

Annual Report 2024



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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.

Basic Principles of Hinopak Code of Conduct

1. Comply with laws, regulations, and standards

Safety, environment, and quality

- We will comply with all laws and regulations regarding safety and environment when providing products and services.
- We will ensure the quality of our products in good faith by following applicable standards as well as humbly listening to our customers.
- We will properly record and store related data in accordance with the rules set forth in the applicable laws, regulations, and standards.

Fair trade:

- We will conduct our business in a fair and impartial manner without engaging in any cartel or collective bidding, based on free and fair competition.
- We will Comply with all laws and procedures relating to imports and exports.
- We will not engage in transactions with any organized criminal groups, or business partners related to organized criminal groups.
- We will comply with applicable laws and regulations on anti-terrorism, money laundering, and other economic sanctions.
- We will not trade in shares or other securities of Hinopak, Hino Group or other listed companies while knowing important non-public information.

Respecting human rights and diversity:

- We will respect basic human rights, and will not tolerate any inhumane acts such as forced labor and child labor.
- We will not engage in discrimination or harassment of any kind.
- We will respect the individuality and diversity of each person and treat everyone with respect, and respect the local history, culture, religion, and customs.

Anti-bribery and corruption, and distinction between public and private interests:

- We will comply with applicable laws concerning anti-corruption, and will not provide, offer, accept, or request bribes, inappropriate gifts, entertainment, or other benefits.
- We will not engage in conduct that may invite suspicion that we have improper relationships with any public official.
- We will not engage in any conduct that may lead to conflicts of interest with Hinopak or Hino Group, such as giving priority to our own interests or the interests of others over Hinopak's or Group's interests.

Management of assets and protection of intellectual property and personal data:

- We will carefully handle and properly manage Hinopak's or Hino Group's assets and confidential information, and will use such assets and information within the purpose permitted.
- We will protect the intellectual property held by Hinopak and Hino Group and respect the intellectual property of others.

- We will recognize the importance of protecting personal information and appropriately obtain, use, provide, and destroy personal information.

Accurate and complete financial reporting:

We will disclose information that is needed by the public in a timely and appropriate manner in all aspects of our corporate management such as our financial condition, business results, and the content of our business activities.

2. Contribution to Our Customers and Society

Contribution to customers:

- We will listen to customers' unvarnished opinions in the field, humbly accept their opinions, and act faithfully and in a timely manner.
- We will think from the customer's point of view and continue to innovate and improve our operations to best serve them.
- We will not be satisfied with the status quo and will make continuous efforts to achieve our goals.

Contributing to society and local communities:

- We will proactively take actions to resolve social issues and assist with emergencies such as natural disasters.
- We will promote road safety by observing traffic rules and manners and driving/ riding in an exemplary manner as members of the automotive industry.

Initiatives for the preservation of the global environment:

We will be constantly aware of the links between our work and the environment and strive to reduce environmental impacts resulting from our operations.

3. Creation of a Healthy Workplace

Safety and health:

- We will conduct all of our operations by putting safety first.
- We will ensure safety at our workplace and protect our mental and physical health.
- We will create a safe and healthy workplace for all of our employees while complying with labor and employment laws and regulations in the country.

Mutual respect and human resources development:

- We will always stand by each colleague, empathize with colleagues' concerns, and aim to solve the problems together.
- We will accept and make use of diverse perspectives so that every person in our workplace can work enthusiastically.
- We will learn from outside the company, compete healthily with our colleagues, and strive for self-improvement so that we can grow as outstanding businesspersons and members of society.

Dreams, goals, and driving forces for the future:

- We will work together to achieve our own dreams and goals and those of our colleagues.
- We will, from time to time, stop and take humble lessons from the past.

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

FAMCO Share Registration Services
(Pvt.) Limited
8-F, Near Hotel Faran, Nursery, Block 6,
P.E.C.H.S., Shahra-e-Faisal, Karachi
Tel: 021-34380101-5, 34384621-3
Fax: 021-34380106
E-mail: info.shares@famcosrs.com
Website: www.famcosrs.com

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

Quetta

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

Peshawar

2C, Second Floor, Al-Kout Tower,
Near Sarhad University, Ring Road,
Peshawar.
Tel: 091 - 2640055
Email: hino-peshawar@hinopak.com

Board of Directors

Mr. 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. He is also enrolled as an Advocate of the High Court. During the service, he has represented Pakistan at International Forums including the World International Tourism Conference, World Bank, Asian Development Bank. He has enjoyed a very credible status amongst their international Donor Agencies with whom he successfully negotiated Loan agreement. He has been a sportsman having had the distinction of representing Pakistan 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.

Mr. Takayuki Kizawa

President & Chief Executive Officer

Mr. Takayuki Kizawa was appointed as the President & Chief Executive Officer of the Company and member of Human Resource and Remuneration Committee in February 2022. He joined Hino Motors Japan in April 2005 after he graduated from the university. First he worked in Overseas Parts Department for 6 years then he was transferred to North American Department. From 2014 to 2018, he was assigned abroad in Hino Motors Sales USA and returned again to North American Department. Since 2020 he worked in the Middle East Department and was in charge of the section leader of Russian market.

Mr. Ryota Hatakeyama

Director & Executive Vice President

Mr. Ryota Hatakeyama was appointed as the Director and Executive Vice President of the Company in April 2024. He has over 30 years of experience, including 20 years with Toyota Group. Since 2010, he is serving in various leadership roles with Toyota Group Companies operating in the Asian markets.

Mr. Mushtaq Malik

Independent Non-Executive Director

Mr. Mushtaq Malik is the independent non-executive director, Chairman of the Human Resource & Remuneration Committee and member of the Audit Committee of the Company. Currently he is also the Director of Sindh Insurance 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.

Mr. Masato Uchida

Non-Executive Director

Mr. Masato Uchida was appointed in February 2023 as non-executive director of the Company and member of the Audit Committee. He joined Hino Motors Ltd., Japan in 2003 and held various leadership roles in Hino group companies mainly in Asian markets.

Mr. Takuji Umemura

Non-Executive Director

Mr. Takuji Umemura was appointed in February 2022 as a non-executive director of the Company and member of the Audit Committee. He joined Hino Motors Ltd., Japan in 1992 and held various leadership roles in Hino group companies mainly in the Asian and European markets.

Ms. Nargis Ali Akbar Ghaloo

Female Independent Non-Executive Director

Ms. Nargis Ghaloo is an Independent non-executive director, Chairperson of the Audit Committee and member of the Human Resource & Remuneration Committee of the Company. She is currently serving as an Independent Director and Chairperson of Audit Committee in JS Bank Limited and also as a director on the Board of PPHI Sindh.

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 insurer, from 2014 to 2016.

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.

Mr. Abdul Basit

Company Secretary

Mr. Abdul Basit is a Chartered Accountant from the Institute of Chartered Accountants of Pakistan. He joined Hinopak Motors Limited in September 2018. In addition to the role of Company Secretary, he is working as a General Manager in Treasury and Risk Management Department. Previously he was associated with Al Bakri Group of Companies, Saudi Arabia as Head of Internal Audit and also worked with A.F. Ferguson and Co. Chartered Accountants.

Board Committees

AUDIT COMMITTEE	TERMS OF REFERENCE
<ul style="list-style-type: none"> - Nargis Ali Akbar Ghaloo Chairperson (Independent Director) - Mushtaq Malik (Independent Director) - Masato Uchida (Non - Executive Director) - Takuji Umemura (Non - Executive Director) - Nasir Manzoor (Secretary) 	<ul style="list-style-type: none"> • 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
<ul style="list-style-type: none"> - Mushtaq Malik Chairman (Independent Director) - Nargis Ali Akbar Ghaloo (Independent Director) - Takayuki Kizawa (Executive Director) - Fahim Aijaz Sabzwari (Secretary) 	<ul style="list-style-type: none"> • 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
<ul style="list-style-type: none"> - Takayuki Kizawa – Chairman - Ryota Hatakeyama - Hiroyuki Nitta - Fahim Aijaz Sabzwari - Syed Samad Siraj - Mehmood Ahmed Khan - Karima Sadiq (Secretary) 	<ul style="list-style-type: none"> • Managing the day to day operations of the Company; • Developing the business and marketing strategy of the Company; • Reviewing budgetary proposals and the necessary actions to implement the business plan; • Monitoring profitability, cost saving plans and deviations from business plan; and • Handling the major business issues and other urgent matters on behalf of the Board.

WHISTLE BLOWING COMMITTEE	TERMS OF REFERENCE
<ul style="list-style-type: none"> - Takayuki Kizawa – Chairman - Ryota Hatakeyama - Fahim Aijaz Sabzwari - Syed Samad Siraj - Abdul Basit (Secretary) 	<ul style="list-style-type: none"> • Establishing, implementing and maintaining the Whistle Blowing Mechanism; • Monitoring and ensuring the transparency of the Whistle Blowing Process; • Reviewing and analyzing periodically the feedback and complains obtained through the mechanism; • 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

On behalf of the Board of Directors, I welcome you to the 39th Annual General Meeting of the Company and hereby share with you the performance for the year ended March 31, 2024.

The financial year ending March 31, 2024, has proven to be another challenging period for Hinopak Motors Limited. Double digit inflation, economic slowdown, policy uncertainties particularly on fiscal and administrative front, tightening of credit with substantially high interest rates and import restrictions forced the industry to announce several non-production days and we are not an exception to it. However, a glimmer of optimism was noted with the State Bank of Pakistan's recent reduction of the policy rate by 150 basis points and further expected gradual reduction, which we hope will stimulate some level of economic activity and consumer confidence.

HINOPAK BUSINESS

Market Share and Sales

In the financial year ended March 2024, the market size of commercial vehicle industry slashed by almost half from the last financial year and company's sales also declined in line with the market reduction.

Gross Profit

Notwithstanding a decline in demand, the company continued to concentrate on capitalizing profitable transactions, resulting in a gross profit of Rs. 907.89 million.

Distribution and Administrative Expenses

Distribution and administrative costs were increased to Rs. 873.84 million from Rs. 809.5 million in last year considering the inflation and cost for an employee rightsizing activity which was carried out during the year for lean business operations.

Further, the board of directors also approved the suspension of business operations at its Multan 3S workshop facility.

Finance Cost

The Company incurred a finance cost of Rs. 239.31 million to meet its working capital requirements throughout the year.

Loss after tax

The company has registered a net loss of Rs. 131.09 million and Rs. 5.29 loss per share for the fiscal year. This downturn highlights the significant challenges faced during the period.

Capital Expenditure

The Company remains stringent in allowing capital expenditure and only those expenditures are allowed that are imperative for the smooth conduct of business. During the year Rs. 130.11 million were spent for structure and plant & machinery improvements.

Dividend

Considering the accumulated loss position and overall business sustainability, the directors have decided not to recommend any dividend payment.

Contribution to National Exchequer / Economic growth

The Company contributed to the government by paying taxes, duties, levies, and cess and also continued to provide direct and indirect business/employment opportunities to different stakeholders.

Announcement from HINO

On May 30, 2023, Hino Motors Ltd (Hino). – parent company, Toyota Motor Corporation – ultimate parent company (Toyota), Mitsubishi Fuso Truck and Bus Corporation (MFTBC) and Daimler Truck concluded a Memorandum of Understanding (MoU) on accelerating the development of advanced technologies and merging MFTBC and Hino.

Hino, Toyota, MFTBC and Daimler Truck will collaborate toward achieving carbon neutrality and creating a prosperous mobility society by developing CASE technologies (Connected / Autonomous & Automated / Shared / Electric) and strengthening the commercial vehicle business on a global scale.

While the Definitive Agreement for merging MFTBC and Hino was targeted to be signed by the end of March 2024 and integration complete by the end of 2024, the process of obtaining necessary regulatory clearances and approvals under competition and other laws and regulations are still ongoing. As such, the original schedule has been extended.

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 the performance of the Board, Members of the Board & its Sub-Committees. The mechanism has been duly established, approved, and successfully implemented by the Board.

The Board comprises an adequate number of Executive, Independent, and 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 the Company's performance towards the achievement of its objectives.

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

FUTURE OUTLOOK

It is forecasted that the government would narrow fiscal deficit, drop the inflation gradually, and improve other key economic indicators and as a result strengthen its prospects of securing financial bailout package from International Monetary Fund (IMF) for meeting funding requirements. It would support the newly elected government to improve economic environment in the long run for the industries.

However, in the next fiscal year, auto sector is expected to continue to face numerous challenges upfront which mainly include the forced export targets by the government, and shrink market size particularly due to the high-priced auto leasing.

Relying substantial external economic reforms solely may not be pragmatic. Building our capabilities independently, leveraging our strengths and addressing our weaknesses head-on is the only way forward. The path ahead is filled with challenges, it is also an opportunity for Hinopak Motors to redefine its strategic priorities and adapt to the changing economic landscape. We are committed to steering the company towards sustainable growth and profitability through prudent management and strategic foresight.

VOTE OF THANKS

I extend my sincere gratitude to our shareholders, employees, customers and other strategic partners for their continued support and trust during these challenging times.



Muhammad Aslam Sanjrani

Chairman

Date: June 25, 2024

Directors' Report

The Directors of the company take pleasure in presenting this report, together with the Audited Financial Statements of the Company for the year ended March 31, 2024.

The Board of Directors of the Company as at March 31, 2024 consists of:

Total number of Directors:

a) Male	06
b) Female	01

Composition:

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

Changes in Board

Casual Vacancies:

During the year, no casual vacancy occurred in the Board. However, subsequent to the year end, Mr. Ryota Hatakeyama was appointed as Director in place of Mr. Akira Uchida.

Board Meetings

During the year five (5) 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	5
Mr. Takayuki Kizawa	5
Mr. Akira Uchida	5
Ms. Nargis Ali Akbar Ghaloo	5
Mr. Mushtaq Malik	5
Mr. Takuji Umemura	5
Mr. Masato Uchida	5
Mr. Ryota Hatekeyama *	0

* Appointed as director in place of Mr. Akira Uchida on April 15, 2024.

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

- Nargis Ali Akbar Ghaloo - Chairperson
- Mushtaq Malik
- Masato Uchida
- Takuji Umemura

b) HR and Remuneration Committee

- Mushtaq Malik - Chairman
- Nargis Ali Akbar Ghaloo
- Takayuki Kizawa

During the year four (4) meetings of Audit Committee were held in which the attendance by each Director is as follows:

Name of Directors	Number of meetings attended
Ms. Nargis Ali Akbar Ghaloo	4
Mr. Mushtaq Malik	4
Mr. Takuji Umemura	4
Mr. Masato Uchida	4

Principal Activities of the Company and General Overview

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. There have been no change concerning the nature of business.

Current financial year, Pakistan's economy continued to face various challenges due to fiscal deficit, double digit interest rates, devaluation of the currency and increased energy & fuel prices. In addition to these challenges, reduction in government's spending, the import restrictions on non-essential items and the limited availability of auto finance has affected the overall sales of entire auto sector. Commercial vehicle segment was not an exception to this situation where the overall market size almost reduced to its half.

Appropriation of (Loss) / Profit

Following are the details of appropriations:

	Year ended	
	March 31, 2024	March 31, 2023
	Rupees in '000	
(Loss) / Profit before income tax	(36,405)	260,689
Income tax expense	(94,693)	(244,656)
(Loss) / Profit after income tax	(131,098)	16,033
Transferred from surplus on revaluation of fixed assets on account of Incremental depreciation	73,686	63,790
Other comprehensive income for the year	20,998	5,517
Unappropriated loss brought forward	(377,958)	(463,298)
Unappropriated loss carried forward	(414,372)	(377,958)
(Loss) / Earnings Per Share	(Rs. 5.29)	Rs. 0.65

Development & Performance of the Company's Business and Future Prospects of Profit

The Company posted a net loss after tax of Rs. 131.098 million as against profit after tax of Rs. 16.03 million in 2022-23. It is yet to see how the newly elected government negotiates with the IMF for the new loan program which will set the future economic direction.

The Company faces a challenging yet potentially transformative future. Despite the challenges, the outlook remains cautiously optimistic, with an emphasis on sustainable growth.

Principal Risks and Uncertainties

It is a significant difficulty for all auto sector enterprises to meet the export targets introduced in the last auto policy. This shift will involve developing competitive products that meet global standards and forging partnerships to facilitate market entry and growth. The Company is actively investigating potential and viable opportunities in international export markets.

Nonetheless, The Company's business is historically exposed to significant risks associated with fluctuations in USD/PKR and USD/JPY exchange parities.

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, 2025 on such terms and conditions and remuneration as to be decided.

Pattern of Shareholding

The pattern of shareholding as at March 31, 2024 and additional information thereabout required under Listed Companies (Code of Corporate Governance) Regulations, 2019 are disclosed on page 77 and page 78 respectively.

Holding Company

Since October 19, 1998, Hino Motors Ltd. Japan, is the Holding Company of Hinopak Motors Limited, presently holding 59.67% shares 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 not recommended 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 and International Financial Reporting 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 16.

The value of investments of the Company's Provident, Gratuity and Pension Funds as on March 31, 2024 were as follows:

	Rupees in '000
Hinopak Motors Limited Employees' Provident Fund	278,640
Hinopak Motors Limited Employees' Gratuity Fund	377,620
Hinopak Motors Limited Employees' Pension Fund	632,529

During the year ended March 31, 2024, the directors, executives and their spouses and minor children have not carried any trading of 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

Hinopak Motors continues its robust CSR initiatives, focusing on employee welfare, education, environmental conservation, and community engagement. This year's activities include employees' health screenings, industrial visits from universities, and awareness programs on road safety and water preservation. The company has expanded its environmental efforts with tree plantations and beach cleaning events, involving employees and their families. A newly launched communication channel keeps staff informed about CSR activities, fostering greater participation. These initiatives reflect the Company's ongoing commitment to social responsibility, balancing community support, environmental stewardship, and employee engagement in its CSR strategy.

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 directors 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 million (2023: Rs. 3 million).

The remuneration of Chairman for attending meetings during the year amounts to Rs. 0.5 million (2023: Rs. 0.6 million) and consultancy fee paid to the Chairman amounts to Rs. 4.75 million (2023: Rs. 4.20 million).

The fee paid to two independent directors amount to Rs. 1.5 million (2023: Rs. 2 million).

