

SUZUKI  
MOTORCYCLES  
PAKISTAN LTD.  
Annual Report  
1995 (32nd  
annual report)

Contents	1
Board of Directors	2
Notice of the Annual General Meeting	3
Chairman's Review	4
Directors' Report to the Shareholders	5
Pattern of Shareholdings	6
Auditors' Report to the Members	7
Balance Sheet	8
Profit and Loss Account	10
Cash Flow Statement	11
Notes to the Accounts	12
Form of Proxy	27

BOARD OF  
DIRECTORS

JAVED  
BURKI  
MASAO TANI  
TAKEKAZU  
KAITO  
ITSUO  
YAMASHITA  
AKIHIKO  
KOBAYASHI  
KHALID  
MAHMUD NAGRA  
DANISHMAND

CHAIRMAN

JAVED  
BURKI

CHIEF EXECUTIVE

DANISHMAND

SECRETARY  
MIDHAT A.  
KIDWAI

AUDITORS  
SIDAT  
HYDER QAMAR  
MAQBOOL & CO.  
Chartered  
Accountants

BANKERS:  
DEUTSCHE  
BANK  
THE BANK  
OF TOKYO  
ALLIED  
BANK OF PAKISTAN  
LTD.  
MUSLIM  
COMMERCIAL BANK  
LTD.

REGISTERED  
OFFICE:  
F/14,  
S.I.T.E.,  
MAURIPUR  
LINK ROAD,  
KARACHI-  
75730

TELEPHONE NOS:  
PABX 2578840 -  
43  
DIR 2573309 -  
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SUZUKI  
MOTORCYCLES  
PAKISTAN LTD.  
NOTICE OF THE  
ANNUAL GENERAL  
MEETING

Notice is hereby given that the 32nd Annual  
General Meeting of the Company will be held at  
Beach Luxury Hotel, off  
Moulvi Tamizuddin Khan Road, Karachi, on 21st

December, 1995 at 10:00 a.m. to transact the following business:

ORDINARY  
BUSINESS:

1. To confirm the minutes of the Annual General Meeting held on 20th December, 1994.
2. To receive, consider and adopt the Audited Accounts of the Company for the year ended 30th June, 1995 together with the Directors' and Auditors' Reports thereon.
3. To appoint Auditors for the year ending 30th June, 1996 and to fix their remuneration.
4. To elect seven directors as fixed by the Board and in accordance with the provisions of the Companies Ordinance 1984, in place of the following retiring directors:
  1. Mr. Javed Burki
  5. Mr. Akihiko Kobayashi
  2. Mr. Masao Tani
  6. Mr. Khalid Mahmud Nagra
  3. Mr. Takokazu Kaito
  7. Mr. Danishmand
  4. Mr. Itsuo Yamashita
5. To transact any other business with the permission of the Chair.

BY THE ORDER OF  
THE BOARD  
MIDHAT A. KIDWAI  
( COMPANY  
SECRETARY )

Dated: 1 st  
November, 1995

NOTES:

1. The share transfer books shall remain closed from 14th December, 1995 to

21st December, 1995

(both days  
inclusive)

2. A member entitled to attend and  
vote at the Annual General Meeting is  
entitled to appoint another

person as a proxy who is entitled on  
his/her own behalf to be present and vote at  
the meeting or he/

she is appointed to act at  
the meeting as the representative  
of a corporation.

3. The instrument appointing a proxy must be  
received at the Registered Office of the  
Company not later

than forty eiaht  
hours before the  
meeting.

4. Persons eligible and interested to  
contest the election of directors should file a  
notice of intention to

offer themselves for election at the  
Registered office of the Company not later than  
14 days before

the  
meeting.

#### CHAIRMAN'S REVIEW

It gives me pleasure to place before you the  
company's 32nd Annual Report for the year ended  
30th June, 1995.

#### General:

During 1994-95 the value of the Japanese  
Yen continued to rise sharply against the  
Pak Rupee. The

Government imposed 15% sales tax on  
motorcycles. These factors together with  
general inflation

forced the motorcycle industry to  
increase prices a number of times. Since  
most motorcycle buyers

belong to the lower and middle classes,  
motorcycle prices have reached a level  
which has curtailed

effective demand. The total market for  
motorcycles shrank by about 30% during  
1994-95 when

compared with the previous year. In these  
difficult circumstances your company  
developed some

more parts locally which will give

protection from the effect of appreciation of Japanese Yen to some extent in the future.

#### Sales and Market share:

In spite of the adverse market conditions, especially during the first half of the year, the company was able to increase its sales as well as its market share. Total sales increased by 31 % from Rs. 215.617 million in 1993-94 to Rs. 281.989 in 1994-95. The increase in sales was at least in part due to the attractive new models offered by your company in January and May 1995.

#### Export:

The company secured export orders from five countries, which would be executed mainly in 1995

96. The orders would form a small part of our business. They attest to the quality and attractive designs of Suzuki Motorcycles being offered by your company. We take pride in being pioneers of motorcycle exports from Pakistan.

Exports mean competing in quality as well as price against tough international competition. Without realistic and supportive Government programs in localization and implementation of rebates and other fiscal concessions, developing significant export business in the face of competition from other eager low labour cost countries seems unlikely.

#### Gross Profit:

I am happy to report that Gross Profit increased from Rs. 7.303 million in 1993-94 to Rs. 51.732 million in 1994-95. As a percentage of sales it increased from 3.39% to 18.35%. Main reasons for this improvement were higher level of Production and Sales and support

given by Suzuki Motor Corporation. Another important factor was that we were able to adjust prices upwards, narrowing the gap between our prices and those of the competing products.

