

ANNUAL REPORT 2020







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Vision

The vision of Hinopak Motors Limited is to provide the society with safe, economical, comfortable and environment friendly means of transportation by manufacturing and supplying commercial vehicles and services.

Mission Statement / Corporate Strategy TO PURSUE OUR VISION, WE COMMIT OURSELVES:

- To our individual, institutional and international customers: to deliver high quality, safe, durable, reliable, comfortable, environment friendly and economical products and services to their total satisfaction:
- To our employees: to foster corporate culture of mutual trust, respect for fundamental human rights at work, opportunities for professional growth and personal welfare so that they are proud of being a member of the "Hinopak Family";
- · To the community and our nation: to contribute to economic and social development by providing means of transportation and by progressive localization of the vehicles: and
- To the shareholders: to act in compliance with the norms expected of a subsidiary of the Toyota Group of Companies and make a meaningful financial return to the shareholders.





- 1. We develop and provide outstanding products and services that fulfill the demands of customers with sufficient attention given to safety and the environment and we aim to be an enterprise which has a significant presence in the commercial vehicle market.
- 2. We undertake open and fair corporate activities in conformity with the spirit and letter of laws. We maintain sound and transparent relationships with governmental and administrative entities.
- 3. We build and maintain good communications with society as well as our stakeholders, and we are committed to accurate and timely disclosure of information.
- 4. We recognize that an environmental preservation activity is an integral part of our business, and we voluntarily and actively promote and engage in environmental preservation activities as an indispensable condition for Hinopak's corporate existence and activities.
- 5. We recognize the inherent dignity and fundamental human rights of all members of the Hino family and therefore respect and support the practice of human rights.
- 6. We actively promote and engage in philanthropic activities as a member of Hino Motors Ltd. and the Toyota Group, and as a good corporate citizen.
- 7. We respect the right of workers at the workplace and their right of freedom of association and the right to organize and bargain collectively. We believe in transparency, mutual trust and respect for each others' rights and obligations and need for bilateral dialogue and cooperation between employees and management for achieving decent work with safe and healthy work environment, growth and excellence in business performance.
- 8. We take a resolute stand against antisocial power and organizations, and we act in compliance with ethical standards and sound social values.
- 9. We respect and abide the law of the land and applicable rules and the diversity of customs and culture and we contribute to development in the communities through our business activities.
- 10. We support the principles of Global Compact and expect our employees to embrace them in the work culture of our enterprise for sustainable growth and development.
- 11. We pledge to comply and enforce the basic principles of Hinopak's Code of Conduct and prevent its violation through the mechanism already in place from enforcing discipline, Company wide. Any member of Hinopak family observing any violation or abuse of this code of conduct may bring the same to the notice of the Management Committee or the Audit Committee in writing directly or through the suggestion boxes for necessary consideration and action.

Company Information

BANKERS

Allied Bank Limited Bank Alfalah Limited Bank Al-Habib Limited Citibank. N.A. **Habib Metropolitan Bank Limited Habib Bank Limited** JS Bank Limited **MCB Bank Limited National Bank of Pakistan** Standard Chartered Bank (Pakistan) Limited **United Bank Limited**

AUDITORS

A.F. Ferguson & Co. Chartered Accountants

LEGAL ADVISOR

Sayeed & Sayeed

REGISTERED OFFICE

D-2, S.I.T.E., Manghopir Road P.O. Box No. 10714 Karachi-75700. Pakistan Tel: 111-25-25-25 Website: www.hinopak.com Email: info@hinopak.com

SHARE REGISTRAR

M/s. FAMCO Associates (Pvt.) Ltd, 8-F, Near Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahra-e-Faisal, Karachi Tel: 021-34380101-05. Fax: 021-34380106

Email: info.shares@famco.com.pk

AREA OFFICES

Lahore

19 KM, Multan Road, Lahore Tel: 042-37512003-6 Fax: 042-37512005 Email: hino-lahore@hinopak.com

Islamabad

1- D. Unit 14. Rehmat Plaza, 2nd Floor Blue Area, Islamabad Tel: 051-2276234 Fax: 051-2272268 Email: hino-islamabad@hinopak.com

Second Floor Room No. 31 Al Zain Center, Zarghoon Road Tel: 081-2869174 Fax: 081-2869175 Email: hino-quetta@hinopak.com

Peshawar

1.7 KM from G. T. Road to Kohat Road Section, Near Jamil Chowk beside Shell Filling Station, Ring Road, Peshawar. Tel: 091 - 2322530

Fax: 091 - 2322550 Email: hino-peshawar@hinopak.com

Multan

Kayan Pur, Tehsil Multan, Union Council No. 73, Near: Multan, Bypass, Multan Tel: 061-4263205-7 Fax: 061-4263208



Board of Directors

Muhammad Aslam Sanjrani Chairman

Mr. Muhammad Aslam Sanjrani was appointed in November 2013 as non-executive director of the Company and Chairman of the board of directors.

He joined the Civil Service of Pakistan in 1971 and served 35 years in a variety of posts that included Administration assignments like District Magistrate, Commissioner (of **Hyderabad** and Larkana divisions), Secretary to the Government of Sindh and Balochistan, Autonomous and regulatory Bodies. He has worked in the Ministries of Commerce, Political affairs. Industries and **Production and Foreign Affairs besides** being the Secretary to the Government of Pakistan for Overseas Pakistanis. He was also the Chief Secretary of Sindh Province. Presently, he is enrolled as an Advocate of the High Court.

During the service, he has represented Pakistan at International Forums including World International **Tourism** the Bank, Conference. World Asian Development Bank. He has enjoyed a very credible status amongst the international Donor Agencies with whom he successfully negotiated Loan agreement. He has been a sportsman having had the distinction of representing cricket at all levels except test cricket. He has very successfully organized World Squash Championship in Karachi. Further, he has played badminton and table tennis at national level.

Yoshihiko Nanami President & Chief Executive Officer

Mr. Yoshihiko Nanami was appointed as President & Chief Executive Officer of the Company and member of Human Resource and Remuneration Committee in March 2019. He has diversified working experience of over 22 years at various positions. Mr. Nanami has completed his studies from Keio University, Japan with major in Economics.

Shigeru Tsuchiya Director & Executive Vice President

Mr. Shigeru Tsuchiya was appointed as the Executive Vice President of the Company in July 2018. He worked in the versatile roles in Tomen Corporation Japan from 1988 to 2006. He has diversified working experience in different leadership roles mainly in the Asian Markets.

Mushtaq Malik Independent Non-Executive Director

Mr. Mushtaq Malik is the independent non-executive director, Chairman of the Audit Committee and Human Resource and Remuneration Committee of the Company. Currently he is also the Director of Askari Bank Limited and Chairman of MM Management Consultants.

He has served on the boards of Habib Bank Limited and Eco Bank, Istanbul. He has also Chaired Pakistan Electronic and Media Regulatory Authority (PEMRA) and worked as Federal Secretary to the Board of Investment Pakistan. He holds Master's degree in Economics and Business Administration with specialization in International Business Management and Finance.

Nargis Ali Akbar Ghaloo Independent Non-Executive Director

Ms. Nargis Ghaloo is an Independent non-executive director and member of the Board's Audit Committee of the Company. She is also serving in the same capacity with JS bank Limited in addition to Risk Management Committee of the Bank.

Ms. Ghaloo is a retired senior civil servant having served the Government of Pakistan in various capacities for 36 years. She retired as the Managing Director Public **Procurement** Regulatory Authority. Government of Pakistan. Ms. **Ghaloo was Chairperson of State Life** Insurance Corporation of Pakistan, Pakistan's largest life assurer, from 2014 to 2016. She is also the Chairperson of Alpha Insurance Company Limited.

Ms. Ghaloo joined the Civil Services of Pakistan in 1982, has many years of professional experience serving in senior management positions with provincial as well as federal government departments in diversified fields such as public sector management, administration, financial, judicial, health, insurance and planning.

Ms. Ghaloo did her Masters in English from University of Sindh in 1981 and is a Certified Director from The Pakistan Institute of Corporate Governance (PICG) and holds Certificate of Corporate Governance from INSEAD and also holds a **Certificate in Company Direction from** Institute of Directors, UK.

Shuichi Kaneko **Non-Executive Director**

Mr. Shuichi Kaneko was appointed in April 2017 as non-executive director of the Company. member of the Committee and Human Resource and Remuneration Committee. He joined Hino Motors Limited Japan in 1982.

Hitoshi Otomo Non-Executive Director

Mr. Hitoshi Otomo was appointed in February 2020 as non-executive director of the Company, member of the Audit Committee and Human Resource and **Remuneration Committee. He ioined Hino Motors Limited Japan in 1981.**

Syed Junaid Ali Company Secretary

Mr. Junaid is a Chartered Accountant from Institute of Chartered Accountants of Pakistan and a certified director from Institute of **Business Administration** Karachi. He joined Hinopak Motors Limited in 2011. In addition to the role of Company Secretary he is responsible for Financial Reporting, Taxation, Treasury and Legal Affairs of the Company. Before joining Hinopak Motors Limited he has worked with KPMG Taseer Hadi and Co & Dawood Family Takaful Limited.



Board Committees

Audit Committee	Terms of Reference
 Mushtaq Malik – Chairman (Independent Director) Nargis Ali Akbar Ghaloo (Independent Director) Shuichi Kaneko (Non - Executive Director) Hitoshi Otomo (Non - Executive Director) Nasir Manzoor (Secretary) 	 Determination of appropriate measures to safeguard Company's assets; Review of quarterly, half-yearly and annual financial statements of the Company, prior to the approval by the Board of Directors; Review of management letter issued by external auditors and management's response thereto and monitor the action plan to improve the control environment; Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company; Ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective; Instituting special projects, other investigations on any matter specified by the Board of Directors, and to refer any matter to the external auditors or to any other external body; Monitoring compliance with relevant statutes and best practices of Corporate Governance; and Review arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures.
Human Resource & Remuneration Committee	Terms of Reference
 Mushtaq Malik - Chairman (Independent Director) Yoshihiko Nanami Shigeru Tsuchiya Shuichi Kaneko (Non - Executive Director) Hitoshi Otomo (Non - Executive Director) Fahim Aijaz Sabzwari (Secretary) 	 Recommending human resource management policies to the board; Recommending to the board the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO; Recommending to the board the selection, evaluation, compensation (including retirement benefits) of CFO, Company Secretary and Head of Internal Audit; Recommending to the board for consideration and approval of policy framework for determining the remuneration of directors and Senior Management personnel (first layer of management below the chief executive officer level); Considering and approving on recommendations of CEO on such matters for key management positions who report directly to CEO; Ensure annual evaluation of members of the board and board committees; and Recommending to the Chairman of the board the performance evaluation of the board as whole.

Functional Committees

Management Committee	Terms of Reference
- Yoshihiko Nanami (Chairman)	Managing the day to day operations of the Company;
- Shigeru Tsuchiya	 Developing the business and marketing strategy of the Company; Reviewing budgetary proposals and the necessary actions to implement the business plan;
 Masahiko Kondo Fahim Aijaz Sabzwari Naushad Riaz Adil Mohiuddin Shah Mehmood Ahmed Khan Syed Samad Siraj Muhammad Zahid Hasan Ahsan Waseem Akhtar Salman Abdul Wahab Misbah Uddin Khan Akozai Abdul Basit 	 Monitoring profitability and deviations from business plan; and Handling the major business issues and other urgent matters on behal of the Board.
(Secretary)	
Whistle Blowing Committee	Terms of Reference
- Yoshihiko Nanami (Chairman)	 Establishing, implementing and maintaining the Whistle Blowing Mechanism;
- Shigeru Tsuchiya	 Monitoring and ensuring the transparency of the Whistle Blowing Process;
Fahim Aijaz SabzwariAbdul Basit	 Reviewing and analyzing periodically the feedback and complains obtained through the mechanism;
- Ahsan Waseem Akhtar (Secretary)	 Designating and supervising the officer investigating with regards to any matter reported through the Whistle Blowing Mechanism; and
	 Initiating steps to ensure compliance with the Hinopak Code of Conduct, transparency in financial reporting and safeguard of Company's assets.

Chairman's Review

The unprecedented coronavirus pandemic is causing confounding global turmoil with an uncertain outlook everywhere. In such a distressful situation, on behalf of the Board, I hope that you and your beloved ones are in good health. Since March this year, globally inclusive of state of Pakistan, it's "STAY SAFE, STAY HOME / INDOORS".

Given the magnitude of the damage caused by the virus and public health concern looping across the globe, we have decided to assist members of Hinopak Motors Limited by providing them a video link facility for attending the 35th Annual General Meeting of the Company. On behalf of the Board of Directors, I welcome you and hereby share with you the performance for the year ended March 31, 2020.

This has been a tough year for not only the Company but for the automotive sector and businesses across the Country. Since our Company is operating in an import oriented sector it was significantly impacted due to continued devaluation of Pak Rupee against US Dollar, from US Dollar 140.7 on March 31, 2019 to reach as high as US Dollar 168.75 during the year and closing at US Dollar 166.75 on March 31, 2020 resulting in higher input cost. This situation further deteriorated due to contraction of economy resulting in decrease in market size from 8810 units to 4934 units and double figure inflation. THE GROWTH RATE OF -0.4% IN THE COUNTRY PUT THE ECONOMY TO VIRTUALLY A KIND OF STANDSTILL.

The external factors that were showing some improvements with reduction of current account deficit during early part of the FY20 and consequent decrease in interest rates towards the end of current financial year was balancing that little activity; however, outbreak of COVID-19 pandemic brought down all economies across the globe including Pakistan in almost a state of halt.

HINOPAK BUSINESS

Market Share and Sales

In the period of economic commotion, the commercial vehicle industry of Pakistan showed downward trend and the total market size decreased by 44% approximately. Overall economic downturn remains major contributor in reduction of sales volume of the Company.

The Company's market share stands at 31.5% and 41.5% in the truck and bus segment respectively.

Gross (Loss) / Profit

The gross loss stood at Rs. 170 million as against the gross profit of Rs. 1,113 million in the prior year. Drop in sales volume and rising import cost were main contributors in the incurrence of gross loss during the year.

Distribution and Administrative Expenses

The management remained committed to controlling the cost and accordingly meticulous cost cutting initiatives were taken in the areas of distribution and administrative expenses which led to reduction of expenses to Rs. 707 million as compared to Rs. 738 million in previous year.

Interest Cost

During the year, short term borrowings reduced by over Rs. 2.6 billion through stringent measures of management for liquidating inventories. However, for most of the year borrowing rate prevailed around 14% resulting in interest cost of Rs. 836 million.

Loss after tax

The Company posted a loss after tax of Rs. 2.05 billion as compared to previous year after tax loss of Rs. 873.3 million. Loss per share stood at Rs. 165.71 as compared to Rs. 70.42 of last year.

Capital Expenditure

The management is constantly monitoring the Capex and only such Capex is allowed which is very essential for the business however, considering the needs of its customers, the Company established a 3S model (Sales, Service & Support) facility in the strategic location of Multan to improve after sales services of approximately Rs. 356 million.

Dividend

Considering the financial position of the Company, the directors of the Company have decided not to pay any divided, cash or otherwise.

CONTRIBUTION TO NATIONAL EXCHEQUER

The Company paid Rs. 1.8 billion approximately in taxes, duties, levies and cess to the Government.

CORPORATE GOVERNANCE

Board Performance & Role in achieving Company's Objectives

In pursuant to the requirements of Listed **Companies (Code of Corporate Governance)** Regulations, 2019, a formal & effective mechanism is put in place for an annual evaluation of performance of the Board, Members of Board & its Sub-Committees. The mechanism has been duly established, approved and successfully implemented by the Board.

There were changes in the Board during the year due to elections of directors held in November 2019 and filling of casual vacancies with well-versed individuals as detailed in Directors' Report. The Board comprise of number of Independent adequate Non-Executive Directors with highly qualified members from diversified backgrounds. The Board played an indispensable role in achieving the Company's objectives by providing oversight, guidance, strategic direction. assessing strategy & underlying purpose of actions taken by Management and monitoring

of the Company's Performance towards achievement of its objectives.

On the basis of each Individual Director's feedback and thereby consolidated evaluated results, average rating of the Board, Individual **Directors & Committees performance has been** found satisfactory & effective.

FUTURE OUTLOOK

With little progress on development of vaccine for COVID-19, uncertainty in overall economic outlook seems a new normal. Projections for GDP growth rate remain around 2% for FY21 and no real incentive was provided for automotive sector in the budget for FY21 posting a challenging outlook for the business going forward but the good news is that the Government decision to open the construction sector, with no question asked which in the coming months may mitigate the downward slide of the economy and improve the demand in the allied industries such as cement, steel and others resulting in somewhat an increase in the demand in the automotive sector.

It remains of paramount importance for the Government to assess possible economic scenarios and promptly respond developments unfolding rapidly. Despite the apprehensions, the Company committed to turn current challenges into business opportunities to revive its profitability.

VOTE OF THANKS

Lastly, on behalf of the Board of Directors, I would like to thank all the shareholders for their continued trust and confidence in the Company despite the difficult times.

Muhammad Aslam Sanjrani Chairman

Date: July 27, 2020

Directors' Report



The Directors take pleasure in presenting this report, together with the Audited Financial Statements of the Company for the year ended March 31, 2020.

The Board of Directors of the Company as at March 31, 2020 consists of:

Total number of Directors:	
a) Male	06
b) Female	01

Со	mposition:	
a)	Independent Directors	
	- Male	01
	- Female	01
b)	Non - Executive Directors	03
c)	Executive Directors	02

Changes in Board during the year

Casual Vacancies:

During the year, following two casual vacancies occurred in the Board:

Outgoing Directors		New Directors	Appointment Date of New Directors
	a) Mr. Takehito Sasaki	Mr. Masahiko Kondo	August 01, 2019
ſ	b) Mr. Masato Nishihara	Mr. Hitoshi Otomo	February 01, 2020

Election of Directors:

The composition of the Board is revised from nine to seven directors in the elections of directors held on November 28, 2019, in the Extraordinary General Meeting of the Company for the next term effective from December 03, 2019. Accordingly, as at March 31, 2020, the Board comprised of the following directors:

- 1. Mr. Muhammad Aslam Sanjrani
- 2. Mr. Yoshihiko Nanami
- 3. Mr. Shigeru Tsuchiya
- 4. Mr. Mushtaq Malik
- 5. Ms. Nargis Ali Akbar Ghaloo
- 6. Mr. Hitoshi Otomo
- 7. Mr. Shuichi Kaneko

Board Meetings

During the year four meetings of the Board were held in which the attendance by each Director is as follows:

Name of Directors **Number of meetings attended** Mr. Muhammad Aslam Sanjrani 2 Mr. Yoshihiko Nanami

Mr. Shigeru Tsuchiya	4
Mr. Takehito Sasaki*	1
Mr. Shuichi Kaneko	4
Mr. Mushtaq Malik	3
Mr. Koji Nagata**	1
Mr. Masato Nishihara*	3
Mr. Satoshi Sase**	3
Mr. Masahiko Kondo**	1
Ms. Nargis Ali Akbar Ghaloo	1
Mr. Hitoshi Otomo***	0

Leave of absence was granted to the members who did not attend the Board meetings.

Committees of the Board

The Board has formed two sub committees namely Audit Committee and Human Resource and Remuneration Committee. The Board has formed committees comprising of members given below: -

a) Audit Committee

- **Mushtaq Malik Chairman**
- **Nargis Ali Akbar Ghaloo**
- Shuichi Kaneko
- Hitoshi Otomo

b) HR and Remuneration Committee

- **Mushtaq Malik Chairman**
- Yoshihiko Nanami
- **Shigeru Tsuchiya**
- Shuichi Kaneko
- **Hitoshi Otomo**

During the year four meetings of Audit Committee were held in which the attendance by each Director is as follows:

^{*} The above directors resigned during the year and the casual vacancies were filled as mentioned above.

^{**} The above directors are not part of the revised composition of the Board after the election of directors held on November 28, 2019.

^{***}Mr. Hitoshi Otomo was appointed on the Board on February 01, 2020, since then no meeting of the Board was held till year end.



Name of Directors Mr. Mushtaq Malik Ms. Nargis Ali Akbar Ghaloo 1 Mr. Shuichi Kaneko 4 Mr. Koji Nagata** 1

Leave of absence was granted to the members who did not attend the audit committee meetings.

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Principal Activities of the Company and Changes concerning the nature of the Business

Hinopak Motors Limited (the Company) is incorporated in Pakistan as a public limited Company and is listed on the Pakistan Stock Exchange. The Company's principal activity is the assembly, progressive manufacturing and sale of Hino buses and trucks.

The Company is striving to create a framework for long-term customer satisfaction, from vehicle sale to its final usage, through various efforts including supplying parts in a timely manner and enhancing the quality of after sales services. To accomplish this objective, the company expands its business by establishing a state of the art 3S Dealership in Multan for it's customers.

Appropriation of Loss

Mr. Masato Nishihara*

Mr. Hitoshi Otomo***

Mr. Satoshi Sase**

Following are the details of appropriations:

	Year ended March 31, 2020	Year ended March 31, 2019		
	Rupees in '000			
Loss before taxation	(1,843,998)	(520,174)		
Taxation	(210,978)	(353,123)		
Loss after taxation	(2,054,976)	(873,297)		
Transferred from surplus on revaluation of fixed assets on account				
of Incremental depreciation and disposal of fixed assets	47,981	47,235		
Other comprehensive (loss) for the year	(9,526)	(4,855)		
Unappropriated profit brought forward	1,335,362	3,028,366		
Available for appropriation	(681,159)	2,197,449		
Final cash dividend paid during the year	-	(862,087)		
Unappropriated (loss) / profit carried forward	(681,159)	1,335,362		
Loss per share	Rs. (165.71)	Rs. (70.42)		

^{*} The above director resigned during the year and the casual vacancy was duly filled as mentioned above.

^{**} The above directors are not part of the revised composition of the Audit Committee after the election of directors held on November 28, 2019.

^{***}Mr. Hitoshi Otomo was appointed in the Audit Committee on February 01, 2020, since then no meeting of the Audit Committee was held till year end.

Development & Performance of the Company's Business, Reasons for the Loss and Future Prospects of Profit

Overall economic slowdown, rising inflation, deterioration of Pak Rupee against US Dollar and finally the rapid spread of the COVID-19 virus since February 2020 brought economic activity to a near-halt throughout Pakistan. All these factors alongside the increasing competitiveness of the heavy vehicles market in Pakistan impacted the Company's sales, profitability and liquidity throughout the year. The managements' rigorous efforts including but not limited to timely initiatives of cost reduction and price increase curb the impact of these adversities to a great extent, still the current fiscal year sadly ended with a loss of Rs. 2.05 billion.

Amid this slow economic growth trajectory and expectation of further deterioration of Pak Rupee against US Dollar in the long run the Company initially aims to maintain stability and establish a sound platform to foster growth.

Principal Risks and Uncertainties

The Pakistan economy slowed significantly, as the coronavirus outbreak weigh heavily on activity. Economic growth is set to fall to a multi-decade low as private consumption shrinks considerably amid widespread containment measures from March onwards by the government. For the fiscal year ending June 2021, the government itself set a very marginal economic growth target of around 2%, which means very less amount will be allocated to public sector development programs and accordingly, the demand for commercial vehicles will also be affected along with exchange rate fluctuations particularly of Pakistani Rupee and Japanese Yen against US Dollar.

Appointment of Auditors

The present auditors, Messrs. A. F. Ferguson & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment. The directors endorse recommendation of the Audit Committee for the re-appointment of Messrs. A. F. Ferguson & Co. as the auditors for the financial year ending March 31, 2021 on such terms and conditions and remuneration as to be decided.

Pattern of Shareholding

The pattern of shareholding as at March 31, 2020 and additional information thereabout required under Listed Companies (Code of Corporate Governance) Regulations, 2019 are disclosed on page 76 and page 77 respectively.

