

Third Quarterly Report September 2019



VISION

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

MISSION

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

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Company Information

Board of Directors

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

Chief Financial Officer

Miki Nakahara

Company Secretary

Abdul Nasir

Audit Committee

Moin M. Fudda	Chairman
Kinji Saito	Member
Shigeo Takezawa	Member

Human Resource and Remuneration (HR & R) Committee

Rukhsana Shah	Chairman
Kinji Saito	Member
Masafumi Harano	Member

Auditors

KPMG Taseer Hadi & Co. Chartered Accountants

Registrar

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

Legal Advisors

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

Bankers

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

Registered Office

DSU-13, Pakistan Steel Industrial Estate, Bin Qasim, Karachi.
Tel No. (021) 34723551 - 58
Fax No. (021) 34723521 - 22
Website: www.paksuzuki.com.pk

Regional 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 for the period ended September 30, 2019.

Industry Outlook

During the period (January – September 2019), sales volume of auto industry for cars and light commercial vehicles was recorded at 154,971 units compared to 192,845 units in corresponding period of last year, registering decrease of 20%. Auto sales were badly hit during the quarter July – September 2019 and steep fall of 41% was witnessed in sales volume as compared to sales volume of corresponding period of last year. Contraction in demand forced the OEMs to opt for non-production days to manage their inventory.

During the period under review, the organized market (PAMA member companies) for motorcycles and three wheelers decreased from 1,442,982 units to 1,223,052 units. Decrease of 219,930 units represents 15% decline in sales volume over same period of last year.

Company Review

Sales volume during the period January - September 2019 for cars and light commercial vehicles declined by 14% from 106,364 units to 91,569 units. The total sales volume of the Company in comparison to Pakistan's total market of cars and light commercial vehicles improved from 54% in year 2018 to 58%. New Alto performed exceptionally well in this depressed market and contributed in lower decline in sales volume and improved market share. The Company operated at 79% capacity utilization and achieved production volume of 89,195 units.

Sales volume for motorcycles remained consistent and Company achieved sales volume of 16,676 units as compared to sales volume of 16,955 units in corresponding period of last year.

Operating Results of the Company

Net sales revenues increased by Rs 2,047 million from Rs 89,018 million (Jan-Sep 2018) to Rs 91,065 million (Jan-Sep 2019). Higher prices in current period contributed in increased sales revenue by 2% over the same period of last year. Gross profit decreased in absolute terms by Rs 4,916 million from Rs 6,056 million (Jan-Sep 2018) to Rs 1,140 million (Jan-Sep 2019). Gross profit margins as a percentage of net sales declined from 6.8% to 1.3%. Company incurred net loss of Rs 2,687 million compared to net profit Rs 1,392 million in same period of last year. Devaluation of Pak Rupee resulted in increase in imported material cost, consequently adversely affecting the profit margins. Further, financial charges increased by Rs. 965 million in current period from Rs. 125 million (Jan-Sep 2018) to Rs. 1,090 million (Jan-Sep 2019). Company has taken countermeasures and initiated cost cutting measures and improving efficiencies. Company also gradually increased the selling prices of its products to pass on the impact of increase in production cost. Prices are being increased in phases to maintain the sales volume.

The Economy

Pakistan's economy is in difficult situation. We witnessed sharpest increase in policy rates in recent time by State Bank of Pakistan (SBP). However, SBP maintained the policy at 13.25% in 'Monetary Policy' announced in September 2019, indicating stability in policy rate. Average inflation for fiscal year 2019-20 is expected to remain in the range of 11% to 12%, however it is subject to exchange rate risk, unexpected change in the cost of utilities and external shocks, such as change in international oil prices.

DIRECTORS' REPORT

Economic reforms have gradually started showing positive results and macro-economic indicators showed resilience during the first quarter of current financial year. Pakistan's trade deficit has narrowed nearly 35% to \$5.7 billion in the first quarter due to compression of imports. Current Account deficit has continued to decline, easing external pressure.

Government Policies

Tax measures announced in the Federal Budget 2019-20 have severely hit the auto industry. The government has enlarged the scope of Federal Excise Duty (FED) on locally assembled cars. FED has been imposed @ 2.5% on major segment of Company's cars with engine capacity upto 1000cc, consequently increasing the cost to the customers. Tax credit on investment in Plant & Machinery under section 65B of Income Tax Ordinance has been withdrawn with effect from tax year 2020 (corresponding income year of 2019 of Pak Suzuki). Projects related to auto industry needed long period to materialize. Any abrupt change in policy affects the overall feasibility of the project. Additional Customs Duty (ACD) on imported material has been increased by 2% to 5%. Further Government withdrew gradual reduction in corporate tax rate from 29% to 25% and on the other hand increased minimum tax from 1.25% to 1.5% of turnover. These additional taxes coupled with massive depreciation of Pak Rupee adversely affected the cost of vehicles and it forced the OEMs to increase the prices of their vehicles. Consequently, higher prices of vehicles affected sales volume of auto industry resulting in sharp decline in sales volumes.

Future Outlook & Conclusion

Pakistan has a population of over 212 million (the world's 6th-largest). The economy of Pakistan is the 23rd largest in the world in terms of purchasing power parity. Yet, Pakistan has a low ratio of consumption of cars as compared to other emerging economies. Hence there is potential for growth of the auto industry.

Current auto policy was applicable for the period 2016 to 2021 and new auto policy is expected to be announced. It is expected that new auto policy will be Industry friendly and it will offer incentives to existing OEMs and vendors' industry. Measures will be taken to promote new technologies, strengthen the safety standards, enhance employment and tax income of Pakistan ultimately.

