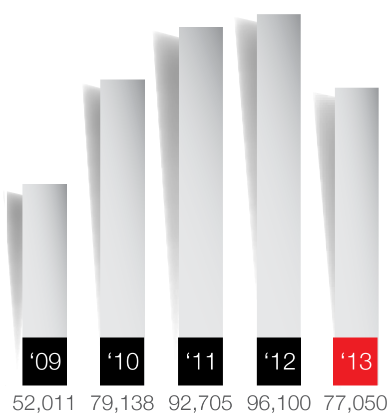
38.3%

Sales Revenue (net)



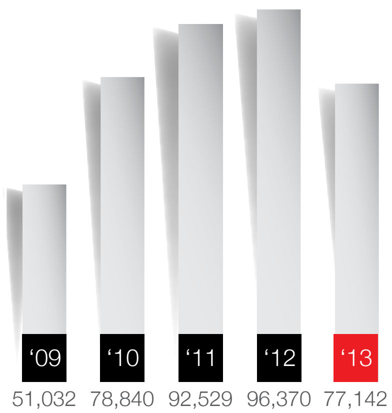
Rupees in Thousand

Sales Volume Motor Cars



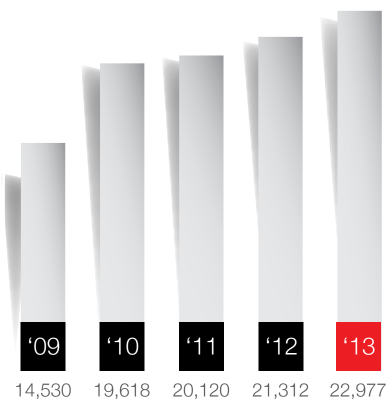
In Units

Production Volume Motor Cars



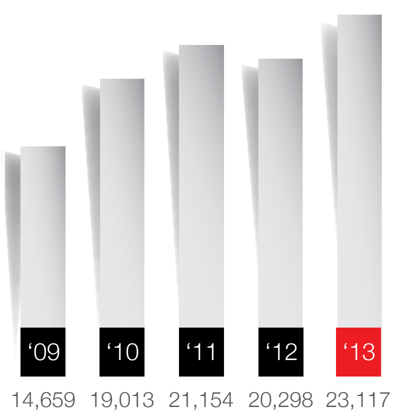
In Units

Production Volume Motor Cycles



In Units

Sales Volume Motor Cycles



In Units

Rs. 60.011 billion to Rs. 52.923 billion by selling 77,050 units of automobiles and 23,117 units of motorcycles against 96,100 units and 20,298 units sold respectively last year. The sales volume of automobiles dropped by 20%. The reason for drop was that during comparative period of last year 9,509 units of Suzuki Alto and 13,130 units of yellow cabs aggregating 22,639 units were sold. The Punjab Government did not continue Yellow Cab Scheme during the year and Suzuki Alto was phased out. The demand of phased out model (Suzuki Alto) was partly shifted to other models of the Company. The demand for motorcycles increased by 14%. The production volume of automobile and motorcycles were adjusted according to the demand. The production volume of automobile decreased by 20% from 96,370 units to 77,142 units and that of motorcycles increased by 8% from 21,312 units to 22,977 units. Because of lower demand 48% production capacity of both plants remained under utilized which caused higher fixed cost per unit.

Gross profit increased by 38.3% from Rs. 2.345 billion to Rs. 3.242 billion as gross profit margin improved from 3.9% to 6.1% due to better exchange rate. Distribution expenses increased from Rs. 358.403 million to Rs. 560.239 million and as a percentage of sales from 0.6% to 1.1%. The increases arose mainly in advertising sales promotion, free service and transporting motorcycles to showrooms. Administration expenses increased from Rs. 859.310 million to Rs. 959.363 million and as percentage of sales from 1.4% to 1.8%. The increase was mainly in salaries, travelling, training and computer software. Other operating income increased from Rs. 493.985 million to Rs. 863.241 million. It included Rs. 294.118 million income on bank deposits, Rs. 99.525 million mark up on instalment sales receivable, Rs. 274.537 million profit on disposal of old motorcycle plant and Rs. 97.401 million input sales tax on franchise service adjusted during the year which had been expensed out last year. Finance cost increased from Rs. 11.100 million to Rs. 57.576 million due to foreign exchange loss. Other operating expenses represent contributions to Workers' Profit Participation Fund and Workers'

Welfare Fund. They increased from Rs. 111.152 million to Rs. 175.137 million. The increase was due to higher contributions consequential to higher amount of profit. Despite increase in profit, income tax expense for the year reduced from Rs. 521.738 million to Rs. 504.082 million. The income tax expense for the year included Rs. 140.418 million reversal of provision of income tax related to prior years, Rs. 73.790 million adjustment of minimum tax paid in prior years and Rs. 123.500 million deferred tax credit on timing differences recognised during the year. Income tax has not been provided on profit on disposal of motorcycle plant being exempt income.

Sale of old motorcycle plant

As stated in last year annual report, the Company had entered into an agreement with Reckitt Benckiser Pakistan Limited for sale of old motorcycle plant which comprised on land, building and waste water treatment plant for a total consideration of Rs. 280 million. Sale was executed during the year and Company earned a gain of Rs. 274.537 million on this transaction.

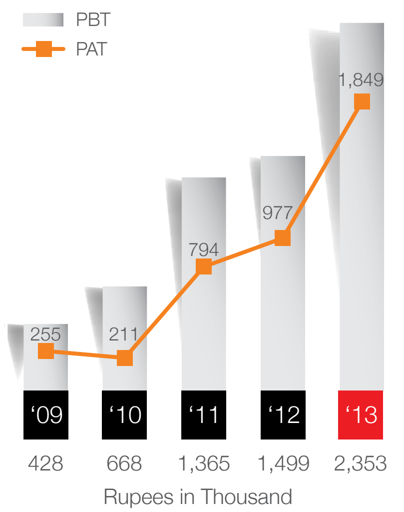
Marketing & Exports

Pak Suzuki remains the market leader by capturing 55% market share of the total domestic market. Strong dealers' network all over Pakistan, availability of spare parts at economical prices and reliable after-sales service are the strengths of Pak Suzuki. During the year Company introduced new model of Suzuki Swift Navigation. The new model was well accepted by customers.

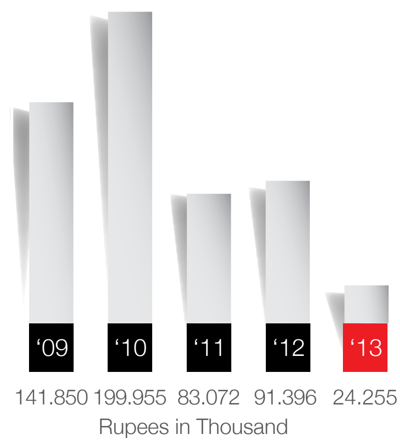
During the year fifty five (55) units of Suzuki Ravi Pickup worth Rs. 24 million were exported to Bangladesh against two hundred twenty five (225) units worth Rs. 83 million last year.

Pak Suzuki markets motorcycles with engine capacities of 110cc and above. This is a niche market in Pakistan. Company is trying to expand

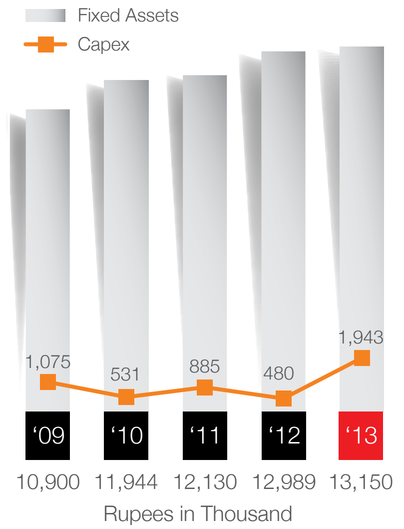
Profit before tax / Profit after tax



Export Sales



Fixed Assets Vs. Capex



During the year Company introduced four new models in motorcycle segment with different engine capacities. They are GD110, Inazuma (250 cc), Intruder (800 cc) and Hayabusa (1300 cc).

its business in this segment. During the year Company introduced four new models in motorcycle segment with different engine capacities. They are GD110, Inazuma (250 cc), Intruder (800 cc) and Hayabusa (1300 cc).

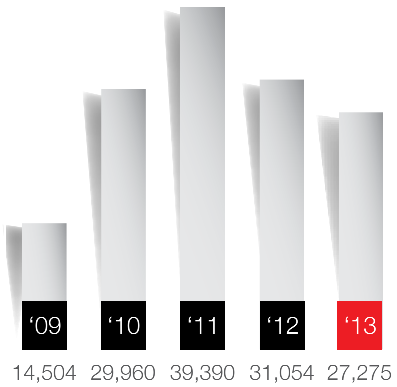
Localization

The Company continues to pursue localization in order to reduce the cost of product and keep the prices competitive besides saving of foreign exchange.

Human Resource

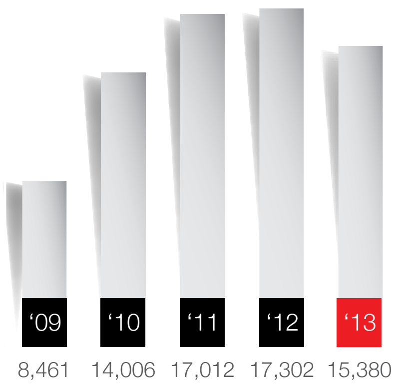
Management and employee relations continued to remain cordial and industrial peace prevailed during the year. A new charter of demand for a period of two years (2013-2014) had been negotiated with the CBA in a congenial atmosphere. Human resource development remains one of the key objectives of the Company. Two hundred and seventy seven employees were sent for training outside Company including sixteen employees sent for foreign training. Five hundred and fifty five employees participated in in-house training sessions.

Foreign Exchange Savings



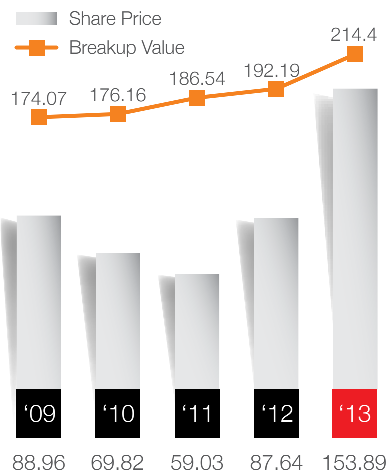
Rupees in Million

Duties & Taxes



Rupees in Million

Share Price Vs. Breakup Value



In Rupees

The Company has a distinctive position in the automobile industry as a leading contributor to the public exchequer.

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 * (Rupees in billion)
2009	8.461	14.504
2010	14.006	29.960
2011	17.012	39.390
2012	17.302	31.054
2013	15.380	27.275

*Converted into Pak Rupees at year end exchange rate.

Duties & taxes and Foreign exchange saving for the year were lower than last year because of

Bolan Efi
A Multipurpose Choice

With upgraded features and advanced Euro-II technology, now your Suzuki Bolan is more environment friendly. Now drive extra mile, with high standard engine performance in low fuel consumption and inexpensive maintenance that let your savings augment.

lower volume. Duties and taxes paid by Company during the year represent 0.6% of total tax revenues estimated in the Federal Budget for the fiscal year 2013-2014.

Future Outlook & Conclusion

The current Government in Japan is maintaining policy of weaker Japanese Yen against US Dollar. However the impact of favourable exchange rate of Japanese Yen is being diluted by depreciation of Pak Rupee against US Dollar. Weaker Pak Rupee is a big challenge for the profitability of the Company.

In Federal budget 2013 Government increased the rate of sales tax by 1% from 16% to 17%. This has negatively affected the sales of automobile industry. The sales of first six months after budget (July - December 2013) has dropped by 21% compared with preceding six months (January-June 2013).

We appreciate that in Federal budget 2013 Government has restored the facility of allowing exemption from paying 5% advance income tax on imports. This will save Company from blockade of funds in income tax refunds.

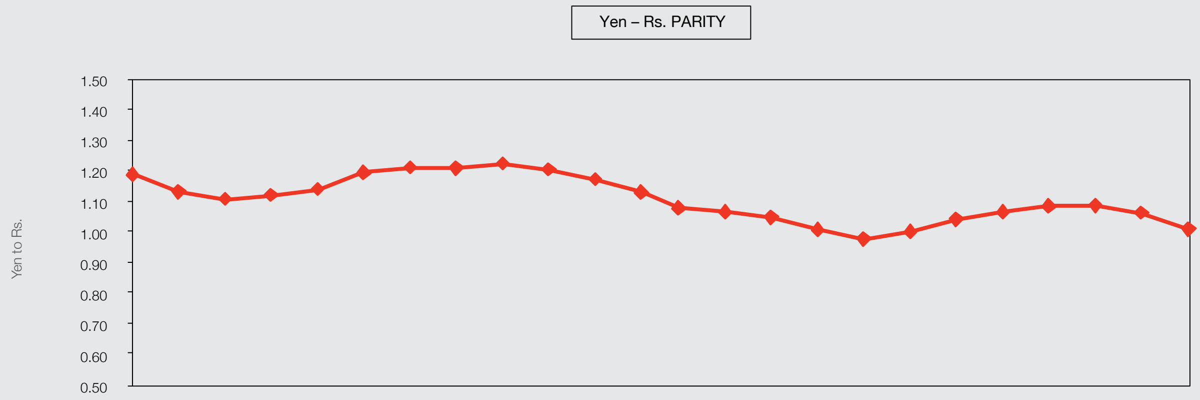
The auto industry of Pakistan is looking forward to Government for early resolution of trade with India issue and finalization of second Auto Industry Policy. Trade with India will surely help in growth of Auto industry in general and our Company in particular due to lower import costs and freight and strong presence of Suzuki in India

Despite all challenges the management would strive to earn a reasonable return on its equity.
In conclusion, I on behalf of the Board and shareholders would like to express my appreciation to the management, executives, workers, dealers, vendors and Suzuki experts for their efforts and contribution to the affairs of the Company. My sincere gratitude also goes out to all the Government agencies for their continued support and encouragement.