Holding Company

Since October 19, 1998, Hino Motors Ltd. Japan, is the Holding Company of Hinopak Motors Limited, by virtue of its 59.33% shareholding in the Company.

Adequacy of Internal Control

The Board of the Company is responsible for the establishment and maintenance of the Company's system of internal control in order to identify and manage risks faced by the Company.

The Board is confident that the system of internal control is sound in design and has been effectively implemented and monitored.

Dividend

Considering the financial position of the Company, the directors of the Company have decided not to pay any dividend, cash or otherwise.



Subsequent Events

No material changes or commitments affecting the financial position of the Company have taken place between the end of the financial year and the date of the report.

Compliance with the Best Practices of Corporate Governance

The Board is pleased to state that the management of the Company is compliant with the best practices of corporate governance. The Board acknowledges its responsibility in respect of the corporate and financial reporting framework and thus states that:

- The financial statements prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- · Proper books of account of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements except as disclosed and accounting estimates are based on reasonable and prudent judgment;
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no significant doubts upon the Company's ability to continue as a going concern;
- There has been no material departure from the best practices of corporate governance, as detailed in the regulations of Rule Book of Pakistan Stock Exchange;
- The highlights of operating and financial data for the last six years are given on page 17; and
- The value of investments of the Company's Provident, Gratuity and Pension Funds as on March 31, 2020 were as follows:

	Rupees in thousand
Hinopak Motors Limited Employees' Provident Fund	254,201
Hinopak Motors Limited Employees' Gratuity Fund	269,454
Hinopak Motors Limited Employees' Pension Fund	428,556

Trading of Shares of the Company

During the year ended March 31, 2020, the directors, executives and their spouses and minor children have not traded in the shares of the Company. The threshold set by the Fourth schedule of the Companies Act, 2017, for disclosure of the term "executive", in annual report, constitutes employee whose annual basic salary exceeds Rs. 1.2 million in a year.

Corporate Social Responsibility / Impact on environment

Over the years our Company has contributed significantly towards the welfare of the society in the shape of various socially responsible activities. However, due to current financial position of the Company the CSR activities also remained limited.

During the year, various 'Education for All' programs were carried out whereby scholarships were granted to 10 engineering students, books were distributed in SITE Model Govt. School and free Computer Training was launched for Govt. School students. Additionally, 60 students from various universities were engaged in HPML Paid Internship Program.

In healthcare, the Company joined hands with Pakistan Eye Bank Society to arrange Free Eye & Dental Camps in various spots of Karachi including one at DEWA Academy of Deaf & Dumb Children.

With the hope of reviving its profitability, the Company remains fully committed to further enhance its contribution towards society.

Significant features of remuneration policy of Non-Executive Directors

Chairman of the Board of Directors is entitled for consultancy fee along with fee for attending the meetings.

Non-executive directors including the independent director are entitled only for fee for attending the meetings (except foreign directors).

The remuneration of the President / Chief Executive Officer during the year amounts to Rs. 3.14 million (2019: Rs. 10.26 million).

The remuneration of Chairman for attending Board meetings during the year amounts to Rs. 0.33 million (2019: Rs. 0.38 million) and consultancy fee paid to the Chairman amounts to Rs. 3.6 million (2019: Rs. 3.52 million).

Further details of the remuneration of directors including Chief Executive Officer is detailed in the note no. 31 on page no. 69 in annexed financial statements' notes.

Chairman's Review

The accompanied Chairman's Review covers the performance of the Company, significant deviations from last year in operating results, significant plans and future outlook. The Board endorses the contents of the review.

By order of the Board

Director

Dated: July 27, 2020

Chief Executive Officer

Financial Highlights

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Profit or Loss & Other Comprehensive Income (Rs. in Million)						
(i.d. iii iiiiiiidi)						
Revenue from contracts with customers	12,636.29	18,086.85	22,477.50	26,615.07	19,130.84	13,191.06
Gross Profit / (Loss)	1,973.38	2,762.08	2,466.10	3,034.44	1,113.31	(170.41)
Operating Profit / (Loss)	1,434.42	2,031.75	1,776.93	2,348.55	501.62	(809.22)
Profit / (Loss) before Tax Taxation	1,552.59 479.37	1,727.04 613.67	1,696.71 576.81	1,669.55 520.17	(520.18) 353.12	(1,844.00) 210.98
Profit / (Loss) after Tax	1,073.22	1,113.38	1,119.90	1,149.38	(873.30)	(2,054.98)
Other comprehensive loss	2.60	20.51	19.07	1,149.38	4.86	9.53
Transfer from surplus on revaluation of fixed assets	33.43	31.10	32.25	42.00	47.24	47.98
Dividend	468.00	804.92	1,113.32	839.89	862.09	-
Unappropriated Profit / (Loss) carried forward	2,354.69	2,673.73	2,693.49	3,028.37	1,335.36	(681.16)
Financial Position (Rs. in Million)						
Fixed Assets	2,006.19	2,207.72	2,841.70	3,109.37	3,135.51	3,641.95
Other Long Term Assets	34.01	20.59	32.62	29.29	49.98	44.04
Current Assets	6,181.54	7,436.02	7,188.42	11,330.87	11,105.19	5,770.77
Less: Current Liabilities	4,054.27	5,134.31	5,013.91	8,885.62	10,431.95	7,444.44
Total	4,167.47	4,530.02	5,048.83	5,583.91	3,858.73	2,012.32
Financed By						
Issued, Subscribed & Paid up Capital	124.01	124.01	124.01	124.01	124.01	124.01
Reserves / Accumulated Profit / (Loss)	2,645.92	2,964.73	2,984.49	3,319.37	1,626.36	(390.16)
Surplus on Revaluation of Fixed Assets	1,216.15	1,199.56	1,659.14	1,848.73	1,810.04	1,975.24
Long Term / Deferred tax Liabilities	181.39	241.72	281.19	291.81	298.32	303.23
Total	4,167.47	4,530.02	5,048.83	5,583.91	3,858.73	2,012.32
Cash Flow (Rs. in Million)						
Cash flows from / (used in) operating activities	1,876.13	2,144.21	586.94	2,866.99	(10,259.46)	3,229.20
Cash flows used in investing activities	(163.17)	(343.55)	(269.49)	(239.60)	(258.04)	(489.22)
Cash flows used in financing activities	(466.45)	(801.95)	(1,110.09)	(660.58)	(1,037.77)	(0.22)
Turnover (Rs. in Million)						
Hino Chassis	9,555.82	16,179.82	20,382.37	23,831.54	15,185.18	10154.14
Bus & Other Bodies	1,077.54	960.56	933.31	682.27	981.69	502.52
Spare Parts	248.79	353.90	463.22	783.22	1,360.75	1374.70
Others	1,754.14	592.57	698.60	1,318.04	1,603.22	1159.70
Total	12,636.29	18,086.85	22,477.50	26,615.07	19,130.84	13,191.06
Production (Units)						
Hino Chassis	1714	2999	3750	4198	2880	1592
Bus & Other Bodies	1517	470	474	498	802	342
Hilux Frame	4496	5304	6656	10229	10310	5978

Financial Highlights

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Sales (Units)						
Hino Chassis	1771	2962	3817	4310	2850	1639
Bus & Other Bodies	1547	461	501	478	822	345
Hilux Frame	4455	5360	6451	10328	10377	5897
No. of Employees	323	318	341	354	376	372
Investor Information						
Financial Ratios						
Gross profit / (loss) ratio	15.62%	15.27%	10.97%	11.40%	5.82%	(1.200/)
	8.49%	6.16%	4.98%	4.32%	(4.56%)	(1.29%)
Net profit / (loss) margin Return on assets (after tax)	13.05%	11.52%	11.13%	7.94%	(4.56%)	(15.58%)
, ,	26.92%	25.96%	23.49%	7.94% 21.72%	. ,	(21.73%)
Return on equity (after tax)	0.05				(24.53%)	(120.24%)
Debt equity ratio* Current Ratio	1.52	0.06	0.06	0.06 1.28	0.08	0.18 0.78
	1.52	1.45 0.91	1.43 0.78	0.72	1.06 0.29	0.78
Quick Ratio	1.07	-	0.78	0.72		
Interest cover ratio			75.000/		(1.77)	(1.21)
Dividend payout ratio**	75.00% 7.63%	100.00%	75.00%	75.01%	0.00%	0.00%
Dividend yield ratio** Dividend cover ratio**	133%	9.16% 100%	4.23% 133%	5.99% 133%	0.00% 0.00%	0.00% 0.00%
Dividend cover ratio	15570	100%	15570	15570	0.0070	0.0070
Other Ratios						
Price earning ratio	9.83	10.92	17.72	12.52	(5.61)	(1.84)
Earning / (loss) before interest, taxes, depreciation and amortization (EBITDA)	1,567.43	2,183.74	1,962.63	2,569.97	739.05	(578.42)
EBITDA Margin to sales	12.40%	12.07%	8.73%	9.66%	3.86%	(4.38%)
Total assets turnover ratio	1.54	1.87	2.23	1.84	1.34	1.39
Fixed assets turnover ratio	6.30	8.19	7.91	8.56	6.10	3.62
Return on capital employed	25.75%	24.58%	22.18%	20.58%	(22.63%)	(102.12%)
Inventory turnover ratio	4.77	6.69	6.64	5.77	2.79	2.26
Number of days inventory	77	55	55	63	131	162
Debtors turnover ratio	12.52	20.20	59.66	55.19	22.85	19.85
Number of days debtors	29	18	6	7	16	18
Creditors turnover ratio	2.65	3.34	3.94	3.39	2.90	3.95
Number of days creditors	138	109	93	108	126	93
Operating cycle (days)	(32)	(36)	(31)	(38)	21	87
Per Share Amounts (in Rupees)						
Cash dividend**	64.91	89.78	67.73	69.52	-	_
Breakup value with surplus on revaluation of fixed assets	321.44	345.81	384.47	426.76	287.12	137.82
Breakup value without surplus on revaluation of fixed assets	223.37	249.08	250.67	277.68	141.15	(21.46)
Earning / (Loss) per share	86.54	89.78	90.31	92.69	(70.42)	(165.71)
Share Price (High)	999.35	1,265.31	1,852.30	1,708.13	1,221.81	511.33
Share Price (Low)	397.36	836.59	880.21	970.00	394.20	245.5
Share Price (Closing)	850.73	980.00	1,600.00	1,160.31	395.10	305
One US\$ = Rupee as at period end	101.70	104.80	104.70	115.40	140.70	166.75
One JPY = Rupee as at period end	0.8459	0.9331	0.9421	1.0851	1.2702	1.5376

^{*} Debt Equity Ratio takes into consideration non current liabilites.

^{**} Based on final dividend proposed by the Board of Directors subsequent to the year ends.



Vertical Analysis

	2019-20		2018-19		2017-18		
Operating Results	(Rs. in million)	%	(Rs. in million)	%	(Rs. in million)	%	
Revenue from contracts with customers	13,191.06	100.00	19,130.84	100.00	26,615.07	100.00	
Cost of sales	13,361.47	101.29	18,017.53	94.18	23,580.63	88.60	
Gross (loss) / profit	(170.41)	(1.29)	1,113.31	5.82	3,034.44	11.40	
Distribution cost	351.11	2.66	359.60	1.88	437.44	1.64	
Administration expenses	355.67	2.70	378.83	1.98	420.59	1.58	
Other income	82.89	0.63	147.64	0.77	300.79	1.13	
Other expenses	14.92	0.11	20.90	0.11	128.65	0.48	
(Loss) / profit from operations	(809.22)	(6.13)	501.62	2.62	2,348.55	8.82	
Finance cost	1,034.78	7.84	1,021.80	5.34	679.00	2.55	
(Loss) / profit before taxation	(1,844.00)	(13.98)	(520.18)	(2.72)	1,669.55	6.27	
Taxation	210.98	1.60	353.12	1.85	520.17	1.95	
(Loss) / profit after taxation	(2,054.98)	(15.58)	(873.30)	(4.57)	1,149.38	4.32	
Financial Position							
Property, plant and equipment	3,638.79	38.48	3,127.74	21.89	3,096.03	21.40	
Other non current assets	3.16	0.03	7.77	0.05	13.34	0.09	
Long-term investments	-	0.00	-	0.00	0.07	0.00	
Long-term deposits	7.23	0.08	8.11	0.06	7.77	0.05	
Long-term loans and advances	25.06	0.26	24.68	0.17	21.45	0.15	
Employee benefit prepayment	11.75	0.12	17.19	0.12	-	0.00	
Current assets	5,770.77	61.03	11,105.19	77.71	11,330.87	78.31	
Total assets	9,456.76	100.00	14,290.68	100.00	14,469.53	100.00	
Shareholders' equity	1,709.09	18.07	3,560.41	24.91	5,292.10	36.57	
Deferred taxation	135.21	1.43	116.93	0.82	123.44	0.85	
Other non-current liabilites	168.02	1.78	181.39	1.27	168.38	1.16	
Short term debt	4,115.24	43.52	6,766.07	47.35	-	0.00	
Other current liabilities	3,329.20	35.20	3,665.88	25.65	8,885.62	61.42	
Total equity and liabilities	9,456.76	100.00	14,290.68	100.00	14,469.53	100.00	
Cash Flows							
Cash flows from / (used in) operating activities	3,229.20	117.86	(10,259.46)	88.79	2,866.99	145.77	
Cash flows used in investing activities	(489.22)	(17.85)	(258.04)	2.23	(239.60)	(12.18)	
Cash flows used in financing activities	(0.22)	(0.01)	(1,037.77)	8.98	(660.58)	(33.59)	
Net increase / (decrease) in cash and cash equivalents	2,739.76	100.00	(11,555.27)	100.00	1,966.81	100.00	

Horizontal Analysis

	20	19-20	2018-19 2017-18		7-18	
Operating Results	(Rs. in million)	Variance vs Last Year Increase / (Decrease) %	(Rs. in million)	Variance vs Last Year Increase / (Decrease) %	(Rs. in million)	Variance vs Last Year Increase / (Decrease) %
Revenue from contracts with customers	13,191.06	(31.05)	19,130.84	(28.12)	26,615.07	18.41
Cost of sales	13,361.47	(25.84)	18,017.53	(23.59)	23,580.63	17.84
Gross (Loss) / profit	(170.41)	(115.31)	1,113.31	(63.31)	3,034.44	23.05
Distribution cost	351.11	(7.39)	379.13	(13.86)	440.15	3.01
Administration expenses	355.67	(6.11)	378.83	(9.93)	420.59	9.06
Other income	82.89	(43.86)	147.64	(50.92)	300.79	18.19
Other expenses	14.92	989.05	1.37	(98.91)	125.95	(3.65)
(Loss) / profit from operations	(809.22)	(261.32)	501.62	(78.64)	2,348.55	32.17
Finance cost	1,034.78	1.27	1,021.80	50.49	679.00	746.38
(Loss) / profit before taxation	(1,844.00)	(254.49)	(520.18)	(131.16)	1,669.55	(1.60)
Taxation	210.98	(40.25)	353.12	(32.11)	520.17	(9.82)
(Loss) / profit after taxation	(2,054.98)	(135.31)	(873.30)	(175.98)	1,149.38	2.63
Financial Position						
Property, plant and equipment	3,638.79	16.34	3,127.74	1.02	3,096.03	9.63
Other non current assets	3.16	(59.33)	7.77	(41.73)	13.34	(24.80)
Long-term investments	-	0.00	-	(100.00)	0.07	0.00
Long-term deposits	7.23	(10.85)	8.11	4.38	7.77	12.27
Long-term loans and advances	25.06	1.54	24.68	15.05	21.45	(9.33)
Employee benefit prepayment	11.75	(31.65)	17.19	0.00	-	(100.00)
Current assets	5,770.77	(48.04)	11,105.19	(1.99)	11,330.87	57.63
Total assets	9,456.76	(33.83)	14,290.68	(1.24)	14,469.53	43.79
Shareholders' equity	1,709.09	(52.00)	3,560.41	(32.72)	5,292.10	11.00
Deferred taxation	135.21	15.63	116.93	(5.27)	123.44	(2.24)
Other non-current liabilites	168.02	(7.37)	181.39	7.73	168.38	8.69
Short term debt	4,115.24	(39.18)	6,766.07	0.00	-	0.00
Other current liabilities	3,329.20	(9.18)	3,665.88	(58.74)	8,885.62	77.22
Total equity and liabilities	9,456.76	(33.83)	14,290.68	(1.24)	14,469.53	43.79
Cash Flows						
Cash flows from / (used in) operating activities	3,229.20	131.48	(10,259.46)	(457.85)	2,866.99	388.47
Cash flows used in investing activities	(489.22)	(89.59)	(258.04)	(7.70)	(239.60)	11.09
Cash flows used in financing activities	(0.22)	99.98	(1,037.77)	(57.10)	(660.58)	40.49
Net increase / (decrease) in cash and cash equivalents	2,739.76	123.71	(11,555.27)	(687.51)	1,966.81	348.14

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 of Hinopak Motors Limited

For the Year Ended March 31, 2020

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:

a)	Male	06
b)	Female	01

2. The composition of the Board is as follows:

Co	mposition	Numbers	Names
a)	Independent Directors		
	- Male	01	Mr. Mushtaq Malik
	- Female	01	Ms. Nargis Ali Akbar Ghaloo
b)	Non-Executive Directors	03	Mr. Muhammad Aslam Sanjrani
			Mr. Shuichi Kaneko
			Mr. Hitoshi Otomo
c)	Executive Directors	02	Mr. Yoshihiko Nanami
			Mr. Shigeru Tsuchiya

- 3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
- 4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
- 5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
- 7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
- 8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. The Board has arranged Directors' Training program for the following:

a. Directors

- Yoshihiko Nanami
- **Shigeru Tsuchiya**

b. Executives

•	Fahim Aijaz Sabzwari	CFO & Vice President Finance, IT, HR & Admin
•	Naushad Riaz	Vice President Production Operations & Business Planning
•	Syed Samad Siraj	General Manager BMD, QAD, SCD, MMP
•	Mehmood Ahmed Khan	General Manager National Sales
•	Adil Mohiuddin Shah	General Manager Total Support
•	Ahsan Waseem Akhtar	General Manager HR & Admin
•	Muhammad Zahid Hasan	General Manager Finance & IT
•	Abdul Basit	Asst. General Manager Business Planning & Cost Control
•	Syed Junaid Ali	Company Secretary & Asst. General Manager Corporate &
		Financial Operations

- 10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
- 11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
- 12. The Board has formed committees comprising of members given below:

a) Audit Committee

- **Mushtaq Malik Chairman**
- **Nargis Ali Akbar Ghaloo**
- Shuichi Kaneko
- Hitoshi Otomo

b) HR and Remuneration Committee

- **Mushtag Malik Chairman**
- Yoshihiko Nanami
- Shigeru Tsuchiya
- Shuichi Kaneko
- **Hitoshi Otomo**
- 13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;



14. The frequency of meetings of the committees were as per following:

Audit Committee Four quarterly meetings during the financial year ended

March 31, 2020

HR and Remuneration Committee One meeting during the financial year ended March 31, 2020

- 15. The Board has set up an effective internal audit function who is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company;
- 16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the company;
- 17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
- 18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

Q.

MUHAMMAD ASLAM SANJRANI CHAIRMAN 23/4

YOSHIHIKO NANAMI CHIEF EXECUTIVE OFFICER

July 27, 2020



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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF HINOPAX MOTORS LIMITED

Raylew Report on the Statement of Comptiance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We take reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governánce). Paguiations. 2019. (The Regulations) prepared by the Starts of Directors of Histopas Motors Limited (The Company) for the year ended March 31, 2020 in accurrance with the requirements of regulation 35 of the Regulations.

The responsibility for compilance with the Requisitors is that of the Board of Directors of the Company. Our responsibility is to review whether the Bistament of Compliance reflects the status of the Company's compliance with the provisions at the Requisitors and report if it does not and to highlight any non-contributes with the requirements of the Regulations. A review is limited promarily to incurred of the Company's personnel and review of serious abcoments prepared by the Company to comply with the Regulations.

As a part of our audit of the francial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the social and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all liets and controls or to farm an poince on the effectiveness of such internal controls, the Company's corporate povernance proceedures and risks.

The Requisions require the Company to place before the Audit Committee, and upon recommendation of the Audit Correnties, place before the Soard of Directors for their review and approval, its resided party transactions and also ensure conditions with the requirements of section 20% of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the receipt party transactions by the illustration (Precious upon recommendation of the Audit Committee.) We have not carried and procedures to assess and determine the Company's process for identification of related parties and that whether the related party fransactions were undertaken at arm's length price in now.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended March 31, 2020.

AH.

Chartered Accountants Kerachi

August 04, 2020

A. F. PERISCHEM A CO., Chartervel Accountants, a number from a vice ParC induced.

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INDEPENDENT AUDITOR'S REPORT

To the members of Hinopak Motors Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Hinopak Motors Limited (the Company), which comprise the statement of financial position as at March 31, 2020, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at March 31, 2020 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

A. F. FERGUSCOI & CO., Chartered Accountants, a number from of the PoC network. Sport Life Building No. v-C, LL Chambrigoir Bood, P.O. Ros. 2716, Karsuthi Santoi, Folkston. Teli. +92 (20.) (2020/00/0-6/32420751-2: Four. +02 (20.) 2041(9417))244270(98/3244274)1, Control pric 2010/98/

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Following is the key audit matter:

(i) Impact of COVID-19 (Refer notes 1 & 39)

Due to COVID-19 pandemic and resulting lockdown in the country since March 2020, the business activities in the country have been adversely affected. In March 2020 Company's factory and offices were closed. Further, due to this closure, various year-end activities relating to financial closing were impacted. This situation affected the overall audit strategy. In relation to the accounting and reporting obligations, management assessed the following significant areas for incorporating any potential impact of COVID-19 in the financial statements:

- expected credit losses (ECL) under IFRS 9, 'Financial Instruments';
- the impairment of tangible and intangible assets under IAS 36, 'Impairment of assets':
- the net realisable value (NRV) of inventory under IAS 2, 'Inventories';
- provisions and contingent liabilities under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', including onerous contracts; and
- going concern assumption used for the preparation of the financial statements.

The COVID-19 pandemic is a significant development during the year having the most significant impact on audit strategy and its execution and involved assessment of significant management judgements in the preparation of financial statements. Therefore, we considered it to be a key audit matter.

Our audit procedures amongst others included the following:

- Obtained an overall understanding of the changes in financial reporting process and underlying controls in order to determine the appropriate audit strategy;
- Utilised technology for communication and evidence gathering;
- Utilised audit software for review and supervision of audit work;
- Obtained management's plan regarding execution of physical inventory check at a date subsequent to the year-end;
- Observed physical inventory check carried out by management subsequent to year-end and tested the roll-back of the inventory quantities prepared by management on a sample basis;
- For information/record provided by management in scanned form, the original record was checked subsequently when the lockdown was relaxed;
- For confirmation received through email, the authenticity of the confirmations was ensured by performing alternate procedure such as making telephone calls to confirming parties;
- Assessed the reasonableness of forward-looking factors under the COVID-19 situation used by management in preparing ECL model;
- Evaluated whether any impairment indicators exist that could trigger impairment for tangible and intangible assets;
- Obtained the computation of NRV and checked its reasonableness:



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Impact of COVID-19 (Refer notes 1 & 39) – contd...

- Evaluated management's assessment as to whether any provisions were required to be recorded as a result of COVID-19;
- Evaluated management's going concern assessment by reviewing the approved budget/future cash flow forecast and management plans and assessed whether going concern assumption is appropriate;
- Obtained letter of financial support from the Parent; and
- Reviewed the adequacy of the disclosures made by the Company under applicable accounting and reporting standards.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements. whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



A-F-FERGUSON & CO.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the (a) Companies Act. 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss and other (b) comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns:
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980). was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Syed Fahim ul Hasan.