Macroeconomic indicators of the country are challenging for auto industry, yet the Company is endeavoring to improve sales, profitability and diversity in its operations by upgrading the existing products and launching new products.



KINJI SAITO
Chairman

Karachi: October 25, 2019

Condensed Interim Statement of Financial Position

As at 30 September 2019

		30 September 2019 (Unaudited)	31 December 2018 (Audited)
	Note	(Rupees in '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	5	16,231,421	15,654,827
Right-of-use assets		166,363	-
Intangible assets		346,077	113,297
Long term investments	6	326,683	329,274
Long-term loans		3,479	4,203
Long-term deposits, prepayments and other receivables	7	599,065	456,208
Long-term installment sales receivables	8	277,537	118,318
Deferred taxation		3,739,989	1,151,888
		<u>21,690,614</u>	<u>17,828,015</u>
Current assets			
Stores, spares and loose tools		266,500	146,878
Stock-in-trade	9	35,712,528	29,397,056
Trade debts		343,131	237,538
Loans and advances		157,907	40,627
Trade deposits and short-term prepayments	10	1,337,951	1,357,271
Current portion of long-term installment sales receivables	8	686,239	549,627
Other receivables		292,022	268,622
Taxation - net		3,369,363	5,798,056
Sales tax and excise duty adjustable		6,116,581	4,369,996
Cash and bank balances	11	2,263,890	1,516,163
		<u>50,546,112</u>	<u>43,681,834</u>
		<u>72,236,726</u>	<u>61,509,849</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital of 500,000,000 (31 December 2018: 150,000,000) ordinary shares of Rs.10/- each		<u>5,000,000</u>	<u>1,500,000</u>
Issued, subscribed and paid-up capital		822,999	822,999
Capital reserves		844,596	844,596
Revenue reserves		24,583,102	27,565,270
		<u>26,250,697</u>	<u>29,232,865</u>
LIABILITIES			
Non-current liabilities			
Long term - lease liability		116,911	-
Tooling Cost payable		329,648	-
		<u>446,559</u>	<u>-</u>
Current liabilities			
Trade and other payables		14,242,434	14,409,566
Short term finance	12	21,327,011	11,310,497
Current portion of lease liability		80,720	-
Advance from customers		6,034,799	2,276,078
Security deposits		3,798,058	4,222,249
Provision for custom duties and sales tax		36,299	36,299
Unclaimed dividend		20,149	22,295
		<u>45,539,470</u>	<u>32,276,984</u>
		<u>45,986,029</u>	<u>32,276,984</u>
Contingencies and commitments	13		
		<u>72,236,726</u>	<u>61,509,849</u>
TOTAL EQUITY AND LIABILITIES			

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



Chairman



Chief Financial Officer



Chief Executive Officer

Condensed Interim Statement of Profit or Loss (Unaudited)

For the nine months and quarter ended 30 September 2019

	Nine Months ended		Quarter ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
Note	----- (Rupees in '000) -----			
Sales	91,065,101	89,018,472	25,635,689	26,626,929
Cost of sales	(89,924,783)	(82,962,438)	(25,867,741)	(24,936,324)
Gross profit / (loss)	1,140,318	6,056,034	(232,052)	1,690,605
Distribution and selling costs	(2,142,356)	(2,073,639)	(461,185)	(627,714)
Administrative expenses	(1,816,857)	(1,660,122)	(609,872)	(644,389)
Other expenses	-	(184,548)	-	(32,788)
Other income	147,741	479,310	49,770	89,911
Finance costs	15 (1,090,271)	(125,147)	(383,849)	(32,283)
	(4,901,743)	(3,564,146)	(1,405,136)	(1,247,263)
Share of loss of equity accounted investee	(2,591)	(1,839)	(951)	(954)
(Loss) / profit before taxation	(3,764,016)	2,490,049	(1,638,139)	442,388
Taxation	16 1,077,466	(1,097,610)	476,946	(347,600)
(Loss) / profit after taxation	(2,686,550)	1,392,439	(1,161,193)	94,788
	----- (Rupees) -----			
(Loss) / earnings per share - basic and diluted	(32.64)	16.92	(14.11)	1.15

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



Chairman



Chief Financial Officer



Chief Executive Officer

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the nine months and quarter ended 30 September 2019

	Nine months ended		Quarter ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
	----- (Rupees in '000) -----			
(Loss) / profit after taxation	(2,686,550)	1,392,439	(1,161,193)	94,788
Other comprehensive (loss) / income				
Items that will never be reclassified to statement of profit or loss				
Re-measurement (loss) / gain on defined benefit plan - net	(13,160)	5,933	(8,101)	858
Total comprehensive (loss) / income for the period	<u>(2,699,710)</u>	<u>1,398,372</u>	<u>(1,169,294)</u>	<u>95,646</u>

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



Chairman



Chief Financial Officer



Chief Executive Officer

Condensed Interim Statement of Changes in Equity (Unaudited)

