



Way of Life!





Pioneer in Pakistan Automobile Industry



Largest Dealership Network



Highest Market Share



Has Become a Household name

Gross profit increased by 29% from
Rs. 3.242 billion to Rs. 4.184 billion

29%

Net profit increased by 4% from
Rs. 1.849 billion to Rs. 1.922 billion

4%

25%

Cash dividend increased by 25%
from 40% to 50%

14%

Duties & Taxes Paid by the company increased by
14% from Rs. 15.380 billion to Rs. 17.442 billion

Contents

02	Our Vision & Mission
06	Company Information
10	Company Profile
12	Code of Conduct
14	Milestones
16	Highlights of the Accounts
22	Six Years at a Glance
24	Horizontal Analysis
26	Vertical Analysis
28	Statement of Value Addition & its Distribution
30	Products Launching
31	Inauguration of Dealerships
32	Visits & Events
34	Chairman's Review
40	Directors' Report
50	Statement of Compliance with the Code of Corporate Governance
52	Notice of Meeting
54	Review Report on Statement of Compliance with the Code of Corporate Governance
55	Auditors' Report
56	Balance Sheet
58	Profit and Loss Account
59	Statement of Comprehensive Income
60	Cash Flow Statement
61	Statement of Changes in Equity
62	Notes to the Financial Statements
96	Pattern of Shareholding Proxy Form



Vision

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



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.

Mission



Strive to market value packed vehicles that meet customers expectations.

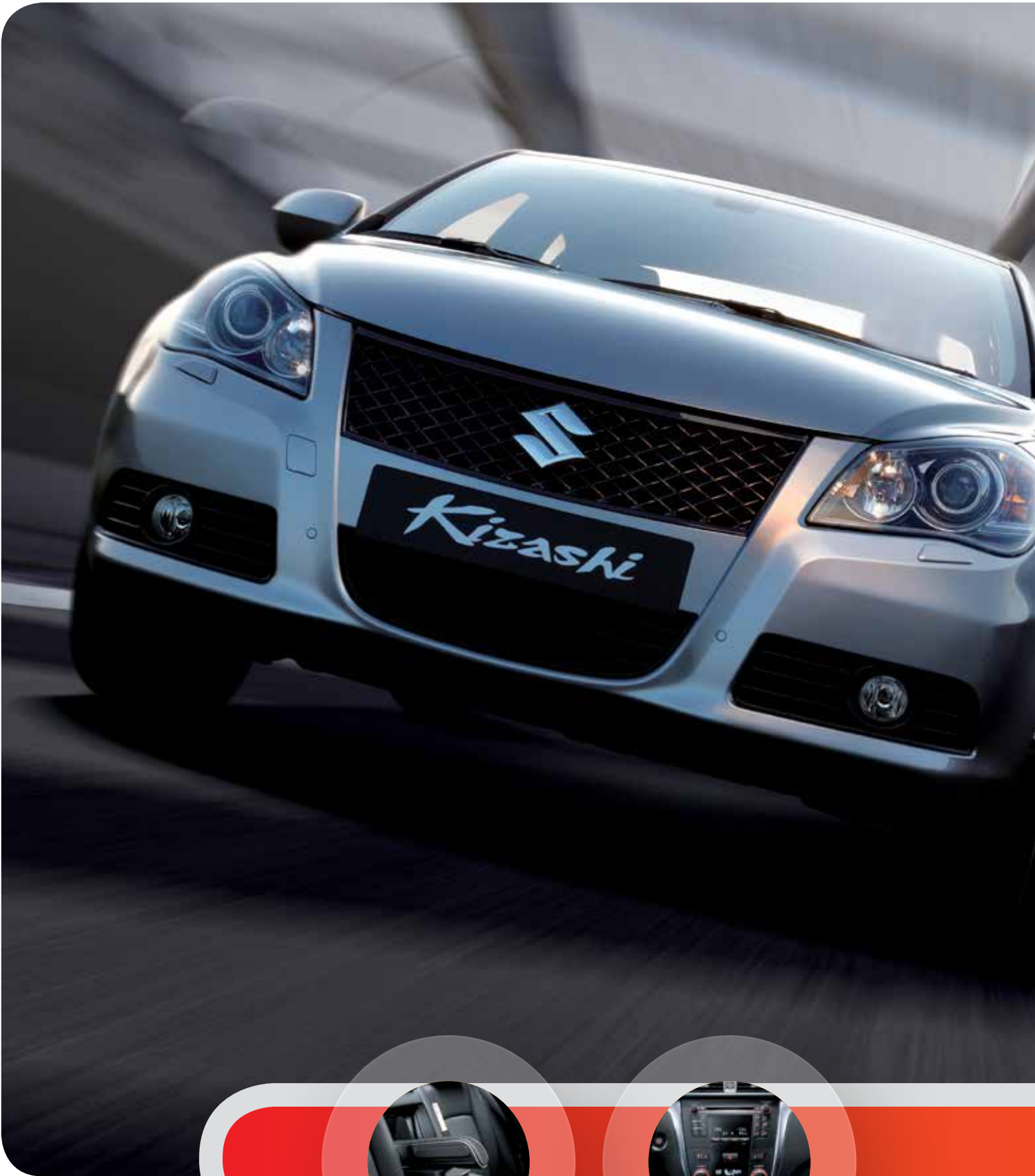


Provide a platform where our stakeholders passionately contribute, invest and excel.



Make valuable contribution to social development of Pakistan.





In the Kizashi, sportiness is only half the story. In equal measure, the Kizashi is luxurious and beautifully crafted to expand your view of what a sedan should be. In every control you touch.





Company Information

Board of Directors

Kinji Saito - Chairman
Hirofumi Nagao - Chief Executive
Tetsuya Fujioka - Dy. Managing Director
Toshihiro Suzuki - Director
Takashi Iwatsuki - Director
Takanori Suzuki - Director
Wazir Ali Khoja - Director

Chief Financial Officer

Yosuke Yamada

Company Secretary

Abdul Nasir

Audit Committee

Wazir Ali Khoja - Chairman
Kinji Saito - Member
Takashi Iwatsuki - Member

Human Resource and Remuneration (HR & R) Committee

Kinji Saito - Chairman
Hirofumi Nagao - Member
Takashi Iwatsuki - Member



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 Panjab
The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Legal Advisors

M/s Shahid Anwar Bajwa & Co.
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) 35775467

Rawalpindi Office:


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

Multan Office:

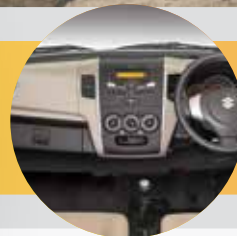
402, 4th Floor United Mall,
Abdali Road Multan.
Tel No. (061)-4586499
Fax No. (061)-4516765

Audit Committee
Wazir Ali Khoja
Chairman

HR & Remuneration
Committee
Kinji Saito
Chairman



Presenting the New WagonR, the last word in practicality. The very first time for a car to have the K-series engine in Pakistan. K-series brings with it unprecedented fuel efficiency and a drive that is smooth, noiseless and powerful. With a car as fuel efficient as the new WagonR, there will be no reason to stop driving.





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. 15.187 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.

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, simply stylish, 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.

1999

Exports of RAVI pickups to Bangladesh commenced.

2000

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

2001

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

2002

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

2003

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

2004

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

2005

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

2006

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

2007

Suzuki Motorcycles Pakistan Ltd. merged with Pak Suzuki Motor Company.

2009

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

2010

1300 cc locally manufactured car Swift was introduced.

2011

Inauguration of new motorcycle plant at Bin Qasim.

2012

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

2013

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

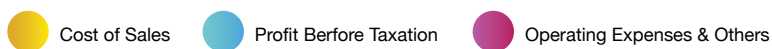
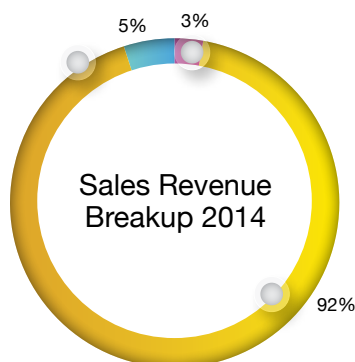
2014

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

Highlights of the Accounts

For the year ended December 31, 2014

	2014	2013	Increase/(Decrease)	
	----- (Rupees in thousands) -----		Amount	%
Production volume (Nos.)				
- Motorcar	80,384	77,142	3,242	4.2
- Motorcycle	23,871	22,977	894	3.9
Sales volume (Nos.)				
- Motorcar	78,005	77,050	955	1.2
- Motorcycle	23,453	23,117	336	1.5
Gross Sales	55,883,622	52,922,850	2,960,772	5.6
Selling Commission	2,218,675	1,861,517	357,158	19.2
as a % of gross sales	4.0	3.5		0.5
Net Sales	53,664,947	51,061,333	2,603,614	5.1
Gross profit	4,183,699	3,242,513	941,186	29.0
as a % of net sales	7.8	6.4	-	1.4
Distribution expenses	746,304	560,239	186,065	33.2
as a % of net sales	1.4	1.1	-	0.3
Administration expenses	1,101,650	959,363	142,287	14.8
as a % of net sales	2.1	1.9	-	0.2



	2014	2013	Increase/(Decrease)	
	(Rupees in thousands)		Amount	%
Finance Cost as a % of net sales	26,709 0.05	57,576 0.1	(30,867) -	(53.6) (0.05)
Other income as a % of net sales	510,208 1.0	863,241 1.7	(353,033) -	(40.9) (0.7)
Other operating expenses (WPPF & WWF) as a % of net sales	195,850 0.4	175,137 0.3	20,713 -	11.8 0.1
Profit before taxation as a % of net sales	2,623,394 4.9	2,353,439 4.6	269,955 -	11.5 0.3
Profit after taxation as a % of net sales	1,921,894 3.6	1,849,357 3.6	72,537 -	3.9 -
Shareholders' equity	19,236,682	17,645,158	1,591,524	9.0
Earnings per share (Rs.)	23.35	22.47	0.88	3.9
Break-up value per share (Rs.)	233.74	214.40	19.34	9.0
Number of shares issued (000)	82,300	82,300	-	-
Exchange Rate	1.0048	1.1115	(0.1067)	(9.6)



Highlights of the Accounts Segment Wise

For the year ended December 31, 2014

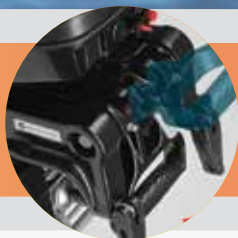
	Car Division			
	2014	2013	Increase/ (Decrease)	%
	(Rupees	in thousands)		
Production volume (Nos.)	80,384	77,142	3,242	4.2
Sales volume (Nos.)	78,005	77,050	955	1.2
Gross sales	53,737,945	51,099,965	2,637,980	5.2
Selling commission	2,201,754	1,848,769	352,985	19.1
as a % of gross sales	4.1	3.6		0.5
Net sales	51,536,191	49,251,196	2,284,995	4.6
Gross profit	4,390,898	3,468,308	922,590	26.6
as a % of net sales	8.5	7.0		1.5
Distribution expenses	617,695	400,238	217,457	54.3
as a % of net sales	1.2	0.8		0.4
Administration expenses	953,869	843,105	110,764	13.1
as a % of net sales	1.9	1.7		0.2
Finance cost	22,874	55,363	(32,489)	(58.7)
as a % of net sales	0.04	0.1		(0.06)
Other income	401,216	484,548	(83,332)	(17.2)
as a % of net sales	0.8	1.0		(0.2)
WPPF & WWF	195,850	175,137	20,713	11.8
as a % of net sales	0.4	0.4		-
Profit before taxation	3,001,826	2,479,013	522,813	21.1
as a % of net sales	5.8	5.0		0.8
Profit after taxation	2,300,326	1,974,931	325,395	16.5
as a % of net sales	4.5	4.0		0.5
Earnings per share (Rs.)	27.95	24.00	3.95	16.5
Number of shares issued (000)	82,300	82,300	-	-

Motorcycle Division				Total			
2014	2013	Increase/ (Decrease)	%	2014	2013	Increase/ (Decrease)	%
------(Rupees in thousands)-----				------(Rupees in thousands)-----			
23,871	22,977	894	3.9	-	-	-	-
23,453	23,117	336	1.5	-	-	-	-
2,145,677	1,822,885	322,792	17.7	55,883,622	52,922,850	2,960,772	5.6
16,921	12,748	4,173	32.7	2,218,675	1,861,517	357,158	19.2
0.8	0.7	0.1	0.1	4.0	3.5	0.5	0.5
2,128,756	1,810,137	318,619	17.6	53,664,947	51,061,333	2,603,614	5.1
(207,199)	(225,795)	18,596	8.2	4,183,699	3,242,513	941,186	29.0
(9.7)	(12.5)	2.8	2.8	7.8	6.4	1.4	1.4
128,609	160,001	(31,392)	(19.6)	746,304	560,239	186,065	33.2
6.0	8.8	(2.8)	(2.8)	1.4	1.1	0.3	0.3
147,781	116,258	31,523	27.1	1,101,650	959,363	142,287	14.8
6.9	6.4	0.5	0.5	2.1	1.9	0.2	0.2
3,835	2,213	1,622	73.3	26,709	57,576	(30,867)	(53.6)
0.2	0.1	0.1	0.1	0.05	0.1	(0.05)	(0.05)
108,992	378,693	(269,701)	(71.2)	510,208	863,241	(353,033)	(40.9)
5.1	20.9	(15.8)	(15.8)	1.0	1.7	(0.7)	(0.7)
-	-	-	-	195,850	175,137	20,713	11.8
-	-	-	-	0.4	0.3	0.1	0.1
(378,432)	(125,574)	(252,858)	(201.4)	2,623,394	2,353,439	269,955	11.5
(17.8)	(6.9)	(10.9)	(10.9)	4.9	4.6	0.3	0.3
(378,432)	(125,574)	(252,858)	(201.4)	1,921,894	1,849,357	72,537	3.9
(17.8)	(6.9)	(10.9)	(10.9)	3.6	3.6	-	-
(4.60)	(1.53)	(3.07)	(200.7)	23.35	22.47	0.88	3.9
82,300	82,300	-	-	82,300	82,300	-	-



Suzuki Outboard Motors

Strong yet light, compact outboard motors designed with Suzuki's exclusive engineering expertise are the right choice for your marine related needs. Suzuki outboard motors offer durable and reliable solutions for security and defense, trade and logistics and gives boating enthusiasts the best technology fitted in high-performance machines.



6 Years at a Glance

	2014	2013	2012	2011	2010	2009
	----- Rupees in thousands -----					
OPERATING RESULTS						
Production volume (Nos.)						
Motorcar	80,384	77,142	96,370	92,529	78,840	51,032
Motorcycle	23,871	22,977	21,312	20,120	19,618	14,530
Sales volume (Nos.)						
Motorcar	78,005	77,050	96,100	92,705	79,138	52,011
Motorcycle	23,453	23,117	20,298	21,154	19,013	14,659
Sales revenue	53,664,947	51,061,333	58,531,137	52,718,563	42,642,762	26,234,061
Gross profit	4,183,699	3,242,513	2,344,871	1,869,410	1,003,787	569,299
Profit before taxation	2,623,394	2,353,439	1,498,891	1,365,297	668,015	427,843
Profit after taxation	1,921,894	1,849,357	977,153	794,421	211,143	255,219
Dividends	411,499	329,199	205,750	164,600	41,150	41,150
Profit retained	1,510,395	1,520,158	771,403	629,821	169,993	214,069
CAPITAL EMPLOYED						
Share capital	822,999	822,999	822,999	822,999	822,999	822,999
Reserves	16,488,378	14,969,549	14,015,364	13,732,930	13,459,414	13,244,414
Unappropriated profit	1,925,305	1,852,610	979,003	796,450	215,502	258,187
Shareholders' equity	19,236,682	17,645,158	15,817,366	15,352,379	14,497,915	14,325,600
Deferred liabilities	-	-	-	-	-	5,000
Current liabilities	9,117,477	6,166,119	5,547,980	8,008,085	4,752,449	3,325,134
	28,354,159	23,811,277	21,365,346	23,360,464	19,250,364	17,655,734
Represented By:						
Fixed assets	4,790,506	4,892,675	3,738,867	4,200,317	4,226,582	4,684,671
Other Non - Current assets	456,080	546,237	544,083	515,806	710,650	543,430
Net current assets	23,107,573	18,372,365	17,082,396	18,644,341	14,313,132	12,427,633
	28,354,159	23,811,277	21,365,346	23,360,464	19,250,364	17,655,734

	2014	2013	2012	2011	2010	2009
PROFITABILITY RATIOS						
Gross profit as a % of net sales	7.8	6.4	4.0	3.5	2.4	2.2
Profit before taxation as a % of net sales	4.9	4.6	2.6	2.6	1.6	1.6
Profit after taxation as a % of net sales	3.6	3.6	1.7	1.5	0.5	1.0
Earning per Share (Rs.)	23.4	22.5	11.9	9.7	2.6	3.1
LIQUIDITY & LEVERAGE RATIOS						
Current ratio	2.53	2.98	3.08	2.33	3.01	3.74
Quick ratio	0.88	1.23	1.16	0.71	1.36	0.95
Liabilities as a % of total assets	32	26	26	34	25	19
Equity as a % of total assets	68	74	74	66	76	81
EFFICIENCY RATIOS						
Inventory turn over ratio	3.3	4.5	5.3	3.9	4.8	3.7
No. of days stock held	110	82	69	93	77	98
No. of days sales in trade debts	9.2	7.0	3.9	2.2	2.1	5.2
Total assets turn over ratio	1.9	2.1	2.7	2.3	2.2	1.5
Net worth turn over ratio	2.8	2.9	3.7	3.4	2.9	1.8
EQUITY RATIOS						
Break up value per share (Rs.)	233.74	214.40	192.19	186.54	176.16	174.07
Cash Dividend as a % of capital	50	40	25	20	5	5
Dividend payout ratio (%)	21	18	21	21	19	16
Plough-back ratio (%)	79	82	79	79	81	84
OTHER DATA						
Permanent employees strength (Nos.)	1,272	1,273	1,193	1,029	963	906
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

