



# Half Yearly Report 2024

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# COMPANY INFORMATION

## BOARD OF DIRECTORS

Mr. Muhammad Aslam Sanjrani  
Chairman

Mr. Takayuki Kizawa  
President & Chief Executive Officer

Mr. Ryota Hatakeyama  
Director & Executive Vice President

Ms. Nargis Ali Akbar Ghaloo  
Independent Director

Mr. Mushtaq Malik  
Independent Director

Mr. Masato Uchida

Mr. Takuji Umemura

Abdul Basit  
Company Secretary

## 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  
Email: info@hinopak.com  
Website: www.hinopak.com

## SHARE REGISTRAR

FAMCO Share Registration Services (Pvt.) Limited  
8-F, Near Hotel Faran, Nursery, Block 6,  
P.E.C.H.S., Shakra-e-Faisal, Karachi  
Tel: 021-34380101-05, 34384621-3  
Email: 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

# DIRECTORS' REPORT

For The Half Year Ended September 30, 2024

## DEAR SHAREHOLDERS!

The total sales of commercial vehicles of all makes in the country during the first half of 2024-25 (April–September) were 1,771 units, reflecting a 63% increase compared to the same period last year.

## SALES VOLUME

The sales of Hinopak trucks and buses increased to 189 units, up from 161 units in the corresponding period of the previous year.

## SALES REVENUE

Sales revenue for the first half of the current financial year rose to Rs. 4.62 billion, compared to Rs. 3.78 billion in the same period last year. The Company recorded a gross profit of Rs. 615 million, up from Rs. 321 million in the previous year.

## FINANCE COST

The finance cost for the current half-year increased to Rs. 227 million, up from Rs. 10.5 million in the corresponding period last year. The primary driver of this increase was the mark-up on short-term borrowings.

## LOSS AFTER TAX

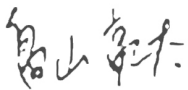
The loss after tax for the period stood at Rs. 47 million, an improvement compared to the loss of Rs. 104 million for the same period last year. This resulted in a loss per share of Rs. 1.90, compared to Rs. 4.19 for the previous year.

## FUTURE OUTLOOK

Country's key macroeconomic indicators have started to show the signs of modest recovery. Notably the inflation has eased to single digit and the policy rate is gradually decreasing. These positive factors along with the political stability may revive the commercial vehicle industry.

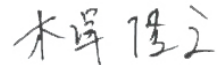
Looking ahead, the management is committed to ensure long-term sustainability. We remain focused on operational resilience and growth despite the external uncertainties.

Finally, we express our heartfelt gratitude to our parent companies for their unwavering support, to our customers for their continued trust in our products, and to the entire Hinopak team, including our staff, vendors, dealers, and business partners, for their dedication during these times.



Director

Date: November 26, 2024



Chief Executive Officer

Half Yearly Report 2024





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

**REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Hinopak Motors Limited as at September 30, 2024 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended September 30, 2024 and September 30, 2023 have not been reviewed, as we are required to review only the cumulative figures for the half year ended September 30, 2024.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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

  
**Chartered Accountants  
Karachi**

**Dated: November 29, 2024**

**UDIN: RR202410059ZqJpbf5AC**

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*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>*

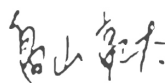
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2024**