A. F. Ferguson & Co. **Chartered Accountants**

Affing 4 6

Karachi

Date: August 04, 2020

FINANCIAL STATEMENTS

Statement of Financial Position

At March 31, 2020

At March 31, 2020	Note	2020	2010
		Rupe	es '000
ASSETS		W0.400	
Non-current assets			
Property, plant and equipment	5	5.636.786	3.127.741
intencióles	- 6	3.163	7.769
Long-term investments	7		10000
Long-term loans and advances	1	25,063	24,675
Long-term deposits	1100	7.227	0.112
Employee benefit prepayment	7.0	11,750	17,190
Herbert Medical Additional Processing Condition		3,685,989	3,185,487
Current assets			
Inventories	0	3,837,972	8.008.001
Trade debts - net.	30	369,410	959,682
Loans and advances	31	17,599	22,545
Trade deposts and prepayments	12	34,486	89,789
Refunds due from the government - sales tax	53	518.540	1,112,542
Other receivables	14	14,694	
Taxation - payments less provision:		630,063	832.857
Gash and bank balances	19	138,007	49,683
		5,770,775	11,105,189
Total musetu		9.456.760	14,290,670
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	18	124.006	124.000
Capital Reserve	475.1	Fridological	VONDAMI
Fevoriustion surplus on land and building		1,975,241	1.810.044
Revenue Reserves		11000-0000-1	
		291,000	291.000
Unappropriated (loss) / profit		(881, 159)	1,335,362
Constitution (South Constitution)		1,709,088	3,500,432
LIABILITIES		1,000,000	3/200/425
Mannana Atomas assa			
Non-current liabilities	V2=6	135,206	116.926
Deferred taxation	17		
Employee benefit obligations	18	168,020	101,388
		303.229	298,344
Current liabilities	1000001		
Trade and other psystem	19	3.315.900	3.652,352
Short-term borrowings - secured	20	4,115,230	6,766,074
Unclaimed dividend		13.305	13.524
		7,444,443	10,431,900
Total liabilities		7,747,072	10,730,264
Contingency and commitments	21		
Total equity and liabilities		9,456,780	14,290,678
		THE REAL PROPERTY.	- Charles and the

The arreaxed notes 1 to 41 form an integral part of those financial statements.

Dancey

Creat Executive Officer

Statement of Profit or Loss and Other Comprehensive Income

For the year ended March 31, 2020

	Note	2028 Rupes	2019 n '000
Revenue from contracts with customers	22	13,191,000	19,130,839
Cost of notes	23	(13,391,471)	(18.017.525)
Gross (loss) / profit		(170,411)	1,113,314
Distribution cost	23	(351,114)	(359.585)
Administrative expenses	23	(355,866)	(378.831)
Other income	24	82,880	147,640
Other expenses:	25	*	(1.572)
Impairment loss on trade debts and deposits		(14,917)	(19,533)
(Loss) / profit from operations		(809,219)	501,623
Finance cost	26	(1,034,779)	(1,021,797)
Loss balore incorre tax		(1.843,998)	(520,174)
income tas expense	27	(210,978)	(353.123)
Loss after income tax		(2,054,976)	(873,297)
Other comprehensive income / (loss) for the year:			
items that will not be reclassified subsequently to Profit or L	055		
Loss an remeasurements of past employment benefit obligations.	10	(13,417)	(6.743)
inspact of deferred bus		(9,525)	1,888 (4,865)
Gain on revolutation of land and buildings		233,993	
Impact of deferred tax		(10,700) 217,227	_ :
		207,701	(4,866)
		- 201,001	Germonia
Other comprehensive income / (lass) for the year Total comprehensive loss for the year		(1,847,275)	(878,152)

The annexed notes 1 to 41 form an integral part of these financial statements.

Charliff Executive Officer

Statement of Changes in Equity

For the year ended March 31, 2020

	Share	Revenue Reserves		Revenue Reserves Reserve	
		Gesteral	Unappro- printed profit / floss) Rupees '000	Revaluation Surplus	
Balance at April 1, 2018	124,006	291,000	3,026,068	1,848,727	1,292,099
Final dividend for the year ended March 51, 2018 (b) Rs, 99.92 per share		(3)	(662,087)	2.4	(962,007)
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	⊕	3	47,235	(06.683)	8.552
Total conteneivensive loss for the year ended March 31, 2019					
- Lose for the year ended March 31, 2019	50		(873.297)		(871,297)
 Other comprehensive loss for the year emded Maxxh 31, 2019 		L	(4,855) (678,152)		(4,855) (878,152)
Balanca at March 31, 2010	124,006	291,000	1,335,362	1,010,044	3,560,412
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - rest of stellered bus	22	12	47,501	(n2.030)	(4,040)
Tutal comprehensive luss for the year unded March 31, 2020					
- Lose for the year weekd March 31, 2020	(T		(2,054.976)		(2.054.070)
 Other comprehensive income for the year ended March 31, 2000 		لپيا	(9,826)	217,227	267,701 (1,847,275)
Balance at March 31, 2020	124,004	201,000	(881,199)	1,975,241	1,709,988

The arrested notes 1 to 41 form an integral part of these financial statements.

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Director

Chief Executive Officer

Statement Of Cash Flows

For the year ended March 31, 2020

	Note	2020 Rupee	2019 ± '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (utilised in) operations	29	4,359,440	(9,454,940)
Mark-up paid on short-term borrowings		(840,436)	(74,440)
Return on savings accounts and deposits		7,786	104,516
Income taxes paid		(215,765)	(763,624)
Employee benefits paid		(82,303)	(67,397)
Decrease / (increase) in long-term deposits		3985	(342)
Increase in long-term loans and advances.		(388)	(3,223)
Net cash generated from / (utilised in) operating activities		3,229,199	(10,259,459)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expanditure		(529,575)	(271,189)
Purchase of intangible assets		16	(4,082)
Proceeds from sale of property, plant and equipment.		40,356	17,234
Net cash utilised in investing activities		(489,220)	(258,007)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(219)	(1,037,774)
Net increase / (decrease) in cash and cash equivalents		2,739,760	(11,555,270)
Cash and cash equivalents at beginning of the year		(6,716,391)	4.838.879
Cash and cash equivalents at end of the year	30	(3,976,631)	(6,715,301)

The annexed notes 1 to 41 form an integral part of these financial statements.

Chief Executive Officer

For the year ended March 31, 2020

THE COMPANY AND ITS OPERATIONS

Hindpak Motors Limited (the Company) is incorporated in Pakistan as a public limited. Company and is listed on the Pakistan Stock Exchange.

The Company's principal activity is the assembly, progressive manufacturing and sale of Hino buses and trucks. The registered office of the Company is located at D-2, S.I.T.E., Manghopir Road, Karachi.

The Company is a subsidiary of Hino Motors Limited, Japan (HML) and the ultimate parent of the Company is Toyota Motors Corporation, Japan (TMC).

The financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.

During the year, the Company has incurred a loss after tax amounting to Rs. 2.06 billion (March 31, 2019; Rs. 873.38 million). As at March 31, 2020, the Company has accumulated losses of Rs. 681.16 million (March 31, 2019; accumulated profits of Rs. 1.34 billion). The current liabilities of the Company exceed its current assets by Rs. 1.67 billion (March 31, 2019; current assets exceeded current liabilities by Rs. 673.24 million). However, based on management plans to improve Company's financial performance in future years which include revision in sales prices of Company's products and cost curtailment together with the availability of financial support from the Parent, management believes that the Company will be able to meet its obligations in the normal course and continue to operate in future.

The management plans for generating sufficient cashflows have been made considering the future sales volume, pricing decisions, cost reduction strategies, exchange rate impact, availability of funds through committed credit lines among other things.

Accordingly, these financial statements have been prepared on a going concern basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below:

2.1 Basis of preparation

2.1.1 Statement of compliance

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

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

For the year ended March 31, 2020

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

2.1.2 Changes in accounting standards and interpretations

 Standards, interpretations and amendments to published approved accounting standards that became effective during the year and are relevant

IFRS 9 'Financial Instruments', this standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit loss model that replaces the current incurred loss impairment model.

IFRS 15 'Revenue from Contracts with Customers', this standard replaces the previous revenue standards. IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition. IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core-principle that an entity should recognise revenue when the control of goods or services has been transferred to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

IFRS 16 'Leases', this standard replaces the previous lease standard: IAS 17 'Leases'. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases.

The impact of changes laid down by these standards are detailed in note 4.

The Securities & Exchange Commission of Pakistan (SECP) through its notification dated July 29, 2019 brought certain alterations in fourth schedule to the Companies Act, 2017 with regard to preparation and preservation of financial statements. These alterations resulted in elimination of certain disclosures in the financial statements of the Company for the year ended March 31, 2020.

For the year ended March 31, 2020

 Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

The new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 01, 2019 are considered not to be relevant for the Company's financial statements and bence have not been detailed here.

 Standards, interpretations and amendments to published approved accounting standards that are relevant but not effective

The new standards, certain amendments and interpretations that are mandatory for eccounting periods beginning on or after July 01, 2019 are considered not to be relevant for the Company's financial statements and hence have not been detailed here.

2.2 Overall valuation policy

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

2.3 Property, plant and equipment

These are stated at cost less accumulated depreciation / amortisation and impairment loss, if any, except land and buildings which are stated at revalued amount less accumulated depreciation and impairment loss, if any, and capital work-in-progress which is stated at cost.

Depreciation is charged to statement of profit or loss applying the straight linemethod, whereby the depreciable amount of an asset is written off over its estimated useful life. The revalued amount of leasehold land and building is amortised if depreciated equally over the remaining life from the date of revaluation. Depreciation is charged on additions from the month the asset is available for use and on disposals upto the month preceding the month of disposal.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase inverses a decrease previously recognised in statement of profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the invalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the revaluation surplus on land and building to retained earnings.

Gain or loss on disposal or retirement of property, plant and equipment is included in statement of profit or loss.

For the year ended March 31, 2020

2.4 Intangibles - computer softwares

Computer software licenses acquired by the Company are stated at cost less accumulated amortisation. Cost represents the cost incurred to acquire the software licenses and bring them to use. The cost of computer software is amortised over the estimated useful tile i.e. 2 to 3 years.

Costs associated with maintaining computer softwares are charged to statement of profit or loss.

2.5 Impairment.

The carrying values of ngo-current assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-panerating units are written down to their recoverable amount.

Financial Instruments - Initial recognition and subsequent measurement 2.5

A financial instrument is any contract that gives use to a financial asset of one entity and a financial liability or equity instrument of another entity.

Policy effective for accounting periods beginning on or after April 01, 2019.

Financial assets

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL). The measurement basis is determined by reference to both the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

- Amortised cost A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as a FVTPL:
 - it is held within a business model whose objective is to hold assets to collect. contractual cash flows; and
 - the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount putatanding:

For the year ended March 31, 2020

- Fair value through other comprehensive income (FVTOCI) A financial asset is measured at FVTOCI if it meets both of the following conditions and is not designated as a FVTPL;
 - the financial asset is hold within a business model whose objective is achieved by both sollecting contractual cash flows and selling the financial assets; and
 - the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- Fair value through profit or loss (FVTPL) Financial assets, that am not measured at amortised cost or at fair value through other comprehensive income on initial recognition, are classified as FVTPL.

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument.

Financial assets at amortised cost are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any, interest income and impairment losses are recognised in profit or loss.

Financial assets carried at FVTOCI are initially and subsequently measured at fair value, with gains and losses arising from changes in fair value recognised in other comprehensive income / (loss).

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. On derecognition of a financial asset, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in statement of profit or loss and other comprehensive income.

Impairment of financial assets

The Company recognises lifetime expected credit losses for trade receivables that do not constitute a financing transaction. Expected credit losses (ECLs) are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive). Life time ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. For all other financial assets, expected credit losses are measured at an amount equal to 12 months ECLs i.e. ECLs that result from distault event that are possible within 12 months after the reporting data.

For the year ended March 31, 2020

Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortised cost using the effective interest rate method. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

Offsetting

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognised amounts and intends either, to settle on a net basis or, to realise the asset and settle the liability simultaneously.

Transaction costs

When a financial asset or financial liability is not measured at FVTPL, transaction costs that are directly attributable to the acquisition or issue are added to or deducted from the initial fair value. For financial assets, such costs are added to the amount originally recognised. For financial liabilities, such costs are deducted from the amount originally recognised. This applies to all financial instruments not carried at FVTPL, including instruments carried at FVTOCI. For debt instruments, the transaction costs are recognised as part of interest income using the effective interest method.

For financial instruments that are measured at FVTPL, transaction costs are not added to or deducted from the initial fair value, but these are immediately recognised in profit or loss on initial recognition.

Transaction costs expected to be incurred on a financial instrument's transfer or disposal are not included in the financial instrument's measurement.

Financial instruments policy upto March 31, 2019:

The investments of the Company were classified into the following categories:

Held to maturity

These are investments with food or determinable payments and fixed maturity with the Company having positive intent and ability to hold to maturity. These are initially recognised at fair value plus transaction cost, and subsequently at amortised cost using the effective interest method.

For the year ended March 31, 2020

At fair value through profit or loss - held for trading

These are investments designated at fair value through statement of profit or loss at inception. Investments in this category are classified as current assets if they are expected to be realised within twelve months of the statement of financial position's date.

trivestments at fair value through statement of profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit or loss. These are subsequently cerried at fair value. Gains or losses arising from changes in the fair value are taken to the statement of profit or loss in the period in which they arise.

iii) Available for sale

These represent non-derivative investments that are either designated in this category or not classified in any other category. They are included as non-current assets unless the investment matures or management intends to dispose off the investments within twelve months of the statement of financial position's date.

Available for sale investments are initially recognised at fair value plus transaction costs and are subsequently carried at fair value. Changes in the fair value are recognised in other comprehensive income.

The Company assesses at each statement of financial position's date whether there is objective evidence that an investment is impaired, Impairment loss on all investments is recognised in the statement of profit or loss. Whereas, reversal of impairment loss is recognised in other comprehensive income - for available for sate investments.

2.7 Taxation

Current

Charge for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, and taxes paid under the final tax regime.

Deferred.

The Company accounts for deferred taxation using the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liability is recognised for taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is charged or credited to the statement of profit or loss except for deferred tax arising on surplus on revaluation of fixed assets and on change in fair value of investments categorised as fair value through other comprehensive income which is charged to the surplus on revaluation and fair value reserve respectively.

For the year ended March 31, 2020

Inventories 2.8

These are valued at lower of cost and net realisable value. Cost is determined by firstin first-out method except for materials for fabrication of bus bodies, consumable stones, locally manufactured parts, spares for sale and stock in transit.

Cost of material for fabrication of trus bodies, consumable stores, locally manufactured parts and spares for sale is determined on moving average method. Cost of stock in transit comprises of invoice value plus other charges incurred thereon.

Cost of work in process and finished goods include direct material labour and appropriate portion of manufacturing expenses.

Net realisable value is determined on the basis of estimated selling price of the product in the ordinary course of business less cost of completion and estimated costs. necessarily to be incurred to make the sale.

Stores, spares and loose tools are valued at cost determined on moving average basis. less provision for slow moving and obsciete stores and spares. Items in transit are valued at invoice value plus other charges incurred thereon.

2.9 Trade debts

Trade debts are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. Refer note 2.6 for a description of the Company's impairment policies.

2.10 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purposes of cash flow statement, cash and cash equivalents comprise of cash, cheques in hand, balances with banks on current, savings and deposit accounts and short term borrowings under mark-up arrangements.

2.11 Leases

Policy effective for accounting periods beginning on or after April 01, 2019: leases are recognised as right-of-use assets with corresponding lease liabilities at the date on which leased assets are available for use by the Company except for leases of short term or low value.

At inception of a contract, the Company assesses whether a contract is, or contains, a sease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain different terms and conditions.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended for not terminated).

For the year ended March 31, 2020

The lease liability is initially measured at the present value of the lease payments over the period of lease term and that are not paid at the commencement date, discounted using interest rate implicit in the lesse or the Company's incremental borrowing rate.

Lease payments include fixed payments less any lease incentive receivable, variable lesse payment that are based on an index or a rate which are initially measured using the index or rate as at the commencement date, amounts expected to be payable by the Company under residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease if the lease term reflects the lease exercising that option. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also remeasured to reflect any massessment or lease modification, or to reflect revised in-substance fixed lease payment.

The lease liability is remeasured when the Company reassesses the reasonable certainty of exercising the extension or termination option upon occurrence of either a significant event or a significant change in circumstances, or when there is a change in assessment of an option to purchase underlying asset, or when there is a change in amount expected to be payable under a residual value guarantee, or when there is a change in future lease payments resulting from a change in an index or rate used to determine those payment. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss and other comprehensive income if the carrying amount of right-of-use asset has been reduced to zero.

When there is a change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease, it is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increases the scope of lease by adding the right to use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the stand-alone price for the increase in scope adjusted to reflect the circumstances of the particular contracts, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right-of-use asset.

The right-of-use asset is initially measured at an amount equal to the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which the asset is located.

For the year ended March 31, 2020

The right-of-use asset is subsequently measured at cost model. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses. If any, and adjusted for certain remeasurements of the lease liability.

As detailed in note 4, the Company has elected to apply the practical expedient of not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognised as an expense on a straight line basis over the lease term.

Employee benefits - retirement benefits 2.12

Defined benefit plans

Defined benefit plans define an amount of pension or gratially that an employee will receive on or after retinement, usually dependent on one or more factors such as age. years of service and compensation. The liability recognised in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the entimated future cash outflows using interest rates of high-quality corporate bonds or the market rates on government band. These are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related obligation.

The Company operates approved funded grafulty and pension schemes for all its permanent employees. The schemes define the amounts of benefit that an employee will receive on or after retirement subject to a minimum qualifying period of service under the schemes.

Contribution to pension fund is made by both, the Company based on actuarial recommendation and by employees at 2% and 3% of the basic monthly satury in case of management and non-management staff respectively.

The amount arising as a result of remeasurements are recognised in the statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which they occur.

Past service costs are immediately recognised in statement of profit or loss.

Defined contribution plan

A defined contribution plan is a plan under which the Company pays head contributions into a separate entity. The Company also operates an approved contributory provident fund for all the permanent employees to which equal monthly contributions are made, both by the Company and the employees, to the fund at the rate of 10% of basic salary.

For the year ended March 31, 2020

2.13 Compensated absences

The Company accounts for compensated absences of its employees on unavailed balance of leave in the period in which the leave is earned.

2.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

2.15 Borrowings and their costs

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently measured at amortised cost using the effective interest method.

Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised as part of the cost of that asset.

2.16 Warranty obligations

The Company recognises the estimated liability, on an accrual basis, to repair or replace products under warranty at the statement of financial position's date, and recognises the estimated product warranty costs in the statement of profit or loss when the sale is recognised.

2.17 Trade and other payables

Trade and other payables are initially measured at cost which is the fair value of the consideration to be paid for goods and services, whether or not billed to the Company.

2.18 Revenue from contracts with customers

Revenue from contracts with customers is recognised when control over the goods transfers to the customer that is when the customer has the ability to control the use of the transferred goods provided and generally derive their remaining benefits and there is no unfulfilled obligation that could affect the customer's acceptance of the product. It is measured at the transaction price which the Company expects to be entitled to and represents the amount of goods supplied, after netting of discounts, returns and value added taxes.

Commission on handling Complete Built Up (CBU) vehicles and spare parts is secognised on accrual basis.

Return on bank deposits and short term investments is recognised on accrual basis.

2.19 Research and development cost

Research and development cost except to the extent that an intangible asset is recognised, is charged in the year in which it is incurred. Development costs previously charged to income are not recognised as an asset in the subsequent period.

For the year ended March 31, 2020

2.20 Foreign currency transaction and translation

Foreign currency transactions are recorded in Pak Flupee using the exchange rates prevailing at the dates of the transactions. Monetary gesets and liabilities in foreign currencies are translated into Pak Rupee at the rates of exchange prevailing at the statement of financial position's date. Exchange gains and losses are taken to statisment of profit or insu-

Dividend distribution 2.24

Dividend distribution to shareholders is recognised as fability in the financial statements in the period in which the dividend is approved.

1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances:

3.1 The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and fabilities within the next financial year are addressed below:

3.1.1 Income tox

In making the estimates for income taxes, the Company takes into account the current. income tax law and decisions taken by appellate authorities on certain issues in the past. There may be various matters where the Company's view differs with the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of a material nature is in accordance with the law.

3.1.2 Defined benefit plans

The Company has made certain actuarial assumptions as disclosed in note 18 to the financial statements for valuation of present value of defined benefit obligations and fair value of plan assets, based on actuarial advice.

Provisions: 3.1.3

Provisions are considered, among others, for legal matters, disputed indirect taxes. and warranty obligations where a legal or constructive obligation exists at the statement of financial position's date and reliable estimate can be made of the likely outcome. The nature of these costs is such that judgement is involved in estimating the tinning and amount of cash flows.

3.1.4 Fair valuation of land and buildings

Land and buildings are revalued by using the methodology as mentioned in note 5.2

3.2 No critical judgement has been used in applying the accounting policies.

For the year ended March 31, 2020

CHANGES IN ACCOUNTING POLICIES

i) IFRS 9 - Financial Instruments

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of IFRS 9 Financial Instruments from April 01, 2019 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in note 2.6 above. In accordance with the transitional provisions in IFRS 9, corresponding figures have not been restated and any adjustment to carrying amount of financial assets and liabilities were recognised in the opening retained earnings as of the transition date.

Classifications and remeasurement

On April 01, 2019 (the date of initial application of IFRS 9), the Company's management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories. The main effects resulting from this reclassifications and adjustments are as follows:

Financial assets - April 91, 2019	Note	Carrying amount as reported under IAS 29 April 91, 3019	Parciassification due to EPES - 9	Remeasurament site-area: ED,	Carrying amount as reported under IFSS 8 April 91, 2019
		÷		es 000	
Logien (vernet	73	2.5	81		2.0
(company adjuncts)		37,992			37,807
Denvis		75,004		1	76,034
Trick tiess	30.0	100.602	-	-	999,982
Carll sed tunk hallences		41.90	- 5	-	49.60
		1,021,386	- 32		1.0136

(a) Investments in Arabian Sea Country Club Limited and Automotive Testing & Training Centre (Private) Limited are unlisted equity shares carried at cost less impairment were reclassified from available-for-sale to financial assets at fair value through other comprehensive income (FVOCI) as it is not held for trading.

For the year ended March 31, 2020

- (b) IFRS 9 replaces the 'ocurred loss' model in IAS 39 with an 'expected credit. loss' (ECL) model. The Company has determined that the application of IFRS 9 impormant requirements at April 01, 2019 results in no additional allowance for trade receivables.
- (c) the Company has adopted consequential amendments to IAS 1 Presentation of Financial Statements' which require impairment of financial assets to be presented as a separate fine item in the statement of profit or 50680

The table below explains the original classification categories under IAS 38 and the new classification categories under IFRS 9 for each of the Company's financial assets and liabilities as at April 01, 2019.

	Original classification under IAS 19	New stanification under IFRS 9	Original amesant sander (A6-28	New surrying amount under \$765.5
All control of the same of			Poper	n 1000)
Financial amens	Charles account	when the control of the control		
Trail teachers	Autoba Sir sala	computersite ricare.	- 5	
Logan and advances	Courts and receivables	Amortsud tost	37,867	37,897
Deposits	Conv. and according	Amentional cost	70,024	70.004
Trade debts	Upons and receivables	Amorfised cost	950,682	089,662
Other receivables	Litters and receivables	Arcofised cost	11.77	75.0
Cash and lark tolerors	Corn and receivables	Amortised cost	90,900	49.903
Financial Establish				
Track and other population	Anatted catt	Anotteed cost	1,807,074	1,837,974
Orchanol distant	Percentant cost:	Amorticad cost	15.324	13,524
Short term community	Another cod	Arrofassi sust	6,786,674	6.766.01%

IFRS 15 - Revenue from Contracts with Customers.