Selling and Administrative Expenses:

Selling and Administrative Expenses stand reduced from Rs. 31.964 million in 1993-94 to Rs. 26.536 million in 1994-95. This was mainly due to the subsidies given to the company by Suzuki Motor Corporation, Japan, which we acknowledge with thanks.

Financial charges:

Although effective borrowings increased during 1994-95 over the year 1993-94, financial expenses were contained as the company was successful in raising a large loan at 13%. This compares favourably against lending rates of various Banks and Financial Institutions in Pakistan which generally range from 17% to 22%.

Loss after taxation:

During 1994-95 the company incurred a loss of Rs. 11.661 million as compared to the loss of Rs. 60.408 million during 1993-94. This includes turnover tax of Rs. 1.463 million, which is an extraordinary burden for a company still making a loss. You would recall that the company incurred a loss of Rs. 16.762 million during the first six months of the financial year. Thus it is a source of satisfaction that the company earned a profit of Rs. 5.101 million in the period January 1995 to June 1995.

Future

Prospects:

There is strong underlying need for motorcycles as a means of convenient transportation for many individuals and families. Unless the Pak Rupee-depreciates very sharply, motorcycle demand in Pakistan is likely to keep growing steadily in the near future, and in the medium and long-terms. Your company's products are now recognized for their high quality and satisfactorily meet the functional needs of most motorcycle users. The sales, service and spares network has been strengthened substantially over the last year. The strong co-operation of Suzuki Motor Corporation, Japan is a source of great help and strength. We expect all round improvement in operations and results.

JAVED BURKI  
(CHAIRMAN)

DIRECTORS'  
REPORT TO THE  
SHAREHOLDERS.

Your Directors are pleased to present their report and audited accounts for the year ended 30th June, 1995.

Accounts:

Rupees

	(10,19
Loss for year	7,874)
Taxation -	(1,463
Current	,434)
	-----
	-----
	(11,66
	1,308)
	(222,0
Accumulated Loss	71,012
Brought Forward	)
	-----
	-----
Accumulated Loss	233,73
Carried Forward	2,320
	=====

=====

The main reason for the loss was that sales could not reach the breakeven level. Devaluation of Pak Rupee against the Japanese Yen during 1994-95 also contributed to the loss

Chairman's

Review:

The attached Chairman's Review gives the picture of the company's activities and performance during 1994-95. The directors of the company endorse the contents of the Review

Directors

There was no change in the directors of the company.

Auditors

The present auditors M/s Sidat Hyder Qamar Maqbool & Co., Chartered Accountants retire and being eligible, offer themselves for reappointment.

Pattern of Shareholding

The pattern of holding of the shares of the company as on 30th June.1995 is annexed

ON BEHALF OF THE BOARD

DANISHMAND

( CHIEF EXECUTIVE )

1st. November 1995

PATTERN OF SHAREHOLDINGS AS AT 30/06/95

Size of Holding	Number Of	Number Of RS.
		10



Of RS. 10 Share	Shareholders	Share	Share S
1	100	2740	68,56
101	500	560	155,6
501	1000	239	198,4
1001	5000	369	894,2
5001	10000	64	479,3
10001	15000	29	368,0
15001	20000	6	105,5
20001	25000	8	180,5
25001	30000	6	168,9
30001	35000	1	31,50
35001	40000	4	149,2
40001	45000	4	167,3
45001	50000	1	48,00
50001	55000	1	50,10
55001	60000	1	58,60
70001	75000	1	74,20
14000	14500	1	142,6
1	0	1	00
17000	17500	1	170,5
1	0	1	35
18000	18500	1	182,4
1	0	1	00
15200	15250	1	1,520
01	00	1	,905
17150	17200	1	1,717
01	00	1	,746
18350	18400	1	1,835
01	00	1	,304
20495	20500	1	20,49
001	000	1	8,231
		-----	-----
		----	----
Total			29,26
s :	4041		5,972

CATEGORY OF  
SHARE HOLDING AS  
AT 30/06/95

Categories of Shareholders	Number	Shares Held	Percentage
Individuals	3989	3,362,155	11.49
Insurance Companies	9	72,932	0.25
Investment Companies	8	58,868	0.20
Financial Institutions/Banks	9	3,255,830	11.12
Suzuki Motor Corporation, Japan	1	20,498,231	70.04
Pakistan Automobile Corporation Limited	1	1,835,304	6.27
Joint Stock Companies	18	108,180	0.37
MODaraba Companies	3	26,000	0.09
Government Organizations	2	11,272	0.04
Co-operative Societies	1	37,200	0.13
	-----	-----	-----
		29,26	
	4041	5,972	100.00

AUDITORS' REPORT  
TO THE MEMBERS

We have audited the annexed balance sheet of SUZUKI MOTORCYCLES PAKISTAN LIMITED as at 30 June 1995 and the related profit and loss account end cash flow statement, 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 and, after due verification thereof, 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 the accounting policies consistently applied;

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 and the cash flow statement, together

with the notes thereof, 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 30 June 1995 and of the loss and the cash flow statement for the year then ended; and

d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

SIDAT HYDER  
QAMAR MAOBOOL &  
CO.