	2014	%	2013	%	2012	%	2011	%	2010	%	2009	%
	Rupees in millions											
Balance Sheet												
Fixed assets	4,996	(1.6)	5,075	25.3	4,051	(10.1)	4,504	(4.8)	4,732	(6.0)	5,032	1.4
Long-term investments	0	(100.0)	2	(60.0)	5	25.0	4	(20.0)	5	25.0	4	-
Long-term loans	10	66.7	6	500.0	1	(50.0)	2	100.0	1	(66.7)	3	(72.7)
Long-term deposits, prepayments and receivables	23	(37.8)	37	(41.3)	63	215.0	21	(28.6)	28	(20.0)	35	40.0
Long-term installment sales receivables	162	(4.7)	170	4.3	163	(12.4)	186	9.4	170	11.1	153	4.8
Deferred taxation	56	(62.2)	148	100.0	0	-	-	-	-	-	-	-
Stores, spares and loose tools	82	24.2	66	(20.5)	83	29.7	64	-	64	52.4	42	(55.3)
Stock-in-trade	14,976	39.6	10,727	1.6	10,562	(18.3)	12,922	47.7	8,748	27.2	6,880	(11.0)
Trade debts	1,352	37.5	983	56.8	627	94.1	323	34.0	241	(36.1)	376	31.4
Current portion of long-term installment sales receivables	388	17.2	331	5.4	314	3.3	304	21.1	251	21.8	206	(39.6)
Loans, advances and others	515	25.0	412	111.3	195	(10.1)	217	60.7	135	(40.3)	226	76.6
Trade deposits and short term prepayments	53	(15.9)	63	61.5	39	(53.0)	83	93.0	44	34.4	32	(37.3)
Accrued profit on bank deposits	16	23.1	13	116.7	6	-	6	(33.3)	9	12.5	8	(72.4)
Other receivables	134	17.5	114	(39.0)	187	(6.0)	199	84.3	108	40.3	77	(22.2)
Sales tax adjustable and income tax refundable - net	3,750	1.4	3,700	1.5	3,647	7.7	3,386	88.4	1,797	73.5	1,036	89.7
Cash and bank balances	1,841	(6.3)	1,964	38.6	1,417	24.4	1,139	(61.0)	2,917	(17.7)	3,546	41.9
Non-current assets classified as held for sale	0	-	0	(100.0)	5	100.0	0	0.0	0	0.0	0	0.0
Total assets	28,354	19.1	23,811	11.4	21,365	(8.5)	23,360	21.4	19,250	9.0	17,656	4.1
Share capital	823	-	823	-	823	-	823	-	823	-	823	-
Reserves	18,414	9.5	16,822	12.2	14,994	3.2	14,529	6.2	13,675	1.3	13,503	1.3
Total equity	19,237	9.0	17,645	11.6	15,817	3.0	15,352	5.9	14,498	1.2	14,326	1.2
Deferred taxation	0	0.0	0	0.0	0	0.0	0	0.0	0	(100.0)	5	(96.6)
Trade and other payables	4,945	33.8	3,696	37.1	2,695	(16.1)	3,211	4.3	3,080	66.2	1,853	40.8
Advances	2,159	243.2	629	(45.0)	1,144	(62.7)	3,065	837.3	327	(26.0)	442	18.8
Accrued mark-up	9	0.0	0	0.0	0	0.0	0	0.0	0	(100.0)	2	100.0
Short-term borrowing	0	0.0	0	0.0	0	(100.0)	75	50.0	50	0.0	80	100.0
Security deposits	1,917	12.6	1,703	8.4	1,571	3.5	1,518	31.2	1,157	42.8	810	(2.6)
Provision for custom duties and sales tax	86	(37.7)	138	-	138	-	138	-	138	-	138	(3.5)
Total equity and liabilities	28,354	19.1	23,811	11.4	21,365	(8.5)	23,360	21.4	19,250	9.0	17,656	4.1

Horizontal Analysis of Profit and Loss Account

	2014	%	2013	%	2012	%	2011	%	2010	%	2009	%
----- Rupees in millions -----												
PROFIT AND LOSS ACCOUNT												
Sales	53,665	5.1	51,061	(12.8)	58,531	11.0	52,719	23.6	42,643	62.5	26,234	(33.9)
Cost of sales	(49,481)	3.5	(47,818)	(14.9)	(56,186)	10.5	(50,849)	22.1	(41,639)	62.2	(25,665)	(34.3)
Gross profit/ (loss)	4,184	29.0	3,243	38.3	2,345	25.5	1,870	86.2	1,004	76.4	569	(3.7)
Distribution cost	(746)	33.2	(560)	56.4	(359)	35.6	(264)	34.0	(198)	(8.4)	(215)	(30.4)
Administrative expenses	(1,102)	14.9	(960)	11.6	(859)	16.7	(736)	15.7	(636)	28.5	(494)	(2.0)
Other operating expenses	(196)	12.0	(175)	57.7	(111)	3.7	(107)	91.1	(56)	43.6	(39)	(47.3)
Other income	510	(40.9)	863	74.7	494	(20.3)	620	7.8	575	(7.3)	620	(53.8)
Operating profit/ (loss)	2,650	9.9	2,411	59.7	1,510	9.2	1,383	100.7	689	56.6	441	(57.9)
Finance cost	(27)	(53.4)	(58)	427.3	(11)	(38.9)	(18)	(14.3)	(21)	61.5	(13)	(75.5)
Profit/(loss) before taxation	2,623	11.5	2,353	57.0	1,499	9.8	1,365	104.3	668	56.1	428	(56.9)
Taxation	(702)	39.3	(504)	(3.4)	(522)	(8.6)	(571)	24.9	(457)	164.2	(173)	(52.9)
Profit/(loss) after taxation	1,922	3.9	1,849	89.3	977	23.0	794	274.5	211	(16.8)	255	(59.2)



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.

Vertical Analysis of Balance Sheet

	2014	%	2013	%	2012	%	2011	%	2010	%	2009	%
	Rupees in millions											
BALANCE SHEET												
Fixed assets	4,996	17.6	5,075	21.3	4,051	19.0	4,504	19.3	4,732	24.6	5,032	28.5
Long-term investments	0	0.0	2	0.0	5	0.0	4	0.0	5	0.0	4	0.0
Long-term loans	10	0.0	6	0.0	1	0.0	2	0.0	1	0.0	3	0.0
Long-term deposits, prepayments and receivables	23	0.1	37	0.2	63	0.3	21	0.1	28	0.2	35	0.2
Long-term installment sales receivables	162	0.6	170	0.7	163	0.8	186	0.8	170	0.9	153	0.9
Deferred taxation	56	0.2	148	0.6	-	0.0	-	0.0	-	0.0	-	0.0
Stores, spares and loose tools	82	0.3	66	0.3	83	0.4	64	0.3	64	0.3	42	0.2
Stock-in-trade	14,976	52.8	10,726	45.0	10,562	49.4	12,922	55.3	8,748	45.4	6,880	39.0
Trade debts	1,352	4.8	983	4.1	627	2.9	323	1.4	241	1.3	376	2.1
Current portion of long-term installment sales receivables	388	1.4	331	1.4	314	1.5	304	1.3	251	1.3	206	1.2
Loans, advances and others	515	1.8	412	1.7	195	0.9	217	0.9	135	0.7	226	1.3
Trade deposits and short term prepayments	53	0.2	63	0.3	39	0.2	83	0.4	44	0.2	32	0.2
Accrued profit on bank deposits	16	0.1	13	0.1	6	0.0	6	0.0	9	0.0	8	0.0
Other receivables	134	0.5	114	0.5	187	0.9	199	0.9	108	0.6	77	0.4
Sales tax adjustable	1,002	3.5	803	3.4	970	4.5	1,023	4.4	389	2.0	256	1.4
Income tax refundable - net	2,747	9.7	2,897	12.2	2,677	12.5	2,363	10.1	1,408	7.3	780	4.4
Cash and bank balances	1,841	6.5	1,964	8.2	1,417	6.6	1,139	4.9	2,917	15.2	3,546	20.1
Non-current assets classified as held for sale	-	0.0	-	0.0	5	0.0	-	0.0	-	0.0	-	0.0
Total assets	28,354.0	100.0	23,811.0	100.0	21,365.0	100.0	23,360.0	100.0	19,250.0	100.0	17,656.0	100.0
Share capital	823	2.9	823	3.5	823	3.9	823	3.5	823	4.3	823	4.7
Reserves	18,414	64.9	16,822	70.6	14,994	70.2	14,529	62.2	13,675	71.0	13,503	76.5
Total equity	19,237	67.8	17,645	74.1	15,817	74.0	15,352	65.7	14,498	75.3	14,326	81.1
Deferred taxation	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0	5	0.0
Trade and other payables	4,945	17.4	3,696	15.5	2,695	12.6	3,211	13.7	3,080	16.0	1,852	10.5
Advances	2,159	7.6	629	2.6	1,144	5.4	3,065	13.1	327	1.7	442	2.5
Accrued mark-up	9	0.0	-	0.0	-	0.0	-	0.0	-	0.0	2	0.0
Short-term borrowing - export refinancing	-	0.0	-	0.0	-	0.0	75	0.3	50	0.3	80	0.5
Security deposits	1,917	6.8	1,703	7.2	1,571	7.4	1,518	6.5	1,157	6.0	810	4.6
Provision for custom duties and sales tax	86	0.3	138	0.6	138	0.6	138	0.6	138	0.7	138	0.8
Total equity and liabilities	28,354.0	100.0	23,811.0	100.0	21,365.0	100.0	23,360.0	100.0	19,250.0	100.0	17,656.0	100.0

Vertical Analysis of Profit and Loss Account

	2014	%	2013	%	2012	%	2011	%	2010	%	2009	%
----- Rupees in millions -----												
PROFIT AND LOSS ACCOUNT												
Sales	53,665	100	51,061	100	58,531	100	52,719	100	42,643	100	26,234	100
Cost of sales	(49,481)	(92.20)	(47,819)	(93.65)	(56,186)	(95.99)	(50,849)	(96.45)	(41,639)	(97.65)	(25,665)	(97.83)
Gross profit	4,184	7.80	3,243	6.35	2,345	4.01	1,870	3.55	1,004	2.35	569	2.17
Distribution cost	(746)	(1.39)	(560)	(1.10)	(359)	(0.61)	(264)	(0.50)	(198)	(0.46)	(215)	(0.82)
Administrative expenses	(1,102)	(2.05)	(960)	(1.88)	(859)	(1.47)	(736)	(1.40)	(636)	(1.49)	(494)	(1.89)
Other operating expenses	(196)	(0.37)	(175)	(0.34)	(111)	(0.19)	(107)	(0.20)	(56)	(0.13)	(39)	(0.15)
Other income	510	0.95	863	1.69	494	0.84	620	1.18	575	1.35	620	2.36
Operating profit	2,650	4.94	2,411	4.72	1,510	2.58	1,383	2.62	689	1.62	441	1.67
Finance cost	(27)	(0.05)	(58)	(0.11)	(11)	(0.02)	(18)	(0.03)	(21)	(0.05)	(13)	(0.05)
Profit before taxation	2,623	4.89	2,353	4.61	1,499	2.56	1,365	2.59	668	1.57	428	1.62
Taxation	(702)	(1.31)	(504)	(0.99)	(522)	(0.89)	(571)	(1.08)	(457)	(1.07)	(173)	(0.66)
Profit after taxation	1,922	3.58	1,849	3.62	977	1.67	794	1.51	211	0.50	255	0.96



Suzuki Outboard Motors

- The right choice for your marine related needs.
- Outstanding durability & reliability.
- The best technology fitted in high-performance machines.

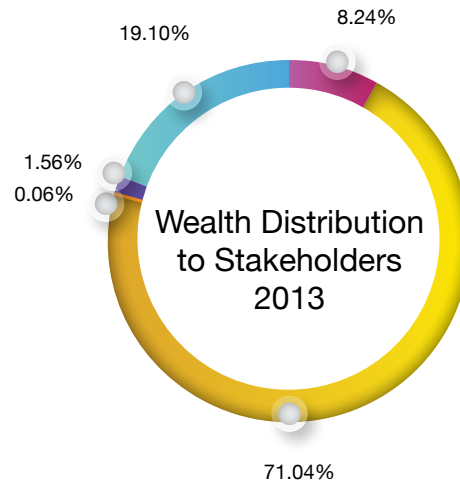
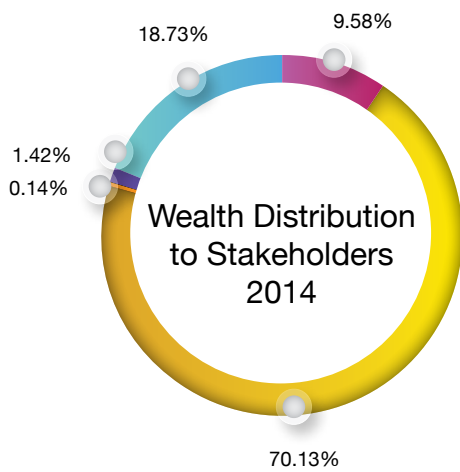
Statement of Value Addition and its Distribution

	2014		2013	
	Rs. in thousand	%	Rs. in thousand	%
Wealth Generated				
Total gross revenue and other income	65,791,510		62,505,533	
Bought in materials and services	51,313,645		49,276,044	
	<u>14,477,865</u>	<u>100</u>	<u>13,229,489</u>	<u>100</u>
Wealth distribution to stakeholders				
To employees				
Salaries, wages ,other cost including retirement benefits and WPPF	1,386,593	9.58	1,090,181	8.24
To Government				
Income tax, sales tax, excise duty, development surcharge,WVF	10,153,180	70.13	9,398,661	71.04
To society				
Donations	9,114	0.06	6,740	0.05
To Shareholders				
Dividend	205,750	1.42	205,750	1.56
To providers of finance				
Finance charges for borrowed funds	11,934	0.08	859	0.01
To Company				
Depreciation, amortisation and retained profit	2,711,294	18.73	2,527,298	19.10
	<u>14,477,865</u>	<u>100.00</u>	<u>13,229,489</u>	<u>100.00</u>

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.





Launching of Suzuki WagonR

Products Launching



Launching of Suzuki Kizashi



Launching of Suzuki Outboard Motors



Launching of Suzuki Kizashi



Launching of Suzuki GD110s

Inauguration of Dealerships



Shinwari Motors



Larkana Motors



Sadiqabad Motors



Makli Motors



Khanewal Motors

Visits & Events



Along with Mr. Shahid Khaqan Abbasi, Federal Minister and with Mr. Abid Saeed, Federal Secretary for Petroleum and Natural resources.



Along with Mr. Ghulam Murtaza Khan Jatoi, Federal Minister For Industries & Production.



Along with Mr. Sardar Ayaz Sadiq, Speaker National Asembly.



Along with Mr. Muhammad Zubair, Minister for state, Deputy Convener of Auto Policy and Chairman Privatization Commission.



Along with Mr. Tariq Fatemi, Advisor & Special assistant to prime minister on foreign affairs.



Inhouse Training



Sports Activities



Sports Activities



Team Expedition Training



Sports Activities

Chairman's Review

It is my privilege to present review on the performance of the Company for the year ended December 31, 2014.

Industry

During current year, the industry of locally manufactured cars and light commercial vehicles marginally improved by 2.9%. During the year 143,062 units were sold compared to 139,022 units last year. The import of used vehicles in big number is hindering the growth of industry. Despite the restriction on age limit for imported used vehicles of 3 years, about 35,000 units of used vehicles were imported during the year as compared to 23,000 units of last year. Import of used vehicles continues to be main challenge for domestic auto industry.

The organized market (PAMA member companies) for motorcycles and three wheelers decreased by 7.5% from 794,835 units to 735,603 units.

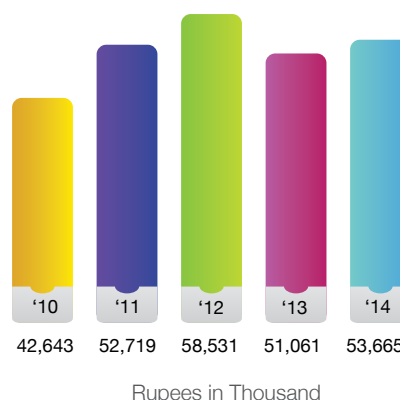
The stable Pak Rupee and weaker Japanese Yen against US Dollar contributed in reduction in cost of imported components. The benefits were passed on by industry to the customers by reducing prices of vehicles.

Operating Results of the Company

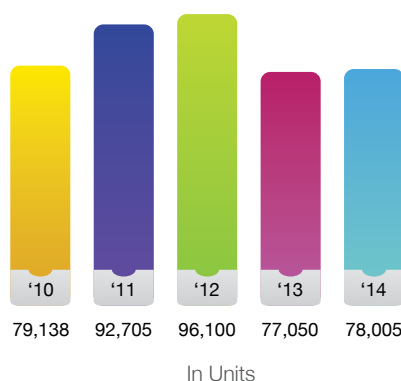
Company earned net profit of Rs 1.922 billion against Rs. 1.849 billion last year. The net sales revenues improved by 5.1% from Rs. 51.061 billion to Rs. 53.665 billion. The sales volume of automobiles and motorcycles remained consistent with last year, slightly increasing by 1% from 77,050 units of automobiles and 23,117 units of motorcycles to 78,005 units of automobiles and 23,453 units of motorcycles. The production volume of automobile and motorcycles were adjusted according to the demand. The production volume of automobile increased by 4.2% from 77,142 units to 80,384 units and that of motorcycles increased by 3.9% from 22,977 units to 23,871 units. Because of lower demand 46.4% production capacity of automobile plant and 45.7% of motorcycle plant remained un-utilized.