The Company has adopted IFRS 15 - Revenue from Contracts with Customers' from April 01, 2019. IFRS 16 replaced IAS 18 - Revenue, IAS 11 - Construction Contracts and the related interpretations. IFRS 15 allows for two methods of adoption:

- subrospectively to each prior period presented with or without practical excedients, or
- retrospectively with cumulative effect of adoption as an adjustment to opening accumulated loss in the period of adoption.

The Company has evaluated the impact of the new revenue standard and has concluded that there is no significant adjustment that needs to be given effect in these financial statements.

For the year ended March 31, 2020

iii) IFRS 16 - Leases

The Company has adopted IFRS 16, "Leases" on April 01, 2019 which replaces existing guidance on accounting for leases, including IAS 17 'Leases', IFRIC 4 'Determining whether an arrangement contains a Lease', SIC-15 'Operating Leases - Incentive' and SIC-27 'Evaluating the substance of transactions involving the legal form of a Lease'. IFRS 16 introduces a single, on balance sheet lease accounting model for lessees. A leasee recognizes a right-of-use asset representing its right-of-use of the underlying asset and a lease liability representing its obligations to make lease payments. The accounting polices relating to Company' right of use asset and lease liability are disclosed in note 2.11.

In applying IFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- By accounting for operating leases with a remaining lease term of less than 12 months as at April 01, 2019 as short-term leases; and
- By electing not to reassess whether a contract is, or contains a lease at the
 date of initial application. Instead, for contracts entered into before the
 transition date, the Company relied on its arrangement made applying IAS
 17 and interpretation for determining whether an arrangement contains a
 Lease.

The Company has evaluated the impact of the new standard and has concluded that there is no impact that needs to be given effect in these financial statements.

		Note	2020	2019
			Rupee	s '000
5.	PROPERTY, PLANT AND EQUIPMENT			
	Operating assets	6.1	3,579,768	3,069,788
	Capital work-in-progress	5.7	59,026	57,953
			3,638.786	3,127,741

For the year ended March 31, 2020

5.1 Operating assets

	James James (Repositual) James (E.E)	Treatput World	Multimpe 10 Installated Installated Toler \$125	Eminating or Treatment (and	mani yan mati wa	Parallem Prof Strapp	telephon	Electronic state of the state o	Chica profi other prijetymantity	Treat
	-					4.98				
Year and of										
Chartery-services cause certific	1831.00	1000	150-279		100,000	9,000	190,000	1000	76.60	3000,700
Personalitat	171,101		37.808	S. Wa	100					200,000
Address			100	366.60	16,000	1.500	135,365	14.80	8.86	200,000
Travers Arth			- 42		1985		(04,941)		1988	85.075
Control of the state	(01)00%		(00,700)	9,90	(79.6%)	(H-bahy	(4)	(45,940)	207.000	2014
Storty Winds rend	TARRES.	THE	190,04	3636	1635	7100	DOM	11.00	- 3/5	7868
Miller Dr. 1888										
Cort is because arressed	1,0120	10000	81.00	301,010	1204200	10.50	445,000	496,046	(80,00)	488,794
Scholarder Experient					30.769				100	10.000
Approving dynamics	94.2%		(9)00	9.90	3000	0.00	(44)(55)	144-140	(mixim)	(1,004,000)
Section 1964	Territor	75.00	790.000	30.54	less. Activ	790	36,81	100	3.0	THE SE
Year acked West PLESS										
Special and Salah Solida (SMA)	0.004000		194,319		initian.	Billion (166,000	1.6550	9.00	0.00
Address:		190,000	1.10		14,000	100	100,000	(0.25)	76.00	11,000
Ingenies, in tells					1000		100		(%)	115.000
Top our above to the death of the party.	(94)(00)		(16,37%)		100,000	0.000) 44, (mu)	(8.680)	244,000	jat ma
Street, of the Event	1,000,000	-	198,376		100.044	100	14.00	-	9.07	SHEEK
An About 15, 1818										
Service and American	1201.00	10000	196,466		process.	40.00	211.711	101 (20)	211200	0.00000
Automobile insulations					0.794				1996	10.000
KAJANJAN BARRAREN AMERIKAN	arcinic		(04.140)		Prices	111111	(0520)	90.01	(minn)	(0.711)(00)
winter :	1,0100	75/07	791,771		mare	1100	-	-	76,807	lumin.
Standard or passed	New Park	110	(40)	4	24-10	2010	144	4	Sect	

[&]quot;. Asserts disprised of having of het brod value.

5.2 Company's two plots of land located at D-2 and D-136, S.I.T.E. Karachi and one plot of land located at Muzzafargarh Road, Multan, measuring 10.61 acres, 6 acres and 1.77 acres respectively and buildings on Karachi land were revalued by an independent valuer - Mis Sadruddin Associates (Private) Limited on March 31, 2020 on the basis of present market values for similar-sized plots in the vicinity for land and depreciated values of similar type of buildings based on present cost of construction (level 2). However, the building on Multan land was not revalued as it was capitalised during the year and it was assessed that the carrying amount does not differ materially from but value on March 31, 2020.

For the year ended March 31, 2020

The different levels have been defined in IFRS 13 for fair value hierarchy as follows:

- Quoted prioss (unadjusted) in active markets for identical assets or flabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (level 2); and
- Inputs for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs e.g. estimated future cash flows) (level 3).

Had there been no revaluation, the net book values of lands and buildings on leasehold tands as at March 31, 2020 would have been Rs. 112.66 million (2019; Rs. 113.2 million) and Rs. 339.36 million (2019; Rs. 353.33 million) respectively.

- 5.3 Forced sales value of lands and buildings on leasehold lands as estimated by valuer is Rs. 1,420.95 million (2019: Rs. 1,315.24 million) and Rs. 624.07 million (2019: Rs. 620.34 million) respectively.
- 5.4 Perticulars of immovable property (i.e. land and building) in the runne of Company is as follows:

	Location	Usage of immovable property	Total Area (in acres)	Covered Area (in eq.ft)
a)	D-2, S-I T.E. Manghopir Road. Karachi.	Chausia assuncting facility	10.61	373,678
310	D-136, 9.1.T.E. Manghopir Road, Karachi	Body manufacturing facility		336,400
us	Karyan Pur, Teheli Multan, Uroca Council No. 73, Near Multan Bypsess, Multan.	35 tackty	1.77	20,273

- 5.5 During the year, the Company has capitalised borrowing costs amounting to Rs. 15.51 million (March 31, 2019; Nil) on its operating assets. Borrowing costs were capitalised at the current year's weighted average rate of its general borrowings of 13.53% per annum.
- 5.6 The details of operating assets disposed of, having net book value in excess of Rs. 500,000 have been disclosed in note 38.
- 5.7 Capital work-in-progress at cost

	2000					200	719	
	Freeinold Larrel		Plant and reschering	Turni	freehold Land	Buildings	Plant and Machinery	Total
				Hopen	n 1008			
Statement set set April 1	9.0	1636	21386	02,963	88.217	1.0	10,709	36.016
Additions during: The year	. 17	516.509	47,266	307.307	21.866	36.100	21,405	79.500
Transien is questing analiti.		(306,000	(31,211)	(209.254)	(118.082)		(12,887)	(120,988)
Time		10.023	40,403	56,006		36,580	21,366	57.903

For the year ended March 31, 2020

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6.	INTANGIBLES - Computer Softwares
ARN.	TOTAL PROPERTY AND ADDRESS OF THE PARTY OF T

INTANGIBLES - Computer Softwares		
	2020	2019
	Rupeer	, 000
Opening balance		
Chat	73,766	69.684
Accumulated amortisation	(85.997)	(56,349)
Net book value	7,760	13,335
Year ended March 31		
Opening net book value	7,769	13,335
Additions	100	4,082
Amortisation	(4.506)	(9,648)
Closing not book value.	3,163	7,769
Closing balance		
Cost	73,766	73,766
Accumulated amortisation	(70,603)	(85,997)
Net book value	3,163	7,769
LONG-TERM INVESTMENTS		
Fair value through other comprehensive income		
Arabian Sea Country Club Limited [500,000 (2019: 500,000) Unquoted ordinary shares of Rs. 10 each, representing 6.45 percent (2019: 5.45 percent) of equity]		
Automotive Testing & Training Centre		
(Private) Limited		
(50,000 (2919: 50,000) Unquoted ordinary		
shares of Rs. 10 each, representing 2.77	1 11	
percent (2019: 2.77 percent) of equity)	9	4.5
Western Control of the Control of th		-20
	-	+(0)

The above investments were ressuessed by the management on April 01, 2019 and March 31, 2020 based on the available information and it was concluded that the fair value does not differ materially from carrying amount on April 01, 2019 and March 31, 2020.

	TAGE SHESH DESCRIPTION OF SHESH	2020 Rupees	2010
A.	LONG-TERM LOANS AND ADVANCES – considered good		
	Loans and advances to employees	41,466	37,897
	Less: Recoverable within one year - note 11	(10,403)	(13,222)
		25.063	24,675

For the year ended March 31, 2020

8.1 The loans and advances are extended to employees under their terms of employment on interest free basis.

Loans under the schemes have been extended to facilitate purchase / construction of house and are repayable over a period of eight to nine years. The loan for purchase / construction of house is secured against employees' retirement fund balances.

Advances to employees are for house rent assistance and these are repayable upto a period of seven years. These are secured against employees' retirement fund balances.

2019

2929

5.837,972

8.038,094

8.3 Long term towns and advances include loan provided to key management personnel emounting to Rs 7.06 million (2019; Rs. 9.03 million).

	Rupee	s '000'
INVENTORIES		
Stores and spores	9,325	13,404
Loose tools	3,535	5.835
	12,860	19,239
Less: Provision for obsolescence	(1,379)	(499)
	11,481	18,740
Raw materials and components - no lincluding in transit Rs. 295.6 mills		
(2019: Rs. 283.7 million)	3.076,315	7,077,811
Less: Provision for obsolescence	(11,880)	(28,603)
	7.084,435	7,051,208
Work-in-processa	30,413	15,532
Finished goods	690,773	723,362
Less: Provision for obsolescence		(419)
	590,773	722,943
Trading stock - Spare parts (including in transit Rs. 36.5 million	n.	
(2019: Rs. 13.6 mBlon)]	167,641	251,597
Less: Provision for obsclescence	(26,171)	(21,929)
	140,870	229,668

For the year ended March 31, 2020

- 9.4 Raw materials include stocks held with suppliers amounting to Rs. 157 million (2019: Rs. 225 million)
- 8.2 As at March 31, 2020, raw materials and components costing Fla. 1.448.63 million. (2019: Rs. 99.57 million) have been written down by Rs. 99.73 (2019: Rs. 8.69 million) and finished products costing Rs. 144.17 million (2019: Rs. 25.38 million) by Rs. 24.81 million (2019: Rs. 4.75 million) to amve at the net esalisable value.
- 0.1 During the year, management has reassessed the method for determining provision for obsolescence of raw material and stores, spares and loose tools related to chassis assembly process to better reflect the pattern in which the economic benefits of these assets are consumed. Had the reassessment been not made, the provision for obsolescence and loss before income tax for the year would have been higher by Rs. 17.84 million and carrying value of these items would have been lower by the same amount.

2020 2019 Rupees '000

10. TRADE DEBTS - NET

Considered good - unsecured

Related party - note 10.2		
Indus Motor Company Limited	107,658	78.407
Others - note 10.3	261,742	881.275
	369,410	859,682
Considered doubtful		
Others	54,742	36,948
	424,152	996.630
Less: Provision for doubtful debts - note 10.4	(54,742)	(38,948)
	369,410	959,682

As at March 31, the age unalysis of trade debts is as follows:

	2020 Rupee	2919 s '000
Not yet due	260,211	901,819
Past due		
- Up to 3 months *	45,670	2.157
- 3 to 6 months	6.504	72,740
-6 to 12 months	44,519	466
- More than one year	67,248	19,448
TOWN CONTROL OF THE PARTY OF TH	163,941	94,511
	424,152	996,630

^{*} This includes amount of file, 38.95 million (2019 / Nil) from related party wild the remaining basines from reliabilit party is not that on recording their

10.2The maximum aggregate amount due from the related party at the end of any month during the year was Rs. 107.8 million (2019; Rs. 110.08 million).

For the year ended March 31, 2020

10.3 These include amount receivable from government institutions amounting to Rs. 203.12 million (2019: Rs. 668.15 million).

		2020	2019
		Rupees	.000
10.4	Balance at beginning of the year	36.948	21,956
	Charge during the year - net	17,794	14,992
	Balance at end of the year	54,742	36.948
11.	LOANS AND ADVANCES		
	Current maturity of long term lowns and		
	advances to employees	10.403	13,222
	Advances to:		
	- employees	496	687
	- suppliers	8.370	15,906
	2002.000	8.866	16,593
		25.289	29,815
	Provision for doubtful advances to suppliers	(7,270)	(7,270)
		17,999	22.545

11.1 The maximum aggregate amount due from the related party at the end of any month during the year was Rs. 9.62 million (2019; Rs. 7.48 million);

September 1

The second second

		2929	2019
		Ropees '000	
12.	TRADE DEPOSITS AND PREPAYMENTS		
	Trade deposits	31,304	80,069
	Provision for doubtful deposits - note 12.1	(10.170)	(13,047)
		21.134	67,912
	Prepayments	13.352	21,877
		34,486	119,769
12.1	Balance at beginning of the year	13,047	8.506
	(Reversal) / charge during the year	(2,677)	4,541
	Salance at end of the year	10,170	13,047

For the year ended March 31, 2020

2020	2019
Domese	2000

REFUNDS DUE FROM THE GOVERNMENT -SALES TAX

Sales tax refundable - note 13.1	571,459	1,165,461
Gustom duty and excise duty refundable	2,807	2.807
	574,266	1,168.268
Less: Provision for doubtful refunds:	(55,726)	(55,726)
	518,540	1,112,542

13.1 This includes sales tax refundable of Rs. 47.14 million (2019: Rs. 47.14 million), net of provisional refunds of Rs. 519.05 million (2019: Rs. 519.05 million) received against bank guarantees and undertakings, the recovery of which is dependent upon fulfilment of the requirements of standing order no. 1 of 2010 issued by the Federal Board of Revenue and verification of related sales tax records. The Company is in the process of complying with the regulatory requirements.

14. OTHER RECEIVABLES

Other receivable includes Rs. 9.01 million (2019; Nil) from Toyota Tsusho Corporation, Japan, a related party of the Company against indenting commission. The maximum aggregate amount due from the related party at the end of any month during the year was Rs. 29.98 million (2019; Rs. 0.92 million).

	2020	2019
CASH AND BANK BALANCES	Rupoes	1900
Balances with banks		
- on current accounts	20,253	13,672
- on PLS savings accounts - note 15.1	118.254	22,966
Offeques in hand	100	12,793
Clash in hand	100	62
	138,607	49,683
At March 31, 2020, the average rate of mark-up on annum (2019: 8,31% per annum).	savings accounts wa	s 10.8% per

Cash and bank balances includes Rs. 6.32 million (2019; Nil) in bank accounts of JS Bank Limited a related party of the Company. The maximum apprepare amount at

the end of any month during the year was Rs. 6.32 million (2019: NK).

Hinopak Motors Limited

For the year ended March 31, 2020

	-or the year	ended March 51, 2020	2020	2019
16	SHARE CAP	ITAL	Rupees	000
16.1	Authorised s	there capital		
#7.E1)	313211331H2153	rdinary shares of Rs. 10 each	200.000	200.000
16.7	0.0111111111111111111111111111111111111	cribed and paid-up capital	*110.000	2501/3600
10.2				
	Connary shar	res of Rs. 10 each		
	6.200,280	shares issued for consideration	622,0222	72.5000.50
	4.133.520	paid in cash shares issued for consideration other	ff2,603	#2,903
	111111111111111111	than cash - fixed assets	41,335	41,335
	2,066,769	shares issued as bonus shares	20,568	20,568
	12,400,560		124,006	124,006
16,5	As per the sh - Each party	inclail statements, which are prepared of expressed an unmodified opinion, areholders agreement between HML and has first right of refusal in case the other se Company.	TTC:	0.000 KARON
	- HML has n	ght to appoint Chairman of the Board of t		
			2020 Rupees	2019
17.	DEFERRED	TAXATION	Stopens	· www
	Credit balano	es arising in respect of:		
	- accelerate	d tax depreciation allowances	95,640	96,026
	- surplus ari	sing on revaluation of fixed assets	127,464	113,364
	Charles and All	es amsing in respect of:	223,104	189,410
			F	415 6100
		or inventories absolescence or doubtful trade diabts, deposits.	(11,434)	(13,509)
	100 To 10	es and other receivables	(07,115)	(31,025)
	- provision f	or retirement benefits	(26,494)	(25,484)
	- provision (ur warranty	(12,862)	(12,406)
			(87,895)	(82,484)
			135,209	116,928

For the year ended March 31, 2020

17.1 Deferred tax asset has not been recognised on unused tax losses and unabsorbed tax depreciation amounting to Rs. 567.77 million (2019: Rs. 88.26 million) and Rs. 101.46 million (2019: Rs. 47.55 million) respectively. In view of tack of current and future estimated taxable profits required to recover the benefit. Deferred tax asset on unused tax losses will lapse after 6 years of loss occurred, however deferred tax asset on loss of unabsorbed depreciation will be available for indefinite period.

18. EMPLOYEE BENEFIT OBLIGATIONS - RETIREMENT BENEFITS

- 18.1 As stated in note 2.12, the Company operates approved funded pension and grafuity schemes for all its permanent employees and an unfunded grafuity for its contractual employees. The schemes define the amounts of benefit that an employee will receive on or after retirement subject to a minimum qualifying period of service under the schemes. Actuarial valuation of these plans is carried out every year and latest actuarial valuation was carried out as at March 31, 2020.
- 18.2 Plan assets held in trust are governed by local regulations which mainly include Trust Act, 1882. Companies Act, 2017, income Tax Rules, 2002 and Rules under the Trust deed of the Plans. The responsibility for governance of the Plans, including investment decisions and contribution schedules, rests with the respective Board of Trustees. The Company appoints the trustees and all trustees are employees of the Company.
- 18.3 Details of the Funds as per the actuarial valuation are as follows:

		2628		2019			
		Fore	dad	Undunited	Fan	test	Unbuntled
		Graduity	Fernion	Gratuity	Greatety	Paraine	Gratiety
		Firet	Flund		France	Fund:	
2221	COLOR COURSEMENTANA CLOCK	***		Bapen	o 1000		-
18.4	Movement in (sense) / Halafity						
	Opening ballence	11,003	(17,590)	171,390	1,001	12,937	154,000
	Charge for the year	15,473	3,835	25.660	13,000	16,00%	26,776
	Mahasareners lacuground					10000	
	er Other Comprehensive Impres	(7.800)	30.587	(9.300)	14,950	219,290	5,347
	Prepresents during the piew	(20.309)	(0.250)	(40,732)	(18,416)	(39,876)	(16,700)
	Chargisteres	(31,890)	17,991	110,000	.11,000	(17,190)	170,388
18.5	Balance sheet recurdification as at March 21						
	Fair velue of plan assets	(289.404)	(429,930)	90	(215,366)	(388,040)	
	Propert value of obligations	257,704	445,547	130,000	226,370	D7D,650	125,300
	Recognised Johnson / Baylon	[11,750]	17,991	190,005	11,002	(17,380)	175,396
18.6	Rame assessed recognised in Ottor Comprehensive Insome						
	(Spelerus Istem / (gilns)	(8.800)	20,094	(9,305)	8.796	(25/10)	6,347
	Remandament has an 90.						
	The votate of plant as posts	1,000	9,300		1.867	13,100	
		17.26(1)	30,587	(9,500)	14,852	715,250	5.00

For the year ended March 31, 2020

		1130			2018		
		Fun		Unformer:	Fyn	Websides	
		Graduity	Pirmiteri	Gestudy	Gratuity	Pension	Gestudy
		Forest	Fund	Rappo	Franci	Fund	
18.7	Charge for the year:	7		11777	0000		-
	Current service cost	140,000	17,004	10,300	14.387	30.248	14,704
	Printed and	20.639	48,437	19,400	16,854	39,257	72.071
	Employee commutation		(40201)	0.000	11000000	(3,7%)	111111111111111111111111111111111111111
	Equation on manager arran-	(00/290)	(51,390)		(10.560)	(28.700)	
		15,472	1,836	35,660	13,066	14,700	26,775
18.8	Managers in the present value of obligation						
	Opening balance	220,379	375,0890	170,786	100,000	361,160	194,269
	Current service used	10,000	17,004	10,300	14.380	30.248	14,704
	Printed soul	20,639	48,407	19,490	10.854	39,257	72,071
	Removalment :	(0,050)	2000044	(91,0000)	9,756	(26.815)	6,040
	Borollis part	(5,374)	(19.720)	(46,700)	(10.6ml)	(13,742)	116,100
	Oweng tabase	267,754	446,547	150,025	236,376	189,000	170,300
18.9	Movement in fair value of pter assets						
	Opening failures	215,940	300,040	- 64	100329	348.388	
	Executivesm or piec waves.	30,782	51,334		16,586	29,718	
	Remonutarient	(1)(000)	(50,9000)		(6.897)	(33,160)	
	Employer commissions	30,384	3.506	- 6	18.418	32 973	
	Enghano comitationi		33900		-	3,600	
	Service paid	(5.314)	(1074)		(10.6mm)	(13.742)	-
	Chairgiularus	350,454	425,518		210,300	360,040	
18,10	Plen asserts comprise of						
	Comment tonds	157,770	203,997	- 14	3395,2800	255,000	100
	Other Bonds (TPCk)	3.3	3.3	42	9.5	1.796	1.0
	Mittal funds	20,003	26,038		24,740	40 000	
	Back deposits	84,298	173,844	1.5	46.765	120,058	1,00
	Countettons	6,626	13.600	-	10.000	20.168	-2
		265,484	425.5m		215.366	100.000	

For the year ended March 31, 2020

		2010			2010		
		Fan	ded	Gratuity set	Funded		112020000000
		Gratuity Fund	Pension Fund		Gratuity Fund	Permion Fund	Granuty
18.11	Key actuarial assurgetures used:						
	Expecial: rese of return on plan amount (N)	11.26	11,25		13,26	13.25	
	Fiden safety recruite Clid.	10.00	70).000	10,00	12.25	12.25	12.25
	Discount tale at March 31 (%)	11.26		7,110.07	13.26	13.25	10.25
	Referent ago (years)	800	40	107	00	40	80

- 18.12 Pre-retirement mortality was assumed to be SLIC (2001-2005) for males and females, as the case may be, rated down one year.
- 18.13 In case of funded plans, the Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the retrement benefit plan. Within this framework, the Company's ALM objective is to match assets to the retrement benefit obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due. The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement benefit plan obligations. The Company has not changed the processes used to manage its risks from previous periods. The Company does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in 2020 consists of treasury bills, government bonds and term deposits. The Company believes that government securities offer the best returns over the long-term with an acceptable level of rest.
- 18.14 The expected return on plan assets was determined by considering the expected returns evaluate on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the statement of financial position's date.

The actuary conducts separate valuations for calculating contribution rates and the Company contributes to the pension and gratuity funds according to the actuary's advice. Expense of the defined benefit plan is calculated by the actuary.

For the year ended March 31, 2020



The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation				
	Change in assumption	Increase in assumption	Decrease in assumption		
		- Ruper	as '000		
Discount rate at 31 March	1.00%	(66,670)	75.041		
Future salary increases	1,00%	64,310	(09,023)		

There is no significant change in the obligation if life expectancy increases by 1 year.

The sensitivity enalyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the Projected Link Credit Method at the end of the reporting period) has been applied as when calculating the fability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- 18.16 The expected return on plan assets is based on the merket expectations and depends upon the asset portfolio of the plan, at the beginning of the period, for returns over the entire life of the related obligation.
- 18.17 Based on actuary's advice, the amount of expected contribution to gratuity and pension funds in 2020-21 will be Rs. 15.57 million and Rs. 17.51 million respectively.
- 18.18 The weighted average duration of pension fund, funded gratuity and unfunded gratuity is 8.36 years.
- 58.19 Expected maturity analysis of undiscounted retirement benefit plans.

