



First Quarterly Report

March 2018



Pak Suzuki Motor Company Limited

Contents

Our Vision & Mission	02
Company Information	03
Directors' Report	04
Condensed Interim Balance Sheet	06
Condensed Interim Profit and Loss Account	07
Condensed Interim Statement of Comprehensive Income	08
Condensed Interim Cash Flow Statement	09
Condensed Interim Statement of Changes in Equity	10
Notes to the Condensed Interim Financial Information	11

Vision

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

Mission

- Develop products of superior value by focusing on the customer
- Establish a refreshing and innovative company through teamwork
- Strive for individual excellence through continuous improvement

Company Information

FINANCIAL

Accounts

Board of Directors

Kinji Saito	Chairman
Masafumi Harano	Chief Executive
Hirofumi Nagao	Senior Advisory Director
Shigeo Takezawa	Director
Kazuyuki Yamashita	Director
Moin M. Fudda	Director
Rukhsana Shah	Director

Chief Financial Officer

Miki Nakahara

Company Secretary

Abdul Nasir

Audit Committee

Moin M. Fudda	Chairman
Kinji Saito	Member
Shigeo Takezawa	Member

Human Resource and Remuneration (HR & R) Committee

Rukhsana Shah	Chairman
Kinji Saito	Member
Masafumi Harano	Member

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Registrar

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

Legal Advisors

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

Bankers

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

Registered Office

DSU-13, Pakistan Steel Industrial
Estate, Bin Qasim, Karachi.
Tel No. (021) 34723551 - 58
Fax No. (021) 34723521 - 22
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

Directors' Report

On behalf of the Board, I present my review on the performance of the Company during first quarter ended March 31, 2018.

During the period (January – March 2018), sales volume of auto industry for cars and light commercial vehicles was recorded at 68,596 units compared to 61,075 units in corresponding period of last year, registering increase of 12.3%. Growth in demand was driven by introduction of new models by local Original Equipment Manufacturers (OEMs). Pak Suzuki sold 38,895 units during the quarter Jan - March 2018 as compared to 32,811 units in corresponding period of last year. Pak Suzuki outperformed the industry growth rate and achieved 18.5% growth in sales volume. The total sales volume of the Company represented 55% of Pakistan's total market of cars and light commercial vehicles. The Company is operating at full capacity and achieved production volume of 38,600 units which represented 103% capacity utilization.

During the period under review, the organized market (PAMA member companies) for motorcycles and three wheelers increased from 418,255 units to 469,817 units. Increase of 51,562 units represents 12% improvement in sales volume over same period of last year. The Company sales volume increased by 22% and achieved sales volume of 5,538 units as compared to sales volume of 4,546 units in corresponding period of last year.

Company earned net profit of Rs 904 million compared to Rs 1,307 million in the same period of last year. Net sales revenues improved by Rs 7,620 million from Rs 23,891 million to Rs 31,511 million. Gross profit decreased in absolute terms by Rs 287 million from Rs 2,904 million to Rs 2,617 million. Gross profit margins declined from 12.2% to 8.3% of sales. Change in product mix and devaluation of Pak Rupee adversely affected the gross profit margins.

Distribution expenses increased by Rs 97 million from Rs 707 million to Rs 804 million, however, as a percentage of net sales decreased from 3% to 2.6%. Administration expenses increased by 55% from Rs 321 million to Rs 498 million and as a percentage of net sales increased from 1.3% to 1.6%. Increase in administration expenses attributable to higher salaries and wages and other staff related expenses. Other operating income marginally decreased from Rs 185 million to Rs 176 million. Finance cost increased from Rs 26 million to Rs 73 million, primarily due to higher exchange loss in current period. Company realized exchange loss of Rs 61 million in current period as compared to Rs 20 million in same period of last year. The aggregate contributions for Workers' Profits Participation Fund and Workers' Welfare Fund decreased from Rs. 140 million to Rs. 97 million consequential to decrease in profit before tax in current period. Similarly, expense for income tax decreased from Rs 587 million to Rs 415 million due to lesser profits in current period.

The Company is endeavoring to improve sales, profitability and diversity in its operations by upgrading the existing products and launching new products. Strengths of Pak Suzuki are quality products, diversified product range and well-organized dealers' network, ensuring availability of spare parts at economical prices and reliable after sales service. Pak Suzuki aims to provide quality services with convenient access to customers. The Company has strong dealership network spread all over the country. The Company has been continuously enhancing and strengthening the dealership network. As on March 31, 2018, authorized dealership network of Pak Suzuki expanded to 143 outlets in 71 cities all across Pakistan where customers are offered wide range of products and support services.