Gross profit increased in absolute terms by Rs 941 million from Rs. 3.243 billion to Rs. 4.184 billion. The weaker Japanese Yen and stable Pak Rupee contributed in improved gross profit margins from 6.4% to 7.8%. Distribution expenses increased

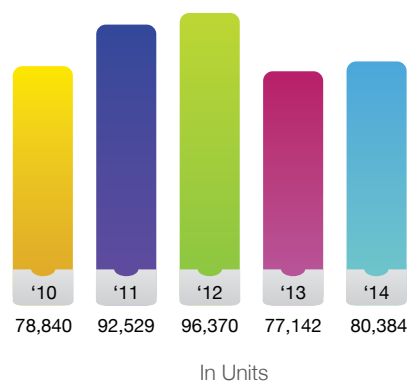
Sales Revenue



Sales Volume Motor Cars



Production Volume Motor Cars

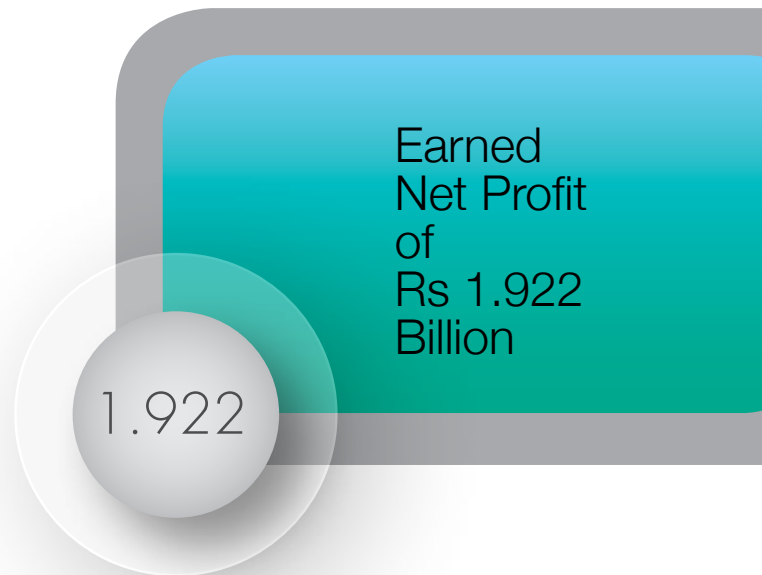


from Rs. 560.239 million to Rs. 746.304 million and as a percentage of sales from 1.1% to 1.4%. The increase was mainly in advertising and sales promotion that included the launching of WagonR in April 2014. Administration expenses increased from Rs. 959.363 million to Rs. 1,101.650 million and as percentage of sales from 1.9% to 2.1%. The increase was mainly due to the impact of Rs. 863.241 million to Rs. 510.208 million. Other operating income of last year included adjustment of Rs 97 million for input sales tax on franchise services which was expensed out in previous year and gain on disposal of old motorcycle plant of Rs 275 million. Finance cost decreased from Rs. 57.576 million to Rs. 26.709 million. The decrease was due to higher exchange loss incurred in last year. Other operating expenses represent contributions to workers' profit participation fund and workers' welfare fund. They increased from Rs. 175.137 million to Rs. 195.850 million. The increase was due to higher contributions consequential to higher amount of profit. Consequently profit before tax increased in absolute terms by Rs 270 million from Rs. 2.353 billion to Rs. 2.623 billion and as a percentage of sales improved from 4.6% to 4.9%. Expense for income tax increased from Rs. 504.082 million to Rs. 701.500 million and as a percentage of profit before tax increased from 21.4% to 26.7%. Higher incidence of tax as a percentage on profit before tax as compared to last year is due to adjustment of Rs. 233 million had been recorded in last year for carried over excess of turnover tax over normal tax. Further, last year, income tax was not provided on profit on disposal of motorcycle plant being exempt income.

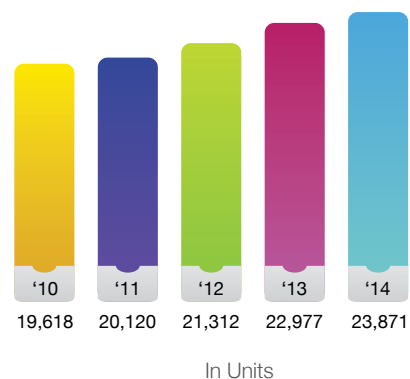
Marketing & Exports

The Company is endeavoring to improve profitability and diversity in its operations by upgrading the existing products and launching new products. During the year, the Company entered into the business of Outboard Motors in March 2014 by launching its products.

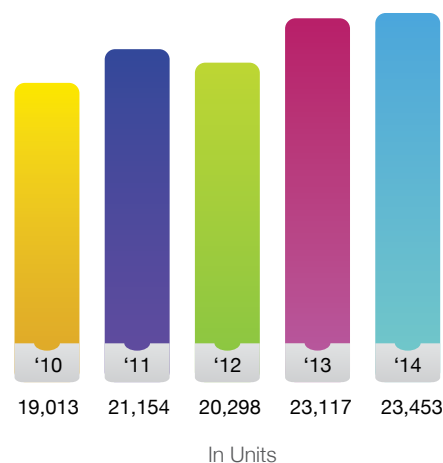
Pak Suzuki remains the market leader in locally manufactured cars and light commercial vehicles industry by capturing 54% market share of the total domestic market. Strong dealers' network all over Pakistan, availability of spare parts at economical prices and reliable after-sales service are the strengths of Pak Suzuki. In April 2014, Company introduced new model Suzuki WagonR. The new model was well accepted by customers. In July 2014, Company entered into an agreement with Bank of Punjab for sale of 50,000 units of Suzuki Bolan and Suzuki Ravi under "Apna Rozgar Scheme" of Government of Punjab. These vehicles



Production Volume Motor Cycles



Sales Volume Motor Cycles



will be supplied from December 2014 to February 2016. The Company expects that it will contribute in improved sales volumes in coming quarters.

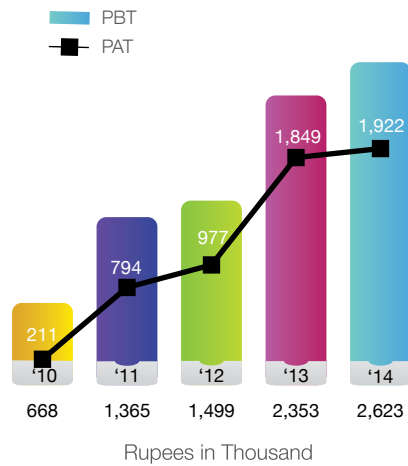
During the year 120 units of Suzuki Ravi Pickup worth Rs. 52 million were exported to Bangladesh against 55 units worth Rs. 24 million last year.

Motorcycle market in Pakistan is dominated by motorcycle with engine capacity of 70cc. Pak Suzuki markets motorcycles with engine capacities of 110cc and above. Company is trying to expand its business in this segment. The Company expects that motorcycle demand in Pakistan will gradually shift towards higher engine capacity like other countries in the region and market for Suzuki motorcycles will improve. During the year Company introduced a new model GD 110S.

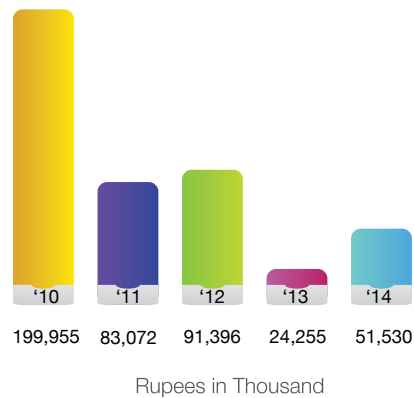
Localization

The Company contributes to enhance the auto parts industry for localization of imported parts as low localization has made the industry vulnerable to adverse movements in the exchange rate, which impacted production costs and retail prices. The Company continues to pursue localization in order to reduce the cost of product and keep the prices competitive besides saving of foreign exchange.

Profit before Tax/Profit after Tax



Export Sales



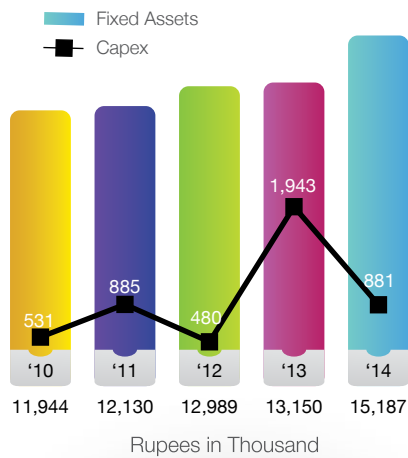
Hayabusa

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.

Human Resource

Management and employee relations continued to remain cordial and industrial peace prevailed during the year. Human resource development remains one of the key objectives of the Company. 236 employees were sent for training outside Company including 61 employees sent for foreign training. 329 employees participated in in-house training sessions.

Fixed Assets vs CAPEX



Pak Suzuki remains the market leader in locally manufactured cars and light commercial vehicles industry by capturing 54% market share of the total domestic market.



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)
2010	14.006	29.960
2011	17.012	39.390
2012	17.302	31.054
2013	15.380	27.275
2014	17.442	25.067

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 2014-2015.

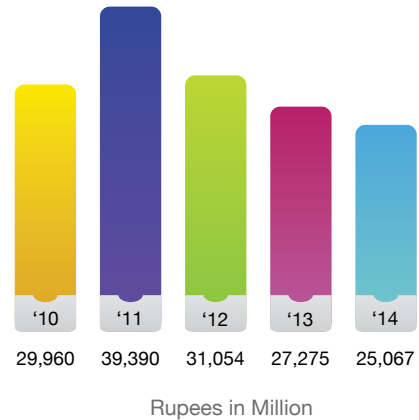
*Converted into Pak Rupees at year end exchange rate.

Future Outlook & Conclusion

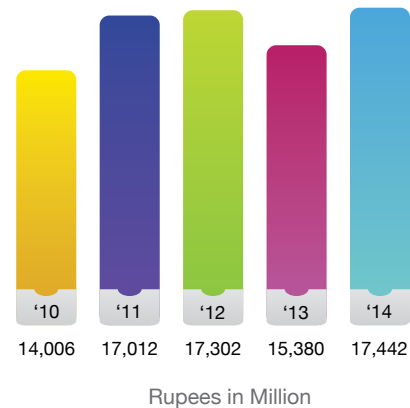
The outlook for the automobile industry is positive although operating environment is likely to be challenging. The Company welcome the government's decision to again allow local car manufacturers to import and fit Compressed Natural Gas (CNG) kits in their vehicles. The Company is gearing up to re-launch its CNG fitted vehicles in coming year. Lower inflation supports in maintaining the discount rate in single digit. Consequently, auto financing at lower rates is being offered by financial institutions to the customers which is contributing in improved sales volumes. The stability in Pak Rupee was witnessed from second quarter of 2014. Continued stability in Pak Rupee and weaker Japanese Yen against US Dollar will help in maintaining the prices of vehicles.

The auto industry of Pakistan is looking forward to Government for early resolution of issue of trade with India and finalization of second Auto Industry Policy. The auto parts are in negative list for trade between India and Pakistan. The Company reiterates that if

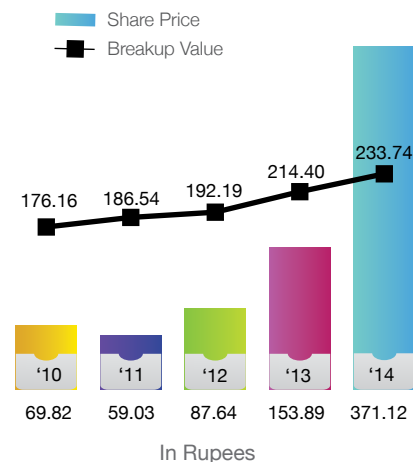
Foreign exchange saving



Duties & Taxes

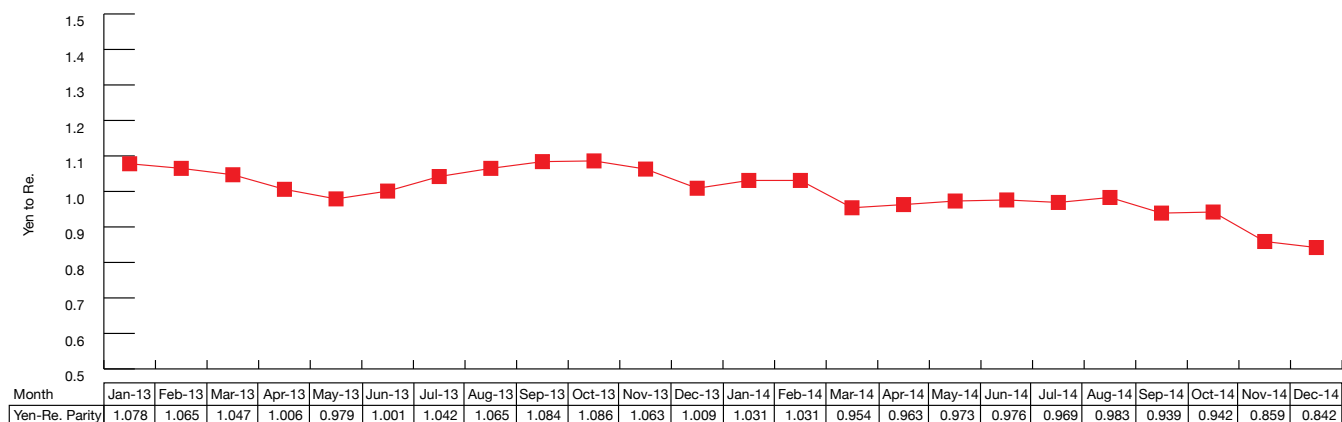


Share Price Vs. Breakup Value

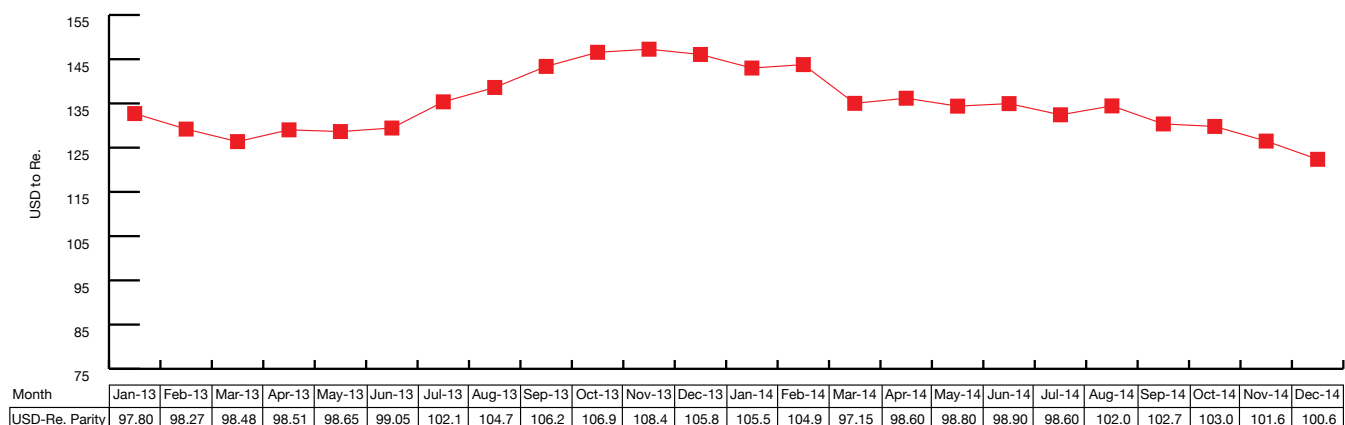


Exchange Rates Movement

Yen-Re. Parity



USD-Re. Parity



import of auto parts is allowed from India it will be advantageous as the imports will be cheaper due to lower prices and freight advantage. The Government is expected to announce 'Auto Industry Policy' in near future, providing regulatory framework for the automobile sector for next five years. It is expected that the 'Auto Industry Policy' will address the issues being faced by the automobile sector and contribute positively for the growth of automobile sector. Consistent Government policies with long term vision are essential for the growth of auto industry.

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.

KINJI SAITO
Chairman

Karachi. March 18, 2015.

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, 2014.

Accounts	(Rs in 000)
Profit before taxation	2,623,394
Taxation	701,500
Profit after taxation	1,921,894
Retained earnings of prior years	3,411
Net Profit available for appropriation	1,925,305
Less: Appropriations	
Transfer to General Reserve	1,510,000
Proposed Cash Dividend @ 50%	411,499
	1,921,499
Retained earnings carried forward	3,806

Earnings per share

The earnings per share for the year were Rs. 23.35.

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 34 to 39 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 financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal controls is sound in design and has been effectively implemented and monitored.

- There are no doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

Key operating and financial data

The key operation and financial data of the Company for six years are summarized on page No. 22.