For the nine months ended 30 September 2019

	Share Capital Issued, subscribed and paid-up capital	Reserves			Total reserves	Total
		Capital reserves	Revenue reserves			
	Share premium	Reserve on merger				
Note ----- (Rupees in '000) -----						
Balances as at 1 January 2018	822,999	584,002	260,594	27,882,121	28,726,717	29,549,716
Total comprehensive income for the period ended 30 September 2018						
Profit for the period	-	-	-	1,392,439	1,392,439	1,392,439
Other comprehensive income	-	-	-	5,933	5,933	5,933
	-	-	-	1,398,372	1,398,372	1,398,372
Transactions with owners recorded directly in equity - distributions						
Final dividend on ordinary shares @ 186% for the year ended 31 December 2017	-	-	-	(1,530,777)	(1,530,777)	(1,530,777)
Balance as at 30 September 2018	822,999	584,002	260,594	27,749,716	28,594,312	29,417,311
Balances as at 31 December 2018						
Effect of initial application of standard	-	-	-	(22,390)	(22,390)	(22,390)
Balances as at 1 January 2019 - (Restated)	822,999	584,002	260,594	27,542,880	28,387,476	29,210,475
Total comprehensive loss for the period ended 30 September 2019						
Loss for the period	-	-	-	(2,686,550)	(2,686,550)	(2,686,550)
Other comprehensive loss	-	-	-	(13,160)	(13,160)	(13,160)
	-	-	-	(2,699,710)	(2,699,710)	(2,699,710)
Transactions with owners recorded directly in equity - distributions						
Final dividend on ordinary shares @ 31.6% for the year ended 31 December 2018	-	-	-	(260,068)	(260,068)	(260,068)
Balance as at 30 September 2019	822,999	584,002	260,594	24,583,102	25,427,698	26,250,697

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



Chairman



Chief Financial Officer



Chief Executive Officer

Condensed Interim Statement of Cash Flows (Unaudited)

For the nine months ended 30 September 2019

	Note	30 September 2019 (Rupees in '000)	30 September 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	17	(5,981,697)	(2,423,535)
Finance costs paid		(756,476)	(107,486)
Taxes refund / (paid)		918,058	(832,135)
Long term loans - net		724	(2,439)
Long-term deposits, prepayments and other receivables		(142,857)	(113,906)
Long-term installment sales receivables		(159,219)	11,311
Net cash used in operating activities		(6,121,467)	(3,468,190)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment including capital work in progress		(2,564,692)	(7,589,017)
Purchase of intangible assets		(360,099)	(7,624)
Investment in associate		-	(124,400)
Proceeds from disposal of property, plant and equipment		23,089	12,103
Profit received on bank deposits		56,087	394,109
Net cash used in investing activities		(2,845,615)	(7,314,829)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability		(39,491)	-
Dividend paid		(262,214)	(1,512,448)
		(301,705)	(1,512,448)
Net decrease in cash and cash equivalents		(9,268,787)	(12,295,467)
Cash and cash equivalents at beginning of the period		(9,794,334)	9,189,552
Cash and cash equivalents at end of the period		(19,063,121)	(3,105,915)

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



Chairman



Chief Financial Officer



Chief Executive Officer

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months ended 30 September 2019

1. STATUS AND NATURE OF BUSINESS

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

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

2. BASIS OF PREPARATION

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

The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months ended 30 September 2019

3.2 New standards, interpretations and amendments adopted by the Company

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

3.2.1 IFRS 15 'Revenue from contracts with customers'

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

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

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

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

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

The above is generally consistent with the timing of revenue the Company recognised in accordance with the previous standard, IAS 18 and related interpretations. Therefore, the

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months ended 30 September 2019

adoption of IFRS 15 did not have an impact on the timing of revenue recognition of the Company except for extended warranty services for which management has concluded that the income from such service be recognized over time as the management believes that the customer simultaneously receives and consumes the benefit as and when the services are being rendered.

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

	Amounts without adoption of IFRS 15 -----	Adjustment (Rupees in '000)	As reported -----
Sales	91,220,044	(154,943)	91,065,101
Other income	154,022	(6,281)	147,741
Distribution and selling cost	(2,303,580)	161,224	(2,142,356)

3.2.2 IFRS 16 'Leases'

The Company has adopted IFRS 16 'Leases' from 1 January 2019. The standard introduces a single, on-balance sheet accounting model for lessees. As a result, the Company as a lessee has recognised right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligations to make lease payments.

The Company has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the change in accounting policies are discussed below.

The Company has various lease agreements for guest houses and showrooms which were previously classified by the company based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for all the leases - i.e. these leases are on statement of financial position.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months ended 30 September 2019

The Company recognises a right-of-use asset and a lease liability at the lease commencement date.

The lease liabilities are measured at the present value of remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 ranged between 11% - 13%.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payment that are based on an index or a rate
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs.

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

	30 September 2019	1 January 2019
	(Rupees in '000)	
Right-of-use assets	166,363	214,732
Lease liability	197,631	237,122

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months ended 30 September 2019

3.2.3 IFRS 9 'Financial Instruments'

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

3.2.3.1 Classification

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale. Under IFRS 9, on initial recognition, the Company classifies its financial assets in the following measurement categories:

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

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

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

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

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

Under IFRS 9 the Company reclassifies debt investments when and only when its business model for managing those assets changes. Trade and other receivables and cash and cash equivalents that were classified as loans and receivables under IAS 39 are now classified at amortised cost. Trade receivable is initially measured at transaction price and are subsequently measured at amortised cost using the effective interest method, net of impairment losses. Interest income, foreign exchange gains and losses and impairment are

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months ended 30 September 2019

recognised in statement of profit or loss. Any gain or loss on derecognition is recognised in statement of profit or loss. Investments previously classified under Available For Sale category are now classified as measured at Fair value through OCI.