	6.005 thun a year	Between 1-2 years	Detween 2-5 years	S-10 years	Over 10 years	Tetar	
# 55 mm 20 2000	* Rispens 1000						
Pathement Servills plans	82.517	81,736	294.633	853.588	5.037,718	6.000 (01	

For the year ended March 31, 2020

	2020 Rupes	2019 m '000	
TRADE AND OTHER PAYABLES			
Creditors	170,443	176,166	
Bits payable to			
- Toyota Tsusho Corporation, Japan, group company	359,900	766,018	
- Hind Motors Limited, Japan - holding company	5,208	13,778	
- Toyota Tsusho, Asia Pacific PTE Ltd, group company	29,426	35,641	
- Hing Motors Middle East FZE	1.75	111,652	
Accrued liabilities	515,294	590,593	
Advances from austomers - unsecured	1,577,312	1,394,945	
Royalty payable to Hino Motors, Ltd. Japan. *holding company - note 19.1	68,196	21,675	
Security deposits from dealers - note 19.2	37,000	37,000	
Employees related obligation - note 19.3	70,395	65,985	
Tax deducted at source and payable to statutory authorities	4,244	4,307	
Sindh sales tax on services	10,726	2.818	
Interest payable - note 19.4	106,282	113,062	
Provisions - note 19.5	326,924	309,523	
Others	29,548	9,379	
	3,315,900	3,652,352	

- 19.1 During the year, royalty amounting to Rs. 75.7 million (2019: Rs. 443.3 million), has been paid by the Company to Hino Motors, Ltd. Japan- Parent Company, having registered office at 1-1 Hinodai 3-chome, Hino-shi, Tokyo.
- This represents amounts received from dealers of the Company, which are utilised for 19.2 the purpose of business in accordance with the related agreements.
- This represents contributions made by employees towards the sale price of vehicles provided to them by the Company in accordance with the Company's vehicle policy.

For the year ended March 31, 2020

19.4 This represents interest payable on short-term borrowings.

		2020	2019
		Rupeer	
19.5	PROVISIONS		
	Provision for compensated absences	100,608	82,111
	Provision for warranty services	44,317	45.213
	Provision for infrastructure cess	23,249	23,249
	Provision for austom duties	158,750	158,750
		326,924	309 323

19.5.1 Movements in each class of provision during the year are set out below.

	Provision for compensated absences	Provision for warranty services	Provision for infrastructure gees. Rupees '000	Provision for custom duties	Total
Balance as at April 1, 2019	62,111	45.215	29.249	158,750	309,323
Recognised during the year	42,062	4,862	.000		46,914
Expenses against provision	(23,556)	(5.758)	-	3.0	(29,373)
Balance as at March 31, 2000	100,608	44,317	25,249	158,750	328,924
	Provision for compensated absences	Provision for warranty services	Provision for infrastructure cress	Provision for custom duties	Total
	•		Rupees '000		-
Salance as at April 1, 2015	77,008	43,490	20,249	158,790	302,517
Recognised during the year	25,444	7,672	-	1-1	33,116
Recognised during the year Expenses against provision	25,444 (20,361)	7,672 (5,949)	=	3	33,116 (26,310)

For the year ended March 31, 2020

		2020	2019
		Rupees	'000
20.	SHORT-TERM BORROWINGS - Secured		
	Short-term icans - note 20.1	4,100,000	4,600,000
	Running-finance - note 20.2	15,238	2,166,074
		4.115,238	6.766,074
29.1	The short-term loans have been obtained from various rates ranging from one month KIBOR + 0.2% per annum per annum (2019) one month KIBOR + 0.2% per annum per annum). The loans are repayable by April 24, 2020.	to one-month i	0BOR + 0.3%
20.2	The facilities for running finance under mark-up arra- amounted to Rs. 11.90 billion (2019; Rs. 11.90 billion) of unutilised at the year end was Rs. 7.8 billion (2019; Rs. 5 up applicable on running finance are based on KIBOR KIBOR = 0.5% to three month KIBOR + 1.25% (2019; three month KIBOR + 1.25%) per annum.	of which the amo 1,14 billion). The R and range fro	ount remaining rutes of mark- im one month
20.3	The facilities for opening the letters of credit and guar amounted to Rs. 13.12 billion (2019; Rs. 12.9 billion) o unutilised at the year and was Rs. 9.6 billion (2019; Rs. 9	f which the amo	
20.4	The above facilities are secured by way of hypothecation	Carlo Santano de Carlo Santa Santano	
MODEL TO	group guarantees arranged through banks.	charge on inven	tory and intra-
MOUNT.		charge on inven	tory and intra-
21.	group guarantees arranged through banks. CONTINGENCY AND COMMITMENTS	ived provisions	ii retunds of
21. 21.1	group guarantees arranged through banks. CONTINGENCY AND COMMITMENTS As at March 31, 2020, the Company has rece Rs. S19,05 million (2019; Rs. 519,05 million) from the	ived provisiona sales tax depar	s retunds of riment against
21. 21.1	group guarantees arranged through banks. CONTINGENCY AND COMMITMENTS As at March 31, 2020, the Company has rece Rs. 519,05 million (2019; Rs. 519,05 million) from the undertakings and bank guarantees. Commitments for capital expenditure as at March 31,	ived provisiona sales tax depar	s retunds of riment against
21. 21.1	group guarantees arranged through banks. CONTINGENCY AND COMMITMENTS As at March 31, 2020, the Company has recell Rs. 519,05 million (2019: Rs. 519,05 million) from the undertakings and bank guarantees. Commitments for capital expenditure as at March 31, million (2019: Rs 17.83 million).	ived provisiona sales tax depar 2020 ampunte	if refunds of riment against d to Rs. 1.86 2019
21. 21.1	group guarantees arranged through banks. CONTINGENCY AND COMMITMENTS As at March 31, 2020, the Company has rece Rs. 519,05 million (2019; Rs. 519,05 million) from the undertakings and bank guarantees. Commitments for capital expenditure as at March 31,	rved provisiona sales tax depar 2020 amounte 2020	if refunds of riment against d to Rs. 1.86 2019
21. 21.1	group guarantees arranged through banks. CONTINGENCY AND COMMITMENTS As at March 31, 2020, the Company has recell Rs. 519,05 million (2019: Rs. 519,05 million) from the undertakings and bank guarantees. Commitments for capital expenditure as at March 31, million (2019: Rs 17.83 million).	rved provisiona sales tax depar 2020 amounte 2020	if refunds of riment against d to Rs. 1.86 2019
21. 21.1	group guarantees arranged through banks. CONTINGENCY AND COMMITMENTS As at March 31, 2020, the Company has rece Rs. \$19.05 million (2019: Rs. \$19.05 million) from the undertakings and bank guarantees. Commitments for capital expenditure as at March 31, million (2019: Rs. 17.83 million). REVENUE FROM CONTRACTS WITH CUTOMERS	2020 amounte 2020 amounte 2020 Rupees 16,291,256 (2,374,806)	ii retunds of riment against d to Rs. 1.86 2019 1000 23,377,035 (3,397,906)
21. 21.1	group guarantees arranged through banks. CONTINGENCY AND COMMITMENTS As at March 31, 2020, the Company has received Rs. 519,05 million (2019: Rs. 519,05 million) from the undertakings and bank guarantees. Commitments for capital expenditure as at March 31, million (2019: Rs 17.83 million). REVENUE FROM CONTRACTS WITH CUTOMERS Gross sales	rived provisional sales tax departments 2020 amounte 2020 Rupees 16,291,256	if refunds of riment against d to Rs. 1.86 2019 1'000
21. 21.1 21.2 21.2	group guarantees arranged through banks. CONTINGENCY AND COMMITMENTS As at March 31, 2020, the Company has received Rs. 519,05 million (2019: Rs. 519,05 million) from the undertakings and bank guarantees. Commitments for capital expenditure as at March 31, million (2019: Rs 17.83 million). REVENUE FROM CONTRACTS WITH CUTOMERS Gross sales	2020 amounte 2020 amounte 2020 Rupees 16,291,256 (2,374,806)	ii retunds of riment against d to Rs. 1.86 2019 1000 23,377,035 (3,397,906)

For the year ended March 31, 2020

23. TOTAL COST OF SALES, DISTRIBUTION COST AND ADMINISTRATIVE EXPENSES

		G105 SAC		0191949 000		ADMINIST KINNS		701	TAL.
		9696	2016	min.	:000	inte	300	me	2019
		-0.0022181	12,594-01.11	34	Paper	1989		JUI-04725	
	Flow training (propose)	10.307.447	11.690,210					NUMBER OF	12,094,212
	Short come vois 25.1	BECOM:	390,147	170,696	196,060	732,669	07,09	307,69	1,04376
	Digitalists and anothers	1000	177,566	10,040	NAME	36,400	48,349	208,769	310 428
	Fluid, loke, and lower	MARKET.	25,495	6,00	0.640	13,369	14,701	94,869	47,306
	historia	8.812	6.462	1,641	1,011	7,700	1,498	19.294	77.306
	Service consists not construent as	P1.168	10,769	46.217	95+98	100,750	19040	97,166	44363
	Fuer and power	16,011	75,294	530	3,621	77798	100001	85.003	81.350
	haveling and processors.	3.216	11,4/11	10.000	M/180	16,888	15.06	32/944	40.80
	Propring M. Indohinaria	20.68	46.584	1310	546	0.001	14,760	36.661	63.808
	Conspictor in Others	8.679	5.271	5.103	9,000	1999	9/99	196,007	19,004
	Florida and historical executions	101,440	121.57%					104,440	(10),076
	(Revenue) i Provincii fut giornie. 2006 in Early, dictor and pomis	(1)((1)(1)(1)	3.750					7791000	5.710
	Logal electrodromes the later	3.58	2,486	1,889	2,810	11,000	11,381	24089	90251
	Author voluments - wis EU.	- 74	100	- 3	, ZL.,	4,307	4,100	4,65	4,300
	Sangely and numbers are	2.5	100	1300	×200	90.00	11,000	70.66	7000
	Attacking and pass, prompting	1.5		15,140	1000			15,140	17,000
	Posteri memicania chegas	2.4		m (#1	25,594			86,961	28,259
	Markey weeks.	16		10,840	130%			72.040	5343
	Other inquiries	6.08	60,040	5,796	colt	16.80	15.00	30,600	3000
		ritionally.	17,216,000	386,194	104,000	Sept. Serie	275,001	10,000,002	10'300',646
	Quality much of with transmiss.	16,600	80,084						
	Closing which of work in process	100.415	. (H.388						
	Cred of growth reproductived	Harten.	17.200.640						
	Georgeach of Networphia	195.90	340,487						
	Chatry stock of finished granis.	(890,700)	(101,90)						
		Uliman.	10,100,507						
	Consequent of Feeling growth	1,001,000	1 100,000						
		stietan	nunhan						
4.1	Staff syste								
	Contract version, althoughouse and staff seeling	104,768	798,989	185,000	100,000	tirtime	HILDE	177,000	CHECKE
	Charge for setting beautiful plans.	16.045	66100	6.80	2394	6,704	4.790	10.00	minim
	Charge for Self-sel (constitutor plan)	(1300)	110600	C(0)	8,800	3,394	OHE	10,044	9,300
		30.00	10000	196,000	176,060	100.760	HEATIN	907.169	COLLIN

For the year ended March 31, 2020

		2020 Rupee	2019
23.2	Auditors' remuneration	2005/2009	hoose
	Audit fee Fee for limited review of half yearly financial	2,050	2,050
	statements and other certifications	1,955	1,690
	Out of pocket expenses	452	420
		4.457	4,160
24.	OTHER INCOME		
	Income from financial assets		
	Return on PLS savings accounts	7.358	42,868
	Return on deposit accounts	408	55,400
	AND DESCRIPTION OF THE PROPERTY OF	7,766	98,268
	Income from non-financial assets		340333441
	Gain on disposal of non-current assets	14,065	5,533
	Others		
	Strap sales	21,600	32,293
	Commission from group company	38.084	922
	Insurance claim	113	
	Others	1,241	10,624
		112,1989	147,640
25.	OTHER EXPENSES		
	Donations and charities - note 25.1 and 25.2	1.00	1,300
	Others		72
			1,372
25.1	Donation to following organisation is equal to or exceeds Rs. 0.5 million.		
	- Daruf Sukoon	0.63	1,200
25.2	None of the directors or their spouses had any interes	t in the donees.	
	ITELESTATE DE PASOS	2020	2019
26.	FINANCE COST	Rupee	000
	Extriange loss - net	179,992	815,803
	Mark-up on shart-term borrowings	835,656	187,502
	Bank charges and others	19,131	18,492
		1.034.779	1.021.797

For the year ended March 31, 2020

		2020 Rupee	2019
	INCOME TAX EXPENSE	2,000.	
	Current		
	- for the year	209,560	296,709
	- for prior year		52,486
	Deferred	1,A18	3,928
		210,978	363,123
		2020	2019
i	Relationship between tax expense and accounting loss	Rupee	u '000
	Loss before taxation	(1.843.998)	(520, 174)
	Tox calculated at the rate of 29% (2019: 29%)	(534,759)	(150,850)
	Asset not recognised on tax loss	533,416	148,906
	Minimum tax	209,206	227,192
	Effect of final tax regime	(9,140)	77,389
	Prior year impact	25	52,486
	Others	12,255	-
	Tax charge for the year	210,678	363,123
		2020	2019
	LOSS PER SHARE - BASIC		
	Loss after taxation attributable to ordinary shareholders (Rupous '000)	(2,054,976)	(873,297)
	Number of ordinary shares (in '000) issued and subscribed at end of the year	12,401	12,461
	Loss per share - basic	Fis. (185.71)	Rs. (70.42)

28.1 A diluted earnings / (loss) per share has not been presented as the Company does not have any convertible instruments in issue as at March 31, 2020 and March 31, 2019 which would have any effect on the loss per share if the option to convert is exercised.

For the year ended March 31, 2020

Decrease in current liabilities

Trade and other payables

2970	2019
Ruper	n 000 en

29. CASH GENERATED FROM / (UTILISED IN) OPERATIONS

Loss before taxation	(1,643,998)	(529,174)
Add / (less): Adjustments for non-cash charges and other items		
Depreciation and amortisation	230,799	237,428
Gain on disposal of operating fixed assets	(14,005)	(5.533)
Retrement becefits charge	60,958	58.475
Mark-up on short-term borrowings	835,656	187,502
Impairment of investment	*	72
Income on PLS savings and deposit accounts	(7,766)	(98,268)
Loss before working capital changes	(738,436)	(142,498)
EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES		
Decrease / (increase) in current assets		
Inventories	4,200,110	(3,102,778)
Trade debts	590,272	(244,747)
Loans and advances	4,546	720
Trade deposits and prepayments	55,303	7,827
Refunds due from the government - sales tax	594,002	(815,799)
Other receivables	(14,694)	438
	5,429,548	(4,155,330)

(5.157,121)

(0.312,451)

(9.454.949)

(331,672)

5,097,876

4,359,440

For the year ended March 31, 2020

2020 2019 Rupoes '000

30. CASH AND CASH EQUIVALENTS.

Cash and bank belances - note 15	138,607	49,683
Short-term borrowings - secured - note 20	(4,115,238)	(6,766,074)
	(3.976.631)	(6,716,391)

REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The amounts charged in these financial statements for remuneration of the Chief Executive Officer, Directors and Executives of the Company are as follows:

	CHIEF EXE	CUTIVE	DIRECT	ORS	EXECU	TIVES
	2228	2019	2020	2019	2020	2019
	•	42/1/0	- Rupee	1000	005004	
Managerial remarkables						
and altowoodes	2,732	6,711	2,500	10,470	01,635	51,260
Dunus	2.1	2,000	100	4,937	14,690	20,167
Retroment benefits	7.7	1.5	1,70	100	13,670	14,540
Rand and utilities	29	5.4	8	440	335,667	10,730
Leaner passage	107	500	176	(0.75)	3.817	2:900
Club expenses		(5		1.60	678	560
Medical expenses	212	188	211	260	3.5%	2,006
	3,943	10,261	2,507	17,014	141.823	108.270
Humber of ponyons		1	_1_	7.	-24	16

- 31.1 The Managing Director, Directors and certain Executives of the Company are provided with free use of Company maintained cars and housing facilities in accordance with their terms of employment.
- 51.2 Consultancy fee paid to the Chairman amounts to Rs. 3.8 million (2019: Rs. 3.52 million). The Chairman is also provided with free use of Company maintained car.
- 21.3 in addition to above, See paid to the Chairman and independent non executive directors (Pakistan resident only) for attending meetings during the year amounted to Rs. 0.33 million (2019: Rs. 0.38 million) and Rs. 0.78 million (2019: Rs. 0.3 million), respectively.

For the year ended March 31, 2020

		1.5	2020 Units	2019
32.	PLANT CAPACITY AND PRODUCTION	15	Cillia	
	Plant capacity (single shift without overtime)			
	- Chesais	-	6,000	6,000
	- Bodies		1,800	1,800
	Actual production			
	- Chausis		1,765	3,201
	- Bodies		342	802

32.1 Chassis and bodies production during the year was as per market demand.

33. RELATED PARTY DISCLOSURES

Disclosure of transactions between the Company and related parties:

Relationship		Nature of transaction	2020	2019
		Decree of the following seconds	Rupees	000
1	Holding company	- Dividend paid	8	647.987
		- Purchase of goods	90,762	358,164
		- Royalty charge	120,761	126,811
		- Technical assistance fee	3,679	5,029
ŭ.	Other riskried parties	- Purchase of goods	4,811,150	13,750,529
		- Sale of goods	955,745	1,164,722
		- Dividend paid	*	308,246
		 Purchase of property, plant and equipment 	88,050	37,730
		- Commission samed	38,084	922
		 Payments to retirement benefit plans 	77,547	88,801

^{33.1} Outstanding balances with related parties as at year end have been included in trade debts, other receivables and trade and other payables respectively. These are settled in ordinary course of business.

^{33.2} Details of compensation to key management personnel comprising of Managing Director and Directors is disclosed in note 31.

For the year ended March 31, 2020

33.3 Following are the related parties / associated companies with whom the Company had entered into transactions or have arrangement / agreement in place.

S.No.	Company Name	thasis of association	Aggregate % of Shareholding
17	Hino Motors Limited, Japan	Parant	50.33%
2	Toyots Trusho Corporation, Japan	Group Company	29.67%
3.1	Hino Motors (China) Company Limited	Group Company	N/A
4	Hino Motore Middle East FZE	Group Company	NA
6	Hino Motors Sale (Thelland) Limited	Group Company	N/A
10	Toyota Taunho Anin Pacific Phe Limited	Group Company	MA
27	Toyotau Machinery Corporation	Group Company	N/A
. 0	Indus Motor Company Limited	Group Company	NOA
Đ.	JS Bank Limited	Common Directorship	N/A

34. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial assets and liabilities

	- Deferm	O'T WATER AND THE	erites	Non-Internet - Working Depring			Tetal
	Materials out to recom- grape	Metarty after one pref	Sv6-tutat	Motorty out to over pays Regions 200	Matarity wherever pres	Satt-tooled	- (1777) -
PIRANCIAL ASSETS							
Gotto and advantas			1.0	145,4400	25,002	46,460	91,400
Deposits				25.136	7.807	20,001	28,361
Tracks Avenue				Denie th		3805,616	300.410
Ottor receivable				94.894		14.2004	14-834
Seek and room between	119.294	-	715.254	39.300		21.70	19,607
30.00	176,234		115,254	241.69	75,246	474,394	. 85,105
30%	20.66		25,000	1,007,310	36.797	1.100,300	1,100,000
PROMISEL LINES THESE							
Tracts and other payerner	100			1.286.099		24300000	1.1200,298
Short territoriosings	4.256.236		1.6495001	11175	100		439400
Undered Assessing	- Carrie			13.89		71,89	78,300
ann.	4.575,000		4,115.208	1360.89		1,302,004	6-957,842
38/6	6.758.574		0.790.025	1001-08		1,001,408	8.817.377
Oil statement of Personal	median gag			-			
2635	Titlemann)		15767-001	090,0700	11,779	808,800	16,000,000
1919	6.703.100		35,740,1001	(TRE-200E)	39.797	200,000	(7.404.200)
OFF STATEMENT OF FINA	HOME POSITY	ON FINANCIAL	HARTINLAMIDATE	0.0			
Committee with the souther and		×1000008568	2022-0-02-020				1,966
Latter of presid							796,000
Cetters of positions							3.50.00
2000							3.869.152
3419							1.502.007

The effective interest / mark-up rates for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements.

For the year ended March 31, 2020

(i) Interest / Mark-up rate risk

Interest / mark-up rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. As at March 31, 2020 the Company's interest bearing financial assets amounted to Rs. 0.12 billion (2019; Rs.0.02 billion), and had the interest rates varied by 100 basis points with all the other variables held constant, loss before tax for the year would have been approximately higher / lower by Rs. 1.18 million (2019; Rs. 0.23 million).

The sensitivity of 100 basis points movement in the interest rates has been used as historically (five years) floating interest rates have moved by an average of 100 basis points per annum.

(ii) Credit risk

Credit risk represents the accounting loss that would be recognised if counterparts failed to perform as contracted. The financial assets exposed to credit risk amount to Rs. 0.59 billion (2019: Rs. 1.12 billion).

The carrying amounts of financial assets which are neither past due nor impaired are as under.

	2020	2019
	Rupees	.000
Loans and advances	41,466	37,897
Deposits	28,361	76,024
Trade receivables	260,211	901;819
Other receivables	14,664	
Cash and bank balances	138,607	49,663
	483,339	1,085,423

The Company believes that it is not materially exposed to credit risk as major part of these financial assets comprise of receivable from government institutions and bank balances which represent low credit risk as they are placed with banks and other financial institutions having good credit ratings assigned by credit rating agencies.

The Company attempts to control credit risk by monitoring credit exposure, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

The other financial assets are neither material to the financial statements nor exposed to any significant credit risk.

(iii) Liquidity risk

Liquidity risk reflects the Company's inability in raising funds to meet its commitments. The Company manages liquidity risk by maintaining sufficient cash and bank balances and the availability of financing through banking arrangements. Management monitors rolling forecast of the Company's liquidity reserve which comprises of undrawn borrowing facility and cash and cash equivalents on the basis of expected cash flow.

For the year ended March 31, 2020

(iv) Foreign exchange risk

Foreign exchange risk arises mainly when receivables and payables exist due to transactions based on currencies other than Pak Rupee. As at March 31, 2020 payable exposed to foreign exchange risk is of Rs. 462,72 million (2019 Rs. 948.77 million). The liability is mainly denominated in Japanese Yen.

As at March 31, 2020, if the Paik Rupee had weakened / strengthened by 13% (2019; 7%) against Japanese Yer with all other variables held constant, loss before tax for the year would have been higher / lower by Rs. 60.15 million (2019; loss before tax would have been higher / lower by Rs. 66.41 million), mainly as a result of foreign exchange losses / gains on translation of Japanese Yer denominated financial assets and liabitities.

The sensitivity of foreign exchange rate looks at the outstanding foreign exchange balances of the Company as at the statement of financial position's date and assumes this is the position for a full twelve-month period. The volatility percentage for movement in foreign exchange rates has been used due to the fact that historically (5 years) rate has moved on average basis by the mentioned percentage per annum.

(v) Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in the financial stellements approximate their law values.

35. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide adequate returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or obtain / repay long term financing from / to financial institutions.

Consistent with others in the industry, the Company monitors capital on the basis of the debt equity ratio. This ratio is calculated as under:

Debt equity ratio = Debt divided by debt plus total equity.