CHARTERED

ACCOUNTANTS  
 KARACHI: 01 NOV.  
 1995

BALANCE SHEET AS  
 AT 30 JUNE 1995

	NOTE	1995	1994
		Rupee	
		s	Rupees
SHARE CAPITAL AND RESERVES			
Authorised Capital			
60,000,000			
(1994: 60,000,000)			
		600,0	
ordinary shares of Rs. 10/- each		00,00	600,00
		0	0,000
		=====	=====
		=====	=====
Issued Capital			
29,265,972			
(1994: 29,265,972)			
		292,6	
ordinary shares of Rs. 10/- each		59,72	292,65
		0	9,720
		=====	=====
		=====	=====
Subscribed Capital			
29,265,972			
(1994: 29,265,972)			
		292,6	
ordinary shares of Rs. 10/- each		59,72	292,65
		0	9,720
		=====	=====
		=====	=====
Paid-up capital	3	0	9,720
Capital reserves	4	5,932,000	5,932,000
		(233,732,3)	(222,071,012)
Accumulated loss		20)	)
		-----	-----
		-----	-----
		64,859,400	76,520,708

SURPLUS ON		35,29	35,297
REVALUATION OF	5	7,981	,981
FIXED ASSETS			
DEFERRED		612,2	
LIABILITIES		55	-
CURRENT			
LIABILITIES			
		278,8	
		11,00	241,24
Short-term loan	6	0	5,400
Running finance			
under mark-up		4,232	157,00
arrangement	7	,165	0,000
Creditors,			
accrued expenses			
and other			
		91,83	52,203
liabilities	8	9,253	,842
		-----	-----
		-----	-----
		374,8	
		82,41	450,44
		8	9,242
CONTINGENCIES			
AND COMMITMENTS	9	-	-
		-----	-----
		-----	-----
		475,6	
Rupee		52,05	562,26
s		4	7,931
		=====	=====
		=====	=====

The annexed notes form an integral part of these accounts.

JAVED BURKI  
CHAIRMAN

	NOTE	1995	1994
TANGIBLE FIXED		Rupee	
ASSETS		s	Rupees
		78,07	78,985
Operating assets	10	8,540	,994
Capital work-in-		33,78	
progress	11	3,803	-
LONG-TERM		304,1	160,05
DEPOSITS		50	0
		302,4	601,65
LONG-TERM LOANS	12	49	6
		-----	-----
		-----	-----
		101,7	150,20
CURRENT ASSETS	13	50,13	1,234

		1	
		168,7	
		65,98	115,40
Stocks	14	2	3,282
		45,11	30,521
Trade debts	15	2,014	,386
Loans, advances, deposits, prepayments and other receivables		47,55	186,39
	16	4,985	4,329
		363,1	
Cash and bank balancr3c		83,11	482,52
		2	0,231
		-----	-----
		-----	-----
		475,6	
Rupee	52,05	562,26	
s	4	7,931	
		=====	=====
		=====	=====

DANISHMAND  
CHIEF EXECUTIVE

PROFIT AND LOSS  
ACCOUNT FOR THE YEAR  
ENDED 30 JUNE 1995

	Note	1995	1994
		Rupee	RuDees
		s	
Net sales	17	251,6	
		68,99	202,14
Motorcycle		9	0,370
Complete		9,659	4,812,
built-up units		,239	260
		9,077	4,245,
Spare parts		,511	426
		10,57	3,040,
Generators		3,840	700
Painting		1,008	1,377,
Services		,939	726
Screw jacks	-	-	800
		-----	-----
		-----	-----
		281,9	
		88,52	215,61
		8	7,282
Cost of goods sold	18	230,2	208,31
		56,42	3,755

		-----	-----
		-----	-----
		51,73	7,303,
Gross profit		2,105	527
Selling and administrative expenses	19	26,53 5,891	31,964 ,087
		-----	-----
		-----	-----
Operating profit / (loss)		25,19 6,214	(24,66 0,560)
		-----	-----
		-----	-----
Financial charges	20	(35,5 01,36 3)	(346,9 87,421 )
Other income-net	21	107,2 75	38,308
		-----	-----
		-----	-----
Loss before taxation		(35,5 01,36 3)	(34,66 0,434)
Taxation - current	22	(10,1 97,87 4)	(59,32 0,994)
		-----	-----
		-----	-----
Loss after taxation		(1,46 3,434	(1,087 ,120)
Accumulated loss brought forward		(11,6 61,30 8)	(60,40 8,114)
		-----	-----
		-----	-----
Accumulated loss carried forward		(222, 071,0 12)	(161,6 62,898 )
		-----	-----
		-----	-----
		(233, 732,3 20)	(222,0 71,012 )
		=====	=====
		=====	=====

The annexed notes form an integral part of these accounts.