3.2.3.2 Impairment of financial assets

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

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

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

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

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months ended 30 September 2019

5. PROPERTY, PLANT AND EQUIPMENT

	30 September 2019 (Unaudited)	31 December 2018 (Audited)
	(Rupees in '000)	
Operating fixed assets	15,202,760	7,820,608
Capital work in progress	1,028,661	7,834,219
	<u>16,231,421</u>	<u>15,654,827</u>

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

	For the nine months ended	
	30 September 2019	30 September 2018
	(Rupees in '000)	
Additions / transfer from CWIP		
Buildings on leasehold land - factory building	36,036	127,359
Plant and machinery	2,030,060	246,207
Welding guns	125,623	-
Permanent and special tools	33,074	45,722
Dies	2,904,531	19,715
Jigs and fixtures	611,927	66,304
Electrical installations	93,516	12,526
Furniture and fittings	9,394	47,003
Vehicles	108,626	126,373
Air conditioners and refrigerators	7,755	5,232
Office equipments	20,683	11,313
Computers	20,755	16,835
Tooling at vendor premises	3,315,858	118,164
	<u>9,317,838</u>	<u>842,753</u>
Disposal - at book value		
Plant and machinery	-	952
Dies	7	110
Vehicles	15,671	6,073
Air conditioners and refrigerators	165	96
Office equipments	836	473
Computers	144	-
	<u>16,823</u>	<u>7,704</u>

5.2 Capital Work in Progress

	30 September 2019 (Unaudited)	31 December 2018 (Audited)
	(Rupees in '000)	
Plant and machinery	1,019,149	7,774,888
Civil works	9,512	59,331
	<u>1,028,661</u>	<u>7,834,219</u>

During current period, additions to capital work-in-progress amounted to Rs. 2,439 million (30 September 2018: Rs. 7,496 million) and transfer to fixed assets amounted to Rs. 9,245 million (30 September 2018: Rs.750 million).

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months ended 30 September 2019

6. LONG TERM INVESTMENTS

Investment in related party (equity accounted)

Investment in associate - unquoted
 - Tecno Auto Glass Limited
 34,400,000 (2018: 34,400,000) fully paid ordinary shares of
 Rs. 10/- each (Shareholding 40%)

Other investments

Fair value through OCI
 - Arabian Sea Country Club Limited
 500,000 (2018: 500,000) fully paid ordinary shares of
 Rs. 10/- each (Shareholding 6.45%)

Provision for impairment in the value of investment

- Automotive Testing & Training Centre (Private) Limited
 125,000 (2018: 125,000) fully paid ordinary shares of
 Rs. 10/- each (Shareholding 6.94%)

Provision for impairment in the value of investment

	30 September 2019	31 December 2018
	(Unaudited)	(Audited)
	(Rupees in '000)	
	326,683	329,274
	5,000	5,000
	(5,000)	(5,000)
	-	-
	1,250	1,250
	(1,250)	(1,250)
	-	-
	<u>326,683</u>	<u>329,274</u>
	41,686	37,892
	667,978	499,571
	(110,599)	(81,255)
	557,379	418,316
	<u>599,065</u>	<u>456,208</u>

7. LONG-TERM DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Deposits and prepayments

Other receivable from employees 7.1
 Less: Receivable within one year

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

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

Installment sales receivables
 Less: Unearned finance income

Less: Allowance for impairment loss on
 installment sales receivables

Less: Current maturity

	30 September 2019	31 December 2018
	(Unaudited)	(Audited)
	(Rupees in '000)	
	1,000,171	704,273
	(9,877)	(13,558)
	990,294	690,715
	(26,518)	(22,770)
	963,776	667,945
	(686,239)	(549,627)
	<u>277,537</u>	<u>118,318</u>

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months ended 30 September 2019

- 8.1** This represents balances receivable under various installment sale agreements in equal monthly installments. These include installment sales of cars and motorcycles to registered vendors and retail customers (motorcycles only) of the Company. In case of installment sales to customers, the Company retains the title and registers the documents of the motorcycles in its name as a security. For installment sales to vendors, vehicles are lien marked and registered in joint names of vendor and the Company. Such documents are retained in Company's custody and transferred in the name of customers / vendor after the entire dues are cleared. Mark-up on installment sales receivables range from 9% to 28% (2018: 9% to 28%) per annum, excluding up to 36 months installment sales which are subject to 0% markup. However, overdue rentals are subject to additional surcharge.

9. STOCK IN TRADE

	30 September 2019 (Unaudited)	31 December 2018 (Audited)
	(Rupees in '000)	
Raw material and components [including items in transit Rs. 6,652.42 million (2018: Rs. 6,063.46 million)]	18,154,018	14,484,249
Less: Provision for slow moving and obsolete items		
- at beginning of the period	86,360	31,444
- provision during the period	101,289	54,916
	187,649	86,360
	17,966,369	14,397,889
Work-in-process	174,283	56,425
Finished goods	16,064,070	12,929,908
Trading stocks [including items in transit Rs. 129.46 million (2018: Rs. 52.49 million)]	1,583,258	2,072,049
Less: Provision for slow moving and obsolete items		
- at beginning of the period	59,215	65,786
- provision / (reversal) during the period	16,237	(6,571)
	75,452	59,215
	1,507,806	2,012,834
	<u>35,712,528</u>	<u>29,397,056</u>

- 9.1** Of the aggregate amount, stocks worth Rs. 6,454 million (2018: Rs. 7,216.59 million) were in the custody of dealers and vendors dispersed all over Pakistan.
- 9.2** Raw material and components, work-in-process, finished goods and trading stocks have been written down by Rs. 469.54 million, Rs. 15.65 million, Rs. 172.84 million and Rs. 112.67 million (2018: Rs. 272.25 million, Rs. 0.02 million, Rs. 1.12 million and Rs. 309.08 million) respectively to arrive at net realizable value.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months ended 30 September 2019

10. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

	30 September 2019 (Unaudited)	31 December 2018 (Audited)
	(Rupees in '000)	
Trade deposits	2,460	1,972
Margin against letter of credits and imports	1,099,057	1,077,955
	<u>1,101,517</u>	<u>1,079,927</u>
Prepayments		
- Collector of custom	127,121	211,030
- Rent	44,214	50,439
- Insurance	31,799	2,049
- Other	33,300	13,826
	<u>236,434</u>	<u>277,344</u>
	<u>1,337,951</u>	<u>1,357,271</u>

11. CASH AND BANK BALANCES

Cash in hand		17,809	9,507
Cash at banks:			
- in deposit accounts - conventional	11.1	393,490	355,164
- in a special deposit account - conventional	11.2	129,955	117,955
- in current accounts		1,722,636	1,033,537
		<u>2,246,081</u>	<u>1,506,656</u>
		<u>2,263,890</u>	<u>1,516,163</u>

11.1 These carry profits rates ranging from 5.50% to 12.85% (2017: 5.50% to 9.75%) per annum.

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

12. SHORT TERM FINANCE

The effective rate of mark-up on short-term running finance facility ranges from 12.33% to 13.81% (2018: 8.8% to 10.4%) per annum. These facilities are renewable subject to payment of repurchase price on specified dates. The facilities for running finance available from various commercial banks are for the purpose of meeting working capital requirements. The total limit of short term running financing facilities available from banks aggregate to Rs. 36,400 million (2018: Rs. 15,547.76 million) out of which Rs. 14,824 million (2018: 4,237.27 million) remained unutilised as of reporting date. Out of the total available facilities two of the arrangements amounting Rs. 23,400 million (2018: 2,000) is secured against support from holding company,

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months ended 30 September 2019

Suzuki Motor Corporation. Remaining Facilities are secured by way of pari passu hypothecation charge over Company's stock & trade debts.

During the year new loan has been obtained from Standard Chartered Bank UK - Dubai International Finance Center branch through Standard Chartered Bank (Pakistan) Limited amounting to USD. 23 Million equivalent to fixed amount of Rs. 3,499 Million for meeting working capital requirements. The tenor of the loan is six months i.e. from May 2019 to Nov 2019. As per term of the agreement, Standard Chartered Bank(Pakistan) Limited has obtained forward cover on behalf of the company to hedge foreign currency risk involved due to nature of the loan and the fixed effective price of the loan to the company (including interest, brokerage and hedging expense) is six month KIBOR - 0.40%.

13. CONTINGENCIES AND COMMITMENTS

- 13.1** Capital expenditure contracted for but not incurred amounted to Rs. 437.23 million (2018: Rs. 930.90 million).
- 13.2** The facilities for opening letters of credit as at reporting date, amounted to Rs. 10,300 million (2018: Rs. 10,400 million) of which the amount remaining unutilised at the period end was Rs. 9,685 million (2018: Rs. 9,778.72 million).
- 13.3** Guarantees issued by various commercial banks on behalf of the Company amounted to Rs. 1,826 million (2018: Rs. 1,728 million) of which amount remaining unutilised at period end was Rs.277.03 million (2018: Rs. 365.48 million).
- 13.4** The Company has issued a corporate guarantee on behalf of Tecno Auto Glass Limited, associated company, amounting to Rs. 600 million (2018: Rs. 600 million) from Meezan Bank Limited in relation to borrowing facilities granted to the associated company.

14. OTHER INCOME

		For the nine months ended	
		30 September 2019	30 September 2018
(Rupees in '000)			
Mark-up on bank balances		56,026	365,756
Commission income	14.1	2,250	2,250
Finance income on installment sales		9,968	20,056
		<u>68,244</u>	<u>388,062</u>
Gain on disposal of fixed assets		6,173	4,222
Scrap sales		16,278	12,531
Miscellaneous income		57,046	74,495
		<u>79,497</u>	<u>91,248</u>
		<u>147,741</u>	<u>479,310</u>

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months ended 30 September 2019

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

15. FINANCE COSTS

Interest on lease liability
Mark-up on workers' profit participation fund
Mark-up on Short term running Finance
Exchange loss - net
Bank charges

16. TAXATION

- Current
- Prior
- Deferred

17. CASH GENERATED FROM OPERATIONS

(Loss) / profit before taxation

Adjustments for non cash charges and other items:

Depreciation
Amortisation
Depreciation - right-of-use assets
Gain on disposal of fixed assets
Share of loss of equity accounted investee
Markup on bank balances
Finance costs

Working capital changes

17.1

	For the nine months ended	
	30 September 2019	30 September 2018
	(Rupees in '000)	
	16,156	-
	93	508
	959,903	17,660
	62,887	56,173
	51,232	50,806
	<u>1,090,271</u>	<u>125,147</u>
	(1,462,084)	(1,305,462)
	(48,551)	(4,580)
	2,588,101	212,432
	<u>1,077,466</u>	<u>(1,097,610)</u>
	(3,764,016)	2,490,049
	1,971,182	1,144,672
	127,319	66,009
	48,369	-
	(6,173)	(4,222)
	2,591	1,839
	(56,026)	(365,756)
	1,090,271	125,147
	3,177,533	967,689
	(5,395,214)	(5,881,273)
	<u>(5,981,697)</u>	<u>(2,423,535)</u>

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months ended 30 September 2019

17.1 Working capital changes

Decrease / (increase) in current assets:

Stores, spares and loose tools	
Stock-in-trade	
Trade debts	
Loans and advances	
Trade deposits and short term prepayments	
Current portion of long-term installment sales receivables	
Other receivables	
Sales tax and excise duty adjustable	

(Decrease) / increase in current liabilities

Trade and other payables	
Advances from customers	
Security deposits	

For the nine months ended	
30 September 2019	30 September 2018
(Rupees in '000)	
(119,622)	(36,003)
(6,315,472)	(2,583,777)
(105,593)	(148,444)
(117,280)	81,544
19,320	(17,212)
(136,612)	92,256
(23,461)	(71,843)
(1,746,585)	(2,317,654)
(8,545,305)	(5,001,133)
(184,439)	1,695,069
3,758,721	(2,449,028)
(424,191)	(126,181)
3,150,091	(880,140)
(5,395,214)	(5,881,273)

18. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties during the period are as follows:

For the nine months ended 30 September 2019

Transactions

Purchases of components	
Purchases of fixed assets	
Dividend paid	
Sales including exports sales	
Royalty and technical fee	
Purchase of intangible asset	
Sales promotional and development expenses	
Commission income from Corporate Guarantee	
Staff retirement benefits	

Holding company	Other related company	Total
----- (Rupees in '000') -----		
23,149,337	19,023,880	42,173,217
58,194	-	58,194
190,087	-	190,087
25,339	14,664	40,003
1,542,301	-	1,542,301
305,700	-	305,700
2,449	-	2,449
-	2,250	2,250
-	99,146	99,146

For the nine months ended 30 September 2018

Transactions

Purchases of components	
Purchases of fixed assets	
Dividend paid	
Sales including exports sales	
Royalty and technical fee	
Travelling expenses of supervisors	
Sales promotional and development expenses	
Commission income from Corporate Guarantee	
Staff retirement benefits	

Holding company	Other related company	Total
----- (Rupees in '000') -----		
19,058,968	16,608,979	35,667,947
3,572,009	62	3,572,071
1,118,864	-	1,118,864
5,175	19,515	24,690
1,391,718	-	1,391,718
706	-	706
100,523	1,272	101,795
-	2,250	2,250
-	72,893	72,893

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months ended 30 September 2019

19. SEGMENT ANALYSIS

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

	30 September 2019 (Unaudited)			30 September 2018 (Unaudited)		
	Automobile	Motorcycle	Total	Automobile	Motorcycle	Total
----- (Rupees in '000') -----						
Segment results						
Sales	88,407,093	2,658,008	91,065,101	86,619,740	2,398,732	89,018,472
Gross profit	870,115	270,203	1,140,318	5,809,367	246,667	6,056,034
Distribution costs	(2,102,136)	(40,220)	(2,142,356)	(2,029,743)	(43,896)	(2,073,639)
Administrative expenses	(1,664,464)	(152,393)	(1,816,857)	(1,532,604)	(127,518)	(1,660,122)
Operating profit	(2,896,485)	77,590	(2,818,895)	2,247,020	75,253	2,322,273
Other income	117,564	30,177	147,741	447,133	32,177	479,310
Finance cost	(1,082,276)	(7,995)	(1,090,271)	(124,069)	(1,078)	(125,147)
	(3,861,197)	99,772	(3,761,425)	2,570,084	106,352	2,676,436
Unallocated corporate expenses						
Other expenses			-			(184,548)
Share of loss of equity accounted investee			(2,591)			(1,839)
Taxation			1,077,466			(1,097,610)
(Loss) / Profit after taxation			(2,686,550)			1,392,439
Capital expenditure	1,539,169	1,025,523	2,564,692	7,411,896	177,121	7,589,017
Depreciation	1,789,069	182,113	1,971,182	1,049,914	94,759	1,144,673
	30 September 2019 (Unaudited)			31 December 2018 (Audited)		
	Automobile	Motorcycle	Total	Automobile	Motorcycle	Total
----- (Rupees in '000') -----						
Assets						
Segment assets	52,435,182	3,526,653	55,961,835	46,060,015	2,015,834	48,075,849
Unallocated corporate assets	-	-	16,274,891	-	-	13,434,000
	52,435,182	3,526,653	72,236,726	46,060,015	2,015,834	61,509,849
Liabilities						
Segment liabilities	24,368,585	72,653	24,441,238	20,878,740	87,747	20,966,487
Unallocated corporate liabilities	-	-	21,544,791	-	-	11,310,497
	24,368,585	72,653	45,986,029	20,878,740	87,747	32,276,984

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months ended 30 September 2019

20. GENERAL

- 20.1** Figures in these condensed interim financial statements have been rounded off to the nearest thousand rupees, unless otherwise stated.
- 20.2** Corresponding figures have been arranged or reclassified, wherever necessary, for the purpose of comparison and better presentation.

21. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorised for issue by the Board of Directors of the Company in its meeting held on October 25, 2019.



