



# HINO *PIONEER*

Pakistan's 1st Japanese  
**UNR Compliant Truck**



**ANNUAL REPORT 2025**



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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](http://www.hinopak.com)  
Email: [info@hinopak.com](mailto: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](mailto:info.shares@famcosrs.com)  
Website: [www.famcosrs.com](http://www.famcosrs.com)

## AREA OFFICES

### Lahore

19 KM, Multan Road, Lahore  
Tel: 042-37512003-6  
Fax: 042-37512005  
Email: [hino-lahore@hinopak.com](mailto: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](mailto: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](mailto: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](mailto: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 Ali Akbar 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. Muhammad Zahid Hassan**

Company Secretary

Mr. Muhammad Zahid Hassan is a highly experienced person associated with Hinopak Motors Limited for over 20 years. With a distinguished career, he is Cost & Management Accountant by profession. Having extensive expertise in strategic financial planning, he has played a key role in the company's financial management and growth. In addition to his responsibilities as Company Secretary, Mr. Hassan currently leads the Finance, IT, HR & Admin and Logistics functions of the organization as Senior General Manager, contributing to the company's overall corporate strategy and decision-making.

# Board Committees

## AUDIT COMMITTEE

- Nargis Ali Akbar Ghaloo  
Chairperson  
(Independent Director)
- Mushtaq Malik  
(Independent Director)
- Masato Uchida  
(Non - Executive Director)
- Takuji Umemura  
(Non - Executive Director)
- Nasir Manzoor  
(Secretary)

## TERMS OF REFERENCE

- 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

- Mushtaq Malik – Chairman  
(Independent Director)
- Nargis Ali Akbar Ghaloo  
(Independent Director)
- Takayuki Kizawa  
(Executive Director)
- Fahim Aijaz Sabzwari  
(Secretary)

## TERMS OF REFERENCE

- 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"><li>- Takayuki Kizawa – Chairman</li><li>- Ryota Hatakeyama</li><li>- Hiroyuki Nitta</li><li>- Fahim Aijaz Sabzwari</li><li>- Syed Samad Siraj</li><li>- Mehmood Ahmed Khan</li><li>- Karima Sadiq (Secretary)</li></ul>	<ul style="list-style-type: none"><li>• Managing the day to day operations of the Company;</li><li>• Developing the business and marketing strategy of the Company;</li><li>• Reviewing budgetary proposals and the necessary actions to implement the business plan;</li><li>• Monitoring profitability, cost saving plans and deviations from business plan; and</li><li>• Handling the major business issues and other urgent matters on behalf of the Board.</li></ul>

WHISTLE BLOWING COMMITTEE	TERMS OF REFERENCE
<ul style="list-style-type: none"><li>- Takayuki Kizawa – Chairman</li><li>- Ryota Hatakeyama</li><li>- Fahim Aijaz Sabzwari</li><li>- Syed Samad Siraj</li><li>- Muhammad Zahid Hasan (Secretary)</li></ul>	<ul style="list-style-type: none"><li>• Establishing, implementing and maintaining the Whistle Blowing Mechanism;</li><li>• Monitoring and ensuring the transparency of the Whistle Blowing Process;</li><li>• Reviewing and analyzing periodically the feedback and complains obtained through the mechanism;</li><li>• Designating and supervising the officer investigating with regards to any matter reported through the Whistle Blowing Mechanism; and</li><li>• Initiating steps to ensure compliance with the Hinopak Code of Conduct, transparency in financial reporting and safeguard of Company's assets.</li></ul>

# Chairman's Review

**On behalf of the Board of Directors, I welcome you to the 40th Annual General Meeting of the Company and present the performance of the Company for the year ended March 31, 2025.**

The past year has been nothing short of extraordinary — a period marked by volatility, resilience, and transformation. On the national front, Pakistan witnessed a rare blend of contrasting developments: from achieving one of the lowest inflation rate in a fiscal year to navigating and emerging stronger from a limited border conflict. Amid these turbulent circumstances, I am pleased to report that Hinopak Motors Limited closed the financial year on a positive note, turning the tide from loss to profit. This turnaround reflects not only the unwavering commitment of our employees but also the effectiveness of our strategic direction and operational discipline.

## **Business Review**

### **Disciplined Approach to Market Share**

In the financial year ended March 2025, the Company adhered to a value-driven approach, selectively capitalizing on commercially viable opportunities. This approach resulted in maintaining a 9% presence in the market, reflecting prudent decision-making in a competitive landscape.

### **Improvement in Core Profitability**

In 2025, Hinopak Motors delivered a gross profit of Rs. 1.29 billion, representing a notable 42% year-on-year growth. This performance reflects the Company's unwavering commitment to operational excellence, product integrity, and customer satisfaction.

### **Cost Discipline in Operating Expenses**

Distribution and administrative expenses were prudently managed during the year, recording a slight reduction to Rs. 851.3 million from Rs. 873.8 million in the preceding year.

## **Financing Activity and Related Costs**

Finance cost amounted to Rs. 281.93 million, up from Rs. 239.31 million in the previous year, primarily reflecting changes in the Company's funding strategy in response to operational requirements.

## **Return to Profitability**

The Company recorded a profit after tax of Rs. 161.96 million, marking a turnaround from a loss after tax of Rs. 131.10 million in the preceding year — a reflection of improved operational performance and financial discipline.

## **Improvement in EPS**

The Company reported earnings per share of Rs. 6.53, compared to a loss per share of Rs. 5.29 in the preceding year, reflecting the overall improvement in financial performance.

## **Dividend Consideration and Financial Priorities**

Although the Company recorded a profit after tax, no dividend has been declared for the year in view of the Company's focus on financial stability, including prudent cash flow management and reduced reliance on external borrowing.

## **Contribution to National Exchequer**

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 a broad range of stakeholders.

## **Essential Capital Improvements**

During the year, Rs. 75.86 million was invested in capital improvements to support operational efficiency and future readiness.



## Strategic Realignment at Group Level

During the year, notable progress was made at the group level on the planned collaboration between Hino Motors Ltd. (parent company of Hinopak), Toyota Motor Corporation (ultimate parent), Mitsubishi Fuso Truck and Bus Corporation (MFTBC), and Daimler Truck. Initially announced through a Memorandum of Understanding in May 2023, this initiative is focused on bundling forces to establish a new strong Japanese truck powerhouse to the benefit of all stakeholders.

In June 2025, this collaboration advanced further with the signing of a Definitive Agreement to integrate Hino and MFTBC under a newly established publicly listed holding company in Japan. Under this arrangement, both companies will become wholly owned subsidiaries of the new entity. Toyota Motor Corporation and Daimler Truck are expected to hold equal ownership stakes, alongside shares offered to the public.

The integration aims to fortify commercial vehicle business globally and address key challenges like carbon neutrality and logistics efficiency. The new holding company will aim to strengthen its global footprint through the advancement of CASE (Connected, Autonomous, Shared, Electric) technologies, including hydrogen, supporting a sustainable and prosperous mobility society.

## Corporate Governance

### Board's Role in Achieving Company Objectives

In line with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, a formal and effective mechanism was established in the past for the annual evaluation of the Board, its members, and sub-committees. This mechanism, duly approved, has been successfully implemented and continues to be followed.

The Board comprises a balanced mix of Independent, Non-Executive and Executive Directors, bringing diverse and highly qualified expertise. It has played a vital role in overseeing strategy, guiding management actions, and monitoring progress toward the Company's objectives.

Based on consolidated feedback from individual Directors, the performance of the Board, its Committees, and individual members has been rated effective and strong.

## Future Outlook

As we look ahead, the broader operating environment remains complex and fluid, shaped by evolving geopolitical dynamics, economic reform under the IMF program, and persistent regional tensions. Recent strains in regional cooperation frameworks and broader geopolitical sensitivities underscore the importance of adaptive strategy and risk management. At the same time, domestic recovery efforts and structural adjustments continue to present both challenges and opportunities for the industrial sector.

Within this landscape, Hinopak remains committed to operational resilience and strategic adaptability. The recent structural realignment at the group level reflects a forward-looking approach aimed at enhancing long-term value creation. The Company is actively pursuing a phased transition toward UN Regulation (WP-29) compliance. During the year, progress has been made through sourcing compliant models, and further steps are underway — in close coordination with the parent company and regulatory stakeholders.

While visibility into the near term remains limited, Hinopak's disciplined execution, long-standing partnerships, and strong brand equity position it to navigate the evolving landscape with responsibility and resolve.

## Vote of Thanks

My gratitude goes to all those who supported Hinopak during the year—from our employees and shareholders to our regulators and partners. We value your trust as we move forward with focus and care.



**Muhammad Aslam Sanjrani**  
Chairman

Date: June 26, 2025

# 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, 2025.

The Board of Directors of the Company as at March 31, 2025 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, the following casual vacancy occurred in the Board:

Outgoing Director	New Director	Appointment Date of New Director
Mr. Akira Uchida	Mr. Ryota Hatakeyama	April 15, 2024

## Board Meetings

During the year four (4) 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	4
Mr. Takayuki Kizawa	4
Mr. Ryota Hatakeyama	4
Ms. Nargis Ali Akbar Ghaloo	4
Mr. Mushtaq Malik	4
Mr. Takuji Umemura	4
Mr. Masato Uchida	3

## 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

- Ms. Nargis Ali Akbar Ghaloo – Chairperson
- Mr. Mushtaq Malik
- Mr. Masato Uchida
- Mr. Takuji Umemura

### b) HR and Remuneration Committee

- Mr. Mushtaq Malik – Chairman
- Ms. Nargis Ali Akbar Ghaloo
- Mr. 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	3

## 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.

In the Current financial year, Pakistan's economy has continued its recovery, marked by greater stability after a past year's volatile phase. Inflation has eased significantly, monetary conditions have relaxed, and number of reforms have strengthened fiscal discipline and external balances. Key sectors like manufacturing and services have shown improved momentum.

The commercial vehicle segment, which had contracted sharply due to tight import controls, limited auto financing, and high costs has staged a notable rebound in line with the wider auto industry's recovery. Despite residual pressures from borrowing costs and regulatory restrictions, this revival signals increasing demand and improved market confidence.

## Appropriation of Profit / (Loss)

Following are the details of appropriations:

	Year ended	
	March 31, 2025	March 31, 2024
	Rupees '000	
Profit / (Loss) Before Levies and Taxation	320,050	(36,405)
Levy	(135,642)	(98,737)
Income Tax	(22,451)	4,044
<b>Profit / (Loss) For the Year</b>	<b>161,957</b>	<b>(131,098)</b>
Transferred from surplus on revaluation of fixed assets on account of Incremental depreciation	89,308	73,686
Other comprehensive (loss) / income for the year	(46,002)	20,998
Unappropriated loss brought forward	(414,372)	(377,958)
<b>Unappropriated loss carried forward</b>	<b>(209,109)</b>	<b>(414,372)</b>
Earnings / (Loss) Per Share	<b>Rs. 6.53</b>	<b>Rs. (5.29)</b>

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

The Company posted a net profit after tax of Rs. 161.957 million as against loss after tax of Rs. 131.098 million in the prior year. 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

Meeting the export growth objectives of the current auto policy continues to challenge all industry players. The Company's operations are influenced by several evolving policies. These include phased reductions in customs and regulatory duties on automotive inputs, a new levy applicable to commercial vehicles, and wider liberalization measures guided by IMF-aligned tariff reforms.

The business remains inherently exposed to exchange rate fluctuations—particularly in the USD/JPY and USD/PKR pairs—which can significantly impact input costs, pricing, and profitability. Despite recent stabilization efforts, the currency's vulnerability to global trade disruptions, commodity price fluctuations, and external economic pressures requires vigilant risk management.

## 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, 2026 on such terms and conditions and remuneration as to be decided.

## Pattern of Shareholding

The pattern of shareholding as at March 31, 2025 and additional information thereabout required under Listed Companies (Code of Corporate Governance) Regulations, 2019 are disclosed on page 76 and page 77 respectively.

## Holding Company

Since October 19, 1998, Hino Motors Ltd. Japan, is the Holding Company of Hinopak Motors Limited, 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 18.

The value of investments of the Company's Provident, Gratuity and Pension Funds as on March 31, 2025 were as follows:

	Rupees '000
Hinopak Motors Limited Employees' Provident Fund	280,237
Hinopak Motors Limited Employees' Gratuity Fund	393,829
Hinopak Motors Limited Employees' Pension Fund	615,006

During the year ended March 31, 2025, 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, awareness programs on road safety. The company has expanded its environmental efforts with tree plantations events at Schools. A dedicated 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. 4.5 million (2024: Rs. 3 million).

The remuneration of Chairman for attending meetings during the year amounts to Rs. 0.5 million (2024: Rs. 0.5 million) and consultancy fee paid to the Chairman amounts to Rs. 5.65 million (2024: Rs. 4.75 million).

The fee paid to two independent directors amount to Rs. 2 million (2024: Rs. 1.7 million).

Further details of the remuneration of directors including Chief Executive Officer is detailed in the note no. 34 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 26, 2025



**Chief Executive Officer**

# Gender Pay Gap Statement

## Under SECP Circular 10 of 2024

Following is gender pay gap calculated for the year ended March 31, 2025:

- i. Mean Gender Pay Gap: **-17%**
- ii. Median Gender Pay Gap: **-51%**

The above percentages reflect the gender pay gap of male versus female employees.