Government taxes

Outstanding taxes and levies have been explained in note 20 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 14	Dec 13
Provident Fund	543.150 million	486.227 million
Gratuity Fund	329.104 million	293.397 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 / Mr. Tetsuya Fujioka	4
Mr. Yosuke Yamada	4
Mr. Jamil Ahmed	4
Mr. Mumtaz Ahmed Sheikh	4
Mr. Kinji Saito	3
Mr. Wazir Ali Khoja	4

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. Wazir Ali Khoja	4
Mr. Kinji Saito	3
Mr. Yosuke Yamada / Mr. Satoshi Ina / Mr. Tetsuya Fujioka	4

Directors' training programme

During the year one director has acquired certification under Directors' Training Program.

Pattern of shareholdings

The pattern of shareholdings as of December 31, 2014 is given on pages 96 to 98.

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, 2015. The Directors endorse recommendation of Audit Committee.

Changes in Board, Audit Committee and HR&R Committee

On March 5, 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. Tetsuya Fujioka was appointed as members of the Board and Audit Committee on June 1, 2014 in place of Mr. Satoshi Ina who had resigned.

Mr. Abdul Hamid Bhombal resigned as CFO and Company Secretary w.e.f. March 14, 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.

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.

As at December 31, 2014 the Board comprised of the following directors who retired on completion of their term on 6th February 2015:-

1. Mr. Hirofumi Nagao
2. Mr. Tetsuya Fujioka
3. Mr. Yosuke Yamada
4. Mr. Kinji Saito
5. Mr. Jamil Ahmed
6. Mr. Mumtaz Ahmed Shaikh
7. Mr. Wazir Ali Khoja

Subsequent to the year end, the elections of Board were held on February 2, 2015 and following persons were elected as directors of the Company for the period of three (3) years with effect from February 7, 2015:

- 1- Mr. Hirofumi Nagao
- 2- Mr. Tetsuya Fujioka
- 3- Mr. Toshihiro Suzuki
- 4- Mr. Takashi Iwatsuki
- 5- Mr. Kinji Saito
- 6- Mr. Takanori Suzuki
- 7- Mr. Wazir Ali Khoja

Mr. Hirofumi Nagao has been re-elected as Chief Executive and Mr. Kinji Saito was elected as Chairman of the board. Consequently, the Audit Committee and Human Resource and Remuneration Committee have been reorganized and Board nominated the following directors as member of Audit Committee and Human Resource and Remuneration Committee:

Audit Committee

1. Mr. Wazir Ali Khoja;
2. Mr. Kinji Saito; &
3. Mr. Takashi Iwatsuki.

Human Resource and Remuneration Committee

1. Mr. Kinji Saito;
2. Mr. Hirofumi Nagao; &
3. Mr. Takashi Iwatsuki.

Further, Mr. Wazir Ali Khoja has been nominated as Chairman of Audit Committee and Mr. Kinji Saito as Chairman of Human Resource and Remuneration Committee.

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

Donation of Suzuki Bolan Vans:

The Company donated a Suzuki Bolan Van to Ida Rieu Welfare Association on 17th January, 2014. At

present, Ida Rieu is Country's leading School & College for the Blind and Deaf students.

Another Suzuki Bolan Van donated to Koohi Goth Women Hospital on 1st September, 2014. The hospital provides medical treatment against Fistula, Gynae & other women related disease at "Free of Cost" along with inpatient facilities.



Blood Donation Camps:

Blood Donation Camp was organized in the Company on 5th June, 2014 in collaboration with Fatimid Foundation.

Total 106 employees donated their blood voluntarily, out of them 34 were from our nearby Vendors.

EDUCATION



Scholarship for NED students:

NED University of Engineering and Technology, is one of the most reputable institution of Pakistan, serving the nation since 1922. The Company is committed to support higher education in Pakistan in order to contribute in the socio economic development of the nation. Continuing the Education Support Program under CSR, total 39 scholarships were awarded among students of NED University of Engineering & Technology on 7th May, 2014 which included 15 new students and 24 students from previous years.

Higher Secondary Certificate Scholarship:

"Education is the most powerful weapon which can change the world"; following this philosophy, the Company achieved another milestone in the field of Education by starting Higher Secondary Certificate Scholarship for neighboring Government School students and Company Employees. 45 scholarships were awarded among the selected students on 3rd December, 2014 to help them to continue their education after Matriculation.

Construction and Renovation of Government Schools, Pipri:

Second phase of Construction and Renovation Projects in Government Boys & Girls Primary Sindhi Schools, Pipri Bin Qasim was completed in 2014, which comprises of 4 class rooms and 4 Toilets in Girls School



and 4 Class Rooms and 2 Toilets in Boys School along with Class Room furniture, Tables and Chairs for Teachers, fixing of Water Coolers along with Filters.

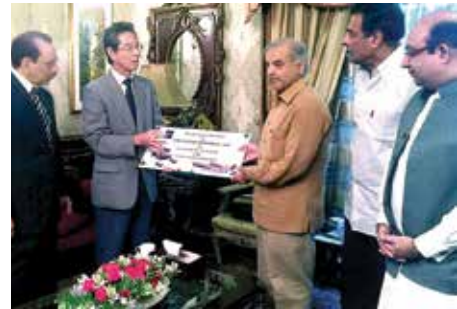
Computer Literacy Program:

Computer Literacy Program was organized for the children of employees of the company during School summer vacations (2nd June – 27th June). Total 85 children attended the trainings. Trainings regarding the Basic Computer Usage, MS-Office, Adobe Photo Shop and Adobe Flash were given to them.

ENVIRONMENT

Donation for Flood Victims:

Pak Suzuki donated two Suzuki outboard motor fitted boats & 215 tents to support the flood relief efforts in Punjab on 24th September, 2014.



Beach Cleaning Campaign:

The Company carried out a Beach Cleaning Campaign on 15th November, 2014 at Sea View, Clifton, Karachi. The theme of 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 300 employees of the Company and its nearby vendors along with their families participated in this campaign. The activity was carried out for more than 2 hours which ended up in collecting around 500 kg of garbage, which was disposed of properly.



Health, Safety & Environment (HSE) Awareness Session:

Health, Safety & Environment (HSE) Awareness Session was conducted on 1st November, 2014 for employees of the company and nearby vendors' children in which importance of safety & security, environmental issues and tips to stay healthy were highlighted.

Plantation:

Plantation plays a positive role in protecting environment; therefore a plantation project was completed in front of North side boundary wall of company by planting 1000 conocarpus trees.

Quality, Environment, Health & Safety Management Systems:

Pak Suzuki Motor Company Limited is committed to continually promote a “Quality, Health, Safety and Environment Culture” (QHSE). 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. 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 is a key factor in operations of the company. Pak Suzuki continuously monitor the waste generated from its activities and wherever required, the company has installed Environmental Control Equipment and facilities 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 of as per EPA requirement.

Occupational Health and Safety Management System (OHSAS):

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

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.

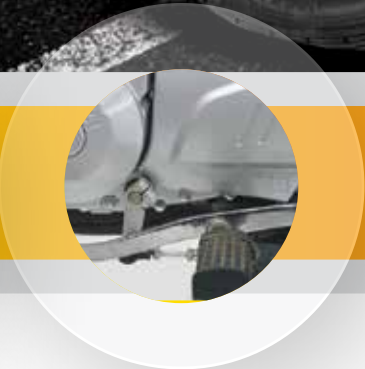
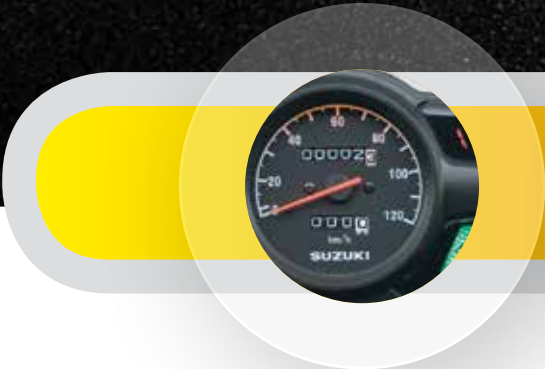
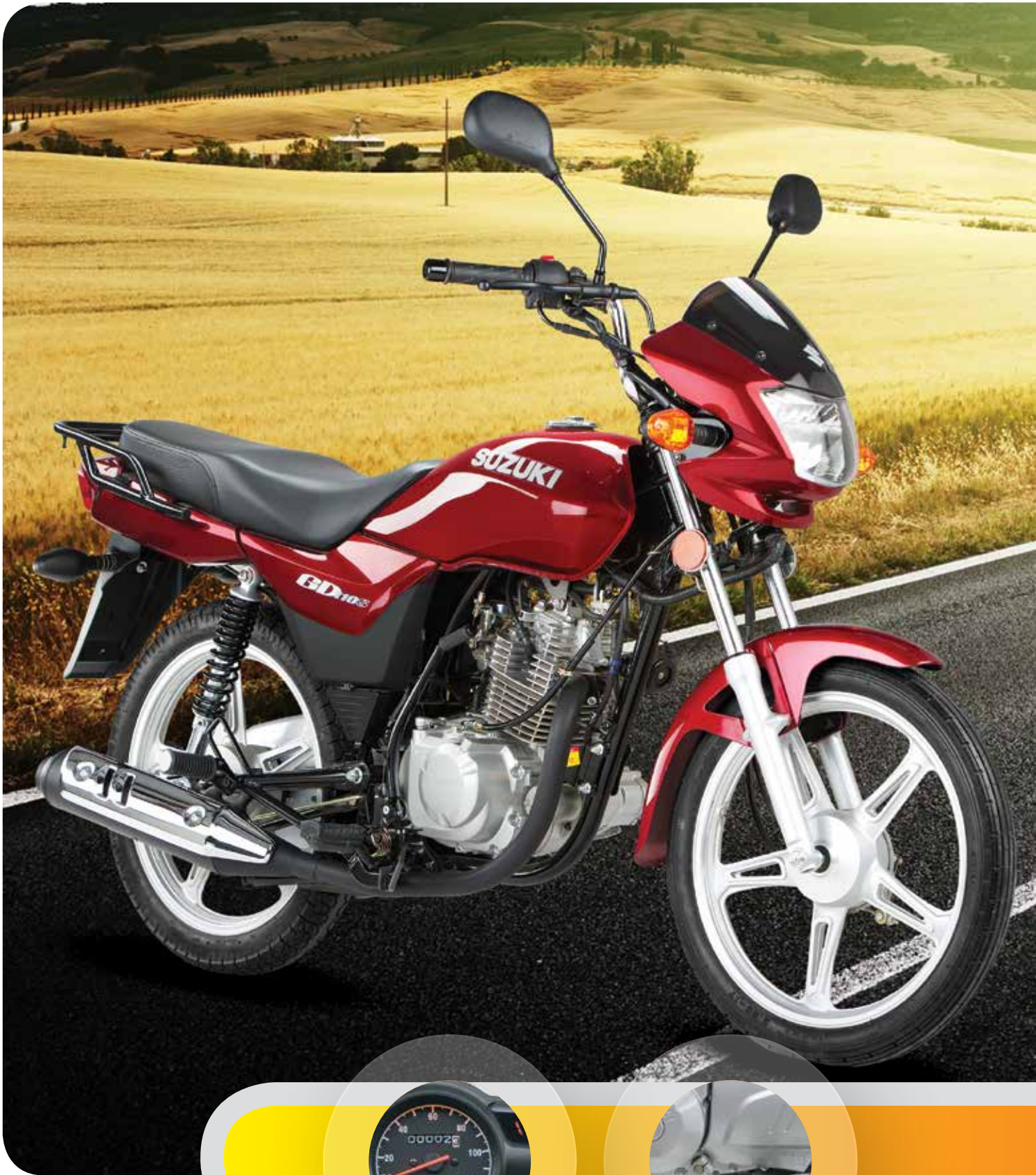
To improve safety measures on continual basis in each area, Pak Suzuki identifies and analyzes potential risks (danger/ hazards) related to work and equipment, and decides measures to be taken via Hiyari Hatto (near miss and narrow escape) activity, an effective Japanese Technique.

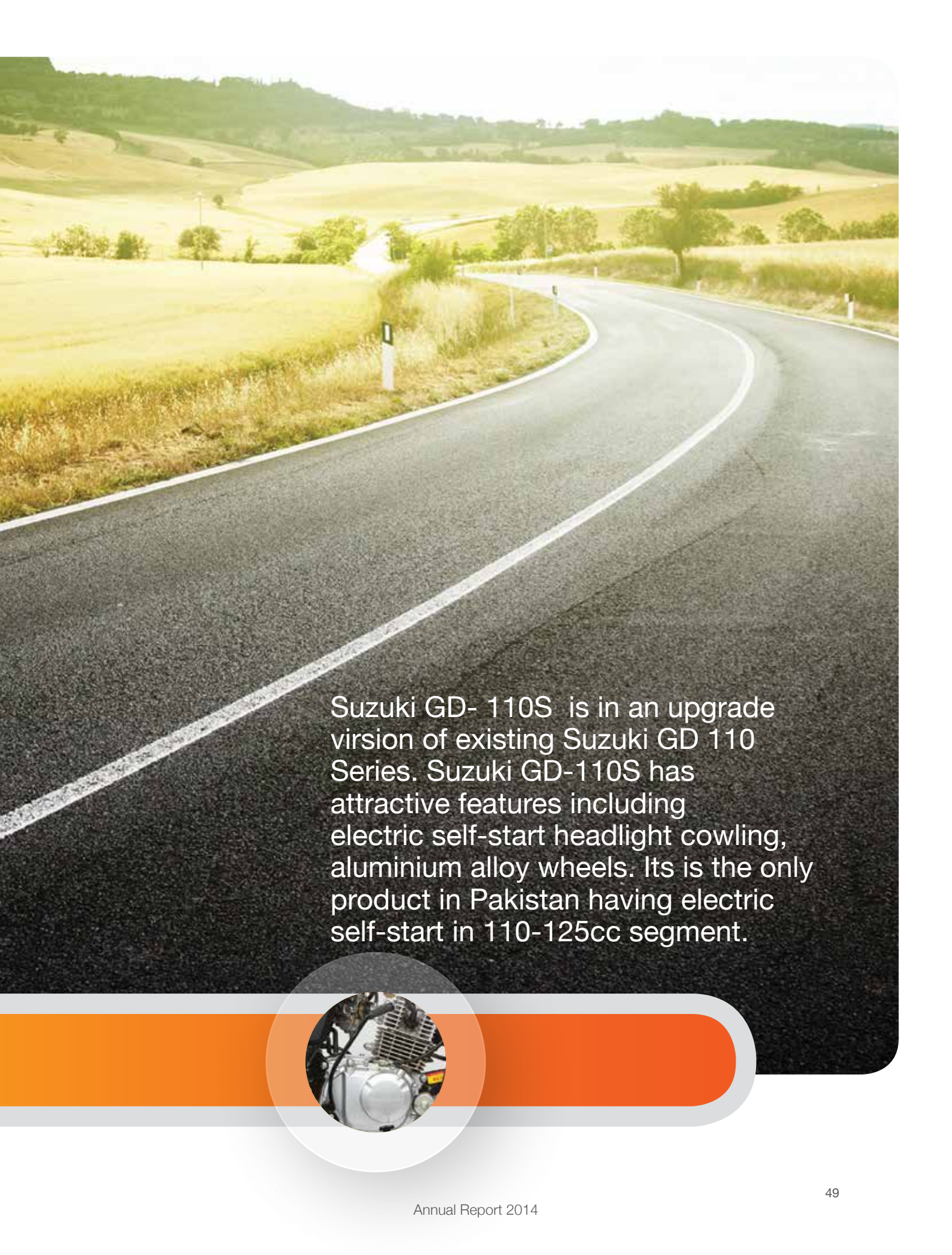
BY ORDER OF THE BOARD



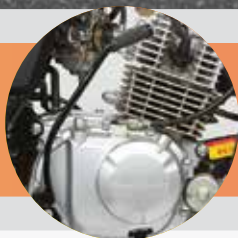
HIROFUMI NAGAO
Chief Executive

Karachi
March 18, 2015





Suzuki GD- 110S is in an upgrade version of existing Suzuki GD 110 Series. Suzuki GD-110S has attractive features including electric self-start headlight cowling, aluminium alloy wheels. Its is the only product in Pakistan having electric self-start in 110-125cc segment.



Statement of Compliance With The Code of Corporate Governance

For The Year Ended December 31, 2014

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 and Lahore 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 (the Board). As at December 31, 2014 the Board comprised of the following:

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

Subsequent to the year end, the elections of Board were held on February 2, 2015. At present, the Board comprises of the following:

Category	Names
Independent Directors	Mr. Wazir Ali Khoja
Executive Directors	Mr. Hirofumi Nagao
	Mr. Tetsuya Fujioka
Non-Executive Directors	Mr. Kinji Saito
	Mr. Toshihiro Suzuki
	Mr. Takashi Iwatsuki
	Mr. Takanori Suzuki

The independent director and non-executive directors meet the criteria under clause i (b) of 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 NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A casual vacancy had occurred during the period under review. The said vacancy was filled up within 3 days.
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 and other executive director, 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, a director has acquired certification under Directors Training Program.
10. The board has approved appointment of CFO and Company Secretary during the year including their remunerations and terms and conditions of the employment. No new appointment of Head of Internal Audit 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. The Board has formed an Audit Committee. As at December 31, 2014 it comprised of three (3) members. The Committee was being headed by an independent director, a member was non-executive director and other was Executive director. Further, following the elections of the Board as referred in point 1 above, the audit committee, at present, comprises of three (3) members, of whom two (2) are non-executive directors and the Chairman of the Committee is an independent 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 and 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 Human Resource and Remuneration Committee. It comprises three (3) members, of whom two are non-executive directors including the Chairman and one is executive director.
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 exchange(s).
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. We confirm that all other material principles enshrined in the CCG have been complied with.