JAVED BURKI	DANIS
CHAIRMAN	HMAND
	CHIEF
	EXECU

## TWE

CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30  
JUNE 1995

	1995	1994
	Rupee	Rupees
	s	
Loss after taxation	(11,6 61,30	(60,40 8) 8,114)
Adjustment of non-fund items:	-----	-----
Depreciation	6,121	6,064,
Deferred liability - gratuity	,587	332
(Loss) profit on disposal of fixed assets	612,2 55	-
	(63,7	407,33
	34)	9
	-----	-----
	6,670	6,471,
	,108	671
	(4,99	
	1,200	(53,93
	)	6,443)
CASH FLOW FROM OPERATING ACTIVITIES	-----	-----
Stocks	48,45	36,604
Trade debts	1,103	,198
Loans, advances and deposits	(53,3 62,70	(51,19 0) 1,068)
Short-term loans	(14,5 90,62	(17,54 8) 4,130)
Running finance	37,56	159,35
Creditors, accrued and other liabilities	5,600	8,000
	(152,	(110,9
	767,8	28,533
	35)	)
	-----	-----
	39,21	14,330
	9,485	,585
	-----	-----



	(95,4	
	84,97	150,61
	5)	6,552
	(100,	
Income tax	476,1	96,680
adjustment	75)	,109
	415,9	899,64
	26	5
	(100,	
	060,2	(97,57
	49)	9,754)
CASH FLOW FROM		
INVESTING		
ACTIVITIES		
	(5,41	
Fixed assets	7,899	9,968,
additions	)	604
	(33,7	
Capital	83,80	
expenditure	3)	-
Sale proceed of	267,5	797,32
fixed asset	00	2
Long-term	(144,	(45,50
deposits	100)	0)
	299,2	(78,44
Long-term loans	07	0)
	(38,7	
	79,09	(9,295
	5)	,222)
	(138,	
	839,3	(88,28
	44)	4,532)
CASH FLOW FROM		
FINANCING		
ACTIVITIES		
Issue of share		97,553
capital	-	,240
Cash and bank at	(138,	
the beginning of	839,3	185,83
the year	44)	7,772
	186,3	
Cash and bank at	94,32	556,55
the year end	9	7

-----  
-----  
RuDee 47,55 186,39  
s 4,985 4,329

=====  
=====

JAVED BURKI  
CHAIRMAN

DANIS  
HMAND  
CHIEF  
EXECUTIVE

SUZUKI  
MOTORCYCLES  
PAKISTAN LTD  
NOTES TO AND  
FORMING PART OF  
THE ACCOUNTS  
FOR THE YEAR  
ENDED 30 JUNE  
1995

#### 1. INTRODUCTION

1.1. The Company is incorporated in Pakistan as a public limited company and its shares

are quoted on the Karachi and Lahore Stock Exchanges. The Company is principally

engaged in the manufacture, assembly and sale of Suzuki motorcycles and also sale

of Suzuki brand generators.

1.2 The Company has accumulated losses of Rs. 233.73 million as at 30 June 1995 as

against the issued, subscribed and fully paid-up share capital of Rs. 292.66 million

which leaves a net equity of Rs. 64.86 million. Management has implemented a plan

of action, which it is confident will help in improving the results of operations

considerably in the future years. Management also believes that financial and

operational support from the Suzuki Motor Corporation - Japan will continue in the

foreseeable future, accordingly these accounts have been prepared on a going

concern  
basis.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1. Accounting convention

These accounts have been prepared under the 'historical cost' convention as modified

by the revaluation of certain fixed assets.

### 2.2. Retirement benefits

The Company operates a recognised provident fund for its employees and contributes

an amount equal to that subscribed by the employees.

The Company operates an unfunded gratuity scheme for all its workers who have

completed their qualifying Period.

### 2.3. Taxation

#### Current

Provision for current taxation is based on taxable income at the current rates of taxation

after taking into account tax credits and tax rebates available, if any.

#### Deferred

The Company accounts for deferred taxation, if any, arising on major timing differences using the liability method.

### 2.4. Tangible fixed assets

Operating assets are stated at cost or revaluation. Capital work-in-progress is stated

at cost.

Depreciation on all fixed assets except leasehold land is charged to

income applying

the reducing balance method  
whereby the cost of an asset is  
written off over its  
estimated useful life.  
Depreciation on leasehold land is charged  
by applying the straight  
line method, whereby the cost of  
the leasehold land is being written off  
over its

remaining lease  
period.

Depreciation on additions during  
a year is charged from the month in which  
the addition  
is put into operation whereas  
depreciation on disposals is charged upto  
the month in  
which  
the disposal  
takes place.

Maintenance and normal  
repairs are charged to income as  
and when incurred. Major  
renewals and improvements are  
capitalised and the assets so replaced,  
if any, are  
retired. Gain or loss on disposal  
of fixed assets is included in income  
currentiv.

2.5. Stock-  
in-trade

Stock-in-trade, except items-in-  
transit, are valued at the lower of  
historical cost and net  
realisable value. Stock-in-  
transit is stated at invoice value plus  
other charges paid  
thereon  
to the balance  
sheet date.

Cost is calculated on a first-in  
first-out basis and net realisable value  
is determined by

considering the prevailing and  
expected selling prices of vehicles in  
the ordinary course  
of business less costs of  
completion and less cost necessary to be  
incurred in order  
to make  
the sale

2.6. Revenue  
recognition

Sales are recognised when invoices are issued and goods sold are identified and

segregated for delivery.

2.7. Foreign currencies

Foreign currency transactions are recorded at the rates of exchange ruling at the dates

of those transactions. Assets and liabilities in foreign currencies are translated into

rupees at the rates of exchange prevailing on the balance sheet date except for

liabilities covered under forward exchange contracts which are translated at the

contractual rate. Exchange differences are included in income currently.

3. PAID-UP  
CAPITAL

29,265,972

(1994:

29,265,972)

Ordinary

shares of Rs.

10/- each fully

paid up

		292,6	
	Rupee	59,72	292,65
in cash	s	0	9,720
		=====	=====
		=====	=====

Suzuki Motor Corporation is

holding 20,498,231 (1994:

20,498,231)

Ordinary shares

of Rs. 10/-

each.