Chairman



Chief Executive Officer



Chief Financial Officer

ڈائریکٹرز رپورٹ

معاشی اصلاحات نے آہستہ آہستہ مثبت نتائج دکھانا شروع کر دیئے ہیں اور موجودہ مالی سال کی پہلی سہ ماہی کے دوران میکرو-معاشی اشاریوں میں ٹیک محسوس ہوئی ہے۔ درآمدات میں دباؤ ڈالنے کی وجہ سے پہلی سہ ماہی میں پاکستان کا تجارتی خسارہ تقریباً 35 فیصد کم ہو کر 5.7 بلین ڈالر رہ گیا ہے۔ بیرونی دباؤ کو کم کرتے ہوئے کرنٹ اکاؤنٹ کا خسارہ مسلسل کم ہوتا جا رہا ہے۔

حکومتی پالیسی

وفاقی بجٹ 2019-20 میں اعلان کردہ ٹیکس اقدامات نے آٹو صنعت کو شدید متاثر کیا ہے۔ حکومت نے مقامی طور پر بننے والی گاڑیوں پر فیڈرل ایکسائز ڈیوٹی (ایف ای ڈی) کا دائرہ بڑھایا ہے۔ 1000 سی سی انجن کی گنجائش والی گاڑیوں پر 2.5 فیصد ایف ای ڈی لگادی گئی ہے، اس کے نتیجے میں صارفین کی لاگت میں اضافہ ہو گیا ہے۔ انکم ٹیکس آرڈیننس کے سیکشن 65 بی کے تحت پلانٹ اینڈ مشینری میں سرمایہ کاری پر ٹیکس کریڈٹ ٹیکس سال 2020 (پاک سوزوکی کے اسی سالانہ آمدنی سال) سے واپس لیا گیا ہے۔ آٹو انڈسٹری سے متعلق منصوبوں کو عملی شکل دینے کے لئے طویل عرصے کی ضرورت ہے۔ پالیسی میں کسی اچانک تبدیلی سے منصوبے کی مجموعی فزیتبلٹی متاثر ہوتی ہے۔ درآمدی مواد پر اضافی کسٹمز ڈیوٹی (ای سی ڈی) میں 2 فیصد اضافہ کر کے 5 فیصد کر دیا گیا ہے۔ مزید حکومت نے کارپوریٹ ٹیکس کی شرح میں بتدریج کمی کو 29 سے بڑھا کر 25 کر دیا اور دوسری طرف کم سے کم ٹیکس میں 1.25 فیصد سے 1.5 فیصد تک کر دیا ہے۔ ان اضافی ٹیکسوں کے ساتھ ساتھ پاکستانی روپے کی بے قدری ہوئی قیمتوں نے گاڑیوں کی لاگت کو بری طرح متاثر کیا اور اس سے ادائیگی کو اپنی گاڑیوں کی قیمتوں میں اضافہ کرنے پر مجبور کر دیا۔ اس کے نتیجے میں، گاڑیوں کی قیمتوں نے آٹو انڈسٹری کی فروخت کے حجم کو متاثر کیا جس کے نتیجے میں فروخت کی مقدار میں تیزی سے کمی واقع ہوئی ہے۔

مستقبل کا نظریہ اور نتیجہ

پاکستان کی آبادی 212 ملین (دنیا کی چھٹی بڑی آبادی) سے زیادہ ہے۔ خریداری قوت کے حساب سے پاکستان کی معیشت دنیا میں 23 ویں نمبر پر ہے۔ پاکستان میں دیگر ابھرتی ہوئی معیشت کے مقابلے میں گاڑیوں کی کھپت کم ہے۔ لہذا آٹو صنعت کی نمو کے امکانات موجود ہیں۔

موجودہ آٹو پالیسی کا اطلاق 2016 سے 2021 کے عرصہ تک تھا اور نئی آٹو پالیسی کا اعلان متوقع ہے۔ توقع کی جا رہی ہے کہ نئی آٹو پالیسی انڈسٹری کے موافق ہوگی اور یہ موجودہ OEMs اور ان سے واسطہ صنعت کو مراعات دے گی۔ جو کہ نئی ٹیکنالوجیز کو فروغ دینے، حفاظتی معیارات کو مستحکم کرنے، روزگار بڑھانے اور ٹیکسوں کی آمدنی میں اضافے کو فروغ دے گی۔

موجودہ ملک کے معاشی اقتصادی اشارے آٹو صنعت کے لئے چیلنجنگ ک ہیں پھر بھی کمپنی موجودہ مصنوعات کو اپ گریڈ کر کے اور نئی مصنوعات کو متعارف کر کے فروخت، منافع اور تنوع کو بہتر بنانے کی کوشش کر رہی ہے۔



کنجی سائیتو
چیرمین

کراچی: 25 اکتوبر 2019

ڈائریکٹرز رپورٹ

میں 30 ستمبر، 2019 کو ختم ہونے والی مدت کے لئے بورڈ کی جانب سے کمپنی کی کارکردگی پر اپنا جائزہ پیش کرتا ہوں۔

صنعتی کارکردگی

اس عرصے کے دوران (جنوری - ستمبر 2019)، کاروں اور ملکی تجارتی گاڑیوں کے لئے آٹو انڈسٹری کی فروخت کا حجم 154,971 یونٹ ریکارڈ کیا گیا جو گزشتہ سال کے اسی عرصے میں 192,845 یونٹ تھا جو کہ 20 فیصد کمی ریکارڈ کی گئی ہے۔ جولائی تا ستمبر 2019 سہ ماہی کے دوران آٹو فروخت بری طرح متاثر ہوئی اور فروخت کے حجم میں پچھلے سال کے اسی عرصے کی فروخت کے حجم کے مقابلے میں 41 فیصد کمی تیزی سے کمی واقع ہوئی۔ طلب میں کمی نے تمام OEM کو انویٹری کو منظم کرنے کے لئے غیر پیداواری دنوں کا انتخاب کرنے پر مجبور کر دیا۔

زیر جائزہ مدت کے دوران، موٹرسائیکلوں اور تھری وہیلر کے لئے منظم مارکیٹ (پاممبر کمپنیاں) 1,442,982 یونٹس سے گھٹ کر 1,223,052 یونٹ رہ گئے۔ 219,930 یونٹس کی کمی گزشتہ سال کی اسی مدت کے مقابلے میں فروخت کے حجم میں 15 فیصد کمی کی نمائندگی کرتی ہے۔