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Takayuki Kizawa  
Chief Executive officer  
Date: June 26, 2025

# Financial Highlights

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Profit or Loss &amp; Other Comprehensive Income (Rs. in Million)</b>						
Revenue from contracts with customers	13,191.06	9,132.18	12,530.89	13,185.97	7,622.71	10,336.50
Gross profit / (loss)	(170.41)	687.37	1,209.55	1,126.61	907.89	1,291.52
Operating profit / (loss)	(809.22)	70.60	666.56	516.55	202.91	601.98
Profit / (loss) before levies and income tax	(1,844.00)	(164.53)	564.78	260.69	(36.40)	320.05
Levy and income tax expense	210.98	123.76	147.65	244.66	94.69	158.09
Profit / (loss) after levies and income tax	(2,054.98)	(288.29)	417.13	16.03	(131.10)	161.96
Other comprehensive (loss) / income	207.70	13.13	230.92	173.01	272.09	(4.32)
Transfer from surplus on revaluation of fixed assets	47.98	55.13	55.87	63.79	73.69	89.31
Dividend	-	-	-	-	-	-
Unappropriated profit / (loss) carried forward	(879.33)	(935.26)	(463.30)	(377.96)	(414.37)	(209.11)
<b>Financial Position (Rs. in Million)</b>						
<b>Net Assets</b>						
Fixed assets	3,641.95	3,565.54	3,810.91	3,925.49	3,946.26	3,748.52
Other long term assets	44.04	68.49	72.03	91.44	81.09	61.57
Current assets	5,770.77	4,118.17	6,482.88	5,121.70	5,929.47	6,759.01
Less : current liabilities	7,444.44	3,112.45	5,230.95	3,749.29	4,430.76	4,828.31
Total	2,012.32	4,639.75	5,134.87	5,389.34	5,526.06	5,740.79
<b>Financed By:</b>						
Issued, subscribed & paid up capital	124.01	248.01	248.01	248.01	248.01	248.01
Reserves / accumulated profit / (loss)	(390.16)	(644.26)	(172.30)	(86.96)	(123.37)	81.89
Surplus on revaluation of fixed assets	1,975.24	1,942.33	2,118.42	2,222.13	2,399.54	2,351.92
Share premium	-	2,771.53	2,771.53	2,771.53	2,771.53	2,771.53
Long term / deferred tax liabilities	303.23	322.14	169.21	234.63	230.35	287.44
Total	2,012.32	4,639.75	5,134.87	5,389.34	5,526.06	5,740.79
<b>Cash Flow (Rs. in Million)</b>						
Cash flows (used in) / from operating activities	3,229.20	1,643.77	2,848.54	(2,484.84)	(2,451.75)	1,702.52
Cash flows (used in) / from in investing activities	(489.22)	(148.85)	(266.58)	(151.62)	2.22	(7.72)
Cash flows (used in) / from financing activities	(0.22)	2,878.09	(5.97)	(5.94)	(0.01)	-
<b>Turnover (Rs. in Million)</b>						
Hino chassis	10,154.14	5,743.17	7,959.01	8,746.69	4,577.93	7,036.96
Bus & other bodies	502.52	492.47	656.68	713.40	662.34	616.10
Spare parts	1,374.70	1,051.73	589.22	538.98	783.68	738.76
Others	1,159.70	1,844.80	3,325.98	3,186.90	1,598.77	1,944.68
Total	13,191.06	9,132.18	12,530.89	13,185.97	7,622.71	10,336.50
<b>Production (Units)</b>						
Hino chassis	1592	700	979	1020	366	394
Bus & other bodies	342	285	383	156	97	80
Hilux frame	5978	9,108	16574	13989	5244	6984



# Financial Highlights

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Sales (Units)</b>						
Hino chassis	1639	758	973	1000	332	403
Bus & other bodies	345	271	394	157	102	80
Hilux frame	5897	9036	15644	14813	5135	7041
<b>No. of Employees</b>	<b>372</b>	<b>372</b>	<b>383</b>	<b>383</b>	<b>321</b>	<b>292</b>
<b>Investor Information</b>						
<b>Financial Ratios</b>						
Gross profit / (loss) ratio	(1.29%)	7.53%	9.65%	8.54%	11.91%	12.49%
Net profit / (loss) margin	(15.58%)	(3.16%)	3.33%	0.12%	-1.72%	1.57%
Return on assets (after tax)	(21.73%)	(3.72%)	4.02%	0.18%	-1.32%	1.53%
Return on equity (after tax)	(120.24%)	(6.68%)	8.40%	0.31%	-2.48%	2.97%
Debt equity ratio*	0.18	0.07	0.03	0.05	0.04	0.05
Current ratio	0.78	1.32	1.24	1.37	1.34	1.40
Quick ratio	0.26	0.65	0.89	0.82	0.40	0.43
Interest cover ratio	(1.21)	0.35	-	31.73	0.84	2.30
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%
<b>Other Ratios</b>						
Price earning ratio	(2.76)	(29.51)	19.09	310.14	(44.84)	55.95
Earning / (loss) before interest, taxes, depreciation and amortization (EBITDA)	(578.42)	335.61	936.56	787.94	473.08	864.32
EBITDA margin to sales	(4.38%)	3.68%	7.47%	5.98%	6.21%	8.36%
Total assets turnover ratio	1.39	1.18	1.21	1.44	0.77	0.98
Fixed assets turnover ratio	3.62	2.56	3.28	3.36	1.93	2.76
Return on capital employed	(102.12%)	(6.21%)	8.12%	0.30%	-2.37%	2.82%
Inventory turnover ratio	2.26	2.85	5.84	6.29	2.18	2.05
Number of days inventory	162	128	63	58	168	178
Debtors turnover ratio	19.85	19.34	24.50	41.53	58.05	69.00
Number of days debtors	18	19	15	9	6	5
Creditors turnover ratio	3.95	2.67	2.73	2.71	2.29	2.83
Number of days creditors	93	137	134	135	160	129
Operating cycle (days)	87	10	(56)	(68)	14	54
<b>Per Share Amounts (in Rupees)</b>						
Cash dividend**	-	-	-	-	-	-
Breakup value with surplus on revaluation of fixed assets	137.82	174.09	200.22	207.84	213.53	219.88
Breakup value without surplus on revaluation of fixed assets	(21.46)	95.77	114.80	118.24	116.78	125.05
Earning / (Loss) per share (Restated)	(110.33)	(13.37)	16.82	0.65	(5.29)	6.53
Share price (high)	511.33	404.00	330.00	200.50	332.64	525.86
Share price (low)	245.50	391.00	318.00	200.00	176.67	234.57
Share price (closing)	305.00	394.50	321.00	200.50	237.00	365.38
One US\$ = Rupee as at period end	166.75	153.60	183.20	284.10	278.50	280.60
One JPY = Rupee as at period end	1.5376	1.3854	1.4976	2.1375	1.8409	1.8612

\* 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

	2024-25		2023-24		2022-23	
	(Rs. in million)	%	(Rs. in million)	%	(Rs. in million)	%
Revenue from contracts with customers	10,336.50	100.00	7,622.71	100.00	13,185.97	100.00
Cost of sales	(9,044.99)	(87.51)	(6,714.82)	(88.09)	(12,059.37)	(91.46)
Gross profit	1,291.52	12.49	907.89	11.91	1,126.61	8.54
Distribution cost	(398.59)	(3.86)	(393.77)	(5.17)	(395.62)	(3.00)
Administration expenses	(452.71)	(4.38)	(475.73)	(6.24)	(404.15)	(3.06)
Other income	178.64	1.73	164.52	2.16	204.60	1.55
Other expenses	(16.87)	(0.16)	-	-	(14.89)	(0.11)
Profit from operations	601.98	5.82	202.91	2.66	516.55	3.92
Finance cost	(281.93)	(2.73)	(239.31)	(3.14)	(255.86)	(1.94)
Profit / (loss) before levy & income tax	320.05	3.10	(36.40)	(0.48)	260.69	1.98
Levy & Income tax expense	(158.09)	(1.53)	(94.69)	(1.24)	(244.66)	(1.86)
Profit / (loss) after levy & income tax	161.96	1.57	(131.10)	(1.72)	16.03	0.12

## Financial Position

Property, plant and equipment	3,737.73	35.36	3,937.24	39.54	3,905.87	42.74
Other non current assets	10.79	0.10	9.03	0.09	19.62	0.21
Long-term deposits	7.54	0.07	8.79	0.09	8.83	0.10
Long-term loans and advances	45.74	0.43	35.27	0.35	38.91	0.43
Employee benefit prepayment	8.29	0.08	37.02	0.37	43.70	0.48
Current assets	6,759.00	63.95	5,929.47	59.55	5,121.70	56.04
Total assets	10,569.09	100.00	9,956.82	100.00	9,138.62	100.00
Shareholders' equity	5,453.34	51.60	5,295.71	53.19	5,154.71	56.41
Deferred taxation	154.82	1.46	188.20	1.89	170.36	1.86
Other non-current liabilities	132.62	1.25	42.16	0.42	64.26	0.70
Short term debt	591.82	5.60	2,285.31	22.95	19.31	0.21
Other current liabilities	4,236.49	40.08	2,145.45	21.55	3,729.98	40.82
Total equity and liabilities	10,569.09	100.00	9,956.82	100.00	9,138.62	100.00

## Cash Flows

Cash flows from / (used in) operating activities	1,702.52	100.46	(2,451.75)	100.09	(2,484.84)	94.04
Cash flows (used in) / from investing activities	(7.72)	(0.46)	2.22	(0.09)	(151.62)	5.74
Cash flows used in financing activities	-	-	(0.01)	-	(5.94)	0.22
Net increase / (decrease) in cash and cash equivalents	1,694.80	100.00	(2,449.54)	100.00	(2,642.39)	100.00

# Horizontal Analysis

	2024-25		2023-24		2022-23	
	(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) %
<b>Operating Results</b>						
Revenue from contracts with customers	10,336.50	35.60	7,622.71	(42.19)	13,185.97	5.23
Cost of sales	(9,044.99)	(34.70)	(6,714.82)	44.32	(12,059.37)	(6.52)
Gross profit	1,291.52	42.26	907.89	(19.41)	1,126.61	(6.86)
Distribution cost	(398.59)	(0.12)	(393.77)	0.47	(395.62)	(16.40)
Administration expenses	(452.71)	4.84	(475.73)	(17.71)	(404.15)	(7.49)
Other income	178.64	8.58	164.52	(19.59)	204.60	(4.61)
Other expenses	(16.87)	(488.71)	-	100.00	(14.89)	64.22
Profit from operations	601.98	196.67	202.91	(60.72)	516.55	(22.51)
Finance cost	(281.93)	(17.81)	(239.31)	6.47	(255.86)	(151.41)
(Loss) / profit before levy & income tax	320.05	979.26	(36.40)	(113.96)	260.69	(53.84)
Levy & Income tax expense	(158.09)	(66.96)	(94.69)	61.30	(244.66)	(65.70)
Profit / (Loss) after levy & income tax	161.96	223.54	(131.10)	(917.84)	16.03	(96.16)
<b>Financial Position</b>						
Property, plant and equipment	3,737.73	(5.07)	3,937.24	0.80	3,905.87	2.98
Other non current assets	10.79	19.49	9.03	(53.98)	19.62	(33.04)
Long-term deposits	7.54	(14.22)	8.79	(0.45)	8.83	10.51
Long-term loans and advances	45.74	29.69	35.27	(9.35)	38.91	(3.38)
Employee benefit prepayment	8.29	(77.61)	37.02	(15.28)	43.70	247.56
Current assets	6,759.00	13.99	5,929.47	15.77	5,121.70	(21.00)
Total assets	10,569.09	6.15	9,956.82	8.95	9,138.62	(11.84)
Shareholders' equity	5,453.34	2.98	5,295.71	2.74	5,154.71	3.81
Deferred taxation	154.82	(17.74)	188.20	10.47	170.36	34.57
Other non-current liabilities	132.62	214.56	42.16	(34.39)	64.26	50.81
Short term debt	591.82	(74.10)	2,285.31	11,734.85	19.31	(66.77)
Other current liabilities	4,236.49	97.46	2,145.45	(42.48)	3,729.98	(27.89)
Total equity and liabilities	10,569.09	6.15	9,956.82	8.95	9,138.62	(11.84)
<b>Cash Flows</b>						
Cash flows from / (used in) operating activities	1,702.52	169.44	(2,451.75)	1.33	(2,484.84)	(187.23)
Cash flows (used in) / from investing activities	(7.72)	(447.75)	2.22	101.46	(151.62)	43.12
Cash flows used in financing activities	-	100.00	(0.01)	99.83	(5.94)	0.50
Net increase / (decrease) in cash and cash equivalents	1,694.80	169.19	(2,449.54)	7.30	(2,642.39)	(202.58)

\* % in '000

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

FOR THE YEAR ENDED MARCH 31, 2025

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. Ryota Hatakeyama

\*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.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. 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, 2025
HR and Remuneration Committee	One meeting during the financial year ended March 31, 2025
15. The Board has set up an effective internal audit function who is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with;
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	<b>Requirement to attain certification:</b> 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	<b>Nomination Committee:</b> 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	<b>Risk Management Committee:</b> 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)
4	<b>Sustainability Committee:</b> Role of the Board and its members to address sustainability risk and opportunities. The Board is responsible for setting the Company's sustainability strategies, priorities, and targets to create long term corporate value. The Board may establish a dedicated sustainability committee.	At present the Board provides governance and oversight in relation to Company's initiatives on Environmental, Social and Governance (ESG) matters. Nevertheless, the requirements introduced recently by SECP through notification dated June 12, 2024, will be complied with in due course.	10(A)



**Muhammad Aslam Sanjrani**  
Chairman

**Dated:** June 26, 2025



**Takayuki Kizawa**  
Chief Executive Officer



**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, 2025 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, 2025.

  
**Chartered Accountants  
Karachi****Dated: June 27, 2025****UDIN: CR202510059UAniF6vjY**

*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>*

**■ KARACHI ■ LAHORE ■ ISLAMABAD**

# HINO *PIONEER*





# Financial **Statements** 2025

**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, 2025, 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 material accounting policy information 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, 2025 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

**Basis for Opinion**

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

**Key Audit Matters**

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

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
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■ KARACHI ■ LAHORE ■ ISLAMABAD



Following is the Key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
(i)	<p><b>Revenue from contracts with customers</b> <i>(Refer notes 3.17 and 24 to the annexed financial statements)</i></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 increased by 36%.</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 increased 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"> <li>- Assessed the design, implementation and operating effectiveness of key internal controls involved in revenue recognition;</li> <li>- Understood and evaluated the accounting policy with respect to revenue recognition;</li> <li>- Performed testing of revenue on a sample basis with underlying documentation including dispatch documents and sales invoices;</li> <li>- Performed cut-off procedures on a sample basis to ensure sales has been recorded in the correct period;</li> <li>- Recalculated the commission as per Company's policy and verified related distribution expenses ; and</li> <li>- Assessed the adequacy of disclosures in the financial statements related to revenue.</li> </ul>

#### 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 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.

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: June 27, 2025**

**UDIN: AR202510059CxZnA9jEp**

# Statement of Financial Position

As at March 31, 2025

	Note	2025 Rupees '000	2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	3,737,734	3,937,236
Intangible assets	5	10,787	9,026
Long-term investments	6	-	-
Long-term loans	7	45,744	35,274
Long-term deposits		7,536	8,792
Employee benefit prepayments	19	8,288	37,023
		<b>3,810,089</b>	<b>4,027,351</b>
<b>Current assets</b>			
Inventories	8	4,688,535	4,145,840
Trade receivables	9	224,233	75,395
Loans and advances	10	26,697	29,118
Trade deposits and prepayments	11	30,985	126,479
Refunds due from government	12	250,191	213,525
Other receivables	13	114,226	1,054
Taxation - payments less provision		1,257,073	1,172,306
Cash and bank balances	14	167,064	165,755
		<b>6,759,004</b>	<b>5,929,472</b>
<b>Total assets</b>		<b>10,569,093</b>	<b>9,956,823</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Issued, subscribed and paid-up capital	15	248,011	248,011
<b>Capital Reserve</b>			
Revaluation surplus on land and buildings	16	2,351,916	2,399,541
Share premium		2,771,525	2,771,525
<b>Revenue Reserve</b>			
General reserve	17	291,000	291,000
Accumulated loss		(209,109)	(414,372)
		<b>5,453,343</b>	<b>5,295,705</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred taxation	18	154,823	188,200
Employee benefit obligations	19	132,619	42,156
		<b>287,442</b>	<b>230,356</b>
<b>Current liabilities</b>			
Trade and other payables	20	3,891,664	1,912,048
Advances from customers	21	331,945	220,524
Short-term borrowings - secured	22	591,823	2,285,314
Unclaimed dividend		12,876	12,876
		<b>4,828,308</b>	<b>4,430,762</b>
<b>Total liabilities</b>		<b>5,115,750</b>	<b>4,661,118</b>
<b>Commitments</b>			
	23		
<b>Total equity and liabilities</b>		<b>10,569,093</b>	<b>9,956,823</b>

The annexed notes 1 to 43 form an integral part of these financial statements.