		(Unaudited) September 30, 2024	(Audited) March 31, 2024
	Note	(Rupees '000)	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	3,799,419	3,937,236
Intangible assets		8,260	9,026
Long-term investments	6	-	-
Long-term loans		42,402	35,274
Long-term deposits		8,300	8,792
Employee benefit prepayments		6,617	37,023
		<u>3,864,998</u>	<u>4,027,351</u>
<b>Current assets</b>			
Inventories		3,615,910	4,145,840
Trade receivables	7	212,518	75,395
Loans and advances		31,309	29,118
Trade deposits and prepayments	8	141,078	126,479
Refunds due from the government - sales tax		-	213,525
Other receivables		1,994	1,054
Taxation - payments less provision		1,211,830	1,172,306
Cash and bank balances	9	504,344	165,755
		<u>5,718,983</u>	<u>5,929,472</u>
<b>TOTAL ASSETS</b>		<u><b>9,583,981</b></u>	<u><b>9,956,823</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Issued, subscribed and paid-up capital	10	248,011	248,011
<b>Capital Reserve</b>			
Revaluation surplus on land and buildings		2,355,608	2,399,541
Share premium		2,771,525	2,771,525
<b>Revenue Reserves</b>			
General reserve		291,000	291,000
Accumulated loss		(417,683)	(414,372)
<b>TOTAL SHAREHOLDER'S EQUITY</b>		<u><b>5,248,461</b></u>	<u><b>5,295,705</b></u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred taxation		173,406	188,200
Employee benefit obligations		50,353	42,156
		<u>223,759</u>	<u>230,356</u>
<b>Current liabilities</b>			
Trade and other payables	11	2,253,997	1,912,048
Advances from customers		1,024,111	220,524
Short-term borrowings - secured	12	800,301	2,285,314
Sales tax payable		20,476	-
Unclaimed dividend		12,876	12,876
		<u>4,111,761</u>	<u>4,430,762</u>
<b>TOTAL LIABILITIES</b>		<u><b>4,335,520</b></u>	<u><b>4,661,118</b></u>
<b>Commitments</b>	13		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>9,583,981</b></u>	<u><b>9,956,823</b></u>

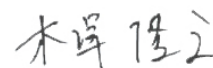
The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Director



Chief Executive Officer

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2024 - (UNAUDITED)**

Note	Quarter ended		Half year ended		
	September 30, 2024	September 30, 2023 (Restated)	September 30, 2024	September 30, 2023 (Restated)	
← (Rupees '000) →					
Revenue from contracts with customers	14	2,703,832	1,914,952	4,622,349	3,781,069
Cost of sales		<u>(2,313,701)</u>	<u>(1,691,923)</u>	<u>(4,007,490)</u>	<u>(3,460,333)</u>
<b>Gross profit</b>		<b>390,131</b>	<b>223,029</b>	<b>614,859</b>	<b>320,736</b>
Distribution cost		<b>(99,225)</b>	<b>(101,218)</b>	<b>(192,174)</b>	<b>(195,577)</b>
Administration expenses		<b>(111,744)</b>	<b>(117,925)</b>	<b>(224,104)</b>	<b>(229,289)</b>
Other income	15	<b>13,447</b>	34,533	<b>26,830</b>	58,501
Reversal of impairment on trade receivables and deposits		<u>-</u>	<u>219</u>	<u>-</u>	<u>2,385</u>
<b>Operating profit / (loss)</b>		<b>192,609</b>	<b>38,638</b>	<b>225,411</b>	<b>(43,244)</b>
Finance cost	16	<u>(99,046)</u>	<u>(10,482)</u>	<u>(227,386)</u>	<u>(10,556)</u>
<b>Profit / (loss) before income tax and levies</b>		<b>93,563</b>	<b>28,156</b>	<b>(1,975)</b>	<b>(53,800)</b>
Levies	17	<u>(36,153)</u>	<u>(24,901)</u>	<u>(60,064)</u>	<u>(48,812)</u>
<b>Profit / (loss) before income tax</b>		<b>57,410</b>	<b>3,255</b>	<b>(62,039)</b>	<b>(102,612)</b>
Income tax expense	18	<u>15,034</u>	<u>(1,615)</u>	<u>14,795</u>	<u>(1,330)</u>
<b>Profit / (loss) after income tax</b>		<b>72,444</b>	<b>1,640</b>	<b>(47,244)</b>	<b>(103,942)</b>
<b>Other comprehensive income / (loss) for the period:</b>					
<b>Items that will not be reclassified subsequently to Profit or Loss</b>					
Remeasurement of post employment benefit obligations		-	-	-	-
Impact of deferred tax		-	-	-	-
Gain on revaluation of land and buildings		-	-	-	-
Impact of deferred tax		-	-	-	-
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>		<u><u>72,444</u></u>	<u><u>1,640</u></u>	<u><u>(47,244)</u></u>	<u><u>(103,942)</u></u>
Earnings / (Loss) per share - basic and diluted	19	<u><u>Rs. 2.92</u></u>	<u><u>Rs. 0.07</u></u>	<u><u>Rs. (1.90)</u></u>	<u><u>Rs. (4.19)</u></u>