4. CAPITAL  
RESERVES

		3,430	3,430,
share premium	4.1	,800	800
		2,501	2,501,
shares forfeited	4.2	,200	200
		-----	-----
		-----	-----

Rupee 59,32 59,320  
s 0,006 ,006  
=====   
=====

SUZUKI  
MOTORCrCLES  
PAKISTAN LTD.

4.1. Share premium account represents premium on 2,287,200 Ordinary shares issued to Suzuki Motor Corporation, Japan at a premium of Rs. 1.50 for each share.

4.2. Shares for feited account represents contributions received from Mack Truck Inc. USA to the extent of Rs. 1,244,255/- in cash and Rs 1 ,256,945/- in consideration other than cash in respect of an issue of 500,240 ordinary shares of Rs.10/- each which were partly paid upto an extent of Rs. 51- each. Subsequently, due to non-payment of the remaining balance against the aforementioned shares, the members through a resolution in an Extraordinary General Meeting held on 15 June 1968 decided to forfeit the part payment made for such shares.

5. SURPLUS ON  
REVALUATION OF  
FIXED ASSETS

Revaluation of leasehold land' and 'factory building on leasehold land', referred to in note 10.2 and 10.3 as at 30 June 1990 produced a revaluation surplus of Rs. 35,297,981/- which tQ comply with the requirements of section 235 of the Companies Ordinance, 1984, was credited to the 'surplus on revaluation of fixed assets account'.

	1995	1994
6. SHORT-TERM LOAN - Secured		
Amount	278,8	
payable to a	Rupee 11,00	241,24
foreign Bank	s	0 5,400

This represents foreign currency loan of US\$ 9.00 million (1994: DM 12.50 million)

under an agreement with a foreign bank. The loan is repayable by January 1996 in one

lump-sum instalment and carries interest at 6.4375 percent per annum. The loan is

secured by a guarantee from Suzuki Motor Corporation - Japan.

7. RUNNING FINANCE  
UNDER MARK-UP  
ARRANGEMENT

Secured	Rupee 4,232	157,00
7.1	s	,165 0,000

7.1 This represents utilised portion of running finance facility of Rs. 70 million (1994:

Rs. 212 million) from various commercial banks and is subject to mark-up at the rate

ranging between 14 to 17.5 percent. This facility is secured by hypothecation of stocks,

trade debts, fixed assets, and guarantee from Suzuki Motor Corporation - Japan.

7.2 The facilities for opening of letters of credit as at 30 June 1995 aggregated Rs. 145

million (1994: Rs. 115 million) of which the portions remaining unutilised as at 30 June

1995 aggregated Rs. 26 million (1994: Rs. 75 million.)

	Rupee	
	s	Rupees
8. CREDITORS, ACCRUED EXPENSES AND	1995	1994
OTHER LIABILITIES		

Trade creditors	8,220 6,011,	
	,947	005
Bills payable	60,19 29,102	
	0,674	,053
Accrued expenses	13,86 8,696,	
	2,115	654
Mark-up on short term running finances	4,566 1,890,	
	,226	275
Advances from customers	747,9 5,403,	
	92	646
Accrued Excise duty	130,95	
	2,627	6
Income tax	1,379 963,08	
	,008	2
Others	2,869	
	,664	6,171
	-----	-----
	-----	----
Rupees	91,83	
	9,253 52,204	
	=====	=====
	=====	=====

(Rs.  
in

9. CONTINGENCIES AND COMMITMENTS  
in million)

Letters of credit issued by various commercial banks	22.31	10.88
Guarantees issued on behalf of the Company by various commercial banks	5.12	2358
	=====	=====
	=====	=====

10. OPERATING ASSETS

10.1 The following is a statement of operating assets:

COST OR REVALUATION RATIO	ADDITIONS/	COST OR REVALUATION	ACCUMULATED DEPRECIATION	NET BOOK VALUE	DEPRECIATION
---------------------------	------------	---------------------	--------------------------	----------------	--------------



	N	(DELE	AT	ON	VALUE	FOR	
	AT	TION)	AT	AT	AT	THE	RATE
	1		30th	30th	30th		
	JULY		June	June	June	YEAR	%
	1994		1995	1995	1995		
Leasehold land	15,21 6,344		15,216 -,344	1,014 ,425	14,20 1,919	202,8 85	1
Factory building on leasehold land	24,08 8,177	71,00 0	24,159 ,177	7,457 ,389	16,70 1,788	876,2 39	5
Plant & machinery and ancillary equipment	39,35 5,689	2,239 ,940	41,595 ,629	15,02 9,120	26,56 6,509	2,761 ,344	10
Furniture, fixtures and of fice equipment	1,727 ,364	709,1 42	12,344, 506	616,8 09	1,727 ,697	140,7 36	10
Dies and allied equipment	21,32 3,806	1,262 ,509	22,586 ,315	6,253 ,159	16,33 3,156	1,710 ,646	10-20
Motor vehicles	3,498 ,282	1,135 ,308	4,363, 590	1,841 ,778	2,521 ,812	426,8 86	20
Fire fighting equipment	58,04 5		58,045	32,38 6	25,65 9	2,851	10
Rupees	105,2 67,70 7	5,417 ,899	110,32 3,606	32,24 5,066	78,07 8,540	6,121 ,587	
1994 · Rupees	97,22 4,172	9,968 ,604	105,26 7,707	26,28 1,713	78,98 5,994	6,064 ,332	