Chief Financial Officer

Director

Chief Executive Officer

# Statement of Profit or Loss and other Comprehensive Income

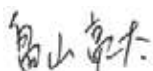
For the Year Ended March 31, 2025

	Note	2025 Rupees '000	(Restated) 2024
Revenue from contracts with customers	24	10,336,503	7,622,709
Cost of sales	25	(9,044,987)	(6,714,820)
<b>Gross profit</b>		<b>1,291,516</b>	<b>907,889</b>
Distribution costs	25	(398,588)	(398,109)
Administrative expenses	25	(452,713)	(475,733)
Other income	26	178,637	164,521
Other expenses	27	(23,745)	-
Reversal of impairment on trade receivables and deposits		6,872	4,340
<b>Operating profit</b>		<b>601,979</b>	<b>202,908</b>
Finance costs	28	(281,929)	(239,313)
<b>Profit / (Loss) before taxation and levies</b>		<b>320,050</b>	<b>(36,405)</b>
Levy	29	(135,642)	(98,737)
<b>Profit / (Loss) before taxation</b>		<b>184,408</b>	<b>(135,142)</b>
Income tax	30	(22,451)	4,044
<b>Profit / (Loss) for the year</b>		<b>161,957</b>	<b>(131,098)</b>
<b>Other comprehensive income for the year:</b>			
Items that will not be reclassified subsequently to profit or loss			
(Loss) / Gain on remeasurements of post employment benefit obligations	19	(68,661)	31,340
Impact of deferred tax		22,659	(10,342)
		(46,002)	20,998
Gain on revaluation of land and buildings	16	43,574	262,637
Impact of deferred tax		(1,891)	(11,542)
		41,683	251,095
Other comprehensive (loss) / income for the year - net of tax		(4,319)	272,093
<b>Total comprehensive income for the year</b>		<b>157,638</b>	<b>140,995</b>
<b>Earnings / (Loss) per share - basic and diluted</b>	31	<b>Rs 6.53</b>	<b>Rs (5.29)</b>

The annexed notes 1 to 43 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, 2025

	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, 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 - net	-	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
Transferred from surplus on revaluation of land & building on account of incremental depreciation - net of deferred tax - note 16	-	(89,308)	-	-	89,308	-
Total comprehensive income for the year ended March 31, 2025						
- Profit for the year ended March 31, 2025	-	-	-	-	161,957	161,957
- Other comprehensive income / (Loss) for the year ended March 31, 2025 - net	-	41,683	-	-	(46,002)	(4,319)
	-	41,683	-	-	115,955	157,638
Balance at March 31, 2025	248,011	2,351,916	2,771,525	291,000	(209,109)	5,453,343

The annexed notes 1 to 43 form an integral part of these financial statements.

  
Chief Financial Officer

  
Director

  
Chief Executive Officer

# Statement of Cash Flows

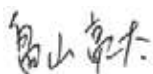
For the Year Ended March 31, 2025

	Note	2025 Rupees '000	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from / (used in) operations	32	2,320,078	(2,139,943)
Mark-up paid on short-term borrowings		(362,392)	(98,205)
Return on savings accounts and deposits		11,781	20,125
Income taxes paid		(255,470)	(208,329)
Employee benefits paid	19	(2,268)	(29,064)
Decrease in long-term deposits		1,256	37
(Increase) / decrease in long-term loans and advances		(10,470)	3,634
Net cash generated from / (used in) operating activities		1,702,515	(2,451,745)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(72,456)	(82,457)
Purchase of intangible assets		(9,230)	(450)
Proceeds from sale of property, plant and equipment		73,971	85,131
Net cash (used in) / generated from investing activities		(7,715)	2,224
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		-	(14)
Net cash used in financing activities		-	(14)
Net increase / (decrease) in cash and cash equivalents		1,694,800	(2,449,535)
Cash and cash equivalents at beginning of the year		(2,119,559)	329,976
Cash and cash equivalents at end of the year	33	(424,759)	(2,119,559)

The annexed notes 1 to 43 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, 2025

## 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.

The company also has area offices situated as follows:

- 19 KM, Multan Road, Lahore
- 1- D, Unit 14, Rehmat Plaza, 2nd Floor, Blue Area, Islamabad
- Second Floor Room No. 31 Al Zain Center, Zarghoon Road, Quetta
- 2C, Second Floor, Al-Kout Tower, Near Sarhad University, Ring Road, Peshawar

- 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.

On 10 June 2025 Definitive Agreement was reached for integration of MFTBC and Hino where a new public listed holding company will be established in Japan and MFTBC and Hino would become wholly-owned subsidiaries of the new company. Daimler Truck and Toyota Motor Corporation are expected to hold equal shares in the new holding company.

## 2. BASIS OF PREPARATION

### 2.1 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 2.4.

## **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 Functional and presentation currency**

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.

## **2.4 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 3.1
- b) Taxation - note 3.4
- c) Inventories - note 3.6
- d) Trade receivables - note 3.7
- e) Employee retirement benefits - note 3.10
- f) Provisions - note 3.11

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.

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.

## 2.5 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, 2024. 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

The following amendment and standard are not effective for the accounting periods beginning on or after January 1, 2025 and have not been early adopted by the Company:

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cashflows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

## 3. MATERIAL ACCOUNTING POLICIES

### 3.1 Property, plant and equipment

These are stated at cost less accumulated depreciation 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 which is 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.

### **3.2 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.

### **3.3 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, 2025 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.

## **3.4 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, on change in fair value of investments categorised as fair value through other comprehensive income, and on gains / losses in employees defined benefit obligations which is charged to the surplus on revaluation and fair value reserve, and other comprehensive income 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.

### **3.5 Levies**

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 statement of profit or loss as these levies fall under the scope of IFRIC 21/IAS 37.

The company has chosen to present amount calculated on gross amount of revenue or other basis (such as receipts or other values etc. as provided in law) as a levy within the scope of IFRIC 21/IAS 37 and recognise it as an operating expense. Any excess over the amount designated as a levy is then recognised as current income tax expense falling under the scope of IAS 12.

### **3.6 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.

### **3.7 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 3.3 for a description of the Company's impairment policies.

### **3.8 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.



### **3.9 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.

### **3.10 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.

### **3.11 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.

### **3.12 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.

### **3.13 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.

### **3.14 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 corresponding estimated product warranty costs in the statement of profit or loss. It can be availed on the discretion of the customer as per agreed terms.

### **3.15 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.

### **3.16 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. Contract liabilities are recognised as revenue when the Company performs under the contract.

### **3.17 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.

There are arrangements with dealers of the company who are paid commission based on approved rates.

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

### **3.18 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.

### **3.19 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.

### **3.20 Restatement**

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 tax (which is not adjustable against future income tax liability) and final tax regime to be shown separately as a levy instead of showing it in current tax.

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 statement of financial position, the statement of changes in equity, the statement of cash flows and earning per share as a result of this change.

For the year ended March 31, 2025

Levy

Profit before taxation

Income tax - net

For the year ended March 31, 2024

Levy

Loss before taxation

Income tax - net

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	Rupees '000		
	-	(135,642)	(135,642)
	320,050	(135,642)	184,408
	(158,093)	135,642	(22,451)
	-	(98,737)	(98,737)
	(36,405)	(98,737)	(135,142)
	(94,693)	98,737	4,044

#### 4. PROPERTY, PLANT AND EQUIPMENT

Note 2025 2024  
Rupees '000

Operating assets

Capital work-in-progress

4.1	3,737,734	3,935,589
4.11	-	1,647
	<u>3,737,734</u>	<u>3,937,236</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									
<b>Year ended March 31, 2025</b>										
Opening net book value (NBV)	2,060,150	116,030	810,057	298,012	375,398	1,591	214,420	15,190	44,741	3,935,589
Revaluation - note 16	37,844	-	5,421	309	-	-	-	-	-	43,574
Additions / Transfers	-	-	7,588	-	27,432	-	24,809	-	16,026	75,855
Disposals	-	-	-	-	(137)	(305)	(50,227)	(576)	(570)	(51,815)
Impairment - note 4.8	-	-	-	-	(6,841)	-	-	-	(2,005)	(8,846)
Writeoff - note 4.9	-	-	-	-	-	-	-	-	(1,752)	(1,752)
Depreciation charge for the year - note 4.7	(47,833)	-	(63,847)	(8,313)	(70,078)	(1,286)	(34,261)	(7,906)	(21,347)	(254,871)
Closing net book value	<u>2,050,161</u>	<u>116,030</u>	<u>759,219</u>	<u>290,008</u>	<u>325,774</u>	<u>-</u>	<u>154,741</u>	<u>6,708</u>	<u>35,093</u>	<u>3,737,734</u>
<b>At March 31, 2025</b>										
Cost or revalued amount	2,050,161	116,030	863,590	300,165	1,318,718	31,544	321,781	147,370	325,100	5,474,459
Accumulated impairment	-	-	-	-	(8,183)	-	(15,441)	-	(2,105)	(25,729)
Accumulated depreciation	-	-	(104,371)	(10,157)	(984,761)	(31,544)	(151,599)	(140,662)	(287,902)	(1,710,996)
Net book value	<u>2,050,161</u>	<u>116,030</u>	<u>759,219</u>	<u>290,008</u>	<u>325,774</u>	<u>-</u>	<u>154,741</u>	<u>6,708</u>	<u>35,093</u>	<u>3,737,734</u>
<b>Year ended March 31, 2024</b>										
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
Impairment - note 4.8	-	-	-	-	-	-	-	-	-	-
Write-off - note 4.9	-	-	-	-	-	-	-	-	-	-
Disposals - at NBV	-	-	-	-	(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>
<b>At March 31, 2024</b>										
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>
Useful life (years)	76 to 79	N/A	40	40	2 to 12	2 to 10	4 to 5	6	3 to 9	

The tangible assets (note 4.1) include items costing Rs. 1,191.63 million (2024: Rs. 1,077.01 million) which are fully depreciated as of March 31, 2025 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 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 25, 2025 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. 43.57 million which was incorporated in the books of the Company as at March 31, 2025.

**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, 2025 would have been Rs. 111.53 million (2024: Rs. 111.61 million) and Rs. 605.56 million (2024: Rs. 608.11 million) respectively.

**4.5** Forced sales value of lands and buildings on freehold and leasehold lands as estimated by valuer are Rs. 1,732.95 million (2024: Rs. 1,843.95 million) and Rs. 839.38 million (2024: Rs. 886.46 million) respectively.

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

	Location	Leasehold / Freehold	Usage of immovable property	Total Area (in acres)	Covered Area (in sq.ft)
a)	D-2, S.I.T.E. Manghopir Road, Karachi.	Leasehold	Chassis assembling facility	10.61	373,678
b)	D-136, S.I.T.E. Manghopir Road, Karachi.	Leasehold	Body manufacturing facility	6	336,409
c)	Kayan Pur, Tehsil Multan, Union Council No. 73, Near Multan Bypass, Multan.	Freehold	* 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, 2025.*

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

	Note	2025 Rupees '000	2024
Cost of sales	25	199,967	195,653
Distribution costs	25	21,004	25,000
Administrative expenses	25	33,900	38,479
		<u>254,871</u>	<u>259,132</u>

- 4.8** During the year, the Company recorded impairment on Plant and Machinery and Office Equipment pertaining to Multan 3S Workshop facility.
- 4.9** During the year, the Company has written-off signage boards and pylon relating to Office Equipment pertaining to Multan 3S Workshop facility.
- 4.10** 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
	← Rupees '000 →							
Motor Vehicle	8,658	5,368	3,290	3,290	-	Company Policy	Mr. Fahim Aijaz Sabzwari	Employee
"	8,658	5,368	3,290	3,290	-	Company Policy	Mr. Mehmood Ahmed Khan	Employee
"	3,767	2,533	1,234	1,411	176	Company Policy	Mr. Muhammad Zahid Hasan	Employee
"	3,600	2,420	1,179	1,957	777	Company Policy	Mr. Muhammad Fahim Iqbal	Employee
"	3,437	539	2,898	3,011	113	Company Policy	Mr. Muhammad Shahzad	Employee
"	3,267	2,196	1,071	1,522	451	Company Policy	Mr. Abdul Basit	Employee
"	3,267	2,196	1,071	1,521	450	Company Policy	Mr. Shakil Ahmed	Employee
"	3,267	2,196	1,071	1,508	438	Company Policy	Mr. Wasim Uz Zaman Siddiqui	Employee
"	3,155	1,909	1,246	1,634	388	Company Policy	Mr. Rizwan Ahmed Soomro	Employee
"	3,155	2,121	1,034	1,410	376	Company Policy	Mr. Kaeyan Behram Quettawala	Employee
"	3,155	2,121	1,034	1,410	376	Company Policy	Mr. Salman Abdul Wahab	Employee
"	3,155	2,121	1,034	1,396	363	Company Policy	Mr. Arif Hasnain	Employee
"	2,926	918	2,008	2,208	200	Company Policy	Mr. Asad Wazir	Employee
"	2,875	1,933	942	1,116	174	Company Policy	Mr. Syed Muhammad Rehnuddin	Employee
"	2,875	1,933	942	1,116	174	Company Policy	Mr. Shafqatullah Khan	Employee
"	2,875	1,933	942	1,116	174	Company Policy	Mr. Saqib Khalil	Employee
"	2,824	1,108	1,716	1,977	261	Company Policy	Mr. Nickson Daniel	Employee
"	2,695	1,299	1,396	1,756	359	Company Policy	Mr. Kamran Ahmed Khan	Employee
"	2,695	1,389	1,306	1,904	598	Company Policy	Mr. Hassan Salman	Employee
"	2,229	1,499	730	1,418	688	Company Policy	Mr. Muhammad Zeeshan Hussain	Employee
"	2,229	1,499	730	1,418	688	Company Policy	Mr. Muhammad Uzair	Employee
"	2,129	1,431	698	1,255	557	Company Policy	Mr. Sarwar Karim	Employee
"	2,068	1,390	678	847	170	Company Policy	Mr. Muhammad Saleem Ismail	Employee
"	2,029	1,364	665	1,252	587	Company Policy	Mr. Tariq Haleem	Employee
"	2,029	1,364	665	1,252	587	Company Policy	Mrs. Nabila Mujahid Faisal	Employee
"	2,029	1,364	665	1,252	587	Company Policy	Mr. Faizan Khalid Khan	Employee
"	1,975	1,328	647	737	90	Company Policy	Mr. Syed Zeeshan Ali	Employee
"	1,969	1,324	645	716	71	Company Policy	Mr. Muzaffar Hassan	Employee
"	1,969	1,324	645	1,213	567	Company Policy	Mr. Nooman Irfan	Employee
"	1,969	1,324	645	1,129	483	Company Policy	Mr. Badr Ul Hussain	Employee
"	1,894	1,273	621	1,117	496	Company Policy	Mr. Mohammad Misbah Uddin Khan Akozai	Employee
"	1,855	1,247	608	617	9	Company Policy	Syed Haroon Ali	Employee
"	1,855	1,247	608	617	9	Company Policy	Mr. Farooq Iqbal	Employee
"	1,643	1,104	538	959	421	Company Policy	Mr. Muhammad Atif Iqbal	Employee
"	1,608	1,081	527	755	228	Company Policy	Mr. Amjad Mahmood	Employee
"	1,571	1,056	515	760	245	Company Policy	Mr. Waqas Ahmed Khan	Employee
"	1,340	831	509	515	6	Company Policy	Mr. Arshad Khan	Employee
Electrical Equipment	2,075	1,499	576	885	309	Auction	Mr. Hafiz Tayyab Tanveer	Third Party

#### 4.11 Capital work-in-progress - at cost

	2025				2024			
	Balance as at April 01, 2024	Additions during the year	Transfers	Balance as at March 31, 2025	Balance as at April 01, 2023	Additions during the year	Transfers	Balance as at March 31, 2024
	Rupees '000							
Building	42	-	(42)	-	14,280	1,169	(15,407)	42
Plant and machinery and office equipments	1,605	-	(1,605)	-	35,019	586	(34,000)	1,605
Total	1,647	-	(1,647)	-	49,299	1,755	(49,407)	1,647

### 5. INTANGIBLE ASSETS

2025      2024  
Rupees '000

Intangible assets comprise of computer software.