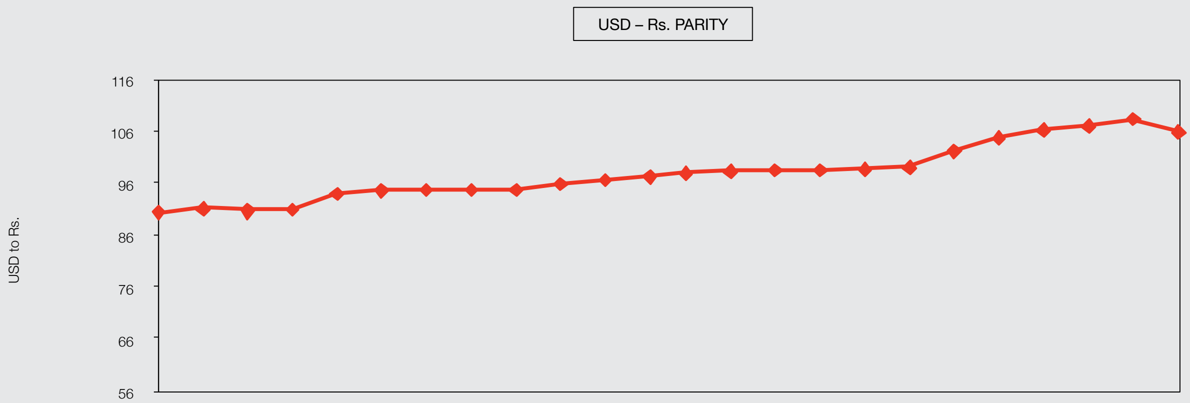
HIROFUMI NAGAO
Chairman & Chief Executive

Karachi. March 05, 2014.

Exchange Rates Movement



Month	Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012	Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012	Dec 2012	Jan 2013	Feb 2013	Mar 2013	Apr 2013	May 2013	Jun 2013	Jul 2013	Aug 2013	Sep 2013	Oct 2013	Nov 2013	Dec 2013
Yen – Rs. Parity	1.187	1.131	1.107	1.120	1.140	1.193	1.212	1.208	1.225	1.205	1.172	1.130	1.078	1.065	1.047	1.006	0.979	1.001	1.042	1.065	1.084	1.086	1.063	1.009



Month	Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012	Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012	Dec 2012	Jan 2013	Feb 2013	Mar 2013	Apr 2013	May 2013	Jun 2013	Jul 2013	Aug 2013	Sep 2013	Oct 2013	Nov 2013	Dec 2013
USD – Rs. Parity	90.45	91.00	90.75	90.95	93.95	94.60	94.75	94.68	94.70	95.85	96.65	97.27	97.80	98.27	98.48	98.51	98.65	99.05	102.1	104.7	106.2	106.9	108.4	105.8

Directors' 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, 2013.

Accounts	(Rs in 000)
Profit before taxation	2,353,439
Taxation	504,082
Profit after taxation	1,849,357
Retained earnings of prior years	3,253
Net Profit available for appropriation	1,852,610
Less: Appropriations	
Transfer to General Reserve	1,520,000
Proposed Cash Dividend @ 40%	329,199
	1,849,199
Retained earnings carried forward	3,411

Earnings per share

The earnings per share for the year were Rs. 22.47.

Holding company

Suzuki Motor Corporation, incorporated in Japan, is the holding company of Pak Suzuki Motor Company Limited with 73% shares.

Chairman's Review

The Chairman's review on page 28 to 34 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 compliance with its best practices. As required under Code of Corporate Governance Directors are pleased to state as follows:-

The management of the Company is committed to good corporate governance and compliance with its best practices.

- 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.

Swift

Feel Young, Drive Young!

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

- The system of internal controls is sound in design and has been effectively implemented and monitored.

- There are no doubts upon the Company's ability to continue as a going concern.

- 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 summarised on page No. 16

Government taxes

Outstanding taxes and levies have been explained in Note 23 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 13	Dec 12
Provident Fund	544.297 million	490.905 million
Gratuity Fund	293.397 million	264.483 million

Board of Directors' meetings

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

	No of meetings attended
Mr. Hirofumi Nagao	4
Mr. Satoshi Ina	3
Mr. Hidekazu Terada /Mr. Yosuke Yamada	3
Mr. Jamil Ahmed	4
Mr. Kenichi Ayukawa/Mr. Kinji Saito	4
Mr. Mumtaz Ahmed Sheikh	4
Mr. Wazir Ali Khoja	3

Leave of absence was granted to directors who could not attend Board meetings.

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. Hidekazu Terada /Mr. Yosuke Yamada	3
Mr. Kenichi Ayukawa/Mr. Kinji Saito	4
Mr. Wazir Ali Khoja	3

Directors' training programme

Two directors have acquired certification under Directors' Training Program.

Pattern of shareholdings

The pattern of shareholdings as of December 31, 2013 is given on page 92.

Trading in shares of the company by directors and executives

During the year there has been no trade in Company's shares by directors, executives and their spouses and minor children.

Appointment of Auditors

The present Auditors M/s. Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants, retire and offer themselves for re-appointment. The Audit Committee has recommended for their re-appointment for the year ending December 31, 2014. The Directors endorse recommendation of Audit Committee.

Changes in Board, Audit Committee and HR&R Committee

Mr. Kinji Saito and Mr. Yosuke Yamada were appointed as members of the Board and Audit Committee in October 2013 in place of Mr. Kenichi Ayukawa and Mr. Hidekazu Terada who had resigned. Mr. Yosuke Yamada was appointed as Chairman of Audit Committee in place of Mr. Hidekazu Terada.

Subsequent to year end, in March 2014 Mr. Wazir Ali Khoja was appointed as Chairman of Audit Committee in place of Mr. Yosuke Yamada who had resigned as member and Chairman Audit Committee. Mr. Satoshi Ina was inducted as member of Audit Committee in place of Mr. Yamada.

Mr. Abdul Hamid Bhombal resigned as CFO and Company Secretary w.e.f. March 13, 2014 on attaining age of superannuation. In his place Mr. Yosuke Yamada was appointed as CFO and Mr. Abdul Nasir was appointed as Company Secretary.

Corporate Social Responsibility (CSR)

Pak Suzuki being responsible corporate citizen is committed to well-being of the society through its contribution in the field of education, health, environment as a whole to improve quality of life of underprivileged people. Under CSR, we are working for the social and economic development of the communities in which we operate with

special emphasis on Health and Education promotion.

To ensure sustainability of our CSR Activities, Pak Suzuki has special emphasis on regular assessments and monitoring to help resolve problems and improve performance.

COMMUNITY HEALTH

Blood Donation Camps:

In collaboration with Fatimid Foundation, Blood Donation Camps were organized in the Company on 30th May and on 30th October, 2013. Total 146 employees of the Company and its vendors donated their blood voluntarily.

Donation to SIUT:

Pak Suzuki donated a dialysis machine to Sindh Institute of Urology and Transplantation (SIUT) on 20th June, 2013. SIUT provides free medical treatment for kidney and liver diseases and cancers. It is a renowned center for ethical kidney transplantation. Our donation will help them to provide free treatment to needy patients.

Pak Suzuki also donated a Suzuki Bolan Van to SIUT on 9th October, 2013 in order to cater the need of transportation of their staff.

Free Medical Camps:

Free Medical Camps were organized at Pipri on 24th August, Pirsirhindi Goth, Bin Qasim on 28th October, and Razzaqabad on 28th December, 2013. Total 1,915 patients were checked in these camps. The objective of the camps was to provide free medical treatment along with free medication to the residents in nearby areas of the Company.

Coloring competitions were also organized among the children who were accompanied by patients. Over 825 children participated in the competitions with high spirits and dedication.

Construction and Renovation of Government Dispensary:

Pak Suzuki successfully completed, the construction and renovation project in Government Dispensary, Shahnawaz Goth, Pipri. Company equipped this dispensary with new furniture and medical equipment.

EDUCATION

Distribution of Text Books and Stationery to Students of Government School:

Government is already providing text books to the students of Government Schools. During the year Company selected 09 schools and distributed note books and stationery to over 1,200 students, to encourage and support them to pursue their education.

Construction and Renovation of Government Schools, Pipri.

First phase of construction and renovation of Government Boys & Girls Primary Sindhi Schools,

Pipri, Bin Qasim was completed in 2013.

Computer Literacy Program:

Seven sessions of Computer Literacy Program were organized for the children during the summer vacations (June 17 - July 9, 2013). One hundred and ten (110) children participated. Trainings regarding the Basic Computer Usage, MS-Office, Adobe Photo Shop and Adobe Flash were given to them.

Awareness Sessions for Employees' Children:
Health, Safety & Environment (HSE) Awareness Session was conducted on 2nd November, 2013 in which importance of knowing safety & security issues and tips to stay healthy were highlighted.

One full day session on assistance to career starters was arranged on 23rd November, 2013 for the graduates. Facilitators provided the guidance tools related to Career Planning & Development (including key success factors), how to make Resume / CV, important interviewee techniques, etc.

Scholarships for NED students:
NED University of Engineering and Technology, is one of the most reputable institution of Pakistan, serving the nation since 1922, Pak Suzuki being committed to support higher education in Pakistan in order to contribute in the economic and socio development of the nation, started Education Support Program under CSR and awarded 25 scholarships to the needy students of NED University during the year to help them pursue their Educational and Career goals.

ENVIRONMENT

Beach Cleaning Campaign:
Pak Suzuki celebrated 'The Earth Day' by carrying out a Beach Cleaning Campaign on 16th March, 2013 at Sea View, Clifton, Karachi. The theme of the activity was to spread message to save marine life, to maintain natural beauty of beaches and to reduce hazard to marine life. The event was very successful as more than 250 employees of Pak Suzuki and its vendors along with their families participated in this campaign. The activity was carried out for more than 2 hours which ended up collecting over 200 kgs of garbage.

Plantation:
Plantation plays a positive role in Environment Development. During the year 630 coconut trees were planted in the periphery of vendors and Pak Suzuki s' plant.

Quality, Health, Safety & Environment, Management Systems:
Pak Suzuki Motor Company Limited is committed to continually promote a "Quality, Health & Safety and Environment Culture". The Company, at regular intervals reviews its QHSE framework and if needed takes concrete steps to improve the system performance.

Quality Management System (QMS):
Quality Management System (ISO 9001:2008) is in place in our Company and is audited at regular intervals for compliance. The system is a major tool to improve productivity and quality of our products so as to avoid warranty cost and rework. QMS has helped to provide top quality products at competitive price to the satisfaction and requirement of our customers

Environmental Management System (EMS):
Pak Suzuki is built on philosophy of Corporate Citizenship and has committed itself to improve environment. ISO 14001:2004 is in place and it is a key factor in operation of the Company. Pak Suzuki continuously monitors the waste generated from its activities and wherever required has environmental control equipment and facilities in place like waste water treatment plant. Company provides clean drinking water (tested by approved and certified laboratories) to all of its employees. The Company is complying with applicable regulatory requirement and ensures its effectiveness against National Environment Quality Standard by conducting testing of effluents, emissions, etc through renowned testing laboratories. Hazardous waste is properly disposed off as per EPA requirement.

Occupational Health and Safety Management System (OHSAS):
Pak Suzuki is committed to provide a system that helps in eliminating unsafe and unhealthy work conditions. Hazard identifications and risk assessments are being performed, reviewed and all necessary preventive measures are taken to minimize the accidents.

Emergency preparedness and response procedures and plans are established to deal with accidents and emergencies. Exercises are periodically carried out in order to check the effectiveness of these plans. Responsibilities and authorities in emergency situation are clearly identified in the procedures.

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

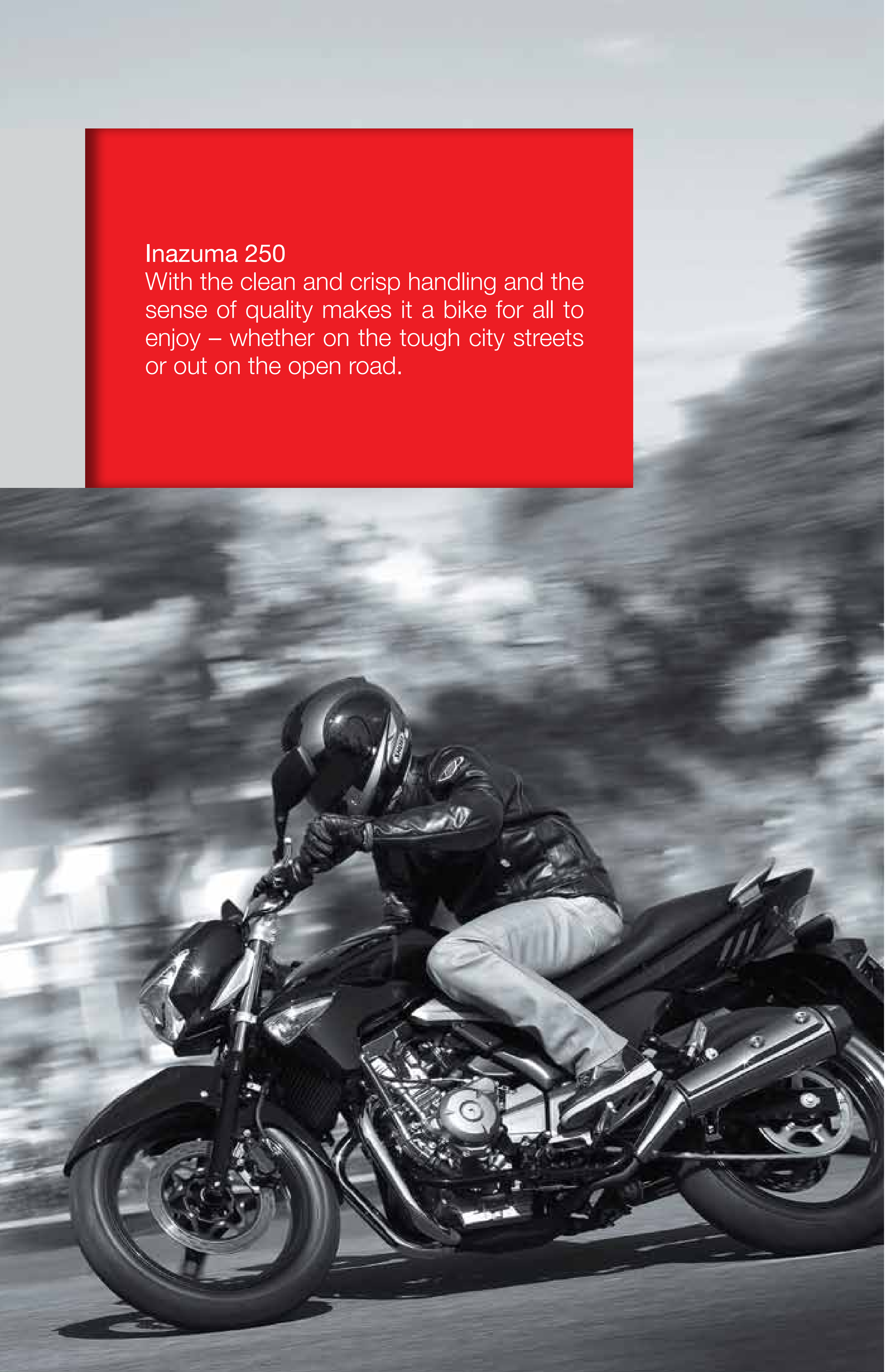
BY ORDER OF THE BOARD

HIROFUMI NAGAO
Chairman & Chief Executive

Karachi
March 05, 2014

Pak Suzuki is built on philosophy of Corporate Citizenship and has committed itself to improve environment. ISO 14001:2004 is in place and it is a key factor in operation of the Company.