Macroeconomic indicators of the country are positive yet challenging for auto industry. GDP growth rate has been targeted at 6% for financial year 2017-18. In 2017, performance of manufacturing sector was encouraging, inflation was in control, improved law and order situation and energy availability contributed

in improved economic growth. Development activities related to CPEC expected to contribute in industrial growth and improved infrastructure in country. However, Pak Rupee devaluation, rising raw material prices, expected hike in interest rate, political instability and sharp increase in imported used vehicles are major challenges for auto industry in future. Variation in forex rates influenced the pricing of products due to high element of imported components in total cost of products. Your Company has geared up to meet the challenges in future with wide range of quality products at competitive prices through an efficient network of authorized dealers. Despite challenges Management would strive to earn reasonable returns on equity.



KINJI SAITO
Chairman
Karachi: 25th April, 2018

Condensed Interim Balance Sheet

As at 31 March 2018

	Note	March 2018 Unaudited ----- (Rupees in '000') -----	December 2017 Audited -----
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	9,726,374	8,800,002
Intangible assets		168,187	185,333
Long-term investments	5	257,584	208,086
Long-term loans		3,506	2,361
Long-term deposits, prepayments and other receivables	6	377,675	327,319
Long-term installment sales receivables	7	100,349	144,779
Deferred taxation		236,500	236,500
		10,870,175	9,904,380
CURRENT ASSETS			
Stores, spares and loose tools		122,305	114,789
Stock-in-trade	8	22,639,529	23,946,058
Trade debts		620,823	211,358
Loans and advances		41,396	37,481
Trade deposits and short term prepayments	9	936,370	965,722
Current portion of long-term installment sales receivables	7	429,118	320,996
Accrued profit on bank deposits		27,021	28,699
Other receivables		119,293	147,775
Taxation - net		4,750,294	4,899,972
Sales tax and excise duty adjustable		979,056	1,143,685
Cash and bank balances	10	11,370,240	9,189,552
		42,035,445	41,006,087
TOTAL ASSETS		52,905,620	50,910,467
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 150,000,000 (2017: 150,000,000) ordinary shares of Rs.10/- each		1,500,000	1,500,000
Issued, subscribed and paid-up share capital		822,999	822,999
Reserves		28,104,748	28,726,717
		28,927,747	29,549,716
CURRENT LIABILITIES			
Trade and other payables		12,277,310	11,391,952
Advances from customers		6,853,747	5,331,948
Security deposits		4,810,517	4,600,552
Provision for custom duties and sales tax		36,299	36,299
		23,977,873	21,360,751
CONTINGENCIES AND COMMITMENTS			
	11		
TOTAL EQUITY AND LIABILITIES		52,905,620	50,910,467

The annexed notes from 1 - 18 form an integral part of these condensed interim financial information.



Chairman



Chief Financial Officer



Chief Executive Officer

Condensed Interim Profit and Loss Account

For the quarter ended March 31, 2018 (Unaudited)

FINANCIAL

Accounts

	Note	Quarter ended	
		March 31, 2018	March 31, 2017
		----- (Rupees in '000') -----	
Sales		31,510,787	23,890,840
Cost of sales		(28,893,992)	(20,986,593)
Gross profit		2,616,795	2,904,247
Distribution and selling costs		(803,827)	(706,838)
Administrative expenses		(498,299)	(320,847)
Other expenses		(97,768)	(140,346)
Other income	12	176,112	185,433
Finance costs	13	(73,344)	(27,992)
		(1,297,126)	(1,010,590)
		1,319,669	1,893,657
Share of loss of equity accounted investee		(502)	-
Profit before taxation		1,319,167	1,893,657
Taxation - Current		(415,024)	(587,034)
Profit after taxation		904,143	1,306,623
		(Rupees)	
Earnings per share - basic and diluted		10.99	15.88

The annexed notes from 1 - 18 form an integral part of these condensed interim financial information.



Chairman



Chief Financial Officer



Chief Executive Officer

Condensed Interim Statement of Comprehensive Income

For the quarter ended March 31, 2018 (Unaudited)

	Quarter ended	
	March 31, 2018	March 31, 2017
	----- (Rupees in '000') -----	
Profit after taxation	904,143	1,306,623
Other comprehensive income		
Items that may not be reclassified subsequently to profit and loss account		
Remeasurement gain on defined benefit plan - net of tax	4,665	2,046
Total comprehensive income for the period	908,808	1,308,669

The annexed notes from 1 - 18 form an integral part of these condensed interim financial information.