The debt equity ratios as at March 31, 2020 and 2019 were as follows:

	2020	2919
	Rupeer	
Short-term borrowings - secured.	3,976,631	6.716,391
Total equity	1,709,988	9,560,412
Total	5.685.719	10,276,800
Debt equity ratio	70:30	65:35

The change in the debt equity ratio is mainly due to the repayment of borrowings and loss after tax during the current year.

For the year ended March 31, 2020

36.	NUMBER OF EMPLOYEES	2020	2019
	Number of employees at March 31		
	- Permanent	372	376
	- Contractual	453	603
		825	978
	Average number of employees during the year		
	- Permanent	375	372
	- Contractual	516	610
		891	982

37. PROVIDENT FUND RELATED DISCLOSURE

The investments out of provident fund have been made in accordance with the provisions. of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

38. DETAILS OF OPERATING ASSETS SOLD

The details of operating assets sold, having not book value in excess of Rs. 500,000 each are as follows:

begin	Dut:	Australia Australia	Store Labor Napare 100	See provide	Glass rijtome:	Made of Electrical	Particular of purchases
Ster Strine	109	in	tani	1,40	100	Sirjia	Regad. Yourse (Redone Lagrance) Hear City District Commisses) Televinal general has plant. Redone
1.5	179	2190	2:98	1/9		Desira prin	It him Store Olime
	1,000	98	0.00	1,40	*	13	to Diseased than Engage
194	1/38	-69	915	130		- 83	th Specificanor of Solorcation (Crostyon
	Adam	40	to)	lui	- 7		N. Dink Saletyn Exfirmation
58	130	1074	96	-	7	- 83	th Tarke Kips Salesan (STG) - Drallow
1.0	2,01	6384	10	100	#	- 33	MARKET DE COME
	178	100	794	1/9	70	- 9	th Rena Set Stitles - Ex Entrym
1.0	1704	40	400	100	le le		m tag mai drytow
	1779	<00	163	18	95	- 9	N. StrematTitle-likel Draine
	5,865	978	340	100	46	- 83	M. Martin Server Brylein
12	7900	(79)	900	1,00	667	- 9	W Rose Armed Switze (Englishe)
	5,660	678	340	86	603		N. Marriel from Ballia - Displayer
17	1967	078	100	- 10	(2)	- 9	Ni Stall Read Engage
1.6	think:	578	999	-	400	- 8	M. How You are horse- Implying
45	1,500	578	949	***	Ø.	55	76 Notwerned East Present Elegitypes
1.0	190	978	940	100	-		Mr. Makesoni Marris Marris Drightson

For the year ended March 31, 2020

IMPACT OF COVID-19 (CORONA VIRUS)

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. On March 20, 2020, Government of the Sinch unnounced a temporary lock down as a measure to reduce spread of the COVID-19. Complying with the government directive, the Company temporarily suspended its operations from March 23, 2020. In the Company's case, the lockdown was subsequently relaxed from June 00, 2020.

After implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Company henceforth resumed its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business in order to maintain business performance despite slowed down economic activity. The lockdown has caused disruptions in supply chain including supply to the customers resulting in a decline in sales. It is also expected that the outbreak may result in lower demand in future. Due to this, management has assessed the ecounting implications of these developments on these financial statements, including but not limited to the following areas:

- expected credit lisses under IFRS it. "Financial Instruments";
- the impairment of tangible and intangible assets under IAS 36, 'Impairment of assets';
- the net realisable value of inventory under IAS 2, "Inventories";
- provisions and contingent liabilities under IAS 37, Provisions, Contingent Liabilities and Contingent Assets', including onerous contracts; and
- going concern assumption used for the preparation of these financial statements.

According to management's assessment, there is no significant accounting impact of the effects of COVID-19 in these financial statements.

40. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation, the effects of which are not material.

41. DATE OF AUTHORISATION FOR ISSUE

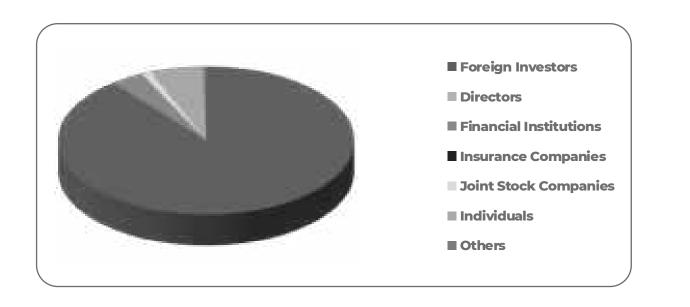
These financial statements were approved and authorised for Isaue in the Board of Directors meeting held on July 27, 2020.

Chief Executive Officer

Pattern of Shareholding As at March 31, 2020

No of Shareholders		Shareholdings	Total Shares Held
	From	То	
814	1	100	25,550
625	101	500	119,602
71	501	1000	54,919
55	1001	5000	122,741
10	5001	10000	71,190
14	10001	100000	533,818
1	100001	1000000	436,242
1	3000001	4000000	3,678,833
1	7000001	8000000	7,357,665
1592			12,400,560
	7000001	8000000	

Shareholders' Category	No. of Shareholders	No. of Shares Held	Percentage of holding
Foreign Investors	5	11,064,158	89.22%
Directors	2	10	0.00%
Financial Institutions	5	436,758	3.52%
Insurance Companies	2	3,650	0.03%
Joint Stock Companies	15	136,724	1.10%
Individuals	1561	711,078	5.73 %
Others	2	48,182	0.40%
Grand Total	1592	12,400,560	100%



Pattern of Shareholding

As at March 31, 2020

Shareholders' Category	No. of Shareholders	No. of Shares He
Directors, Chief Executive Officer, and their spouse and minor children Mr. Mushtag Malik	1	5
Ms. Nargis Ali Akbar Ghaloo	i	5
Associated Companies, undertakings and related parties		
Hino Motors Ltd. (Hinopak Motors Limited is Toyota Group Company and subsidiary of	f 1	7,357,665
Hino Motors Ltd., Japan. Toyota Motors Corporation is the ultimate parent of the grou	p)	
Toyota Tsusho Corporation, Japan	1	3,678,833
NIT and ICP		
CDC - Trustee National Investment (Unit) Trust	1	436,242
N.B.P. Trustee Dept. Head Office	1	200
Executives		
Mr. Muzaffar Anjum	1	120
Mr. Naushad Riaz	1	100
Banks, Development Financial Institutions, Non-Banking Financial Institutions	1	286
Insurance Companies		
Dawood Family Takaful Limited	2	3,650
Modarabas and Mutual Funds		
AFC Umbrella Fund	1	17,560
First Al-Noor Modaraba	1	10
First Tri-Star Modaraba	1	20
Share holders holding 10% or more voting interest		
Hino Motors Ltd., Japan	1	7,357,665
Toyota Tsusho Corporation	1	3,678,833
General Public (Individuals)		
Certeral Public (Individuals)		
A. Local	1559	710,858
B. Foreign	1	100
Others		
Amin Tai (Private) Limited	1	54,450 20
Azee Securities (Private) Limited Eleven Stars Securities (Pvt) Ltd	i	49,500
Fawad Yusuf Securities (Pvt.) Limited	i	29,800
Fikrees (Private) Limited	1	1,250
Hermez and Company (Pvt) Ltd	1	20
Loads Limited	1	150
M. M. Securities (Pvt.) Limited	1	420
Maple Leaf Capital Limited	1	1
Margalla Financial (Private) Limited	1	160
Muhammad Bashir Kasmani (Private) Limited	1	500
S.Z. Securities (Private) Limited	1	2
Sherman Securities (Private) Limited	1	1
Sofcom (Private) Limited	1	50
Tencore II Partners LP Tructoo National Bank of Bakistan Emp Banavalant Fund Truct	1	10,000
Trustee National Bank of Pakistan Emp Benevolent Fund Trust Trustee National Bank of Pakistan Employees Pension Fund	1	1,633 46,549
UHF Consulting (Private) Limited	i	40,549
	1592	12,400,560
	 _	

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 35th Annual General Meeting (AGM) of the Shareholders of Hinopak Motors Limited (the Company) will be held at the Registered Office of the Company situated at D-2, S.I.T.E., Manghopir Road, Karachi on Wednesday, August 26, 2020 at 10:30 a.m.

Due to ongoing pandemic of COVID-19, the Company has also arranged participation of shareholders through video facility. The detail procedure is mentioned later in the notes. Following businesses will be transacted during the meeting:

ORDINARY BUSINESSES

- 1. To receive, consider and adopt the Audited Financial statements of the Company for the year ended March 31, 2020, together with the Reports of the Directors and Auditors.
- 2. To appoint auditors for the ensuing year and fix their remuneration.
- 3. Any other business with the permission of the Chair.

SPECIAL BUSINESS

1. To consider and if thought fit pass, with or without modification(s), the following Resolutions as Special Resolutions for increase in Authorized Share Capital of the Company from Rs. 200,000,000 to Rs. 1,000,000,000 and necessary alterations in Memorandum and Articles of Association of the Company:

"RESOLVED THAT as and by the Special Resolution that the Authorized Capital of the Company be and is hereby increased from Rs. 200,000,000 (Rupees Two hundred million) divided into 20,000,000 (Twenty million) shares of Rs. 10/- (Rupees Ten) each to Rs. 1,000,000,000 (Rupees One billion) divided into 100,000,000 (Hundred million) shares of Rs. 10/- (Rupees Ten) each with the rights, privileges and conditions attaching thereto provided by the regulations of the Company for the time being with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights or conditions in such manner as may for the time being be provided by the Regulations of the Company."

FURTHER RESOLVED THAT Clause V of the Memorandum of Association and Article 6 of the Articles of Association of the Company is accordingly deleted and replaced with the following new Clause V and Article 6 respectively:

New Clause V of Memorandum of Association

"The Authorized Capital of the Company is Rs. 1,000,000,000 (Rupees One billion) divided into 100,000,000 (Hundred million) shares of Rs. 10/- (Rupees Ten) each, with the rights, privileges and conditions attaching thereto provided by the regulations of the Company for the time being with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights or conditions in such manner as may for the time being be provided by the Regulations of the Company."

New Article 6 of Articles of Association

"The authorized share capital of the Company is Rs. 1,000,000,000/- (Rupees One billion) divided into 100,000,000 (Hundred million) shares of Rs. 10/- each."

"FURTHER RESOLVED THAT the Chief Financial Officer and the Company Secretary, be and is hereby singly authorized to take all steps necessary, ancillary and incidental for increase in Authorized Capital but not limited to execute such documents as may be required in relations to increase in the Authorized Capital and obtaining all requisite regulatory approvals, engaging legal advisor(s) and consultant(s) for the purposes of the above, filing of the requisite application(s), statutory forms and all other documents as may be required to be filed with SECP and any other authority, submitting all such documents as may be required, executing all such amendments or substitutions to any of the foregoing as may be required in respect of the increase in Authorized Capital and all other matters incidental or ancillary thereto."

A statement of material facts as required under Section 134(3) of the Companies Act, 2017, covering the above mentioned special business is annexed with this notice of annual general meeting.

By order of the Board SYED JUNAID ALI Company Secretary

Karachi: August 05, 2020

Notes

i. Online Participation in the Annual General Meeting

Considering the evolving situation on the spread of the COVID-19 the Company has decided to facilitate its shareholders by also allowing the shareholders to attend the meeting through video link for the safety and in the best interest of the shareholders. Therefore, shareholders who are interested in attending the AGM proceedings through video link are required to update their valid e-mail ID with the Share Registrar, latest by August 17, 2020. A detailed procedure shall be communicated through e-mail directly to the shareholders who have provided their valid e-mail IDs and same shall be placed at the Company's website https://www.hinopak.com in the investor relations section.

The shareholders who have already updated their valid e-mail IDs with the Company or its Share Registrar and are interested to attend AGM online may send below information along with valid copy of both sides of CNIC with the subject "Registration for Hinopak Motors Limited AGM" at info@hinopak.com for their / their appointed proxy's verification. Such information should be sent from their duly registered valid e-mail ID for the registration purposes latest by August 21, 2020.

Shareholder Name	Folio / CDC No.	No. of shares held	CNIC No.	Cell No.	Registered Email ID

Shareholders can also provide their comments / suggestions for the agenda items of the AGM at the email address info@hinopak.com.

Members are therefore, encouraged to attend the AGM through video link or by consolidating their attendance through proxies.

ii. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from August 19, 2020 to August 26, 2020 (both days inclusive). No transfer will be accepted for registration during this period.

Transfers received at Share Registrar Office M/s FAMCO Associates (Pvt.) Limited, at the close of business on August 18, 2020, will be treated in time to attend and vote at the meeting.

iii. For Attending the Meeting

In case of individuals, the Account Holders or sub-account holders and/or the persons whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate their identity by showing original Computerized National Identity Cards (CNIC) or original passport at the time of attending the meeting.

In case of a corporate entity, the Board of Directors' Resolution / Power of Attorney with the specimen signature of the nominee shall be produced (if it has not been provided earlier) at the time of attending the meeting.

iv. Proxy

A member entitled to attend and vote at this General Meeting is entitled to appoint a Proxy to attend, speak and vote in his place at the meeting. Instrument appointing a proxy must be deposited at the Registered Office of the Company at least forty-eight hours before the time of the meeting.

To facilitate identification for right to attend the Annual General Meeting, shareholder whose holdings are on the Central Depository System (CDS) or his Proxy should authenticate his identity by showing his original CNIC or original passport at the time of attending the meeting; along with the Participant's Identity Number and Shareholder's account number allocated by the Central Depository Company.



v. Notice to Shareholders who have not provided their CNIC

The Individual Members who have not yet submitted photocopy of their valid Computerized National Identity Card (CNIC) to the Company / Share Registrar, are once again reminded to send the same at the earliest directly to Company's Share Registrar, M/s FAMCO Associates (Pvt.) Limited. In case of non-receipt of the copy of a valid CNIC, the Company would be constrained under section 243(3) of the Companies Act, 2017, to withhold dividend (if any) of such shareholders.

vi. Change of Address

The Shareholders are requested to intimate any changes in their addresses to the Share Registrar, M/s FAMCO Associates (Pvt.) Limited.

vii. Circulation of Annual Audited Accounts through CD

The Securities and Exchange Commission of Pakistan vide SRO 470(I)/2016 dated May 31st, 2016, has allowed companies to circulate the annual audited accounts together with reports thereon to its members through CD/DVD/USB at their registered addresses instead of transmitting the same in hard copies. In view of the above, the Company has dispatched its Annual Report for the year ended March 31, 2020, to its shareholders in the form of CD. Any member requiring printed copy of Annual Report may submit the duly filled request form placed on the Company's website to our Share Registrar, M/s FAMCO Associates (Pvt.) Limited.

viii. Video-link Facility to Members

If the Company receives consent from the members holding at least 10% shareholding residing in a city, to participate in the meeting through video-link at least 07 days prior to date of the meeting, the Company will arrange facility of video-link in that city subject to availability of such facility in that city.

To avail this facility please provide the following information to our Share Registrar, M/s FAMCO Associates (Pvt.) Limited.

I/We,	of	, being a member of Hinopak
Motors Limited, holder of		ordinary share(s) as per Registered
Folio/CDC Account No		hereby opt for video conference
facility at		

Signature of Member(s)

ix. Placement of Financial Statements on Website:

The Financial Statements of the Company for the year ended March 31, 2020 along with reports have been placed on the website of the Company: https://www.hinopak.com/finance.htm

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 **PERTAINING TO THE SPECIAL BUSINESS**

This statement sets forth the material facts concerning the special business listed hereinabove, to be transacted at the 35th Annual General Meeting to be held on August 26, 2020.

The amendments in the Memorandum and Articles of Association of the Company to increase the Authorized Share Capital are being carried out to offer more flexibility for any possible increase in the paid-up capital of the Company in future. Accordingly, the Board of the Directors of the Company have recommended to increase the Authorized Share Capital from Rs. 200,000,000 (Rupees Two hundred million) divided into 20,000,000 (Twenty million) ordinary shares of Rs. 10/- each to Rs. 1,000,000,000 (Rupees One billion) divided into 100,000,000 (Hundred million) ordinary shares of Rs. 10/- each. The new ordinary shares when issued shall rank pari passu with the existing ordinary shares in all respects.

None of the directors of the Company have any direct or indirect interest in the above said special business except to the extent of their shareholdings.

PROXY FORM

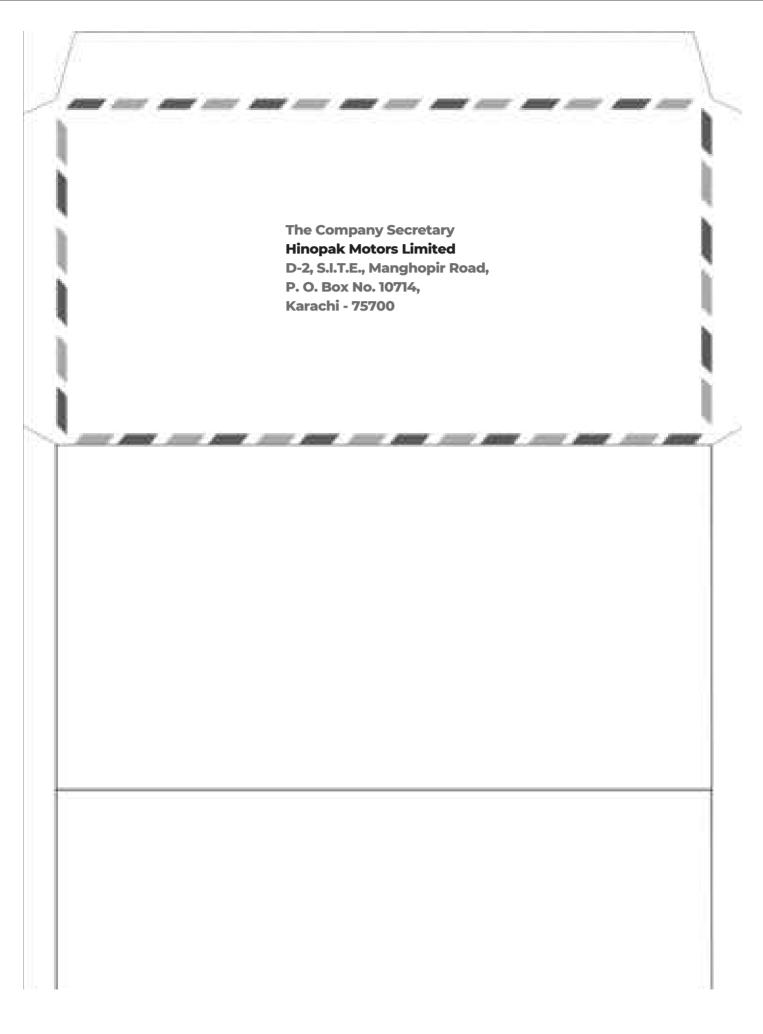
I/We		of	
being a Sharehold	er of HINOPAK MOTORS	LIMITED and holding	Ordinary Shares as per
Register Folio No.	or "CDC" Participar	nt's I.D. No	A/c No hereby
appoint Mr. / Ms.		f	or failing him/her Mr. / Ms.
	_ of	as my/our Proxy in r	ny/our absence to attend and
vote for me/us and	on my/our behalf at the 3	5 th Annual General Meeting	of the Company to be held on
Wednesday, Augus	st 26, 2020 and at any adjou	urnment thereof.	
Signature			Affix Revenue
(Signature must be	agreed with the Specimer	1	Stamp of five
signature registere	d with the Company)		rupees
Witness 1		Witness 2	
Signature		Signature	
Name		Name	
Address		Address	
CNIC or Passport No	0	CNIC or Passport No	

NOTES:

1. A shareholder entitled to attend and vote at the Annual General Meeting of the Company may appoint any person as his/her proxy to attend and vote instead of him/her. The proxy shall have the right to attend, speak and vote in place of the shareholder appointing him/her at the meeting.

A proxy need not be a member of the Company.

- 2. The instrument appointing a proxy should be signed by the Shareholder or by his/her Attorney, duly authorised in writing and person appointed proxy. In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted along with proxy form to the company.
- 3. The Proxy Form duly completed must be deposited at the Company's Registered Office at D-2, S.I.T.E., Manghopir Road, P.O. Box No. 10714, Karachi 75700 not less than 48 hours before the time of holding the meeting.
- 4. Shareholders whose holdings are in the Central Depository System (CDS) and their proxies both should attach with this form, attested copies of their Computerised National Identity Card or (attested copies of first four pages of their passport). To facilitate identification at the AGM, the proxy should bring his/her original Computerised National Identity Card or passport. In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature of the nominee shall be produced at the time of the meeting.