Inazuma 250
With the clean and crisp handling and the sense of quality makes it a bike for all to enjoy – whether on the tough city streets or out on the open road.



Statement of Compliance with The Code of Corporate Governance

FOR THE YEAR ENDED DECEMBER 31, 2013

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 35 (xl) of Listing Regulations of Karachi Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the Board includes:

Category	Names
Independent Director	Mr. Wazir Ali Khoja
Executive Directors	Mr. Hirofumi Nagao Mr. Satoshi Ina Mr. Yosuke Yamada Mr. Jamil Ahmed Mr. Mumtaz Ahmed Sheikh
Non-Executive Director	Mr. Kinji Saito

   The independent director meets the criteria of independence under clause i (b) of the CCG. Condition that executive directors shall not be more than one third of the elected directors will be followed from Company's next elections of the Board, to be held in February 2015 as authorized under the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including Pak Suzuki (excluding the listed subsidiaries of listed holding companies where applicable).

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. Casual vacancies occurred in the Board during the year were timely filled by the continuing directors.

5. The Company has prepared a "Code of Conduct" and has appropriately disseminated it along with its supporting policies and procedures throughout the Company through e-mail and it is also placed on Company's Intranet Portal.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board.

8. 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 and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The Board comprises senior corporate executives and professionals who are fully aware of their duties and responsibilities.

Therefore no need was felt by the directors for any orientation course. However, two Directors have acquired certification under Directors Training Program.

10. The board approves appointments of CFO, Company Secretary and Head of Internal Audit, including their remunerations and terms and conditions of the employment. However no new appointments of CFO, Company Secretary and Head of Internal Audit were made during the year.

11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the board.

13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the CCG.

15. Subsequent to year end the Board has reorganised the Audit Committee. It comprises three members, of whom Chairman is independent director while one director is non-executive and another is executive director.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The board has formed an HR and Remuneration Committee. It comprises three (3) members, of whom one is independent director who is also chairman of the committee and remaining two are non-executive directors.

18. The Board has set-up an effective internal audit department which comprises of suitably qualified and experienced staff who are conversant with the policies and procedures of the Company and are involved in the internal audit function on a full time basis.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which could materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchanges.

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.

23. We confirm that all other material principles enshrined in the CCG have been complied with.

(HIROFUMI NAGAO)
CHAIRMAN & CHIEF EXECUTIVE

Dated: March 5, 2014

Notice of Meeting

Notice is hereby given that the 31st Annual General Meeting of the shareholders of Pak Suzuki Motor Company Limited will be held at Pearl Continental Hotel, Club Road, Karachi on Friday, April 25, 2014 at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS

1- To confirm minutes of Annual General Meeting held on April 24, 2013.

2- To receive, consider and adopt the audited accounts of the Company for the year ended December 31, 2013, together with Directors' and Auditors' reports thereon.

3- To approve payment of cash dividend @ 40% i.e. Rs. 4.00 per share of Rs. 10/- each.

4- To appoint Auditors and fix their remuneration for the year ending December 31, 2014.

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

BY ORDER OF THE BOARD

ABDUL NASIR
COMPANY SECRETARY

Karachi: March 28, 2014

Notes:

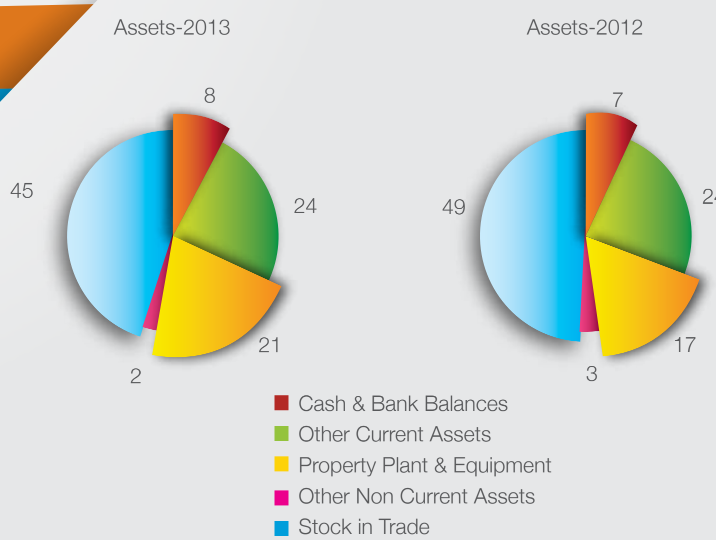
1- The share transfer books of the Company will remain closed from April 19, 2014 to April 25, 2014 (both days inclusive) and no transfer will be accepted for registration during this period. Transfers received in order till close of business on April 18, 2014 will be accepted for transfer.

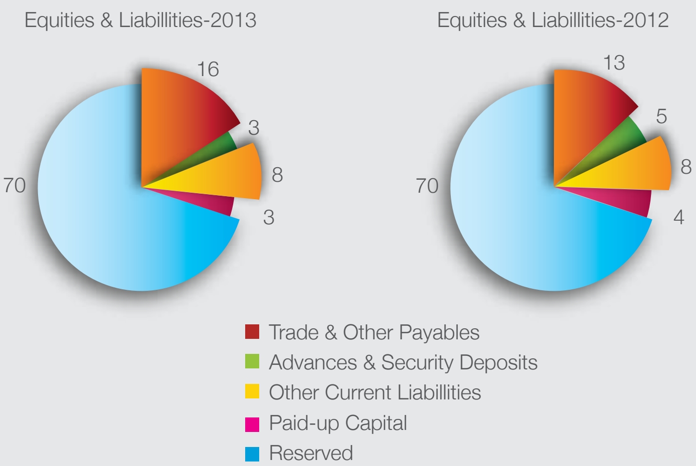
2- A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend the meeting and vote for him/her. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.

3- Account holders and sub-account holders holding book entry securities in respect of the shares of the Company in Central Depository Company of Pakistan Limited, who wish to attend the Annual General Meeting, are requested to bring their original National Identity Cards or Passports for identification purpose.

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

Financial Statements





EY
Building a better working world

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
eyfrsh.khi@pk.ey.com
ey.com/pk

Review Report to the Members

on statement of compliance with the code of corporate governance

We have reviewed the enclosed Statement of Compliance (the Statement) with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Pak Suzuki Motor Company Limited (the Company) for the year ended **31 December 2013** to comply with the requirements of Listing Regulation No. 35 Chapter XI of Karachi Stock Exchange Limited and Lahore Stock Exchange Limited, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the code. 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 Code.

As 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 Code requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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 any procedures to determine 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 best practices contained in the Code, as applicable to the Company for the year ended **31 December 2013**.

Ernst & Young Ford Rhodes Sidat Hyder

Chartered Accountants
Date: 05 March 2014
Place: Karachi

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
eyfrsh.khi@pk.ey.com
ey.com/pk

Auditors' Report to the Members

We have audited the annexed balance sheet of **Pak Suzuki Motor Company Limited** (the Company) as at **31 December 2013** and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

   i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the changes as stated in note 2.4 to the financial statements, with which we concur;

   ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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 2013** and of the profit, its comprehensive income, cash flows and changes in equity for the year then ended; and

d) in our opinion, 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.

Ernst & Young Ford Rhodes Sidat Hyder

Chartered Accountants
Audit Engagement Partner: Khurram Jameel
Date: 05 March 2014
Place: Karachi

Balance Sheet

As at December 31, 2013

	Note	December 31, 2013	December 31, 2012 (Restated)	January 01, 2012 (Restated)
		---------------- (Rupees in '000')	----------------	
ASSETS				
NON-CURRENT ASSETS				
Fixed assets				
Property, plant and equipment	3	4,892,675	3,738,867	4,200,317
Intangible assets	4	182,638	312,028	303,777
		5,075,313	4,050,895	4,504,094
Long-term investments	5	2,194	4,545	4,190
Long-term loans	6	6,264	1,409	1,523
Long-term deposits, prepayments and receivables	7	36,977	63,451	20,487
Long-term installment sales receivables	8	170,252	162,650	185,829
Deferred taxation	9	147,912	-	-
		363,599	232,055	212,029
		5,438,912	4,282,950	4,716,123
CURRENT ASSETS				
Stores, spares and loose tools	10	66,279	83,095	64,467
Stock-in-trade	11	10,726,457	10,562,194	12,922,396
Trade debts	12	983,273	627,054	322,677
Current portion of long-term installment sales receivables	8	330,504	314,065	303,951
Loans, advances and others	13	411,629	194,622	216,586
Trade deposits and short-term prepayments	14	62,935	38,918	83,271
Accrued profit on bank deposits		13,016	5,664	6,145
Other receivables	15	114,138	186,973	199,295
Sales tax adjustable		802,777	970,176	1,023,399
Income tax refundable – net		2,896,998	2,676,742	2,362,674
Cash and bank balances	16	1,964,359	1,417,430	1,139,480
		18,372,365	17,076,933	18,644,341
NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	17	-	5,463	-
TOTAL ASSETS		23,811,277	21,365,346	23,360,464

Balance Sheet

As at December 31, 2013

	Note	December 31, 2013	December 31, 2012 (Restated)	January 01, 2012 (Restated)
		(Rupees in '000')		
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorised share capital				
150,000,000 (2012: 150,000,000) ordinary shares of Rs.10/- each		1,500,000	1,500,000	1,500,000
Issued, subscribed and paid-up share capital	18	822,999	822,999	822,999
Reserves		16,822,159	14,994,367	14,529,380
		17,645,158	15,817,366	15,352,379
CURRENT LIABILITIES				
Trade and other payables	19	3,695,675	2,694,625	3,211,174
Advances	20	629,275	1,143,746	3,065,406
Short-term borrowing		-	-	75,000
Deposits against display of vehicles	21	1,615,747	1,486,406	1,436,833
Security deposits	22	86,947	84,728	81,197
Provision for custom duties and sales tax	23	138,475	138,475	138,475
		6,166,119	5,547,980	8,008,085
CONTINGENCIES AND COMMITMENTS	24			
TOTAL EQUITY AND LIABILITIES		23,811,277	21,365,346	23,360,464

The annexed notes from 1 to 42 form an integral part of these financial statements.

Hirofumi Nagao
Chairman & Chief Executive

Satoshi Ina
Deputy Managing Director

Profit and Loss Account

For the year ended December 31, 2013

	Note	2013	2012 (Restated)
		----- (Rupees in '000') -----	
Turnover – net	25	51,061,333	58,531,137
Cost of sales	26	(47,818,820)	(56,186,266)
Gross profit		3,242,513	2,344,871
Distribution costs	27	(560,239)	(358,403)
Administrative expenses	28	(959,363)	(859,310)
Other income	29	863,241	493,985
Finance costs	30	(57,576)	(11,100)
Other operating expenses	31	(175,137)	(111,152)
		(889,074)	(845,980)
Profit before taxation		2,353,439	1,498,891
Taxation	32	(504,082)	(521,738)
Profit after taxation		1,849,357	977,153
		------- (Rupees) -------	
Earnings per share - basic and diluted	33	22.47	11.87

The annexed notes from 1 to 42 form an integral part of these financial statements.

Hirofumi Nagao
Chairman & Chief Executive

Satoshi Ina
Deputy Managing Director

Statement of Comprehensive Income

For the year ended December 31, 2013

	Note	2013	2012 (Restated)
		----- (Rupees in '000') -----	
Net profit for the year		1,849,357	977,153
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss acount			
Unrealised gain / (loss) on derivative financial instrument – net of tax		214,013	(329,353)
Items that may not be reclassified subsequently to profit and loss account			
Actuarial loss on gratuity fund	19.4.3	(29,828)	(18,213)
		184,185	(347,566)
Total comprehensive income for the year		2,033,542	629,587

The annexed notes from 1 to 42 form an integral part of these financial statements.