کمپنی کا جائزہ

کاروں اور ملکی تجارتی گاڑیوں کا جنوری تا ستمبر 2019 کے دوران فروخت کا حجم 14 فیصد کمی سے 106,364 سے 91,569 یونٹ رہ گیا۔ پاکستان کی کاروں اور ملکی تجارتی گاڑیوں کی کل مارکیٹ کے مقابلے میں کمپنی کی کل فروخت کا حجم، سال 2018 میں 54 فیصد تھا جو کہ رواں سال بہتر ہو کر 58 فیصد ہو گیا ہے۔ New Alto نے اس افسردہ مارکیٹ میں غیر معمولی کارکردگی کا مظاہرہ کیا اور فروخت کے حجم میں کم کمی اور مارکیٹ شیئر میں بہتری کا باعث بنی۔ کمپنی نے 79 فیصد صلاحیت کے استعمال پر کام کیا اور 89,195 یونٹوں کی پیداوار کا حجم حاصل کیا۔ موٹرسائیکلوں کی فروخت کا حجم مستقل رہا اور کمپنی نے گزشتہ سال کی اسی مدت میں 16,955 یونٹ فروخت کرنے کا حجم حاصل کیا تھا جب کہ اس سال 16,676 یونٹ کا حجم حاصل کیا۔

کمپنی کے آپریٹنگ نتائج

خالص فروخت کی آمدنی 89,018 ملین روپے (جنوری - ستمبر 2018) سے بڑھ کر 91,065 ملین روپے (جنوری - ستمبر 2019) ہو گئی جو کہ 2,047 ملین کا اضافہ ہے۔ موجودہ مدت میں قیمتوں کے اضافے نے پچھلے سال کی اسی مدت کے مقابلے میں آمدنی میں 2 فیصد اضافہ کیا ہے۔ مجموعی منافع 4,916 ملین روپے کی کمی سے 6,056 ملین روپے (جنوری - ستمبر 2018) سے 1,140 ملین روپے (جنوری - ستمبر 2019) تک رہ گیا۔ خالص فروخت کی فیصد کے طور پر مجموعی منافع کا حجم 6.8 فیصد سے کم ہو کر 1.3 فیصد رہ گیا۔ پچھلے سال کی اسی مدت میں خالص منافع 1,392 ملین روپے کے مقابلے میں کمپنی کو اس سال 2,687 ملین روپے کا خسارہ ہوا ہے۔ پاکستانی روپے کی قدر میں کمی کے نتیجے میں درآمدی مواد کی لاگت میں اضافہ ہوا، جس کے نتیجے میں منافع کے مارجن پر منفی اثر پڑا۔ مزید، مالی چارجز میں 965 ملین روپے کا اضافہ ہوا۔ جو کہ (جنوری - ستمبر 2018) میں 125 ملین سے بڑھ کر 1,090 (جنوری - ستمبر 2019) ہو گیا۔ کمپنی نے جو ابی اقدامات اٹھائے ہیں اور لاگت میں کمی اور افادیت کو بہتر بنانے کے اقدامات کا آغاز کیا ہے۔ کمپنی نے مصنوعات کی فروخت کی قیمتوں میں بتدریج اضافہ کیا تاکہ پیداواری لاگت میں اضافے کے اثرات کو آگے بڑھا سکے۔ فروخت کا حجم برقرار رکھنے کے لئے مراحل میں قیمتوں میں اضافہ کیا جا رہا ہے۔

معیشت

پاکستان کی معیشت مشکل صورتحال میں ہے۔ اسٹیٹ بینک آف پاکستان (ایس بی پی) نے حالیہ وقت میں پالیسی کی شرحوں میں بہت زیادہ اضافہ کیا ہے۔ تاہم، اسٹیٹ بینک نے ستمبر 2019 میں اعلان کردہ مالیاتی پالیسی میں پالیسی ریٹ کو 13.25 فیصد پر برقرار رکھا، جو پالیسی کی شرح میں استحکام کی نشاندہی کرتا ہے۔ مالی سال 2019-20 کے لئے اوسط افراط زر 11 سے 12 فیصد کی حد میں ہی رہنے کی توقع ہے، البتہ بیزر مبادلہ کی شرح میں اضافے کے خطرے، افادیت کی قیمت میں غیر متوقع طور پر تبدیلی اور بیرونی بھٹکے جیسے تیل کی قیمتوں میں بدلاؤ سے مشروط ہے۔



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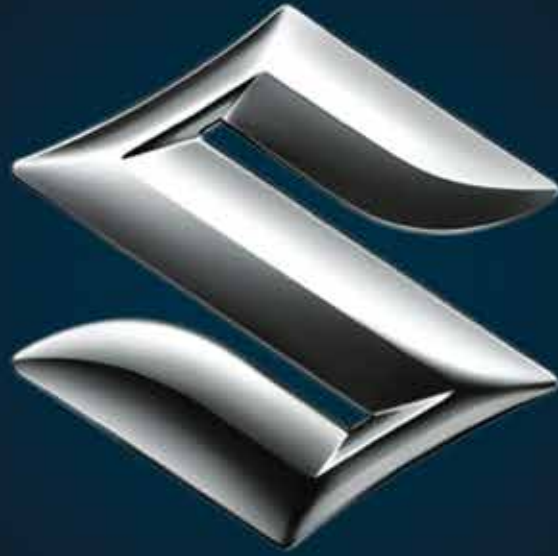


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