Further details of the remuneration of directors including Chief Executive Officer is detailed in the note no. 33 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: June 25, 2024



Chief Executive Officer

Financial Highlights

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Profit or Loss & Other Comprehensive Income (Rs. in Million)						
Revenue from contracts with customers	19,130.84	13,191.06	9,132.18	12,530.89	13,185.97	7,622.71
Gross profit / (loss)	1,113.31	(170.41)	687.37	1,209.55	1,126.61	907.89
Operating profit / (loss)	501.62	(809.22)	70.60	666.56	516.55	202.91
Profit / (loss) before income tax	(520.18)	(1,844.00)	(164.53)	564.78	260.69	(36.40)
Income tax expense	353.12	210.98	123.76	147.65	244.66	94.69
Profit / (loss) after income tax	(873.30)	(2,054.98)	(288.29)	417.13	16.03	(131.10)
Other comprehensive (loss) / income	(4.86)	207.70	13.13	230.92	173.01	272.09
Transfer from surplus on revaluation of fixed assets	47.24	47.98	55.13	55.87	63.79	73.69
Dividend	862.09	-	-	-	-	-
Unappropriated profit / (loss) carried forward	1,335.36	(879.33)	(935.26)	(463.30)	(377.96)	(414.37)
Financial Position (Rs. in Million)						
Net Assets						
Fixed assets	3,135.51	3,641.95	3,565.54	3,810.91	3,925.49	3,946.26
Other long term assets	49.98	44.04	68.49	72.03	91.44	81.09
Current assets	11,105.19	5,770.77	4,118.17	6,482.88	5,121.70	5,929.47
Less : current liabilities	10,431.95	7,444.44	3,112.45	5,230.95	3,749.29	4,430.76
Total	3,858.73	2,012.32	4,639.75	5,134.87	5,389.34	5,526.06
Financed By:						
Issued, subscribed & paid up capital	124.01	124.01	248.01	248.01	248.01	248.01
Reserves / accumulated profit / (loss)	1,626.36	(390.16)	(644.26)	(172.30)	(86.96)	(123.37)
Surplus on revaluation of fixed assets	1,810.04	1,975.24	1,942.33	2,118.42	2,222.13	2,399.54
Share premium	-	-	2,771.53	2,771.53	2,771.53	2,771.53
Long term / deferred tax liabilities	298.32	303.23	322.14	169.21	234.63	230.35
Total	3,858.73	2,012.32	4,639.75	5,134.87	5,389.34	5,526.06
Cash Flow (Rs. in Million)						
Cash flows (used in) / from operating activities	(10,259.46)	3,229.20	1,643.77	2,848.54	(2,484.84)	(2,451.75)
Cash flows (used in) / from investing activities	(258.04)	(489.22)	(148.85)	(266.58)	(151.62)	2.22
Cash flows (used in) / from financing activities	(1,037.77)	(0.22)	2,878.09	(5.97)	(5.94)	(0.01)
Turnover (Rs. in Million)						
Hino chassis	15,185.18	10,154.14	5,743.17	7,959.01	8,746.69	4,631.06
Bus & other bodies	981.69	502.52	492.47	656.68	713.40	662.34
Spare parts	1,360.75	1,374.70	1,051.73	589.22	538.98	789.44
Others	1,603.22	1,159.70	1,844.80	3,325.98	3,186.90	1,539.88
Total	19,130.84	13,191.06	9,132.18	12,530.89	13,185.97	7,622.71
Production (Units)						
Hino chassis	2880	1592	700	979	1020	366
Bus & other bodies	802	342	285	383	156	97
Hilux frame	10310	5978	9,108	16574	13989	5244

Financial Highlights

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Sales (Units)						
Hino chassis	2850	1639	758	973	1000	332
Bus & other bodies	822	345	271	394	157	102
Hilux frame	10377	5897	9036	15644	14813	5135
No. of Employees	376	372	372	383	383	321
Investor Information						
Financial Ratios						
Gross profit / (loss) ratio	5.82%	(1.29%)	7.53%	9.65%	8.54%	11.91%
Net profit / (loss) margin	(4.56%)	(15.58%)	(3.16%)	3.33%	0.12%	-1.72%
Return on assets (after tax)	(6.11%)	(21.73%)	(3.72%)	4.02%	0.18%	-1.32%
Return on equity (after tax)	(24.53%)	(120.24%)	(6.68%)	8.40%	0.31%	-2.48%
Debt equity ratio*	0.08	0.18	0.07	0.03	0.05	0.04
Current ratio	1.06	0.78	1.32	1.24	1.37	1.34
Quick ratio	0.29	0.26	0.65	0.89	0.82	0.40
Interest cover ratio	(1.77)	(1.21)	0.35	-	31.73	0.84
Dividend payout ratio**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Dividend yield ratio**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Dividend cover ratio**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Ratios						
Price earning ratio	(5.61)	(2.76)	(29.51)	19.09	310.14	(44.84)
Earning / (loss) before interest, taxes, depreciation and amortization (EBITDA)	739.05	(578.42)	335.61	936.56	787.94	473.08
EBITDA margin to sales	3.86%	(4.38%)	3.68%	7.47%	5.98%	6.21%
Total assets turnover ratio	1.34	1.39	1.18	1.21	1.44	0.77
Fixed assets turnover ratio	6.10	3.62	2.56	3.28	3.36	1.93
Return on capital employed	(22.63%)	(102.12%)	(6.21%)	8.12%	0.30%	-2.37%
Inventory turnover ratio	2.79	2.26	2.85	5.84	6.29	2.18
Number of days inventory	131	162	128	63	58	168
Debtors turnover ratio	22.85	19.85	19.34	24.50	41.53	58.05
Number of days debtors	16	18	19	15	9	6
Creditors turnover ratio	2.90	3.95	2.67	2.73	2.71	2.29
Number of days creditors	126	93	137	134	135	160
Operating cycle (days)	21	87	10	(56)	(68)	14
Per Share Amounts (in Rupees)						
Cash dividend**	-	-	-	-	-	-
Breakup value with surplus on revaluation of fixed assets	287.12	137.82	174.09	200.22	207.84	213.53
Breakup value without surplus on revaluation of fixed assets	141.15	(21.46)	95.77	114.80	118.24	116.78
(Loss) / earning per share	(70.42)	(110.33)	(13.37)	16.82	0.65	(5.29)
Share price (high)	1,221.81	511.33	404.00	330.00	200.50	332.64
Share price (low)	394.20	245.50	391.00	318.00	200.00	176.67
Share price (closing)	395.10	305.00	394.50	321.00	200.50	237.00
One US\$ = Rupee as at period end	140.70	166.75	153.60	183.20	284.10	278.50
One JPY = Rupee as at period end	1.2702	1.5376	1.3854	1.4976	2.1375	1.8409

* Debt Equity Ratio takes into consideration the surplus on revaluation of land and building.

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

Vertical Analysis

Operating Results	2023-24		2022-23		2021-22	
	(Rs. in million)	%	(Rs. in million)	%	(Rs. in million)	%
Revenue from contracts with customers	7,622.71	100.00	13,185.97	100.00	12,530.89	100.00
Cost of sales	(6,714.82)	(88.09)	(12,059.37)	(91.46)	(11,321.34)	(90.35)
Gross profit	907.89	11.91	1,126.61	8.54	1,209.55	9.65
Distribution cost	(393.77)	(5.17)	(395.62)	(3.00)	(339.87)	(2.71)
Administration expenses	(475.73)	(6.24)	(404.15)	(3.06)	(375.98)	(3.00)
Other income	164.52	2.16	204.60	1.55	214.48	1.71
Other expenses	-	-	(14.89)	(0.11)	(41.62)	(0.33)
Profit from operations	202.91	2.66	516.55	3.92	666.56	5.32
Finance cost	(239.31)	(3.14)	(255.86)	(1.94)	(101.77)	(0.81)
(Loss) / profit before income tax	(36.40)	(0.48)	260.69	1.98	564.78	4.51
Income tax expense	(94.69)	(1.24)	(244.66)	(1.86)	(147.65)	(1.18)
(Loss) / profit after income tax	(131.10)	(1.72)	16.03	0.12	417.13	3.33
Financial Position						
Property, plant and equipment	3,937.24	39.54	3,905.87	42.74	3,792.81	36.59
Other non current assets	9.03	0.09	19.62	0.21	29.30	0.28
Long-term deposits	8.79	0.09	8.83	0.10	7.99	0.08
Long-term loans and advances	35.27	0.35	38.91	0.43	40.27	0.39
Employee benefit prepayment	37.02	0.37	43.70	0.48	12.57	0.12
Current assets	5,929.47	59.55	5,121.70	56.04	6,482.88	62.54
Total assets	9,956.82	100.00	9,138.62	100.00	10,365.83	100.00
Shareholders' equity	5,295.71	53.19	5,154.71	56.41	4,965.66	47.90
Deferred taxation	188.20	1.89	170.36	1.86	126.60	1.22
Other non-current liabilities	42.16	0.42	64.26	0.70	42.61	0.41
Short term debt	2,285.31	22.95	19.31	0.21	58.11	0.56
Other current liabilities	2,145.45	21.55	3,729.98	40.82	5,172.85	49.90
Total equity and liabilities	9,956.82	100.00	9,138.62	100.00	10,365.83	100.00
Cash Flows						
Cash flows (used in) / from operating activities	(2,451.75)	100.09	(2,484.84)	94.04	2,848.54	110.58
Cash flows from / (used in) investing activities	2.22	(0.09)	(151.62)	5.74	(266.58)	(10.35)
Cash flows used in financing activities	(0.01)	-	(5.94)	0.22	(5.97)	(0.23)
Net (decrease) / increase in cash and cash equivalents	(2,449.54)	100.00	(2,642.39)	100.00	2,575.99	100.00

Horizontal Analysis

	2023-24		2022-23		2021-22	
	(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) %
Operating Results						
Revenue from contracts with customers	7,622.71	(42.19)	13,185.97	5.23	12,530.89	37.22
Cost of sales	(6,714.82)	44.32	(12,059.37)	(6.52)	(11,321.34)	(34.06)
Gross profit	907.89	(19.41)	1,126.61	(6.86)	1,209.55	75.97
Distribution cost	(393.77)	0.47	(395.62)	(16.40)	(339.87)	(5.68)
Administration expenses	(475.73)	(17.71)	(404.15)	(7.49)	(375.98)	(5.53)
Other income	164.52	(19.59)	204.60	(4.61)	214.48	250.80
Other expenses	-	100.00	(14.89)	64.22	(41.62)	-
Profit from operations	202.91	(60.72)	516.55	(22.51)	666.56	844.14
Finance cost	(239.31)	6.47	(255.86)	(151.41)	(101.77)	56.72
(Loss) / profit before income tax	(36.40)	(113.96)	260.69	(53.84)	564.78	443.27
Income tax expense	(94.69)	61.30	(244.66)	(65.70)	(147.65)	(19.30)
(Loss) / profit after income tax	(131.10)	(917.84)	16.03	(96.16)	417.13	244.69
Financial Position						
Property, plant and equipment	3,937.24	0.80	3,905.87	2.98	3,792.81	6.96
Other non current assets	9.03	(53.98)	19.62	(33.04)	29.30	(18.79)
Long-term deposits	8.79	(0.45)	8.83	10.51	7.99	8.56
Long-term loans and advances	35.27	(9.35)	38.91	(3.38)	40.27	47.08
Employee benefit prepayment	37.02	(15.28)	43.70	247.56	12.57	(26.85)
Current assets	5,929.47	15.77	5,121.70	(21.00)	6,482.88	57.42
Total assets	9,956.82	8.95	9,138.62	(11.84)	10,365.83	33.71
Shareholders' equity	5,295.71	2.74	5,154.71	3.81	4,965.66	15.01
Deferred taxation	188.20	10.47	170.36	34.57	126.60	7.62
Other non-current liabilities	42.16	(34.39)	64.26	50.81	42.61	(79.16)
Short term debt	2,285.31	11,734.85	19.31	(66.77)	58.11	-
Other current liabilities	2,145.45	(42.48)	3,729.98	(27.89)	5,172.85	66.20
Total equity and liabilities	9,956.82	8.95	9,138.62	(11.84)	10,365.83	33.71
Cash Flows						
Cash flows (used in) / from operating activities	(2,451.75)	1.33	(2,484.84)	(187.23)	2,848.54	73.29
Cash flows from / (used in) investing activities	2.22	101.46	(151.62)	43.12	(266.58)	(79.09)
Cash flows used in financing activities	(0.01)	99.83	(5.94)	0.50	(5.97)	(100.21)
Net (decrease) / increase in cash and cash equivalents	(2,449.54)	7.30	(2,642.39)	(202.58)	2,575.99	(41.09)

* % in '000

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

FOR THE YEAR ENDED MARCH 31, 2024

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:

Composition	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. Masato Uchida Mr. Takuji Umemura
c) Executive Directors	02	Mr. Takayuki Kizawa Mr. Akira Uchida

*For the purpose of rounding up of fraction, the Company has not rounded up the fraction as the Board has determined the current composition adequate.

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
- 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;
- 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;
- 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;
- 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. Three out of seven directors have complied with the requirements of Directors' Training program.
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**
 - Nargis Ali Akbar Ghaloo - Chairperson
 - Mushtaq Malik
 - Masato Uchida
 - Takuji Umemura
 - b) **HR and Remuneration Committee**
 - Mushtaq Malik - Chairman
 - Nargis Ali Akbar Ghaloo
 - Takayuki Kizawa
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, 2024
HR and Remuneration Committee	One meeting during the financial year ended March 31, 2024
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;

Hinopak Motors Limited

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with;
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S. No.	Non-Mandatory Requirement	Explanation	Reg. No.
1	Requirement to attain certification: All directors have obtained DTP certification by June 30, 2022.	Currently, 3 out of 7 directors have obtained DTP certification. The Company will arrange training for the remaining directors including newly appointed director to comply with the requirement.	19
2	Nomination Committee: The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	The responsibilities as prescribed for the nomination committee are being performed by the HR and Remuneration Committee.	29(1)
3	Risk Management Committee: The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board has not constituted a separate risk management committee however the risk is managed at respective department level which is also supervised by the departmental head.	30(1)



Muhammad Aslam Sanjrani
Chairman



Takayuki Kizawa
Chief Executive Officer

Date: June 25, 2024



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

**Review Report on the Statement of Compliance contained in Listed Companies
(Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Hinopak Motors Limited (the Company) for the year ended March 31, 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

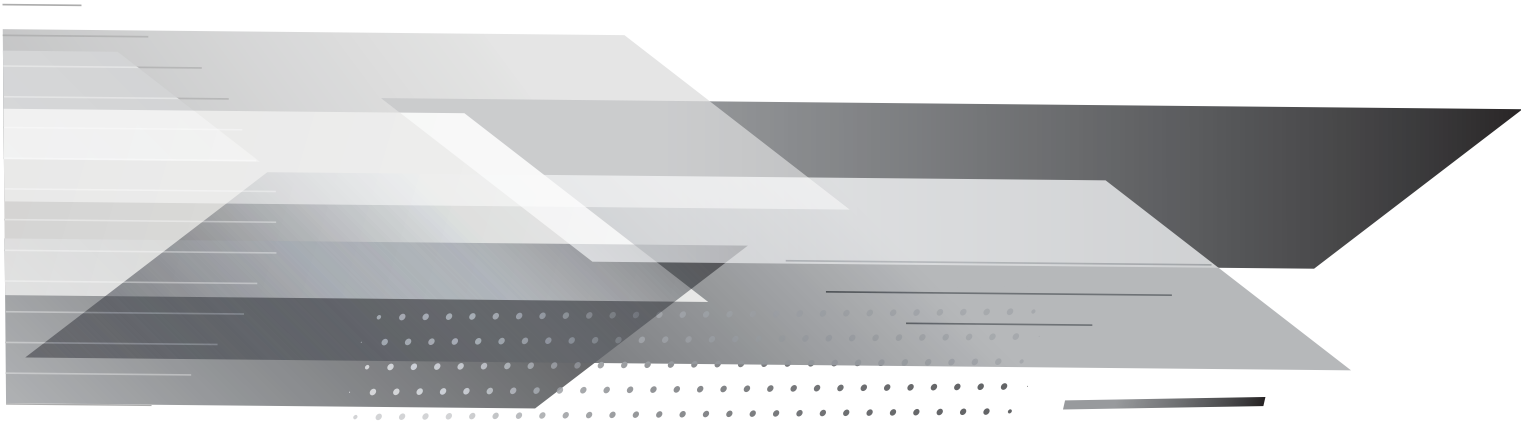
Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended March 31, 2024.

**Chartered Accountants
Karachi**

Dated: 27 June 2024

UDIN: CR2024100592eg1r3K4Y

*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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Financial Statements 2024

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, 2024, 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 material 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, 2024 and of the loss and other comprehensive income, 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.

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Following is the key audit matter:

S.No.	Key audit matter	How the matter was addressed in our audit
(i)	<p>Revenue from contracts with customers</p> <p>(Refer notes 2.18 and 24 to the annexed financial statements)</p> <p>The Company recognizes revenue from the sale of chassis, bodies, IMV frames and trading parts when the performance obligation is satisfied by transferring control of a promised good to the customer. During the year, net sales have decreased significantly by 42%, which is substantially due to decrease in quantity sold.</p> <p>We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company and for the year revenue has decreased significantly as compared to the last year. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> - Assessed the design, implementation and operating effectiveness of key internal controls involved in revenue recognition; - Understood and evaluated the accounting policy with respect to revenue recognition; - Performed testing of revenue on a sample basis with underlying documentation including dispatch documents and sales invoices; - Performed cut-off procedures on a sample basis to ensure sales has been recorded in the correct period; - Recalculated the commission as per Company's policy and verified related distribution expenses; and - Assessed the adequacy of disclosures in the financial statements related to revenue.

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.

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:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) 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 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) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Farrukh Rehman.



A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: 27 June 2024

UDIN: AR202410059cTqaj6FXb

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2024

	Note	2024	2023
		Rupees '000	
ASSETS			
Non-current assets			
Property, plant and equipment	4	3,937,236	3,905,869
Intangible assets	5	9,026	19,616
Long-term investments	6	-	-
Long-term loans	7	35,274	38,908
Long-term deposits		8,792	8,829
Employee benefit prepayments	19	37,023	43,699
		<u>4,027,351</u>	<u>4,016,921</u>
Current assets			
Inventories	8	4,145,840	2,043,552
Trade receivables	9	75,395	187,224
Loans and advances	10	29,118	54,704
Trade deposits and prepayments	11	126,479	1,299,935
Refunds due from government - sales tax	12	213,525	122,702
Other receivables	13	1,054	1,582
Taxation - payments less provision		1,172,306	1,062,713
Cash and bank balances	14	165,755	349,285
		<u>5,929,472</u>	<u>5,121,697</u>
Total assets		<u>9,956,823</u>	<u>9,138,618</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up capital	15	248,011	248,011
Capital Reserve			
Revaluation surplus on land and buildings	16	2,399,541	2,222,132
Share premium		2,771,525	2,771,525
Revenue Reserve			
General reserve	17	291,000	291,000
Accumulated loss		(414,372)	(377,958)
		<u>5,295,705</u>	<u>5,154,710</u>
LIABILITIES			
Non-current liabilities			
Deferred taxation	18	188,200	170,359
Employee benefit obligations	19	42,156	64,259
		<u>230,356</u>	<u>234,618</u>
Current liabilities			
Trade and other payables	20	1,912,048	2,064,148
Advances from customers	21	220,524	1,652,943
Short-term borrowings - secured	22	2,285,314	19,309
Unclaimed dividend		12,876	12,890
		<u>4,430,762</u>	<u>3,749,290</u>
Total liabilities		<u>4,661,118</u>	<u>3,983,908</u>
Commitments			
	23		
Total equity and liabilities		<u>9,956,823</u>	<u>9,138,618</u>

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



Chief Financial Officer



Director



Chief Executive Officer

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2024

	Note	2024	2023
		Rupees '000	
Revenue from contracts with customers	24	7,622,709	13,185,973
Cost of sales	25	(6,714,820)	(12,059,366)
Gross profit		907,889	1,126,607
Distribution costs	25	(398,109)	(405,354)
Administrative expenses	25	(475,733)	(404,148)
Other income	26	164,521	204,601
Other expenses	27	-	(14,890)
Reversal of impairment on trade receivables and deposits		4,340	9,731
Operating profit		202,908	516,547
Finance costs	28	(239,313)	(255,858)
(Loss) / profit before income tax		(36,405)	260,689
Income tax expense	29	(94,693)	(244,656)
(Loss) / profit for the year		(131,098)	16,033
Other comprehensive income for the year:			
Items that will not be reclassified subsequently to profit or loss			
Gain on remeasurements of post employment benefit obligations	19	31,340	8,234
Impact of deferred tax		(10,342)	(2,717)
		20,998	5,517
Gain on revaluation of land and buildings	16	262,637	210,492
Impact of deferred tax		(11,542)	(42,994)
		251,095	167,498
Other comprehensive income for the year - net of tax		272,093	173,015
Total comprehensive income for the year		140,995	189,048
(Loss) / earnings per share - basic and diluted	30	Rs. (5.29)	Rs. 0.65