#### Year ended March 31

Opening net book value	9,026	19,616
Additions	9,230	450
Amortisation	(7,469)	(11,040)
Closing net book value	10,787	9,026

#### Closing balance

Cost	125,151	115,921
Accumulated amortisation	(114,364)	(106,895)
Net book value	10,787	9,026

Useful life (years)	3	3
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5.1 The intangible assets include items costing Rs. 102.51 million (2024: Rs. 95.90 million) which are fully amortised as of March 31, 2025 but are still in active use.

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

2025      2024  
Rupees '000

### 6. LONG-TERM INVESTMENTS

#### Fair value through other comprehensive income

Arabian Sea Country Club Limited

[500,000 (2024: 500,000) Unquoted ordinary shares of Rs.10 each, representing 6.45 percent (2024: 6.45 percent) of equity]

-      -

Automotive Testing & Training Centre (Private) Limited

[50,000 (2024: 50,000) Unquoted ordinary shares of Rs.10 each, representing 2.77 percent (2024: 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, 2025.

	Note	2025 Rupees '000	2024
<b>7. LONG-TERM LOANS</b>			
<b>considered good, secured</b>			
Loans to employees		<b>71,691</b>	59,700
Less: Recoverable within one year	10	<b>(25,947)</b>	(24,426)
		<b>45,744</b>	<b>35,274</b>

- 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. 2.08 million (2024: Rs. 8.06 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. 17.47 million (2024: Rs. 9.79 million).

	Note	2025 Rupees '000	2024
<b>8. INVENTORIES</b>			
Stores and spares		<b>7,716</b>	9,852
Loose tools		<b>873</b>	2,630
		<b>8,589</b>	12,482
Less: Provision for obsolescence	8.2	<b>(620)</b>	(2,023)
		<b>7,969</b>	10,459
Raw materials and components			
[including in transit Rs. 1.57 billion (2024: Rs. 330.6 million)]	8.1	<b>3,969,555</b>	3,077,661
Less: Provision for obsolescence	8.2	<b>(12,964)</b>	(17,692)
		<b>3,956,591</b>	3,059,969
Work-in-process		<b>13,153</b>	23,322
Finished goods		<b>669,859</b>	995,156
Trading stock - Spare parts		<b>55,075</b>	78,178
Less: Provision for obsolescence	8.2	<b>(14,112)</b>	(21,244)
		<b>40,963</b>	56,934
		<b>4,688,535</b>	<b>4,145,840</b>

- 8.1** Raw materials include stocks held with suppliers amounting to Rs. 47.99 million (2024: Rs. 54.3 million).

	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	(2,023)	(17,692)	(21,244)	(40,959)
Reversal during the year - net	1,403	4,728	7,132	13,263
Balance at end of the year	<b>(620)</b>	<b>(12,964)</b>	<b>(14,112)</b>	<b>(27,696)</b>

	Note	2025 Rupees '000	2024
<b>9. TRADE RECEIVABLES</b>			
<b>Considered good - unsecured</b>			
Related party			
Indus Motor Company Limited, group company	9.1 & 9.2	148,240	38,554
Others	9.3 & 9.4	75,993	36,841
		<u>224,233</u>	<u>75,395</u>
<b>Considered doubtful</b>			
Others	9.4	33,746	40,618
		<u>257,979</u>	<u>116,013</u>
Less: allowance for expected credit losses	9.5	(33,746)	(40,618)
		<u>224,233</u>	<u>75,395</u>
<b>9.1</b>	The balance from related party is not yet due on reporting date.		
<b>9.2</b>	The maximum aggregate amount due from the related party at the end of any month during the year was Rs. 280.91 million (2024: Rs. 277.16 million).		
<b>9.3</b>	These include amounts receivable from government institutions amounting to Rs. 5.12 million (2024: Rs. 3 million).		
<b>9.4</b>	The ageing of trade debts of parties other than related parties as at the reporting date is as under:		
	Note	2025 Rupees '000	2024
Not yet due		74,414	34,087
1 to 30 days		977	1,527
31 to 90 days		3,040	560
91 to 180 days		-	-
181 to 365 days		234	1,018
Over 365 days		31,074	40,267
		<u>109,739</u>	<u>77,459</u>
9.5		40,618	45,007
Balance at beginning of the year		(6,872)	(4,389)
Reversal during the year - net		<u>33,746</u>	<u>40,618</u>
Balance at end of the year			
<b>10. LOANS AND ADVANCES</b>			
Current maturity of long term loans - unsecured		25,947	24,426
Advances to:			
- employees - secured		57	1,101
- suppliers - unsecured	10.1	7,963	10,861
		<u>8,020</u>	<u>11,962</u>
		33,967	36,388
Provision for doubtful advances to suppliers		(7,270)	(7,270)
		<u>26,697</u>	<u>29,118</u>
<b>10.1</b>	These loans and advances are non-interest bearing.		

	Note	2025	2024
		Rupees '000	
<b>11. TRADE DEPOSITS AND PREPAYMENTS</b>			
Trade deposits	11.1	8,336	7,394
LC deposit	11.2	6,362	103,650
Provision for doubtful deposits	11.3	(5,110)	(5,110)
		<u>9,588</u>	<u>105,934</u>
Prepayments		<u>21,397</u>	<u>20,545</u>
		<u><b>30,985</b></u>	<u><b>126,479</b></u>

**11.1** These trade deposits are non-interest bearing.

**11.2** These pertains to cash margin provided to banks for import of raw material.

	Note	2025	2024
		Rupees '000	
<b>11.3</b> Balance at beginning of the year		5,110	5,061
Charge / (reversal) during the year		-	49
Balance at end of the year		<u><b>5,110</b></u>	<u><b>5,110</b></u>

## **12. REFUNDS DUE FROM GOVERNMENT**

Sales tax refundable	12.1	303,110	266,444
Custom duty and excise duty refundable		<u>2,807</u>	<u>2,807</u>
		<b>305,917</b>	<b>269,251</b>
Less: Provision for doubtful refunds	12.1	<u>(55,726)</u>	<u>(55,726)</u>
		<u><b>250,191</b></u>	<u><b>213,525</b></u>

**12.1** This includes sales tax refundable of Rs. 47.14 million (2024: Rs. 47.14 million), net of provisional refunds of Rs. 519.05 million (2024: 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**

**13.1** This includes an amount of Rs. 109.86 million (2024: Rs. Nil) relating to the reimbursement of the finance costs for the period from August 01, 2023 to February 28, 2025 under the Cost Compensation Agreement with Hino Motors Limited, Japan on account of holding additional inventory by the Company.

**13.2** This includes accrued markup receivable of Rs. 3.37 million (2024: Rs. 0.61 million) on term deposit accounts. Accrued markup receivable also includes Rs. Nil (2024: Rs. 0.05 million) from JS Bank Limited, a related party of the Company.

## **14. CASH AND BANK BALANCES**

	Note	2025	2024
		Rupees '000	
Balances with banks:			
- on current accounts		58,136	104,663
- on PLS savings accounts	14.1	<u>108,882</u>	<u>61,006</u>
Cash in hand		<u>46</u>	<u>86</u>
		<u><b>167,064</b></u>	<u><b>165,755</b></u>

- 14.1 During the year, the rate of profit on savings accounts range from 10.5% to 20.5% per annum (2024: 18.5% to 20.5% per annum).

**15. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**

2025 (Number of shares)	2024		2025 Rupees '000	2024
<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				
<b>18,600,840</b>	18,600,840	Shares issued for consideration paid in cash	<b>186,008</b>	186,008
<b>4,133,520</b>	4,133,520	Shares issued for consideration other than cash - fixed assets	<b>41,335</b>	41,335
<b>2,066,760</b>	2,066,760	Shares issued as bonus shares	<b>20,668</b>	20,668
<u><b>24,801,120</b></u>	<u>24,801,120</u>		<u><b>248,011</b></u>	<u>248,011</u>

- 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, 2025, Hino Motors Limited, Japan (HML) - the Holding Company and Toyota Tsusho Corporation, Japan (TTC) - an associated company respectively held 14,797,733 (2024: 14,797,733) and 7,398,867 (2024: 7,398,867) ordinary shares of Rs. 10 each representing 59.67 percent (2024: 59.67 percent) and 29.83 percent (2024: 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.

	2025	2024
	Rupees '000	
Revaluation surplus at beginning of the year	2,399,541	2,222,132
Surplus arising on revaluation :		
- Leasehold land	37,844	227,661
- Freehold land	-	-
- Building on Leasehold land	5,421	28,983
- Building on Freehold land	309	5,993
	43,574	262,637
Deferred tax liability on revaluation surplus	(1,891)	(11,542)
	2,441,224	2,473,227
Net amount transferred to accumulated loss on account of		
- Incremental depreciation	(109,775)	(88,609)
- Deferred tax on incremental depreciation	20,467	14,923
	(89,308)	(73,686)
	2,351,916	2,399,541

## 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:

	2025	2024
	Rupees '000	
Deferred tax asset	(103,546)	(88,777)
Deferred tax liability	258,369	276,977
	154,823	188,200

## 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, 2024	111,989	164,988	(13,516)	(35,903)	(26,113)	(13,245)	188,200
Charge / (credit) to profit or loss	(32)	(20,467)	4,377	2,268	-	1,245	(12,609)
Charge to other comprehensive income	-	-	-	-	(22,659)	-	(22,659)
Charge to equity	-	1,891	-	-	-	-	1,891
March 31, 2025	111,957	146,412	(9,139)	(33,635)	(48,772)	(12,000)	154,823
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

**18.2** Deferred tax asset has not been recognised on unused tax losses, unabsorbed tax depreciation and minimum tax amounting to Rs. 146.33 million (2024: Rs. 275.32 million), Rs. 101.01 million (2024: Rs. 101.01 million) and Rs. 914.59 million (2024: Rs. 778.95 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 3.10, 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, 2025.



**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:

19.5	Movement in (asset) / liability	2025			2024		
		Funded		Unfunded Gratuity	Funded		Unfunded Gratuity
		Gratuity Fund	Pension Fund		Gratuity Fund	Pension Fund	
		Rupees '000					
		(14,372)	(22,651)	42,156	32,964	(43,699)	31,295
	Charge for the year - note 19.8	20,128	12,994	19,683	20,722	4,501	19,754
	Remeasurements recognised in other comprehensive income - note 19.7	(2,855)	63,707	7,809	(11,356)	(18,393)	(1,591)
	Benefits paid - net	-	-	(5,341)	-	-	(7,302)
	Contribution paid	(25,562)	(8,389)	-	(56,702)	(8,759)	-
	Withdrawals	14,373	22,651	-	-	43,699	-
	Closing balance	(8,288)	68,312	64,307	(14,372)	(22,651)	42,156

**19.6 Statement of financial position and reconciliation  
as at March 31**

Fair value of plan assets - note 19.10	(393,829)	(615,006)	-	(377,620)	(632,529)	-
Present value of defined benefit obligations - note 19.9	385,541	683,318	64,307	363,248	609,878	42,156
Recognised (asset) / liability	<u>(8,288)</u>	<u>68,312</u>	<u>64,307</u>	<u>(14,372)</u>	<u>(22,651)</u>	<u>42,156</u>

		2025			2024		
		Funded		Unfunded Gratuity	Funded		Unfunded Gratuity
		Gratuity Fund	Pension Fund		Gratuity Fund	Pension Fund	
19.7	Remeasurement recognised in other comprehensive income	← Rupees '000 →					
	Remeasurement losses / (gains) on obligations						
	- Financial assumptions	(6,110)	52,044	7,403	(844)	5,658	(110)
	- Demographic assumptions	4,692	7,353	(1,405)	-	-	-
	- Experience losses / (gains)	22,987	(11,372)	1,811	7,057	15,622	(1,481)
	Remeasurement (gains) / losses on fair value of plan assets	(24,424)	15,682	-	(17,569)	(39,673)	-
		<u>(2,855)</u>	<u>63,707</u>	<u>7,809</u>	<u>(11,356)</u>	<u>(18,393)</u>	<u>(1,591)</u>
19.8	Charge for the year						
	Current service cost	22,327	21,736	13,563	23,126	22,921	15,359
	Interest cost	50,498	87,996	6,120	51,918	84,349	4,423
	Employee contribution	-	(5,880)	-	-	(5,620)	-
	Expected return on plan assets	(52,697)	(90,858)	-	(51,183)	(88,996)	-
	Curtailment (gain) / loss	-	-	-	(3,139)	(8,153)	(28)
		<u>20,128</u>	<u>12,994</u>	<u>19,683</u>	<u>20,722</u>	<u>4,501</u>	<u>19,754</u>
19.9	Movement in the present value of obligations						
	Opening balance	363,248	609,878	42,156	363,885	564,881	31,295
	Current service cost	22,327	21,736	13,563	23,126	22,921	15,359
	Interest cost	50,498	87,996	6,120	51,918	84,349	4,423
	Remeasurement	21,570	48,025	7,809	6,213	21,280	(1,591)
	Benefits paid	(72,102)	(84,317)	(5,341)	(78,755)	(75,400)	(7,302)
	Curtailment (gain) / loss	-	-	-	(3,139)	(8,153)	(28)
	Closing balance	<u>385,541</u>	<u>683,318</u>	<u>64,307</u>	<u>363,248</u>	<u>609,878</u>	<u>42,156</u>
19.10	Movement in fair value of plan assets						
	Opening balance	377,620	632,529	-	330,921	608,580	-
	Expected return on plan assets	52,697	90,858	-	51,183	88,996	-
	Remeasurement	24,424	(15,682)	-	17,569	39,673	-
	Employer contributions	25,562	10,143	-	56,702	8,759	-
	Employee contributions	-	4,126	-	-	5,620	-
	Withdrawals	(14,372)	(22,651)	-	-	(43,699)	-
	Benefits paid	(72,102)	(84,317)	-	(78,755)	(75,400)	-
	Closing balance	<u>393,829</u>	<u>615,006</u>	<u>-</u>	<u>377,620</u>	<u>632,529</u>	<u>-</u>

### 19.11 Plan assets comprise of:

	2025			2024		
	Funded Gratuity Fund	Pension Fund	Unfunded Gratuity	Funded Gratuity Fund	Pension Fund	Unfunded Gratuity
	Rupees '000					
Government bonds	177,738	208,945	-	177,055	255,495	-
Mutual funds	86,218	68,497	-	87,705	63,855	-
Bank deposits	113,200	312,415	-	105,271	303,727	-
Cash at bank	16,673	25,149	-	7,589	9,452	-
	<b>393,829</b>	<b>615,006</b>	<b>-</b>	<b>377,620</b>	<b>632,529</b>	<b>-</b>

### 19.12 Key actuarial assumptions used:

Expected rate of return on plan assets (%)	12.25	12.25	-	15.50	15.50	-
Future salary increase (%)	11.25	11.25	12.75	14.50	14.50	14.50
Discount rate at March 31 (%)	12.25	12.25	12.50	15.50	15.50	15.50
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 2025 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	
			2025	2024	2025	2024
			Rupees '000			
Discount rate at March 31	1.00%	62,419	61,249	(70,713)	(69,575)	
Future salary increases	1.00%	50,828	58,437	(46,895)	(52,901)	

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 2025-26 will be Rs. 21.79 million and Rs. 6.18 million respectively.
- 19.19** The weighted average duration of pension fund, funded gratuity and unfunded gratuity is 6.77, 4.26 and 6.09 years respectively.
- 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, 2025						
Retirement benefit plans	<u>167,097</u>	<u>185,373</u>	<u>405,546</u>	<u>739,702</u>	<u>6,603,748</u>	<u>8,101,466</u>
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>