10.2 Information in respect of revaluation of certain fixed assets is given in note 5 above.

10.3 Had there been no revaluation, the figures of 'leasehold land' and 'factory building on leasehold land, would have been as following

	COST AT 30 JUNE 1995	ACCUMU LATED DEPREC IATION AT 30 JUNE 1995	NET BOOK VALUE AT JUNE 1995
Leasehold land			
Factory building on	397,7 98	26,507	371,2 91
Leasehold land	3,679 ,743	2,039, 526	1,640 ,217
	-----	-----	-----
	-----	-----	-----
Rupee s	4,077 ,541	2,066, 033	2,011 ,508
	=====	=====	=====
	=====	=====	=====

10.4 Depreciation charged for the year has been allocated as under:

		1995	1994
		Rupee	RuDees
		s	
Manufacturing expenses	Note 18	5,551 ,115	5,465, 862
Selling and administrative expenses	Note 19	570,4 72	598,47 0
		-----	-----
expenses		-----	-----
Rupee s		6,121 ,587	6,064, 332
		=====	=====

=====

10.5 DETAILS OF DISPOSAL OF  
OPERATING ASSETS DURING THE  
YEAR:

	COST	Accumulated Depreciation	Net Value	Sale Proceeds	Mode of Disposal	Particulars of Buyers
Furniture, fixture and office equipment	92,000	33,010	258,988	25,000	Negotiation	Asiatic System 2nd Floor, Cantonment Board Building 259 Sarwar Shaheed Road, Karachi
Vehicles	135,000	74,460	260,538	102,500	Tender	Muhammad Amir Zaidi House No. A-66, Block-16 Federal 'B' Area Karachi EFU General Insurance Co. 206, 2nd Flxr, Kashif Centre, Shakra-e-Faisal, Karachi
Rupees	362,000	158,200	203,760	267,500		

00      34      6      00  
 =====  
 =====

NOTE    1995    1994  
          Rupee  
          s    Rupees

11. CAPITAL  
 WORK-IN-PROGRESS

This  
 consists of:

Plant and machinery	32,65		1,203 -	
			1,132	
Generator			,600 -	
		-----	-----	
		-----	-----	
Rupee s		33,78	3,803	-
		=====	=====	
		=====	=====	

12. LONG-TERM  
 LOANS -

Unsecured  
 considered  
 good

To executives	248,7		42 24,407	
To employees			53,70 577,24	
			7            9	
		-----	-----	
		-----	-----	
		302,4	601,65	
		49	6	
		=====	=====	
		=====	=====	

12.1. The maximum aggregate amount due from executives at the end of any month during the year was Rs. 50,000 (1994: 79,299/-). The loans to the executives & employees are in respect of purchase of motorcycles and generators and are recoverable from their salary.

13. STOCKS

Raw materials and components	49,30		112,85	
			4,845	5,120
Work-in-process			16,92	15,757

		8,372	,617
		28,74	13,013
finished goods		5,911	,128
		-----	-----
		94,97	141,62
stock-in-transit		9,128	5,865
		6,771	8,575,
		,003	369
		-----	-----
		101,7	
	Rupee	50,13	150,20
	s	1	1,234
		=====	=====
		=====	=====

14. TRADE DEBTS -

Unsecured, considered good

Due from an associated undertaking	14.10	544,6	919,48
		20	6
		168,2	
		21,36	114,48
Others		2	3,796
		-----	-----
		168,7	
	Rupee	65,98	115,40
	s	2	3,282
		=====	=====
		=====	=====

14.1 The maximum amount due from the associated undertaking at the end of any month during the year was Rs.1,065.405/- (1994: Rs. 919.486/-).

	1995	1994
15. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
	Rupee	Rupees
	s	

Loans and advances to employees

- considered good	15.1	703,385,906	2
Current maturity of long-term loan		565,259,678	1
		-----	-----
		1,268,613	1,492,683
Advances to suppliers, contractors and others- considered good		18,572,787	11,438,841
		-----	-----
		296,250	4,000
Trade deposits		629,023	1,138,195
Deposits against bank guarantees		-----	-----
		195,602	131,864
Prepaid expenses		-----	-----
Due from associated undertakings	15.2	18,996,370	54,535
Refunds due from the Government		-----	-----
		11,896	
Sales tax		-	,807
Custom duties		4,204,110	4,204,110
		-----	-----
		4,204,110	16,100,917
		949,259	160,351
Others		-----	-----
		24,149,739	16,315,803
		-----	-----
Rupees		45,112,014	30,521,386
		=====	=====
		=====	=====

15.1 The maximum aggregate balance outstanding against advance to executive of the Company at the end of any month during the year was Rs. 50,000/ (1994: Rs. 504.800/-).

15.2 The maximum amount due from associated undertakings at the end of any month during the year was Rs. 14,928,168/- (1994: Rs. 458,769/-).