HIROFUMI NAGAO
Chief Executive

Dated: March 18, 2015

Notice of Meeting

Notice is hereby given that the 32nd Annual General Meeting of the shareholders of Pak Suzuki Motor Company Limited will be held at DSU-13, Pakistan Steel Industrial Estate, Bin Qasim, Karachi on Friday, April 24, 2015 at 9.30 a.m. to transact the following business:

ORDINARY BUSINESS

- 1- To confirm minutes of Extra-Ordinary General Meeting held on February 2, 2015.
- 2- To receive, consider and adopt the audited accounts of the Company for the year ended December 31, 2014, together with Directors' and Auditors' reports thereon.
- 3- To approve payment of cash dividend @ 50% i.e. Rs. 5.00 per share of Rs. 10/- each.
- 4- To appoint Auditors and fix their remuneration for the year ending December 31, 2015.
- 5- To consider any other business with the permission of the Chair.

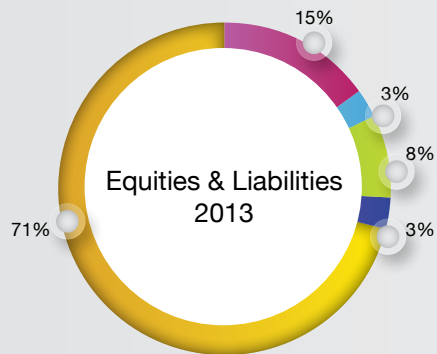
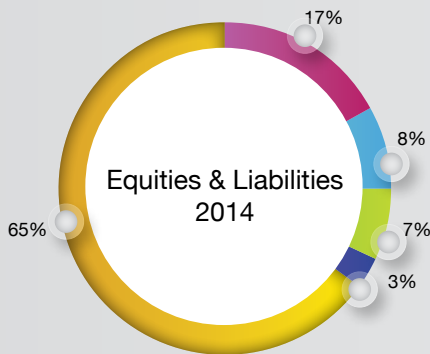
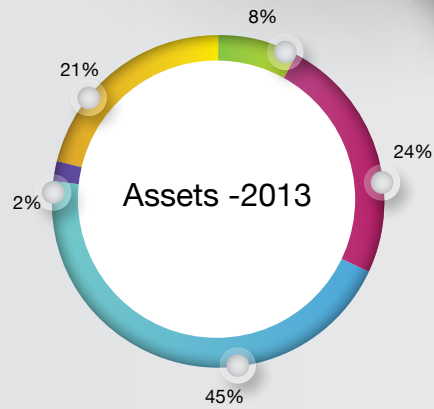
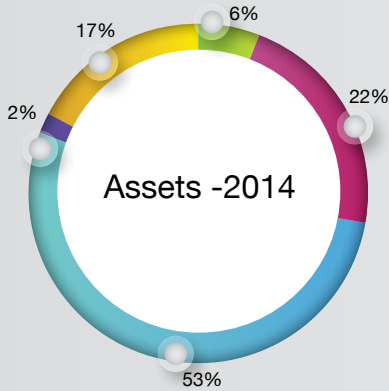
BY ORDER OF THE BOARD

ABDUL NASIR
COMPANY SECRETARY

Karachi: April 3, 2015
Notes:

- 1- The share transfer books of the Company will remain closed from April 18, 2015 to April 24, 2015 (both days inclusive) and no transfer will be accepted for registration during this period. Transfers received in order till close of business on April 17, 2015 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 Computerized National Identity Cards (CNIC) 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



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 2014** 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 2014**.



Chartered Accountants

Date: 18 March 2015

Place: Karachi

Auditors' Report to the Members

We have audited the annexed balance sheet of Pak Suzuki Motor Company Limited (the Company) as at 31 December 2014 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 2014 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.



Chartered Accountants
Audit Engagement Partner: Khurram Jameel
Date: 18 March 2015
Place: Karachi

Balance Sheet

As at December 31, 2014

	Note	2014 ----- (Rupees in '000') -----	2013 -----
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	4,790,506	4,892,675
Intangible assets	4	205,287	182,638
Long-term investments	5	351	2,194
Long-term loans	6	9,597	6,264
Long-term deposits, prepayments and other receivables	7	22,788	36,977
Long-term installment sales receivables	8	162,260	170,252
Deferred taxation	9	55,797	147,912
		<u>5,246,586</u>	<u>5,438,912</u>
CURRENT ASSETS			
Stores, spares and loose tools	10	82,030	66,279
Stock-in-trade	11	14,976,001	10,726,457
Trade debts	12	1,352,310	983,273
Current portion of long-term installment sales receivables	8	387,608	330,504
Loans and advances	13	514,845	411,623
Trade deposits and short-term prepayments	14	53,110	62,935
Accrued profit on bank accounts		16,340	13,016
Other receivables	15	134,260	114,144
Sales tax adjustable		1,002,345	802,777
Income tax – net		2,747,340	2,896,998
Cash and bank balances	16	1,841,384	1,964,359
		<u>23,107,573</u>	<u>18,372,365</u>
TOTAL ASSETS		<u><u>28,354,159</u></u>	<u><u>23,811,277</u></u>

Balance Sheet

As at December 31, 2014

	2014	2013
	Note ----- (Rupees in '000') -----	-----
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised share capital 150,000,000 (2013: 150,000,000) ordinary shares of Rs.10/- each	<u>1,500,000</u>	<u>1,500,000</u>
Issued, subscribed and paid-up share capital	17 822,999	822,999
Reserves	<u>18,413,683</u>	16,822,159
	<u>19,236,682</u>	<u>17,645,158</u>
CURRENT LIABILITIES		
Trade and other payables	18 4,945,271	3,695,675
Accrued markup on short term borrowings	8,982	-
Advances from customers	2,159,487	629,275
Security deposits	19 1,917,414	1,702,694
Provision for custom duties and sales tax	20 86,323	138,475
	<u>9,117,477</u>	<u>6,166,119</u>
CONTINGENCIES AND COMMITMENTS	21	
TOTAL EQUITY AND LIABILITIES	<u>28,354,159</u>	<u>23,811,277</u>

The annexed notes from 1 to 39 form an integral part of these financial statements.


Kinji Saito
Chairman


Hirofumi Nagao
Chief Executive

Profit and Loss Account

For the year ended December 31, 2014

	Note	2014 ----- (Rupees in '000') -----	2013 -----
Sales	22	53,664,947	51,061,333
Cost of sales	23	(49,481,248)	(47,818,820)
Gross profit		<u>4,183,699</u>	<u>3,242,513</u>
Distribution costs	24	(746,304)	(560,239)
Administrative expenses	25	(1,101,650)	(959,363)
Other operating expenses	26	(195,850)	(175,137)
Other income	27	510,208	863,241
Finance costs	28	(26,709)	(57,576)
		(1,560,305)	(889,074)
Profit before taxation		<u>2,623,394</u>	<u>2,353,439</u>
Taxation	29	(701,500)	(504,082)
Net profit for the year		<u>1,921,894</u>	<u>1,849,357</u>
		----- (Rupees) -----	
Earnings per share - basic and diluted	30	<u>23.35</u>	<u>22.47</u>

The annexed notes from 1 to 39 form an integral part of these financial statements.


Kinji Saito
 Chairman


Hirofumi Nagao
 Chief Executive

Statement of Comprehensive Income

For the year ended December 31, 2014

	2014	2013
	----- (Rupees in '000') -----	
Net profit for the year	1,921,894	1,849,357
Other comprehensive income / (loss)		
Items that may be reclassified subsequently to profit and loss account		
Unrealised gain on derivative financial instrument – net of tax	9,225	214,013
Items that may not be reclassified subsequently to profit and loss account		
Actuarial loss on gratuity fund	(10,396)	(29,828)
	(1,171)	184,185
Total comprehensive income for the year	<u>1,920,723</u>	<u>2,033,542</u>

The annexed notes from 1 to 39 form an integral part of these financial statements.


Kinji Saito
Chairman


Hirofumi Nagao
Chief Executive

Cash Flow Statement

For the year ended December 31, 2014

	Note	2014 ----- (Rupees in '000') -----	2013 -----
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	31	1,448,069	2,955,261
Finance costs paid		(17,730)	(57,583)
Taxes paid		(465,342)	(847,838)
Long-term loans		(3,333)	(4,855)
Long-term deposits, prepayments and receivables		14,189	26,474
Long-term installment sales receivables		7,992	(7,602)
Net cash generated from operating activities		<u>983,845</u>	<u>2,063,857</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(880,880)	(1,943,239)
Acquisition of intangible assets		(197,744)	(14,471)
Proceed from sale of non current asset classified as held for sale		-	280,000
Proceeds from sale of fixed assets		64,170	78,699
Profit received on bank accounts		234,931	286,766
Net cash used in investing activities		<u>(779,523)</u>	<u>(1,312,245)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(327,297)	(204,683)
Net (decrease) / increase in cash and cash equivalents		<u>(122,975)</u>	<u>546,929</u>
Cash and cash equivalents at beginning of the year		1,964,359	1,417,430
Cash and cash equivalents at end of the year	16	<u>1,841,384</u>	<u>1,964,359</u>

The annexed notes from 1 to 39 form an integral part of these financial statements.


Kinji Saito
Chairman


Hirofumi Nagao
Chief Executive

Statement of Changes in Equity

For the year ended December 31, 2014

	Share capital Issued, subscribed and paid-up	Reserves						Total reserves	Total
		Capital reserves		Revenue reserves					
		Share premium	Reserve on merger	General	Unappropriated profit	Unrealised gain / (loss) on derivative financial instrument	Actuarial loss on gratuity fund		
----- Rupees in '000' -----									
Balance as at December 31, 2012	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
Total comprehensive income	-	-	-	-	1,849,357	214,013	(29,828)	2,033,542	2,033,542
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
Cash dividend @ 40% per share	-	-	-	-	(329,199)	-	-	(329,199)	(329,199)
Transferred to general reserve	-	-	-	1,520,000	(1,520,000)	-	-	-	-
Net profit for the year	-	-	-	-	1,921,894	-	-	1,921,894	1,921,894
Other comprehensive income	-	-	-	-	-	9,225	(10,396)	(1,171)	(1,171)
Total comprehensive income	-	-	-	-	1,921,894	9,225	(10,396)	1,920,723	1,920,723
Balance as at December 31, 2014	822,999	584,002	260,594	15,704,818	1,925,305	(38,163)	(22,873)	18,413,683	19,236,682

The annexed notes from 1 to 39 form an integral part of these financial statements.


Kinji Saito
Chairman


Hirofumi Nagao
Chief Executive

Notes to the Financial Statements

For the year ended December 31, 2014

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) and other standards 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, 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 and 18.4)
- Provision for custom duties and sales tax (note 2.15 and 20)
- Taxation (note 2.17, 9 and 29)
- Warranty obligations (note 2.20 and 18.2)
- Derivative financial instruments (note 2.14)

2.4 Standards and interpretations effective in 2014

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

The Company has adopted the following amendments and interpretation of IFRSs which became effective for the year:

- IAS 32 – Financial Instruments : Presentation – (Amendment)
 - Offsetting Financial Assets and Financial Liabilities
- IAS 36 – Impairment of Assets – (Amendment)
 - Recoverable Amount Disclosures for Non-Financial Assets
- IAS 39 – Financial Instruments: Recognition and Measurement – (Amendment)
 - Novation of Derivatives and Continuation of Hedge Accounting
- IFRIC 21 – Levies

The adoption of the above amendments to accounting standards and interpretations did not have any material effect on the financial statements.

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

The following amendments 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:

Standard	Effective date (annual periods Beginning on or after)
IFRS 10 – Consolidated Financial Statements	01 January 2015
IFRS 11 – Joint Arrangements	01 January 2015
IFRS 12 – Disclosure of Interests in Other Entities	01 January 2015
IFRS 13 – Fair Value Measurement	01 January 2015
IAS 1 – Presentation of Financial Statements – (Amendment) - Disclosure Initiative	01 January 2016
IAS 16 & 38 – Property, Plant and Equipment & intangible assets – (Amendment) - Clarification of Acceptable Method of Depreciation and Amortization	01 January 2016
IAS 16 & 41 – Property, Plant and Equipment & Agriculture - (Amendment) - Agriculture: Bearer Plants	01 January 2016
IAS 19 – Employee Benefits – (Amendment) - Defined Benefit Plans: Employee Contributions	01 July 2014

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

Notes to the Financial Statements

For the year ended December 31, 2014

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:

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	01 January 2018
IFRS 14 – Regulatory Deferral Accounts	01 January 2016
IFRS 15 – Revenue from Contracts with Customers	01 January 2017

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.

Notes to the Financial Statements

For the year ended December 31, 2014

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

i) Financial assets

Classification

The management determines the appropriate classification of its financial assets in accordance with the requirements of International Accounting Standard (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.

ii) 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.

iii) 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.

iv) 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.

Notes to the Financial Statements

For the year ended December 31, 2014

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

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.

Provident fund

The Company operates an approved defined contributory provident fund scheme for all permanent employees. Equal monthly contributions are made by the Company and the employees to the fund at the rate of 10 percent of basic salary.

Compensated absences

The Company accounts for employees' compensated absences on the basis of unavailed earned leave balance of each employee as at the end of the year and the last drawn salary.

2.17 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. Higher of normal tax or turnover tax including tax paid under FTR is compared with Alternate Corporate Tax and whichever is higher is provided in the financial statements. Turnover tax is calculated on turnover excluding turnover under FTR. Alternate Corporate tax is calculated in accordance with the provisions of Section 113C of Income Tax Ordinance 2001.

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.

2.18 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.

2.19 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.

Profit on bank accounts 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.

2.20 Warranty obligations

The Company accounts for its warranty obligations on accrual basis.

Notes to the Financial Statements

For the year ended December 31, 2014

2.21 Cash and cash equivalents

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

2.22 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.

2.23 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.

2.24 Functional and presentation currency

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

	Note	2014 ----- (Rupees in '000') -----	2013 -----
3. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	3.1	4,578,026	3,200,159
Capital work-in-progress	3.4	<u>212,480</u>	<u>1,692,516</u>
		<u>4,790,506</u>	<u>4,892,675</u>

3.1 Operating fixed assets

	Cost as at January 01, 2014	Additions / (deletions)	Cost as at December 31, 2014	Accumulated depreciation as at January 01, 2014 (Rupees in '000')	Charge for the year / (depreciation on deletions)	Accumulated depreciation as at December 31, 2014	Book value as at December 31, 2014	Years / Rate %
Leasehold land	591,973	213,810	805,783	80,436	11,673	92,109	713,674	Lease term
Freehold land	371,514	-	371,514	-	-	-	371,514	-
Leasehold improvements	32,781	-	32,781	32,723	58	32,781	-	Lease term
Buildings on leasehold land								
- Factory	1,286,554	126,440	1,412,994	855,592	53,010	908,602	504,392	10 & 20
- Office	5,402	-	5,402	3,679	345	4,024	1,378	20
- Test tracks and other buildings	13,556	-	13,556	12,735	164	12,899	657	20
Plant and machinery	6,356,529	740,076 (28,496)	7,068,109	5,342,741	352,184 (28,005)	5,666,920	1,401,189	8 years
Welding guns	290,390	75,401 (5,190)	360,601	263,209	26,581 (5,190)	284,600	76,001	4 years
Waste water treatment plant	120,222	-	120,222	111,340	6,624	117,964	2,257	8 years
Permanent and special tools	401,326	39,828 (31,157)	409,997	381,038	14,385 (30,622)	364,800	45,197	4 years
Dies	2,059,465	637,002 (12,064)	2,684,403	1,736,493	307,043 (12,064)	2,031,472	652,931	4 years
Jigs and fixtures	515,207	337,001 (120,297)	731,911	469,907	59,961 (120,298)	409,570	322,341	4 years
Electrical installations	215,464	48,323	263,787	155,038	18,601	173,640	90,147	8 years
Furniture and fittings	14,398	691 (821)	14,268	10,736	749 (612)	10,872	3,395	20
Vehicles	591,461	120,673 (95,501)	616,631	275,617	66,389 (59,007)	282,999	333,633	20
Air conditioners and refrigerators	26,661	5,651 (8,230)	24,082	17,322	2,370 (7,685)	12,007	12,075	20
Office equipment	83,482	6,872 (10,169)	80,185	57,617	5,833 (9,042)	54,407	25,778	20
Computers	173,809	9,149 (12,029)	170,929	143,812	17,534 (11,884)	149,462	21,467	50
2014	13,150,194	2,360,917 (323,956)	15,187,155	9,950,035	943,504 (284,411)	10,609,128	4,578,026	

Notes to the Financial Statements

For the year ended December 31, 2014

	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	Lease term
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 equipment	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	

Note 2014
---- (Rupees in '000') ---- 2013

3.2 Depreciation charge for the year has been allocated as under:

Cost of goods manufactured	23.1	847,411	642,738
Administrative expenses	25	96,093	97,092
		943,504	739,830