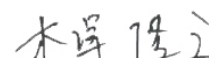
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Chief Financial Officer



Director



Chief Executive Officer

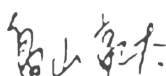
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2024 - (UNAUDITED)**

	Share Capital	Capital Reserve		Revenue Reserves		Total
		Revaluation Surplus	Share Premium	General Reserve	Accumulated loss	
← (Rupees '000) →						
Balance as at April 1, 2023	248,011	2,222,132	2,771,525	291,000	(377,958)	5,154,710
Transferred from surplus on revaluation of land and buildings on account of incremental depreciation - net of deferred tax	-	(37,148)	-	-	37,148	-
Total comprehensive loss for the half year ended September 30, 2023						
- Loss for the half year ended September 30, 2023	-	-	-	-	(103,942)	(103,942)
- Other comprehensive income for the half year ended September 30, 2023	-	-	-	-	-	-
	-	-	-	-	(103,942)	(103,942)
Balance as at September 30, 2023	<u>248,011</u>	<u>2,184,984</u>	<u>2,771,525</u>	<u>291,000</u>	<u>(444,752)</u>	<u>5,050,768</u>
Balance as at April 1, 2024	248,011	2,399,541	2,771,525	291,000	(414,372)	5,295,705
Transferred from surplus on revaluation of land and buildings on account of incremental depreciation - net of deferred tax	-	(43,933)	-	-	43,933	-
Total comprehensive loss for the half year ended September 30, 2024						
- Loss for the half year ended September 30, 2024	-	-	-	-	(47,244)	(47,244)
- Other comprehensive income for the half year ended September 30, 2024	-	-	-	-	-	-
	-	-	-	-	(47,244)	(47,244)
Balance as at September 30, 2024	<u>248,011</u>	<u>2,355,608</u>	<u>2,771,525</u>	<u>291,000</u>	<u>(417,683)</u>	<u>5,248,461</u>

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Director



Chief Executive Officer


**CONDENSED INTERIM STATEMENT OF CASH FLOWS  
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2024 - (UNAUDITED)**

	Note	September 30, 2024	September 30, 2023
(Rupees '000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from / (used in) operations	20	2,171,234	(283,495)
Return on savings accounts		6,066	9,586
Income tax and levies paid		(99,587)	(128,794)
Mark-up paid on short-term borrowings		(271,147)	(31,296)
Employee benefits paid		9,660	(13,303)
Decrease / (Increase) in long-term deposits		492	(244)
(Increase) / decrease in long-term loans and advances		(8,597)	1,903
Net cash generated from / (used in) operating activities		<u>1,808,121</u>	<u>(445,643)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment		(13,106)	(47,059)
Purchase of intangible assets		(2,892)	(450)
Proceeds from sale of property, plant and equipment		31,479	31,327
Net cash generated from / (used in) investing activities		<u>15,481</u>	<u>(16,182)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		-	(14)
Net cash used in financing activities		<u>-</u>	<u>(14)</u>
Net increase / (decrease) in cash and cash equivalents		<u>1,823,602</u>	<u>(461,839)</u>
Cash and cash equivalents at beginning of the period		(2,119,559)	329,976
Cash and cash equivalents at end of the period	21	<u>(295,957)</u>	<u>(131,863)</u>


The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Director



Chief Executive Officer



## 1. THE COMPANY AND ITS OPERATIONS

- 1.1 Hinopak Motors Limited (the Company) is incorporated in Pakistan as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is listed on 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 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.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

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

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

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

**2.1.2** These condensed interim financial statements do not include all the information required to be contained in the annual financial statements and therefore should be read in conjunction with the annual audited financial statements of the Company for the year ended March 31, 2024.