	1995	1994
	Rupee	Rupees
	s	
16. CASH AND BANK BALANCES		
	145,1	
Cash in hand	58 55,619	
Cheques in hand	1,937 544,47	
	,518	6
	-----	-----
Cash at bank	-----	----
In current accounts		
Pakistani Rupees	40,85 26,212	8,001 ,087
Foreign currency JY		
4,334.802 US\$ 691 DM		
438 (1994: US\$ 691)	1,614	,308 21,287
	-----	-----
	-----	----
- In Pak Rupees deposit account	42,47 26,233	2,309 ,374
- In foreign currency deposit account	3,000	-
	,000	-
		159,56
		- 0,860
	Rupee	47,55 186,39
	s	4,985 4,329
		=====
		=====

17. NET SALES  
Motorcycles

	269,1	
	65,42	206,05
Sales	1	5,742
Less:	9,557	1,496,
Discounts	,392	822
Sales	7,939	2,418,
returns	,030	550
	17,49	3,915,
	6,422	372
	251,6	
	68,99	202,14
	9	0,370
Complete	-----	-----
built-up units	-----	-----
	10,09	4,864,
Sales	0,739	000
Less:	19,50	
Discounts	0	51,740
Sales	412,0	
returns	00	-
	-----	-----
	-----	-----
	9,659	4,812,
	,239	260
	-----	-----
Spare parts	-----	-----
	10,19	4,499,
Sales	0,662	986
Less:	1,103	240,44
Discounts	,590	3
Sales		
returns	9,561	14,117
	9,077	4,245,
	,511	426
	-----	-----
	-----	-----
	10,66	3,075,
Generators	6,540	200
	22,20	
Sales	0	17,700
Less:	70,50	
Discount	0	16,800
	-----	-----
	-----	-----
Sales	10,57	3,040,
returns	3,840	700
	1,008	1,377,
	,939	726
Painting		
services	-	800
	-----	-----
	-----	-----



		281,9
	Rupee	88,52 215,61
Screw jacks	s	8 7,282
		=====
		=====

18. COST OF  
GOODS SOLD

	MOTOR CYCLE				TOTAL TOTAL	
	S	C B U	SPARE PARTS	GENER ATORS	1995	1994
	112,9				112,9	
Opening stock of raw materials	24,27				24,27	50,96
	5	-	-	-	5	7,714
Purchases during the year	122,3				122,3	236,6
	76,15				76,15	22,91
	1	-	-	-	1	0
Materials available for consumption (net of discount)	235,3				235,3	287,5
	00,42				00,42	87,00
	6	-	-	-	6	0
Less: Closing stock	(49,3				(49,3	#####
	04,84				04,84	#####
	5)	-	-	-	5)	##
Material Consumed	185,9				185,9	174,7
	95,58				95,58	35,50
	1	-	-	-	1	4
Production expenses:						
Salaries, wages and other	6,003				6,003	4,526
benefits	,984	-	-	-	,984	,416
Outside processing charges	5,005				5,005	6,159
	,634	-	-	-	,634	,883
Stores and spares consumed	2,500				2,500	1,777
	,651	-	-	-	,651	,688
Technical assistance fee	2,024				2,024	943,3
	,198	-	-	-	,198	43
	426,6				426,6	524,7
Insurance	41	-	-	-	41	53
Repairs and maintenance	1,222				1,222	1,073
	,655	-	-	-	,655	,593
	1,640				1,640	1,210
Utilities	,411	-	-	-	,411	,444
Test and trial	44,08				44,08	122,0
	6	-	-	-	6	32

	5,551				5,551	5,465
Depreciation	,115	-	-	-	,115	,862
	536,6				536,6	475,3
Communications	14	-	-	-	14	37
Conveyance, travelling and						
	538,9				538,9	1,534
entertainment	29	-	-	-	29	,118
Vehicle						
running and	424,8				424,8	343,2
maintenance	51	-	-	-	51	86
Rent, rates	115,0				115,0	117,6
and taxes	43	-	-	-	43	34
Printing and	164,0				164,0	134,6
stationery	09	-	-	-	09	89
	436,9				436,9	1,398
Others	37	-	-	-	37	,290
	26,63				26,63	25,80
	5,758	-	-	-	5,758	7,370
	212,6				212,6	200,5
	31,33				31,33	42,87
	9	-	-	-	9	4
Opening work in-	15,75				15,75	13,77
process	7,618	-	-	-	7,618	6,320
	(16,9				(16,9	(15,7
Closing work in-	28,37				28,37	57,57
process	2)	-	-	-	2)	0)
	211,4				211,4	198,5
Cost of goods	60,58				60,58	61,60
manufactured	5	-	-	-	5	2
Manufacturing						
cost of spare	(5,14					
parts	0,628	5,140,				
transferred	)	-	628	-	-	-
Opening stock of	2,543	2,166	5,691,	2,542	12,949	9,682
finished goods	,780	,467	626	,100	3,973	,288
Purchases during		8,081	1,361,	25,15	34,591	13,08
the year	-	,358	726	4,692	7,776	2,880
	(2,71			(17,8	(28,7	(13,0
Closing stock of	9,559	(649,	(5,500	76,29	45,911	13,12
finished goods	)	251)	,807)	4)	1)	0)
	206,1				230,2	208,3
Cost of goods	44,17	7,598	6,693,	9,820	56,421	13,00
sold	8	,574	173	,498	3	0

	1995	1994
	Rupee	Rupees
	s	
19. SELLING AND ADMINISTRATIVE EXPENSES		
Salaries, wages and other benefits	7,698,278	6,080,068
Rent, rates and taxes	451,513	324,523
Utilities	157,880	127,189
Insurance	463,018	402,906
Repairs and maintenance	403,685	155,570
Depreciation	570,472	598,470
Auditors' remuneration	10.4 97,000	19.1 103,000
Legal and professional charges	529,047	1,448,925
Right shares issue expenses	117,462	930,315
Share registration and transfer fee	-	126,441
Vehicle running expenses	1,036,334	692,162
Conveyance and travelling	1,351,872	1,211,192
Entertainment	189,444	106,038
Printing and stationery	647,052	588,128
Advertising (net of reimbursement)	5,937,351	13,167,762
Sales promotion	1,315,180	2,227,434
Communications	2,310,741	1,414,075
Periodicals and subscription	70,809	65,488
Transportation and handling	2,820,875	2,009,178
Miscellaneous	367,878	185,223
	-----	-----
	-----	-----
Rupee s	26,535,891	31,964,087
	=====	=====