مختارنامه (پراکسی فارم)

	عام خصص بمطابق رجشر ڈ فولیونمبر	بحثیت ممبر ہینو پاک موٹر زلمیٹٹر بملکیت	میں/ہم_
	ا کاؤنٹ نمبر	CDC Participant's I.	يا. D. No
كواپنا/ بهارا بطور مختار مقرر	ى/مسما ة	ة يا ان كى غير موجودگى ميں مسم	مسمی /مسما
		کرتے ہیں تا کہ وہ میری/ ہماری غیر موجودگی میں میری/ ہماری طرفہ	
	ٹ ڈال سکے۔	مقد ہور ہاہے اوراس کے ملتو می شدہ اجلاس میں شرکت کر سکے اور وو	بروز بدرمن
روپے کا)	مطلوبه(پانچ		دستخط
پاں کریں	ر يو ينونكث چـ		(دستخط کمپنی
	(2)		
	گواه(2) پيننده کار		گواه (1)
	د شخط گواه:		دستخط گواه:_
	ئام:ئام:		
	;~~;~,;~;~;	· · · · · · · · · · · · · · · · · · ·	
	قومی شناختی کارڈنمبریا پاسپورٹ نمبر:_	کارڈنمبریا پاسپورٹ نمبر:	فوی شناسی
			نوڭس:
ائند وکواچلاس میں نثر کرمی اور	ا کنر کااہل ہو و دائن چگر پرکسی او شخص یانم	سمیٹی کا ایسا حصہ دار/ممبر جوسالا نہا جلاس میں شرکت اور ووٹ ڈ	•
	٠٠٠ ق مورون پي چې پي مورون وي د د او	ووٹ ڈالنے کے لئے نامزد کرسکتا ہے-	(I
		روع و ایسان میں اور در ہے۔ پراکسی ہولڈر(مختار) کو کمپنی کاممبر ہونا ضروری نہیں ہے۔	
سرتصد کق کر یہ-ادار پرکی	زوکیل اس کویذات خود اتح بر کرذر لع	پوائسی ہولڈر کے لئے ضروری ہے کہاس کوشرا کت داریااس کا مجا	(ii
		یوں بروروں سے روروں ہے جن ک در است اور کی اور کی اس کے ساتھ بورڈ آف ڈائر کیٹرز کی قرارد	(II
	وادي صارفاتيد ڪ تا فرد رده ڪ وجه	ورف میں پروس کا دم ہے جاتا تھے بوروہ سے دو ریہ روس روس روس کروا کیں-	
ر منگھویس وٹر ، P O Boy	ب امرسکریش کی جید ڈیئر فس D-2 سائد ہ	رور یں تمام نامزد گیاں اس صورت میں موثر ہونگی جب پراکسی فارم	(iii
F.O.DOX ()), \$3		ا کا کا کروٹیاں کی اور کا میں اور ایوں بیب پرون کا فارم No.10714 کراچی 75700 کواجلاس کے انعقاد کے مقرر دوقت	(III
نثن برکا فی کاب اتبر میرد اخیر در ک		73700 کرا پی 73700 کوا جوال کے اعظاد کے سر روکتہ CDS میں اکا وُنٹ رکھنے والے ممبران کے لئے قومی شناختی کارڈ	(iv
•		کانا کیں اور سے رکھے والے ہران کے بھے وہ میں اسا کی وارد ہے۔ ہے۔ پراکسی ہولڈرز کوسالا نہ اجلاس میں شرکت کے وقت اپنا اص	(IV
•	•	ے ہے۔ پرائی ہوںدرر و ممالا یہ اجلال کیل مریث سے وقت اپہا ا سیمہ جادان پر کی صور یہ ملس راکسی فارم کریہ اتحہ لدیڈ آفہ یا	

بوقت شرکت اجلاس کمپنی ہذامیں پیش کرنا ضروری ہے۔

کمپنیزا یک 2017 کی دفعہ (3)134 کے تحت اہم حقائق برمبنی بیانیہ برائے خصوصی امور

اس بیانیه میں ان خصوصی امور سے متعلق اہم حقا کُق بتائے گئے ہیں جنہیں پینتیسویں سالا نہ اجلاس عام منعقدہ 26 اگست 2020 میں انجام دیا جائے گا-

کمپنی کے میمورینڈم اینڈ آرٹیکلز آف ایسوسی ایش میں کمپنی مے مجاز سرمایہ میں اضافے کے لئے ترامیم کی گئی ہیں تا کہ ستقبل میں کسی اداشدہ سرمائے میں مکنہ اضافے کے لئے کیک پذیری فراہم کی جاسکے-لہذا بورڈ آف ڈائز کیٹرز نے مجاز خصص سرمایہ 200,000,000 (ہیں کروڑ) رویے جو -/10 رویے کے حساب سے 20,000,000 خصص میں تقسیم ہے، میں اضافہ کرکے 1,000,000,000 (ایک ارب) رویے کردیا ہے جو کہ -/10 رویے فی حصص کے حساب سے 100,000,000 حصص میں تقسیم ہوگا - نئے عمومی حصص جب بھی جاری کئے جائیں گے تو ان کی فی حصص مالیت ہر لحاظ سے موجودہ عمومی صص کے مساوی ہوگی۔

کمپنی کے سی بھی ڈائر یکٹر کا مذکورہ خصوصی امور سے بالواسطہ یابلاواسطہ کوئی مفادوابستہ نہیں ہے۔

vii - سالانه آ ڈٹ شدہ مالیا تی گوشواروں کی بذریعہ CD تقسیم

سکیورٹیز اینڈ ایجیج کمیشن آف پاکستان نے اپنے SRO 470(I)/2016 مورخہ 31 مئی 2016 کے تحت کمپنیوں کوسالانہ آڈٹ شدہ
اکا وُنٹس کے ساتھ دیگر رپورٹوں کو کاغذی نقول کے بجائے اپنے ممبران کو بذر بعد CD/DVD/USBان کے رجسڑ ڈپتے پر بھیج کی اجازت
دی ہے۔ لہذا مندرجہ بالاکو مدنظر رکھتے ہوئے کمپنی نے سال مختتمہ 31 مارچ 2020 کی سالاندرپورٹ اپنے تصص یافتگان کو CD کی شکل میں
بھیج دی ہے۔ اگر کوئی ممبر سالاندرپورٹ کی چھپی ہوئی نقل حاصل کرنا چا ہتا ہے تو وہ کمپنی کی ویب سائٹ پر موجود فارم کو باضا بطہ طور پر پھر کے
ہمارے شیئر رجسڑ ارفیمکو ایسوس ایٹس (پر ائیویٹ) کمیٹرٹر کو بیٹ

viii کے لئے وڈیوانک کی سہولت

اگر کمپنی کوکسی ایسے ممبر/ممبران سے اجلاس میں بذریعہ وڈیولنک شرکت کرنے کی درخواست 07 دن قبل موصول ہوجن کی کمپنی میں 10 فیصد حصص داری ہے اور وہ کسی ایک شہر میں رہائش پذیر ہوں تو کمپنی ان کے لئے وڈیولنک کی سہولت کا اہتمام کرے گی بشر طیکہ اس شہر میں یہ سہولت دستیاں ہو۔

اس سہولت سے استفادہ کے لئے شیئر رجٹر ارمیسر زفیمکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کومندرجہ ذیل معلومات فراہم کریں:

میں/ ہم......منجانب.....منجانب......جو کہ ہینو پاک موٹر زلمیٹٹر کے رجٹر ڈ فولیو/سی ڈی سی ا کاؤنٹ نمبر........ کے تحتعمومی حصص کے مالک ہیں، میں/ ہم وڑیو کا نفرنس ہولت سے استفادہ کرنا جا ہتے ہیں۔

.....

ممبر کے دستخط

i> کپنی کی ویب سائٹ پر مالیاتی گوشواروں کی دستیابی

کمپنی کے مالیاتی گوشوارے برائے مختتمہ مدت 1 3 مارچ 0 2 0 2 کے ساتھ رپورٹیں کمپنی کی ویب سائٹ https://www.hinopak.com/finance.htm

iii اجلاس میں شرکت کے لئے

انفرادی صورت میں کھاتے داریا ذیلی کھاتے داراور/یا وہ افراد جن کے صص گروپ اکاؤنٹ میں موجود ہوں اور جن کی رجٹریشن کی تفصیلات ضابطوں کے تحت اپلوڑ کردی گئی ہوں، وہ اجلاس میں حاضر ہوتے وقت اپنی شناخت کے لئے اپنااصل کمپیوٹر ائز ڈ قومی شناخت کارڈ نر(CNIC) دکھائیں گے۔

کارپوریٹ انٹیٹی کیصورت میں بورڈ آف ڈائر کیٹرز کی قرارداد/مختیار نامہ بمع نامز دفر د کے نمونہ دشخط (اگر پہلے فراہم نہ کئے ہوں)اجلاس میں حاضر ہوتے وقت پیش کئے جائیں گے-

iv يراكسي

وہ مجبر جو کہ اجلاس عام میں حاضر ہونے اور ووٹ دینے کاحق رکھتا ہوتو وہ اجلاس میں حاضر ہونے ، بولنے اور ووٹ دینے کے لئے اپنی طرف سے پراکسی مقرر کرسکتا ہے۔ پراکسی کی تقرری کا فارم لازمی طور پر اجلاس سے کم از کم 48 گھنٹے بل کمپنی کے رجسڑ ڈ آفس میں موصول ہوجانا جائے۔
جائے۔

سالا نہ اجلاسِ عام میں حاضر ہونے کیلئے جن حصص یافتگان کے حصص سینٹرل ڈپازٹری سٹم (CDS) میں ہیں یا ان کے پراکسی کواپنااصل شاختی کارڈیا اصل پاسپورٹ دکھا کر اجلاس میں حاضری کے وقت اپنی شناخت کرانا ہوگی جس کے ساتھ شریک کار کا شناختی نمبر اور سینٹرل ڈپازٹری کمپنی کی طرف سے حصص یافتہ کوختص کردہ اکاؤنٹ نمبر بھی ساتھ لانا ہوگا -

کار پوریٹ انٹیٹی کیصورت میں بورڈ آف ڈائر کیٹرز کی قرار داد/مختیار نامہ بمع نامز دفر د کے نمونہ دستخط اجلاس میں حاضری کے وقت پیش کئے جائیں گے-

v - ان حصص یافتگان سے گزارش جنہوں نے اپنے CNIC فراہم نہیں کئے ہیں

وہ انفرادی ممبران جنہوں نے اب تک اپنے درست کمپیوٹرائز ڈقو می شاختی کارڈ(CNIC) کی فوٹو کا پی کمپنی/شیئر رجٹر ارکوفراہم نہیں کی ہے انہیں ایک مرتبہ یادد ہانی کروائی جاتی ہے کہ جلداز جلدا پی CNIC براہ راست کمپنی کے شیئر رجٹر ارمیسر فیمکو ایسوسی ایٹس (پرائیویٹ) لمیٹر ٹوکو انہیں ایک مرتبہ یادد ہانی کروائی جاتی ہے کہ جلداز جلدا پی ONIC براہ راست کمپنی کینیز ایکٹ 2017 کی دفعہ (3) 243 کے تحت پابند ہوگی کہوہ ایسے حصص یافت گان کے منافع منقسمہ کوروک لے۔

vi پتے میں تبدیلی

خصص یافتگان سے گزارش ہے کہا پنے رجسڑ ڈپتے میں کسی بھی تبدیلی سے متعلق شیئر رجسڑار، میسرزفیمکو ایسوسی ایٹس (پرائیویٹ) کمیٹڈ کو آگاہ کریں-

گزارشات:

-i سالانه اجلاس عام میس آن لائن شرکت

COVID-19 کی موجودہ صورتحال کو مدنظر رکھتے ہوئے کمپنی نے اپنے حصص یافتگان کو سہولت دینے کا فیصلہ کیا ہے جس کے تحت حصص یافتگان جو کہ یافتگان کے بہترین مفاداور شخفظ کے لئے ان کووڈ بولنک کے ذریعے اجلاس میں حاضر ہونے کی اجازت ہوگی –لہذا حصص یافتگان جو کہ وڈ بولنک کے ذریعے اجلاس میں حاضر ہونے کی اجازت ہوگی –لہذا حصص یافتگان جو کہ وڈ بولنک کے ذریعے محالے کی کارروائی میں شرکت کرنے کے خواہشمند ہوں ان سے درخواست ہے کہ اپنی درست ای میل آئی ڈی شیئر رجٹر ارکو 17 اگست 2020 تک فراہم کریں گے انہیں ایک تفصیلی طریقہ کار بعد ای میل فراہم کریں گے انہیں ایک تفصیلی طریقہ کار بیدر بعد ای میل فراہم کی با جائے گا اور بید کمپنی کی ویب سائٹ https://www.hinopak.com پر سرمایہ کار سے متعلق حصہ میں بھی دستیاب ہوگا۔

جن تصص یافتگان نے اپنے درست ای میل آئی ڈی فراہم کر دیں ہیں اور جو AGM میں آن لائن شرکت کے خواہشمند ہوں وہ اپنی مندرجہ ذیل معلومات بمع درست CNIC کی دونوں اطراف کی جائز نقول عنوان''رجٹ یشن آف ہینو پاک موٹرز لمیٹلہ AGM ''کے ساتھ info@hinopak.com پراپنے مقرر کردہ پراکسی کی تصدیق کے لئے بھیج دیں۔ یہ معلومات باضا بطوطور پر بذر بعدر جٹر ڈای میل رجٹ یشن مقاصد کے لئے 1212 اگست 2020 تک لازمی طور پر فراہم کردی جائیں۔

اى مىل آئى ۋى	سيل نمبر	CNIC نمبر		فوليو/سي ڈي سي ز	حصص یا فته کا نام
			تعداد	مبر	

حصص یافتگانAGMکے ایجنڈے کے نکات سے متعلق اپنی آ راء /تجاویز ای میل ایڈرلیس info@hinopak.comپر بھی بھیجے سکتے ہیں۔

لہذاممبران کی حوصلہافزائی کی جاتی ہے کہوہ وڈیولنگ کے ذریعے AGM میں بذات خودیابذریعہ پراکسی اپنی شرکت کویقینی بنائیں-

ii- حصص نتقلی کی کتابوں کی بندش

سالانہ اجلاس عام کے لئے کمپنی کی صف منتقلی کی کتابیں 19اگست 2020 تا 26اگست 2020 (بشمول دونوں دن) بندر ہیں گی-اس مدت کے دوران کوئی بھی حصص منتقلی قبول نہیں کی جائے گی-18اگست 2020 کو کتابیں بند ہونے سے قبل شیئر رجسڑ ارآفس میسرز فیمکو ایسوسی ایٹس (یرائیویٹ) کمپیٹر کوموصول ہونے والی منتقلیاں اجلاس میں حاضری اور ووٹ دینے کے لئے قابل قبول تصور کی جائیں گی-

ميموريندم آف ايسوسي ايشن كي ني شق٧

'' کمپنی کا مجاز سرمایہ 1,000,000,000 روپے (ایک ارب روپے) جو کہ -/10 روپے فی حصص کے حساب سے 100,000,000 میں تقسیم ہے، جس میں ضابطوں کے تحت کمپنی کو حقوق، استحقاق اور شرائط وقتی طور پر جس پر کمپنی کو منسلکہ حقوق، استحقاق اور شرائط کو کمپنی کے سرمائے کو مختلف درجوں میں تقسم کرنے کے کے ضابطوں کے تحت فی الوقت کمپنی کے سرمائے کو کم یا زیادہ کرنے اور فی الوقت کمپنی کے سرمائے کو مختلف درجوں میں تقسم کرنے کے اختیارات حاصل ہو نگے اور یہاں پر ایسے موخر شدہ، الجیت شدہ یا خصوصی حقوق، استحقاق یا شرائط منسلک ہوگئی جو کہ کمپنی کے ضوابط کے تحت اس طریقہ کار کے مطابق اختیارات مطرکی جائیں گی اوران حقوق یا شرائط کو تبدیل کرنے یا منسوخ کرنے فی الوقت کمپنی کے ضوابط کے تحت اسی طریقہ کار کے مطابق اختیارات ہونگے ۔''

آريكلزآ ف ايسوسي ايشن كانياآر سُكِل 6

'' کمپنی کا مجاز حصص سرمایہ -/1,000,000,000,000 (ایک ارب روپے) جو کہ -/10 روپے فی حصص کے حساب سے 100,000,000 حصص میں تقسیم ہے۔''

''مزید متفقہ طور پر چیف فنانشل آفیسراور کمپنی سیریٹری کو مجاز بنایا جاتا ہے کہ وہ تمام ضروری اقد مات کریں جو کہ مجاز سرمائے میں اضافے کے لئے ضروری ہونے کے ساتھ ساتھ مجاز سرمائے سے متعلق دستاویزات کو تشکیل دیں اور تمام ضروری منظوریاں حاصل کریں، اس مقصد کے لئے قانونی مثیر (مثیران) اور مشاورت کار (مشاورت کاروں) کی خدمات حاصل کریں، ضروری درخواستوں، آئینی فارمز اور دیگر دستاویزات کو داخل کریں جو کہ ضروری ہوں، تمام ترامیم یا تندیلیاں جو کہ غزاز سرمائے کے لئے ضروری ہوں، تمام معاملات انجام دیں جو کہ کا درخی ورکی ہوں۔''

کمپنیزا یکٹ 2017 کی دفعہ (3)134 کے تحت اہم حقائق پر بینی بیانیہ جس میں مذکورہ بالاخصوصی امور کا احاط کیا گیا ہے سالانہ اجلاس عام کے نوٹس کے ساتھ منسلک ہے۔

جنگم بورڈ س**یدجندعلی** سمپنی سیریٹری

> کراچی: 05 اگست 2020

نوٹس برائے سالا نہ اجلاس عام

بذر بعیہ نوٹس ہذامطلع کیا جاتا ہے کہ ہینو پاک موٹرزلمیٹٹر (سمپنی) کے قصص یافتگان کا پینتیسواں سالانہ اجلاس عام کمپنی کے رجسٹرڈ آفس واقع 2-D، سائٹ، منگھو پیرروڈ، کراچی پر بروز بدھ 26 اگست 2020 صبح 10:30 ہجے منعقد ہوگا۔

COVID-19 کی موجودہ وباء کی وجہ سے کمپنی نے وڈیو کی سہولت کے ذریعے شرکت کا اہتمام کیا ہے۔ تفصیلی طریقہ کارینچ دی گئی گزار شات میں بیان کیا گیا ہے۔ مندرجہ ذیل امورا جلاس کے دوران انجام دیئے جائیں گے۔

عمومي امور

- ا سنگینی کے آڈٹ شدہ مالیاتی گوشوارے برائے مختتمہ مدت 31 مارچ 2020 کے ساتھ ڈائر یکٹرز اور آڈیٹرز کی رپورٹوں کی وصولی ،غور اور انہیں اختیار کرنا۔
 - ۲- اگلےسال کے لئے آڈیٹر کی تقرری اوران کامعاوضہ طے کرنا۔
 - r صدرمجلس کی اجازت سے مزید کسی امور کی انجام دہی۔

خصوصى امور

ا۔ مندرجہ ذیل قرار دادوں پرغور اور اگر مناسب سمجھا گیا تو تبدیلی کے ساتھ یا تبدیلی کے بغیر بطور خصوصی قرار دادمنظوری جس میں مجاز خصصی سرمایہ کو 200,000,000 روپے سے بڑھا کر 1,000,000,000 روپے کر دیا جائے اور جس کے لئے کمپنی کے میمورینڈم اور آرٹیکلز آف ایسوسی ایشن میں ضروری تبدیلیاں کی جائیں:

''متفقہ طور پر اور بطور خصوصی قرار داد کمپنی کے مجاز سر مایہ 200,000,000 (بیس کروڑ) روپے جو -/10 روپے کے حساب سے 20,000,000 حصص میں تقسیم ہے ، میں اضافہ کر کے 1,000,000,000 (ایک ارب) روپے کر دیا جائے جو کہ -/10 روپے فی حصص کے حساب سے 100,000,000 حصص میں تقسیم ہوگا جس پر کمپنی کے اپنے ضابطوں کے تحت فی الوقت محتوق ، استحقاق اور شرا لکا فراہم کی گئی ہیں جس میں سر مائے کو کم یا زیادہ کرنے اور فی الوقت کمپنی کے سر مائے کو محتلف در جوں میں تقسم کرنے کے اختیارات حاصل ہونگے اور یہاں پر ایسے موخر شدہ ، اہلیت شدہ یا خصوصی حقوق ، استحقاق یا شرا لکا منسلک ہیں جو کہ کمپنی کے ضوابط کے کہ محت طری جائیں گی اور ان حقوق یا شرا لکا کو تبدیل کرنے یا منسوخ کرنے فی الوقت کمپنی کے ضوابط کے کت اسی طریقہ کارکے مطابق اختیارات حاصل ہونگے ۔''

مزید متفقه منظور کیا جاتا ہے کہ کمپنی کے میمورینڈم اور آرٹیکلز آف ایسوسی ایشن کی شق ۷اور آرٹیکل 6 کو ہٹایا یا تبدیل کیا جائے اوران کی جگه پر بالتر تیب مندرجہ ذیل شق ۷اور آرٹیکل 6 کوکھا جائے:

نان ایگزیکٹوڈ ائریکٹرز کےمعاوضہ کی یالیسی کےنمایاں خدوخال بورڈ آ ف ڈائر یکٹرز کا چیئر مین مشاور تی فیس کےعلاوہ اجلاس میں حاضر ہونے کی فیس کا حقد ارہے۔

نان ایگزیکٹوڈ ائریکٹرزبشمول غیر جانبدارڈ ائریکٹرصرف اجلاس میں حاضر ہونے کی فیس کے حقدار ہیں (سوائے غیرملکی ڈائزیکٹران کے)

چیف ایگزیکٹواورصدر کامعاوضہ پورےسال کا 3.14 ملین رو بے رہا جبکہ 2019 میں 10.26 ملین روپے رہا-

چیئر مین کا اجلاس میں شرکت کا معاوضہ پورے سال کا 0.33 ملین روپے (2019 میں 0.38 ملین روپے) اور کنسلٹنسی فیس 3.6 ملین روپے (2019 میں 3.52ملین رویے رہا)

ڈ ائر یکٹران بشمول چیف ایگزیکٹو کےمعاوضہ کی تفصیلات مالیاتی گوشواروں کے نوٹ نمبر 31 ,صفح نمبر 69 بردی گئی ہیں -

چيئر مين كاحائزه

چیئر مین کا ملحقہ جائزہ کارکردگی ، کاروباری نتائج میں قابل ذکر تبدیلیوں ، اہم منصوبوں وفیصلوں اورمستقبل کی پیش بنی کا احاطہ کرتا ہے۔ بورڈ اس جائزہ کے مندر جات کی توثیق کرتا ہے۔

تاريخ: 27 جولا كي 2020

- 🖈 عالمی اکاؤنٹنگ کےمعیارات جو پاکستان میں نافذ ہیں ان کی مالیاتی گوشواروں کی تیاری میں پیروی کی گئی ہے۔
- 🖈 اندرونی گرفت کے نظام کومضبوط طرزیر بنایا گیاہے اوراس کاموثر طوریر نفاذ اورمسلسل نگرانی کویقینی بنایا جاتا ہے۔
 - اتے جاتے۔ کمپنی کی سرگرمیاں جاری رہنے کے حوالے سے کسی طرح کے شکوک وشبہات نہیں یائے جاتے۔
 - 🖈 سٹنگ ریگولیشنز میں دیئے گئے ادارتی نظم ونسق کے بہترین طور طریقوں سے کوئی قابل ذکرانح اف نہیں کیا گیا۔
- 🖈 گزشته چیسالوں (بشمول موجودہ مدت) کے اہم کاروباری اور مالیاتی اعدوشار سالا نہ رپورٹ کے صفحہ پر دیئے گئے ہیں۔
 - 🖈 31 مارچ 2020 کو کمپنی کے پرویڈنٹ، گریچویٹی اور پنشن فنڈ زسے کی گئی سر مایہ کاری کی مالیت درج ذیل ہے:

فندكانام	روپے''000' میں
ہینو پاک موٹرزلمیٹڈایمپلائز پروویڈینٹ فنڈ	254,201
ہینو پاک موٹر زلمیٹڈا یمپلائز گریچو یٹی فنڈ	269,454
ہینو یاک موٹر زلمیٹڈا یمپلائز بنشن فنڈ	428,556

سمپنی کے حصص میں خرید و فروخت

سال مختتمہ 31 مارچ 2020 کے دوران ڈائر کیٹرز،ا گیزیکٹوزاوران کےشریک حیات اور نابالغ بچوں نے کمپنی کے قصص میں کوئی خریدوفروخت نہیں گی۔ کمپنیزا کیٹ 2017 کے فورتھ شیڈول میں طے کردہ طریقہ کارے مطابق سالا نہر پورٹ میں انکشاف کے لئے''ا گیزیکٹو' میں وہ ملازم شامل ہے جس کی سالانہ تنخواہ 1.2 ملین روپے سے زیادہ ہو۔

ادارتی ساجی ذمه داری/ ماحولیات براثرات

کمپنی سالہاسال سے معاشرے کی فلاح و بہود مختلف ساجی سرگرمیوں میں قابل ذکر معاونت کررہی ہے۔ تا ہم کمپنی کی موجودہ مالیاتی پوزیشن کی وجہ سے CSR سرگرمیاں بھی محدودر ہیں۔ تاہم جیسے ہی منافع میں بحالی آئے گی ، کمپنی معاشرے کی فلاح کے لئے اپنی معاونت میں مزیداضا فہ کے لئے کوشاں رہے گی۔سال کے دوران CSR سرگرمیوں کے نمایاں پہلودرج ذیل رہے:

'' تعلیم سب کے لئے'' کے مقصد کے تحت HPML نے کرا چی کی شہرت یا فتہ انجینئر نگ یو نیورٹٹی کے انجینئر نگ کے 10 طلباء کوضرورت اور وصف کی بنیاد پر تعلیمی وظا نف جاری کئے۔اس کے علاوہ پسماندہ علاقوں کے طلباء کی تعلیم جاری رکھنے کے لئے کتابوں کے سیٹ سائٹ ماڈل گورنمنٹ اسکول میں تقسیم کئے گئے۔سرکاری اسکولوں کے طلباء کے لئے کمپوٹر کی مفت تعلیمی پرگرام کے تحت HPML کے ملاز مین نے بحثیت رضا کاراستادان سرگرمیوں میں حصہ لیا۔ مختلف یو نیورسٹیوں کے 60 طلباء نے وظا نف کے ساتھ HPML کے گرمی اور سردی کے انٹرن شپ پروگرام میں حصہ لیا۔

طبی سہولیات میں کمپنی نے کراچی کے مختلف علاقوں جیسے دیواا کیڈمی آف ڈیف اینڈ ڈمب چلڈرن میں آئی بینک سوسائٹی کی طرف سے مفت آئی اینڈ ڈینٹل کمپس منعقد کرنے میں معاونت کی –

کمپنی منافع میں بحالی کی امید کے ساتھ کمل طور پرمعاشرے کے لئے اپنی معاونت میں اپنے اضافے کے لئے کوشاں ہے۔