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



Chief Financial Officer



Director



Chief Executive Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

	Issued, subscribed and paid-up capital	Capital Reserve		Revenue Reserve		Total
		Revaluation surplus on land and buildings	Share premium	General reserve	Accumulated loss	
	← Rupees '000 →					
Balance at April 01, 2022	248,011	2,118,424	2,771,525	291,000	(463,298)	4,965,662
Transferred from surplus on revaluation of land & building on account of incremental depreciation - net of deferred tax - note 16	-	(63,790)	-	-	63,790	-
Total comprehensive income for the year ended March 31, 2023						
- Profit for the year ended March 31, 2023	-	-	-	-	16,033	16,033
- Other comprehensive income for the year ended March 31, 2023	-	167,498	-	-	5,517	173,015
	-	167,498	-	-	21,550	189,048
Balance at March 31, 2023	248,011	2,222,132	2,771,525	291,000	(377,958)	5,154,710
Transferred from surplus on revaluation of land & building on account of incremental depreciation - net of deferred tax - note 16	-	(73,686)	-	-	73,686	-
Total comprehensive income for the year ended March 31, 2024						
- Loss for the year ended March 31, 2024	-	-	-	-	(131,098)	(131,098)
- Other comprehensive income for the year ended March 31, 2024	-	251,095	-	-	20,998	272,093
	-	251,095	-	-	(110,100)	140,995
Balance at March 31, 2024	248,011	2,399,541	2,771,525	291,000	(414,372)	5,295,705

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



Chief Financial Officer



Director



Chief Executive Officer

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

	Note	2024 Rupees '000	2023 Rupees '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	31	(2,139,943)	(2,181,865)
Mark-up paid on short-term borrowings		(98,205)	(4,072)
Return on savings accounts and deposits		20,125	113,647
Income taxes paid		(208,329)	(370,928)
Employee benefits paid	19	(29,064)	(42,145)
Decrease / (increase) in long-term deposits		37	(839)
Decrease in long-term loans and advances		3,634	1,365
Net cash used in operating activities		<u>(2,451,745)</u>	<u>(2,484,837)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(82,457)	(172,034)
Purchase of intangible assets		(450)	(12,963)
Proceeds from sale of property, plant and equipment		85,131	33,382
Net cash generated from / (used in) investing activities		2,224	(151,615)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(14)	(16)
Lease rentals paid		-	(5,926)
Net cash used in financing activities		(14)	(5,942)
Net decrease in cash and cash equivalents		<u>(2,449,535)</u>	<u>(2,642,394)</u>
Cash and cash equivalents at beginning of the year		329,976	2,972,370
Cash and cash equivalents at end of the year	32	<u><u>(2,119,559)</u></u>	<u><u>329,976</u></u>

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


Chief Financial Officer


Director


Chief Executive Officer

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

1. THE COMPANY AND ITS OPERATIONS

- 1.1** Hinopak Motors Limited (the Company) was incorporated on June 18, 1985 in Pakistan as a public company limited by shares under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) 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 manufacturing facilities of the Company is situated at D-2 and D-136, S.I.T.E., Manghopir Road, Karachi and the 3S facility of the Company is situated at Kayan Pur, Tehsil Multan, Union Council No.73, near Multan Bypass, Multan.

- 1.2** The Company is a subsidiary of Hino Motors Limited, Japan (HML) having registered address at 3-1-1, Hino-dai, Hino-shi, Tokyo, Japan and the ultimate parent of the Company is Toyota Motor Corporation, Japan (TMC).

- 1.3** On May 30, 2023, Hino Motors Ltd (Hino). – parent company, Toyota Motor Corporation – ultimate parent company (Toyota), Mitsubishi Fuso Truck and Bus Corporation (MFTBC) and Daimler Truck concluded a Memorandum of Understanding (MoU) on accelerating the development of advanced technologies and merging MFTBC and Hino.

Hino, Toyota, MFTBC and Daimler Truck will collaborate toward achieving carbon neutrality and creating a prosperous mobility society by developing CASE technologies (Connected / Autonomous & Automated / Shared / Electric) and strengthening the commercial vehicle business on a global scale.

While the Definitive Agreement for merging MFTBC and Hino was targeted to be signed by the end of March 2024 and integration complete by the end of 2024, the process of obtaining necessary regulatory clearances and approvals under competition and other laws and regulations are still ongoing. As such, the original schedule has been extended.

- 1.4** The financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency. The figures are rounded off to the nearest Rupees in thousand.

2. SUMMARY OF MATERIAL 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 issued under the Companies Act, 2017.

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, interpretations and pronouncements

a) Standards and amendments to approved accounting standards that are effective and relevant

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for accounting periods beginning on or after April 01, 2023. However, these do not have any significant impact on the Company's financial statements.

b) Standard and amendments to approved accounting standards that are not yet effective

There are standards and certain other amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after April 1, 2024. However, these are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

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 line method, 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 / 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 reverses 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 revalued 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.

2.4 Impairment

The carrying values of non-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-generating units are written down to their recoverable amount.

2.5 Financial Instruments - Initial recognition and subsequent measurement

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

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.

- a) 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 outstanding;

- b) 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 held within a business model whose objective is achieved by both collecting 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.
- c) Fair value through profit or loss (FVTPL) - Financial assets, that are 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.

Equity instrument

The Company subsequently measures all equity investments at fair value with gains and losses that are recognised either in profit or loss or OCI. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent classification of fair value gains and losses to profit or loss following derecognition of the investments. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established. Impairment losses and reversal of impairment losses on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured at 12-month ECLs.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

The expected loss rates are based on the payment profiles of sales over a period of 36 - 60 months before March 31, 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovery of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

A financial asset is considered in default when the counterparty fails to make contractual payments within one year of when they fall due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

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.

Off-setting

A financial asset and a financial liability is off-set 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.

2.6 Taxation**i. Current**

The Company charges current tax 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.

ii. 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 property, plant and equipment 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.

The Company carries out periodic assessment to determine the recoverability of deferred tax asset by estimating future taxable profits of the Company and the expected tax rate applicable to those profits. The determination of future taxable profits is most sensitive to certain key assumptions including volume of chassis and bodies and inflation rates.

2.7 Inventories

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

Cost of material for fabrication of bus 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.

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

2.8 Trade receivables

Trade receivables 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 2.5 for a description of the Company's impairment policies.

2.9 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purposes of statement of cash flows, cash and cash equivalents comprise of cash, cheques in hand, balances with banks, term deposits with 3 months maturity or less and short term borrowings availed by the Company, which are repayable on demand and form an integral part of the Company's cash management.

2.10 Leases

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.

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.

2.11 Employee retirement benefits

Defined benefit plans

Defined benefit plans define an amount of pension or gratuity that an employee will receive on or after retirement, 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 estimated future cash outflows using interest rates of high-quality corporate bonds or the market rates on government bond. 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 gratuity 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 salary 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 fixed contributions into a separate entity. The Company also operates an approved contributory provident fund for all its 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.

2.12 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. The nature of provision is not stated in the financial statements where such is expected to materially prejudice Company's position, as allowed under the applicable accounting framework.

2.13 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

2.14 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.

2.15 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. It can be availed on the discretion of the customer as per agreed terms.

2.16 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.

2.17 Advances from customers

A contract liability (advances from customers) is the obligation to transfer goods or services to a customer for which the Company has received consideration. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

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 recognised on accrual basis.

No element of financing is deemed present as the sales are made with a credit term of 30 to 180 days.

2.19 Foreign currency transaction and translation

Foreign currency transactions are recorded in Pak Rupee using the exchange rates prevailing at the dates of the transactions. Monetary assets 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 statement of profit or loss and other comprehensive income.

2.20 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

- a) Property, plant and equipment - note 2.3
- b) Taxation - note 2.6
- c) Inventories - note 2.7
- d) Trade receivables - note 2.8
- e) Employee retirement benefits - note 2.11
- f) Provisions - note 2.12

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.

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Management believes that the change in outcome of estimates would not have a material impact on the amounts disclosed in the financial statements.

There have been no critical judgements other than those disclosed by the Company's management in applying the accounting policies that would have significant effect on the amounts recognised in the financial statements.

	Note	2024	2023
		Rupees '000	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	4.1	3,935,589	3,856,570
Capital work-in-progress	4.9	1,647	49,299
		<u>3,937,236</u>	<u>3,905,869</u>

4.1 Operating assets

	Leasehold land (Revalued - note 4.2)	Freehold land (Revalued - note 4.2)	Buildings on leasehold land (Revalued - note 4.2)	Buildings on freehold land (Revalued - note 4.2)	Plant and machinery	Furniture and fittings	Vehicles	Electrical installations	Office and other equipments	Total
	Rupees '000									
Year ended March 31, 2024										
Opening net book value (NBV)	1,876,050	116,030	792,957	300,165	409,471	4,189	267,257	25,248	65,203	3,856,570
Revaluation - note 16	227,661	-	28,983	5,993	-	-	-	-	-	262,637
Additions	-	-	46,306	-	32,338	75	41,533	-	9,857	130,109
Disposals - at NBV - note 4.8	-	-	-	-	(1,160)*	(1,106)	(52,068)*	-*	(261)*	(54,595)
Depreciation charge for the year - note 4.7	(43,561)	-	(58,189)	(8,146)	(65,251)	(1,567)	(42,302)	(10,058)	(30,058)	(259,132)
Closing net book value	<u>2,060,150</u>	<u>116,030</u>	<u>810,057</u>	<u>298,012</u>	<u>375,398</u>	<u>1,591</u>	<u>214,420</u>	<u>15,190</u>	<u>44,741</u>	<u>3,935,589</u>
At March 31, 2024										
Cost or revalued amount	2,060,150	116,030	856,002	300,165	1,304,262	32,465	427,475	151,661	322,438	5,570,648
Accumulated impairment	-	-	-	-	(1,342)	-	(15,441)	-	(100)	(16,883)
Accumulated depreciation	-	-	(45,945)	(2,153)	(927,522)	(30,874)	(197,614)	(136,471)	(277,597)	(1,618,176)
Net book value	<u>2,060,150</u>	<u>116,030</u>	<u>810,057</u>	<u>298,012</u>	<u>375,398</u>	<u>1,591</u>	<u>214,420</u>	<u>15,190</u>	<u>44,741</u>	<u>3,935,589</u>
Year ended March 31, 2023										
Opening net book value (NBV)	1,781,000	113,200	789,188	286,421	412,688	13,621	284,684	33,743	78,263	3,792,808
Revaluation - note 16	134,770	2,830	55,066	17,826	-	-	-	-	-	210,492
Additions	-	-	1,149	-	59,048	1,780	41,888	2,024	16,847	122,736
Disposals - at NBV	-	-	-	-	(2,198)*	-*	(17,204)*	-*	(148)*	(19,550)
Impairment	-	-	-	-	1,392	-	4,607	-	-	5,999
Depreciation charge for the year - note 4.7	(39,720)	-	(52,446)	(4,082)	(61,459)	(11,212)	(46,718)	(10,519)	(29,759)	(255,915)
Closing net book value	<u>1,876,050</u>	<u>116,030</u>	<u>792,957</u>	<u>300,165</u>	<u>409,471</u>	<u>4,189</u>	<u>267,257</u>	<u>25,248</u>	<u>65,203</u>	<u>3,856,570</u>
At March 31, 2023										
Cost or revalued amount	1,876,050	116,030	809,696	300,165	1,284,969	34,260	498,933	156,341	314,831	5,391,275
Accumulated impairment	-	-	-	-	(1,342)	-	(15,441)	-	(100)	(16,883)
Accumulated depreciation	-	-	(16,739)	-	(874,156)	(30,071)	(216,235)	(131,093)	(249,528)	(1,517,822)
Net book value	<u>1,876,050</u>	<u>116,030</u>	<u>792,957</u>	<u>300,165</u>	<u>409,471</u>	<u>4,189</u>	<u>267,257</u>	<u>25,248</u>	<u>65,203</u>	<u>3,856,570</u>
Useful life (years)	<u>76 to 79</u>	<u>N/A</u>	<u>40</u>	<u>40</u>	<u>2 to 12</u>	<u>2 to 10</u>	<u>4 to 5</u>	<u>6</u>	<u>3 to 9</u>	

* Assets disposed off having nil net book value.

The tangible assets (note 4.1) include items costing Rs. 1,077.01 million (2023: Rs. 948.05 million) which are fully depreciated as of March 31, 2024 but are still in active use.

4.2 Company's two plots of land located at D-2 and D-136, S.I.T.E., Karachi measuring 10.61 acres and 6 acres were revalued by an independent valuer - M/s. Anderson Consulting (Private) Limited on June 11, 2024 and one plot of land located at Muzzafargarh Road, Multan measuring 1.77 acres along with the buildings on Karachi and Multan land were revalued by an independent valuer - M/s. Sadruddin Associates (Private) Limited on March 28, 2024 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). The revaluation resulted in a surplus on revaluation amounting to Rs. 262.64 million which was incorporated in the books of the Company as at March 31, 2024.

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (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).

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year.

4.4 Had there been no revaluation, the net book values of lands and buildings as at March 31, 2024 would have been Rs. 111.61 million (2023: Rs. 111.78 million) and Rs. 608.11 million (2023: Rs. 582.92 million) respectively.

4.5 Forced sales value of lands and buildings on freehold and leasehold lands as estimated by valuer are Rs. 1,843.95 million (2023: Rs. 1,593.66 million) and Rs. 886.46 million (2023: Rs. 874.50 million) respectively.

4.6 Particulars of immovable property (i.e. land and building) in the name of Company is as follows:

	Location	Usage of immovable property	Total Area (in acres)	Covered Area (in sq.ft)
a)	D-2, S.I.T.E. Manghopir Road, Karachi.	Chassis assembling facility	10.61	373,678
b)	D-136, S.I.T.E. Manghopir Road, Karachi.	Body manufacturing facility	6	336,409
c)	Kayan Pur, Tehsil Multan, Union Council No. 73, Near Multan Bypass, Multan.	3S facility	1.77	20,273

* The Board of Directors, in their meeting held on January 29, 2024, approved the suspension of business operations at its Multan 3S workshop facility. Accordingly, the operations were suspended in February 2024. Some of the facility assets except for land and building were disposed / utilized at other business facilities. However, for land and buildings, the future course of action is still under the consideration by the management as of March 31, 2024.

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4.7 The depreciation charge for the year has been allocated as follows:

	Note	2024	2023
		Rupees '000	
Cost of sales	25	195,653	185,193
Distribution costs	25	25,000	30,799
Administrative expenses	25	38,479	39,923
		<u>259,132</u>	<u>255,915</u>

4.8 Details of property, plant and equipment disposed off, having net book value in excess of five hundred thousand rupees or more each are as follows:

Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyer	Relationship with buyer
Motor Vehicle	13,030	8,079	4,951	8,100	3,149	Tender	Rajput Travel Rathore Group	Third Party
"	9,683	3,502	6,181	6,181	-	Tender	MS Sawabi Karachi Goods Transport Company	Third Party
"	6,689	4,147	2,542	5,000	2,458	Tender	MS Sawabi Karachi Goods Transport Company	Third Party
"	6,107	3,723	2,384	3,050	666	Company Policy	Mr. Naushad Riaz	Employee
"	3,767	2,026	1,741	1,913	172	Company Policy	Mr. Ahsan Waseem Akhtar	Employee
"	3,705	1,370	2,335	2,706	371	Company Policy	Mr. M Arif Khan	Employee
"	3,392	988	2,404	2,573	169	Company Policy	Mr. S M Waqar	Employee
"	3,375	1,210	2,165	2,422	257	Company Policy	Mr. Sabir Pasha	Employee
"	2,967	698	2,269	2,746	477	Company Policy	Mr. Rukhshab Anjum	Employee
"	2,962	1,991	971	388	(583)	Auction	Mr. Imran Nisar	Third Party
"	2,824	538	2,286	2,332	46	Company Policy	Ms. Yousra Sheikh	Employee
"	2,695	966	1,729	1,994	265	Company Policy	Mr. Muneer Ahmed Shaikh	Employee
"	2,512	1,295	1,217	1,570	353	Company Policy	Mr. Ahtasham Ul Haq	Employee
"	2,299	1,494	805	986	181	Company Policy	Mr. Syed Naveed Hussain Gillani	Employee
"	2,210	768	1,442	1,578	136	Company Policy	Mr. M Ramzan	Employee
"	2,030	728	1,302	1,341	39	Company Policy	Mr. Mirza Farhan Baig	Employee
"	2,030	728	1,302	1,341	39	Company Policy	Mr. Zubair Iqbal Khan	Employee
"	1,995	1,028	967	1,108	141	Company Policy	Mr. Shahzad Shaikh	Employee
"	1,969	1,324	645	787	142	Company Policy	Mr. Syed Samad Siraj	Employee
"	1,855	956	899	999	100	Company Policy	Mr. Syed Liaquat Hussain	Employee
"	1,511	937	574	755	181	Company Policy	Mr. Naushad Riaz	Employee

4.9 Capital work-in-progress - at cost

	2024				2023			
	Balance as at April 01, 2023	Additions during the year	Transfers	Balance as at March 31, 2024	Balance as at April 01, 2022	Additions during the year	Transfers	Balance as at March 31, 2023
	Rupees '000							
Building	14,280	1,169	(15,407)	42	-	14,280	-	14,280
Plant and machinery and office equipments	35,019	586	(34,000)	1,605	-	62,359	(27,340)	35,019
Total	49,299	1,755	(49,407)	1,647	-	76,639	(27,340)	49,299

2024 2023
Rupees '000

5. INTANGIBLE ASSETS

Intangible assets comprise of computer software.

Year ended March 31

Opening net book value	19,616	18,106
Additions	450	12,963
Amortisation	(11,040)	(11,453)
Closing net book value	9,026	19,616

Closing balance

Cost	115,921	115,471
Accumulated amortisation	(106,895)	(95,855)
Net book value	9,026	19,616

Useful life (years)	3	3
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5.1 The intangible assets include items costing Rs. 95.90 million (2023: Rs. 73.77 million) which are fully amortised as of March 31, 2024 but are still in active use.

5.2 Amortisation charge on intangible assets has been allocated to administrative expenses.

2024 2023
Rupees '000

6. LONG-TERM INVESTMENTS

Fair value through other comprehensive income

Arabian Sea Country Club Limited [500,000 (2023: 500,000) Unquoted ordinary shares of Rs.10 each, representing 6.45 percent (2023: 6.45 percent) of equity]	-	-
Automotive Testing & Training Centre (Private) Limited [50,000 (2023: 50,000) Unquoted ordinary shares of Rs.10 each, representing 2.77 percent (2023: 2.77 percent) of equity]	-	-
	-	-

6.1 The above investments were reassessed by the management in accordance with IFRS-9 and based on the available information, it was concluded that the fair value does not differ materially from carrying amount as at March 31, 2024.

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	Note	2024	2023
		Rupees '000	
7. LONG-TERM LOANS			
considered good, secured			
Loans to employees		59,700	67,243
Less: Recoverable within one year	10	(24,426)	(28,335)
		<u>35,274</u>	<u>38,908</u>

7.1 The loans are extended to employees under their terms of employment on interest free basis. During the year, the unwinding of discount of Rs. 8.06 million (2023: Rs. 12.32 million) has been recognised as part of finance cost.

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.

7.2 Long term loans include loan provided to key management personnel amounting to Rs. 9.79 million (2023: Rs. 14.05 million).