Chairman



Chief Financial Officer



Chief Executive Officer

Condensed Interim Statement of Cash Flow

For the quarter ended March 31, 2018 (Unaudited)

	Note	Quarter ended	
		March 31, 2018	March 31, 2017
----- (Rupees in '000') -----			
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	14	3,741,997	6,768,455
Finance costs paid		(73,344)	(27,992)
Taxes paid		(265,346)	(1,379,355)
Long-term loans		(1,145)	(252)
Long-term deposits, prepayments and other receivables		(50,356)	(14,168)
Long-term installment sales receivables		44,430	(15,023)
Net cash generated from operating activities		3,396,236	5,331,665
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,304,080)	(1,028,915)
Purchase of intangible assets		(4,536)	(3,303)
Proceeds from sales of property, plant and equipment		3,532	-
Investment in associates		(50,000)	(120,000)
Profit received on bank accounts		139,625	209,091
Net cash used in investing activities		(1,215,459)	(943,127)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid		(89)	(106)
Net increase in cash and cash equivalents		2,180,688	4,388,432
Cash and cash equivalents at beginning of the period		9,189,552	8,548,293
Cash and cash equivalents at end of the period		11,370,240	12,936,725

The annexed notes from 1 - 18 form an integral part of these condensed interim financial information.



Chairman



Chief Financial Officer



Chief Executive Officer

Condensed Interim Statement of Changes in Equity

For the quarter ended March 31, 2018 (Unaudited)

	Reserves							Total
	Share Capital Issued, subscribed and paid-up	Capital reserves		Revenue reserves			Total Reserve	
		Share premium	Reserve on merger	General	Unappropriated profit	Re-measurement loss on defined benefit plan		
	----- (Rupees in '000) -----							
Balance as at 01 January 2017	822,999	584,002	260,594	21,824,818	2,774,614	(50,120)	25,393,908	26,216,907
Transaction with owners in the capacity as owners directly recorded in equity								
Final dividend on ordinary shares @ 55% for the year ended 31 December 2016	-	-	-	-	(452,649)	-	(452,649)	(452,649)
Transfer to general reserve	-	-	-	2,320,000	(2,320,000)	-	-	-
Total comprehensive income for the period ended 31 month 2017								
Profit for the period	-	-	-	-	1,306,623	-	1,306,623	1,306,623
Other comprehensive income	-	-	-	-	-	2,046	2,046	2,046
	-	-	-	-	1,306,623	2,046	1,308,669	1,308,669
Balance as at 31 March 2017	822,999	584,002	260,594	24,144,818	1,308,588	(48,074)	26,249,928	27,072,927
Balance as at 01 January 2018	822,999	584,002	260,594	24,144,818	3,827,786	(90,483)	28,726,717	29,549,716
Transaction with owners in the capacity as owners directly recorded in equity								
Final dividend on ordinary shares @ 186% for the year ended 31 December 2017	-	-	-	-	(1,530,777)	-	(1,530,777)	(1,530,777)
Transfer to general reserve	-	-	-	2,295,000	(2,295,000)	-	-	-
Total comprehensive income for the period ended 31 March 2018								
Profit for the period	-	-	-	-	904,143	-	904,143	904,143
Other comprehensive income	-	-	-	-	-	4,665	4,665	4,665
	-	-	-	-	904,143	4,665	908,808	908,808
Balance as at 31 March 2018	822,999	584,002	260,594	26,439,818	906,152	(85,818)	28,104,748	28,927,747

The annexed notes from 1 - 18 form an integral part of these condensed interim financial information.



Chairman



Chief Financial Officer



Chief Executive Officer

Notes To The Condensed Interim Financial Information

For The Quarter Ended March 31, 2018 (unaudited)

1. CORPORATE INFORMATION, OPERATIONS AND LEGAL STATUS

Pak Suzuki Motor Company Limited

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

Tecno Auto Glass Limited

Tecno Auto Glass Limited (“TAG”) is a company incorporated in Pakistan as a public limited company under the Companies Ordinance, 1984 on 16 March 2017. The registered office of the Company is situated at 255 A, Block 6, P.E.C.H.S, Shahrah-e-Faisal, Karachi. TAG's main area of operations will be manufacturing, development and designing of Auto Glass products to cater local as well as international markets.