	=====	=====
19.1. Auditors' Remuneration		
	70,00	
Audit fee	0 60,000	
Special assignments	13,50	0 22,000
Other services	-	1,000
Out of pocket expenses	13,50	0 20,000
	-----	-----
	-----	-----
Rupees	97,00	103,00
	0	0
	=====	=====
	=====	=====

20. FINANCIAL CHARGES

Interest on short-term loan	15,42	5,680,
	9,729	412
Mark-up on short-term running finances	18,41	7,448,
	0,009	323
Mark-up on trust receipt	-	119,86
		7
	1,329	580,86
Excise duty	,324	2
Guarantee fee	502,5	314,74
	60	4
	496,0	606,43
Bank charges	33	4
Exchange loss	2,066	9,499,
	,210	457
Exchange risk fee	8,874	11,462
	,216	,379
	-----	-----
	-----	-----
	47,10	35,712
	8,081	,478
Less:		
Financial charges recovered	11,60	1,013,
	6,718	736
	-----	-----
	-----	-----
Rupees	35,50	34,698
	1,363	,742
	=====	=====
	=====	=====

21. OTHER INCOME

- NET  
Balance no

longer  
considered  
payable

		399,00	
written back	-	0	
Commission			
income	-	15,087	
Profit / (loss) on			
disposal of fixed	63,73	(407,3	
assets	4	39)	
Miscellaneous	43,54		
income		1 31,560	
		-----	-----
		-----	-----
Rupee	107,2		
s		75 38,308	
		=====	=====
		=====	=====

1995 1994  
Rupee  
s Rupees

## 22. TAXATION

Current - for	Rupee	14634	108712	1,463
the year	s	34	0	,434
		=====	=====	
		=====	=====	

In view of tax losses, no provision for taxation has been made in these accounts.

However, provision has been made for taxation in accordance with Section 80D of the Income Tax Ordinance, 1979 fore minimum tax teased o~ the turnover of the ComDanv.

The Company has not provided for deferred taxation as it has accumulated tax losses as at 30 June 1995.

## 23. REMUNERATION OF THE CHIEF EXECUTIVE AND EXECUTIVES

	Chief			
	Executive	Executives		
1995	1994	1995	1994	

	Rupee s	Rupee s	Rupee Rupees	Rupee s
Managerial				
remuneration	1,194 ,100	1,116 ,150	1,136, 779	1,162 ,242
Retirement benefits	-	-	73,579	76,57 2
Other allowances	47,90 0	18,60 0	132,35 0	132,0 96
	-----	-----	-----	-----
	1,242 ,000	1,134 ,750	1,342, 708	1,370 ,910
Rupees	=====	=====	=====	=====
	=====	=====	=====	=====
Number of Persons	1	1	5	5

23.1 The Chief Executive and Executives are provided with the use of Company maintained car.

23.2 The Chief Executive and Executives are also provided with free medical and utilities facilities

which are reimbursed.

23.3 The Chief Executive also avails services of chauffeur.

	1995	1994
Rupee s		Rupees

#### 24. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

Painting services	1,008 ,939	1,377, 726
Sale of screw jacks	-	800
Fixed assets purchased	3,017 ,790	-
	99,66	106,87
Purchases	3,992	4,347
Reimbursement of expenses	38,63 6,533	6,660, 513
	2,024	943,34
Technical fee	,198	3
Right Shares subscription	-	95,958 ,970
	502,5	314,74
Guarantee fee	60	4

	Number	Number
	of	of
25. PLANT		
CAPACITY AND		
ACTUAL		
PRODUCTION	units	units
Plant capacity	12,00	
(single shift)	0	12,000
	-----	-----
	-----	-----
Actual		
Production	6,883	5,499
	=====	=====
	=====	=====

The reason for short-fall in production was lesser demand of Suzuki Motorcycles in the market.

26. COMPARATIVE FIGURES

Previous year's figures have been reclassified wherever necessary for the purpose of comparison.

JAVED BURKI	DANIS
CHAIRMAN	HMAND
	CHIEF
	EXECUTIVE

PROXY FORM  
Please quote  
your Folio No.  
as in the  
Register of  
Members  
Folio

.....  
.....

I've  
.....  
.....

.....  
of  
..... (Full  
..... addre  
..... ss)

being a member/members of  
SUZUKI MOTORCYCLES PAKISTAN

LTD. hereby appoint

.....  
..... ( Name  
)

of

..... (Full  
..... addre  
..... ss)

whom failing

..... (Name  
..... )

of

..... (Full  
..... addre  
..... ss)

as my/our proxy 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 21st December, 1995 and at any  
adiournment thereof.

Signed this day

of 1995

Signature on  
fifty paisa  
Revenue Stamp

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

NOTE:

1. The proxy must be signed across a  
fifty paisa revenue stamp and it should  
be deposited at  
the Registered Office of the Company not  
less than 48 hours before the time of  
holding the  
meeting.

2. Proxy need  
not be  
witnessed.