	Note	2024	2023
		Rupees '000	
8. INVENTORIES			
Stores and spares		9,852	14,308
Loose tools		2,630	2,554
		<u>12,482</u>	<u>16,862</u>
Less: Provision for net realisable value	8.2	(2,023)	(2,674)
		<u>10,459</u>	<u>14,188</u>
Raw materials and components [including in transit Rs. 330.6 million (2023: Rs. 430.9 million)]	8.1	3,077,661	1,512,489
Less: Provision for net realisable value	8.2	(17,692)	(38,612)
		<u>3,059,969</u>	<u>1,473,877</u>
Work-in-process		23,322	87,375
Finished goods		995,156	398,138
Trading stock - Spare parts [including in transit Rs. Nil (2023: Rs. 13.5 million)]		78,178	115,935
Less: Provision for net realisable value	8.2	(21,244)	(45,961)
		<u>56,934</u>	<u>69,974</u>
		<u>4,145,840</u>	<u>2,043,552</u>

8.1 Raw materials include stocks held with suppliers amounting to Rs. 54.3 million (2023: Rs. 73.4 million).

8.2	Provision for stores, spares and loose tools	Provision for raw materials and components	Provision for trading stock - spare parts	Total
	← Rupees '000 →			
Balance at beginning of the year	(2,674)	(38,612)	(45,961)	(87,247)
Reversal during the year - net	651	20,920	24,717	46,288
Balance at end of the year	<u>(2,023)</u>	<u>(17,692)</u>	<u>(21,244)</u>	<u>(40,959)</u>

Note
2024 2023
Rupees '000

9. TRADE RECEIVABLES

Considered good - unsecured

Related party

Indus Motor Company Limited, group company	9.1 & 9.2	38,554	112,865
Others	9.3 & 9.4	36,841	74,359
		<u>75,395</u>	<u>187,224</u>

Considered doubtful

Others	9.4	40,618	45,007
		<u>116,013</u>	<u>232,231</u>

Less: allowance for expected credit losses	9.5	<u>(40,618)</u>	<u>(45,007)</u>
		<u>75,395</u>	<u>187,224</u>

9.1 The balance from related party is not yet due on reporting date.

9.2 The maximum aggregate amount due from the related party at the end of any month during the year was Rs. 277.16 million (2023: Rs. 436.28 million).

9.3 These include amounts receivable from government institutions amounting to Rs. 3 million (2023: Rs. 13.82 million).

9.4 The ageing of trade debts of parties other than related parties as at the reporting date is as under:

	2024	2023
	Rupees '000	
Not yet due	34,087	65,596
1 to 30 days	1,527	2,303
31 to 90 days	560	1,264
91 to 180 days	-	35
181 to 365 days	1,018	-
Over 365 days	<u>40,267</u>	<u>50,168</u>
	<u>77,459</u>	<u>119,366</u>

9.5 Balance at beginning of the year	45,007	51,663
Reversal during the year - net	<u>(4,389)</u>	<u>(6,656)</u>
Balance at end of the year	<u>40,618</u>	<u>45,007</u>

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	Note	2024	2023
		Rupees '000	
10. LOANS AND ADVANCES			
Current maturity of long term loans - unsecured		24,426	28,335
Advances to:			
- employees - secured		1,101	266
- suppliers - unsecured	10.1	10,861	33,373
		11,962	33,639
		36,388	61,974
Provision for doubtful advances to suppliers		(7,270)	(7,270)
		29,118	54,704
10.1	This includes amounts due from Indus Motor Company Limited which is a related party of the Company. The maximum aggregate amount due at the end of any month during the year was Rs. Nil (2023: Rs. 2.87 million).		
10.2	These loans and advances are non-interest bearing.		
	Note	2024	2023
		Rupees '000	
11. TRADE DEPOSITS AND PREPAYMENTS			
Trade deposits		7,394	16,055
LC deposit	11.1	103,650	1,265,815
Provision for doubtful deposits	11.2	(5,110)	(5,061)
		105,934	1,276,809
Prepayments		20,545	23,126
		126,479	1,299,935
11.1	These pertains to cash margin provided to banks for import of raw material.		
	Note	2024	2023
		Rupees '000	
11.2		5,061	8,137
Balance at beginning of the year		5,061	8,137
Charge / (reversal) during the year		49	(3,076)
Balance at end of the year		5,110	5,061
11.3	These trade deposits are non-interest bearing.		
12. REFUNDS DUE FROM GOVERNMENT - SALES TAX			
Sales tax refundable	12.1	266,444	175,621
Custom duty and excise duty refundable		2,807	2,807
		269,251	178,428
Less: Provision for doubtful refunds	12.1	(55,726)	(55,726)
		213,525	122,702

- 12.1** This includes sales tax refundable of Rs. 47.14 million (2023: Rs. 47.14 million), net of provisional refunds of Rs. 519.05 million (2023: 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 providing documentary evidence as and when required by regulatory authorities.

13. OTHER RECEIVABLES

This includes accrued markup receivable of Rs. 0.61 million (2023: Rs. 1.58 million) on term deposit accounts. Accrued markup receivable also includes Rs. 0.05 million (2023: Rs. 0.07 million) from JS Bank Limited, a related party of the Company.

	Note	2024	2023
Rupees '000			
14. CASH AND BANK BALANCES			
Balances with banks:			
- on current accounts	14.1	104,663	13,597
- on PLS savings accounts	14.1 & 14.2	61,006	324,425
Cheques in hand		-	11,175
Cash in hand		86	88
		165,755	349,285

- 14.1** Bank balances includes Rs. 0.81 million (2023: Rs. 20.03 million) in bank accounts of JS Bank Limited, a related party of the Company.

- 14.2** At March 31, 2024, the rate of profit on savings accounts range from 18.5% to 20.5% per annum (2023: 8.25% to 15.5% per annum).

15. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2024	2023		2024	2023
(Number of shares)			Rupees '000	
Authorised share capital				
100,000,000	100,000,000	Ordinary shares of Rs. 10 each	1,000,000	1,000,000
Issued, subscribed and paid-up capital				
Ordinary shares of Rs. 10 each				
18,600,840	18,600,840	Shares issued for consideration paid in cash	186,008	186,008
4,133,520	4,133,520	Shares issued for consideration other than cash - fixed assets	41,335	41,335
2,066,760	2,066,760	Shares issued as bonus shares	20,668	20,668
24,801,120	24,801,120		248,011	248,011

- 15.1** All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

15.2 At March 31, 2024, Hino Motors Limited, Japan (HML) - the Holding Company and Toyota Tsusho Corporation, Japan (TTC) - an associated company respectively held 14,797,733 (2023: 14,797,733) and 7,398,867 (2023: 7,398,867) ordinary shares of Rs. 10 each representing 59.67 percent (2023: 59.67 percent) and 29.83 percent (2023: 29.83 percent) of total ordinary shares.

15.3 As per the shareholders agreement between HML and TTC:

- Each party has first right of refusal in case the other party intends to disinvest its shares in the Company.
- HML has right to appoint Chairman of the Board of Directors.

16. REVALUATION SURPLUS ON LAND AND BUILDINGS

The revaluation surplus represents net cumulative increase in the carrying amount as a result of revaluation of property, plant and equipment carried at revalued amount.

	2024	2023
	Rupees '000	
Revaluation surplus at beginning of the year	2,222,132	2,118,424
Surplus arising on revaluation:		
- Leasehold land	227,661	134,770
- Freehold land	-	2,830
- Building on Leasehold land	28,983	55,066
- Building on Freehold land	5,993	17,826
	262,637	210,492
Deferred tax liability on revaluation surplus	(11,542)	(42,994)
	<u>2,473,227</u>	<u>2,285,922</u>
Net amount transferred to accumulated loss on account of		
- Incremental depreciation	(88,609)	(75,729)
- Deferred tax on incremental depreciation	14,923	11,939
	(73,686)	(63,790)
	<u>2,399,541</u>	<u>2,222,132</u>

17. GENERAL RESERVE

General reserve is maintained for fulfilling various business needs including meeting contingencies, offsetting future losses, enhancing the working capital and paying dividends.

18. DEFERRED TAXATION

The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

	2024	2023
	Rupees '000	
Deferred tax asset	(88,777)	(116,526)
Deferred tax liability	276,977	286,885
	188,200	170,359

18.1 Analysis of change in deferred taxation

	Accelerated tax depreciation	Surplus on revaluation	Provision for inventory obsolescence	Provision for doubtful receivables, deposits and advances	Provision for retirement benefits	Provision for warranty	Total
	← Rupees '000 →						
April 01, 2023	118,517	168,368	(28,791)	(37,335)	(36,455)	(13,945)	170,359
Charge / (credit) to profit or loss	(6,528)	(14,922)	15,275	1,432	-	700	(4,043)
Charge to other comprehensive income	-	-	-	-	10,342	-	10,342
Charge to equity	-	11,542	-	-	-	-	11,542
March 31, 2024	111,989	164,988	(13,516)	(35,903)	(26,113)	(13,245)	188,200
April 01, 2022	99,238	137,313	(29,130)	(35,632)	(34,423)	(10,766)	126,600
Charge / (credit) to profit or loss	19,279	(11,939)	339	(1,703)	(4,749)	(3,179)	(1,952)
Charge to other comprehensive income	-	-	-	-	2,717	-	2,717
Charge to equity	-	42,994	-	-	-	-	42,994
March 31, 2023	118,517	168,368	(28,791)	(37,335)	(36,455)	(13,945)	170,359

18.2 Deferred tax asset has not been recognised on unused tax losses, unabsorbed tax depreciation and minimum tax amounting to Rs. 298.53 million (2023: Rs. 308.30 million), Rs. 101.46 million (2023: Rs. 101.46 million) and Rs. 778.95 million (2023: Rs. 907.40 million) respectively, in view of lack of current and future estimated taxable profits required to recover the benefit. Deferred tax asset on minimum tax and unused tax losses will lapse after 3 and 6 years respectively of loss occurred, however deferred tax on loss of unabsorbed depreciation will be available for indefinite period.

18.3 Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. As per Finance Act, 2022, companies operating in certain sectors, including automobile, are liable to pay super tax at 10% for tax year 2022, and upto 4% in subsequent years. However Finance Act, 2023 has introduced progressive rate on high earning persons ranging from 1% to 10% whereas on companies having income in excess of Rs. 500 million, 10% super tax will be applicable. Such higher rate of tax has been made perpetual thus substantially increasing the overall tax costs for the businesses. Accordingly, deferred tax assets and liabilities have been recognised using the expected rate.

19. EMPLOYEE BENEFIT OBLIGATIONS / (PREPAYMENTS) - RETIREMENT BENEFITS

19.1 As stated in note 2.11, the Company operates approved funded pension and gratuity schemes for all its permanent employees and an unfunded gratuity 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, 2024.

19.2 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.

19.3 The Company faces the following risks on account of defined benefit and defined contribution plan:

Longevity Risk - The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

Final Salary Risk - The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.

Withdrawal risk - The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

19.4 Details of the Funds as per the actuarial valuation are as follows:

	2024			2023		
	Funded		Unfunded Gratuity	Funded		Unfunded Gratuity
	Gratuity Fund	Pension Fund		Gratuity Fund	Pension Fund	
	← Rupees '000 →					
19.5 Movement in (asset) / liability						
Opening balance	32,964	(43,699)	31,295	19,031	(12,573)	16,802
Charge for the year - note 19.8	20,722	4,501	19,754	19,851	13,364	14,465
Remeasurements recognised in other comprehensive income - note 19.7	(11,356)	(18,393)	(1,591)	31,157	(40,443)	1,052
Benefits paid - net	-	-	(7,302)	-	-	(1,024)
Contribution paid	(56,702)	(8,759)	-	(37,075)	(4,047)	-
Withdrawals	-	43,699	-	-	-	-
Closing balance	<u>(14,372)</u>	<u>(22,651)</u>	<u>42,156</u>	<u>32,964</u>	<u>(43,699)</u>	<u>31,295</u>
19.6 Statement of financial position and reconciliation as at March 31						
Fair value of plan assets - note 19.10	(377,620)	(632,529)	-	(330,921)	(608,580)	-
Present value of defined benefit obligations - note 19.9	363,248	609,878	42,156	363,885	564,881	31,295
Recognised (asset) / liability	<u>(14,372)</u>	<u>(22,651)</u>	<u>42,156</u>	<u>32,964</u>	<u>(43,699)</u>	<u>31,295</u>

	2024			2023		
	Funded		Unfunded Gratuity	Funded		Unfunded Gratuity
	Gratuity Fund	Pension Fund		Gratuity Fund	Pension Fund	
	← Rupees '000 →					
19.7 Remeasurement recognised in other comprehensive income						
Remeasurement losses / (gains) on obligations						
- Financial assumptions	(844)	5,658	(110)	12,723	(51,785)	3,179
- Demographic assumptions	-	-	-	34	-	(1,433)
- Experience losses / (gains)	7,057	15,622	(1,481)	304	14,828	(694)
Remeasurement (gains) / losses on fair value of plan assets	(17,569)	(39,673)	-	18,096	(3,486)	-
	<u>(11,356)</u>	<u>(18,393)</u>	<u>(1,591)</u>	<u>31,157</u>	<u>(40,443)</u>	<u>1,052</u>
19.8 Charge for the year						
Current service cost	23,126	22,921	15,359	19,794	20,719	12,551
Interest cost	51,918	84,349	4,423	36,266	63,066	1,914
Employee contribution	-	(5,620)	-	-	(5,327)	-
Expected return on plan assets	(51,183)	(88,996)	-	(36,209)	(65,094)	-
Curtailment (gain) / loss	(3,139)	(8,153)	(28)	-	-	-
	<u>20,722</u>	<u>4,501</u>	<u>19,754</u>	<u>19,851</u>	<u>13,364</u>	<u>14,465</u>
19.9 Movement in the present value of obligations						
Opening balance	363,885	564,881	31,295	322,538	555,415	16,802
Current service cost	23,126	22,921	15,359	19,794	20,719	12,551
Interest cost	51,918	84,349	4,423	36,266	63,066	1,914
Remeasurement	6,213	21,280	(1,591)	13,061	(36,957)	1,052
Benefits paid	(78,755)	(75,400)	(7,302)	(27,774)	(37,362)	(1,024)
Curtailment (gain) / loss	(3,139)	(8,153)	(28)	-	-	-
Closing balance	<u>363,248</u>	<u>609,878</u>	<u>42,156</u>	<u>363,885</u>	<u>564,881</u>	<u>31,295</u>
19.10 Movement in fair value of plan assets						
Opening balance	330,921	608,580	-	303,507	567,988	-
Expected return on plan assets	51,183	88,996	-	36,209	65,094	-
Remeasurement	17,569	39,673	-	(18,096)	3,486	-
Employer contributions	56,702	8,759	-	37,075	4,248	-
Employee contributions	-	5,620	-	-	5,327	-
Withdrawals	-	(43,699)	-	-	(201)	-
Benefits paid	(78,755)	(75,400)	-	(27,774)	(37,362)	-
Closing balance	<u>377,620</u>	<u>632,529</u>	<u>-</u>	<u>330,921</u>	<u>608,580</u>	<u>-</u>

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	2024			2023		
	Funded		Unfunded Gratuity	Funded		Unfunded Gratuity
	Gratuity Fund	Pension Fund		Gratuity Fund	Pension Fund	
	← Rupees '000 →					
19.11	Plan assets comprise of:					
	177,055	255,495	-	194,374	287,243	-
	87,705	63,855	-	67,609	53,025	-
	105,271	303,727	-	62,236	251,018	-
	7,589	9,452	-	6,702	17,294	-
	377,620	632,529	-	330,921	608,580	-

19.12 Key actuarial assumptions used:

Expected rate of return on plan assets (%)	15.50	15.50	-	16.00	16.00	-
Future salary increase (%)	14.50	14.50	14.50	15.00	15.00	15.00
Discount rate at March 31 (%)	15.50	15.50	15.50	16.00	16.00	16.00
Retirement age (years)	60	60	60	60	60	60

19.13 Pre-retirement mortality was assumed to be SLIC (2001-2005) for males and females, as the case may be, rated down one year.

19.14 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 retirement benefit plan. Within this framework, the Company's ALM objective is to match assets to the retirement 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 2024 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 risk.

19.15 The expected return on plan assets was determined by considering the expected returns available 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.

19.16 Sensitivity analysis for actuarial assumptions

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	
			2024	2023	2024	2023
			← Rupees '000 →			
Discount rate at March 31	1.00%		61,249	59,241	(69,575)	(67,278)
Future salary increases	1.00%		58,437	58,635	(52,901)	(53,075)

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

The sensitivity analyses 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 Unit Credit Method at the end of the reporting period) has been applied as when calculating the liability 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.

19.17 The expected return on plan assets is based on the market 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.

19.18 Based on actuary's advice, the amount of expected contribution to gratuity and pension funds in 2024-25 will be Rs. 19.66 million and Rs. 8.27 million respectively.

19.19 The weighted average duration of pension fund, funded gratuity and unfunded gratuity is 6.47 years.

19.20 Expected maturity analysis of undiscounted retirement benefit plans.

	Less than a year	Between 1-2 years	Between 2-5 years	Between 5-10 years	Over 10 years	Total
	← Rupees '000 →					
At March 31, 2024						
Retirement benefit plans	<u>163,120</u>	<u>119,980</u>	<u>417,835</u>	<u>801,350</u>	<u>11,856,285</u>	<u>13,358,570</u>
At March 31, 2023						
Retirement benefit plans	<u>95,539</u>	<u>141,626</u>	<u>443,358</u>	<u>853,022</u>	<u>16,573,559</u>	<u>18,107,104</u>

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	Note	2024	2023
		Rupees '000	
20. TRADE AND OTHER PAYABLES			
Creditors		57,103	145,363
Bills payable to:			
- Toyota Tsusho Corporation, Japan, group company		72,316	332,095
- Hino Motors Limited, Japan - holding company		7,011	4,288
- Toyota Tsusho, Asia Pacific PTE Ltd, Singapore, group company		-	97,846
- Hino Motors Limited, Middle East - FZE		-	13,244
- Hino Motors Asia Limited, Thailand, group company		-	-
Accrued liabilities	20.1	1,054,223	829,845
Workers' welfare fund		-	4,988
Royalty payable to Hino Motors Limited, Japan, holding company		147,797	127,630
Security deposits from dealers	20.2	35,000	35,000
Employees related obligation	20.3	91,394	95,280
Tax deducted at source and payable to statutory authorities		8,032	7,197
Workers' profit participation fund		-	13,390
Sindh sales tax on services		19,214	15,463
Accrued Markup	20.4	129,885	4,411
Provisions	20.5	281,754	330,457
Others	20.6	8,319	7,651
		<u>1,912,048</u>	<u>2,064,148</u>

20.1 This includes an amount of Rs. 384.40 million (2023: Rs. 384.40 million) on account of additional custom duty on the import of CKD, MSPs and IMV frames levied through notifications issued by Federal Board of Revenue. The Company has filed a petition in the Sindh High Court against such additional duty and has obtained a stay order in this regard. As at March 31, 2024, the Company has corporate guarantees issued to Collectorate of Customs amounting to Rs. 370 million (2023: Rs. 370 million).

20.2 These represent amounts received from dealers of the Company, which are utilised for the purpose of business in accordance with the related agreements.

20.3 This includes contributions made by employees towards the sale price of vehicles provided to them by the Company in accordance with the Company's vehicle policy.