## 20. TRADE AND OTHER PAYABLES

	Note	2025 Rupees '000	2024 Rupees '000
Creditors		<b>96,074</b>	57,103
Bills payable to:			
- Toyota Tsusho Corporation, Japan, group company		<b>902,159</b>	72,316
- Hino Motors Limited, Japan - holding company		-	7,011
- Toyota Tsusho, Asia Pacific PTE Ltd, Singapore, group company		<b>181,199</b>	-
- Hino Motors Asia Limited, Thailand, group company		<b>24,791</b>	-
Accrued liabilities	20.1 & 20.2	<b>1,839,233</b>	1,054,223
Workers' welfare fund & Workers' profit participation fund		<b>8,792</b>	-
Royalty payable to Hino Motors Limited, Japan, holding company		<b>328,568</b>	147,797
Security deposits from dealers	20.3	<b>35,000</b>	35,000
Employees related obligation	20.4	<b>61,058</b>	91,394
Tax deducted at source and payable to statutory authorities		<b>2,938</b>	8,032
Sindh sales tax on services		<b>49,659</b>	19,214
Accrued Markup	20.5	<b>14,388</b>	129,885
Provisions	20.6	<b>337,879</b>	281,754
Others	20.7	<b>9,926</b>	8,319
		<u><b>3,891,664</b></u>	<u>1,912,048</u>

- 20.1** This includes an amount of Rs. 384.40 million (2024: 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, 2025, the Company has corporate guarantees issued to Collectorate of Customs amounting to Rs. 370 million (2024: Rs. 370 million).
- 20.2** This includes an amount of Rs. 788.98 million (2024: Rs. 185.62 million) provision of Custom duty relating to import of CKD under concessionary tariff regime. An SRO 2069(I)/2022 dated Dec 01, 2022 was issued by the Government of Pakistan, Ministry of Finance & Revenue wherein an onerous condition has been imposed on the auto manufacturers mandating the export of a specified percentage of their respective import quotas during the period 2021-2026 as a prerequisite for continued eligibility to avail the benefits of the concessionary tariff regime prescribed under SRO 656(I)/2006. The Company and other auto manufacturers have filed a petition in the Honorable Sindh High Court which proceedings are pending. However, the Honorable Sindh High Court has directed that necessary steps for the import of goods to be taken. The Company Considers based on the legal advice that it has a good case on merits with a favourable outcome.
- 20.3** These represent amounts received from dealers of the Company, which are utilised for the purpose of business in accordance with the related agreements.
- 20.4** 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.
- 20.5** This represents markup payable on short-term borrowings.

<b>20.6 Provisions</b>	Note	<b>2025</b>	<b>2024</b>
		Rupees '000	
Provision for compensated absences		<b>98,042</b>	111,029
Provision for warranty services		<b>36,362</b>	40,137
Provision for infrastructure cess	20.6.1.1	<b>137,894</b>	65,007
Provision for custom duties	20.6.1.2	<b>65,581</b>	65,581
		<b><u>337,879</u></b>	<b><u>281,754</u></b>

**20.6.1** 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 20.6.1.1	Provision for custom duties - note 20.6.1.2	Total
	Rupees '000				
Balance as at April 01, 2024	111,029	40,137	65,007	65,581	281,754
Recognised during the year	37,648	4,464	72,887	-	114,999
Payments / reversals / expenses against provision	(50,635)	(8,239)	-	-	(58,874)
Balance as at March 31, 2025	<b>98,042</b>	<b>36,362</b>	<b>137,894</b>	<b>65,581</b>	<b>337,879</b>
	Provision for compensated absences	Provision for warranty services	Provision for infrastructure cess - note 20.6.1.1	Provision for custom duties - note 20.6.1.2	Total
	Rupees '000				
Balance as at April 1, 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	<b>111,029</b>	<b>40,137</b>	<b>65,007</b>	<b>65,581</b>	<b>281,754</b>

- 20.6.1.1** 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.

- 20.6.1.2** These represent demands raised by Collector of customs in respect of custom duty provision made against CKD kits imported between 1998 and 2006, the same have been appealed against at appropriate level.

Original order No.105 dated September 15, 2006 where a charge of importing CKD kits of vehicles at specially discounted prices, was levied against M/s Hinopak Motors Limited. The recoverable amount was Rs. 64.8 million. The case was defended at various stages from Assistant Collector to the Customs, Excise and Sales Tax Appellate Tribunal, Karachi. However, the Appellate Tribunal finally decided the case against the company by upholding the allegations contained in the amended Show-Cause Notice vide order dated 20 January 2009. The Company then filed a reference application before the High Court of Sindh against the order of the tribunal under Section 196 of the Customs Act, 1969. Interim order is still in field.

- 20.7** This includes amount of Rs. 5 thousand (2024: Rs. 0.88 million) payable to employee's Provident Fund maintained by the Company.

## **21. ADVANCES FROM CUSTOMERS**

During the year, the Company recognised revenue amounting to Rs. 185.69 million (2024: Rs. 1.52 billion) out of the advances from customers balance outstanding at the beginning of the year.

	Note	2025	2024
		Rupees '000	
<b>22. SHORT-TERM BORROWINGS - SECURED</b>			
Running finance	22.1 & 22.2	<u>591,823</u>	<u>2,285,314</u>

- 22.1** The facilities for running finance under mark-up arrangements with various banks as at March 31, 2025 amounted to Rs. 4.11 billion (2024: Rs. 3.87 billion) of which the amount remaining unutilised at the year end was Rs. 3.52 billion (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 + 0.65% per annum (2024: 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, 2025 amounted to Rs. 16.69 million (2024: Rs. 2.78 million).



- 23.2** The facilities for opening the letters of credit and guarantees as at March 31, 2025 amounted to Rs. 14.07 billion (2024: Rs. 13.77 billion) of which the amount remaining unutilised at the year end was Rs. 11.65 billion (2024: Rs. 12.42 billion).
- 23.3** The Company as at March 31, 2025 issued bank guarantee amounting to Rs. 145 million (2024: Rs. 75 million) in relation to sindh infrastructure cess.

**2025**      **2024**  
Rupees '000

**24. REVENUE FROM CONTRACTS WITH CUTOMERS**

Gross sales	<b>12,818,603</b>	9,372,689
Sales tax	<b>(1,954,074)</b>	(1,418,237)
	<b>10,864,529</b>	7,954,452
Commission and trade discounts	<b>(528,026)</b>	(331,743)
Sales returns	-	-
	<b><u>10,336,503</u></b>	<u>7,622,709</u>

- 24.1** Sales to Government institutions amount to Rs. 2.00 billion (2024: Rs. 1.86 billion) which account for 20.03% (2024: 24.36%) of the net sales.
- 24.2** Sales to Indus Motor Company Limited, a related party of the Company, amount to Rs. 1.94 billion (2024: Rs. 1.59 billion) which account for 19.58% (2024: 20.90%) of the net sales.

**24.3 DISAGGREGATION OF REVENUE**

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

**2025**      **2024**  
Rupees '000

**Major product/service lines**

Chassis	<b>7,036,960</b>	4,577,925
IMV Frames	<b>1,944,682</b>	1,593,014
Parts	<b>738,759</b>	783,679
Body	<b>616,102</b>	662,335
Service business	-	5,756
	<b><u>10,336,503</u></b>	<u>7,622,709</u>

## 25. COST OF SALES, DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES

		COST OF SALES		DISTRIBUTION COSTS		ADMINISTRATIVE EXPENSES		TOTAL	
	Note	2025	2024	2025	2024	2025	2024	2025	2024
		Rupees '000							
Raw Material Consumed		6,474,936	5,236,058	-	-	-	-	6,474,936	5,236,058
Staff costs	25.1	981,852	831,397	262,425	268,379	196,707	216,499	1,440,984	1,316,275
Depreciation and amortisation		199,967	195,653	21,004	25,000	41,369	49,519	262,340	270,172
Impairment of property, plant and equipment	4.1	-	-	8,846	-	-	-	8,846	-
Royalty and technical assistance		193,706	155,019	-	-	-	-	193,706	155,019
Fuel and power		149,400	123,712	3,075	4,386	26,544	20,840	179,019	148,938
Vehicle running and maintenance		28,000	26,706	25,876	33,679	32,871	33,900	86,747	94,285
Security and maintenance		37,043	31,904	13,202	11,805	68,651	63,083	118,896	106,792
Repair and maintenance		47,747	31,438	740	581	6,407	9,181	54,894	41,200
Product maintenance charges		-	-	12,009	13,797	-	-	12,009	13,797
Communication and stationery		4,573	3,804	3,844	4,723	5,778	7,140	14,195	15,667
Legal and professional charges		2,009	3,519	1,481	1,210	25,298	19,912	28,788	24,641
Insurance		12,186	10,876	6,299	5,550	4,549	4,223	23,034	20,649
Rent, rates and taxes		6,339	5,112	15,492	12,498	9,109	7,556	30,940	25,166
Travelling and entertainment		4,167	2,226	9,162	7,934	3,457	7,116	16,786	17,276
Advertising and sales promotion		-	-	15,550	6,624	746	30	16,296	6,654
Reversal of provision for obsolete stock-in-trade, stores and spares	8.2	(13,263)	(46,288)	-	-	-	-	(13,263)	(46,288)
Auditors' remuneration	25.2	-	-	-	-	7,716	6,515	7,716	6,515
Reversal of provision for warranty services		-	-	(1,399)	(541)	-	-	(1,399)	(541)
Other expenses		9,824	5,631	982	2,484	23,511	30,219	34,317	38,334
		8,138,486	6,616,767	398,588	398,109	452,713	475,733	8,989,787	7,490,609
Opening stock of work in process		23,322	87,375						
Closing stock of work in process		(13,153)	(23,322)						
Cost of goods manufactured		8,148,655	6,680,820						
Opening stock of finished goods		995,156	398,138						
Closing stock of finished goods		(669,859)	(995,156)						
		8,473,952	6,083,802						
Consumption of trading goods		571,035	631,018						
		9,044,987	6,714,820						

### 25.1 Staff costs

Salaries, wages, allowances and staff welfare	930,992	785,475	247,224	255,201	184,688	206,111	1,362,904	1,246,787
Charge for defined benefit plans	36,300	31,803	9,251	7,408	7,254	5,767	52,805	44,978
Charge for defined contribution plan	14,560	14,119	5,950	5,770	4,765	4,621	25,275	24,510
	<u>981,852</u>	<u>831,397</u>	<u>262,425</u>	<u>268,379</u>	<u>196,707</u>	<u>216,499</u>	<u>1,440,984</u>	<u>1,316,275</u>

	Note	2025	2024
		Rupees '000	
<b>25.2 Auditors' remuneration</b>			
Annual Audit fee		2,847	2,636
Half yearly review		1,201	1,112
Reporting for regulatory purposes (including corporate governance, free float, CDC and royalty)		533	293
Tax Services		2,567	1,846
Out of pocket expenses		568	628
		<u>7,716</u>	<u>6,515</u>
<b>26. OTHER INCOME</b>			
<b>Income from financial assets</b>			
Return on PLS savings accounts	26.1	11,781	20,125
<b>Income from non-financial assets</b>			
Gain on disposal of property, plant and equipment		22,156	30,536
<b>Others</b>			
Scrap sales		33,833	57,785
Exchange gain - net		-	49,421
Reimbursement of costs under Cost Compensation Agreement - Note 13.1		109,858	-
Others		1,009	6,654
		<u>178,637</u>	<u>164,521</u>
<b>26.1</b>	Return on PLS savings accounts include Rs. 0.07 million (2024: Rs. 0.41 million) from JS Bank Limited, a related party of the Company.		
	Note	2025	2024
		Rupees '000	
<b>27. OTHER EXPENSES</b>			
Workers' Profits Participation Fund		17,190	-
Workers' Welfare Fund		6,555	-
		<u>23,745</u>	<u>-</u>
<b>28. FINANCE COSTS</b>			
Exchange loss - net		20,272	-
Mark-up on short-term borrowings	22	246,895	223,679
Bank charges and others		6,942	13,261
Unwinding of interest		7,820	2,373
		<u>281,929</u>	<u>239,313</u>

	Note	2025 Rupees '000	(Restated) 2024 Rupees '000
<b>29. LEVY</b>			
Minimum tax u/s 113	29.1	<u>135,642</u>	<u>98,737</u>
<b>29.1</b>	This represents minimum tax paid under section 113 of the Income Tax Ordinance, 2001 before March 31, 2025.		
<b>30. INCOME TAX EXPENSE</b>		<b>2025</b>	<b>2024</b>
		Rupees '000	
Current			
- for the year		<b>35,060</b>	-
Deferred		<u>(12,609)</u>	<u>(4,044)</u>
		<u>22,451</u>	<u>(4,044)</u>
<b>30.1</b>	Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:		
		<b>2025</b>	<b>2024</b>
		Rupees '000	
Current tax liability for the year as per applicable tax laws		<b>170,702</b>	98,737
Portion of current tax liability as per tax laws, representing income tax under IAS 12		<b>(35,060)</b>	-
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37		<b>(135,642)</b>	(98,737)
Difference		<u>-</u>	<u>-</u>
<b>30.2</b>	Minimum tax rate under section 113 of Income Tax Ordinance (ITO), 2001, for tax year 2025, 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.		
		<b>2025</b>	<b>2024</b>
<b>31. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED</b>			
Profit / (Loss) for the year attributable to ordinary shareholders (Rupees '000)		<b>161,957</b>	(131,098)
Weighted average number of ordinary shares outstanding at end of the year (Number in '000)		<b>24,801</b>	24,801
Earnings / (Loss) per share - basic & diluted		<u><b>Rs. 6.53</b></u>	<u>Rs. (5.29)</u>

31.1 There were no dilutive potential ordinary shares in issue as at March 31, 2025 and 2024.

	Note	2025	2024
		Rupees '000	
<b>32. CASH USED IN OPERATIONS</b>			
Profit / (Loss) before taxation and levies		<b>320,050</b>	(36,405)
Add / (less): Adjustments for non cash charges and other items			
Depreciation and amortisation	25	<b>262,340</b>	270,172
Impairment of property, plant and equipment	4.1	<b>8,846</b>	-
Gain on disposal of property, plant and equipment	26	<b>(22,156)</b>	(30,536)
Unwinding of discount		<b>7,820</b>	2,373
Retirement benefits charge	19.8	<b>52,805</b>	44,977
Mark-up on short-term borrowings	28	<b>246,895</b>	223,679
Income on PLS savings and deposit accounts	26	<b>(11,781)</b>	(20,125)
Profit before working capital changes		<b>864,819</b>	454,135
<b>EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES</b>			
(Increase) / decrease in current assets			
Inventories		<b>(542,695)</b>	(2,102,288)
Trade receivables		<b>(148,838)</b>	111,829
Loans and advances		<b>2,421</b>	25,586
Trade deposits and prepayments		<b>95,495</b>	1,173,456
Refunds due from the government - sales tax		<b>(36,666)</b>	(90,823)
Other receivables		<b>(113,172)</b>	528
		<b>(743,455)</b>	(881,712)
Decrease in current liabilities			
Trade and other payables		<b>2,087,293</b>	(279,947)
Advances from customers		<b>111,421</b>	(1,432,419)
		<b>1,455,259</b>	(2,594,078)
		<b>2,320,078</b>	(2,139,943)
<b>33. CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	14	<b>167,064</b>	165,755
Short-term borrowings - secured	22	<b>(591,823)</b>	(2,285,314)
		<b>(424,759)</b>	(2,119,559)



### 34. 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	
	2025	2024	2025	2024	2025	2024
	← Rupees '000 →					
Managerial remuneration and allowances	4,028	2,527	3,619	2,153	219,312	138,980
Bonus	-	-	-	-	48,673	25,162
Retirement benefits	-	-	-	-	18,993	13,293
Rent and utilities	-	-	-	-	42,969	29,478
Leave passage	363	182	324	162	6,170	4,290
Club expenses	-	-	-	-	1,878	1,963
Medical expenses	113	283	270	279	6,725	5,313
	<b>4,504</b>	<b>2,992</b>	<b>4,213</b>	<b>2,594</b>	<b>344,720</b>	<b>218,479</b>
Number of persons	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>37</b>	<b>29</b>

**34.1** 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.

**34.2** Consultancy fee paid to the Chairman amounts to Rs. 5.65 million (2024: Rs. 4.75 million). The Chairman is also provided with free use of Company maintained car.