3.3 Disposal of operating fixed assets

	Cost	Accumulated depreciation	Book value	Sales proceeds	Gain / (loss)	Mode of disposal	Particulars of buyers
	----- Rupees in '000'			-----			
Aggregate value of items where book value having book value exceeding Rs. 50,000							
Vehicles							
Suzuki Vehicles Two & Four Wheelers (100 Vehicles)	68,219	42,614	25,605	44,637	19,032	Company policy	Company employees
Suzuki Vehicles Two & Four Wheelers (27 Vehicles)	21,242	12,725	8,517	12,171	3,654	Auction	Various parties
Suzuki Vehicles Four Wheelers (2 Vehicles)	1,906	919	987	1,900	913	Insurance claim	EFU General Insurance Ltd.
Office equipment							
Siemens Hipath 3000 EPABX System	1,002	843	159	200	41	Auction	Technology Services International Pakistan
Generator 20KVA HYW-20	725	457	268	229	(39)	Company policy	Company employees
LCD TV with HDMI Cables and stand	686	521	165	16	(149)	Auction	Rajab Ali & Co., Karachi
Air conditioners and refrigerators							
Panasonic Split AC 1.5tons (3 qty)	321	73	248	248	-	Company policy	Company employees
Plant and machinery							
Digital Production Counter	2,131	2,018	113	-	(113)	Scrapped	-
CNG Tuning Drum Tester VID Dept.	6,261	5,929	332	-	(332)	Scrapped	-
Aggregate value of items where book value is less than Rs. 50,000							
	29,889	28,019	1,870	4,769	2,899	Company policy	Company employees
	191,574	190,293	1,281	-	(1,281)	Scrapped	-
2014	<u>323,956</u>	<u>284,411</u>	<u>39,545</u>	<u>64,170</u>	<u>24,625</u>		
2013	<u>116,056</u>	<u>66,455</u>	<u>49,601</u>	<u>78,699</u>	<u>29,098</u>		

2014 2013
----- (Rupees in '000') -----

3.4 Capital work-in-progress

Plant and machinery	170,535	1,578,817
Civil works	41,945	63,699
Advance for capital expenditure	-	50,000
	<u>212,480</u>	<u>1,692,516</u>

3.4.1 Movement in capital work-in-progress

Opening balance	1,692,516	26,644
Additions during the year	734,830	1,795,643
Transferred to operating fixed assets	<u>(2,214,866)</u>	<u>(129,771)</u>
Closing balance	<u>212,480</u>	<u>1,692,516</u>

Notes to the Financial Statements

For the year ended December 31, 2014

4. INTANGIBLE ASSETS

	Cost as at January 01, 2014	Additions	Cost as at December 31, 2014	Accumulated amortisation as at January 01, 2014	Charge for the year	Accumulated amortisation as at December 31, 2014	Book value as at December 31, 2014	Rate
	----- (Rupees in '000') -----							
License fees and drawings	332,267	191,921	524,188	173,588	164,067	337,655	186,533	3 years
Softwares	37,738	5,823	43,561	13,779	11,028	24,807	18,754	3 years
2014	<u>370,005</u>	<u>197,744</u>	<u>567,749</u>	<u>187,367</u>	<u>175,095</u>	<u>362,462</u>	<u>205,287</u>	
	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	- *(149,997)	332,267	189,054	134,531 *(149,997)	173,588	158,679	3 years
Softwares	23,267	14,471	37,738	4,449	9,330	13,779	23,959	3 years
2013	<u>505,531</u>	<u>14,471/ *(149,997)</u>	<u>370,005</u>	<u>193,503</u>	<u>143,861/ *(149,997)</u>	<u>187,367</u>	<u>182,638</u>	

4.1 Amortisation charge has been allocated as under:

	Note	2014 ----- (Rupees in '000') -----	2013 -----
Cost of goods manufactured	23.1	164,067	134,531
Administrative expenses	25	11,028	9,330
		<u>175,095</u>	<u>143,861</u>

5. LONG-TERM INVESTMENTS

Available for sale – unquoted

Arabian Sea Country Club Limited

500,000 (2013: 500,000) fully paid ordinary shares of
Rs. 10/- each (Shareholding 6.45%)
Provision for impairment in the value of investment

	5,000	5,000
	(4,649)	(2,806)
	<u>351</u>	<u>2,194</u>

Automotive Testing & Training Centre (Private) Limited

125,000 (2013: 125,000) fully paid ordinary shares of
Rs. 10/- each (Shareholding 6.94%)
Provision for impairment in the value of investment

	1,250	1,250
	(1,250)	(1,250)
	<u>351</u>	<u>2,194</u>

		2014	2013
	Note	----- (Rupees in '000')	-----
5.1 Provision for impairment in the value of investments			
Balance at the beginning of the year		4,056	1,705
Provision for the year	25	<u>1,843</u>	<u>2,351</u>
Balance at the end of the year		<u>5,899</u>	<u>4,056</u>
6. LONG-TERM LOANS – secured, considered good			
Loans to employees	6.1	13,565	9,248
Less: Receivable within one year	13	<u>3,968</u>	<u>2,984</u>
		<u>9,597</u>	<u>6,264</u>
6.1 Represents interest free loans for motorcars, motorcycle and personal 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.			
		2014	2013
	Note	----- (Rupees in '000')	-----
7. LONG-TERM DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Deposits		22,788	24,143
Prepayments		-	458
Receivable against disposal of land – considered good	7.1	<u>10,459</u>	<u>42,081</u>
Less: Current portion	15	<u>10,459</u>	<u>29,705</u>
		<u>-</u>	<u>12,376</u>
		<u>22,788</u>	<u>36,977</u>
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.			
		2014	2013
	Note	----- (Rupees in '000')	-----
8. LONG-TERM INSTALLMENT SALES RECEIVABLES – secured, considered good			
Installment sales receivables	8.1	666,543	627,952
Less: Unearned finance income		<u>93,239</u>	<u>99,342</u>
		573,304	528,610
Less: Provision for doubtful receivables	8.2	<u>23,436</u>	<u>27,854</u>
		549,868	500,756
Less: Current maturity		<u>387,608</u>	<u>330,504</u>
		<u>162,260</u>	<u>170,252</u>

Notes to the Financial Statements

For the year ended December 31, 2014

8.1 Represent 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 9% to 28% (2013: 14% 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		Present value	
		2014	2013	2014	2013
		----- (Rupees in '000') -----		----- (Rupees in '000') -----	
Less than one year		457,791	406,016	387,573	330,504
One to five year		208,752	221,936	185,731	198,106
	8.1.1	<u>666,543</u>	<u>627,952</u>	<u>573,304</u>	<u>528,610</u>
Less: Provision for doubtful receivables	8.2	<u>23,436</u>	<u>27,854</u>	<u>23,436</u>	<u>27,854</u>
		<u>643,107</u>	<u>600,098</u>	<u>549,868</u>	<u>500,756</u>

8.1.1 Includes an overdue portion of installment sales receivables of Rs. 7.987 million (2013: Rs. 14.075 million).

8.2 Provision for doubtful installment sales receivables

	Note	2014	2013
		----- (Rupees in '000') -----	----- (Rupees in '000') -----
Balance at beginning of the year		27,854	30,730
Provision / (reversal) during the year	25	5,030	(2,876)
Written-off during the year		(9,448)	-
Balance at end of the year		<u>23,436</u>	<u>27,854</u>

9. DEFERRED TAXATION

Deductible temporary differences arising from:

Provisions	91,000	114,900
Local development costs	17,000	28,600
Unrealized loss on derivative financial instrument	18,797	24,412
	<u>126,797</u>	<u>167,912</u>

Taxable temporary differences arising from:

Accelerated tax depreciation	(71,000)	(20,000)
	<u>55,797</u>	<u>147,912</u>

10. STORES, SPARES AND LOOSE TOOLS

Stores	40,238	34,534
Spares	70,276	59,789
Loose tools	20,668	21,790
	<u>131,182</u>	<u>116,113</u>

Less: Provision for slow moving and obsolete items

- at beginning of the year		49,834	49,176
- (Reversal) / provision for the year	23.1	(682)	658
		<u>49,152</u>	<u>49,834</u>
		<u>82,030</u>	<u>66,279</u>

	2014	2013
	----- (Rupees in '000') -----	
11. STOCK-IN-TRADE		
Raw material and components [including items in transit Rs. 2,473.026 million (2013: Rs. 2,471.341 million)]	9,994,593	7,417,787
Less: Provision for slow moving and obsolete items		
- at beginning of the year	67,705	29,607
- (Reversal) / provision for the year	(19,659)	38,098
	<u>48,046</u>	<u>67,705</u>
	9,946,547	7,350,082
Work-in-process	48,265	48,965
Finished goods	4,546,494	2,914,774
Trading stocks [including items in transit Rs. 19.132 million (2013: Rs. 22.091 million)]	488,047	459,716
Less: Provision for slow moving and obsolete items		
- at beginning of the year	47,080	45,881
- provision for the year	6,272	1,199
	<u>53,352</u>	<u>47,080</u>
	434,695	412,636
	<u>14,976,001</u>	<u>10,726,457</u>
11.1 Of the aggregate amount, stocks worth Rs. 3,109 million (2013: Rs. 2,637 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. 269.592 million, Rs. 0.068 million and Rs. 99.660 million (2013: 11.687 million, Rs. 0.015 million and Rs. 7.178 million) respectively to arrive at net realizable value.		
	2014	2013
Note	----- (Rupees in '000') -----	
12. TRADE DEBTS – unsecured		
Considered good	1,352,310	983,273
Considered doubtful	4,936	5,096
Less: Provision for doubtful debts	(4,936)	(5,096)
	<u>-</u>	<u>-</u>
	<u>1,352,310</u>	<u>983,273</u>
12.1 Provision for doubtful trade debts		
Balance at the beginning of the year	5,096	5,216
Reversal for the year	(160)	(120)
Balance at the end of the year	<u>4,936</u>	<u>5,096</u>
12.2 Ageing of unimpaired trade debts		
Neither past due nor impaired	1,352,310	981,955
Past due but not impaired	-	1,318
	<u>1,352,310</u>	<u>983,273</u>

Notes to the Financial Statements

For the year ended December 31, 2014

	Note	2014 ----- (Rupees in '000') -----	2013 ----- (Rupees in '000') -----
13. LOANS AND ADVANCES			
Loans – secured, considered good			
Current portion of loans to employees	6	3,968	2,984
Advances – unsecured			
Considered good			
- Suppliers / vendors	13.1	510,539	408,252
- Employees		338	387
		510,877	408,639
Considered doubtful			
Less: Provision for doubtful advances	13.2	-	16,912
		-	(16,912)
		-	-
		510,877	408,639
		<u>514,845</u>	<u>411,623</u>

13.1 Include advances to vendors of Rs. 390.359 million (2013: Rs. 160.748 million), which carry mark-up ranging from 12% - 12.58% (2013: 12% - 12.58%) per annum.

	Note	2014 ----- (Rupees in '000') -----	2013 ----- (Rupees in '000') -----
13.2 Provision for doubtful advances			
Balance at the beginning of the year		16,912	17,246
Reversal for the year	25	(16,912)	(334)
Balance at the end of the year		<u>-</u>	<u>16,912</u>

14. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Trade deposits		4,510	6,365
Prepayments:			
Collector of Customs		15,626	15,365
Rent		14,792	19,070
Insurance		3,139	7,662
Others		15,043	14,473
		<u>48,600</u>	<u>56,570</u>
		<u>53,110</u>	<u>62,935</u>

15. OTHER RECEIVABLES - considered good

Current portion of long term receivable against disposal of land	7	10,459	29,705
Due from related parties	15.1	25,558	21,345
Due from vendors for material / components returned		7,491	8,630
Expenses recoverable from dealers		74,350	44,400
Provident fund	15.2	-	6
Others		16,402	10,058
		<u>134,260</u>	<u>114,144</u>

15.1 Represent receivable from the Holding Company amounting to Rs. 18.967 million (2013: 21.024 million) and Thai Suzuki Motor Company amounting to Rs. 6.591 million (2013: 0.321 million).

	2014 ----- (Rupees in '000') -----	2013 ----- (Rupees in '000') -----
15.2 Provident fund	<u>-</u>	<u>6</u>
15.2.1 General disclosures	(Unaudited)	(Audited)
Size of the fund	642,009	551,078
Cost of investments	543,150	486,227
Fair value of investments	631,522	540,591
Percentage of investments	84.60%	88.23%

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

	2014 (Unaudited)		2013 (Audited)	
	Rupees in '000'	(%)	Rupees in '000'	(%)
Bank balances	30,493	4.8	16,840	3.1
National Saving Schemes	297,185	47.1	116,744	21.6
Government securities	143,493	22.7	193,193	35.7
Certificates of Deposit	63,506	10.1	91,537	16.9
Term finance certificates	61,391	9.7	95,087	17.6
Listed securities	35,454	5.6	27,190	5.0
Total	<u>631,522</u>	<u>100</u>	<u>546,313</u>	<u>100</u>

15.2.3 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.

	2014 Note ----- (Rupees in '000') -----	2013 ----- (Rupees in '000') -----
16. CASH AND BANK BALANCES		
Cash in hand	11,654	10,023
Cheques in hand	16.1 208,650	169,380
Cash at banks:		
In deposit accounts	16.2 965,724	1,200,822
in a special deposit account	16.3 96,947	86,947
in current accounts	558,409	497,187
	<u>1,621,080</u>	<u>1,784,956</u>
	<u>1,841,384</u>	<u>1,964,359</u>

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

16.2 These carry profits rates ranging from 6% to 9.85% (2013: 6% to 9.50%) per annum.

16.3 A special account is maintained in respect of security deposits (note 19) in accordance with the requirements of Section 226 of the Companies Ordinance, 1984.

Notes to the Financial Statements

For the year ended December 31, 2014

17. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

Fully paid ordinary shares of Rs. 10/- each

2014 (Number of shares)	2013		2014 ----- (Rupees in '000') -----	2013 ----- (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
<u>33,982,450</u>	<u>33,982,450</u>	Issued as fully paid bonus shares	<u>339,825</u>	<u>339,825</u>
<u>82,299,851</u>	<u>82,299,851</u>		<u>822,999</u>	<u>822,999</u>

17.1 The Holding Company held 60,154,091 (2013: 60,154,091) ordinary shares of Rs. 10/- each, constituting 73.09% (2013: 73.09%) holding in the Company.

	Note	2014 ----- (Rupees in '000') -----	2013 ----- (Rupees in '000') -----
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18. TRADE AND OTHER PAYABLES

Creditors		615,198	644,082
Bills payable	18.1	2,170,011	1,430,068
Accrued liabilities		1,066,295	716,499
Royalties and technical fee payable to the Holding Company		361,900	372,874
Dealers' commission payable		204,446	180,866
Provision for unexpired free service and warranty period	18.2	40,449	40,570
Workers' Profits Participation Fund	18.3	140,915	11,429
Workers' Welfare Fund		54,000	48,708
Retention money		5,265	22,770
Unclaimed dividend		8,330	6,428
Deposits from employees against purchase of vehicles		83,313	89,499
Unrealised loss on derivative financial instruments		56,960	71,800
Payable to gratuity fund	18.4	27,633	20,586
Un-earned income - extended warranty		75,226	21,728
Others		35,330	17,768
		<u>4,945,271</u>	<u>3,695,675</u>

18.1 Include Rs. 2,141 million (2013: Rs. 1,298 million) due to the Holding Company.

	Note	2014 ----- (Rupees in '000') -----	2013 ----- (Rupees in '000') -----
--	------	---------------------------------------	---------------------------------------

18.2 Provision for unexpired free service and warranty period

Balance at the beginning of the year		40,570	34,988
(Reversal) / provision for the year	24	<u>(121)</u>	<u>5,582</u>
Balance at the end of the year		<u>40,449</u>	<u>40,570</u>

		2014	2013
	Note	----- (Rupees in '000') -----	-----
18.3 Workers' Profits Participation Fund			
Balance at beginning of the year		11,429	15,633
Interest on funds utilised in the Company's business	28	<u>751</u>	<u>679</u>
		12,180	16,312
Allocation for the year	26	<u>140,915</u>	<u>126,429</u>
		153,095	142,741
Less: Paid during the year		<u>12,180</u>	<u>131,312</u>
Balance at end of the year		<u><u>140,915</u></u>	<u><u>11,429</u></u>
18.4 Gratuity fund		<u><u>27,633</u></u>	<u><u>20,586</u></u>
18.4.1 The latest actuarial valuation was carried out as at December 31, 2014 using the Projected Unit Credit Method.			
		2014	2013
		----- (Rupees in '000') -----	-----
18.4.2 Amount recognised in the balance sheet			
Present value of defined benefit obligation		(356,737)	(313,983)
Fair value of plan assets		<u>329,104</u>	<u>293,397</u>
Deficit		<u><u>(27,633)</u></u>	<u><u>(20,586)</u></u>
18.4.3 Expense recognised in the profit and loss account			
Current service cost		26,489	18,420
Interest cost on defined benefit obligation		37,341	26,901
Return on plan assets		<u>(36,674)</u>	<u>(29,093)</u>
		<u><u>27,156</u></u>	<u><u>16,228</u></u>
18.4.4 Movement in net liability recognised in the balance sheet			
Opening balance		(20,586)	19,931
Expense recognised during the year		(27,156)	(16,228)
Re-measurement loss recognized in other comprehensive income		(10,396)	(29,828)
Contribution made by the Company during the year		30,505	28,539
Refund to the Company from the Fund		-	(23,000)
Closing balance		<u><u>(27,633)</u></u>	<u><u>(20,586)</u></u>
18.4.5 Movement in present value of defined benefit obligation			
Opening balance		313,983	244,552
Current service cost		26,489	18,420
Interest cost on defined benefit obligation		37,341	26,901
Benefit paid		(30,505)	(28,539)
Actuarial loss on defined benefit obligation		<u>9,429</u>	<u>52,649</u>
Closing balance		<u><u>356,737</u></u>	<u><u>313,983</u></u>

Notes to the Financial Statements

For the year ended December 31, 2014

	2014	2013
	----- (Rupees in '000') -----	
18.4.6 Movement in fair value of plan assets		
Opening balance	293,397	264,483
Contributions	30,505	28,539
Return on plan assets	36,674	29,093
Benefits paid	(30,505)	(28,539)
Payment made to the Company from the Fund during the year	-	(23,000)
Actuarial gain / (loss) on plan assets	(967)	22,821
Closing balance	<u>329,104</u>	<u>293,397</u>