20.4 This represents markup payable on short-term borrowings.

	Note	2024	2023
		Rupees '000	
20.5 Provisions			
Provision for compensated absences		111,029	128,009
Provision for warranty services		40,137	42,257
Provision for infrastructure cess	20.5.1.1	65,007	1,441
Provision for custom duties	20.5.1.2	65,581	158,750
		281,754	330,457

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

	Provision for compensated absences	Provision for warranty services	Provision for infrastructure cess - note 20.5.1.1	Provision for custom duties - note 20.5.1.2	Total
	Rupees '000				
Balance as at April 01, 2023	128,009	42,257	1,441	158,750	330,457
Recognised during the year	28,943	3,320	63,566	-	95,829
Payments / reversals / expenses against provision	(45,923)	(5,440)	-	(93,169)	(144,532)
Balance as at March 31, 2024	111,029	40,137	65,007	65,581	281,754

	Provision for compensated absences	Provision for warranty services	Provision for infrastructure cess - note 20.5.1.1	Provision for custom duties - note 20.5.1.2	Total
	Rupees '000				
Balance as at April 1, 2022	124,744	37,123	-	158,750	320,617
Recognised during the year	39,289	8,661	1,441	-	49,391
Payments / reversals / expenses against provision	(36,024)	(3,527)	-	-	(39,551)
Balance as at March 31, 2023	128,009	42,257	1,441	158,750	330,457

20.5.1.1 Infrastructure Cess is chargeable under Sindh Development and Maintenance of Infrastructure Cess Act, 2017 on the goods entering or leaving the province of Sindh from or for outside the country, ostensibly for services rendered in respect of development and maintenance of infrastructure of the province.

Various companies have filed the case in Sindh High Court (SHC) on the grounds that as per the Constitution of Pakistan, it is a federal levy and the province does not have any authority to impose a fee or cess on imports and exports into the Province from or for outside the country. In June 2021, this case was decided in favor of Sindh Government. Consequently, the petitioners filed the case in the Supreme Court of Pakistan (SCP). The SCP suspended the judgement of SHC in September 2021 and directed the petitioners to submit the Bank Guarantee equivalent to the amount of levy for future imported consignments until the case is concluded. Company also filed constitutional petition in SHC in April 2022 which was dismissed by the SHC. Consequently, the company filed a petition in the SCP challenging the SHC's judgment. On September 9, 2022, the SCP issued an order granting the company similar interim relief as it was provided to other petitioners. As a matter of prudence, the Company has fully charged the Sindh Government Infrastructure Cess to cost by providing provision, which has been worked out in compliance with directives of Courts.

- 20.5.1.2** These represent demands raised by Collector of customs in respect of custom duty provision made against CKD kits imported in 1993 (Case I) and between 1998 and 2006 (Case II), the same have been appealed against at appropriate levels.

During the year, for Case I, a demand notice PWL-62/1995-PT(AW) dated May 18, 2023 was received from Collector of Customs regarding recovery of Rs. 19.07 million calculated in accordance with the judgement passed by the Custom Appellate Tribunal (Bench-1), Karachi dated March 29, 2022. An amended demand notice PWL-62/1995-PT(AW) dated September 28, 2023 was received by the Company regarding recovery of additional Rs. 3.54 million in accordance with the judgement. The Company has settled the demands of Rs. 19.07 million and Rs. 3.54 million, in the month of June 2023 and October 2023 respectively and the original provision amounting to Rs. 93.17 million has been reversed accordingly.

- 20.6** This includes amount of Rs. 0.88 million (2023: Rs. Nil) payable to employee's Provident Fund maintained by the Company.

21. ADVANCES FROM CUSTOMERS

During the year, the Company recognised revenue amounting to Rs. 1.52 billion (2023: Rs. 2.29 billion) out of the advances from customers balance outstanding at the beginning of the year.

	Note	2024	2023
		Rupees '000	
22. SHORT-TERM BORROWINGS - SECURED			
Running finance	22.1 & 22.2	<u>2,285,314</u>	<u>19,309</u>

- 22.1** The facilities for running finance under mark-up arrangements with various banks as at March 31, 2024 amounted to Rs. 3.87 billion (2023: Rs. 3.87 billion) of which the amount remaining unutilised at the year end was Rs. 1.58 billion (2023: Rs. 3.85 billion). The rates of mark-up applicable on running finance are based on KIBOR and range from one month KIBOR + 0.5% to three months KIBOR + 0.75% per annum (2023: one month KIBOR + 0.5% to three months KIBOR + 0.75% per annum).

22.2 The above facilities are secured by way of hypothecation charge on inventory.

23. COMMITMENTS

23.1 Commitments for capital expenditure as at March 31, 2024 amounted to Rs. 2.78 million (2023: Rs. 9.51 million).

23.2 The facilities for opening the letters of credit and guarantees as at March 31, 2024 amounted to Rs. 13.77 billion (2023: Rs. 13.67 billion) of which the amount remaining unutilised at the year end was Rs. 12.42 billion (2023: Rs. 11.97 billion).

23.3 The Company as at March 31, 2024 issued bank guarantees amounting to Rs. Nil (2023: Rs. 224.93 million) in relation to advances from customers.

23.4 The Company as at March 31, 2024 issued bank guarantee amounting to Rs. 75 million (2023: Rs. 25 million) in relation to sindh infrastructure cess.

	2024	2023
	Rupees '000	
24. REVENUE FROM CONTRACTS WITH CUTOMERS		
Gross sales	9,372,689	15,765,505
Sales tax	<u>(1,418,237)</u>	<u>(2,304,585)</u>
	7,954,452	13,460,920
Commission and trade discounts	(331,743)	(270,011)
Sales returns	-	(4,936)
	<u>7,622,709</u>	<u>13,185,973</u>

24.1 Sales to Government institutions amount to Rs. 1.86 billion (2023: Rs. 2.72 billion) which account for 24.36% (2023: 20.62%) of the net sales.

24.2 Sales to Indus Motor Company Limited, a related party of the Company, amount to Rs. 1.59 billion (2023: Rs. 3.22 billion) which account for 20.90% (2023: 24.43%) of the net sales.

24.3 DISAGGREGATION OF REVENUE

In the following table, revenue is disaggregated by major product and service lines.

	2024	2023
	Rupees '000	
Major product / service lines		
Chassis	4,577,925	8,712,185
IMV Frames	1,593,014	3,221,407
Parts	783,679	530,075
Body	662,335	713,402
Service business	5,756	8,904
	<u>7,622,709</u>	<u>13,185,973</u>

25. COST OF SALES, DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES

	Note	COST OF SALES		DISTRIBUTION COSTS		ADMINISTRATIVE EXPENSES		TOTAL	
		2024	2023	2024	2023	2024	2023	2024	2023
		← Rupees '000 →							
Raw materials consumed		5,236,058	10,275,760	-	-	-	-	5,236,058	10,275,760
Staff costs	25.1	831,397	867,305	268,379	226,910	216,499	180,025	1,316,275	1,274,240
Depreciation and amortisation		195,653	186,200	25,000	31,806	49,519	53,391	270,172	271,397
Royalty and technical assistance		155,019	174,742	-	-	-	-	155,019	174,742
Fuel and power		123,712	121,222	4,386	5,041	20,840	14,102	148,938	140,365
Vehicle running and maintenance		26,706	27,623	33,679	36,751	33,900	36,088	94,285	100,462
Security and maintenance		31,904	26,175	11,805	9,639	63,083	51,663	106,792	87,477
Repair and maintenance		31,438	44,962	581	747	9,181	6,434	41,200	52,143
Product maintenance charges		-	-	13,797	46,193	-	-	13,797	46,193
Communication and stationery		3,804	4,704	4,723	4,705	7,140	9,278	15,667	18,687
Legal and professional charges		3,519	2,626	1,210	951	19,912	13,219	24,641	16,796
Insurance		10,876	9,554	5,550	4,938	4,223	3,708	20,649	18,200
Rent, rates and taxes		5,112	3,686	12,498	9,116	7,556	2,883	25,166	15,685
Travelling and entertainment		2,226	1,958	7,934	8,385	7,116	2,548	17,276	12,891
Advertising and sales promotion		-	-	6,624	9,437	30	106	6,654	9,543
Reversal of impairment of property, plant and equipment	4.1	-	-	-	-	-	(5,999)	-	(5,999)
Reversal of provision for obsolete stock-in-trade, stores and spares	8.2	(46,288)	(13,203)	-	-	-	-	(46,288)	(13,203)
Auditors' remuneration	25.2	-	-	-	-	6,515	7,184	6,515	7,184
Warranty services		-	-	(541)	6,621	-	-	(541)	6,621
Other expenses		5,631	10,367	2,484	4,114	30,219	29,518	38,334	43,999
		6,616,767	11,743,681	398,109	405,354	475,733	404,148	7,490,609	12,553,183
Opening stock of work in process		87,375	30,508						
Closing stock of work in process		(23,322)	(87,375)						
Cost of goods manufactured		6,680,820	11,686,814						
Opening stock of finished goods		398,138	333,220						
Closing stock of finished goods		(995,156)	(398,138)						
		6,083,802	11,621,896						
Consumption of trading goods		631,018	437,470						
		6,714,820	12,059,366						

25.1 Staff costs

Salaries, wages, allowances and staff welfare	25.1.1	785,475	820,939	255,201	212,109	206,111	168,237	1,246,787	1,201,285
Charge for defined benefit plans		31,803	31,806	7,408	8,851	5,767	7,023	44,978	47,680
Charge for defined contribution plan		14,119	14,560	5,770	5,950	4,621	4,765	24,510	25,275
		831,397	867,305	268,379	226,910	216,499	180,025	1,316,275	1,274,240

25.1.1 During the year, an employee rightsizing activity was carried out for lean business operations of the Company. The plan was communicated to the relevant employees in October 2023. Final settlements amounting to Rs. 75.42 million were paid to the relevant employees who were a part of this restructuring plan.

	Note	2024	2023
		Rupees '000	
25.2 Auditors' remuneration			
Annual Audit fee		2,636	2,441
Half yearly review		1,112	1,029
Certifications for regulatory purposes (including certificate of corporate governance, free float, CDC and royalty)		2,139	3,242
Out of pocket expenses		628	472
		<u>6,515</u>	<u>7,184</u>

26. OTHER INCOME

Income from financial assets

Return on PLS savings accounts	26.1	20,125	46,767
Return on deposit accounts	26.2	-	66,880
		<u>20,125</u>	<u>113,647</u>

Income from non-financial assets

Gain on disposal of property, plant and equipment		30,536	13,832
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Others

Scrap sales		57,785	66,573
Exchange gain - net		49,421	-
Insurance claim		-	1,353
Liabilities no longer required written back		564	7,270
Others		6,090	1,926
		<u>164,521</u>	<u>204,601</u>

26.1 Return on PLS savings accounts include Rs. 0.41 million (2023: Rs. 3.80 million) from JS Bank Limited, a related party of the Company.

26.2 Return on deposit accounts include Rs. Nil (2023: Rs. 25.77 million) from JS Bank Limited, a related party of the Company.

	Note	2024	2023
		Rupees '000	
27. OTHER EXPENSES			
Donations and charities		-	1,500
Workers' Profits Participation Fund		-	13,390
		<u>-</u>	<u>14,890</u>

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	Note	2024	2023
		Rupees '000	
28. FINANCE COSTS			
Exchange loss - net		-	235,812
Mark-up on short-term borrowings	22	223,679	8,483
Bank charges and others		15,634	11,108
Interest on lease liability		-	455
		<u>239,313</u>	<u>255,858</u>
29. INCOME TAX EXPENSE			
Current - for the year		98,737	181,668
- for prior year - Super tax		-	64,940
Deferred		(4,044)	(1,952)
		<u>94,693</u>	<u>244,656</u>

29.1 Minimum tax rate under section 113 of Income Tax Ordinance (ITO), 2001, for tax year 2023, is 1.25% of turnover and rate of income tax paid at import stage is 5.5% and 2% on import of parts and Completely Knocked Down (CKD) units respectively.

No numeric tax rate reconciliation is given as the Company is only liable for minimum tax under section 113 of the ITO-2001 and advance income tax paid at import stage under minimum tax regime as per section 148 of the ITO, 2001.

	2024	2023
30. (LOSS) / EARNINGS PER SHARE		
- BASIC AND DILUTED		
(Loss) / profit for the year attributable to ordinary shareholders (Rupees '000)	<u>(131,098)</u>	<u>16,033</u>
Weighted average number of ordinary shares outstanding at end of the year (Number in '000)	<u>24,801</u>	<u>24,801</u>
(Loss) / earnings per share - basic & diluted	<u>Rs. (5.29)</u>	<u>Rs. 0.65</u>

30.1 There were no dilutive potential ordinary shares in issue as at March 31, 2024 and 2023.

		2024	2023
		Rupees '000	
31. CASH USED IN OPERATIONS			
(Loss) / profit before income tax		(36,405)	260,689
Add / (less): Adjustments for non cash charges and other items			
Depreciation and amortisation	25	270,172	271,397
Impairment of property, plant and equipment	4.1	-	(5,999)
Gain on disposal of property, plant and equipment	26	(30,536)	(13,832)
Retirement benefits charge	19.8	44,977	47,680
Mark-up on short-term borrowings	22	223,679	8,483
Interest on lease liability		-	455
Income on PLS savings and deposit accounts	26	(20,125)	(113,647)
Profit before working capital changes		451,762	455,226
EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES			
(Increase) / decrease in current assets			
Inventories		(2,102,288)	(227,747)
Trade receivables		111,829	260,508
Loans and advances		25,586	(18,311)
Trade deposits and prepayments		1,173,456	(1,271,809)
Refunds due from the government - sales tax		(90,823)	53,464
Other receivables		528	8,208
		(881,712)	(1,195,687)
Decrease in current liabilities			
Trade and other payables		(277,574)	(764,083)
Advances from customers		(1,432,419)	(677,321)
		(2,591,705)	(2,637,091)
		(2,139,943)	(2,181,865)

Hinopak Motors Limited

	Note	2024	2023
		Rupees '000	
32. CASH AND CASH EQUIVALENTS			
Cash and bank balances	14	165,755	349,285
Short-term borrowings - secured	22	(2,285,314)	(19,309)
		<u>(2,119,559)</u>	<u>329,976</u>

33. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

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

	CHIEF EXECUTIVE OFFICER		DIRECTOR		EXECUTIVES	
	2024	2023	2024	2023	2024	2023
	← Rupees '000 →					
Managerial remuneration and allowances	2,527	2,527	2,153	2,206	138,980	130,597
Bonus	-	-	-	-	25,162	23,796
Retirement benefits	-	-	-	-	13,293	15,506
Rent and utilities	-	-	-	-	29,478	32,015
Leave passage	182	182	162	162	4,290	5,055
Club expenses	-	-	-	-	1,963	2,075
Medical expenses	283	244	279	241	5,313	6,253
	<u>2,992</u>	<u>2,953</u>	<u>2,594</u>	<u>2,609</u>	<u>218,479</u>	<u>215,297</u>
Number of persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>29</u>	<u>31</u>

33.1 In addition to the above, the CEO, Director 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.

33.2 Consultancy fee paid to the Chairman amounts to Rs. 4.75 million (2023: Rs. 4.20 million). The Chairman is also provided with free use of Company maintained car.

33.3 In addition to above, fee paid to the Chairman and two independent directors (2023: two) (Pakistan resident only) for attending meetings during the year amounted to Rs. 0.5 million (2023: Rs. 0.6 million) and Rs. 1.7 million (2023: Rs. 2 million) respectively.

← 2024
Units
→ 2023

34. PLANT CAPACITY AND PRODUCTION

Plant capacity (single shift without overtime)

- Chassis	6,000	6,000
- Bodies	1,800	1,800

Actual production

- Chassis	366	1,020
- Bodies	97	156

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

35. REPORTING SEGMENTS

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments. Based on internal management reporting structure for the year, no reportable segments were identified that were of continuing significance for decision making.

36. RELATED PARTY DISCLOSURES

The related parties comprise the Holding Company, Group Companies, directors of the Company, key management personnel and staff retirement funds. The Company continues to have a policy whereby transactions with related parties are entered into at commercial terms, approved policy and at rate agreed under a contract / arrangement / agreement. The contribution to defined contribution plan (provident fund) are made as per the terms of employment and contribution to the defined benefit plan (gratuity fund and pension fund) are made on the basis of latest actuarial advice. Remuneration of key management personnel are in accordance with their terms of engagements.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive Officer, Chief Financial Officer, Company Secretary, Non-Executive Directors and departmental heads to be its key management personnel. There are no transactions with key management personnel other than their terms of employment / entitlement.

36.1 Transactions with related parties

Relationship	Nature of transaction	2024	2023
		Rupees '000	
i. Holding company	- Purchase of goods	67,784	60,463
	- Royalty charge	155,019	166,048
ii. Other related parties	- Purchase of goods	4,916,889	6,438,601
	- Sale of goods	1,658,850	3,840,107
	- Purchase of property, plant and equipment	5,012	29,313
	- Payments to retirement benefit plans	120,054	93,434
iii. Key management personnel	- Salaries and other employee benefits	55,909	55,563
	- Retirement benefits	3,476	4,131

36.2 Outstanding balances with related parties as at year end have been included in the representative notes. These are settled in ordinary course of business.

36.3 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	Country of Origin	Basis of association	Aggregate % of Shareholding
1	Hino Motors Limited, Japan	Japan	Parent	59.67%
2	Toyota Tsusho Corporation, Japan	Japan	Group Company	29.83%
3	Hino Motors (China) Company Limited	China	Group Company	N/A
4	Hino Motors Middle East FZE	United Arab Emirates	Group Company	N/A
5	Hino Motors Asia Limited	Thailand	Group Company	N/A
6	Toyota Tsusho Asia Pacific Pte Limited	Singapore	Group Company	N/A
7	Toyotsu Machinery Corporation	Japan	Group Company	N/A
8	Indus Motor Company Limited	Pakistan	Group Company	N/A
9	Hino Motors Investment (China) Co. Ltd.	China	Group Company	N/A
10	Toyota Tsusho (Shanghai) Co. Ltd.	China	Group Company	N/A
11	JS Bank Limited	Pakistan	Common Directorship	N/A
12	Cnergyico PK Limited	Pakistan	Common Directorship	N/A
13	Hino Motors Limited Employee Gratuity Fund	Pakistan	Retirement Benefit Fund	N/A
14	Hino Motors Limited Employee Provident Fund	Pakistan	Retirement Benefit Fund	N/A
15	Hino Motors Limited Employee Pension Fund	Pakistan	Retirement Benefit Fund	N/A

37. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial risk management

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

Risk management framework

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Financial assets and liabilities

	2024						Total
	Interest / Mark-up bearing			Non Interest / Mark-up bearing			
	Maturity up to one year	Maturity after one year	Sub-total	Maturity up to one year	Maturity after one year	Sub-total	
← Rupees '000 →							
FINANCIAL ASSETS							
Loans to employees	-	-	-	24,426	35,274	59,700	59,700
Deposits	-	-	-	105,934	8,792	114,726	114,726
Trade receivables	-	-	-	75,395	-	75,395	75,395
Other receivables	-	-	-	1,054	-	1,054	1,054
Cash and bank balances	61,006	-	61,006	104,749	-	104,749	165,755
2024	61,006	-	61,006	311,558	44,066	355,624	416,630
FINANCIAL LIABILITIES							
Trade and other payables	-	-	-	1,476,654	-	1,476,654	1,476,654
Unclaimed dividend	-	-	-	12,876	-	12,876	12,876
Short term borrowings	2,285,314	-	2,285,314	-	-	-	2,285,314
2024	2,285,314	-	2,285,314	1,489,530	-	1,489,530	3,774,844
On statement of financial position gap							
2024	(2,224,308)	-	(2,224,308)	(1,177,972)	44,066	(1,133,906)	(3,358,214)

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	2023						Total
	Interest / Mark-up bearing			Non Interest / Mark-up bearing			
	Maturity up to one year	Maturity after one year	Sub-total	Maturity up to one year	Maturity after one year	Sub-total	
	← Rupees '000 →						
FINANCIAL ASSETS							
Loans to employees	-	-	-	28,335	38,908	67,243	67,243
Deposits	-	-	-	1,276,809	8,829	1,285,638	1,285,638
Trade receivables	-	-	-	187,224	-	187,224	187,224
Other receivables	-	-	-	1,582	-	1,582	1,582
Cash and bank balances	324,425	-	324,425	24,860	-	24,860	349,285
2023	324,425	-	324,425	1,518,810	47,737	1,566,547	1,890,972
FINANCIAL LIABILITIES							
Trade and other payables	-	-	-	1,562,372	-	1,562,372	1,562,372
Unclaimed dividend	-	-	-	12,890	-	12,890	12,890
Short term borrowings	19,309	-	19,309	-	-	-	19,309
2023	19,309	-	19,309	1,575,262	-	1,575,262	1,594,571
On statement of financial position gap							
2023	305,116	-	305,116	(56,452)	47,737	(8,715)	296,401
OFF STATEMENT OF FINANCIAL POSITION FINANCIAL INSTRUMENTS							
Commitments for capital expenditure							2,782
Letters of credit							944,916
Letters of guarantee							405,823
2024							1,353,521
2023							1,706,272

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

(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, 2024, the Company's interest bearing financial assets amounted to Rs. 0.06 billion (2023: Rs. 0.32 billion), and had the interest rates varied by 100 basis points with all the other variables held constant, profit / (loss) before income tax for the year would have been approximately higher / lower by Rs. 0.61 million (2023: Rs. 3.24 million).