TAG is a subsidiary of Tecno Pack Telecom (Private) Limited, which owns 60% of the shares of TAG, while remaining 40% of the shares were acquired by Pak Suzuki Motor Company Limited as more explained in note 6.1 in the financial statements for the year ended December 31, 2017.

2. STATEMENT OF COMPLIANCE

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

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

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

This condensed interim financial information does not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2017. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.

Notes To The Condensed Interim Financial Information

For The Quarter Ended March 31, 2018 (unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of annual audited financial statements of the Company as at and for the year ended 31 December 2017.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	March 2018 Unaudited ----- (Rupees in '000') -----	December 2017 Audited
Operating fixed assets	4.1	7,010,485	7,068,071
Capital work-in-progress	4.2	2,715,889	1,731,931
		<u>9,726,374</u>	<u>8,800,002</u>

4.1 The following are the additions and disposals of property plant and equipment during the current period.

	For the three months ended	
	March 31, 2018	March 31, 2017
	----- (Rupees in '000') -----	
Additions/ transfer from CWIP		
Buildings on leasehold land - Factory Building	61,915	212,384
Plant & machinery	133,396	404,707
Welding guns	-	40,109
Permanent and special tools	17,535	31,816
Dies	-	509,378
Jigs and fixtures	4,689	507,669
Electrical installations	-	44,227
Furniture and fittings	31,444	3,371
Vehicles	18,335	50,038
Air conditioners and refrigerators	891	9,383
Office equipments	6,356	2,433
Computers	2,287	4,017
Tooling at vendor premises	43,274	954,176
	<u>320,122</u>	<u>2,773,708</u>
Disposal - at book value		
Vehicles	694	-
	<u>694</u>	<u>-</u>

	March 2018 Unaudited	December 2017 Audited
	----- (Rupees in '000') -----	
4.2 Capital Work in Progress		
Plant & machinery	2,165,167	1,171,576
Civil Works	531,924	516,583
Advance for capital expenditure	18,798	43,772
	<u>2,715,889</u>	<u>1,731,931</u>
During the current period, additions to capital work-in-progress were Rs. 1,295 million (March 31, 2017: 963 million) and transfer to fixed assets were Rs. 311 million (March 31, 2017: 2,708 million).		
5 LONG-TERM INVESTMENTS		
Investment in related party (equity accounted)		
Investment in associate - unquoted		
Tecno Auto Glass Limited	5.1 257,584	208,086
Other investments		
Available for sale - unquoted		
Arabian Sea Country Club Limited (ASCCL)	5,000	5,000
Provision for impairment in the value of investment	(5,000)	(5,000)
Automotive Testing and Training Centre Pvt. Limited (AT&TC)	1,250	1,250
Provision for impairment in the value of investment	(1,250)	(1,250)
	<u>257,584</u>	<u>208,086</u>
5.1 27,000,000 (2017: 22,000,000) fully paid ordinary shares of Rs. 10/- each (Shareholding 40%)	270,000	220,000
Share of loss of equity accounted investee	(12,416)	(11,914)
	<u>257,584</u>	<u>208,086</u>
6 LONG-TERM DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Deposits and Prepayments	36,623	30,681
From employees	404,372	351,372
Less: Receivable within one year	(63,320)	(54,734)
	<u>341,052</u>	<u>296,638</u>
	<u>377,675</u>	<u>327,319</u>

Notes To The Condensed Interim Financial Information

For The Quarter Ended March 31, 2018 (unaudited)

7 LONG TERM INSTALLMENT SALES RECEIVABLES - secured, considered good

	March 2018 Unaudited	December 2017 Audited
	----- (Rupees in '000') -----	
Installment sales receivables	570,685	509,639
Less : Unearned finance income	(23,688)	(28,961)
	546,997	480,678
Less : Provision for doubtful advances	(17,530)	(14,903)
	529,467	465,775
Less : Current maturity	(429,118)	(320,996)
	100,349	144,779

7.1 This represent balances receivable under various installment sale agreements in equal monthly installments. It includes installment sales to customers (motorcycles) and registered vendors of the Company. In case of installment sales to customers, Company retains the title and registers the documents of the motorcycles in its name as a security. For installment sales to vendors, vehicles are lien marked and registered in joint names of vendor and the Company. Such documents are retained in Company's custody and transferred in the name of customers / vendors after the entire dues are cleared. Mark-up on installment sales receivables ranges from 12% to 28% (2017: 12% to 28%) per annum, excluding up to 18 months installment sales which are subject to 0% markup. However, overdue rentals are subject to additional surcharge.