**2.1.3** The comparative condensed interim statement of financial position presented in these condensed interim financial statements has been extracted from the audited annual financial statements of the Company for the year ended March 31, 2024, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial statements for the period ended September 30, 2023.

## **2.2 Basis of measurement**

These condensed interim financial statements have been prepared under the historical cost convention except for the Company's liability against defined benefit plan (gratuity) which is determined on the present value of defined benefit obligations less fair value of plan assets determined by an independent actuary and land and buildings at revalued amounts assessed by an independent valuer which are stated at fair value.

## **2.3 Functional and presentation currency**

These condensed interim financial statements are presented in Pakistani Rupees which is also the Company's functional currency and all financial information presented has been rounded-off to the nearest thousand Rupee except where stated otherwise.

## **3. MATERIAL ACCOUNTING POLICIES**

**3.1** The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended March 31, 2024 except for the following:

During the year the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum and final tax regime to be shown separately as a levy instead of showing it in current tax.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2024 - (UNAUDITED)**

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the condensed interim statement of financial position, the condensed interim statement of changes in equity, the condensed interim statement of cash flows and earning per share as a result of this change.

**Effect on condensed interim statement  
of profit or loss and other  
comprehensive income**

	<b>Had there been no change in accounting policy</b>	<b>Impact of change in accounting policy</b>	<b>After incorporating effects of change in accounting policy</b>
	----- Rupees in '000 -----		
<b>For the half year ended September 30, 2024</b>			
<b>Levy</b>	-	<b>(60,064)</b>	<b>(60,064)</b>
<b>Loss before income tax</b>	<b>(1,975)</b>	<b>(60,064)</b>	<b>(62,039)</b>
<b>Income tax - net</b>	<b>(45,269)</b>	<b>60,064</b>	<b>14,795</b>
For the half year ended September 30, 2023			
Levy	-	(48,812)	(48,812)
Loss before income tax	(53,800)	(48,812)	(102,612)
Income tax - net	(50,142)	48,812	(1,330)

**Accounting policy - Levies**

Any tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the condensed interim statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21/IAS 37.

**3.2 Changes in accounting standards, interpretations and pronouncements**

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on April 1, 2024. However, these do not have any significant impact on the Company's financial reporting.

**b) Standards and amendments to approved accounting and reporting standards that are not yet effective**

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after April 1, 2025. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

**4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT**

**4.1** The preparation of these condensed interim financial statements in conformity with accounting and reporting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

**4.2** Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to financial statements as at and for the year ended March 31, 2024.

**4.3** The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended March 31, 2024.

	<b>(Unaudited)</b> <b>September 30,</b> <b>2024</b>	(Audited) March 31, 2024
	(Rupees '000)	
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets - note 5.1	<b>3,799,419</b>	3,935,589
Capital work-in-progress	-	1,647
	<u><b>3,799,419</b></u>	<u>3,937,236</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2024 - (UNAUDITED)**

5.1 Details of additions to and disposals of operating fixed assets are as follows:

	Additions (at cost)		Disposals (at net book value)	
	Half year ended			
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	← (Rupees '000) →			
Plant & machinery	5,290	13,567	-	79
Building on leasehold land	42	45,218	-	-
Vehicles	2,493	23,946	20,742	18,702
Office and other equipments	6,928	2,806	571	93
Furniture & fittings	-	75	305	-
Electrical installation	-	-	576	* -
	<u>14,753</u>	<u>85,612</u>	<u>22,194</u>	<u>18,874</u>

\* Assets disposed off having nil net book value.

5.2 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 management is actively looking for a buyer.

## 6. LONG-TERM INVESTMENTS

These represents investments made by the Company in Arabian Sea Country Club Limited and Automotive Testing & Training Centre (Private) Limited. These investments were fully impaired in prior years and no change in fair value is recognised in these condensed interim financial statements.