As at March 31, 2024, the Company's interest bearing financial liabilities amounted to Rs. 2.29 billion (2023: Rs. 0.02 billion), and had the interest rates varied by 100 basis points with all the other variables held constant, profit / (loss) before income tax for the year would have been approximately higher / lower by Rs. 22.85 million (2023: Rs. 0.19 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 is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations without considering the fair value of the collateral available there against. The financial assets exposed to credit risk amount to Rs. 0.42 billion (2023: Rs. 1.89 billion).

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

	Note	2024	2023
		Rupees '000	
Loans to employees	7 & 10	59,700	67,243
Deposits	11	114,726	1,285,638
Trade receivables	9	75,395	187,224
Other receivables	13	1,054	1,582
Bank balances	14	165,669	349,196
		416,544	1,890,883

The ageing of trade debtors and amounts receivable at reporting date was as follows:

	2024		2023	
	Gross	Impairment	Gross	Impairment
	← Rupees '000 →			
0-30 days	74,167	2,837	180,763	835
31-90 days	560	28	1,264	132
91-180 days	-	-	34	-
181-270 days	835	334	-	-
270-360 days	184	18	-	-
Over 1 year	40,267	37,401	50,170	44,040
Total	116,013	40,618	232,231	45,007

The Company does not take into consideration the value of collateral while testing financial assets for impairment. The Company attempts to control credit risk by monitoring credit exposure, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

Cash and LC deposits are held only with reputable banks with high quality external credit rating assessed by external rating agencies. Following are the credit ratings of banks within which balances are held, investments are made or credit lines available:

Bank and deposit balances

Bank	Rating Agency	Rating	
		Short term	Long term
National Bank of Pakistan	PACRA	A1+	AAA
Habib Bank Limited	VIS	A-1+	AAA
United Bank Limited	VIS	A-1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Citibank N.A.	MOODY'S	P-1	AA3
Bank Alfalah Limited	PACRA	A1+	AA+
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA
MCB Bank Limited	PACRA	A1+	AAA
Bank AL Habib Limited	PACRA	A1+	AAA
JS Bank Limited	PACRA	A1+	AA-
Allied Bank Limited	PACRA	A1+	AAA

Loans to employees are not exposed to any material credit risk since these are secured against the retirement benefits of the employees.

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

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, management focuses on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Management does not consider that it has any concentration of credit risk at the reporting date.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or there is difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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 borrowing facility and cash and cash equivalents on the basis of expected cash flow.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

2024					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years
← Rupees in '000 →					
Financial liabilities					
Trade and other payables	1,476,654	(1,476,654)	(1,476,654)	-	-
Unclaimed dividend	12,876	(12,876)	(12,876)	-	-
Short term borrowings	2,285,314	(2,285,314)	(2,285,314)	-	-
	3,774,844	(3,774,844)	(3,774,844)	-	-
2023					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years
← Rupees in '000 →					
Financial liabilities					
Trade and other payables	1,562,372	(1,562,372)	(1,562,372)	-	-
Unclaimed dividend	12,890	(12,890)	(12,890)	-	-
Short term borrowings	19,309	(19,309)	(19,309)	-	-
	1,594,571	(1,594,571)	(1,594,571)	-	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effective as at June 30. The rate of mark-up has been disclosed in respective notes to these financial statements.

Short term borrowings from various banks contains certain loan covenants. A breach of covenant, in future, may require the Company to repay the respective borrowings earlier than as directed in the above table.

(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, 2024, payable exposed to foreign exchange risk is of Rs. 227.12 million (2023: Rs. 575.10 million). The liability is mainly denominated in Japanese Yen.

	2024		2023	
	Rupees	Yen	Rupees	Yen
	← Amounts in '000 →			
Financial liabilities				
Bills payable	79,327	43,091	336,383	157,372
Royalty payable	128,986	70,067	120,355	56,306
Net exposure	208,313	113,158	456,738	213,678

The following significant exchange rates applied during the year:

	Average rates		Reporting date rate	
	2024	2023	2024	2023
	← Rupees →			
Japanese Yen to PKR	1.99	1.82	1.84	2.14

As at March 31, 2024, if the Pak Rupee had weakened / strengthened by 10% (2023: 16%) against Japanese Yen with all other variables held constant, profit before income tax for the year would have been higher / lower by Rs. 21.92 million (2023: profit before income tax would have been higher / lower by Rs. 75.77 million), mainly as a result of foreign exchange losses / gains on translation of Japanese Yen denominated financial assets and liabilities.

As at March 31, 2024, if the Pak Rupee had weakened / strengthened by 17% (2023: 21%) against Dollar with all other variables held constant, profit before income tax for the year would have been higher / lower by Rs. Nil (2023: profit before income tax would have been higher / lower by Rs. 20.93 million), mainly as a result of foreign exchange losses / gains on translation of Dollar denominated financial assets and liabilities.

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 statements approximate their fair values.

(vi) Measurement of fair values

As at March 31, 2024, all financial assets and financial liabilities are carried at amortised cost which is approximate to their fair value. The Company measures the Land and Buildings at fair value and all of the resulting fair value estimates in relation to Land and Buildings of the Company are included in Level 2.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the management recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

Management assessed that the fair values of cash & bank balances, other receivable, deposits, trade receivables, loans to employees, short term borrowings, trade and other payables and unclaimed dividends approximate their carrying amounts largely due to short-term maturities of these instruments.

38. 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.

	2024	2023
39. NUMBER OF EMPLOYEES		
Number of employees at March 31		
- Permanent	321	383
- Contractual	261	380
	<u>582</u>	<u>763</u>
Average number of employees during the year		
- Permanent	359	382
- Contractual	290	365
	<u>649</u>	<u>747</u>

40. 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.

41. DATE OF AUTHORISATION FOR ISSUE

These financial statements were approved and authorised for issue in the Board of Directors meeting held on June 25, 2024.



Chief Financial Officer



Director



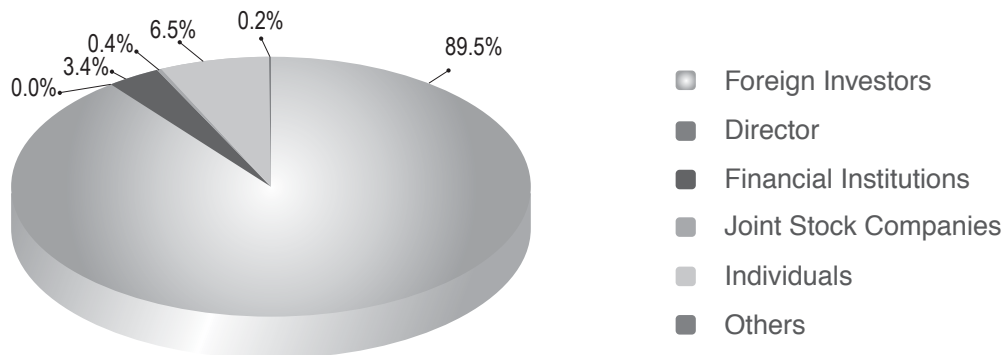
Chief Executive Officer

Pattern of Shareholding

AS AT MARCH 31, 2024

No of Shareholders	Shareholders		Total Shares Held
	From	To	
776	1	100	27,628
634	101	500	134,755
131	501	1,000	106,206
92	1,001	5,000	197,960
11	5,001	10,000	90,020
9	10,001	100,000	419,767
4	100,001	1,000,000	1,628,184
1	1,000,001	10,000,000	7,398,867
1	10,000,001	15,000,000	14,797,733
1,659			24,801,120

Shareholders' Category	No. of Shareholders	No. of Shares Held	Percentage of holding
Foreign Investors	4	22,204,200	89.5%
Directors	2	20	0.0%
Financial Institutions	3	839,270	3.4%
Joint Stock Companies	15	91,144	0.4%
Individuals	1633	1,618,304	6.5%
Others	2	48,182	0.2%
Grand Total	1659	24,801,120	100%



Pattern of Shareholding

Shareholders' Category	No. of Shareholders	No. of Shares Held
<u>Directors, Chief Executive Officer, and their spouse and minor children</u>		
Mr. Mushtaq Malik	1	10
Ms. Nargis Ali Akbar Ghaloo	1	10
<u>Associated Companies, Undertakings and Related Parties</u>		
(Shareholders holding 10% or more voting interest)		
Hino Motors Ltd. (Hinopak Motors Limited is Toyota Group Company and subsidiary of Hino Motors Limited, Japan. Toyota Motors Corporation is the ultimate parent of the group.)	1	14,797,733
Toyota Tsusho Corporation, Japan	1	7,398,867
<u>NIT and ICP</u>		
CDC - Trustee National Investment (Unit) Trust	1	838,784
N.B.P. Trustee Dept. Head Office	1	200
<u>Banks, Development Financial Institutions, Non Banking Financial Institutions</u>		
	1	286
<u>General Public (Individuals)</u>		
A. Local	1633	1,618,304
B.Foreign	1	100
<u>Others</u>		
	18	146,826
	<u>1,659</u>	<u>24,801,120</u>

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 39th 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 Thursday, July 25, 2024 at 09:30 a.m.

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, 2024, 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.

By order of the Board
ABDUL BASIT
 Company Secretary

Karachi:
 July 04, 2024

Notes

i. Online Participation in the Annual General Meeting

In order to facilitate and for the safety and well-being of the shareholders, the Company in addition to convening a physical meeting has also arranged attendance of shareholders virtually through video link facility. The shareholders who are interested in attending the AGM proceedings online may send the 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 email ID for the registration purposes latest by July 18, 2024.

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

A detailed procedure shall be communicated through email directly to the shareholders who have provided their valid email IDs and the same shall be placed at the Company's website <https://www.hinopak.com> in the investor relations section.

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 July 18, 2024 to July 25, 2024 (both days inclusive). No transfer will be accepted for registration during this period. Transfers received at Share Registrar Office M/s FAMCO Share Registration Services (Pvt.) Limited, at the close of business on July 17, 2024, 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.

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.

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 Share Registration Services (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. Notice to Shareholders who have not provided their IBAN

In accordance with the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly into the bank account designated by the entitled shareholders. Therefore, shareholders are requested to provide their bank details by filling up the Electronic Credit Mandate Form available at: <https://famcosrs.com/> and send the duly filled form along with a copy of CNIC to Company's Share Registrar, M/s FAMCO Share Registration Services (Pvt.) Limited.

vii. Change of Address

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

viii. Conversion of Physical Shares into Book Entry Form

In accordance with the provisions of Section 72 of the Companies Act, 2017, and subsequent directive received from the SECP for all listed companies to pursue with their physical shareholders and requiring them to convert their shares in the Book-Entry Form. In order to comply with the directives, the Physical Shareholders are once again reminded to convert their shares into Book-Entry Form through Investor Accounts Services of Central Depository Company or any Participant / TRE Certificate-holder of the Pakistan Stock Exchange Limited.

ix. 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 Share Registration Services (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)

x. Placement of Financial Statements on Website:

The Financial Statements of the Company for the year ended March 31, 2024 along with reports have been placed on the website of the Company which can be downloaded from the following link and / or QR enabled code:



<https://hinopak.com/investor-relation/>

Proxy Form

I/We _____ of _____
being a Shareholder of HINOPAK MOTORS LIMITED and holding _____ Ordinary Shares as per
Register Folio No. _____ or "CDC" Participant's I.D. No. _____ A/c No. _____
hereby appoint Mr. / Ms. _____ of _____ or failing him/her Mr. / Ms.
_____ of _____ as my/our Proxy in my/our absence to attend
and vote for me/us and on my/our behalf at the 39th Annual General Meeting of the Company to be
held on Thursday, July 25, 2024 and at any adjournment thereof.

Signature _____
(Signature must be agreed with the Specimen
signature registered with the Company)

Affix Revenue
Stamp of five
rupees

Witness 1 _____
Signature _____
Name _____
Address _____

CNIC or Passport No. _____

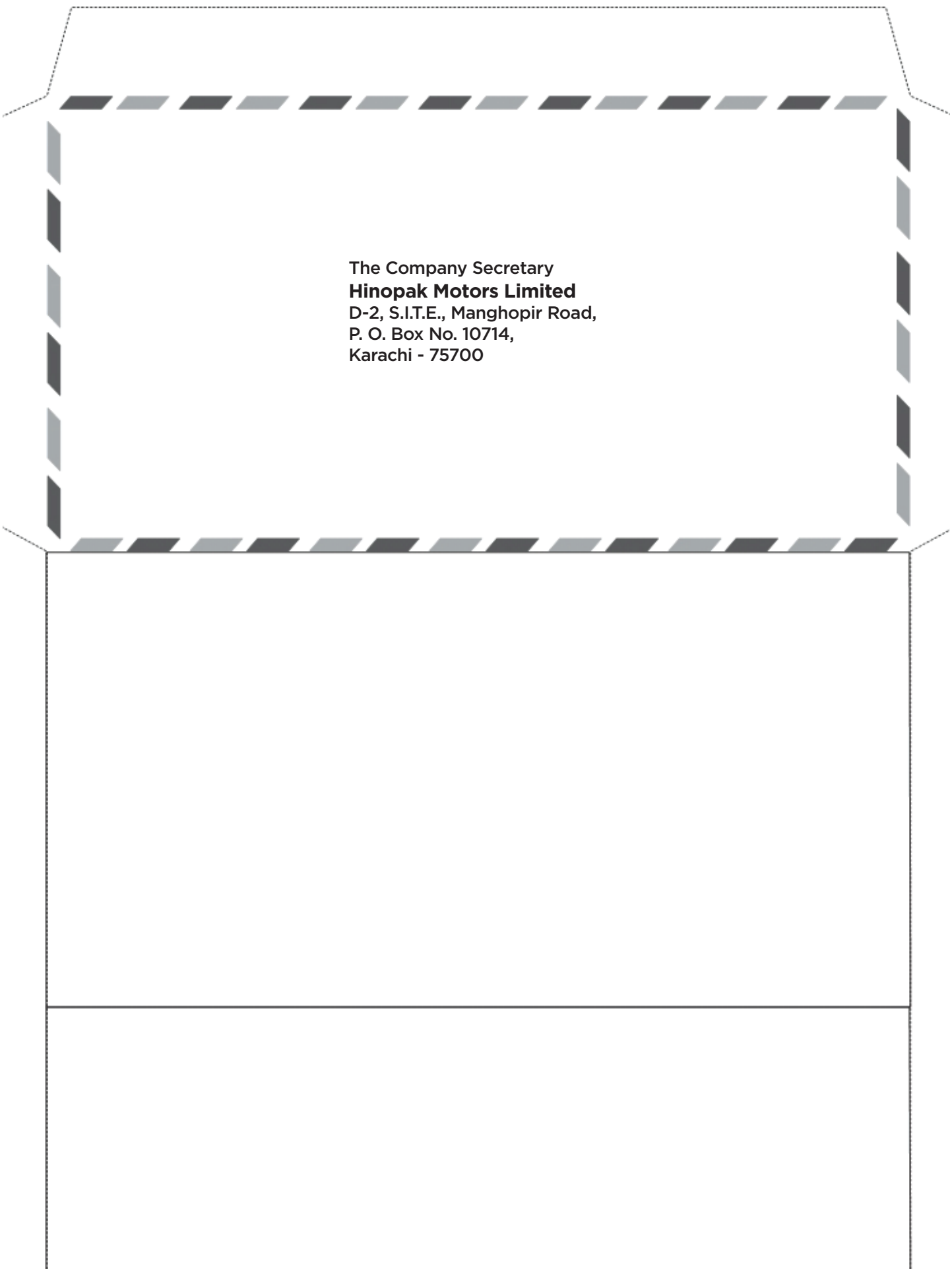
Witness 2 _____
Signature _____
Name _____
Address _____

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.