آ ڈیٹرز کی تقرری

موجودہ آڈیٹرزمیسرزاےالیف فرگون اینڈ کو چارٹرڈ اکا وَئٹنٹس سبکدوش ہورہے ہیں اوراہلیت کے باعث انہوں نے اپنی دوبارہ تقرری کی پیشکش کی ہے۔ ڈائز کیٹرزنے آڈٹ میٹی کی سفارش پرمیسرزاےالیف فرگون اینڈ کو کی بحثیت آڈیٹرز برائے سال 31 مارچ 2021 کی تقرری کی توثیق کی ہے جس کے لئے نثرا لکا وضوابط اور معاوضہ کا تعین بعد میں کیا جائے گا۔

حصص داری کی ساخت

لٹٹ کمپینیز (کوڈ آف کارپوریٹ گورنس)ریکولیشنز 2019 کے تحت 31 مارچ 2020 کوصص داری کی ساخت اور دیگراضافی معلومات کو بالترتیب صفحہ 75 ۔..تاصفحہ 77 ۔.. پر منکشف کیا گیاہے۔

ہولڈنگ سمپنی

19 اکتوبر 1998 سے بینوموٹرزلمیٹڈ جایان بینویاک موٹرزلمیٹڈ میں 59.33 فیصر صص داری کی وجہ سے اس کی ہولڈنگ کمپنی ہے۔

اندرونی گرفت کے نظام کی موزونیت

سمپنی کا بورڈ کمپنی کے انڈرونی گرفت کے نظام کی تشکیل اور نافذ کرنے کا ذمہ دار ہے تا کہ کمپنی کو لاحق خطرات کی شناخت کی جاسکے اور ان کا مقابلہ کیا جاسکے-

بورڈ پڑا عتاد ہے کہ اندرونی گرفت کے نظام کی شکل مضبوط ہے اور موثر انداز میں نافذ العمل ہے اور اس کی نگر انی بھی کی جاتی ہے۔

منافعمنقسمه

کمپنی کی مالی پوزیشن کومدنظرر کھتے ہوئے کمپنی کے ڈائر یکٹران نے کسی قتم کا نقذیا دیگر کوئی منافع منقسمہ ادانہ کرنے کا فیصلہ کیا ہے۔

بعدازال واقعات

مالیاتی سال کے اختتا م اوراس رپورٹ کی تاریخ تک کوئی بھی ایسے وعدے یاٹھوس تبدیلیاں رونمانہیں ہوئیں جن سے کمپنی کی مالی پوزیشن متاثر ہو-

ادارتی نظم وضبط کے بہترین طور طریقوں کی یاسداری

ادارتی نظم وضبط کا ضابطہ جے اسٹاک ایجیجنے کے لسٹنگ رولز میں شامل کیا گیا ہے کے تحت بورڈ اس بات کا مسرت کے ساتھ اظہار کرتا ہے کہ ممپنی کی انتظامیا دارتی نظم وضبط کے ضابطہ کے بہترین طورطریقوں کی پاسداری کرتی ہے۔ بورڈ ادارتی اور مالیاتی رپورٹنگ فریم ورک کے سلسلے میں اپنی ذمہ داری کو تسلیم کرتا ہے اورلہذا بیان کرتا ہے کہ:

- کے سینی کی انتظامیہ کے تیار کئے گئے مالیاتی گوشوار ہے کمپنی کا حالت کار،اس کی سرگرمیوں،امور کے نتائج ،قصص میں تبدیلی اور نقدی کے بہاؤ کی شفافء کاسی کرتے ہیں۔
 - کے سکمپنی کے کھاتوں کی کتابیں مناسب انداز میں تیار کی گئی ہیں۔
- ﷺ سوائے منکشفات کے ممپنی کے مالی گوشواروں میں تسلسل کے ساتھ مناسب حساباتی پالیسیاں اختیار کی گئی ہیں اور حساباتی کھاتوں کی بنیاد محتاط اور مناسب فیصلوں پر ہے۔

مصارف(خسارہ) مصارف کی تفصیل درج ذیل ہے:

سال صمه	سال صمه	
31ارچ2019	31ارچ2020	
یں	روپے''000''	
(520,174)	(1,843,998)	- خساره قبل از نیکس
(353,123)	(210,978)	لىكىس ئىلىس
(873,297)	(2,054,976)	خیاره بعدازئیکس
47,235	47,981	جامدا ثا ثوں پر درجہ بہ درجہ فرسودگی کے نتیج میں از سرنونشخیص مالیت
		اور جامدا ثا ثوں کی فروخت پر حاصل ہونے والے فاصَل منافع کی منتقلی
(4,855)	(9,526)	سال کا دیگر جامع خساره
 3,028,366	1,335,362	غیرمصرف شده منافع بیھیے سے لایا گیا
2,197,449	(681,159)	مصارف کے لئے دستیاب منافع
(862,087)	-	سال کے دوران حتی نقته منافع منقسمه
1,335,362	(681,159)	غیرمصرف شدہ منافع آ گے لے جایا گیا
Rs. (70.42)	Rs.(165.71)	بنیادی خساره فی حصص

را مختص

.....

کمپنی کی کاروباری ترقی اور کارکردگی ، خساره کی وجوبات اور مستقبل میں منافع کے امکانات

مجموعی معاثی ست روی ، بڑھتے ہوئے افراط زر، ڈالر کے مقابلے میں پاکستانی روپے کی خشہ حالی اور آخر میں فروری 2020 سے19-COVID-19 وائرس کے تیز ترین پھیلاؤ کی وجہ سے پاکستان بھر میں معاثی سرگرمیاں تقریباً ختم ہوگئیں۔ ان تمام عوامل کے ساتھ ساتھ پاکستان میں بھاری گاڑیوں کی مارکیٹ میں بڑھتی ہوئی مسابقت کی وجہ سے سال بھر کمپنی کی فروخت ، منافع کاری اور روانیت پر اثر ات مرتب ہوئے۔ لاگت میں کمی اور قیمتوں میں در سگی کے مقد افتدامات کے لئے انتظامیہ کی انتقک کوششوں نے ان ناموافق اثر ات کو بڑی حد تک رو کے رکھالیکن اس کے باجود موجودہ سال 2.05 بلین روپے کے خسارہ پر انتقام پذیر یہوا۔

معاشی ست روی کی سمت اور ڈالر کے مقابلے میں پاکتانی روپے میں مزید متوقع طویل تنزلی کے درمیان کمپنی ابتدائی طور پراستحکام اور تیز رفتار نمو کے لئے متحکم پلیٹ فارم قائم کرنے کے لئے کوشاں ہے-

بنيادي خطرات اورغيريقيني حالات

کورونا وائرس وباء کی وجہ سے پاکستان کی معیشت قابل ذکر حد تک ست روی کا شکار ہوگئی ۔ نجی اصراف میں قابل ذکر سکڑاؤاور مارچ کے بعد سے حکومت کے بڑے پیانے پرنقل وحرکت پر پابندی کی وجہ سے معاثی نموکئی عشروں کی کم ترین سطح پر آگئی - اگلے مالیاتی سال کے لئے حکومت نے بذات خودتقریباً 2 فیصد کا حاشیائی نموکا ہدف رکھا ہے، جس کا مطلب بیہ ہوگا کہ عوامی ترقیاتی پروگراموں کے لئے بہت کم رقم مختص کی جائے گی اور لہذا تجارتی گاڑیوں کی طلب میں بھی مبادلہ خاص طور ڈالر کے مقابلے میں پاکستانی روپے اور جاپانی بین اتار چڑھاؤ میں اتار چڑھاؤ کی وجہ سے کی ہوگی -

ہیٹوشی اوٹومو

افرادى قوت ومعاوضه ميثي مشاق ملك - چيئر مين يوشيهيكو نانامي $\frac{1}{2}$ شگير ويوسو جيا سۇتى كانىكو ہٹوشی اوٹومو

سال کے دوران آ ڈٹ کمیٹی کے جارا جلاس ہوئے جن میں ہرڈائر یکٹری حاضری درج ذیل رہی:

ما ضرا جلاسوں کی تعداد	ڈائر <i>بکٹر</i> کانام
3	جناب مشاق ملك
1	مس زگس علی اکبرگھالو
4	جناب سوئثی کا نیکو
1	جناب کو جی نا گا تا**
3	جناب ماسا ٹونیشی ہارا*
3	جناب ستوشى ساسية *
0	جناب ہٹوشی اوٹومو* * *

جوڈ ائریکٹران آ ڈٹ کمیٹی کےاجلاس میں حاضرنہ ہو سکےان کی رخصت منظور کر لی گئ -*مندرجہ بالا دوڈائر بکٹران نے سال کے دوران استعفیٰ دیا تھااوران اتفاقی آ سامیوں پر دوسرے ڈائر بکٹران بھرتی ہوئے۔

**مندرجہ بالا ڈائر کیٹران 28 نومبر 2019 کے ڈائر کیٹران کے انتخابات کے بعد آ ڈٹ کمیٹی کی تنبریل شدہ تشکیل بندی کا حصہ ہیں رہے۔

* * * جناب ہیٹوشی اوٹومو کیم فروری 2020 کوڈائر کیٹرمنتن ہوئے جس کے بعد آڈٹ کیٹی کی کوئی میٹنگ منعقذ نہیں ہوئی -

کمپنی کی بنیادی سرگرمیاں اور کمپنی کی کاروباری نوعیت سے متعلق تبدیلیاں ہینو یا ک موٹرزلمیٹڈ (کمپنی) کی تشکیل یا کستان میں بطور پبلک لمیٹڈ کمپنی ہوئی اور بیہ یا کستان اسٹاک ایسیجنج میں لسٹڈ ہے۔ کمپنی کی بنیا دی سرگرمی ہینو بسوں اورٹرکوں کی اسمبلی، بتدریج تباری اورفر وخت ہے۔

سمپنی بروقت انداز میں پرزے سپلائی کرنے اور بعداز فروخت خدمات کے معیار کو بہتر بنا کرگا ہوں کی طویل مدتی تشفی کے لئے ایک نظام قائم کرنے کے لئے کوشاں ہے جس میں گاڑی کی فروخت سے لے کراس کا آخری استعال شامل ہے۔ان مقاصد کے حصول کے لئے کمپنی نے اپنے کاروبار میں توسیع کرتے ہوئے ملتان میں اپنی جدیدترین35 ڈیلرشپ قائم کی ہے۔

مس نرگس على اكبر گھالو
 جناب ہیٹوثی اوٹومو
 جناب سوئش كا نيكو

بورڈ کے اجلاس سال کے دوران بورڈ کے حیار اجلاس ہوئے جن میں ہرڈ ائر یکٹر کی حاضری درج ذیل رہی:

حاضرا جلاسوں کی تعداد	ڈائر <i>بکٹر</i> کانام
2	جناب محمداسكم سنجرانى
4	جناب بوشيه بكونانا مي
4	جناب شيكير وسوچيا
1	جناب تا کی ہیٹوساسا کی*
4	جناب سوئثی کا نیکو
3	جناب مشاق ملك
1	جناب کو جی ناگاٹا**
3	جناب ماسا ٹونشی ہارا*
3	جناب ستوشی ساسے * *
1	جناب ماسا <i>م يكو كونڈ</i> و**
1	مس نرگس علی ا کبرگھالو
0	جناب ہیٹوشی اوٹومو* * *

^{*} جو ڈائر یکٹران بورڈ کے اجلاس میں حاضر نہ ہوسکے ان کی رخصت منظور کر لی گئی۔

بورڈ کی کمیٹیاں

بورڈ نے دوذیلی کمیٹیاں بنائی ہیں جن کے نام آڈٹ کمیٹی اورافرادی قوت ومعاوضہ کمیٹی ہے۔ دونوں کمیٹیوں کی تشکیل درج ذیل ہے:

^{*}مندرجه بالا دوڈ ائر یکٹران نے سال کے دوران استعفیٰ دیا تھااوران ا تفاقی آ سامیوں پردوسرے ڈائر یکٹران بھرتی ہوئے-

^{**}مندرجہ بالا ڈائر کیٹران 28 نومبر 2019 کے ڈائر کیٹران کے انتخابات کے بعد بورڈ کی تبدیل شدہ تشکیل بندی کا حصہ ہیں رہے۔

^{* * *} جناب ہیٹوشی اوٹومو کیم فروری 2020 کوڈ ائر کیٹرمنتخب ہوئے جس کے بعد بورڈ کی کوئی میٹنگ منعقذ نہیں ہوئی -

[🖈] سوکتی کا نیکو

ڈائر یکٹرزر پورٹ

ڈائر کیٹران اپنی رپورٹ کے ساتھ کمپنی کے آڈٹ شدہ مالیاتی گوشوارے برائے مختتمہ مدت 31 مارچ 2020 پیش کرتے ہوئے اظہار مسرت کرتے ہیں-

کمپنی کے بورڈ آف ڈائر کیٹرز 31 مارچ 2020 درج ذیل افراد پرشتمل ہے:

ڈائر یکٹران کی کل تعداد

(1	مرد	06
<u>ب</u>	عورت	01

تشكيل بندى

	۲ زاد ڈائر یکٹران	()
01	– مرد	
01	– عورت	
03	نان ایگزیکٹوڈ ائریکٹران	ب)
02	ا یگزیکٹوڈ ائر یکٹران	(5)

سال کے دوران بورڈ میں تبدیلیاں

اتفاقی آ سامیاں

سال کے دوران بورڈ میں مندرجہ ذیل دوا تفاقی آ سامیوں پرتقر ریاں ہوئیں:

<u>ئے ڈائر یکٹرز کی تاریخ تقرری</u>	نٹے آنے والے ڈائر یکٹرز	جانے والے ڈائر یکٹرز
كيم اگست 2019	جناب ماسامهيكو كونثر و	a) جناب تا کی ہیتو ساسا کی
کیم فروری 2020	جناب ہیٹوثی اوٹومو	b) جناب مساڻونشهارا

ڈائر یکٹران کےانتخابات

28 نومبر 2019 کومنعقد ہونے والے غیر معمولی اجلاس عام میں ڈائز یکٹران کے انتخابات میں بورڈ کی تشکیل نوسے تبدیل ہوکر سات ڈائز یکٹران پر مشتمل ہوگئی جوکہ 03 دمبر 2019 سے آگلی مدت کے لئے منتخب ہوئے ہیں۔ لہذا 31 مارچ 2020 کو بورڈ مندرجہ ذیل ڈائر یکٹران پرمشتمل تھا:

- جناب محمد اسلم سنجراني
- جناب بوشيهيكونانامي
- جناب شيگير ويوسو چيا
 - جناب مشتاق ملك -1

میں اعلیٰ تعلیم یا فتہ متنوع پس منظر کے حامل آزاداور نان ایگزیکٹوڈ ائریکٹران شامل ہیں۔ بورڈ نے نمپنی کے مقاصد کے حصول میں اپنا ناگزیر کر دارا داکیا جس میں نگرانی ، رہنمائی ، کلیدی سمت وحکمت عملی کا تعین اور بامقصد اقد امات شامل ہیں جن کے ذریعے انتظامیہ نے کمپنی کے مقاصد کے حصول کے لئے اس کی کارکردگی کی نگرانی کی۔

ہر انفرادی ڈائر کیٹر کے فیڈ بیک اور ان کے مجموعی تشخیص شدہ نتائج کی بنیاد پر بورڈ کی اوسط درجہ بندی، انفرادی ڈائر کیٹران اورکمیٹیوں کی کارکردگی تسلی بخش اورموثر پائی گئی۔

مستقبل کی پیش بنی

COVID-19 کی ویکسین کی ترویج میں بہت معمولی ارتقا کی وجہ سے مجموعی معاشی صورتحال میں غیریقینی ایک نارال کیفیت بن گئی ہے۔ FY21 کے لئے متوقع GDP شرح نمو2 فیصدر کھی گئی ہے اور آٹو موٹو سیکٹر کو بجٹ FY21 میں کوئی حقیقی مراعات فراہم نہیں کی گئیں جس سے ستقبل میں کاروبار کرنا دشوار گزار رہے گا۔لیکن خوشخبری بیہ ہے کہ حکومت نے تغییراتی شعبے کو کھو لنے کا فیصلہ کیا ہے اور ایسا کوئی سوال نہیں کیا گیا ہے کہ آنے والے مہینوں میں معیشت کی ست روی کو کئیں جس کے متعلقہ صنعتوں جیسے سیمنٹ، آسٹیل اور دیگر کی طلب میں بہتری آسکے۔جس کے نتیجے میں آٹو موٹو سیکٹر کی ما نگ میں بھی کسی حدتک اضافہ ہو سکے۔

اظهارتشكر

آ خرمیں بورڈ آف ڈائر مکٹرز کی جانب سے اس مشکل وقت میں ، میں تمام حصص یافتگان کے کمپنی پر مسلسل اعتماد اور بھروسے بران کامشکور ہوں-

> محداسلم شنجرانی چیئر مین

تاريخ: 27 جولائي2020

سرمابه جاتى اخراجات

ا نظامیہ شکسل کے ساتھ Capex کی نگرانی کررہی ہے اور صرف اس نوعیت کے Capex کی اجازت دی گئی جو کہ کاروبار کے لئے انتہائی ضروری ہوں، تاہم اپنے گا ہکوں کی ضروریات کو مدنظر رکھتے ہوئے کمپنی نے ملتان کے ایک کلیدی مقام پر 35 ماڈل (سیلز، سروس اینڈ سپورٹ) کی سہولت قائم کی جس سے بعداز فروخت خدمات میں تقریباً 356 ملين رويے كا اضافه ہوا-

منافعمنقسمه

کمپنی کی مالیاتی صورتحال کو مدنظر رکھتے ہوئے کمپنی کے ڈائر بکٹران نے کسی قشم کا نقدیا دیگر کوئی منافع منقسمہ تقسیم نہ کرنے کا فیصلہ کیا ہے۔

قوی خزانے میں معاونت

تمینی نے ٹیکسوں، ڈیو ٹیوں اورسیس کی مدمیں حکومت کوتقریباً 1.8 بلین رویبے کی ادائیگی کی۔

ادارتي نظم وضبط

بورڈ کی کارکردگی اور کمپنی کے مقاصد کے حصول میں اس کا کردار

لسٹد کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تقاضوں کے مطابق ایک باضابطہ اور موثر نظام بورڈ، بورڈ کے ممبران اوراس کی ذیلی کمیٹیوں کی سالانہ کارکردگی کی تشخیص کے لئے موجود ہے۔ بورڈ نے اس نظام کی مناسب طریقے سے تشکیل بندی منظوری اور کا میابی سے اسے نافذ کیا ہے۔

سال کے دوران نومبر 2019 میں منعقدہ ڈائر یکٹران کے انتخابات میں اتفاقی آ سامیوں پر قابل اہل افراد کی بھرتی کی وجہ سے بورڈ میں تبدیلیاں ہوئیں جس کی تفصیلات ڈائر یکٹرزر بورٹ میں دی گئی ہے۔ بورڈ میں اس وقت موز وں تعداد

ہینویاک کا کاروبار

ماركيث ميں حصه اور فروخت

معاشی ست روی کی مدت کے دوران پاکستان کی تجارتی گاڑیوں کی صنعت میں کمی کار جحان دیکھا گیا اور مارکیٹ کے کل حجم کل حجم میں تقریباً 44 فیصد کمی ہوئی -مجموعی معاشی ست روی کمپنی کے حجم فروخت میں کمی کاایک بڑاعنصر رہی-

ٹرک اوربس کے شعبے میں کمپنی کا مار کیٹ میں حصہ میں بالتر تیب31.5 فیصد اور 41.5 فیصد رہا-

خالص خساره/منافع

خالص خسارہ 170 ملین روپے رہا جبکہ گزشتہ سال 1,113 ملین کا خالص منافع ہوا تھا۔ جم فروخت میں کمی اور بڑھتی ہوئی درآ مدی لاگت سال کے دوران خالص خسارہ کے بڑے عوامل رہے۔

تقسيمي اورا نتظامي اخراجات

انتظامیہ لاگتوں کو قابوکرنے کے لئے کوشاں رہی اور انتظامی اخراجات کے شعبوں میں باریک بینی سے لاگتوں کی کٹوتی کے اقد امات کئے گئے جس کے نتیجے میں تقسیمی اور انتظامی اخراجات کم ہوکر 707 ملین روپے رہے جبکہ گزشتہ سال 738 ملین روپے تھے۔

سودى لا گت

سال کے دوران انتظامیہ کے مال تجارت کو جلد فروخت کرنے کے اقدامات کی وجہ سے قلیل مدتی قرضوں میں 2.6 بلین روپے سے زیادہ کمی ہوئی۔ تا ہم سال کے بیشتر جھے میں شرح سودتقریباً 14 فیصدر ہی جس کے نتیج میں سودی لاگت 836 ملین روپے رہی۔

بعداز ٹیکس خسارہ

سمپنی کوگزشتہ سال 873 ملین روپے کے بعداز ٹیکس خسارہ کے مقابلے میں اس سال 2.05 بلین روپے کا بعداز ٹیکس خسارہ ہوا۔ فی حصص خسارہ گزشتہ سال 70.42 روپے کے مقابلے میں 165.71 روپے رہا۔

چيئر مين کا جائزه

کورونا وائرس کی غیر معمولی وباعالمی سطح پر ہر جگہ غیر تقینی منظر پیش کررہی ہے۔اس انتہائی مابوس کن صور تحال میں ، میں بورڈ کی جانب سے امید کرتا ہوں کہ آپ اور آپ کے بیار ہے حتمند ہوئے۔رواں سال مارچ سے پاکستان سمیت دنیا بھر کا نعرہ''محفوظ رہیں گھر بررہیں' ہو چکا ہے۔

وائرس کی تباہ کاریوں کے جم اور عالمی سطح پرعوامی صحت کے بڑھتے ہوئے خطرات کے پیش نظر ہم نے فیصلہ کیا ہے کہ پینتیسویں سالا نہ اجلاس عام میں حاضری کے لئے ممبران کو وڈیولنک کی سہولت فراہم کی جائے۔ بورڈ کی جانب سے میں آپ کوخوش آمدید کہنا ہوں اور آپ کوسال مختمہ 31 مارچ 2020 کی کارکردگی سے آگاہ کرتا ہوں۔

یہ سال نہ صرف کمپنی بلکہ ملک بھر میں آٹو موٹوسیٹر اور کاروبار کے لئے بہت زیادہ دشوار گزار رہا۔ چونکہ ہماری کمپنی کا تعلق در آمدی شعبہ سے ہے لہذا ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں مسلسل تنزلی نے قابل ذکر اثر ات مرتب کئے۔ 31 مارچ 2019 کو 2019 روپے سے بڑھتا ہوا ڈالر 75۔ 168 روپے کی بلند ترین سطح تک بہنچ گیا اور سال کے اختیام پر 75۔ 166 روپے پر بہند ہوا۔ جس کی بناء پر پیداواری لاگت میں بہت اضافہ ہوا - معیشت میں سکڑاؤ کی وجہ سے صورتحال مزید تھم بیر ہوگئ جس کے نتیج میں مارکیٹ کا حجم 8810 یونٹ سے کم ہوکر 4934 یونٹ رہ گیا اور برجامد افراط زرد ہرے ہند سے میں چلا گیا۔ ملکی معیشت میں ترقی کی شرح منفی 40.4 فیصد ہونے کی بناء پر معیشت عملی طور پرجامد ہوگئی۔

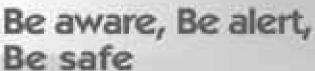
بیرونی عوامل میں مالی سال2020 کے ابتدائی جھے کے دوران کرنٹ اکاؤنٹ خسارے میں کمی کی وجہ سے بہتری اور سال کے اختتام پرشرح سود میں کمی خوش آئندا قدامات رہے تاہم COVID-19 کی وباء کے پھیلاؤنے پاکستان سمیت دنیا بھر کی معیشتیں روک دی ہیں۔





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