	(Unaudited) September 30, 2024	(Audited) March 31, 2024
<b>7. TRADE RECEIVABLES</b>	(Rupees '000)	
<b>Considered good - unsecured</b>		
Related party - Indus Motor Company Limited	137,676	38,554
Others	<u>74,842</u>	<u>36,841</u>
	<u>212,518</u>	<u>75,395</u>
<b>Considered doubtful</b>		
Others	<u>40,618</u>	<u>40,618</u>
	<u>253,136</u>	<u>116,013</u>
Less: allowance for expected credit losses	<u>(40,618)</u>	<u>(40,618)</u>
	<u>212,518</u>	<u>75,395</u>



## 8. TRADE DEPOSITS AND PREPAYMENTS

These include cash margin amounting to Rs. 104.12 million (March 31, 2024: Rs. 103.65 million) in respect of the letter of credit for the purchase of raw materials.

(Unaudited) September 30, 2024	(Audited) March 31, 2024
(Rupees '000)	

## 9. CASH AND BANK BALANCES

Balances with banks

- on PLS savings accounts - notes 9.1 & 9.2	245,585	61,006
- on current accounts - note 9.2	258,675	104,663

Cash in hand	84	86
	<u>504,344</u>	<u>165,755</u>

9.1 As at September 30, 2024, the rate of mark-up on savings accounts ranges from 18.00% to 20.50% per annum (March 31, 2024: 18.50% to 20.50% per annum).

9.2 Cash and bank balances includes Rs. 0.01 million (March 31, 2024: Rs. 0.81 million) in bank accounts of JS Bank Limited - a related party of the Company.

## 10. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

(Unaudited) September 30, 2024 (Number of shares)	(Audited) March 31, 2024		(Unaudited) September 30, 2024 (Rupees '000)	(Audited) March 31, 2024 (Rupees '000)
<b>Authorised share capital</b>				
<u>100,000,000</u>	<u>100,000,000</u>	Ordinary shares of Rs. 10 each	<u>1,000,000</u>	<u>1,000,000</u>
<b>Issued, subscribed and paid-up capital</b>				
Ordinary shares of Rs. 10 each				
18,600,840	18,600,840	Shares allotted 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
<u>2,066,760</u>	<u>2,066,760</u>	Shares issued as bonus shares	<u>20,668</u>	<u>20,668</u>
<u>24,801,120</u>	<u>24,801,120</u>		<u>248,011</u>	<u>248,011</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2024 - (UNAUDITED)**

	(Unaudited) September 30, 2024	(Audited) March 31, 2024
	(Rupees '000)	
<b>11. TRADE AND OTHER PAYABLES</b>		
<b>11.1</b> These include the following amounts payable to related parties:		
Bills payable to:		
- Toyota Tsusho Corporation, Japan - group company	-	72,316
- Toyota Tsusho, Asia Pacific PTE Limited, Singapore - group company	47,094	-
- Hino Motors Limited, Japan - holding company	-	7,011
Royalty payable to Hino Motors, Limited, Japan - holding company - note 11.1.1	242,823	147,797
	<u>289,917</u>	<u>227,124</u>
<b>11.1.1</b> This represents royalty payable to Hino Motors, Japan (Holding Company) in consideration for the grant of right and license for production of each Toyota component by the Company.		
	(Unaudited) September 30, 2024	(Audited) March 31, 2024
	(Rupees '000)	
<b>11.2 Provisions</b>		
Opening balance	281,754	330,457
Recognised during the period	60,307	95,829
Payments / reversals	(55,627)	(144,532)
Closing balance	<u>286,434</u>	<u>281,754</u>
Provisions represent:		
- Provision for compensated absences	96,081	111,029
- Provision for warranty services	40,282	40,137
- Provision for custom duties	65,581	65,581
- Provision for infrastructure cess - note 11.2.1	84,490	65,007
	<u>286,434</u>	<u>281,754</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2024 - (UNAUDITED)**

**11.2.1** This pertains to levy of Infrastructure Cess under the Sindh Finance Act, 1994 and the related amendments. The Court has granted stay against the levy of infrastructure cess along with other petitioners subject to the furnishing of bank guarantee to the minimum of extent of amount involved therein which is as stated in note 13.5 to these condensed interim financial statements.