**34.3** In addition to above, fee paid to the Chairman and two independent directors (2024: two) (Pakistan resident only) for attending meetings during the year amounted to Rs. 0.5 million (2024: Rs. 0.5 million) and Rs. 2 million (2024: Rs. 1.7 million) respectively.

2025      2024  
← Units →

### 35. PLANT CAPACITY AND PRODUCTION

#### Plant capacity (single shift without overtime)

- Chassis	<b>6,000</b>	6,000
- Bodies	<b>1,800</b>	1,800

#### Actual production

- Chassis	<b>394</b>	366
- Bodies	<b>80</b>	97

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

## **36. 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.

## **37. 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.

		2025	2024	
		Rupees '000		
37.1	Transactions with related parties			
	Relationship	Nature of transaction		
i.	Holding company	- Purchase of goods	28,027	67,784
		- Royalty charge	193,706	155,019
		- Reimbursement of costs under Cost Compensation Agreement - Note 13.1	109,858	-
ii.	Other related parties	- Purchase of goods	4,771,520	4,916,889
		- Sale of goods	2,010,191	1,658,850
		- Purchase of property, plant and equipment	13,469	5,012
		- Payments to retirement benefit plans	91,719	120,054
iii.	Key management personnel	- Salaries and other employee benefits	78,285	55,909
		- Retirement benefits	4,011	3,476

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

- 37.3** 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

### **38. 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

	2025						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							
At amortised cost							
Loans to employees	-	-	-	25,947	45,744	71,691	71,691
Deposits	-	-	-	9,588	7,536	17,124	17,124
Trade receivables	-	-	-	224,233	-	224,233	224,233
Other receivables	-	-	-	114,226	-	114,226	114,226
Cash and bank balances	108,882	-	108,882	58,182	-	58,182	167,064
2025	108,882	-	108,882	432,176	53,280	485,456	594,338

### FINANCIAL LIABILITIES

#### At amortised cost

Trade and other payables	-	-	-	3,396,338	-	3,396,338	3,396,338
Unclaimed dividend	-	-	-	12,876	-	12,876	12,876
Short term borrowings	591,823	-	591,823	-	-	-	591,823
<b>2025</b>	<b>591,823</b>	<b>-</b>	<b>591,823</b>	<b>3,409,214</b>	<b>-</b>	<b>3,409,214</b>	<b>4,001,037</b>

#### On statement of financial position gap

<b>2025</b>	<b>(482,941)</b>	<b>-</b>	<b>(482,941)</b>	<b>(2,977,038)</b>	<b>53,280</b>	<b>(2,923,758)</b>	<b>(3,406,699)</b>
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2024						
Interest / Mark-up bearing			Non Interest / Mark-up bearing			Total
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

#### At amortised cost

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
<b>2024</b>	<b>61,006</b>	<b>-</b>	<b>61,006</b>	<b>311,558</b>	<b>44,066</b>	<b>355,624</b>	<b>416,630</b>

### FINANCIAL LIABILITIES

#### At amortised cost

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
<b>2024</b>	<b>2,285,314</b>	<b>-</b>	<b>2,285,314</b>	<b>1,489,530</b>	<b>-</b>	<b>1,489,530</b>	<b>3,774,844</b>

#### On statement of financial position gap

<b>2024</b>	<b>(2,224,308)</b>	<b>-</b>	<b>(2,224,308)</b>	<b>(1,177,972)</b>	<b>44,066</b>	<b>(1,133,906)</b>	<b>(3,358,214)</b>
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### OFF STATEMENT OF FINANCIAL POSITION FINANCIAL INSTRUMENTS

Commitments for capital expenditure		16,692
Letters of credit		2,177,045
Letters of guarantee		249,408
<b>2025</b>		<b>2,443,145</b>
<b>2024</b>		<b>1,353,521</b>

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, 2025, the Company's interest bearing financial assets amounted to Rs. 0.11 billion (2024: Rs. 0.06 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. 1.1 million (2024: Rs. 0.61 million).

As at March 31, 2025, the Company's interest bearing financial liabilities amounted to Rs. 0.59 billion (2024: Rs. 2.29 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. 5.92 million (2024: Rs. 22.85 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. 0.48 billion (2024: Rs. 0.42 billion).

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

	Note	2025	2024
		Rupees '000	
Loans to employees	7 & 10	71,691	59,700
Deposits	11	17,124	114,726
Trade receivables	9	224,233	75,395
Other receivables	13	114,226	1,054
Bank balances	14	167,018	165,669
		<u>594,292</u>	<u>416,544</u>

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

	2025		2024	
	Gross	Impairment	Gross	Impairment
	Rupees '000			
0-30 days	223,631	2,103	74,167	2,837
31-90 days	3,040	682	560	28
91-180 days	-	-	-	-
181-270 days	234	35	835	334
270-360 days	-	-	184	18
Over 1 year	31,074	30,926	40,267	37,401
<b>Total</b>	<b>257,979</b>	<b>33,746</b>	<b>116,013</b>	<b>40,618</b>



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:

2025					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years
	← Rupees in '000 →				
<b>Financial liabilities</b>					
Trade and other payables	3,396,338	(3,396,338)	(3,396,338)	-	-
Unclaimed dividend	12,876	(12,876)	(12,876)	-	-
Short term borrowings	591,823	(591,823)	(591,823)	-	-
	<b>4,001,037</b>	<b>(4,001,037)</b>	<b>(4,001,037)</b>	<b>-</b>	<b>-</b>
2024					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years
	← Rupees in '000 →				
<b>Financial liabilities</b>					
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)	-	-
	<b>3,774,844</b>	<b>(3,774,844)</b>	<b>(3,774,844)</b>	<b>-</b>	<b>-</b>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effective as at March 31. 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, 2025, payable exposed to foreign exchange risk is of Rs. 1.44 billion (2024: Rs. 227.12 million). The liability is mainly denominated in Japanese Yen.

	2025		2024	
	Rupees	Yen	Rupees	Yen
	Amounts '000			
<b>Financial liabilities</b>				
Bills payable	902,159	484,719	79,327	43,091
Royalty payable	302,919	162,755	128,986	70,067
<b>Net exposure</b>	<b>1,205,078</b>	<b>647,474</b>	<b>208,313</b>	<b>113,158</b>

The following significant exchange rates applied during the year:

	Average rates		Reporting date rate	
	2025	2024	2025	2024
	Rupees			
Japanese Yen to PKR	1.85	1.99	1.86	1.84

As at March 31, 2025, if the Pak Rupee had weakened / strengthened by 7% (2024: 10%) against Japanese Yen with all other variables held constant, profit before income tax for the year would have been higher / lower by Rs. 81.94 million (2024: profit before income tax would have been higher / lower by Rs. 21.92 million), mainly as a result of foreign exchange losses / gains on translation of Japanese Yen denominated financial assets and liabilities.

As at March 31, 2025, if the Pak Rupee had weakened / strengthened by 13% (2024: 17%) against Dollar with all other variables held constant, profit before income tax for the year would have been higher / lower by Rs. 3.42 million (2024: profit before income tax would have been higher / lower by Rs. Nil), mainly as a result of foreign exchange losses / gains on translation of US 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, 2025, 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.

### 39. 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.

	Note	2025	2024
		Rupees '000	
<b>40. SHARIAH COMPLIANCE STATUS DISCLOSURE</b>			
Statement of financial position			
Accrued mark-up on a conventional loan	20	14,388	129,885
<b>Statement of profit or loss and other comprehensive income</b>			
Revenue earned from Shariah-compliant business segment	24	10,336,503	7,622,709
Exchange loss / (gain) on actual currency		20,272	(49,421)
Break-up of Other income excluding profits in bank deposits			
- <i>Shariah compliant Income</i>			
Gain on disposal of property, plant and equipment	26	22,156	30,536
Scrap Sales	26	33,833	57,785
Others	26	1,009	6,654
- <i>Non-compliant Income</i>			
Income on PLS savings account - conventional	26	11,781	20,125
Relationship with Shariah-compliant financial institutions			
<b>Islamic banks</b>			
The Company does not have any facilities with Islamic Banks.			
<b>Takaful operators</b>			
The company has no relationship with takaful operators.			

41. NUMBER OF EMPLOYEES

Number of employees at March 31

- Permanent	292	321
- Contractual	209	261
	<u>501</u>	<u>582</u>

Average number of employees during the year

- Permanent	305	359
- Contractual	214	290
	<u>519</u>	<u>649</u>

42. PROVIDENT FUND RELATED DISCLOSURE

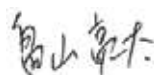
The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

43. DATE OF AUTHORISATION FOR ISSUE

These financial statements were approved and authorised for issue in the Board of Directors meeting held on June 26, 2025.



Chief Financial Officer



Director



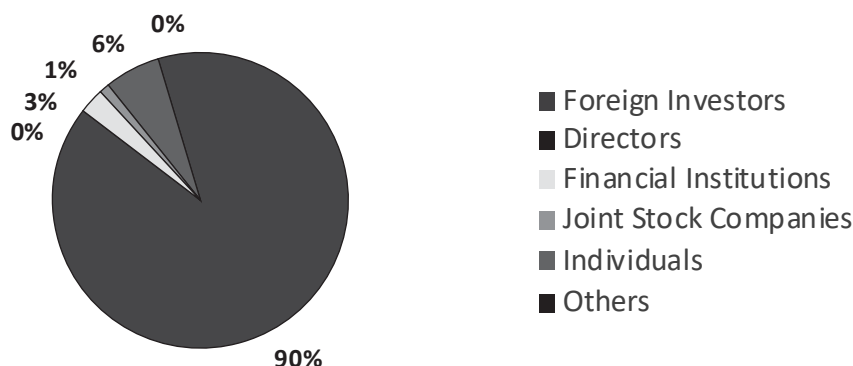
Chief Executive Officer

# Pattern of Shareholding

AS AT MARCH 31, 2025

NO. OF SHAREHOLDINGS			
NO OF SHAREHOLDERS	FROM	TO	TOTAL SHARES
1,067	1	100	34,224
781	101	500	177,927
164	501	1,000	132,901
140	1,001	5,000	307,320
19	5,001	10,000	139,800
18	10,001	100,000	423,564
3	100,001	1,000,000	1,388,784
1	1,000,001	10,000,000	7,398,867
1	10,000,001	15,000,000	14,797,733
2,194			24,801,120

Shareholders' Category	No. of Shareholders	No. of Shares Held	Percentage of holding
Foreign Investors	4	22,204,200	90%
Directors	2	20	0%
Financial Institutions	3	839,270	3%
Joint Stock Companies	18	151,026	1%
Individuals	2160	1,527,702	6%
Others	7	78,902	0%
<b>Grand Total</b>	<b>2194</b>	<b>24,801,120</b>	<b>100%</b>





# Pattern of Shareholding

AS AT MARCH 31, 2025

Shareholders' Category	No. of Shareholders	No. of Shares Held
<b>Directors, Chief Executive Officer, and their spouse and minor children</b>		
Mr. Mushtaq Malik	1	10
Ms. Nargis Ali Akbar Ghaloo	1	10
<b>Associated Companies, Undertakings and related Parties</b>		
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
<b>NIT</b>		
CDC - Trustee National Investment (Unit) Trust	1	838,784
<b>Banks, Development Financial Institutions, Non Banking Financial Institutions</b>	2	486
<b>General Public (Individuals)</b>		
A. Local	2160	1,527,702
B. Foreign	1	100
<b>Others</b>	26	237,428
	<b>2,194</b>	<b>24,801,120</b>

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 40th 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 24, 2025 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, 2025, 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  
**MUHAMMAD ZAHID HASAN**  
Company Secretary

**Karachi:**  
July 03, 2025

## 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](mailto: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 17, 2025.

Shareholder Name	Folio / CDC 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](mailto: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 17, 2025 to July 24, 2025 (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 16, 2025, 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. No Distribution of Gifts**

The Company will not distribute any gifts at the meeting.

### **x. 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)

### **xi. Placement of Financial Statements on Website:**

The Financial Statements of the Company for the year ended March 31, 2025 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 40th Annual General Meeting of the Company to be  
held on Thursday, July 24, 2025 and at any adjournment thereof.

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

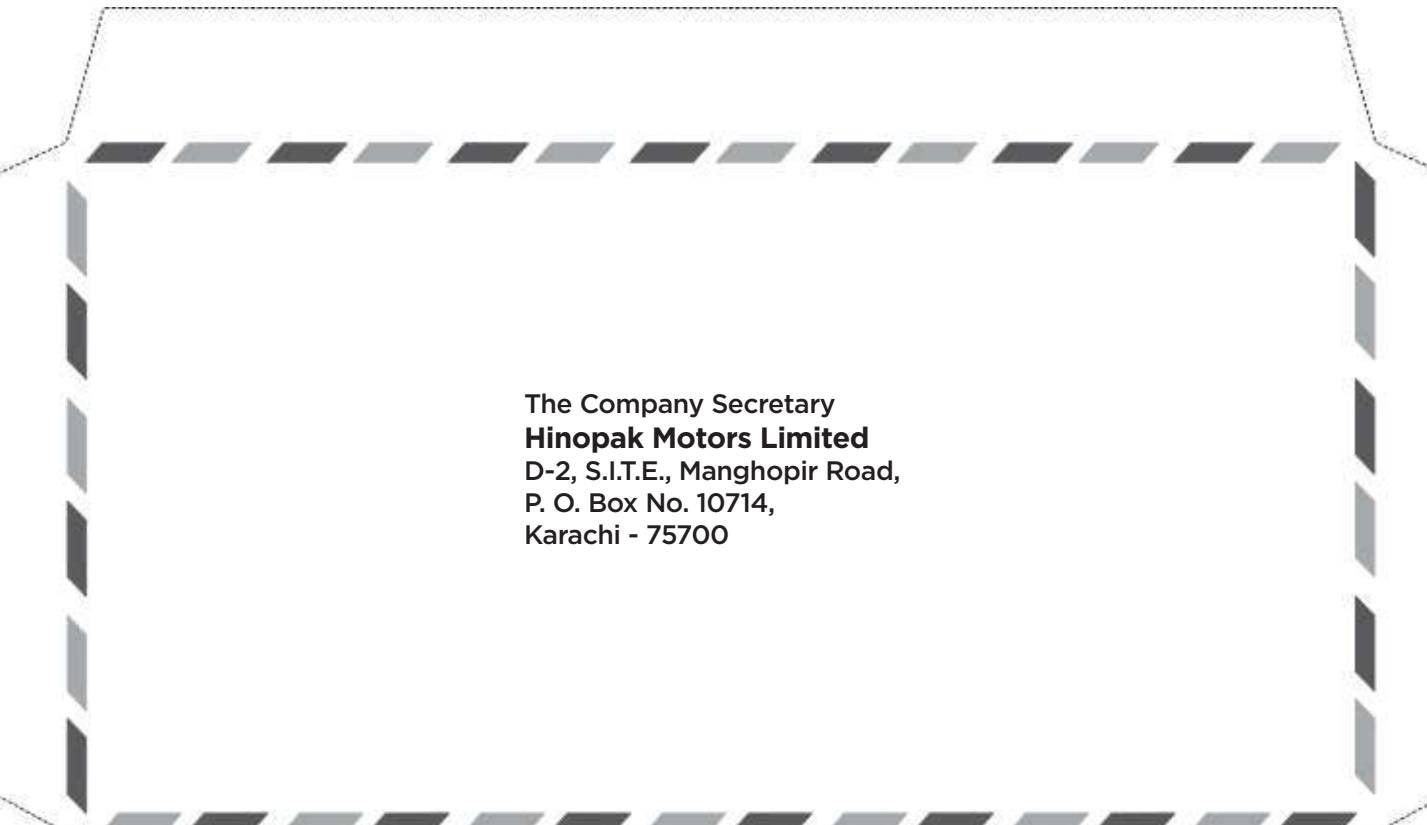
Affix Revenue  
Stamp of five  
rupees

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



# مختارنامہ (پراکسی فارم)

میں/ہم \_\_\_\_\_ بحیثیت ممبر ہینوپاک موٹرز لمیٹڈ بمملکت \_\_\_\_\_ عام حصص بمطابق رجسٹرڈ فوئیو نمبر \_\_\_\_\_  
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 چالیسواں سالانہ اجلاس عام جو کہ بتاریخ 24 جولائی 2025، بروز جمعرات منعقد ہو رہا ہے اور اس کے ملتوی شدہ اجلاس میں شرکت کر سکے اور ووٹ ڈال سکے۔

