



**3rd Quarterly Report 2022**

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# COMPANY INFORMATION

## BOARD OF DIRECTORS

Mr. Muhammad Aslam Sanjrani  
Chairman

Mr. Takayuki Kizawa  
President & Chief Executive Officer

Mr. Akira Uchida  
Director & Executive Vice President

Ms. Nargis Ali Akbar Ghaloo  
Independent Director

Mr. Mushtaq Malik  
Independent Director

Mr. Koji Nagata  
Mr. Takuji Umemura

Abdul Basit  
Company Secretary

## BANKERS

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

## AUDITORS

A.F. Ferguson & Co. Chartered Accountants

## LEGAL ADVISOR

Sayeed & Sayeed

## REGISTERED OFFICE

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

## SHARE REGISTRAR

M/s. FAMCO Associates (Pvt.) Ltd,  
8-F, Near Hotel Faran, Nursery, Block 6,  
P.E.C.H.S., Shakra-e-Faisal, Karachi  
Tel: 021-34380101-05,  
Fax: 021-34380106  
E-mail: [info.shares@famco.com.pk](mailto:info.shares@famco.com.pk)

## AREA OFFICES

### Lahore

19 KM, Multan Road, Lahore  
Tel: 042-37512003-6  
Fax: 042-37512005  
Email: [hino-lahore@hinopak.com](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.  
Email: [hino-peshawar@hinopak.com](mailto:hino-peshawar@hinopak.com)

### Multan

Kayan Pur, Tehsil Multan, Union Council  
No. 73, Near: Multan, Bypass, Multan  
Tel: 061-4263205-7  
Fax: 061-4263208  
Email: [hino-multan@hinopak.com](mailto:hino-multan@hinopak.com)

# DIRECTORS' REPORT

For The Nine Months Ended December 31, 2022

## GREETINGS TO THE SHAREHOLDERS!

The total sale of commercial vehicles of all makes in the country in the Apr-Dec nine months of 2022 was 3549 units – 11% lower than in the corresponding same period of last year.

## SALES

The sale of Hinopak's trucks and buses increased to 780 units from 663 units in the corresponding period of the last year.

## SALES REVENUE

The sales revenue for the nine months increased to Rs. 9.80 billion from Rs. 8.81 billion, the Company earned gross profit of Rs. 815 million as compared to gross profit of Rs. 964 million in the corresponding period of last year.

## FINANCE COST

The finance cost stood at Rs. 158 million (including net exchange loss of Rs. 143 million) in comparison with the finance cost of Rs. 119 million (including net exchange loss of Rs. 97 million) in the corresponding period of the last year, the increase is mainly attributable to the devaluation of Pak rupee against US dollar.

## PROFIT & LOSS

The profit after tax stood at Rs. 10 million compared to profit after tax of Rs. 342 million in the last year's corresponding period leading to earnings per share of Rs.0.41. Last year it stood at Rs. 13.77 earnings per share.

## FUTURE OUTLOOK

The economy has further deteriorated in 2022, high political unrest and economic crisis resulted in challenging business conditions.

The key crisis in the domestic economy is fall of Country's foreign exchange reserves to alarming level resulting in devaluation of Pak Rupee against US dollar, high inflation and high interest rate.

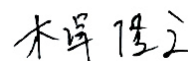
Despite aforementioned challenges, Management is committed to navigate this phase with grit and determination along with the support of stakeholders and business partners.

Finally, we would like to thank to our parent companies for their continuous support, our customers for their continued patronage of the Company's products. We also acknowledge the efforts of entire Hinopak team, including our staff, vendors, dealers and all business partners for their untiring efforts in these testing times.