<b>(Unaudited)</b> <b>September 30,</b> <b>2024</b>	<b>(Audited)</b> <b>March 31,</b> <b>2024</b>
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(Rupees '000)

**12. SHORT-TERM BORROWINGS - SECURED**

Running finance - notes 12.1 & 12.2	<b>800,301</b>	<b>2,285,314</b>
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**12.1** The facilities for running finance under mark-up arrangements with various banks as at September 30, 2024 amounted to Rs. 3.62 billion (March 31, 2024: Rs. 3.87 billion) of which the amount remaining unutilised at the period end was Rs. 2.81 billion (March 31, 2024: Rs. 1.58 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. (March 31, 2024: one month KIBOR + 0.5% to three months KIBOR + 0.75% per annum).

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

**13. COMMITMENTS**

**13.1** Commitments for capital expenditures as at September 30, 2024 amounted to Rs. 14.38 million (March 31, 2024: Rs. 2.78 million).

**13.2** The facilities for opening letter of credit and guarantees as at September 30, 2024 amounted to Rs. 12.07 billion (March 31, 2024: Rs. 13.77 billion) of which the amount remaining unutilised as at September 30, 2024 was Rs. 10.92 billion (March 31, 2024: Rs. 12.42 billion).

**13.3** The Company as at September 30, 2024 issued bank guarantees amounting to Rs. 234 million (March 31, 2024: Rs Nil) in relation to advance against customers.

**13.4** The Company as at September 30, 2024 issued corporate guarantees amounting to Rs. 370 million (March 31, 2024: Rs. 370 million) to the Collector of Customs on account of additional custom duty on the import of CKD, MSPs, and IMV frames levied through notifications issued by Federal Board of Revenue.

**13.5** The Company as at September 30, 2024 issued bank guarantees amounting to Rs. 95 million (March 31, 2024: Rs. 75 million) in relation to Sindh infrastructure cess.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2024 - (UNAUDITED)**

	Unaudited			
	Quarter ended		Half year ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	← (Rupees '000) →			
<b>14. REVENUE FROM CONTRACTS WITH CUSTOMERS</b>				
Revenue from:				
- Manufacturing business	3,075,119	2,083,722	5,243,889	4,135,132
- Part sales	267,099	290,432	497,776	500,388
	<u>3,342,218</u>	<u>2,374,154</u>	<u>5,741,665</u>	<u>4,635,520</u>
Less: Commission and discounts	(126,852)	(103,603)	(243,263)	(154,390)
Sales tax	(511,534)	(355,599)	(876,053)	(700,061)
	<u><u>2,703,832</u></u>	<u><u>1,914,952</u></u>	<u><u>4,622,349</u></u>	<u><u>3,781,069</u></u>

**14.1** Sales to Government institutions amount to Rs. 939.49 million (September 30, 2023: Rs. 661.58 million) which account for 20.32% (September 30, 2023: 17.50%) of the net sales.

**14.2** Sales to Indus Motor Company Limited, a related party of the Company, amount to Rs. 0.85 billion (September 30, 2023: Rs. 1.24 billion) which account for 18.36% (September 30, 2023: 32.80%) of the net sales.