The Company Secretary
Hinopak Motors Limited
D-2, S.I.T.E., Manghopir Road,
P. O. Box No. 10714,
Karachi - 75700

مختار نامہ (پراکسی فارم)

میں/ہم _____ بحیثیت ممبر بینوپاک موٹرز لمیٹڈ بمملکت _____ عام حصص بر مطابق رجسٹرڈ فوئیو نمبر _____
یا _____ CDC Participant's I.D. No. _____ اکاؤنٹ نمبر _____
مسمیٰ/مسماة _____ یا ان کی غیر موجودگی میں مسمیٰ/مسماة _____ کو اپنا/ ہمارا بطور مختار مقرر
کرتا ہوں/کرتے ہیں تاکہ وہ میری/ہماری غیر موجودگی میں میری/ہماری طرف سے کمپنی کے انتالیسواں سالانہ اجلاس عام جو کہ بتاریخ، 25 جولائی 2024،
بروز جمعرات منعقد ہو رہا ہے اور اس کے ملتوی شدہ اجلاس میں شرکت کر سکے اور ووٹ ڈال سکے۔

مطلوبہ (پانچ روپے کا)
ریونیٹلٹ چسپاں کریں

دستخط _____
(دستخط کمپنی کے پاس پہلے سے محفوظ دستخطی کے مطابق ہونے ضروری ہیں)

گواہ (۱)	گواہ (۲)
دستخط گواہ:	دستخط گواہ:
نام:	نام:
پتہ:	پتہ:
قومی شناختی کارڈ نمبر یا پاسپورٹ نمبر:	قومی شناختی کارڈ نمبر یا پاسپورٹ نمبر:

نوٹس:

- 1- کمیٹی کا ایسا حصہ دار/ممبر جو سالانہ اجلاس میں شرکت اور ووٹ ڈالنے کا اہل ہو وہ اپنی جگہ پر کسی اور شخص یا نمائندہ کو اجلاس میں شرکت اور ووٹ ڈالنے کے لئے نامزد کر سکتا ہے۔
پراکسی ہولڈر (مختار) کو کمپنی کا ممبر ہونا ضروری نہیں ہے۔
- 2- پراکسی ہولڈر کے لئے ضروری ہے کہ اس کو شراکت دار یا اس کا مجاز ذکیل اس کو بذات خود یا تحریر کے ذریعے سے تصدیق کرے۔ ادارے کی صورت میں پراکسی فارم کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد یا مختار نامہ بمع نامزد کردہ شخص کے نمونہ دستخط کے ساتھ کمپنی ہذا میں جمع کروائیں۔
- 3- تمام نامزدگیاں اس صورت میں موثر ہوں گی جب پراکسی فارم بنام سیکریٹری رجسٹرڈ آفس D-2 سائٹ، منگھوپیر روڈ، P.O.Box No.10714 کراچی 75700 کو اجلاس کے انعقاد کے مقرر وقت سے 48 گھنٹے قبل موصول ہوں۔
- 4- CDS میں اکاؤنٹ رکھنے والے ممبران کے لئے قومی شناختی کارڈ یا پاسپورٹ سے پہلے چار صفحات کی تصدیق شدہ کاپی کا ساتھ ہونا ضروری ہے۔ پراکسی ہولڈرز کو سالانہ اجلاس میں شرکت کے وقت اپنا اصل شناختی کارڈ یا پاسپورٹ پیش کرنا ضروری ہے تاکہ شناخت میں آسانی رہے۔ ادارے کی صورت میں پراکسی فارم کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد یا مختار نامہ بمع نامزد کردہ شخص کے نمونہ دستخط کے ساتھ بوقت شرکت اجلاس کمپنی ہذا میں پیش کرنا ضروری ہے۔

کریڈٹ مینڈیٹ فارم میں اپنے بینک کی تفصیلات پُر کریں اور باضابطہ پُر شدہ فارم کو CNIC کے ہمراہ کمپنی کے شیئر رجسٹرار، میسرز فیکو شیئر رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ کو ارسال کریں۔

۷۔ پتے میں تبدیلی

حصص یافتگان سے گزارش ہے کہ اپنے رجسٹرڈ پتے میں کسی بھی تبدیلی سے متعلق معلومات سے شیئر رجسٹرار میسرز فیکو شیئر رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ کو آگاہ کریں۔

۸۔ طبعی حصص کی بک ایسٹری فارم میں تبدیلی

کمپنیز ایکٹ 2017 کی دفعہ 72 کی شقوں کے تحت اور بعد ازاں SECP سے موصولہ ہدایات کے مطابق تمام لسٹڈ کمپنیز اپنے طبعی حصص یافتگان کو مائل کریں اور اپنے حصص کو بک ایسٹری فارم میں تبدیل کرنے کو ضروری قرار دیں۔ ان ہدایات کی پاسداری کرتے وقت طبعی حصص یافتگان کو ایک بار پھر یاد دہانی کروائی جاتی ہے کہ وہ اپنے حصص کو سینٹرل ڈپازٹری کمپنی آف پاکستان کی انویسٹرا کاؤنٹس سروسز یا پاکستان اسٹاک ایکسچینج کے کسی بھی TRE سرٹیفیکیٹ ہولڈر / شریک کار کے ذریعے بک ایسٹری فارم میں تبدیل کروالیں۔

۹۔ ممبران کیلئے ویڈیولنک کی سہولت

اگر کمپنی کو کسی ممبر / ممبران سے اجلاس میں بذریعہ ویڈیولنک شرکت کرنے کی درخواست 7 دن قبل موصول ہو جن کی کمپنی میں 10 فیصد حصص ہیں اور وہ کسی اور شہر میں رہائش پذیر ہوں تو کمپنی ان کیلئے ویڈیولنک کی سہولت کا اہتمام کرے گی بشرطیکہ اس شہر میں یہ سہولت دستیاب ہو۔

اس سہولت سے استفادہ کیلئے شیئر رجسٹرار میسرز فیکو شیئر رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ کو مندرجہ ذیل معلومات فراہم کریں:

میں / ہم _____ منجانب _____ جو کہ ہینوپاک موٹرز لمیٹڈ کے رجسٹرڈ

فولیو / سی ڈی سی اکاؤنٹ نمبر _____ کے تحت _____ عمومی حصص کے مالک ہیں، میں / ہم ویڈیولنک سروسز

کی سہولت سے استفادہ کرنا چاہتے ہیں۔

ممبر (ممبران) کے دستخط

۱۰۔ آڈٹ شدہ مالیاتی گوشواروں کی ویب سائٹ پر دستیابی

31 مارچ 2024 کو ختم ہونے والے سال کیلئے کمپنی کے مالیاتی گوشوارے برائے مختتم مدت بمع رپورٹس، کمپنی کی ویب سائٹ پر اپ لوڈ کر دیے گئے ہیں، جو ذیل میں دیے گئے لنک اور / کیو آر فعال کوڈ کے ذریعے ڈاؤن لوڈ کیے جاسکتے ہیں:



حصص یافتگان سالانہ اجلاس عام کے ایجنڈے کے یا امور سے متعلق اپنی رائے/مشورے ای میل ایڈرس info@hinopak.com پر بھی فراہم کر سکتے ہیں۔
اراکین کی بہر حال، حوصلہ افزائی کی جاتی ہے کہ وہ بذریعہ ویڈیولنک، ذاتی طور پر یا بذریعہ پراکسی سالانہ اجلاس عام میں اپنی شرکت کو یقینی بنائیں۔

۲۔ حصص منتقلی کی کتابوں کی بندش

سالانہ اجلاس عام کیلئے کمپنی کے حصص منتقلی کی کتابیں 18 جولائی سے 25 جولائی 2024 تک (بشمول دونوں ایام) بند رہیں گی۔ اس مدت کے دوران کسی بھی حصص کی منتقلی کی رجسٹریشن قبول نہیں کی جائے گی۔ شیئرز رجسٹر آف انس میسرز فیکو شیئرز رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ میں 17 جولائی 2024 کو دفتری اوقات ختم ہونے تک موصول ہونے والی منتقلیوں کو اجلاس عام میں شرکت اور ووٹ دینے کے حق کو بروقت تصور کیا جائے گا۔

۳۔ اجلاس میں حاضری کیلئے

انفرادی فرد ہونے کی صورت میں کھاتے دار یا ذیلی کھاتے دار اور/یا وہ افراد جن کے حصص گروپ اکاؤنٹ کی صورت میں ہیں اور ان کی تفصیلات ریگولیشنز کے تحت اپ لوڈ کر دی گئی ہیں، وہ اپنی شناخت کیلئے اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ اجلاس میں حاضری کے وقت پیش کریں۔
کارپوریٹ ادارہ ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمع نامزد فرد کے نمونہ دستخط اجلاس عام میں حاضری کے وقت (اگر پہلے سے فراہم نہ کیے گئے ہوں) پیش کیے جائیں گے۔

۴۔ پراکسی

ایک ممبر جو اجلاس عام میں شرکت اور ووٹ دینے کا اختیار رکھتا ہے وہ اجلاس میں اپنی جگہ کسی دوسرے شخص کو بطور پراکسی مقرر کر سکتا ہے جسے اس ممبر کی جگہ شرکت کرنے، بولنے اور ووٹ دینے کا اختیار ہوگا۔ پراکسیز کو موثر ہونے کیلئے ان کا کمپنی کے رجسٹرڈ آفس میں اجلاس کے وقت سے 48 گھنٹے قبل موصول ہونا ضروری ہے۔
سالانہ اجلاس عام میں شرکت کے سلسلے میں شناخت کی سہولت کیلئے حصص یافتگان کے حصص سینٹرل ڈپازٹری سسٹم (CDS) میں ہیں یا ان کا پراکسی اپنی شناخت کیلئے اصل CNIC یا اصل پاسپورٹ اجلاس عام میں حاضری کے وقت پیش کرے گا، جن کے ساتھ شریک کار کا شناختی نمبر اور حصص یافتہ کا اکاؤنٹ نمبر بھی پیش کیا جائے گا، جو سینٹرل ڈپازٹری کمیٹی نے مختص کیا ہو۔
کارپوریٹ ادارہ ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمع نامزد فرد کے نمونہ دستخط اجلاس عام میں حاضری کے وقت پیش کیے جائیں گے۔

۵۔ CNIC کی فوٹو کاپی فراہم نہ کرنے والے حصص یافتگان کو نوٹس

وہ انفرادی ممبران جنہوں نے ابھی تک اپنے موثر کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی نقل، کمپنی/شیئرز رجسٹر اور کو فراہم نہیں کی ہیں، انہیں ایک مرتبہ پھر یاد دہانی کروائی جاتی ہے کہ جلد از جلد اپنے CNIC کی نقل کمپنی کے شیئرز رجسٹر آف انس میسرز فیکو شیئرز رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ کو ارسال کریں۔ درست CNIC کی فوٹو کاپی موصول نہ ہونے کی صورت میں کمپنی ایکٹ 2017 کی دفعہ (3) 243 کے تحت کمپنی ایسے حصص یافتگان کے منافع منقسمہ کو روکنے پر مجبور ہوگی۔

۶۔ IBAN فراہم نہ کرنے والے حصص یافتگان کو نوٹس

کمپنی ایکٹ 2017 کی دفعہ 242 کی شقوں کے تحت لسٹڈ کمپنی کیلئے لازمی ہے کہ وہ نقد منافع منقسمہ اپنے حصص یافتگان کو صرف برقی طریقے سے براہ راست حقدار حصص یافتگان کے مختص کردہ اکاؤنٹ میں منتقل کرے۔ لہذا حصص یافتگان سے گزارش ہے کہ <https://famcosrs.com/> پر دستیاب الیکٹرونک

نوٹس برائے سالانہ اجلاس عام

بذریعہ ہذا اطلاع دی جاتی ہے کہ ہینوپاک موٹرز لمیٹڈ (کمپنی) کے حصص یافتگان کا اکتالیسواں سالانہ اجلاس عام (AGM)، جمعرات، 25 جولائی 2024، کو صبح 09:30 بجے کمپنی کے رجسٹرڈ آفس واقع 2-D، سائٹ، منگھوپیر روڈ، کراچی میں درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔ کمپنی نے حصص یافتگان کی شرکت کیلئے ویڈیو سہولت کا اہتمام کیا ہے۔ تفصیلی طریقہ کار کا ذکر بعد ازاں نوٹس میں بیان کیا گیا ہے۔ اجلاس کے دوران مندرجہ ذیل امور انجام دیے جائیں گے۔

عمومی امور

- 1۔ کمپنی کے آڈٹ شدہ مالیاتی گوشوارے برائے مختتمہ مدت 31 مارچ 2024 کے ساتھ ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوض اور انہیں اختیار کرنا۔
- 2۔ اگلے سال کیلئے آڈیٹرز کی تقرری اور ان کا معاوضہ طے کرنا۔
- 3۔ صدر مجلس کی اجازت سے مزید دیگر امور کی انجام دہی۔

بحکم بورڈ

عبدالباسط

کمپنی سیکریٹری

کراچی: 04 جولائی 2024

گزارشات

1۔ سالانہ اجلاس عام میں آن لائن شرکت

کمپنی نے حصص یافتگان کی بہبود اور تحفظ کی خاطر انہیں سہولت فراہم کرنے کا فیصلہ کرتے ہوئے اجلاس عام میں ویڈیو لنک کے ذریعے حاضر ہونے کی اجازت دی جائے گی۔ حصص یافتگان جو سالانہ اجلاس عام (AGM) کی آن لائن کارروائی میں دلچسپی رکھتے ہوں، وہ اپنے درست کمپیوٹرائزڈ شناختی کارڈ کی دونوں اطراف کی نقل (اسکین کر کے یا تصویر کھینچ کر) عنوان میں ”رجسٹریشن آف ہینوپاک موٹرز لمیٹڈ AGM“ درج کر کے اپنے مقرر کردہ پراسی توثیق کیلئے info@hinopak.com پر بھیج دیں۔ رجسٹریشن کے مقصد کیلئے اس قسم کی معلومات باقاعدہ رجسٹرڈ درست ای میل آئی ڈی کے ذریعے 18 جولائی 2024 تک فراہم کر دی جائیں۔

حصص یافتگان کا نام	فولیو ایس ڈی سی نمبر	ملکیت حصص کی تعداد	CNIC نمبر	سیل نمبر	رجسٹرڈ ای میل آئی ڈی

ان حصص یافتگان کو ایک تفصیلی طریقہ کار ای میل کے ذریعے براہ راست بھیج دیا جائے گا، جنہوں نے اپنی درست ای میل آئی ڈی فراہم کی ہیں، نیز اس تفصیلی طریقہ کار کو کمپنی کی ویب سائٹ <https://www.hinopak.com> کے انویسٹر ریلیشن سیکشن میں بھی رکھ دیا جائے گا۔

کارپوریٹ سماجی ذمہ داریاں / ماحول پر اثرات

کمپنی سالہا سال سے معاشرے کی فلاح و بہبود میں مختلف سماجی سرگرمیوں کے ذریعے قابل ذکر معائنات کر رہی ہے۔ CSR پالیسی کے تحت کمپنی کی بنیادی سرگرمیوں میں صحت کی سہولتیں، مقام ملازمت، ماحول اور معاشرہ شامل ہے۔ اس سال کی سرگرمیوں میں ملازمین کی صحت کی جانچ، یونیورسٹیوں کے صنعتی دورے، اور سڑک کی حفاظت اور پانی کے تحفظ سے متعلق آگاہی پروگرام شامل ہیں۔ کمپنی نے درخت لگانے اور ساحل سمندر کی صفائی کے واقعات کے ساتھ اپنی ماحولیاتی کاوشوں کو وسعت دی ہے جس میں ملازمین اور ان کے اہل خانہ شامل ہیں۔ ایک نیا شروع کیا گیا کمیونیکیشن چینل عملے کو CSR سرگرمیوں کے بارے میں آگاہ کرتا ہے، جس سے زیادہ سے زیادہ شرکت کو فروغ ملتا ہے۔ یہ اقدامات سماجی ذمہ داری کے حوالے سے کمپنی کی جاری وابستگی، کمیونٹی سپورٹ میں توازن، ماحولیاتی ذمہ داری، اور اس کی CSR حکمت عملی میں ملازمین کی شمولیت کی عکاسی کرتے ہیں۔

نان ایگزیکٹو ڈائریکٹرز کے معاوضہ کی پالیسی کے نمایاں خدوخال

بورڈ آف ڈائریکٹرز کا چیئر مین مشاورتی فیس کے علاوہ اجلاسوں میں حاضر ہونے کی فیس کا حقدار ہے۔

نان ایگزیکٹو ڈائریکٹر بشمول آزاد ڈائریکٹرز صرف اجلاس میں حاضر ہونے کی فیس کے حقدار ہیں (ماسوائے غیر ملکی ڈائریکٹرز کے)

سال کے دوران پریزیڈنٹ / چیف ایگزیکٹو آفیسر کا معاوضہ 3 ملین روپے (2023 میں 3 ملین روپے) رہا۔

سال کے دوران چیئر مین کا بورڈ کے اجلاس میں شرکت کا معاوضہ 0.5 ملین روپے (2023 میں 0.6 ملین روپے) اور مشاورتی فیس جو ادا کی گئی وہ 4.75 ملین روپے (2023 میں 4.20 ملین روپے) رہی۔

دو آزاد ڈائریکٹرز کو 1.5 ملین روپے (2023 میں 2 ملین روپے) ادا کیے گئے۔

ڈائریکٹر بشمول چیف ایگزیکٹو کے معاوضہ کی مزید تفصیلات مالیاتی گوشواروں کے نوٹ نمبر 33 میں بیان کی گئی ہیں۔

چیئر مین کا جائزہ

چیئر مین کا ملحقہ جائزہ کمپنی کی کارکردگی، گزشتہ سال کے کاروباری نتائج سے قابل ذکر انحرافات، قابل ذکر منصوبوں اور مستقبل کی پیش بینی کا احاطہ کرتا ہے۔ بورڈ اس جائزہ کے مندرجات کی توثیق کرتا ہے۔

حسب الحکم بورڈ

林澤文

چیف ایگزیکٹو آفیسر

高山亨

ڈائریکٹر

تاریخ 25 جون 2024

Hinopak Motors Limited

منافع منقسمہ

کمپنی کی مالی پوزیشن کو مد نظر رکھتے ہوئے، ڈائریکٹرز نے کسی منافع منقسمہ، کیش یا کسی بھی ادائیگی کی سفارش نہیں کی ہے۔

بعد ازاں واقعات

مالیاتی سال کے اختتام اور اس رپورٹ کی تاریخ تک کوئی بھی ایسے وعدے یا ٹھوس تبدیلیاں رونما نہیں ہوئیں، جن سے کمپنی کی مالی پوزیشن متاثر ہوتی ہو۔

کارپوریٹ نظم و ضبط کے بہترین طور طریقوں کی پاسداری

بورڈ اس بات کا مسرت کے ساتھ اظہار کرتا ہے کہ کمپنی کی انتظامیہ کارپوریٹ نظم و ضبط کے بہترین طور طریقوں کی پاسداری کرتی ہے۔ بورڈ کارپوریٹ اور مالیاتی رپورٹنگ کے فریم ورک کے سلسلے میں اپنی ذمہ داری کو تسلیم کرتا ہے اور لہذا بیان کرتا ہے کہ:

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارے، کمپنی کی حالت، اس کی سرگرمیوں، امور کے نتائج، حصص میں تبدیلی اور کیش فلوکس شفاف عکاسی کرتے ہیں۔
 - کمپنی کے کھاتوں کی کتابیں مناسب انداز میں تیار کی گئی ہیں۔
 - مناسب اکاؤنٹنگ پالیسیوں کو مالیاتی گوشواروں کی تیاری میں مسلسل لاگو کیا گیا ہے سوائے اس کے کہ منکشف کیا گیا ہو اور اکاؤنٹنگ تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہوں۔
 - بین الاقوامی اکاؤنٹنگ معیارات اور بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، کی مالی گوشواروں کی تیاری میں پیروی کی گئی ہے۔
 - اندرونی کنٹرول کا نظام مضبوط طرز پر بنایا گیا ہے اور اس کا موثر طریقے سے نفاذ کیا گیا ہے اور اس کی مسلسل نگرانی کو یقینی بنایا جاتا ہے۔
 - کمپنی کی سرگرمیاں جاری رہنے کے حوالے سے کسی طرح کے شکوک و شبہات نہیں پائے جاتے۔
 - پاکستان اسٹاک ایکسچینج کی رول بک کے قواعد میں بیان کردہ ادارتی نظم و نسق کے بہترین طور طریقوں سے کوئی قابل ذکر انحراف نہیں کیا گیا۔
 - گذشتہ چھ سال کے آپریٹنگ اور مالیاتی ڈیٹا کی جھلکیاں صفحہ 16 پر دی گئی ہیں۔
- 31 مارچ 2024 تک کمپنی کے پروویڈنٹ، گریجویٹ اور پنشن فنڈز کی سرمایہ کاری کی مالیت حسب ذیل ہے:

روپے ہزاروں میں

278,640

377,620

632,529

فنڈ کا نام

ہینوپاک موٹرز لمیٹڈ ایمپلائز پروویڈنٹ فنڈ

ہینوپاک موٹرز لمیٹڈ ایمپلائز گریجویٹ فنڈ

ہینوپاک موٹرز لمیٹڈ ایمپلائز پنشن فنڈ

کمپنی کے حصص کی خرید و فروخت

سال تختہ 31 مارچ 2024 کے دوران ڈائریکٹرز، ایگزیکٹوز اور ان کی شریک حیات اور نابالغ بچوں نے کمپنی کے حصص میں کوئی خرید و فروخت نہیں کی۔ کمپنی ایکٹ 2017 کے فورتھ شیڈول میں طے کردہ حد کے مطابق سالانہ رپورٹ میں اصطلاح ”ایگزیکٹوز“ سے مراد ایسا ملازم ہے، جس کی سالانہ بنیادی تنخواہ 1.2 ملین روپے سے زیادہ ہو۔