18.4.7 Principal actuarial assumption used are as follows:	----- (% per annum) -----	
Discount rate used for profit and loss charge	10.5	11
Discount rate used for year-end year end obligation	10.5	12.5
Expected rate of eligible salaries increase in future years	10.5	12.5

	2014	2013
	----- (Rupees in '000') -----	
18.4.8 Actual return on plan assets		
Expected return on plan assets	36,674	29,093
Actuarial gain / (loss) on plan assets	(967)	22,821
	<u>35,707</u>	<u>51,914</u>

18.4.9 Comparison for past years	2014	2013	2012	2011	2010
	----- (Rupees in '000') -----				
Present value of defined benefit obligation	356,737	313,983	244,552	223,112	181,436
Fair value of plan assets	<u>329,104</u>	<u>293,397</u>	<u>264,483</u>	<u>260,011</u>	<u>236,041</u>
(Deficit) / surplus	<u>(27,663)</u>	<u>(20,586)</u>	<u>19,931</u>	<u>36,899</u>	<u>54,605</u>
Experience adjustment on plan liabilities					
- loss / (gain)	9,429	52,649	10,684	13,860	(4,237)
Experience adjustment on plan assets					
- (gain) / loss	967	(22,821)	7,529	(484)	4,063
	<u>10,396</u>	<u>29,828</u>	<u>18,213</u>	<u>13,376</u>	<u>(174)</u>

18.4.10 Major categories / composition of plan assets are as follows:	2014	2013
	----- (Rupees in '000') -----	
Defence Saving Certificate and Pakistan Investment Bonds	245,923	240,977
Mutual funds	12,734	10,944
Term deposit receipts	66,799	36,676
Bank balances	3,648	4,800
	<u>329,104</u>	<u>293,397</u>

		2014	2013
	Note	----- (Rupees in '000') -----	-----
19. SECURITY DEPOSITS			
Deposits against display of vehicles	19.1	1,825,909	1,615,747
Dealership deposits	16.3	85,955	81,397
Others		<u>5,550</u>	<u>5,550</u>
		<u>1,917,414</u>	<u>1,702,694</u>

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

20. PROVISION FOR CUSTOM DUTIES AND SALES TAX

		2014	2013
	Note	----- (Rupees in '000') -----	-----
Opening balance		138,475	138,475
Payment made during the year	20.1	<u>(52,152)</u>	-
Closing balance	20.2	<u>86,323</u>	<u>138,475</u>

20.1 Represents provision for custom duties made in prior years against demand raised by the Custom Authorities on account of short payment of custom duties. During the year, the appeal filed by the Company in this respect was decided by High Court of Sindh against the company and accordingly the Company had made full payment to the Custom Authorities.

20.2 Represents Rs. 86.323 million (2013: 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. 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.

21. CONTINGENCIES AND COMMITMENTS

21.1 Capital expenditure contracted for but not incurred amounted to Rs. 208.142 million (2013: Rs. 403.218 million).

21.2 The facilities for opening letters of credit amounted to Rs. 12,900 million (2013: Rs. 1,900 million) of which the amount remaining unutilised at the year end was Rs. 3,112 million (2013: Rs. 1,347 million).

21.3 Counter guarantees issued by the Company against guarantees issued by two commercial banks on behalf of the Company amounted to Rs. 161.144 million (2013: Rs. 86.138 million).

Notes to the Financial Statements

For the year ended December 31, 2014

	Note	2014 ----- (Rupees in '000') -----	2013 -----
22. SALES			
Manufactured goods	22.1	51,899,500	49,503,414
Trading stocks	22.2	<u>1,765,447</u>	<u>1,557,919</u>
		<u>53,664,947</u>	<u>51,061,333</u>
22.1 Manufactured goods			
- Vehicles		63,032,722	59,565,897
- Spare parts		<u>285,052</u>	<u>262,415</u>
	22.3	<u>63,317,774</u>	<u>59,828,312</u>
Less: Sales tax		<u>9,207,673</u>	<u>8,473,124</u>
Sales commission to dealers		<u>2,210,601</u>	<u>1,851,774</u>
		<u>11,418,274</u>	<u>10,324,898</u>
		<u>51,899,500</u>	<u>49,503,414</u>
22.2 Trading stocks			
- Vehicles		532,114	578,436
- Spare parts		<u>1,431,414</u>	<u>1,235,544</u>
		<u>1,963,528</u>	<u>1,813,980</u>
Less: Sales tax		<u>190,007</u>	<u>246,318</u>
Sales commission to dealers		<u>8,074</u>	<u>9,743</u>
		<u>198,081</u>	<u>256,061</u>
		<u>1,765,447</u>	<u>1,557,919</u>
22.3			
Include export sales of Rs. 51.530 million (2013: Rs. 24.255 million).			
23. COST OF SALES			
Manufactured goods			
Finished goods at beginning of the year		2,914,774	2,679,173
Cost of goods manufactured	23.1	49,717,428	46,752,688
Export expenses		<u>4,076</u>	<u>1,734</u>
		<u>52,636,278</u>	<u>49,433,595</u>
Less: Finished goods at end of the year		<u>4,546,494</u>	<u>2,914,774</u>
		<u>48,089,784</u>	<u>46,518,821</u>
Trading stocks			
Stocks at beginning of the year		<u>412,636</u>	<u>208,673</u>
Purchases during the year		<u>1,413,523</u>	<u>1,503,962</u>
		<u>1,826,159</u>	<u>1,712,635</u>
Less: Stocks at end of the year		<u>434,695</u>	<u>412,636</u>
		<u>1,391,464</u>	<u>1,299,999</u>
		<u>49,481,248</u>	<u>47,818,820</u>

	Note	2014 ----- (Rupees in '000') -----	2013 -----
23.1 Cost of goods manufactured			
Raw materials and components at beginning of the year		7,350,082	7,630,439
Purchases during the year	23.1.1	<u>48,486,805</u>	<u>43,090,501</u>
		55,836,887	50,720,940
Less: Raw materials and components at end of the year		<u>9,946,547</u>	<u>7,350,082</u>
Raw materials and components consumed		<u>45,890,340</u>	<u>43,370,858</u>
Stores and spares consumed		41,285	32,219
(Reversal) / provision for slow moving and obsolete stores, spares and loose tools	10	(682)	658
Power		322,206	262,386
Vehicle running expenses		34,140	27,882
Salaries, wages and other benefits	23.1.2	866,456	683,451
Outsourced job contractor charges		412,586	311,830
Rent, rates and taxes		14,169	12,851
Travelling		35,177	46,585
Training		9,612	11,916
Insurance		8,171	8,129
Repairs and maintenance		247,251	212,115
Royalty		530,759	587,749
Technical fee		172,165	218,045
Travelling expenses of supervisors		4,476	8,970
Depreciation	3.2	847,411	642,738
Amortisation	4.1	164,067	134,531
Conveyance and transportation		164,012	158,606
Communication		2,564	2,281
Hired security guards services		10,628	10,596
Local development costs		25,282	105,389
Printing and stationery		4,687	3,674
Others		3,435	3,985
		<u>3,919,857</u>	<u>3,486,586</u>
		49,810,197	46,857,444
Add: work-in-process at beginning of the year		48,965	43,909
		<u>49,859,162</u>	<u>46,901,353</u>
Less: work-in-process at end of the year		48,265	48,965
		<u>49,810,897</u>	<u>46,852,388</u>
Less: cost of own used vehicles		93,469	99,700
		<u>49,717,428</u>	<u>46,752,688</u>

23.1.1 Purchases are stated net of proceeds from the sale of packing materials Rs. 241.528 million (2013: Rs. 247.070 million).

23.1.2 Include Rs. 14.797 million (2013: Rs. 12.927 million) and Rs. 16.869 million (2013: Rs. 9.830 million) in respect of defined contributory provident fund and defined benefit gratuity fund respectively.

Notes to the Financial Statements

For the year ended December 31, 2014

	Note	2014 ----- (Rupees in '000') -----	2013 -----
24. DISTRIBUTION COSTS			
Advertising and sales promotion		506,678	382,208
Free service		111,396	88,333
Warranty claims		29,094	6,831
(Reversal) / provision for unexpired free service and warranty period	18.2	(121)	5,582
Transportation and handling charges		74,539	55,113
Royalty on trading spare parts		24,718	22,172
		<u>746,304</u>	<u>560,239</u>
25. ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits	25.1	520,137	406,730
Outsourced job contractor charges		92,004	75,210
Travelling		58,180	65,058
Training		14,206	14,960
Hired security guards services		25,153	28,843
Rent, rates and taxes		53,425	43,560
Utilities		18,367	15,807
Vehicle running expense		55,348	60,693
Insurance		15,109	17,600
Repairs and maintenance		20,192	20,132
Depreciation	3.2	96,093	97,092
Amortisation	4.1	11,028	9,330
Auditors' remuneration	25.2	2,537	2,647
Legal and professional charges		13,175	12,187
Conveyance and transportation		38,696	29,118
Entertainment		247	493
Celebration of special events		11,134	1,606
Printing and stationery		15,293	14,660
Communication		16,775	14,140
Directors' fees		17	28
Provision / (reversal) for doubtful:			
- installment sales receivables	8.2	5,030	(2,876)
- trade debts	12.1	(160)	(120)
- advances	13.2	(16,912)	(334)
Trade debts written-off		3,404	4,076
Computer software license fees & ERP maintenance charges		16,923	17,446
Provision for impairment in the value of investments	5.1	1,843	2,351
CSR contributions		8,179	6,740
Others		6,227	2,186
		<u>1,101,650</u>	<u>959,363</u>

25.1 Include Rs. 8.882 million (2013: Rs. 8.082 million) and Rs. 10.287 million (2013: Rs. 6.398 million) in respect of defined contributory provident fund and defined benefit gratuity fund respectively.

		2014	2013
	Note	----- (Rupees in '000') -----	-----
25.2 Auditors' remuneration			
Audit fee		1,350	1,150
Fee for half-yearly review		425	350
Fee for corporate governance certificate		100	85
Fee for special certifications		557	873
Out of pocket expenses		105	189
		<u>2,537</u>	<u>2,647</u>
26. OTHER OPERATING EXPENSES			
	18.3	140,915	126,429
Workers' Profit Participation Fund		54,000	48,708
Workers' Welfare Fund	26.1	935	-
Donations		<u>195,850</u>	<u>175,137</u>
26.1	None of the directors or their spouses held any interest in any of the donees.		
		2014	2013
	Note	----- (Rupees in '000') -----	-----
27. OTHER INCOME			
Income from financial assets			
Profit on bank accounts		238,255	294,118
Finance income on installment sales		103,536	99,525
Markup on Government securities		3,609	-
Gain on redemption of investments		60,131	9,061
		<u>405,531</u>	<u>402,704</u>
Income from non-financial assets			
Gain on disposal of fixed assets	3.3	24,625	29,098
Gain on disposal of non-current asset classified as held for sale		-	274,537
Adjustment of prior year's input sales tax on franchise services		-	97,401
Scrap sales		31,992	16,382
Miscellaneous income		48,060	43,119
		<u>104,677</u>	<u>460,537</u>
		<u>510,208</u>	<u>863,241</u>
28. FINANCE COSTS			
Mark-up on short-term borrowings		11,183	180
Interest on Workers' Profits Participation Fund	18.3	751	679
Exchange loss – net		5,929	49,659
Bank charges		8,846	7,058
		<u>26,709</u>	<u>57,576</u>

Notes to the Financial Statements

For the year ended December 31, 2014

	2014	2013
Note	----- (Rupees in '000') -----	-----
29. TAXATION		
Current		
- for the year	615,000	768,000
- prior years	<u>-</u>	<u>(140,418)</u>
	615,000	627,582
Deferred	86,500	(123,500)
	<u>701,500</u>	<u>504,082</u>

29.1 The assessment of the Company for and upto the tax year 2014 have been completed or deemed to be assessed.

	2014	2013
----- (Rupees in '000') -----	-----	-----
29.2 Reconciliation between tax expense and accounting profit		
Accounting profit for the year before taxation	<u>2,623,394</u>	<u>2,353,436</u>
Corporate tax rate	<u>33%</u>	<u>34%</u>
Tax on accounting profit at applicable rate	865,720	800,168
Tax effects of:		
- rebates	(189,015)	(12,299)
- expenses that are not allowable in determining taxable income	20,006	10,163
- income assessed under FTR	4,789	13,601
- exempt income	-	(93,343)
- prior years	-	(214,208)
	<u>701,500</u>	<u>504,082</u>

30. EARNINGS PER SHARE – basic and diluted

Net profit for the year	<u>1,921,894</u>	<u>1,849,357</u>
	Number of shares in '000'	
Weighted average number of ordinary shares in issue during the year	<u>82,300</u>	<u>82,300</u>
	----- (Rupees) -----	
Basic earnings per share	<u>23.35</u>	<u>22.47</u>

30.1 Basic earnings per share have no dilution effect.

2014 2013
 Note ----- (Rupees in '000') -----

31. CASH GENERATED FROM OPERATIONS

Profit before taxation		2,623,394	2,353,439
Adjustments for non cash charges and other items:			
Depreciation		943,504	739,830
Amortisation		175,095	143,861
Gain on disposal of fixed assets		(24,625)	(29,098)
Gain on disposal of non current asset held for sale		-	(274,537)
Provision for impairment in the value of investments		1,843	2,351
Profit on bank accounts		(238,255)	(294,118)
Finance costs		26,709	57,576
		884,271	345,865
Working capital changes	31.1	<u>(2,059,596)</u>	255,957
		<u>1,448,069</u>	<u>2,955,261</u>

31.1 Working capital changes

(Increase) / decrease in current assets:			
Stores, spares and loose tools		(15,751)	16,816
Stock-in-trade		(4,249,544)	(164,263)
Trade debts		(369,037)	(356,219)
Current portion of long-term installment sales			
Receivables		(57,104)	(16,439)
Loans and advances		(103,222)	(217,001)
Trade deposits and short-term prepayments		9,825	(24,017)
Other receivables		(20,115)	55,478
Sales tax and excise duty adjustable		(199,568)	167,399
		<u>(5,004,516)</u>	<u>(538,246)</u>
Increase / (decrease) in current liabilities			
Trade and other payables		1,252,140	1,177,114
Advance from customers		1,530,212	(514,471)
Security deposits		214,720	131,560
Provision for custom duty and sales tax		(52,152)	-
		<u>2,944,920</u>	<u>794,203</u>
		<u>(2,059,596)</u>	<u>255,957</u>

Notes to the Financial Statements

For the year ended December 31, 2014

32. 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. 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:

2014	Holding Company	Other related parties	Total
	(Rupees in '000')		
Purchases of components	20,244,018	3,981,263	24,225,281
Purchases of operating fixed assets	26,181	24,904	51,085
Purchases of intangible assets	191,920	-	191,920
Exports sales	265	648	913
Royalties and technical fee	732,130	-	732,130
Staff retirement benefits	-	49,904	49,904
Sales promotional expenses	469	-	469
2013	Holding Company	Other related parties	Total
	(Rupees in '000')		
Purchases of components	21,392,769	906,499	22,299,268
Purchases of operating 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 expenses	28,445	9,977	38,422

33. PLANT CAPACITY AND ACTUAL PRODUCTION

	2014	2013
	(Number of vehicles)	
Plant capacity - Motorcar (double shifts basis)	<u>150,000</u>	<u>150,000</u>
Plant capacity - Motorcycle (double shifts basis)	<u>44,000</u>	<u>44,000</u>
Actual production – Motorcar	<u>80,384</u>	<u>77,142</u>
Actual production – Motorcycle	<u>23,871</u>	<u>22,977</u>

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

34. REMUNERATION OF EXECUTIVES, DIRECTORS AND CHIEF EXECUTIVE

	2014			2013		
	Chief Executive	Directors	Executives	Chief Executives	Directors	Executives
	----- (Rupees in '000') -----					
Directors fees	-	17	-	-	28	-
Managerial remuneration	9,621	19,763	137,491	8,086	15,551	109,165
Bonus	3,762	4,514	55,282	2,280	4,112	31,567
Retirement benefits	-	1,339	8,835	-	1,127	7,363
	<u>13,383</u>	<u>25,633</u>	<u>201,608</u>	<u>10,366</u>	<u>20,818</u>	<u>148,095</u>
Number of persons	<u>1</u>	<u>4</u>	<u>68</u>	<u>1</u>	<u>4</u>	<u>55</u>

34.1 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 the Company's policy.