مطلوبہ (پانچ روپے کا)  
ریونیوٹکٹ چسپاں کریں

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

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

نوٹس:

- ۱- کمپنی 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۔
- ۲- پراکسی ہولڈر کے لئے ضروری ہے کہ اس کو شراکت دار یا اس کا مجاز وکیل 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 مختارنامہ بمع نامزد کردہ شخص کے نمونہ دستخط کے ساتھ کمپنی ہذا میں جمع کروائیں۔
- ۳- 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۔
- ۴- 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 مختارنامہ بمع نامزد کردہ شخص کے نمونہ دستخط کے ساتھ بوقت شرکت اجلاس کمپنی ہذا میں پیش کرنا ضروری ہے۔

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

۹۔ تحائف کی عدم تقسیم  
کمپنی اجلاس کے دوران کسی قسم کے تحائف کی تقسیم عمل میں نہیں لائے گی۔

۱۰۔ 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 کے 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 فیکمور رجسٹریشن سروسز (پرائیویٹ) لمیٹیڈ کو مندرجہ ذیل معلومات فراہم کریں:

میں/ہم، \_\_\_\_\_ منجانب \_\_\_\_\_ جو کہ ہینو پاک موٹرز  
لمیٹیڈ کے رجسٹرڈ فوولیو/سی ڈی سی اکاؤنٹ نمبر \_\_\_\_\_ کے تحت \_\_\_\_\_ عمومی حصص کے مالک ہیں،  
میں/ہم ویڈیو کانفرنس کی سہولت سے استفادہ حاصل کرنا چاہتے ہیں۔

\_\_\_\_\_

ممبر (ممبران) کے دستخط

۱۱۔ آڈٹ شدہ مالیاتی گوشواروں کی ویب سائٹ پر دستیابی  
کمپنی کے مالیاتی گوشوارے برائے مختتمہ مدت 31 مارچ 2025 بمع رپورٹس کمپنی کی ویب سائٹ پر اپ لوڈ کر دی گئی ہیں جنہیں درج ذیل  
لنک اور / کیو آر فعال کوڈ کے ذریعے ڈاؤن لوڈ کیا جاسکتے ہیں:



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

سالانہ اجلاس عام میں شرکت کے سلسلے میں شناخت کی سہولت کیلئے حصص یافتگان کے حصص سینٹرل ڈپازٹری سٹم (CDS) میں ہیں یا ان کا پر کسی 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 / شیئر رجسٹرار کو فراہم نہیں کی ہیں، انہیں ایک مرتبہ پھر یاد دہانی کروائی جاتی ہے کہ جلد از جلد اپنے CNIC کی نقل کمپنی کے شیئر رجسٹرار میسرز فیمکو رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ کو ارسال کریں۔ درست CNIC کی فوٹو کاپی موصول نہ ہونے کی صورت میں کمپنیز 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

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

#### ۸- طبعی حصص کی بک انٹری 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 انٹری 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 کمیٹی آف پاکستان کی انویسٹراکٹو سروسز یا پاکستان اسٹاک ایکسچینج کے کسی بھی TRE سٹریٹیکٹ ہولڈر یا شریک کار کے ذریعے بک انٹری فارم میں تبدیل کروالیں۔

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 ریلیشنز سیکشن میں بھی رکھ دیا جائے گا۔

حصص یافتگان سالانہ اجلاس عام کے ایجنڈے کے یا امور سے متعلق اپنی رائے / مشورے ای میل ایڈریس [info@hinopak.com](mailto: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 17 جولائی 2025 سے 24 جولائی 2025 تک (بشمول دونوں ایام) بند رہیں گی۔ اس مدت کے دوران کسی بھی حصص کی منتقلی کی رجسٹریشن قبول نہیں کی جائے گی۔ شیئر رجسٹر آفس میسر فیملی کو ایسوی ایس (پرائیویٹ) لمیٹڈ میں 16 جولائی 2025 کو دفتری اوقات ختم ہونے تک موصول ہونے والی مشکلیں 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 کئے گئے ہوں) پیش کیے جائیں گے۔

## ۴۔ پراکسی

ایک ممبر جو اجلاس 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۔

# نوٹس برائے سالانہ اجلاس عام

بذریعہ ہذا اطلاع دی جاتی ہے کہ ہینو پاک موٹرز لمیٹڈ (کمپنی) کے حصص یافتگان کا چالیسواں سالانہ اجلاس عام (AGM)، جمعرات 24 جولائی 2025 کو صبح 09:30 بجے کمپنی کے رجسٹرڈ آفس واقع D-2، 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 ختمہ مدت 31 مارچ 2025 کے ساتھ ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خاص 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  
محمد زاہد حسن  
کمپنی سیکریٹری

کراچی  
03 جولائی 2025

## 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 کاروائی میں دلچسپی رکھتے ہوں، وہ اپنے درست کمپیوٹر انڈر شناختی کارڈ کی دونوں اطراف کی نقل (اسکین کر کے یا تصویر کھینچ کر) عنوان میں ”رجسٹریشن آف ہینو پاک موٹرز لمیٹڈ AGM“ درج کر کے اپنے مقرر کردہ پراسس توئیٹھ کیلئے [info@hinopak.com](mailto:info@hinopak.com) پر بھیج دیں۔ رجسٹریشن کے مقصد کیلئے اس قسم کی معلومات باقاعدہ رجسٹرڈ درست ای میل آئی ڈی کے ذریعے 17 جولائی 2025 تک فراہم کر دی جائیں۔

حصص یافتہ کا نام	فولیو/سی ڈی سی نمبر	ملکیتی حصص کی تعداد	CNIC نمبر	سیل نمبر	رجسٹرڈ ای میل آئی ڈی



کمپنیز ایکٹ 2017 کے فورتھ شیڈول میں طے کردہ حد کے مطابق سالانہ رپورٹ میں اصطلاح "ایگزیکٹو" سے مراد ایسا ملازم ہے، جس کی سالانہ بنیادی تنخواہ 1.2 ملین روپے سے زیادہ ہو۔

کارپوریٹ سماجی ذمہ داریاں / ماحول پر اثرات

ہینوپاک موٹرز اپنی مضبوط کارپوریٹ سماجی ذمہ داری (CSR) کی سرگرمیوں کو جاری رکھے ہوئے ہے، جن میں ملازمین کی فلاح و بہبود، تعلیم، ماحولیاتی تحفظ اور کمیونٹی سے روابط پر خصوصی توجہ دی جاتی ہے۔ اس سال کی سرگرمیوں میں ملازمین کے لیے صحت کی جانچ، روڈ سیفٹی سے متعلق آگاہی پروگرام شامل ہیں۔ کمپنی نے ماحولیاتی تحفظ کے لیے اپنی کاوشوں کو وسعت دیتے ہوئے اسکولوں میں شجرکاری کے پروگرام منعقد کیے۔ ایک مخصوص کمیونیکیشن چینل کے ذریعے ملازمین کو CSR سرگرمیوں سے باخبر رکھا جاتا ہے، جس سے ان کی شمولیت میں اضافہ ہوا ہے۔ یہ اقدامات کمپنی کی سماجی ذمہ داری کے حوالے سے جاری وابستگی کی عکاسی کرتے ہیں، جہاں کمیونٹی کی معاونت، ماحول کی نگہداشت، اور ملازمین کی شمولیت کو CSR حکمت عملی کا بنیادی حصہ بنایا گیا ہے۔

نان ایگزیکٹو ڈائریکٹرز کے معاوضہ کی پالیسی کے نمایاں خدوخال

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

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

سال کے دوران پریزیڈنٹ چیف ایگزیکٹو آفیسر کا معاوضہ 4.5 ملین روپے (2024 میں 3 ملین روپے) رہا۔

سال کے دوران چیئرمین کا بورڈ کے اجلاس میں شرکت کا معاوضہ 0.5 ملین روپے (2024 میں 0.5 ملین روپے) اور مشاورتی فیس جو ادا کی گئی وہ 5.65 ملین روپے (2024 میں 4.75 ملین روپے) رہی۔

دو آزاد ڈائریکٹرز کو ادا کی گئی فیس کی مجموعی رقم 2 ملین روپے (2024 میں 1.7 ملین روپے) رہی۔

ڈائریکٹر بشمول چیف ایگزیکٹو کے معاوضہ کی مزید تفصیلات مالیاتی گوشواروں کے نوٹ نمبر 34 میں بیان کی گئی ہیں۔

چیئرمین کا جائزہ

چیئرمین کا ماحقہ 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

Chief Executive Officer

چیف ایگزیکٹو آفیسر

Chairman

ڈائریکٹر

تاریخ 26 جون 2025

کارپوریٹ نظم وہ 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 فلو کی 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 انچ 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 18 پر دی گئی ہیں۔

31 مارچ 2025 تک کمپنی کے پروویڈنٹ، گریجویٹ اور پینشن فنڈز کی سرمایہ کاری کی مالیت حسب ذیل ہے:

روپے '000

280,237

393,829

615,006

ہینوپاک موٹرز لمیٹڈ ایمپلائز پروویڈنٹ فنڈ

ہینوپاک موٹرز لمیٹڈ ایمپلائز گریجویٹ فنڈ

ہینوپاک موٹرز لمیٹڈ ایمپلائز پینشن فنڈ

سال ختمہ 31 مارچ 2025 کے دوران ڈائریکٹرز، ایگزیکٹوز اور ان کی شریک حیات اور نابالغ بچوں نے کمپنی کے حصص میں کوئی خرید و فروخت نہیں کی۔

کمپنی کے کاروبار کو زرمبادلہ کی شرح میں اتار چڑھاؤ، خاص طور پر USD/JPY اور USD/PKR کے درمیان، کا خطرہ درپیش رہتا ہے، جو لاگت، قیمتوں اور منافع پر براہ راست اثر ڈال سکتا ہے۔ اگرچہ حالیہ اقدامات سے کرنسی مارکیٹ میں استحکام آیا ہے، تاہم عالمی تجارتی خلل، اشیاء کی قیمتوں میں اتار چڑھاؤ اور بیرونی معاشی دباؤ کے باعث محتاط رسک مینجمنٹ کی ضرورت برقرار ہے۔

### آڈیٹرز کی تقرری

موجودہ آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس سبکدوش ہو چکے ہیں تاہم اہلیت کے باعث انہوں نے دوبارہ تقرری کی پیشکش کی ہے۔ ڈائریکٹرز نے آڈٹ کمیٹی کی سفارش پر میسرز اے ایف فرگوسن اینڈ کو، کی بحیثیت آڈیٹرز برائے سال 31 مارچ 2026 کی تقرری کی توثیق کی ہے، جس کی شرائط و ضوابط اور معاوضہ کا تعین بعد میں کیا جائے گا۔

### حصص داری کی ساخت

لسٹڈ کمپنی (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تحت 31 مارچ 2025 کو حصص داری کی ساخت اور دیگر اضافی معلومات بالترتیب صفحہ 76 تا صفحہ 77 پر ظاہر کی گئی ہیں۔

### ہولڈنگ کمپنی

19 اکتوبر 1998 سے ہینوموٹز لمیٹڈ جاپان ہینوپاک 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۔

### 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۔

منافع / (خسارہ) کا اختصار  
اختصار کی تفصیلات درج ذیل ہیں:

سال ختمہ		
31 مارچ 2024	31 مارچ 2025	
روپے '000		
(36,405)	320,050	منافع / (خسارہ) قبل از لیویز اور انکم ٹیکس
(98,737)	(135,642)	لیوی
4,044	(22,451)	انکم ٹیکس
(131,098)	161,957	منافع / (خسارہ) بعد از لیویز اور انکم ٹیکس
		اضافی فرسودگی کی مد میں جامد اثاثوں کی از سر نو تشخیصی مالیت پر
73,686	89,308	اضافہ کی منتقلی
20,998	(46,002)	دیگر جامع آمدنی (خسارہ) برائے سال
(377,958)	(414,372)	غیر مصرف شدہ (خسارہ) پیچھے سے لایا گیا
(414,372)	(209,109)	غیر مصرف شدہ (خسارہ) آگے لے جایا گیا
		فی حصص آمدنی / (خسارہ)
روپے (5.29)	6.53 روپے	

کمپنی کے کاروبار کی ترقی و کارکردگی اور مستقبل میں منافع کے امکانات  
کمپنی نے بعد از ٹیکس خالص منافع 161.957 ملین روپے حاصل کیا، جبکہ گذشتہ سال بعد از ٹیکس خسارہ 131.098 ملین روپے تھا۔ کمپنی  
ایک مشکل مگر ممکنہ طور پر تبدیلی لانے والے دور میں داخل ہو رہی ہے۔ اگرچہ موجودہ حالات کافی مشکل ہیں، تاہم مستقبل کے بارے میں نقطہ  
نظر محتاط امید پر مبنی ہے، جس میں پائیدار ترقی پر زور دیا گیا ہے۔

### بنیادی خطرات اور غیر یقینی صورت حال

موجودہ آٹو پالیسی کے تحت برآمدات میں اضافے کے اہداف کو حاصل کرنا پوری انڈسٹری کے لیے ایک چیلنج ہے۔ کمپنی کی سرگرمیاں مختلف  
پالیسیوں سے متاثر ہوتی ہیں، جن میں آٹو انڈسٹری کے خام مال پر کسٹمز اور ریگولیٹری ڈیوٹیز میں مرحلہ وار کمی، کمرشل گاڑیوں پر عائد نئی لیوی، اور  
آئی ایم ایف سے ہم آہنگ ٹیرف اصلاحات کے تحت وسیع تر تجارتی آزادی شامل ہیں۔

سال کے دوران آڈٹ کمیٹی کے 4 اجلاس ہوئے، جن میں ہر ڈائریکٹر کی حاضری درج ذیل رہی:

ڈائریکٹرز کے نام	حاضری کی تعداد
محترمہ نرگس علی اکبر گھالو	4
جناب مشتاق ملک	4
جناب تاجو جی اومیمورا	4
جناب ماساتو اوچیڈا	3

#### 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 ہینو بسوں اور ٹرکوں کی اسمبلی، بتدریج تیاری اور فروخت ہے۔ سال کے دوران کاروباری نوعیت سے متعلق کوئی تبدیلی نہیں ہوئی۔

رواں مالی سال کے دوران پاکستان کی معیشت نے گذشتہ سال کے غیر یقینی حالات کے بعد استحکام کی طرف پیش رفت جاری رکھی۔ افراط زر میں نمایاں کمی ہوئی، مالیاتی پالیسیوں میں نرمی ہوئی، اور متعدد اصلاحات نے مالی نظم و ضبط اور بیرونی کھاتوں کو مضبوط کیا۔ مینوفیکچرنگ اور سروسز جیسے اہم شعبہ جات نے بہتری کی رفتار دکھائی ہے۔

کمرشل گاڑیوں کا شعبہ، جو درآمدی پابندیوں، محدود آٹو فنانسنگ اور بلند لاگت کے باعث شدید متاثر ہوا تھا، آٹو انڈسٹری کی مجموعی بحالی کے ساتھ نمایاں طور پر بہتر ہوا ہے۔ اگرچہ قرض کے اخراجات اور ریگولیٹری پابندیوں کا دباؤ جزوی طور پر برقرار ہے، تاہم اس شعبے میں بہتری بڑھتی ہوئی طلب اور مارکیٹ میں اعتماد کی بحالی کی علامت ہے۔

بورڈ کے اجلاس:

اس سال بورڈ کے 4 اجلاس منعقد ہوئے جن میں ہر ڈائریکٹر کی حاضری درج ذیل رہی:

ڈائریکٹرز کے نام	حاضری
جناب محمد اسلم سنجرائی	4
جناب تاکا یو کیزاوا	4
جناب ریوٹا ہٹاکیاما	4
محترمہ زگس علی اکبر گھالو	4
جناب مشتاق ملک	4
جناب تاکو جی او میمورا	4
جناب ماساتو اوچیڈا	3

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:

(الف) آڈٹ کمیٹی:

- \* محترمہ زگس علی اکبر گھالو۔ چیئر پرسن
- \* جناب مشتاق ملک
- \* جناب ماساتو اوچیڈا
- \* جناب تاکو جی او میمورا

(ب) انسانی وسائل و معاوضہ کمیٹی:

- \* جناب مشتاق ملک۔ چیئر مین
- \* محترمہ زگس علی اکبر گھالو
- \* جناب تاکا یو کیزاوا



# ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز اپنی رپورٹ کے ساتھ کمپنی کے آڈٹ شدہ مالیاتی گوشوارے برائے مختتمہ مدت 31 مارچ 2025 پیش کرتے ہوئے اظہار مسرت کرتے ہیں:

31 مارچ 2025 تک کمپنی کا بورڈ آف ڈائریکٹرز درج ذیل پر مشتمل ہے:  
ڈائریکٹرز کی کل تعداد:

06	۱۔ مرد
01	۲۔ خاتون

تشکیل بندی:

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

بورڈ میں تبدیلیاں:

اتفاقی آسامیاں

سال کے دوران بورڈ میں مندرجہ ذیل اتفاقی آسامیاں پیدا ہوئیں:

نئے ڈائریکٹرز کی تاریخ تقرری

15 اپریل 2024

نئے آنے والے ڈائریکٹرز

جناب ریوٹا ہٹا کیا ما

جانے والے ڈائریکٹرز

اکیرا اوچیدا

اس پس منظر میں، ہینوپاک اپنی آپریشنل مضبوطی اور اسٹریٹجک موافقت کے عزم پر قائم ہے۔ گروپ سطح پر کی گئی حالیہ ساختی تنظیم نو ایک دوراندیش حکمت عملی کی عکاسی کرتی ہے، جس کا مقصد طویل المدتی ویلوکری ایشن (قدر کی تخلیق) کو فروغ دینا ہے۔ کمپنی اقوام متحدہ کے ضابطے (WP-29) سے مطابقت کی جانب مرحلہ وار منتقلی کے عمل کو سرگرمی سے آگے بڑھا رہی ہے۔ سال کے دوران اس حوالے سے ہم آہنگ ماڈلز کی فراہمی کے ذریعے پیش رفت ہوئی، اور آئندہ مزید اقدامات زیرِ عمل ہیں، جن میں پیرنٹ کمپنی اور ریگولیٹری اداروں سے قریبی اشتراک شامل ہے۔

اگرچہ قلیل مدتی منظر نامہ ابھی بھی غیر واضح ہے، ہینوپاک کی منظم حکمت عملی، دیرینہ شراکت داریوں اور مضبوط برانڈ شناخت کے باعث کمپنی خود کو بدلتے ہوئے حالات کے مطابق ذمہ داری اور ثابت قدمی سے ڈھالنے کے لیے تیار رکھتی ہے۔

اظہار تشکر

آخر میں، میں ان تمام افراد، ہمارے ملازمین، حصص یافتگان، ریگولیٹری ادارے یا کاروباری شراکت داروں کا تہہ دل سے شکریہ ادا کرتا ہوں جنہوں نے دورانِ سال ہینوپاک کا ساتھ دیا۔ ہم آپ کے اعتماد کو قدر کی نگاہ سے دیکھتے ہیں اور آئندہ بھی یکسوئی اور ذمہ داری کے ساتھ آگے بڑھنے کے لیے پرعزم ہیں۔



محمد اسلم سنجانی

چیئر مین

مورخہ: 26 جون 2025

جون 2025 میں اس اشتراک کو ایک نیا سنگ میل اس وقت حاصل ہوا جب ہینوا اور MFTBC کے انضمام کے لیے جاپان میں ایک نئی پبلک لسٹڈ ہولڈنگ کمپنی کے تحت "ڈیفینیٹو ایگریمنٹ" پر دستخط کیے گئے۔ اس معاہدے کے تحت، دونوں کمپنیاں نئی کمپنی کی مکمل ملکیت والی ذیلی ادارے بن جائیں گی۔ ٹویٹا موٹر کارپوریشن اور ڈائملر ٹرک نئی کمپنی میں مساوی حصص رکھیں گے، جبکہ کچھ حصص عوام کے لیے بھی پیش کیے جائیں گے۔

یہ انضمام عالمی سطح پر کمرشل گاڑیوں کے کاروبار کو مضبوط بنانے اور کاربن نیوٹرلٹی اور لاجسٹکس کی موثریت جیسے اہم چیلنجز کیلئے CASE (Connected, Autonomous, Shared, Electric) سے نمٹنے کے لیے ہے۔ نئی ہولڈنگ کمپنی کا مقصد یہ ہوگا کہ وہ ٹیکنالوجیز — جن میں ہائیڈروجن بھی شامل ہے — کو فروغ دے کر اپنے عالمی اثر و رسوخ کو بڑھائے، تاکہ (Electric) ایک پائیدار اور خوشحال موہلی سوسائٹی کی حمایت کی جاسکے۔

### کارپوریٹ نظم و ضبط

بورڈ کی کارکردگی اور کمپنی کے مقاصد کے حصول میں کردار

لسٹڈ کمپنیز (کارپوریٹ گورننس کوڈ) ریگولیشنز 2019 کے تقاضوں کے مطابق، ایک باقاعدہ اور موثر نظام ماضی میں قائم کیا گیا تھا تاکہ بورڈ، اس کے ارکان، اور ذیلی کمیٹیوں کی سالانہ جانچ پڑتال کی جاسکے۔ یہ نظام، جو باضابطہ طور پر منظور شدہ ہے، کامیابی کے ساتھ نافذ کیا جا چکا ہے اور اس پر عمل جاری ہے۔

بورڈ میں آزاد، غیر ایگزیکٹو، اور ایگزیکٹو ڈائریکٹرز کا متوازن امتزاج موجود ہے، جو متنوع اور اعلیٰ قابلیت پر مبنی مہارت لاتے ہیں۔ بورڈ نے حکمت عملی کی نگرانی، انتظامیہ کے اقدامات کی رہنمائی، اور کمپنی کے مقاصد کی جانب پیش رفت پر نظر رکھنے میں اہم کردار ادا کیا ہے۔

انفرادی ڈائریکٹرز سے حاصل کردہ مجموعی رائے کی بنیاد پر، بورڈ، اس کی کمیٹیوں، اور انفرادی ارکان کی کارکردگی کو موثر اور مضبوط قرار دیا گیا ہے۔

### مستقبل کا منظر نامہ

آئندہ کے حالات پر نظر ڈالیں تو عملی ماحول اب بھی پیچیدہ اور غیر یقینی ہے، جس پر عالمی جغرافیائی سیاسی تبدیلیاں، آئی ایم ایف پروگرام کے تحت معاشی اصلاحات، اور مسلسل علاقائی کشیدگیاں اثر انداز ہو رہی ہیں۔ حالیہ عرصے میں علاقائی تعاون کے ڈھانچوں میں تناؤ اور عالمی سطح پر بڑھتی حساسیت اس بات کی اہمیت کو اجاگر کرتی ہے کہ حکمت عملی میں لچک اور موثر رسک مینجمنٹ ناگزیر ہے۔ اسی دوران، ملک کے اندر بحالی کی کوششیں اور ساختی اصلاحات صنعتی شعبے کے لیے مواقع اور چیلنجز دونوں پیدا کر رہی ہیں۔

### منافع کی جانب واپسی

کمپنی نے بعد از ٹیکس 161.96 ملین روپے کا منافع حاصل کیا، جو کہ گزشتہ سال کے 131.10 ملین روپے کے خسارے کے مقابلے میں نمایاں بہتری ہے۔ یہ تبدیلی بہتر آپریشنل کارکردگی اور مالیاتی نظم و ضبط کا نتیجہ ہے۔

### فی حصص آمدنی (EPS) میں بہتری

کمپنی نے فی حصص آمدنی (EPS) 6.53 روپے رپورٹ کی، جبکہ گزشتہ سال فی حصص خسارہ 5.29 روپے تھا۔ یہ بہتری مجموعی مالی کارکردگی میں بہتری کی عکاسی کرتی ہے۔

### منافع منقسمہ سے متعلق غور و فکر اور مالی ترجیحات

اگرچہ کمپنی نے بعد از ٹیکس منافع حاصل کیا، تاہم سال کے لیے کوئی ڈیویڈنڈ اعلان نہیں کیا گیا۔ اس کی بنیادی وجہ مالی استحکام پر جاری توجہ ہے، جس میں محتاط کیش فلو مینجمنٹ اور بیرونی قرض پر انحصار میں کمی شامل ہے۔

### قومی خزانے میں حصہ داری

کمپنی نے حکومت کو ٹیکس، ڈیویڈنڈ، لیویز اور سیس کی مد میں ادائیگیاں کیں، اور ساتھ ہی وسیع پیمانے پر براہ راست وبالواسطہ کاروباری دروزگار کے مواقع فراہم کیے۔

### اہم سرمایہ جاتی بہتریاں

سال کے دوران آپریشنل کارکردگی کو بہتر بنانے اور مستقبل کی تیاری کے لیے 75.86 ملین روپے کی سرمایہ کاری کی گئی۔

### گروپ سطح پر حکمت عملی کی نئی ترتیب

رواں سال کے دوران، گروپ سطح پر ایک اہم پیش رفت اس وقت دیکھنے میں آئی جب ہینوموٹرز لمیٹڈ (ہینوپاک کی پیرنٹ کمپنی)، ٹولیوٹاموٹر کارپوریشن (حتمی پیرنٹ)، متسوہشی فیوسوٹرک اینڈ بس کارپوریشن (MFTBC) اور ڈائمنلر ٹرک کے درمیان مجوزہ اشتراک میں نمایاں پیش رفت ہوئی۔ یہ اقدام سب سے پہلے مئی 2023 میں مفاہمت کی ایک یادداشت (MoU) کے ذریعے منظر عام پر آیا تھا، یہ پہل ایک نئے قابل اعتماد جاپانی ٹرک کے قیام کے لیے قوتوں کو یکجا کرنے پر مرکوز ہے، تاکہ تمام متعلقہ فریقوں کو فائدہ پہنچایا جاسکے۔

# چیرمین کا جائزہ

بورڈ آف ڈائریکٹرز کی جانب سے، میں آپ کو کمپنی کے چالیسویں سالانہ اجلاس عام میں خوش آمدید کہتا ہوں اور 31 مارچ 2025 کو سالِ تختہ کیلئے کمپنی کی کارکردگی کا جائزہ پیش کرنا اپنے لئے اعزاز سمجھتا ہوں۔

گزشتہ سال ہر لحاظ سے غیر معمولی رہا، ایک ایسا دور جس میں ملک کو بے یقینی، مشکلات اور تبدیلیوں کا سامنا رہا۔ قومی سطح پر پاکستان نے ایک منفرد صورتحال دیکھی، ایک طرف مہنگائی میں کمی دیکھنے میں آئی، تو دوسری طرف ایک مختصر سرحدی کشیدگی کے باوجود ملک نے خود کو ثابت قدم اور مضبوط رکھا۔

ایسے مشکل حالات میں، یہ بتاتے ہوئے مجھے خوشی ہو رہی ہے کہ ہینوپاک موٹرز لمیٹڈ نے سال کا اختتام ایک مثبت نتیجے کے ساتھ کیا۔ کمپنی نے گزشتہ سال کے خسارے کو منافع میں تبدیل کیا، جو ہماری ٹیم کی محنت، درست سمت میں حکمتِ عملی، اور بہتر انتظامی اقدامات کا نتیجہ ہے۔

کاروباری جائزہ

مارکیٹ شیئر کے حصول میں محتاط حکمتِ عملی

مالی سال مارچ 2025 کے اختتام پر کمپنی نے ویلیو بیسڈ (قدر پر مبنی) حکمتِ عملی اپنائی اور صرف ان مواقع سے فائدہ اٹھایا جو تجارتی لحاظ سے قابلِ عمل تھے۔ اس حکمتِ عملی کے نتیجے میں کمپنی نے 9 فیصد مارکیٹ شیئر برقرار رکھا، جو مسابقتی ماحول میں دانشمندانہ فیصلہ سازی کی عکاسی کرتا ہے۔

بنیادی منافع میں بہتری

سال 2025 میں ہینوپاک موٹرز نے 1.29 بلین روپے کا مجموعی منافع حاصل کیا، جو گزشتہ سال کے مقابلے میں 42 فیصد نمایاں اضافہ ہے۔ یہ کارکردگی کمپنی کی آپریشنل عمدگی، مصنوعات کے معیار اور صارفین کی اطمینان کے لیے مستقل وابستگی کو ظاہر کرتی ہے۔

اخراجات میں نظم و ضبط

رواں سال دورانِ تقسیم و انتظامی اخراجات کھتا ط انداز میں قابو میں رکھا گیا۔ یہ اخراجات گزشتہ سال کے 873.8 ملین روپے کے مقابلے میں کم ہو کر 851.3 ملین روپے تک محدود رہے۔

فنانسنگ سرگرمیاں اور متعلقہ لاگت

رواں سال مالیاتی اخراجات 281.93 ملین روپے ریکارڈ کیے گئے، جو گزشتہ سال کے 239.31 ملین روپے سے زیادہ ہیں۔ اس اضافے کی بنیادی وجہ کمپنی کی فنڈنگ حکمتِ عملی میں تبدیلی ہے، جو آپریشنل ضروریات کے پیش نظر کی گئی۔



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