کمپنی کے کاروبار کی ترقی اور کارکردگی، خسارہ کی وجوہات اور مستقبل میں منافع کے امکانات کمپنی نے بعد از ٹیکس 131.098 ملین روپے کا خالص خسارہ ظاہر کیا جو کہ 23-2022 میں بعد از ٹیکس منافع 16.03 ملین روپے تھا۔ یہ دیکھنا ابھی باقی ہے کہ نو منتخب حکومت آئی ایم ایف کے ساتھ نئے قرضہ پروگرام کیلئے کس طرح مذاکرات کرتی ہے جو مستقبل کی معاشی سمت کا تعین کرے گی۔ کمپنی کو ایک مشکل لیکن ممکنہ طور پر تبدیلی کا مستقبل درپیش ہے۔ چیلنجز کے باوجود، پائیدار ترقی پر زور دیتے ہوئے ہم مستقبل میں محتاط طور پر پرامید ہے۔

بنیادی خطرات اور غیر یقینی صورتحال

آٹو سیکٹر کے تمام اداروں کیلئے گزشتہ آٹو پالیسی میں متعارف کروائے گئے برآمدی اہداف کو پورا کرنا نمایاں طور پر ایک مشکل امر ہے۔ اس تبدیلی میں عالمی معیارات پر پورا اترنے والی مسابقتی مصنوعات تیار کرنا اور مارکیٹ میں داخل ہونے اور ترقی کو آسان بنانے کیلئے شرائط داری قائم کرنا شامل ہے۔ کمپنی بین الاقوامی برآمدی مارکیٹس میں ممکنہ اور قابل عمل مواقع کی سرگرمی سے چھان بین کر رہی ہے۔ بہر حال، کمپنی کا کاروبار تاریخی طور پر USD/PKR اور USD/JPY ایکسیج پارٹیڈ میں اتار چڑھاؤ سے وابستہ اہم خدشات سے دوچار ہے۔

آئیرز کی تقرری

موجودہ آڈیٹرز میسرز ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس سکدوش ہو چکے ہیں تاہم اہلیت کے باعث انہوں نے دوبارہ تقرری کی پیشکش کی ہے۔ ڈائریکٹرز نے آڈٹ کمیٹی کی سفارش پر میسرز ایف فرگوسن اینڈ کو، کی بحیثیت آڈیٹرز برائے سال 31 مارچ 2025 کی تقرری کی توثیق کی ہے، جس کی شرائط و ضوابط اور معاوضہ کو تعین بعد میں کیا جائے گا۔

حصص داری کی ساخت

لسٹڈ کمپنی (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تحت 31 مارچ 2024 کو حصص داری کی ساخت اور دیگر اضافی معلومات کو بالترتیب صفحہ 77 تا صفحہ 78 پر منکشف کیا گیا ہے۔

ہولڈنگ کمپنی

19 اکتوبر 1998 سے ہیون موٹرز لمیٹڈ جاپان ہیون پاک موٹرز لمیٹڈ میں 59.67 فیصد حصص داری کی وجہ سے اس کی ہولڈنگ کمپنی ہے۔

اندرونی کنٹرول کے نظام کی موزونیت

کمپنی کا بورڈ کمپنی کے اندرونی کنٹرول کے نظام کی تشکیل اور نافذ کرنے کا ذمہ دار ہے تاکہ کمپنی کو لاحق خطرات کی شناخت کی جاسکے اور ان کا مقابلہ کیا جاسکے۔ بورڈ پر اعتماد ہے کہ اندرونی کنٹرول کے نظام کی شکل مضبوط ہے اور موثر انداز میں نافذ العمل ہے اور اس کی نگرانی کی جاتی ہے۔

Hinopak Motors Limited

سال کے دوران آڈٹ کمیٹی کے 14 اجلاس ہوئے، جن میں ہر ڈائریکٹر کی حاضری درج ذیل رہی:

ڈائریکٹر کا نام	حاضری کی تعداد
محترمہ زگس علی اکبر گھالو	4
جناب مشتاق ملک	4
جناب تاجو جی اومیمورا	4
جناب مساتوا اوچیدا	4

کمپنی کی بنیادی سرگرمیاں اور عمومی جائزہ

ہینوپاک موٹرز لمیٹڈ (کمپنی) پاکستان میں بطور پبلک لمیٹڈ کمپنی تشکیل پائی اور یہ پاکستان اسٹاک ایکسچینج میں لسٹڈ ہے۔ کمپنی کی بنیادی سرگرمی ہینوسوں اور ٹرکوں کی اسمبلی، بتدریج تیاری اور فروخت ہے۔ سال کے دوران کاروباری نوعیت سے متعلق کوئی تبدیلی نہیں ہوئی۔ رواں مالی سال میں پاکستان کی معیشت کو مالیاتی خسارے، دوہرے ہندسے کی شرح سود، روپے کی قدر میں کمی اور توانائی و ایندھن کی قیمتوں میں اضافے کی وجہ سے مختلف چیلنجز کا مسلسل سامنا رہا۔ ان چیلنجز کے علاوہ حکومت کے اخراجات میں کمی، غیر ضروری اشیاء کی درآمدات پر پابندی اور آٹو فنانس کی محدود دستیابی نے تمام آٹو سیکٹر کی مجموعی فروخت کو متاثر کیا ہے۔ کمرشل گاڑیوں کا طبقہ بھی اس صورت حال سے مستثنیٰ نہیں تھا جہاں مارکیٹ کا مجموعی حجم تقریباً نصف رہ گیا۔

منافع / (خسارہ) کا اختصا

اختصا کی تفصیلات درج ذیل ہیں:

سال مختتمہ	2024 مارچ 31	2023 مارچ 31	
	روپے '000 میں		
(خسارہ) / منافع قبل از انکم ٹیکس	(36,405)	260,689	
انکم ٹیکس اخراجات	(94,693)	(244,656)	
(خسارہ) / منافع بعد از انکم ٹیکس	(131,098)	16,033	
اضافی فرسودگی کی مد میں جامد اثاثوں کی از سر نو تشخیصی مالیت پر اضافہ کی منتقلی	73,686	63,790	
دیگر جامع خسارہ برائے سال	20,998	5,517	
غیر مصرف شدہ (خسارہ) پیچھے سے لایا گیا	(377,958)	(463,298)	
غیر مصرف شدہ (خسارہ) آگے لے جایا گیا	(414,372)	(377,958)	
نی حصص (خسارہ) / منافع	(Rs. 5.29)	Rs. 0.65	

بورڈ کے اجلاس

اس سال بورڈ کے 15 اجلاس منعقد ہوئے، جن میں ہر ڈائریکٹر کی حاضری درج ذیل رہی:

ڈائریکٹرز کے نام	حاضری کی تعداد
جناب محمد اسلم سحرانی	5
جناب تاکا یو کی کیزاوا	5
جناب اکیر اوچیدا	5
محترمہ نرگس علی اکبر گھالو	5
جناب مشتاق ملک	5
جناب تاکو جی او میورا	5
جناب مساتو اوچیدا	5
جناب ریوتا ہتیکیا ما*	0

* 15 اپریل 2024 کو جناب اکیر اوچیدا کی جگہ بطور ڈائریکٹر تعینات کیا گیا۔

بورڈ کی کمیٹیاں

بورڈ نے 2 ذیلی کمیٹیاں بنام آڈٹ کمیٹی اور انسانی وسائل و معاوضہ کمیٹی تشکیل دی ہیں۔ بورڈ نے جو کمیٹیاں تشکیل دی ہیں وہ درج ذیل افراد پر مشتمل ہیں:

۱۔ آڈٹ کمیٹی

- نرگس علی اکبر گھالو۔ چیئر پرسن
- مشتاق ملک
- مساتو اوچیدا
- تاکو جی او میورا

۲۔ انسانی وسائل و معاوضہ کمیٹی

- مشتاق ملک چیئر مین
- نرگس علی اکبر گھالو
- تاکا یو کی کیزاوا

ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز اپنی رپورٹ کے ساتھ کمپنی کے آڈٹ شدہ مالیاتی گوشوارے برائے مختتمہ مدت 31 مارچ 2024 پیش کرتے ہوئے اظہارِ مسرت کرتے ہیں:

31 مارچ 2024 تک کمپنی کا بورڈ آف ڈائریکٹرز درج ذیل پر مشتمل ہے:

ڈائریکٹرز کی کل تعداد

06	مرد	۱-
01	خاتون	۲-

تفصیلی بندی

01	آزاد ڈائریکٹر	۱-
01	مرد	-
01	خاتون	-
03	نان ایگزیکٹو ڈائریکٹرز	۲-
02	ایگزیکٹو ڈائریکٹرز	۳-

بورڈ میں تبدیلیاں

اتفاقی آسامیاں

سال کے دوران بورڈ میں کوئی اتفاقی آسامی پیدا نہیں ہوئی، تاہم سال کے آخر میں جناب ریونتا تھیلیا ماکو جناب اکیرا اوچیدا کی جگہ بطور ڈائریکٹر تعینات کیا گیا۔

مستقبل کا منظر نامہ

یہ پیشین گوئی کی گئی ہے کہ حکومت مالیاتی خسارے کو کم کرے گی، افراط زر میں بتدریج کمی لائے گی، اور دیگر اہم اقتصادی اشاریوں میں بہتری لائے گی اور اس کے نتیجے میں فنڈنگ کی ضروریات کو پورا کرنے کے لیے بین الاقوامی مالیاتی فنڈ (IMF) سے مالیاتی تیل آؤٹ پکیج حاصل کرنے کے امکانات کو تقویت ملے گی۔ یہ صنعتوں کیلئے طویل مدت میں معاشی ماحول کو بہتر بنانے کیلئے نو منتخب حکومت کی معاون س مددگار ثابت ہوگا۔

بہر حال، آئندہ مالی سال میں، آؤٹسکٹر کو پیشگی متعدد چیلنجوں کا سامنا کرنے کی توقع ہے جس میں بنیادی طور پر حکومت کی طرف سے جبری برآمدی اہداف اور خاص طور پر زیادہ قیمت والے آؤٹسکٹر پر دینے کی وجہ سے مارکیٹ کا سائز کم ہونا شامل ہو سکتا ہے۔

صرف خاطر خواہ بیرونی معاشی اصلاحات پر انحصار کرنا عملی نہیں ہو سکتا۔ اپنی صلاحیتوں کو آزادانہ طور پر استوار کرنا، اپنی صلاحیتوں سے استفادہ کرنا اور اپنی کمزوریوں کو دور کرنا ہی آگے بڑھنے کا واحد راستہ ہے۔ آگے کا راستہ چیلنجز سے بھرپور ہے، یہ بینوپاک موٹرز کیلئے اپنی اسٹریٹجک ترجیحات کو از سر نو متعین کرنے اور بدلتے ہوئے معاشی منظر نامے کے مطابق ڈھالنے کا ایک موقع بھی ہے۔ ہم دانشمندانہ نظم و نسق اور اسٹریٹجک دوراندیشی کے ذریعے کمپنی کو پائیدار ترقی اور منافع کی طرف لے جانے کیلئے پرعزم ہیں۔

اظہار تشکر

میں چیلنجز کے اس دور میں اپنے تمام شیر ہولڈرز، ملازمین، کسٹمرز اور دیگر اسٹریٹجک پارٹنرز کی مسلسل سپورٹ اور بھروسے کا مشکور اور معترف ہوں۔



محمد اسلم سخترانی

چیئر مین

تاریخ: 25 جون 2024

Hinopak Motors Limited

سرماہ جاتی اخراجات

کمپنی سرماہ دارانہ اخراجات کی اجازت دینے میں سختی سے کام لیتی ہے اور صرف ان اخراجات کی اجازت دیتی ہے جو کاروبار کے ہموار انعقاد کے لیے ضروری ہیں۔ سال کے دوران اسٹرکچر، پلانٹ اور مشینری کی بہتری کے لیے 130.11 ملین خرچ روپے کیے گئے۔

منافع منقسمہ

مجموعی خسارے کی پوزیشن اور مجموعی طور پر کاروباری پائیداری کو مد نظر رکھتے ہوئے، ڈائریکٹرز نے کسی بھی قسم کے منافع منقسمہ کی ادائیگی کی سفارش نہ کرنے کا فیصلہ کیا ہے۔

قومی خزانے میں حصہ داری

کمپنی نے نیکس، ڈیوٹی، لیویز، اور سوشل سیکورٹیز ادا کر کے حکومت میں شراکت داری کی اور مختلف اسٹیک ہولڈرز کو بلا واسطہ اور بالواسطہ کاروبار/روزگار کے مواقع فراہم کرنے کے عمل کو بھی جاری رکھا ہے۔

ہینو سے اعلان

30 مئی 2023 کو، ہینو موٹرز لمیٹڈ (Hino) - پیرنٹ کمپنی، ٹویونا موٹرز کارپوریشن - حتمی پیرنٹ کمپنی (ٹویونا)، مٹسوبی فوسوٹرک اینڈ بس کارپوریشن (MFTBC) اور ڈیملر ٹرک نے جدید ٹیکنالوجی پر پیش رفت کو تیز کرنے اور MFTBC اور Hino کو ضم کرنے کیلئے مفاہمت کی یادداشت (MoU) پر دستخط کیے ہیں۔ ہینو، ٹویونا، ایم ایف ٹی بی سی اور ڈیملر ٹرک CASE ٹیکنالوجی (کنیکٹڈ/آٹونامس اینڈ آٹومیٹڈ/شیرڈ/الیکٹرک) تیار کر کے اور تجارتی گاڑیوں کے کاروبار کو عالمی سطح پر تقویت دیتے ہوئے کاربن سے مبرا اور ایک خوشحال موہلی سوسائٹی کی تشکیل کے لیے تعاون کریں گے۔

جبکہ MFTBC اور Hino کے انضمام کے حتمی معاہدے پر مارچ 2024 کے آخر تک دستخط کرنے اور 2024 کے آخر تک انضمام کو مکمل کرنے کا ہدف رکھا گیا تھا، تاہم مسابقت اور دیگر قوانین و ضوابط کے تحت ضروری ریگولیشنز اور منظوری حاصل کرنے کا عمل ابھی بھی جاری ہے، جس کی وجہ سے اصل شیڈول میں توسیع کردی گئی ہے۔

کارپوریٹ نظم و ضبط

بورڈ کی کارکردگی اور کمپنی کے مقاصد کے حصول میں کردار

لسڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تقاضوں کے مطابق، بورڈ، ممبران بورڈ اور اس کی ذیلی کمیٹیوں کی کارکردگی کا سالانہ جائزہ لینے کیلئے ایک باضابطہ اور موثر نظام وضع کیا گیا ہے۔ بورڈ کی طرف سے اس نظام کو باقاعدہ قائم، منظور و کامیابی کے ساتھ نافذ کیا گیا ہے۔

بورڈ میں متنوع پس منظر سے تعلق رکھنے والے اعلیٰ تعلیم یافتہ اراکین کے ساتھ ایگزیکٹو، آزاد، اور غیر ایگزیکٹو ڈائریکٹرز کی موزوں تعداد شامل ہے۔ بورڈ نے نگرانی، رہنمائی، اسٹریٹجک ڈائریکشن، حکمت عملی فراہم کرتے ہوئے اور انتظامیہ کی جانب سے کیے گئے اقدامات کے بنیادی مقصد کا اندازہ لگا کر، کمپنی کی کارکردگی کی نگرانی کے ذریعے کمپنی کے مقاصد کے حصول میں ایک ناگزیر کردار ادا کیا۔

ہر انفرادی ڈائریکٹر کے فیڈ بیک اور ان کے مجموعی تشخیص شدہ نتائج کی بنیاد پر بورڈ کی اوسط درجہ بندی، انفرادی ڈائریکٹرز اور کمیٹیوں کی کارکردگی تسلی بخش اور موثر پائی گئی ہے۔

چیسر مین کا جائزہ

بورڈ آف ڈائریکٹرز کی جانب سے، میں آپ کو کمپنی کے انتالیسویں سالانہ اجلاس عام میں خوش آمدید کہتا ہوں اور 31 مارچ 2024 کو ختم ہونے والے سال کی کارکردگی سے آپ کو آگاہ کرتا ہوں۔

31 مارچ 2024 کو ختم ہونے والا مالی سال ہینو پاک موٹرز لمیٹڈ کے لیے ایک اور چیلنج سے بھرپور دور ثابت ہوا ہے۔ دوہرے ہندسے کی افراط زر، معاشی سست روی، پالیسی کی غیر یقینی صورتحال خاص طور پر مالیاتی اور انتظامی محاذ پر، کافی زیادہ شرح سود کے ساتھ قرضوں کی سخت شرائط اور درآمدی پابندیوں نے صنعت کو کئی غیر پیداواری دنوں کا اعلان کرنے پر مجبور کیا اور ہم اس سے مستثنیٰ نہیں ہیں۔ تاہم، اسٹیٹ بینک آف پاکستان کی جانب سے پالیسی ریٹ میں 150 بیس پوائنٹس کی حالیہ کمی اور مزید متوقع بتدریج کمی کے ساتھ امید کی ایک کرن دکھائی دی ہے، جس سے ہمیں توقع ہے کہ معاشی سرگرمی اور صارفین کے اعتماد کو کچھ حد تک کو تخریک ملے گی۔

ہینو پاک کاروبار

مارکیٹ شیئر اور فروخت

31 مارچ 2024 کو ختم ہونے والے مالی سال میں، کمرشل گاڑیوں کی صنعت کی مارکیٹ کے حجم میں گزشتہ مالی سال کے مقابلے میں تقریباً نصف حد تک کمی آئی اور مارکیٹ میں تنزلی کے ساتھ کمپنی کی فروخت میں بھی کمی واقع ہوئی۔

مجموعی منافع

مانگ میں تنزلی کے باوجود، کمپنی نے منافع بخش لین دین والی سرمایہ کاری پر توجہ مرکوز رکھی، جس کے نتیجے میں 907.89 ملین روپے کا مجموعی منافع ہوا۔

تقسیم اور انتظامی اخراجات

تقسیم اور انتظامی اخراجات 873.84 ملین روپے تک بڑھ گئے جو کہ گذشتہ برس 809.5 ملین روپے تھے۔ یہ اخراجات بوجہ مہنگائی اور ملازمین سے علیحدگی کی سرگرمی کی لاگت کو مد نظر رکھتے ہوئے سال کے دوران چھوٹی موٹی کاروباری کارروائیوں کے لئے کیے گئے تھے۔ مزید برآں، بورڈ آف ڈائریکٹرز نے ملتان 3S ورکشاپ سہولت میں کاروباری آپریشنز کو معطل کرنے کی بھی منظوری دی۔

مالیاتی لاگت

سال بھر میں اپنے ورکنگ کپٹل کی ضروریات کو پورا کرنے کیلئے کمپنی نے 239.31 ملین روپے کی مالیاتی لاگت برداشت کی۔

بعد از ٹیکس خسارہ

کمپنی نے 131.09 ملین روپے کا خالص خسارہ اور 5.29 روپے کا فی حصص نقصان ظاہر کیا ہے۔ یہ مندی اس عرصے کے دوران درپیش اہم چیلنجوں کو اجاگر کرتی ہے۔



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