8 STOCK IN TRADE

Raw material and components [Including items in transit Rs 6,347.86 million (2017 : Rs 5,732.93 million)]	10,514,708	11,785,859
Less: Provision for slow moving and obsolete items		
- Provision at beginning of the year	31,444	35,639
- (Reversal) / provision during the period	(1,813)	(4,195)
	29,631	31,444
	10,485,077	11,754,415
Work-in-process	35,369	70,600
Finished goods	8,938,662	8,499,570
Trading stocks [Including items in transit Rs 49.42 million (2017: Rs 742.71 million)]	3,251,485	3,687,259
Less: Provision for slow moving and obsolete items		
- Provision at beginning of the year	65,786	21,740
- Provision during the period	5,278	44,046
	71,064	65,786
	3,180,421	3,621,473
	22,639,529	23,946,058

- 8.1** Of the aggregate amount, stocks worth Rs. 8,884.16 million (2017: Rs. 7,867.55 million) were in the custody of dealers and vendors.
- 8.2** Raw material and components, work-in-process and finished goods have been written down by Rs.35.57 million, Rs. Nil million and Rs. 126.61 million (2017: Rs. Nil million, Rs. Nil million and Rs. 106.38 million) respectively to arrive at net realizable value.

	Note	March 2018 Unaudited	December 2017 Audited
----- (Rupees in '000') -----			
9 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
Trade deposits		16,055	12,437
Prepayments			
Collector of custom		536,210	637,593
Rent		42,295	33,461
Insurance		37,221	2,371
Other		41,987	26,599
		657,713	700,024
Margin against letter of credit		262,602	253,261
		936,370	965,722

10 CASH AND BANK BALANCES

Cash In hand		10,446	9,332
Cheques in hand		164,084	1,254,462
Cash at Banks:			
In deposit accounts	10.1	10,906,316	7,713,688
In a special deposit account	10.1	102,955	102,955
In current accounts		186,439	109,115
		11,195,710	7,925,758
		11,370,240	9,189,552

- 10.1** The mark-up on funds placed on deposit accounts ranges from 6.10% to 6.90% (2017: 5.80% to 6.75%) per annum.

11 CONTINGENCIES AND COMMITMENTS

- 11.1** Capital expenditure contracted for but not incurred amounted to Rs. 5,007.32 million (2017: Rs.4,408.49 million).
- 11.2** The facilities for opening letters of credit as at Mar 31, 2018 amounted to Rs. 12,608 million (2017: Rs. 12,608 million) of which the amount remaining unutilised at the period end was Rs. 10,483.30 million (2017: Rs. 9,835.88 million).
- 11.3** Guarantees issued by three commercial banks on behalf of the Company amounted to Rs. 1,055 million (2017: Rs. 965.05 million).

Notes To The Condensed Interim Financial Information

For The Quarter Ended March 31, 2018 (unaudited)

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

Note January to March
2018 2017
----- (Rupees in '000') -----

12 OTHER INCOME

Income from Financial assets

Mark-up on bank balances	137,947	151,320
Finance income on installment sales	7,841	11,798
	145,788	163,118

Income from non-financial assets

Gain on disposal of fixed assets	2,838	-
Profit on sale of repossessed motorcycles	3	76
Scrap sales	4,138	2,033
Miscellaneous income	23,345	20,206
	30,324	22,315
	176,112	185,433

13 FINANCE COST

Mark-up on workers' profit participation fund	508	1,597
Exchange loss net	60,559	20,212
Bank charges	12,277	6,183
	73,344	27,992

14 CASH GENERATED FROM OPERATIONS

Profit before taxation	1,319,167	1,893,657
Adjustments for non cash charges and other items:		
Depreciation	377,014	250,388
Amortisation	21,682	17,322
Gain on disposal of fixed assets	(2,838)	-
Share of loss of equity accounted investee	502	-
Profit on bank accounts	(137,947)	(151,320)
Finance cost	73,344	27,992
	331,757	144,382
Working capital changes	2,091,073	4,730,416
	3,741,997	6,768,455

January to March	
2018	2017
----- (Rupees in '000') -----	

14.1 Working capital changes

(Increase) / decrease in current assets:		
Stores, spares and loose tools	(7,516)	(12,137)
Stock in trade	1,306,529	72,349
Current portion of long-term installments sales receivables	(108,122)	43,015
Trade debts	(409,465)	(25,285)
Loans and advances	(3,915)	1,044
Trade deposits and short term prepayments	29,352	(3,894,886)
Other receivables	28,482	14,129
Sales tax and excise duty adjustable	164,629	924,888
	999,974	(2,876,883)
Increase / (decrease) in current liabilities		
Trade and other payables	(640,665)	3,281,067
Security deposits	209,965	1,362,101
Sales tax and excise duty payable	-	-
Advances from customers	1,521,799	2,964,131
	1,091,099	7,607,299
	2,091,073	4,730,416