Hirofumi Nagao
Chairman & Chief Executive

Satoshi Ina
Deputy Managing Director

Cash Flow Statement
For the year ended December 31, 2013

	Note	2013	2012 (Restated)
		----- (Rupees in '000') -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	34	2,955,261	1,568,442
Finance costs paid		(57,583)	(11,116)
Taxes paid		(847,838)	(835,806)
Long-term loans		(4,855)	114
Long-term deposits, prepayments and receivables		26,474	(42,964)
Long-term installment sales receivables		(7,602)	23,179
Net cash generated from operating activities		2,063,857	701,849
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,943,239)	(480,283)
Acquisition of intangible assets		(14,471)	(202,677)
Proceed from sale of non current asset classified as held for sale		280,000	-
Proceeds from sale of fixed assets		78,699	166,006
Profit received on bank balances		286,766	257,203
Net cash used in investing activities		(1,312,245)	(259,751)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(204,683)	(164,148)
Net increase in cash and cash equivalents		546,929	277,950
Cash and cash equivalents at beginning of the year		1,417,430	1,139,480
Cash and cash equivalents at end of the year	16	1,964,359	1,417,430

The annexed notes from 1 to 42 form an integral part of these financial statements.

Hirofumi Nagao
Chairman & Chief Executive

Satoshi Ina
Deputy Managing Director

Statement of Changes in Equity

For the year ended December 31, 2013

	Share capital	Reserves							
		Capital reserves		Revenue reserves					
		Share premium	Reserve on merger	General	Unappro-priated profit	Unrealised gain / (loss) on derivative financial instrument	Actuarial gain / (loss) on gratuity fund	Total reserves	Total
	--Rupees in "000"--								
Balance as at December 31, 2011 (as previously reported)	822,999	584,002	260,594	12,784,818	796,450	67,952	-	14,493,816	15,316,815
Effect of change in accounting policy (note 2.16.1)	-	-	-	-	-	-	35,564	35,564	35,564
Balance as at December 31, 2011 (restated)	822,999	584,002	260,594	12,784,818	796,450	67,952	35,564	14,529,380	15,352,379
Cash dividend @ 20% per share	-	-	-	-	(164,600)	-	-	(164,600)	(164,600)
Transferred to general reserve	-	-	-	630,000	(630,000)	-	-	-	-
Net profit for the year	-	-	-	-	977,153	-	-	977,153	977,153
Other comprehensive income	-	-	-	-	-	(329,353)	(18,213)	(347,566)	(347,566)
Balance as at December 31, 2012 (restated)	822,999	584,002	260,594	13,414,818	979,003	(261,401)	17,351	14,994,367	15,817,366
Cash dividend @ 25% per share	-	-	-	-	(205,750)	-	-	(205,750)	(205,750)
Transferred to general reserve	-	-	-	770,000	(770,000)	-	-	-	-
Net profit for the year	-	-	-	-	1,849,357	-	-	1,849,357	1,849,357
Other comprehensive income	-	-	-	-	-	214,013	(29,828)	184,185	184,185
Balance as at December 31, 2013	822,999	584,002	260,594	14,184,818	1,852,610	(47,388)	(12,477)	16,822,159	17,645,158

The annexed notes from 1 to 42 form an integral part of these financial statements.

Hirofumi Nagao
Chairman & Chief Executive

Satoshi Ina
Deputy Managing Director

1. CORPORATE INFORMATION, OPERATIONS AND LEGAL STATUS

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 shares of the Company are quoted on Karachi and Lahore Stock Exchanges. 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 registered office of the Company is situated at DSU – 13, Pakistan Steel Industrial Estate, Bin Qasim, Karachi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. Where the requirements of the Companies Ordinance, 1984 or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Companies Ordinance, 1984 or the directives issued by the SECP shall prevail.

2.2 Basis of preparation

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies herein below.

2.3 Significant accounting estimates and judgments

The preparation of the Company's financial statements requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these judgments and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The management continually evaluates estimates and judgments which are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under current circumstances. Revisions to accounting estimates are recognised prospectively.

In the process of applying the accounting policies, management has made the following judgments and estimates which are significant to the financial statements:

- Fixed assets (note 2.6 and 3)
- Inventories (note 2.8, 2.9, 10 & 11)
- Employees gratuity scheme (note 2.16.1 and 19.4)
- Provision for custom duty and sales tax (note 2.15 and 23)
- Taxation (note 2.18, 9 and 32)
- Warranty obligations (note 2.21 and 19.2)
- Derivative financial instruments (note 2.14)
- Contingencies (note 24)

2.4 Standards and interpretations effective in 2013

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as describe below:

New, Revised and Amended Standards and Interpretations

The Company has adopted the following amendments to IFRSs which became effective for the current year:

IAS 1 – Presentation of Financial Statements – Presentation of items of other comprehensive income (Amendment)

IAS 19 – Employee Benefits –(Revised)

IFRS 7 – Financial Instruments : Disclosures – (Amendments)

– Amendments enhancing disclosures about offsetting of financial assets and financial Liabilities

IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine.

Improvements to accounting standards issued by the IASB

IAS 1 – Presentation of Financial Statements – Clarification of the requirements for comparative information

IAS 16 – Property, Plant and Equipment – Clarification of Servicing Equipment

IAS 32 – Financial Instruments ; Presentation – Tax Effects of Distribution to Holders of Equity Instruments

IAS 34 – Interim Financial Reporting – Interim Financial Reporting and Segment Information for Total Assets and Liabilities

The adoption of the above amendments, revisions, improvements to accounting standards and interpretations did not have any material effect on the financial statements, except for IAS 19 (revised) which has resulted in a change in accounting policy as described in note 2.16.1 to the financial statements.

2.5 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

	Effective date (annual periods Beginning on or after)
IAS 32 – Offsetting Financial Assets and Financial liabilities – (Amendment)	01 January 2014
IAS 36 – Recoverable Amount for Non-Financial Assets – (Amendment)	01 January 2014
IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting	
– (Amendment)	01 January 2014
IFRIC 21 – Levies	01 January 2014

The Company expects that the adoption of the above amendments and interpretation of the standards will not affect the Company's financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

	IASB Effective date (annual periods Beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	01 January 2015
IFRS 10 – Consolidated Financial Statements	01 January 2013
IFRS 11 – Joint Arrangements	01 January 2013
IFRS 12 – Disclosure of Interests in Other Entities	01 January 2013
IFRS 13 – Fair Value Measurement	01 January 2013

2.6 Fixed assets

Property, plant and equipment

Operating fixed assets are stated at cost less accumulated depreciation and impairment (if any) except for freehold land which is stated at cost. Items of fixed assets costing Rs. 10,000/- or less are not recognised and charged off in the year of purchase.

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.

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.

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 amortisation and any identified impairment loss.

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

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

2.7 Impairment

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

2.8 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.

2.9 Stock-in-trade

Stocks, including in transit, are 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. Stocks-in-transit are stated at invoice value plus other charges accrued thereon to the balance sheet date. Vehicles on wheels are taken as work-in-process until they are approved by the quality control department. After such approval the vehicles are classified as finished goods. The engines assembled are included in raw material. The cost of engines assembled, work-in-process and finished goods consists of landed cost of imported materials, average local material cost, factory overhead and direct labour. Provision is made annually in the financial statements for slow moving and obsolete items.

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

2.10 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.

2.11 Trade debts and installment sales receivables

Trade debts are recognised and carried at original value of invoice amount less any part payment and provision for doubtful debts. Installment sales receivables are recognised at original invoice amount and are subsequently reduced by the principal portion of installments received. When the recovery of the amount is considered uncertain by the management, a provision is made for the same. Known bad debts are written-off when they are identified. A general provision at the rate 3.5% of the balance of installment receivables is maintained to cater for any bad debts.

2.12 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.

2.13 Financial instruments

2.13.1 Financial assets

Classification

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

a) At fair value through profit or loss

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

b) Loans and receivables

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

c) Held to maturity

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

d) Available for sale

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

Initial recognition and measurement

All financial assets are 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. In case of financial assets carried at fair value through profit or loss, relevant transaction costs are taken directly to the profit and loss account.

Subsequent measurement

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

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

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

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

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

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

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

2.13.2 Financial liabilities

All financial liabilities are recognised 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 amortised cost.

2.13.3 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 recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

2.13.4 Derecognition of financial assets and liabilities

Financial assets are derecognised at the time when the Company loses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognised 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.

2.14 Derivative financial instruments and hedge accounting

The Company designates derivative financial instruments as either fair value hedge or cash flow hedge.

Fair value hedge

Fair value hedge represents hedges of the fair value of recognised assets or liabilities or a firm commitment. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the profit and loss account, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The carrying value of the hedged item is adjusted accordingly.

Cash flow hedge

Cash flow hedge represents hedges of a highly probable forecast transaction. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the profit and loss account.

Amounts accumulated in equity are reclassified to the profit and loss account in the periods in which the hedged item will affect profit and loss account.

2.15 Provisions

Provisions are recognised in the balance sheet where the Company has a present legal or constructive obligation as a result of past event, and 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.

2.16 Employees' benefit schemes

2.16.1 Gratuity scheme

The Company operates an approved and funded gratuity scheme for all permanent employees. The scheme is administered by the trustees nominated under the trust deed. The contributions to the scheme are made in accordance with actuarial valuation using Projected Unit Credit method. Actuarial gains and losses are recognised in full in the period in which they occur in other comprehensive income. All past service costs are recognised at the earlier of when the amendment or curtailment occurs and when the Company has recognised related restructuring or termination benefits.

During the year, the Company has changed its accounting policy in respect of recognition of actuarial gains and losses. With effect from current year, the Company has recognised actuarial gains and losses as they occur in other comprehensive income, instead of past policy, where actuarial gains and losses were recognised as income or expense when the net cumulative unrecognised actuarial gains and losses for the plan at the end of previous reporting period exceeded 10% of the higher of present value of the defined benefit obligation and the fair value of plan assets at that date, and such gains or losses were recognised over the expected average remaining working lives of the employees;

The above change has been accounted for retrospectively in accordance with the requirements of

IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors (IAS 8). Accordingly, the Company has presented balance sheet as at the beginning of the earliest comparative period i.e., January 01, 2012, and related notes in accordance with requirement of IAS 1 "Presentation of Financial Statements (Revised)".

Had there been no change in the accounting policy, the following would have been the impacts as of January 01, 2012, December 31, 2012 and December 31, 2013 and for the years then ended:

	Rupees in '000'
As of January 01, 2012:	
Employee benefit receivable would have been lower by:	35,564
Opening accumulated gain on defined benefit plan would have been lower by:	35,564
As of and for the year ended December 31, 2012:	
Employee benefit receivable would have been lower by:	16,482
Accumulated actuarial gain on defined benefit plan would have been lower by:	17,351
Charge for defined benefit plan would have been lower by:	869
As of and for the year ended December 31, 2013:	
Employee benefit liability would have been lower by:	12,477
Accumulated actuarial loss on defined benefit plan would have been lower by:	12,477

2.16.2 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.

2.17 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.

2.18 Taxation

Current

Provision for current taxation is based on taxable income at the current rate of taxation after taking into account tax credits and tax rebates available, if any, and tax paid under final tax regime (FTR). The tax charge as calculated above is compared with turnover tax plus tax paid under FTR, and whichever is higher is provided in the financial statements. Turnover tax is calculated on turnover excluding turnover under FTR.

Deferred

Deferred tax is recognised using the balance sheet liability method, on major 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 recognised 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.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part for the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised 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 recognised 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 recognised as part of the cost of acquisition of assets or as part of the expense item as applicable.

2.19 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.

2.20 Revenue recognition

Revenue is recognised when goods are sold and services are rendered. Goods are treated as sold when they are specified and invoiced. Warranty and insurance claims are recognised when the claims in respect thereof are lodged with the respective parties. Indenting and agency commission is recognised when the shipments are made by the principal.

Income on bank deposits is accounted for on accrual basis.

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

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

2.21 Warranty obligations

The Company accounts for its warranty obligations on accrual basis.

2.22 Cash and cash equivalents

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

2.23 Dividend and appropriation to reserves

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

2.24 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 capitalised 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.