	(Unaudited) September 30, 2024	(Unaudited) September 30, 2023
	(Rupees '000)	
<b>15. OTHER INCOME</b>		
<b>Income from financial assets</b>		
Return on PLS savings accounts	6,066	9,586
<b>Income from non-financial assets</b>		
Gain on disposal of property, plant and equipment	9,285	12,453
<b>Others</b>		
Scrap sales	10,789	36,368
Miscellaneous	690	94
	<u>11,479</u>	<u>36,462</u>
	<u><u>26,830</u></u>	<u><u>58,501</u></u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2024 - (UNAUDITED)**

	(Unaudited) September 30, 2024	(Unaudited) September 30, 2023
<b>16. FINANCE COST</b>	(Rupees '000)	
Exchange loss / (gain) - net	5,549	(31,794)
Bank charges	3,794	3,993
Unwinding of interest	7,600	609
Markup on running finance facility	210,443	37,748
	<u>227,386</u>	<u>10,556</u>

**17. LEVIES**

Minimum tax u/s 113	<u>60,064</u>	<u>48,812</u>
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- 17.1 Levy has been computed under section 113 of the Income Tax Ordinance, 2001 i.e. minimum tax on turnover for the period at the rate of 1.25% (September 30, 2023: 1.25%).

	(Unaudited) September 30, 2024	(Restated) (Unaudited) September 30, 2023
<b>18. INCOME TAX EXPENSE</b>	(Rupees '000)	
Current	-	-
Deferred	(14,795)	1,330
	<u>(14,795)</u>	<u>1,330</u>

**19. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED**

	Quarter ended		Half year ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Profit/(Loss) after income tax attributable to ordinary shareholders (Rupees in '000)	<u>72,444</u>	1,640	<u>(47,244)</u>	<u>(103,942)</u>
Weighted average number of ordinary shares outstanding at the end of the period (number of shares in '000)	<u>24,801</u>	24,801	<u>24,801</u>	24,801
Earnings / (Loss) per share - basic and diluted (Rupees)	<u>2.92</u>	0.07	<u>(1.90)</u>	<u>(4.19)</u>

There were no convertible dilutive potential ordinary shares in issue as at September 30, 2024 and 2023.



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2024 - (UNAUDITED)**

	(Unaudited) September 30, 2024	(Unaudited) September 30, 2023
	(Rupees '000)	
<b>20. CASH GENERATED FROM /(USED IN) OPERATIONS</b>		
Loss before income tax and levies	(1,975)	(53,800)
<b>Add / (less): Adjustments for non-cash charges and other items</b>		
Depreciation and amortisation	132,387	138,496
Gain on disposal of property, plant and equipment	(9,285)	(12,453)
Retirement benefits charge	28,943	32,955
Mark-up on short-term borrowings	210,443	37,748
Unwinding of discounts on employee loan - net	7,600	609
Income on PLS savings accounts	(6,066)	(9,586)
Operating cashflows before working capital changes	<b>362,047</b>	133,969
<b>Effect on cash flow due to working capital changes</b>		
Decrease / (Increase) in current assets		
Inventories	529,930	(1,005,877)
Trade receivables	(137,123)	42,618
Loans and advances	(2,191)	16,402
Trade deposits and prepayments	(14,599)	855,446
Refunds due from government - sales tax	234,001	(36,598)
Other receivables	(940)	(37,595)
	<b>609,078</b>	(165,604)
Increase / (Decrease) in current liabilities		
Trade and other payables	396,522	(142,224)
Advance from customers	803,587	(109,636)
	<b>1,200,109</b>	(251,860)
	<b>1,809,187</b>	(417,464)
Cash generated from / (used in) operations	<b>2,171,234</b>	(283,495)
<b>21. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances - note 9	504,344	220,477
Short-term borrowings - note 12	(800,301)	(352,340)
	<b>(295,957)</b>	(131,863)

## 22. TRANSACTIONS WITH RELATED PARTIES

Details of transactions with the related parties during the period are as follows:

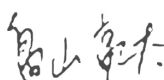
Relationship	Nature of transactions	September 30,	September 30,
		2024	2023
		(Rupees '000)	
i. Holding company	- Purchase of goods	5,342	26,727
	- Royalty charge	82,869	78,967
ii. Associated companies	- Purchase of goods	1,313,336	2,447,554
	- Sale of goods	848,873	1,235,424
	- Purchase of property, plant and equipment	-	5,012
iii. Staff retirement funds	- Payments to retirement benefits plans	7,089	37,472
iv. Key management personnel	- Salaries and other employee benefits	40,595	29,218
	- Retirement benefits	2,005	1,709
	- Consultancy / meeting fee	4,326	3,600

## 23. DATE OF AUTHORISATION FOR ISSUE

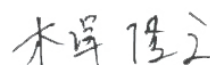
These condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on November 26, 2024 .