15 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. Material transactions with related parties are given below:

Amount due from and to related parties and remuneration of directors and executives are disclosed in the relevant notes to the financial statements. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Notes To The Condensed Interim Financial Information

For The Quarter Ended March 31, 2018 (unaudited)

	Holding company	Other related parties	Total
For the period ended March 31, 2018	----- (Rupees in '000') -----		
Purchases of components	5,167,627	4,375,339	9,542,966
Purchases of operating fixed assets	189,353	-	189,353
Exports sales	2,426	4,568	6,994
Royalties and technical fee	514,475	-	514,475
Travelling expense of supervisors	3,974	-	3,974
Staff Retirement Benefits	-	26,822	26,822
Sales Promotional & Development Expenses	13,818	1,190	15,008
Commission income from Corporate Guarantee	-	750	750
For the period ended March 31, 2018			
Due from related parties	52,364	3,494	55,858
Due to related parties	2,048,473	1,133,629	3,182,102
For the period ended March 31, 2017			
Purchases of components	4,351,705	1,818,522	6,170,227
Purchases of operating fixed assets	9	-	9
Royalties and technical fee	267,368	-	267,368
Staff retirement benefits	-	18,867	18,867
For the period ended March 31, 2017			
Due from related parties	69,803	5,895	75,698
Due to related parties	1,893,611	2,141,734	4,035,345

16 SEGMENT ANALYSIS

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

	March 2018 (Unaudited)			March 2017 (Unaudited)		
	Automobile	Motorcycle	Total	Automobile	Motorcycle	Total
----- (Rupees in '000') -----						
Segment results						
Sales	30,762,953	747,834	31,510,787	23,304,723	586,117	23,890,840
Gross profit/ (loss)	2,549,767	67,028	2,616,795	2,845,542	58,705	2,904,247
Distribution costs	(797,605)	(6,222)	(803,827)	(689,252)	(17,586)	(706,838)
Administrative expenses	(452,979)	(45,320)	(498,299)	(300,928)	(19,919)	(320,847)
Operating profit/ (loss)	1,299,183	15,486	1,314,669	1,855,362	21,200	1,876,562
Other income	164,073	12,039	176,112	172,208	13,225	185,433
Finance cost	(73,838)	494	(73,344)	(25,932)	(2,060)	(27,992)
	1,389,418	28,019	1,417,437	2,001,638	32,365	2,034,003
Unallocated corporate expenses						
Other operating expenses	-	-	(97,768)	-	-	(140,346)
Share of loss of equity accounted investee	-	-	(502)	-	-	-
Taxation	-	-	(415,024)	-	-	(587,034)
Profit after taxation	-	-	904,143	-	-	1,306,623
Capital expenditure	1,230,977	73,103	1,304,080	995,420	33,495	1,028,915
Depreciation	346,807	30,208	377,015	222,234	28,154	250,388
----- (Rupees in '000') -----						
March 31, 2018 (Unaudited)			December 31, 2017 (Audited)			
Assets						
Segment assets	33,731,023	1,434,609	35,165,632	33,369,277	1,686,921	35,056,198
Unallocated corporate assets	-	-	17,739,988	-	-	15,854,269
	33,731,023	1,434,609	52,905,620	33,369,277	1,686,921	50,910,467
Liabilities						
Segment liabilities	23,877,499	100,374	23,977,873	21,209,327	151,424	21,360,751
Unallocated corporate liabilities	-	-	-	-	-	-
	23,877,499	100,374	23,977,873	21,209,327	151,424	21,360,751

Notes To The Condensed Interim Financial Information

For The Quarter Ended March 31, 2018 (unaudited)

17 GENERAL

Figures have been rounded off to the nearest thousand rupees.

18 DATE OF AUTHORISATION FOR ISSUE

The financial statements have been authorised for issue by the Board of Directors of the Company in its meeting held on April 25, 2018.



Chairman



Chief Financial Officer



Chief Executive Officer



Pak Suzuki Motor Company Limited

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

Tel: 021-34723551-58, Fax: 021-34723521-22

www.paksuzuki.com.pk