2.25 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

	Note	2013	2012
		----- (Rupees in '000') -----	
3. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	3.1	3,200,159	3,712,223
Capital work-in-progress	3.4	1,692,516	26,644
		4,892,675	3,738,867

3.1 Operating fixed assets

	Cost as at January 01, 2013	Additions / (deletions/ *write-off)	Cost as at December 31, 2013	Accumulated depreciation as at January 01, 2013	Charge for the year / (depreciation on deletions/ *write-off)	Accumulated depreciation as at December 31, 2013	Book value as at December 31, 2013	Years / Rate %
	(Rupees in `000')							
Leasehold land	591,973	-	591,973	70,546	9,890	80,436	511,537	60 years
Freehold land	371,514	-	371,514	-	-	-	371,514	-
Leasehold improvements	35,414	- *(2,633)	32,781	35,015	341 *(2,633)	32,723	58	Lease term
Buildings on leasehold land								
- Factory	1,273,560	12,994	1,286,554	805,657	49,935	855,592	430,962	10 & 20
- Office	5,402	-	5,402	3,248	431	3,679	1,723	20
- Test tracks and other buildings	13,503	53	13,556	12,538	197	12,735	821	20
Plant and machinery	6,278,948	77,581	6,356,529	5,014,372	328,369	5,342,741	1,013,788	8 years
Welding guns	282,737	7,653	290,390	252,379	10,830	263,209	27,181	4 years
Waste water treatment plant	120,222	-	120,222	104,716	6,624	111,340	8,882	8 years
Permanent and special tools	392,838	8,488	401,326	371,316	9,722	381,038	20,288	4 years
Dies	2,052,027	7,438	2,059,465	1,555,752	180,741	1,736,493	322,972	4 years
Jigs and fixtures	513,633	1,574	515,207	436,644	33,263	469,907	45,300	4 years
Electrical installations	206,788	8,676	215,464	138,730	16,308	155,038	60,426	8 years
Furniture and fittings	15,320	38 (960)	14,398	10,505	933 (702)	10,736	3,662	20
Vehicles	581,375	118,984 (108,898)	591,461	268,862	67,302 (60,547)	275,617	315,844	20
Air conditioners and refrigerators	23,128	4,062 (529)	26,661	15,902	1,826 (406)	17,322	9,339	20
Office equipments	78,676	7,521 (2,715)	83,482	53,730	5,744 (1,857)	57,617	25,865	20
Computers	151,825	22,305 (321)	173,809	126,748	17,374 (310)	143,812	29,997	50
2013	12,988,883	277,367 (113,423) *(2,633)	13,150,194	9,276,660	739,830 (63,822) *(2,633)	9,950,035	3,200,159	

	Cost as at January 01, 2012	Additions / (deletions / *transfers)	Cost as at December 31, 2012	Accumulated depreciation as at January 01, 2012	Charge for the year / (depreciation on deletions / *transfers)	Accumulated depreciation as at December 31, 2012	Book value as at December 31, 2012	Years / Rate %
	-------------------	-------------------	-------------------	(Rupees in `000')	-------------------	-------------------	-------------------	
Leasehold land	663,387	400 (71,416) *(398)	591,973	66,608	10,365 (6,301) *(126)	70,546	521,427	60 years
Freehold land	373,223	(1,709)	371,514	-	-	-	371,514	-
Leasehold improvements	35,414	-	35,414	34,309	706	35,015	399	Lease term
Buildings on leasehold land								
- Factory	1,231,729	50,048 *(8,217)	1,273,560	757,614	53,282 *(5,239)	805,657	467,903	10 & 20
- Office	4,595	807	5402	2,811	437	3,248	2,154	20
- Test Tracks and other buildings	13,503	-	13,503	12,297	241	12,538	965	20
Plant and machinery	6,063,485	243,087 (27,624)	6,278,948	4,621,975	419,856 (27,459)	5,014,372	1,264,576	8 years
Welding guns	257,525	25,212	282,737	240,252	12,127	252,379	30,358	4 years
Waste water treatment plant	120,222	2,500 *(2,500)	120,222	98,092	6,911 *(287)	104,716	15,506	8 years
Permanent and special tools	380,854	11,984	392,838	360,195	11,121	371,316	21,522	4 years
Dies	1,523,447	528,580	2,052,027	1,392,067	163,685	1,555,752	496,275	4 years
Jigs and fixtures	433,590	80,043	513,633	421,116	15,528	436,644	76,989	4 years
Electrical installations	195,570	11,218	206,788	119,052	19,678	138,730	68,058	8 years
Furniture and fittings	14,453	908 (41)	15,320	9,450	1,090 (35)	10,505	4,815	20
Vehicles	577,986	133,354 (129,965)	581,375	270,234	72,168 (73,540)	268,862	312,513	20
Air conditioners and refrigerators	19,423	3,791 (86)	23,128	14,664	1,303 (65)	15,902	7,226	20
Office equipments	77,050	5,101 (3,475)	78,676	51,029	5,586 (2,885)	53,730	24,946	20
Computers	144,514	16,558 (9,247)	151,825	117,840	17,977 (9,069)	126,748	25,077	50
2012	12,129,970	1,113,591 (243,563) *(11,115)	12,988,883	8,589,605	812,061 (119,354) *(5,652)	9,276,660	3,712,223	

	Note	2013	2012
		----- (Rupees in '000') -----	
3.2 Depreciation charge for the year has been allocated as under:			
Cost of goods manufactured	26.1	642,738	709,211
Administrative expenses	28	97,092	102,850
		739,830	812,061

3.3 Particulars of operating fixed assets having written down value (WDV) exceeding Rs. 50,000 disposed of during the year are as follows:

	Cost	Accumulated depreciation	Book value	Sales proceeds	Gain / (loss)	Mode of disposal	Particulars of buyers
	-------------------- Rupees in '000' --------------------						
Vehicles							
Suzuki Vehicles Two & Four Wheelers (115 Vehicles)	71,284	40,971	30,313	51,056	20,743	Company Policy	Company employees
Suzuki Vehicles Two & Four Wheelers (44 Vehicles)	31,816	15,495	16,321	22,870	6,549	Auction	Various parties
Suzuki Vehicles Four Wheelers (3 Vehicles)	2,170	1,060	1,110	2,090	980	Insurance claim	EFU
Office Equipment							
Generators	2,125	1,354	771	647	(124)	Auction	Various parties
Aggregate value of items where book value is less than Rs. 50,000	7,817	6,862	955	2,036	1,081	Company Policy	Company employees
	844	713	131	-	(131)	Scraped	
2013	116,056	66,455	49,601	78,699	29,098		
2012	243,563	119,354	124,209	166,006	41,797		

	2013	2012
	----- (Rupees in '000') -----	
3.4 Capital work-in-progress		
Plant and machinery	1,578,817	8,791
Civil works	63,699	400
Advance for capital expenditure	50,000	17,453
	1,692,516	26,644
3.4.1 Movement in capital work-in-progress		
Opening balance	26,644	659,952
Additions during the year	1,795,643	320,220
Transferred to operating fixed assets	(129,771)	(953,528)
Closing balance	1,692,516	26,644

4. INTANGIBLE ASSETS

	Cost as at January 01, 2013	Additions/ *(write- offs)	Cost as at December 31, 2013	Accumulated amortisation as at January 01, 2013	Charge for the year/ *(write- offs)	Accumulated amortisation as at December 31, 2013	Book value as at December 31, 2013	Rate
	---------- (Rupees in '000') ----------							
License fees and drawings	482,264	-	332,267	189,054	134,531	173,588	158,679	3 years
		*(149,997)			*(149,997)			
Softwares	23,267	14,471	37,738	4,449	9,330	13,779	23,959	3 years
2013	505,531	14,471/ *(149,997)	370,005	193,503	143,861/ *(149,997)	187,367	182,638	

	Cost as at January 01, 2012	Additions/ *(write- offs)	Cost as at December 31, 2012	Accumulated amortisation as at January 01, 2012	Charge for the year/ *(write- offs)	Accumulated amortisation as at December 31, 2012	Book value as at December 31, 2012	Rate
	---------- (Rupees in '000') ----------							
License fees and drawings	850,317	186,298	482,264	552,640	190,765	189,054	293,210	3 years
		*(554,351)			*(554,351)			
Softwares	155,556	16,379	23,267	149,456	3,661	4,449	18,818	3 years
		*(148,668)			*(148,668)			
2012	1,005,873	202,677 *(703,019)	505,531	702,096	194,426 *(703,019)	193,503	312,028	

4.1 During the year, no amortisation has been charged on intangible assets amounting to Rs. 8.803 million (2012: Nil) as the assets have not yet been available for use.

4.2 Amortisation charge has been allocated as under:

	Note	2013	2012
		----- (Rupees in '000') -----	
Cost of goods manufactured	26.1	134,531	190,765
Administrative expenses	28	9,330	3,661
		143,861	194,426

	Note	2013	2012
		----- (Rupees in '000') -----	
5. LONG-TERM INVESTMENTS			
Available for sale – unquoted			
Arabian Sea Country Club Limited			
500,000 (2012: 500,000) fully paid ordinary shares of Rs. 10/- each	5.1	5,000	5,000
Provision for impairment in the value of investment		(2,806)	(640)
		2,194	4,360
Automotive Testing & Training Centre (Private) Limited			
125,000 (2012: 125,000) fully paid ordinary shares of Rs. 10/- each	5.2	1,250	1,250
Provision for impairment in the value of investment		(1,250)	(1,065)
		-	185
		2,194	4,545

5.1 Shareholding 6.45% (2012: 6.45%). Value based on net assets as at June 30, 2013 amounting to Rs. 2.19 million (2012: Rs. 4.36 million).

5.2 Shareholding 6.94% (2012: 6.94%). Value based on net assets as at June 30, 2012 amounted to Rs. 0.185 million. The accounts were not prepared since June 30, 2012.

	Note	2013	2012
		----- (Rupees in '000') -----	
6. LONG-TERM LOANS – secured, considered good			
Loans to employees	6.1	9,248	3,044
Less: Receivable within one year	13	(2,984)	(1,635)
		6,264	1,409

6.1 These represent motorcycle and personal interest free loans. These loans are secured against the title documents, personnel guarantees and provident fund balances of the respective employees. These are repayable in ten to thirty six equal monthly installments.

	Note	2013	2012
		----- (Rupees in '000') -----	
7. LONG-TERM DEPOSITS, PREPAYMENTS AND RECEIVABLES			
Deposits		24,143	19,617
Prepayments		458	1,753
Long term receivable against disposal of land	7.1	42,081	71,786
Less: Current portion	15	(29,705)	(29,705)
		12,376	42,081
		36,977	63,451

7.1 Represents amount receivable in thirty six equal monthly installments from various vendors against the lease hold land disposed off in 2012 to the Company's vendors.

8. LONG-TERM INSTALLMENT SALES RECEIVABLES – secured

	Note	2013	2012
		----- (Rupees in '000') -----	
Installment sales receivables	8.1	627,952	600,412
Less: Unearned finance income		(99,342)	(92,967)
		528,610	507,445
Less: Provision for doubtful receivables	8.2	(27,854)	(30,730)
		500,756	476,715
Less: Current maturity		(330,504)	(314,065)
		170,252	162,650

8.1 Represents balances receivable under various installment sale agreements in equal monthly installments. As a security, the Company retains the title and registers the documents of the vehicles in its name. Such documents are transferred in the name of customers after the entire dues are realised. Mark-up on installment sales receivables ranges from 14% to 28% (2012: 9% to 28%) per annum. However, overdue rentals are subject to additional surcharge. The gross amount and the present value of the installment sales receivables are as follows:

	Note	Gross amount of installment sales receivables		Present value of installment sales receivables	
		2013	2012	2013	2012
		----- (Rupees in '000') -----		----- (Rupees in '000') -----	
Less than one year		406,016	382,824	330,504	314,064
One to five year		221,936	217,588	198,106	193,381
	8.1.1	627,952	600,412	528,610	507,445
Less: Provision for doubtful receivables	8.2	(27,854)	(30,730)	(27,854)	(30,730)
		600,098	569,682	500,756	476,715

8.1.1 Includes an overdue portion of installment sales receivables of Rs. 14.075 million (2012: Rs. 18.483 million).

8.2 The movement in provision against doubtful installment sales receivables during the year is as follows:

	Note	2013	2012 (Restated)
		----- (Rupees in '000') -----	
Balance at beginning of the year		30,730	21,924
Provision (reversed) / made during the year	28	(2,876)	8,824
Adjusted against receivable written off during the year		-	(18)
		27,854	30,730

9. DEFERRED TAXATION

	2013	2012
Taxable temporary differences arising from:		
Accelerated tax depreciation	(20,000)	(142,500)
Deductible temporary differences arising from:		
Unrealized loss on derivative financial instrument	24,412	92,000
Provisions	114,900	108,000
Unamortised local development costs	28,600	17,000
Difference between turnover tax and taxable income	-	73,790
	147,912	148,290

9.1 Until last year, deferred tax asset was not recognized as the Company had anticipated that it would be subject to minimum tax and FTR in the foreseeable future. However, during the year, tax charge for the current year is based under normal tax regime and the Company expects that this trend will continue in the foreseeable future. Therefore, deferred tax asset has been recognised in the financial statements.

	Note	2013	2012
		----- (Rupees in '000') -----	
10. STORES, SPARES AND LOOSE TOOLS			
Stores		34,534	44,681
Spares		59,789	61,737
Loose tools		21,790	25,853
		116,113	132,271
Less: Provision for slow moving and obsolete items			
- at beginning of the year		49,176	37,452
- provision for the year	26.1	658	11,724
		49,834	49,176
		66,279	83,095
11. STOCK-IN-TRADE			
Raw material and components [including items in transit Rs. 2,471.341 million (2012: Rs. 1,851.556 million)]		7,417,787	7,660,046
Less: Provision for slow moving and obsolete items			
- at beginning of the year		29,607	25,441
- provision for the year		38,098	4,166
		67,705	29,607
		7,350,082	7,630,439
Work-in-process		48,965	43,909
Finished goods		2,914,774	2,679,173
Trading stocks [including items in transit Rs. 22.091 million (2012: Rs. 20.708 million)]		459,716	254,554
Less: Provision for slow moving and obsolete items			
- at beginning of the year		45,881	46,063
- provision / (reversal) for the year		1,199	(182)
		47,080	45,881
		412,636	208,673
		10,726,457	10,562,194

11.1 Of the aggregate amount, stocks worth Rs. 2,637 million (2012: Rs. 2,363 million) were in the custody of dealers and vendors.

11.2 Raw material and components, work-in-process and finished goods have been written down by Rs. 11.687 million, Rs. 0.015 million and Rs. 7.178 million (2012: Rs. 132.893 million, Rs. 0.354 million and Rs. 43.615 million) respectively to arrive at net realizable value.

	Note	2013	2012
		----- (Rupees in '000') -----	
12. TRADE DEBTS – unsecured			
Considered good			
- Due from government agencies		32,250	55,629
- Others		951,023	571,425
		983,273	627,054
Considered doubtful		5,096	5,216
Less: Provision for doubtful debts	12.1	(5,096)	(5,216)
		-	-
	12.2	983,273	627,054
12.1 Reconciliation of provision for impairment of trade debts			
Balance at the beginning of the year		5,216	15,304
Reversal for the year	28	(120)	(7,184)
Adjusted against receivable written off during the year		-	(2,904)
Balance at the end of the year		5,096	5,216
12.2 The ageing of unimpaired trade debts is as follows:			
Neither past due nor impaired		981,955	627,054
Past due but not impaired		1,318	-
		983,273	627,054

	Note	2013	2012 (Restated)	2011 (Restated)
		----- (Rupees in '000') -----		
13. LOANS, ADVANCES AND OTHERS				
Loans – secured, considered good				
Current portion of loans to employees / executives	6	2,984	1,635	1,952
Advances – unsecured				
Considered good				
- Suppliers / vendors	13.1	408,252	186,907	210,227
- Employees		387	3,500	2,180
		408,639	190,407	212,407
Considered doubtful		16,912	17,246	18,390
Less: Provision for doubtful advances	13.2	(16,912)	(17,246)	(18,390)
		-	-	-
		408,639	190,407	212,407
		411,623	192,042	214,359
Others				
- Gratuity fund	19.4	-	2,580	1,335
- Provident fund	13.3	6	-	892
		6	2,580	2,227
		411,629	194,622	216,586

13.1 Includes advances to vendors of Rs. 160.748 million (2012: Rs. 87.783 million), which carry mark-up ranging from 12% - 12.58% (2012: 12% - 12.58%) per annum.