Chief Financial Officer



Director



Chief Executive Officer

# ڈائریکٹرز رپورٹ

حصص یافتگان کو تسلیمات

2024-25 کی پہلی ششماہی (اپریل تا ستمبر) کے دوران ملک میں تمام برانڈز کی کمرشل گاڑیوں کی کل فروخت 1771 یونٹس رہی جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 63 فیصد زیادہ ہے۔

فروخت

ہینوپاک ٹرکوں اور بسوں کی فروخت بڑھ کر 189 یونٹس تک پہنچ گئی جو کہ گزشتہ سال کے اسی عرصے میں 161 یونٹس تھی۔

فروخت سے حاصل شدہ آمدنی

رواں مالی سال کی پہلی ششماہی میں سیلز ریویو بڑھ کر 4.62 ارب روپے تک پہنچ گیا جو کہ گزشتہ سال کے اسی عرصے میں 3.78 ارب روپے تھا۔ کمپنی نے 615 ملین روپے کا مجموعی منافع ریکارڈ کیا جو کہ گزشتہ سال 321 ملین روپے تھا۔

مالیاتی اخراجات (فنانس کاسٹ)

رواں ششماہی کے دوران مالیاتی لاگت بڑھ کر 227 ملین روپے ہو گئی جو کہ گزشتہ سال کے اسی عرصے میں 10.5 ملین روپے تھی۔ اس اضافے کا بنیادی محرک قلیل مدتی قرضوں پر مارک اپ تھا۔

بعد از ٹیکس خسارہ

رواں ششماہی بعد از ٹیکس خسارہ 47 ملین روپے رہا جو کہ گزشتہ سال کے اسی عرصے میں 104 ملین روپے خسارہ تھا۔ اس بناء پر رواں سال فی حصص خسارہ 1.90 روپے رہا گزشتہ سال فی حصص خسارہ 4.19 روپے تھا۔

مستقبل کی پیش بینی

ملک کے اہم میکرو اکنامک اشاریوں نے معمولی بحالی کے آثار دکھانا شروع کر دیئے ہیں۔ خاص طور پر افراط زر سنگل ڈیجٹ پر آ گیا ہے اور پالیسی ریٹ بتدریج کم ہو رہا ہے۔ سیاسی استحکام کے ساتھ ساتھ یہ مثبت عوامل تجارتی گاڑیوں کی صنعت بحال کر سکتے ہیں۔

مستقبل کو دیکھتے ہوئے انتظامیہ طویل مدتی استحکام کو یقینی بنانے کے لیے پرعزم ہے۔ ہم بیرونی غیر یقینی صورتحال کے باوجود آپریشنل چلک اور ترقی پر توجہ مرکوز رکھے ہوئے ہیں۔

آخر میں ہم اپنی پیرینٹ کمپنیوں کو انکی مسلسل حمایت کے لیے، ہمارے گاہکوں کو ان کی مسلسل سرپرستی اور کمپنی کی مصنوعات پر اعتماد کے لیے شکریہ ادا کرتے ہیں ہم اپنے عملے، وینڈرز اور تمام کاروباری شراکت داروں سمیت پوری ہینوپاک ٹیم کی انتھک کوششوں کو بھی سراہتے ہیں۔

木野隆二

چیف ایگزیکٹو آفیسر

木野隆二

ڈائریکٹر

مورخہ 26 نومبر 2024



**D- 2, S.I.T.E., Manghopir Road,  
P. O. Box No . 10714 , Karachi.  
UAN: 111-25-25-25  
Website: [www.hinopak.com](http://www.hinopak.com)**