35. 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:

35.1 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:

	2014	2013
	----- (Rupees in '000') -----	
Installments sales receivables	549,868	500,756
Advances to vendors	390,359	160,748
Bank balances in deposit accounts	<u>1,062,671</u>	<u>1,287,769</u>
	<u>2,002,898</u>	<u>1,949,273</u>

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

Notes to the Financial Statements

For the year ended December 31, 2014

(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:

	2014	2013
	----- (Amount in '000') -----	
Bills payable – JPY	1,326,001	1,326,001
Royalty and technical fees payable to the holding company – JPY	348,716	348,716
Due from related parties – JPY	<u>(15,382)</u>	<u>(19,178)</u>
Net exposure – JPY	<u>1,659,335</u>	<u>1,655,539</u>
Net exposure – US\$ (Bills payable)	<u>178</u>	<u>956</u>

At December 31, 2014 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. 22.990 million (2013: Rs. 16.387 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:

	2014	2013
	----- (Rupees in '000') -----	
Installment sales receivables	549,868	500,756
Trade debts	1,352,310	983,273
Loans, advances, deposits and other receivables	711,812	594,966
Accrued profit on bank accounts	16,340	13,016
Bank balances	<u>1,621,080</u>	<u>1,784,956</u>
	<u>4,251,410</u>	<u>3,876,967</u>

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:

	2014 ----- (Rupees in '000') -----	2013 ----- (Rupees in '000') -----
Long term investment		
Counter parties without credit rating	<u>351</u>	<u>2,194</u>
Trade debts		
Customers with no defaults in the past one year	1,352,310	983,273
Customers with some defaults in past one year	<u>4,936</u>	<u>5,096</u>
	<u>1,357,246</u>	<u>988,369</u>
Installment sales receivables		
Customers with no defaults in the past one year	549,868	500,756
Customers with some defaults in past one year	<u>23,436</u>	<u>27,854</u>
	<u>573,304</u>	<u>528,610</u>
Bank balances		
A1+	1,619,961	1,783,237
A1	<u>1,119</u>	<u>1,719</u>
	<u>1,621,080</u>	<u>1,784,956</u>

35.2 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:

2014	Less than 3 months ----- (Rupees in '000') -----	3 to 12 months ----- (Rupees in '000') -----	Total ----- (Rupees in '000') -----
Trade and other payables	4,558,765	386,506	4,945,271
Advances from customer	2,159,487	-	2,159,487
Deposits against display of vehicles	-	1,825,909	1,825,909
Security deposits	-	91,505	91,505
	<u>6,718,252</u>	<u>2,303,920</u>	<u>9,022,172</u>
2013	Less than 3 months ----- (Rupees in '000') -----	3 to 12 months ----- (Rupees in '000') -----	Total ----- (Rupees in '000') -----
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
	<u>3,985,093</u>	<u>2,042,551</u>	<u>6,027,644</u>

Notes to the Financial Statements

For the year ended December 31, 2014

35.3 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.

35.4 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.

36. 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.

	2014			2013		
	Automobile	Motorcycle	Total	Automobile	Motorcycle	Total
	----- (Rupees in '000) -----					
Segment results						
Sales	51,536,191	2,128,756	53,664,947	49,251,196	1,810,137	51,061,333
Gross profit / (loss)	4,390,898	(207,199)	4,183,699	3,468,308	(225,795)	3,242,513
Distribution costs	(617,695)	(128,609)	(746,304)	(400,238)	(160,001)	(560,239)
Administrative expenses	(953,869)	(147,781)	(1,101,650)	(843,105)	(116,258)	(959,363)
Operating profit / (loss)	2,819,334	(483,589)	2,335,745	2,224,965	(502,054)	1,722,911
Other income	401,216	108,992	510,208	484,548	378,693	863,241
Finance costs	(22,874)	(3,835)	(26,709)	(55,363)	(2,213)	(57,576)
Segment results	3,197,676	(378,432)	2,819,244	2,654,150	(125,574)	2,528,576
Unallocated corporate expenses						
Other operating expenses			(195,850)			(175,137)
Taxation			(701,500)			(504,082)
Net profit for the year			1,921,894			1,849,357
Assets						
Segment assets	19,893,951	2,662,391	22,556,342	15,766,650	2,103,233	17,869,883
Unallocated corporate assets	-	-	5,797,817	-	-	5,941,394
	19,893,951	2,662,391	28,354,159	15,766,650	2,103,233	23,811,277

	2014			2013		
	Automobile	Motorcycle	Total	Automobile	Motorcycle	Total
	----- (Rupees in '000') -----					
Liabilities						
Segment liabilities	9,091,812	25,665	9,117,477	6,136,425	29,694	6,166,119
Unallocated corporate liabilities	-	-	-	-	-	-
	<u>9,091,812</u>	<u>25,665</u>	<u>9,117,477</u>	<u>6,136,425</u>	<u>29,694</u>	<u>6,166,119</u>
Capital expenditure	<u>773,062</u>	<u>107,818</u>	<u>880,880</u>	<u>1,880,960</u>	<u>62,279</u>	<u>1,943,239</u>
Depreciation	<u>821,203</u>	<u>122,301</u>	<u>943,504</u>	<u>620,477</u>	<u>119,353</u>	<u>739,830</u>

37. 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. 4,550million (2013: Rs. 4,300 million).

38. GENERAL

38.1 Number of persons employed as at year end were 1,272 (2013: 1,273) and the average number of persons employed during the year were 1,284 (2013: 1,202).

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

39. 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 March 18, 2015. Further, the Board has proposed appropriation of profit as under;

	2014	2013
	----- (Rupees in '000') -----	
Profit before taxation	2,623,394	2,353,439
Taxation	701,500	504,082
Profit after taxation	1,921,894	1,849,357
Retained earnings of prior years	3,411	3,253
Net Profit available for appropriation	1,925,305	1,852,610
Less: Appropriations		
Transfer to General Reserve	1,510,000	1,520,000
Proposed Cash Dividend @ 50% (2013: Cash Dividend @ 40%)	411,499	329,199
	1,921,499	1,849,199
Retained earnings carried forward	3,806	3,411

The approval of the members for the said appropriation will be obtained at the Annual General Meeting to be held on April 24, 2015.


Kinji Saito
Chairman


Hirofumi Nagao
Chief Executive

Pattern of Shareholding

As at December 31, 2014

No. of Shareholders	Shareholdings' Slab			Total Shares Held
4239	1	to	100	75,458
964	101	to	500	282,557
387	501	to	1000	297,736
405	1001	to	5000	948,456
75	5001	to	10000	575,093
25	10001	to	15000	306,765
16	15001	to	20000	291,052
15	20001	to	25000	357,234
8	25001	to	30000	219,333
4	30001	to	35000	135,560
6	35001	to	40000	227,075
6	40001	to	45000	256,050
4	45001	to	50000	194,875
5	50001	to	55000	266,200
2	55001	to	60000	115,630
4	65001	to	70000	271,087
4	70001	to	75000	294,000
4	75001	to	80000	311,189
2	80001	to	85000	164,400
1	90001	to	95000	92,150
2	95001	to	100000	196,000
1	100001	to	105000	104,700
1	105001	to	110000	110,000
1	110001	to	115000	110,400
2	115001	to	120000	236,660
1	120001	to	125000	120,733
1	135001	to	140000	136,500
1	140001	to	145000	144,000
2	145001	to	150000	300,000
2	150001	to	155000	305,139
1	155001	to	160000	157,800
3	160001	to	165000	488,600
2	180001	to	185000	368,162
2	190001	to	195000	383,800
1	195001	to	200000	200,000
1	220001	to	225000	224,250
1	260001	to	265000	261,500
1	265001	to	270000	268,750
1	290001	to	295000	292,800
1	325001	to	330000	330,000
1	360001	to	365000	360,427
1	430001	to	435000	431,100
1	455001	to	460000	456,500
1	490001	to	495000	494,400
1	530001	to	535000	530,723
1	555001	to	560000	560,000
1	620001	to	625000	625,000
1	680001	to	685000	682,000
1	715001	to	720000	720,000
1	785001	to	790000	788,700
1	825001	to	830000	830,000
1	845001	to	850000	846,327
1	1150001	to	1155000	1,151,525
1	1160001	to	1165000	1,160,574
1	2085001	to	2090000	2,086,790
1	60150000	to	60155000	60,154,091
6220				82,299,851

Pattern of Shareholding

As at December 31, 2014

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	11	2,125,923	2.58
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	25	1,854,837	2.25
Mutual Funds			
PAK QATAR INDIVIDUAL FAMILY PARTICIPANT INVEST FUND	1	21,000	0.03
CDC - TRUSTEE PAKISTAN STOCK MARKET FUND	1	456,500	0.55
MCBFSL - TRUSTEE JS VALUE FUND	1	190,900	0.23
CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	1	52,700	0.06
CDC - TRUSTEE PICIC INVESTMENT FUND	1	100,000	0.12
CDC - TRUSTEE JS LARGE CAP. FUND	1	165,000	0.20
CDC - TRUSTEE PICIC GROWTH FUND	1	200,000	0.24
CDC - TRUSTEE PAK STRATEGIC ALLOC. FUND	1	41,600	0.05
CDC - TRUSTEE ATLAS STOCK MARKET FUND	1	25,000	0.03
CDC - TRUSTEE MEEZAN BALANCED FUND	1	34,060	0.04
CDC - TRUSTEE JS ISLAMIC FUND	1	155,000	0.19
CDC - TRUSTEE FAYSAL BALANCED GROWTH FUND	1	10,000	0.01
CDC - TRUSTEE ALFALAH GHP VALUE FUND	1	58,000	0.07
CDC - TRUSTEE UNIT TRUST OF PAKISTAN	1	184,500	0.22
CDC - TRUSTEE JS AGGRESSIVE ASSET ALLOCATION FUND	1	14,000	0.02
CDC - TRUSTEE AKD INDEX TRACKER FUND	1	4,910	0.01
CDC-TRUSTEE PAK. INT. ELEMENT ISLAMIC ASSET ALLOCATION FUND	1	53,900	0.07
CDC - TRUSTEE AL MEEZAN MUTUAL FUND	1	75,689	0.09
CDC - TRUSTEE MEEZAN ISLAMIC FUND	1	360,427	0.44
CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	1	55,000	0.07
CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	1	830,000	1.01
CDC - TRUSTEE NAFA STOCK FUND	1	157,800	0.19
CDC - TRUSTEE NAFA MULTI ASSET FUND	1	78,200	0.10
CDC - TRUSTEE ASKARI ASSET ALLOCATION FUND	1	9,500	0.01
CDC - TRUSTEE APF-EQUITY SUB FUND	1	5,000	0.01
CDC - TRUSTEE ALFALAH GHP ISLAMIC FUND	1	66,500	0.08
CDC - TRUSTEE HBL - STOCK FUND	1	560,000	0.68
CDC - TRUSTEE NAFA ISLAMIC ASSET ALLOCATION FUND	1	51,400	0.06
CDC - TRUSTEE APIF - EQUITY SUB FUND	1	10,000	0.01
MC FSL - TRUSTEE JS GROWTH FUND	1	625,000	0.76
CDC - TRUSTEE HBL MULTI - ASSET FUND	1	53,200	0.06
CDC - TRUSTEE KASB ASSET ALLOCATION FUND	1	12,500	0.02
CDC - TRUSTEE MCB DYNAMIC ALLOCATION FUND	1	25,000	0.03
CDC - TRUSTEE IGI STOCK FUND	1	192,900	0.23

Pattern of Shareholding

As at December 31, 2014

Categories of Shareholders	Shareholders	Shares Held	Percentage
CDC - TRUSTEE ALFALAH GHP ALPHA FUND	1	110,400	0.13
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	530,723	0.64
CDC - TRUSTEE ABL STOCK FUND	1	96,000	0.12
CDC - TRUSTEE FIRST HABIB STOCK FUND	1	11,000	0.01
CDC - TRUSTEE LAKSON EQUITY FUND	1	136,500	0.17
CDC - TRUSTEE CROSBY DRAGON FUND	1	7,500	0.01
CDC-TRUSTEE NAFA ASSET ALLOCATION FUND	1	104,700	0.13
CDC-TRUSTEE HBL ISLAMIC STOCK FUND	1	110,000	0.13
CDC - TRUSTEE PICIC STOCK FUND	1	39,300	0.05
CDC - TRUSTEE HBL IPF EQUITY SUB FUND	1	42,700	0.05
CDC - TRUSTEE HBL PF EQUITY SUB FUND	1	27,500	0.03
CDC - TRUSTEE ASKARI EQUITY FUND	1	8,000	0.01
CDC-TRUSTEE FIRST HABIB ISLAMIC BALANCED FUND	1	12,000	0.01
MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	1	160,400	0.19
CDC - TRUSTEE PIML STRATEGIC MULTI ASSET FUND	1	16,000	0.02
CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	1	3,000	0.00
CDC - TRUSTEE NAFA ISLAMIC PRINCIPAL PROTECTED FUND - I	1	78,100	0.09
CDC - TRUSTEE PIML ISLAMIC EQUITY FUND	1	18,000	0.02
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	2,086,790	2.54
CDC - TRUSTEE PICIC ISLAMIC STOCK FUND	1	41,500	0.05
CDC - TRUSTEE NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II	1	79,200	0.10
General Public			
a. Local	6005	4,382,976	5.33
b. Foreign	4	62,976	0.08
Foreign Companies	20	3,167,880	3.85
Others	98	1,896,550	2.30
Totals	6220	82,299,851	100.00

Share holders holding 5% or more

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

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 32nd Annual General Meeting of the Company to be held on 24th day of April 2015 at 9:30 am at DSU-13, Pakistan Steel Industrial Estate, Karachi and at any adjournment thereof.

As witness my/our hand this _____ day _____ 2015

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.

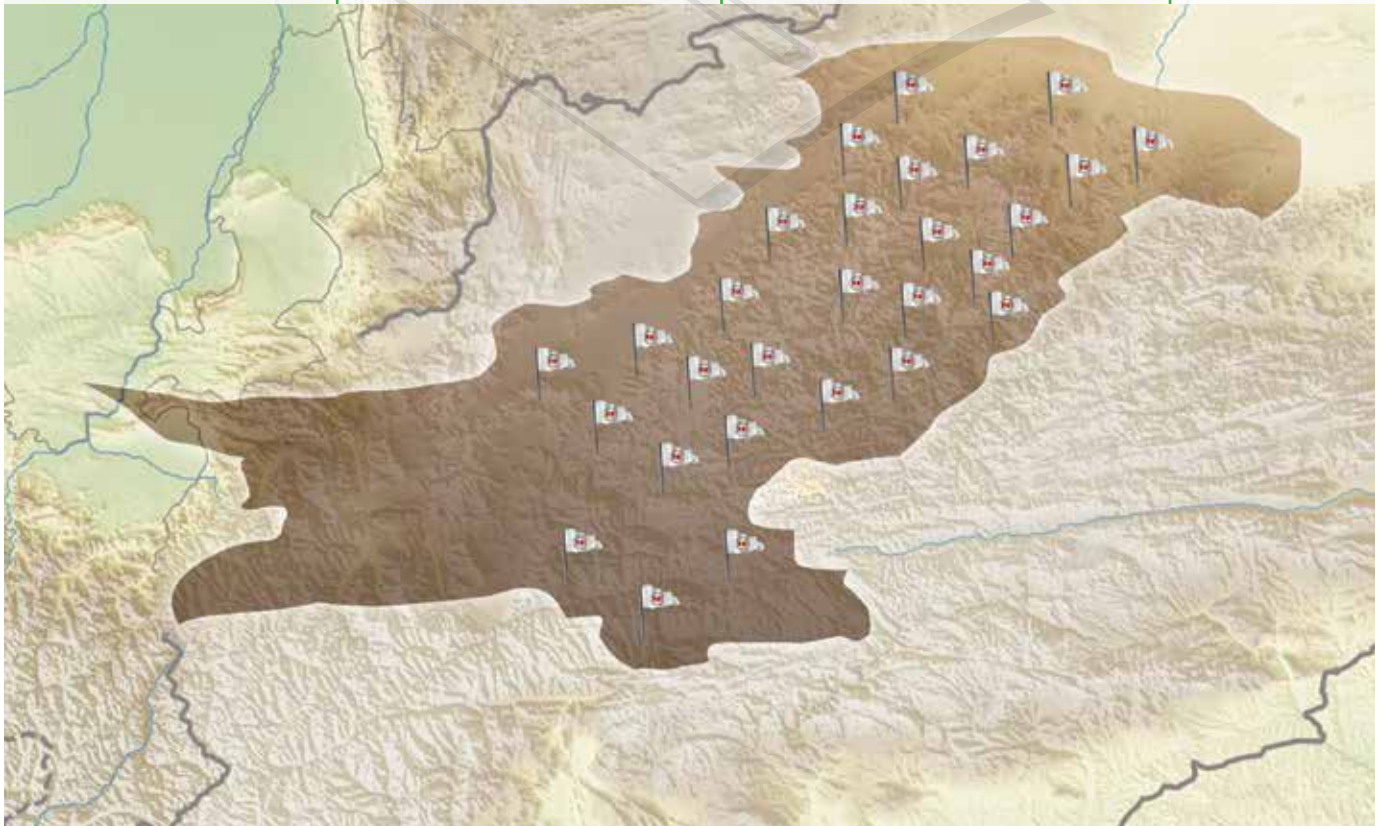
AFFIX
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Company Secretary:
Pak Suzuki Motor Company Limited
DSU-13, Pakistan Steel Industrial Estate,
Bin Qasim, Karachi.



Motorcar Dealers' Network

Sindh				
Karachi	19		Sadiqabad	1
Hyderabad	2		Okara	1
Mirpur Khas	1		Gujrat	1
Sukkur	1		Attock	1
Larkana	1		Sheikhupura	1
Makli	1		D.G.Khan	1
			Bahawalpur	1
			Taxila	1
			Mianwali	1
Punjab			Khyber PakhtunKhwa	
Lahore	15		Peshawar	4
Rawalpindi	3		Abbottabad	1
Islamabad	4		D.I. Khan	1
Faisalabad	3		Mardan	1
Multan	3			
Kasur	1		Balochistan	
Sargodha	1		Quetta	2
Saalkot	2			
Gujranwala	1		Azad Kashmir	
Sahiwal	1		Mirpur	1
Jhelum	1		Muzaffarabad	1
Vehari	1			
Jhang	1			
Chakwal	1			
Khanewal	1			
R.Y. Khan	2			
			Total	86





Pak Suzuki Motor Company Limited

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

Tel: 34723551-558, Fax: 34723521-523

www.paksuzuki.com.pk