		2013	2012
		----- (Rupees in '000') -----	
13.2	Reconciliation of provision for doubtful advances is as follows:		
	Balance at the beginning of the year	17,246	18,390
	Reversal for the year	(334)	(1,144)
	Balance at the end of the year	16,912	17,246
13.3	Provident fund	6	-

		(Unaudited)	(Unaudited)
13.3.1	General disclosures	----- (Rupees in '000') -----	
	Size of the fund	553,780	497,410
	Cost of investments	544,297	490,905
	Fair value of investments	546,313	495,455
	Percentage of investments	98.29%	98.69%

13.3.2 Categories of investments as a percentage of total assets of provident fund:

	2013 (Unaudited)		2012 (Unaudited)	
	Rupees in '000'	(%)	Rupees in '000'	(%)
Bank balances	16,840	3.0	17,442	3.5
National Saving Schemes	116,744	21.1	104,088	20.9
Government securities	193,214	34.9	126,245	25.4
Certificates of Deposit	91,537	16.5	121,682	24.5
Term finance certificates	95,875	17.3	117,851	23.7
Listed securities	32,103	5.8	8,147	1.6
Total	546,313	98.6	495,455	99.6

13.3.3 Investments of provident fund have been made in accordance with the provisions of the section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

		2013	2012
		----- (Rupees in '000') -----	
14.	TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS		
	Trade deposits	6,365	2,530
	Prepayments:		
	Collector of Customs	15,365	362
	Rent	19,070	14,803
	Insurance	7,662	8,781
	Others	14,473	12,442
		56,570	36,388
		62,935	38,918

15. OTHER RECEIVABLES - considered good

	Note	2013	2012 (Restated)	2011 (Restated)
		----- (Rupees in '000') -----		
Due from related parties	15.1	21,345	65,637	77,788
Due from vendors for material / components returned		8,630	7,611	10,325
Unrealized actuarial gain of defined benefit obligation		-	17,351	35,564
Unrealized gain on derivative financial instrument		-	-	67,952
Duty drawback		2,894	2,203	2,164
Expenses recoverable from dealers		44,400	47,944	-
Current portion of long term receivable against disposal of land	7	29,705	29,705	-
Others		7,164	16,522	5,502
		114,138	186,973	199,295

15.1 Represents receivable from the Holding Company amounting to Rs. 21.024 million (2012: 62.852 million) and Thai Suzuki Motor Company amounting to Rs. 0.321 million (2012: 2.785 million).

16. CASH AND BANK BALANCES

	Note	2013	2012
		----- (Rupees in '000') -----	
Cash in hand		10,023	8,703
Cheques in hand	16.1	169,380	201,262
Cash at banks:			
In deposit accounts	16.2	1,200,822	373,960
in a special deposit account	16.3	86,947	84,728
in current accounts		497,187	748,777
		1,784,956	1,207,465
		1,964,359	1,417,430

16.1 Represents cheques that were received on the last day and were deposited on the next working day.

16.2 The mark-up on funds placed on deposit accounts ranges from 6% to 9.50% (2012: 6% to 12.60%) per annum.

16.3 A special account is maintained in respect of security deposits (note 22) in accordance with the requirements of Section 226 of the Companies Ordinance, 1984.

17. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	Note	2013	2012
		----- (Rupees in '000') -----	
Leasehold land		-	272
Factory building		-	2,978
Waste water treatment plant		-	2,213
	17.1	-	5,463

17.1 Last year the Company had entered into an agreement with Reckitt Benckiser Pakistan Limited to sell its plot No. F-14, SITE, Karachi along with buildings and waste water treatment plant for a total consideration of Rs.280 million. The Company's motorcycle plant was previously located on this land which has been shifted in the vicinity of automobile plant at Bin Qasim, Karachi. The sale transaction was executed in March 2013 on receipt of full price. The aggregate book value of these assets was Rs. 5.463 million. The Company has recognised a gain of Rs.274.537 million on this transaction as shown in note 29 to the financial statements.

18. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

Fully paid ordinary shares of Rs. 10/- each

2013	2012		2013	2012
(Number of shares)			----- (Rupees in '000') -----	
45,517,401	45,517,401	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

18.1 The Holding Company held 60,154,091 (2012: 60,154,091) ordinary shares of Rs. 10/- each, constituting 73.09% (2012: 73.09%) holding in the Company.

19 TRADE AND OTHER PAYABLES

	Note	2013	2012 (Restated)	2011 (Restated)
		----- (Rupees in '000') -----		
Creditors		644,082	604,130	779,632
Bills payable	19.1	1,430,068	598,101	1,116,686
Accrued liabilities		716,499	526,504	345,742
Royalties and technical fee payable to the Holding Company		372,874	378,236	563,717
Mark-up on waiting for delivery of vehicles		3,697	3,704	3,720
Dealers' commission		180,866	132,405	219,206
Provision for unexpired free service and warranty period	19.2	40,570	34,988	35,018
Workers' profits participation fund	19.3	11,429	15,633	3,525
Workers' welfare fund		48,708	30,607	32,415
Retention money		22,770	1,265	5,220
Unclaimed dividend		6,428	5,361	4,909
Deposits from employees against purchase of vehicles		89,499	93,254	84,475
Unrealized loss on derivative financial instruments		71,800	261,401	-
Unrealized actuarial loss on defined benefit obligation	19.4.1	12,477	-	-
Payable to Gratuity fund	19.4.1	8,109	-	-
Un-earned income - extended warranty		21,728	-	-
Others		14,071	9,036	16,909
		3,695,675	2,694,625	3,211,174

19.1 Includes Rs. 1,298 million (2012: Rs. 475 million) due to the Holding Company.

	Note	2013	2012
		----- (Rupees in ‘000’) -----	
19.2 Provision for unexpired free service and warranty period			
Balance at the beginning of the year		34,988	35,018
Provision / (reversal) for the year	27	5,582	(30)
Balance at the end of the year		40,570	34,988
19.3 Workers' profits participation fund			
Balance at beginning of the year		15,633	3,525
Mark-up on funds utilised in the Company's business	30	679	87
		16,312	3,612
Allocation for the year	31	126,429	80,545
		142,741	84,157
Less: Paid during the year		(131,312)	(68,524)
Balance at end of the year		11,429	15,633

19.4 Gratuity fund

The latest actuarial valuation was carried out as at December 31, 2013 using the Projected Unit Credit Method.

	2013	2012 (Restated)	2011 (Restated)
	----- (Rupees in ‘000’) -----		
19.4.1 Amount recognised in the balance sheet			
Present value of defined benefit obligation	(313,983)	(244,552)	(223,112)
Fair value of plan assets	293,397	264,483	260,011
(Deficit) / surplus	(20,586)	19,931	36,899
(Deficit) / surplus comprises of:			
Unrealised actuarial (loss) / gain	(12,477)	17,351	35,564
Others	(8,109)	2,580	1,335
	(20,586)	19,931	36,899
19.4.2 Expense recognised in the profit and loss account			
Current service cost	18,420	15,162	12,726
Interest cost	26,901	27,889	23,587
Expected return on plan assets	(29,093)	(32,501)	(30,686)
	16,228	10,550	5,627

	2013	2012 (Restated)	2011 (Restated)
	----- (Rupees in '000') -----		
19.4.3 Total re-measurements chargeable in other comprehensive income			
Experience adjustments arising on plan liabilities losses	52,649	10,684	13,860
Return on plan assets excluding interest income (gains) / losses	(22,821)	7,529	(484)
	29,828	18,213	13,376
19.4.4 Movement in net asset / (liability) recognised in the balance sheet			
Opening balance	19,931	36,899	2,849
Expense recognised during the year	(16,228)	(10,550)	(2,811)
Re-measurement chargeable in other comprehensive income	(29,828)	(18,213)	35,564
Contribution made by the Company during the year	28,539	32,295	8,497
Refund to the Company from the Fund	(23,000)	(20,500)	(7,200)
Closing balance	(20,586)	19,931	36,899
19.4.5 Movement in present value of defined benefit obligation			
Opening balance	244,552	223,112	181,436
Current service cost for the year	18,420	15,162	12,726
Interest cost on defined benefit obligation	26,901	27,889	23,587
Benefit paid during the year	(28,539)	(32,295)	(8,497)
Experience adjustment on defined benefit obligation loss	52,649	10,684	13,860
Closing balance	313,983	244,552	223,112
19.4.6 Movement in fair value of plan assets			
Opening balance	264,483	260,011	236,041
Return on plan assets	29,093	32,501	30,686
Contribution during the year	28,539	32,295	8,497
Benefit paid during the year	(28,539)	(32,295)	(8,497)
Refund to the Company from the Fund	(23,000)	(20,500)	(7,200)
Return on plan assets excluding interest income – gain / (loss)	22,821	(7,529)	484
Closing balance	293,397	264,483	260,011
19.4.7 Principal actuarial assumption used are as follows:	------- (% per annum) -------		
Discount rate used for P&L charge	11	12.5	12.5
Discount rate used for year-end obligation	12.5	11	12.5
Expected rate of eligible salaries increase in future years	12.5	11	12.5
19.4.8 Actual return on plan assets	----- (Rupees in '000') -----		
Expected return on plan assets	29,093	32,501	30,686
Actuarial gain / (loss) on plan assets	22,821	(7,529)	484
Actual return on plan assets	51,914	24,972	31,170

19.4.9 Comparison for past years

	2013	2012 (Restated)	2011 (Restated)	2010 (Restated)	2009 (Restated)
	------------------------- (Rupees in '000')				---------------------------
Present value of defined benefit obligation	313,983	244,552	223,112	181,436	168,986
Fair value of plan assets	293,397	264,483	260,011	236,041	233,441
(Deficit) / surplus	(20,586)	19,931	36,899	54,605	64,455
Experience adjustment on plan liabilities - loss / (gain)	52,649	10,684	13,860	(4,237)	14,992
Experience adjustment on plan assets - (gain) / loss	(22,821)	7,529	(484)	4,063	(3,859)
	29,828	18,213	13,376	(174)	11,133

19.4.10 Major categories / composition of plan assets are as follows:

	2013	2012	2011
	----- (Rupees in '000') -----		
Defence Saving Certificate and Pakistan Investment Bonds	240,977	199,720	187,085
Mutual Funds	10,944	1,324	-
Term Deposit Receipts	36,676	57,240	65,914
Bank balances	4,800	6,199	7,012
	293,397	264,483	260,011

20. ADVANCES

	2013	2012
	----- (Rupees in '000') -----	
Advances from customers	629,275	1,115,746
Advance against sale of non-current assets classified as held for sale	-	28,000
	629,275	1,143,746

21. DEPOSITS AGAINST DISPLAY OF VEHICLES

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

22. SECURITY DEPOSITS

	2013	2012
	----- (Rupees in '000') -----	
Dealership deposits	81,397	78,897
Deposits against contractual obligation	5,550	5,831
	86,947	84,728

23. PROVISION FOR CUSTOM DUTIES AND SALES TAX

23.1 Includes Rs. 52.152 million (2012: Rs. 52.152 million) being provision against demand raised by the Custom Authorities on account of alleged short payment of custom duties. The Company's appeal against the order passed in above case is pending at the High Court of Sindh. In view of the inherent delays that are associated and the element of uncertainty inherent in legal matters, provision has been continued as a matter of prudence.

23.2 Includes Rs. 86.323 million (2012: Rs. 86.323 million) for custom duty and sales tax against royalty. 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. Subsequent to audit observation the Company paid Rs. 33.677 million after reconciliation with the Collector of Customs. Despite reconciliation, Deputy Collector – Customs has adjudicated to pay balance amount of Rs. 86.323 million. The Company's appeal is pending at Customs Appellate Tribunal for hearing. Though the Company disputes calculation of the amount, provision has been continued, as a matter of prudence in view of the inherent uncertainties in such matters.

24. CONTINGENCIES AND COMMITMENTS

24.1 Capital expenditure contracted for but not incurred amounted to Rs. 403.218 million (2012: Rs. 976.894 million).

24.2 The facilities for opening letters of credit amounted to Rs. 1,900 million (2012: Rs. 4,100 million) of which the amount remaining unutilised at the year end was Rs. 1,347 million (2012: Rs. 3,538 million).

24.3 Counter guarantees issued by the Company against guarantees issued by two commercial banks on behalf of the Company amounted to Rs. 86.138 million (2012: Rs. 90.779 million).

	Note	2013	2012
		----- (Rupees in '000') -----	
25. TURNOVER – net			
Manufactured goods	25.1	49,503,414	57,097,138
Trading stocks	25.2	1,557,919	1,433,999
		51,061,333	58,531,137
25.1 Manufactured goods			
- Vehicles		59,565,897	67,712,340
- Spare parts		262,415	231,117
	25.3	59,828,312	67,943,457
Less: Sales tax		8,473,124	9,374,517
Sales commission to dealers		1,851,774	1,471,802
		10,324,898	10,846,319
		49,503,414	57,097,138

		2013	2012
		----- (Rupees in '000') -----	
25.2	**Trading stocks**		
	- Vehicles	578,436	665,536
	- Spare parts	1,235,544	1,007,540
		1,813,980	1,673,076
	Less: Sales tax	246,318	230,769
	Sales commission to dealers	9,743	8,308
		256,061	239,077
		1,557,919	1,433,999

25.3 These include export sales of Rs. 24.255 million (2012: Rs. 91.396 million).

	Note	2013	2012 (Restated)
		----- (Rupees in '000') -----	
26. COST OF SALES			
Manufactured goods			
Finished goods at beginning of the year		2,679,173	2,297,158
Cost of goods manufactured	26.1	46,752,688	55,295,850
Export expenses		1,734	6,743
		49,433,595	57,599,751
Less: Finished goods at end of the year		2,914,774	2,679,173
		46,518,821	54,920,578
Trading stocks			
Stocks at beginning of the year		208,673	259,319
Purchases during the year		1,503,962	1,215,042
		1,712,635	1,474,361
Less: Stocks at end of the year		412,636	208,673
		1,299,999	1,265,688
		47,818,820	56,186,266

		Note	2013	2012 (Restated)
			----- (Rupees in '000') -----	
26.1	**Cost of goods manufactured:**			
	Raw materials and components at beginning of the year		7,630,439	10,316,083
	Purchases during the year	26.1.1	43,090,501	48,963,978
			50,720,940	59,280,061
	Less: Raw materials and components at end of the year		7,350,082	7,630,439
	Raw materials and components consumed		43,370,858	51,649,622
	Stores and spares consumed		32,219	39,395
	Provision for slow moving and obsolete stores, spares and loose tools	10	658	11,724
	Power		262,386	292,921
	Vehicle running expenses		27,882	12,786
	Salaries, wages and other benefits	26.1.2	683,451	540,463
	Outsourced job contractor charges		311,830	338,035
	Rent, rates and taxes		12,851	14,848
	Travelling		46,585	29,908
	Training		11,916	2,689
	Insurance		8,129	5,959
	Repairs and maintenance		212,115	230,555
	Royalty		587,749	707,994
	Technical / supervisor fee		218,045	261,794
	Travelling expenses of supervisors		8,970	6,009
	Provincial sales tax on royalty and technical fee		-	95,695
	Depreciation	3.2	642,738	709,211
	Amortisation of intangible assets	4.2	134,531	190,765
	Conveyance and transportation		158,606	177,594
	Communication		2,281	2,426
	Hired security guards services		10,596	9,228
	Local development costs		105,389	42,041
	Printing and stationery		3,674	5,369
	Others		3,985	3,578
			3,486,586	3,730,987
			46,857,444	55,380,609
	Add: work-in-process at beginning of the year		43,909	49,836
			46,901,353	55,430,445
	Less: work-in-process at end of the year		48,965	43,909
			46,852,388	55,386,536
	Less: cost of own used vehicles		99,700	90,686
			46,752,688	55,295,850

26.1.1 Purchases are stated net of proceeds from the sale of packing materials Rs. 247.070 million (2012: Rs. 349.524 million).

26.1.2 Includes Rs. 12.927 million (2012: Rs. 10.410 million) and Rs.9.830 million (2012: Rs. 6.981 million) in respect of defined contributory provident fund and defined benefit gratuity fund respectively.

	Note	2013	2012
		----- (Rupees in '000') -----	

27. DISTRIBUTION COSTS

	Note	2013	2012
Advertising and sales promotion		382,208	219,170
Free service		88,333	79,201
Warranty claims		6,831	6,096
Provision / (reversal) for unexpired free service and warranty period	19.2	5,582	(30)
Transportation and handling charges		55,113	35,143
Royalty on trading spare parts		22,172	17,117
Provincial sales tax on royalty		-	1,706
		560,239	358,403

28. ADMINISTRATIVE EXPENSES

	Note	2013	2012
Salaries, wages and other benefits	28.1	406,730	334,092
Outsourced job contractor charges		75,210	62,630
Travelling		65,058	58,465
Training		14,960	2,508
Hired security guards services		28,843	20,047
Rent, rates and taxes		43,560	45,643
Utilities		15,807	25,531
Vehicle running expense		60,693	66,848
Insurance		17,600	19,313
Repairs and maintenance		20,132	18,632
Depreciation	3.2	97,092	102,850
Amortisation of intangible assets	4.2	9,330	3,661
Auditors' remuneration	28.2	2,647	2,449
Legal and professional charges		12,187	5,768
Conveyance and transportation		29,118	25,744
Entertainment		493	2,987
Printing and stationery		14,660	15,963
Communication		14,140	12,598
Directors' fees		28	17
(Reversal) / provision for doubtful:			
- installment sales receivables	8.2	(2,876)	8,824
- trade debts	12.1	(120)	(7,184)
- advances	13.2	(334)	(1,144)
Celebration of special events		1,606	6,156
Bad debts written-off		4,076	4,234
Computer software license fees & ERP maintenance charges		17,446	17,918
Provision / (reversal) for impairment in the value of investments		2,351	(355)
CSR activities		6,740	2,290
Others		2,186	2,825
		959,363	859,310

28.1 Includes Rs. 8.082 million (2012: Rs. 6.918 million) and Rs 6.398 million (2012: Rs. 3.569 million) in respect of defined contributory provident fund and defined benefit gratuity fund respectively.

	Note	2013	2012
		----- (Rupees in '000') -----	
28.2 Auditors' remuneration			
Audit fee		1,150	1,150
Half-yearly review		350	350
Fee for corporate governance certificate		85	85
Fee for special certifications		873	812
Out of pocket expenses		189	52
		2,647	2,449

29. OTHER INCOME

	Note	2013	2012
Income from financial assets			
Mark-up on bank balances		294,118	256,722
Finance income on installment sales		99,525	100,531
Exchange gain – net		-	26,384
		393,643	383,637
Income from non-financial assets			
Gain on disposal of fixed assets	3.3	29,098	41,797
Gain on disposal of non current asset classified as held for sale		274,537	-
Gain on redemption of Treasury Bills		9,061	-
Adjustment of prior year's input sales tax on franchise services		97,401	-
Scrap sales		16,382	26,469
Miscellaneous income		43,119	42,082
		469,598	110,348
		863,241	493,985

30. FINANCE COSTS

	Note	2013	2012
Mark-up on short-term borrowing		180	2,294
Mark-up on workers' profits participation fund	19.3	679	87
Exchange loss – net		49,659	-
Bank charges		7,058	8,719
		57,576	11,100

31. OTHER OPERATING EXPENSES

	Note	2013	2012
Workers' profit participation fund	19.3	126,429	80,545
Workers' welfare fund – for current year		48,708	30,607
		175,137	111,152

32. TAXATION

	Note	2013	2012
Current			
- for the year		768,000	514,000
- prior years		(140,418)	7,738
		627,582	521,738
Deferred		(123,500)	-
	32.2	504,082	521,738

32.1 The assessment of the Company for and upto the tax year 2013 have been completed or deemed to be assessed.

32.2 **Reconciliation between tax expense and accounting profit**

	2013 Rupees in '000'
Accounting profit for the year before taxation	2,353,436
Corporate tax rate	34%
Tax on accounting profit at applicable rate	800,168
Tax effects of:	
- exempt income	(93,343)
- minimum tax paid in prior years	(73,790)
- income assessed under final tax regime	13,601
- expenses that are not allowable in determining taxable income	10,163
- prior years	(140,418)
- rebates	(12,299)
	504,082

32.3 In prior years, the Company was liable to pay tax under fixed tax regime and turnover tax, therefore, no numerical reconciliation was given in the prior year and accordingly no comparative figures are given in the above reconciliation.

33. EARNINGS PER SHARE – basic and diluted

	2013	2012 (Restated)
	----- (Rupees in '000') -----	
Net profit for the year	1,849,357	977,153
	Number of shares in '000'	
Weighted average number of ordinary shares in issue during the year	82,300	82,300
	------------ (Rupees) ------------	
Basic earnings per share	22.47	11.87

33.1 Basic earnings per share have no dilution effect.

	Note	2013	2012 (Restated)
		----- (Rupees in '000') -----	
34. CASH GENERATED FROM OPERATIONS			
Profit before taxation		2,353,439	1,498,891
Adjustments for non cash charges and other items:			
Depreciation		739,830	812,061
Amortisation of intangible assets		143,861	194,426
Gain on disposal of fixed assets		(29,098)	(41,797)
Gain on disposal of non current asset held for sale		(274,537)	-
Provision / (reversal) for impairment in the value of Investment		2,351	(355)
Mark-up on bank balances		(294,118)	(256,722)
Finance costs		57,576	11,100
		345,865	718,713
Working capital changes	34.1	255,957	(649,162)
		2,955,261	1,568,442

34.1 Working capital changes

	2013	2012 (Restated)
(Increase) / decrease in current assets:		
Stores, spares and loose tools	16,816	(18,628)
Stock-in-trade	(164,263)	2,360,202
Trade debts	(356,219)	(49,126)
Current portion of long-term installment sales Receivables	(16,439)	(265,365)
Loans, advances and others	(217,007)	21,964
Trade deposits and short-term prepayments	(24,017)	44,353
Other receivables	55,484	(73,843)
Sales tax and excise duty adjustable	167,399	53,223
	(538,246)	2,072,780
Increase / (decrease) in current liabilities:		
Trade and other payables	1,177,114	(778,386)
Security deposits	2,219	3,531
Deposits against display of vehicles	129,341	49,573
Advance from customers	(514,471)	(1,921,660)
Short-term borrowings	-	(75,000)
	794,203	(2,721,942)
	255,957	(649,162)

35. 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 executives. The Company in the normal course of business carries out transactions with various related parties. Amount due from and to related parties and remuneration of directors and executives are disclosed in the relevant notes to the financial statements. Other material transactions with related parties are given below:

For the year ended December 31, 2013	Holding Company	Other related Parties	Total
	---------------- (Rupees in '000')	-----------------	
Purchases of components	21,392,769	906,499	22,299,268
Purchases of fixed assets	691,658	554	692,212
Exports sales	39	-	39
Royalties and technical fee	836,936	-	836,936
Staff retirement benefits	-	37,237	37,237
Sales promotional and development expenses	28,445	9,977	38,422

For the year ended December 31, 2012	Holding Company	Other related Parties	Total
	---------------- (Rupees in '000')	-----------------	
Purchases of components	24,285,717	750,742	25,036,459
Purchases of fixed assets	5,409	828	6,237
Exports sales	71	2,993	3,064
Royalties and technical fee	1,162,092	-	1,162,092
Staff retirement benefits	-	26,940	26,940
Sales promotional and development expenses	13,734	-	13,734

36. PLANT CAPACITY AND ACTUAL PRODUCTION

	2013	2012
	(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	77,142	96,370
Actual production – Motorcycle	22,977	21,312

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

37. REMUNERATION OF EXECUTIVES, DIRECTORS AND CHIEF EXECUTIVE

37.1 The aggregate amounts charged in the financial statements for remuneration, including benefits, to the directors, chief executive and executives of the Company are given below:

	2013 Chief Executive	2013 Directors	2013 Executives	2012 Chief Executives	2012 Directors	2012 Executives
	(Rupees in '000')					
Directors fees	-	28	-	-	17	-
Managerial remuneration	8,086	15,551	109,165	6,270	15,367	87,054
Bonus	2,280	4,112	31,567	1,425	3,306	15,781
Retirement benefits	-	1,127	7,363	-	953	5,740
	10,366	20,818	148,095	7,695	19,643	108,575
Number of persons	1	4	55	1	4	47

37.2 The directors, chief executive and certain executives of the Company are provided with free use of Company maintained cars. Medical facility is also provided as per Company's policy.

38. 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:

38.1 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:

	2013	2012
	(Rupees in '000')	
Installments receivables	500,756	476,715
Advances to vendors	160,748	87,783
Bank balances in deposit accounts	1,287,769	458,688
	1,949,273	1,023,186

The interest rates in above financial instruments were fixed, and accordingly the Company is not exposed to interest rate risk.

(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. The Company manages its exposure against foreign currency risk by entering into foreign exchange options whenever considered necessary. Open exposures are vigorously monitored. The Company is exposed to such risk in respect of the following:

	2013	2012
	----- (Rupees in '000') -----	
Due from related parties – JPY	(19,178)	(45,433)
Bills payable – JPY	1,326,001	421,379
Royalty and technical fees payable – JPY	348,716	320,450
Net exposure – JPY	1,655,539	696,396
Net exposure – US$ (Bills payable)	956	1,093
Net exposure – RMB (Bills payable)	-	1,026

At December 31, 2013 if Pak Rupee had depreciated / appreciated by 1% against JPY and US$ with all other variables held constant, the Company's profit before tax would have been Rs. 16.387 million (2012: Rs. 8.460 million) higher / lower as a result of exchange loss/gain on translation of foreign currency denominated financial instruments.

(iii) 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:

	2013	2012
	----- (Rupees in '000') -----	
Installment sales receivables	500,756	476,715
Trade debts	983,273	627,054
Loans, advances, deposits and other receivables	594,966	421,922
Accrued markup income	13,016	5,664
Bank balances	1,784,956	1,207,465
	3,876,967	2,738,820

Quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or the historical information about counter party default rates as shown below:

	2013	2012
	----- (Rupees in '000') -----	
Trade debts		
Customers with no defaults in the past one year	983,273	627,054
Customers with some defaults in past one year	5,096	5,216
	988,369	632,270
Installment sales receivables		
Customers with no defaults in the past one year	500,756	476,715
Customers with some defaults in past one year	27,854	30,730
	528,610	507,445
Bank balances		
A1+	1,783,237	1,206,237
A1	1,719	1,228
	1,784,956	1,207,465

38.2 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 summarises the maturity profile of the Company's financial liabilities at the following reporting dates:

	Less than 3 months	3 to 12 months	Total
	---------------	(Rupees in '000')	--------------
2013			
Trade and other payables	3,355,818	339,857	3,695,675
Advances	629,275	-	629,275
Deposits against display of vehicles	-	1,615,747	1,615,747
Security deposits	-	86,947	86,947
	3,985,093	2,042,551	6,027,644

	Less than 3 months	3 to 12 months	Total
	---------------	(Rupees in '000')	--------------
2012			
Trade and other payables	2,255,009	439,616	2,694,625
Advances	1,143,746	-	1,143,746
Deposits against display of vehicles	-	1,486,406	1,486,406
Security deposits	-	84,728	84,728
	3,398,755	2,010,750	5,409,505

38.3 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 maximise 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.

38.4 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

39. SEGMENT ANALYSIS

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

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

	2013			2012		
	Automobile	Motorcycle	Total	Automobile	Motorcycle	Total
	------------------------(Rupees in '000')------------------------					
Segment Results						
Turnover – net	49,251,196	1,810,137	51,061,333	57,129,914	1,401,223	58,531,137
Gross profit / (loss)	3,468,308	(225,795)	3,242,513	2,626,101	(281,230)	2,344,871
Distribution costs	(400,238)	(160,001)	(560,239)	(254,534)	(103,869)	(358,403)
Administrative expenses	(843,105)	(116,258)	(959,363)	(745,240)	(114,070)	(859,310)
Operating profit / (loss)	2,224,965	(502,054)	1,722,911	1,626,327	(499,169)	1,127,158
Finance costs	(55,363)	(2,213)	(57,576)	(9,760)	(1,340)	(11,100)
Other income	484,548	378,693	863,241	391,106	102,879	493,985
Segment results	2,654,150	(125,574)	2,528,576	2,007,673	(397,630)	1,610,043
Unallocated corporate expenses						
Operating expenses			(175,137)			(111,152)
Taxation			(504,082)			(521,738)
			(679,219)			(632,890)
Profit after taxation			1,849,357			977,153
Assets						
Segment assets	15,766,650	2,103,233	17,869,883	14,578,101	1,526,584	16,104,685
Unallocated corporate assets	-	-	5,941,394	-	-	5,244,179
	15,766,650	2,103,233	23,811,277	14,578,101	1,526,584	21,348,864

	2013			2012		
	Automobile	Motorcycle	Total	Automobile	Motorcycle	Total
	-(Rupees in '000')-					
Liabilities						
Segment liabilities	6,136,425	29,694	6,166,119	5,475,711	72,269	5,547,980
Unallocated corporate liabilities	-	-	-	-	-	-
	6,136,425	29,694	6,166,119	5,475,711	72,269	5,547,980
Capital expenditure	1,880,960	62,279	1,943,239	425,567	54,716	480,283
Depreciation	620,477	119,353	739,830	711,729	100,332	812,061

40. UNUTILIZED CREDIT FACILITIES

As of the balance sheet date, the Company has unutilized facilities for short term running finance available from various banks amounted to Rs. 4,300 million (2012: Rs. 4,300 million).

41. GENERAL

41.1 There were no material reclassifications that could affect the financial statements materially.

41.2 Number of persons employed as at year end was 1,273 (2012: 1,193) and the average number of persons employed during the year were 1,202 (2012: 1,205).

41.3 Figures in these financial statements have been rounded off to the nearest thousand of Rupees, unless otherwise stated.

42. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue by the Board of Directors of the Company in its meeting held on 5th March, Further, the Board has proposed 40% cash dividend (2012: cash dividend @ 25%) in the said meeting. The approval of the members for the said appropriation will be obtained at the Annual General Meeting to be held on 25th April 2014 at Karachi.

Hirofumi Nagao
Chairman & Chief Executive

Satoshi Ina
Deputy Managing Director

Pattern of Shareholding
as at December 31, 2013

No. Of Shareholders	Shareholding Slabs			Total Shares Held
4044	1	to	100	62,168
799	101	to	500	226,857
328	501	to	1000	246,329
292	1001	to	5000	623,413
55	5001	to	10000	423,073
17	10001	to	15000	206,115
9	15001	to	20000	169,450
10	20001	to	25000	237,134
11	25001	to	30000	309,977
4	30001	to	35000	130,500
4	35001	to	40000	151,525
5	40001	to	45000	213,610
2	45001	to	50000	97,850
1	50001	to	55000	52,375
2	55001	to	60000	117,630
2	65001	to	70000	132,776
3	70001	to	75000	218,300
1	75001	to	80000	77,069
1	80001	to	85000	82,500
1	90001	to	95000	92,150
2	95001	to	100000	191,100
3	100001	to	105000	307,833
1	105001	to	110000	109,500
1	110001	to	115000	113,600
1	120001	to	125000	123,000
1	125001	to	130000	125,125
1	145001	to	150000	147,000
2	160001	to	165000	328,000
1	180001	to	185000	183,662
1	200001	to	205000	204,900
2	225001	to	230000	452,200
1	235001	to	240000	238,725
1	265001	to	270000	268,750
1	275001	to	280000	279,427
1	290001	to	295000	290,500
1	315001	to	320000	318,016
1	325001	to	330000	330,000
1	435001	to	440000	438,900
1	490001	to	495000	494,400
1	500001	to	505000	501,400
3	530001	to	535000	1,596,939
1	640001	to	645000	641,505
1	665001	to	670000	665,223
1	715001	to	720000	720,000
1	1160001	to	1165000	1,160,574
1	1445001	to	1450000	1,448,963
1	1615001	to	1620000	1,618,100
1	1990001	to	1995000	1,990,727
1	2985001	to	2990000	2,986,890
1	59250001	to	59255000	60,154,091
5628				82,299,851

Category wise list of shareholders

As at December 31, 2013

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
MR. HIROFUMI NAGAO	1	119	0.00
Associated Companies, undertakings and related parties			
M/S. SUZUKI MOTOR CORPORATION	1	60,154,091	73.09
Executives	-	-	-
Public Sector Companies and Corporations	12	3,255,364	3.96
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	15	525,729	0.64
Mutual Funds			
NATIONAL BANK OF PAKISTAN-TRUSTEE DEPARTMENT NI(U)T FUND	1	2,986,890	3.63
MCBFSL - TRUSTEE JS VALUE FUND	1	501,400	0.61
CDC - TRUSTEE JS LARGE CAP. FUND	1	438,900	0.53
CDC - TRUSTEE MEEZAN BALANCED FUND	1	29,060	0.04
CDC - TRUSTEE JS ISLAMIC FUND	1	226,000	0.27
CDC - TRUSTEE UNIT TRUST OF PAKISTAN	1	226,200	0.27
CDC - TRUSTEE JS AGGRESSIVE ASSET ALLOCATION FUND	1	73,000	0.09
CDC - TRUSTEE ASIAN STOCKS FUND	1	531,344	0.65
CDC - TRUSTEE AKD INDEX TRACKER FUND	1	5,110	0.01
CDC - TRUSTEE SAFEWAY MUTUAL FUND	1	531,095	0.65
CDC - TRUSTEE AL MEEZAN MUTUAL FUND	1	65,689	0.08
CDC - TRUSTEE MEEZAN ISLAMIC FUND	1	279,427	0.34
CDC - TRUSTEE MEEZAN TAHAFFUZ PENSION FUND - EQUITY SUB FUND	1	100,733	0.12
CDC - TRUSTEE JS PENSION SAVINGS FUND - EQUITY ACCOUNT	1	32,500	0.04
MC FSL - TRUSTEE JS GROWTH FUND	1	1,618,100	1.97
CDC - TRUSTEE JS ISLAMIC PENSION SAVINGS FUND-EQUITY ACCOUNT	1	29,000	0.04
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	665,223	0.81
CDC - TRUSTEE HBL IPF EQUITY SUB FUND	1	24,700	0.03
CDC-TRUSTEE FIRST HABIB ISLAMIC BALANCED FUND	1	39,700	0.05
PAK ASIAN FUND LIMITED	1	500	0.00
CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	1	5,500	0.01
General Public			
a. Local	5487	4,055,680	4.93
b. Foreign	3	42,276	0.05
Foreign Companies	16	4,571,384	5.55
Others	72	1,285,137	1.56
Totals	**5628**	**82,299,851**	**100.00**

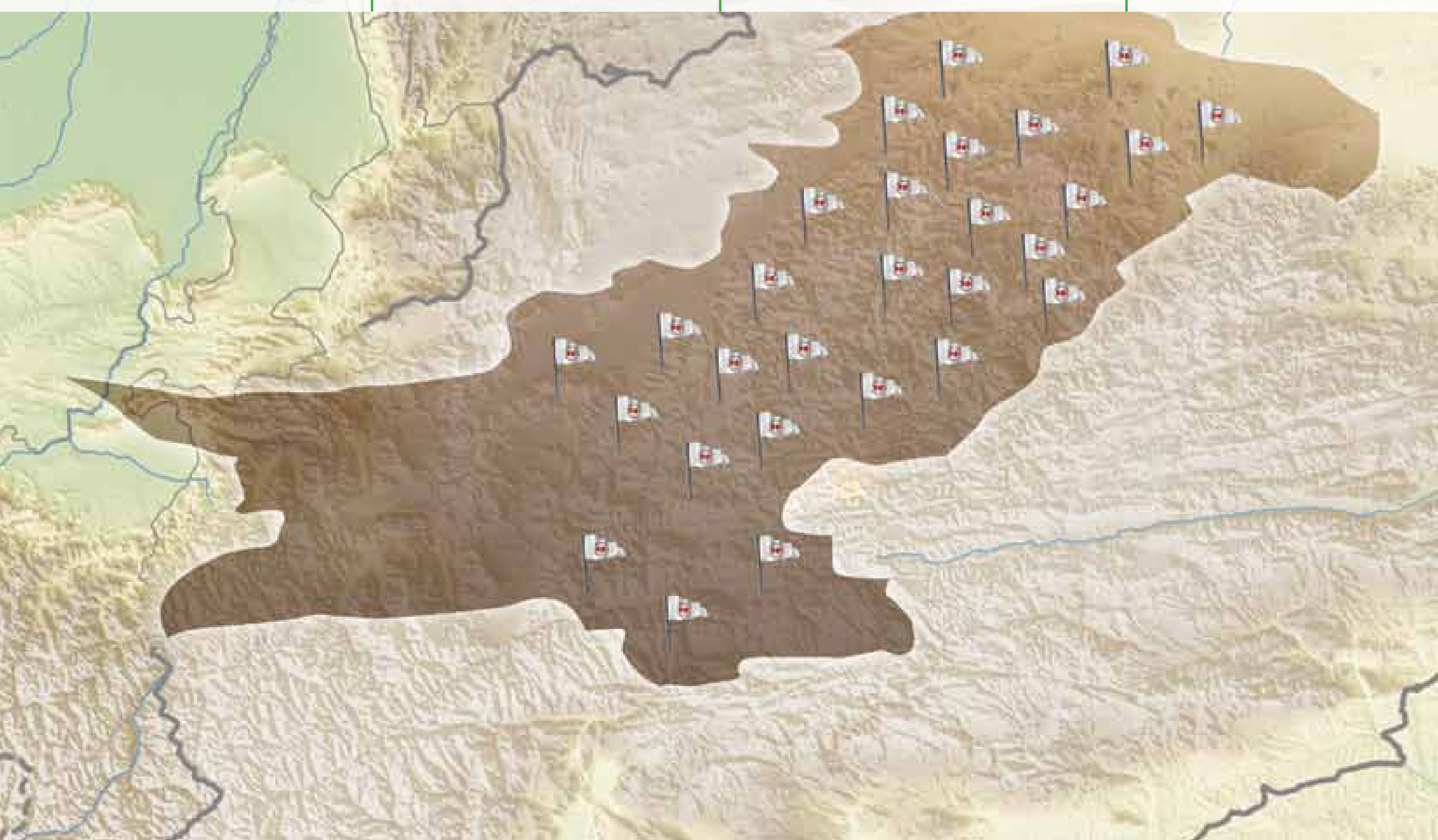
Share holders holding 5% or more

M/S. SUZUKI MOTOR CORPORATION	60,154,091	73.09

During the year, no trade was carried out in the shares of the Company by any of its directors, executives, their spouses or their minor children.

Motorcar Dealers’ Network

Cities Dealers	No. of Dealers	Cities	No. of
Sindh			
Karachi	19	Sahiwal	1
Hyderabad	2	Sargodha	1
Mirpur Khas	1	Vihari	1
Sukkur	1	Jhung	1
Larkana	1	Rahimyar Khan	2
		Sheikupura	1
Punjab		Attock	1
Lahore	14	Jhelum	1
Rawalpindi	5		
Islamabad	3	Khybar Pakhtoon Khwa	
Faisalabad	2	Peshawar	3
Multan	3	Abbottabad	1
D.G. Khan	1	D.I. Khan	1
Bahawalpur	1	Mardan	1
Kasur	1		
Okara	1		
Gujranwala	1	Balochistan	
Gujrat	1	Quetta	2
Taxila	1		
Sialkot	2	AJK	
Mianwali	1	Mirpur	1
Chakwal	1	Muzaffarabad	1
		Total	81



Form of Proxy

I/We ____

of ____

(Full Address)

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

of ____

(Full Address)

Folio No. __________ and/or CDC participant I.D. No.__________ and Sub Account No.__________ as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 31st Annual General Meeting of the Compnay to be held on 25th day of April 2014 at 10:00 am at Pearl Continental Hotel, Club Road, Karachi and at any adjournment thereof.

As witness my/our hand this ________ day ________ 2014

Signed by the Said ______________________________

Witnesses:

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

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

Notes:

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

AFFIX
CORRECT
POSTAGE

Company Secretary:
Pak Suzuki Motor Company Limited
DSU-13, Pakistan Steel Industrial Estate,
Bin Qasim, Karachi.

Pak Suzuki Motor Company Limited

DSU-13, Pakistan Steel Industrial Estate, Bin Qasim, Karachi.
Tel: 34723551-558, Fax: 34723521-523
www.paksuzuki.com.pk