Director

Date: January 26, 2023



Chief Executive Officer

3rd Quarterly Report 2022



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2022**

	Note	(Unaudited) December 31, 2022	(Audited) March 31, 2022
(Rupees '000)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	3,665,204	3,792,808
Right-of-use asset	6	7,163	11,192
Intangible assets	7	22,650	18,106
Long-term investments	8	-	-
Long-term loans and advances		40,087	40,273
Long-term deposits		9,950	7,990
Employee benefit prepayment		-	12,573
		<u>3,745,054</u>	<u>3,882,942</u>
<b>Current assets</b>			
Inventories		3,303,289	1,815,805
Trade receivables	9	152,045	447,732
Loans and advances		58,128	36,393
Trade deposits and prepayments	10	325,515	28,126
Refunds due from the government - sales tax		293,983	176,166
Other receivables		-	9,791
Taxation - payments less provision		1,035,075	938,393
Cash and bank balances	11	12,885	2,972,370
		<u>5,180,920</u>	<u>6,424,776</u>
<b>Total assets</b>		<u><b>8,925,974</b></u>	<u><b>10,307,718</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserve</b>			
Issued, subscribed and paid-up capital	12	248,011	248,011
<b>Capital Reserve</b>			
Revaluation surplus on land and buildings		2,069,532	2,118,424
Share premium		2,771,525	2,771,525
<b>Revenue Reserve</b>			
General reserve		291,000	291,000
Accumulated loss		(404,224)	(463,298)
		<u>4,975,844</u>	<u>4,965,662</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred taxation		122,686	126,600
Employee benefit obligations		32,505	35,833
Lease liability	13	-	6,777
		<u>155,191</u>	<u>169,210</u>
<b>Current liabilities</b>			
Trade and other payables	14	1,956,915	2,823,819
Short-term borrowings - secured		278,780	-
Advances from customers		1,537,410	2,330,264
Unclaimed dividend		12,897	12,906
Current portion of lease liability	13	8,937	5,857
		<u>3,794,939</u>	<u>5,172,846</u>
<b>Total liabilities</b>		<u><b>3,950,130</b></u>	<u><b>5,342,056</b></u>
<b>Contingency and commitments</b>	15		
<b>Total equity and liabilities</b>		<u><b>8,925,974</b></u>	<u><b>10,307,718</b></u>

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.

  
Chief Financial Officer

  
Chairman

  
Chief Executive Officer

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE NINE MONTHS ENDED DECEMBER 31, 2022 - (UNAUDITED)**

	Note	Quarter ended		Nine months ended	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
(Rupees '000)					
Revenue from contracts with customers	16	3,960,605	2,793,044	9,804,627	8,813,413
Cost of sales		<u>(3,674,474)</u>	<u>(2,521,142)</u>	<u>(8,989,130)</u>	<u>(7,849,470)</u>
Gross profit		286,131	271,902	815,497	963,943
Distribution cost		(111,859)	(86,986)	(308,270)	(244,565)
Administration expenses		(102,518)	(89,296)	(301,351)	(259,991)
Other income	17	31,775	62,822	175,819	139,381
Other expenses	18	(6,564)	(9,843)	(16,885)	(32,629)
Reversal / (impairment loss) on trade receivables and deposits		-	2,524	1,944	(4,016)
Profit from operations		96,965	151,123	366,754	562,123
Finance cost	19	<u>(28,241)</u>	<u>(17,547)</u>	<u>(157,958)</u>	<u>(119,306)</u>
Profit before income tax		68,724	133,576	208,796	442,817
Income tax expense	20	<u>(61,606)</u>	<u>(35,698)</u>	<u>(198,614)</u>	<u>(101,269)</u>
Profit after income tax		7,118	97,878	10,182	341,548
<b>Other comprehensive income for the period:</b>					
<b>Items that will not be reclassified to Profit or Loss</b>					
Remeasurement of post employment benefit obligations		-	-	-	-
Impact of deferred tax		-	-	-	-
Gain on revaluation of land and buildings		-	-	-	-
Impact of deferred tax		-	-	-	-
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive income for the period</b>		<u>7,118</u>	<u>97,878</u>	<u>10,182</u>	<u>341,548</u>
Earnings per share - basic and diluted	21	<u>Rs. 0.29</u>	<u>Rs. 3.95</u>	<u>Rs. 0.41</u>	<u>Rs. 13.77</u>

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.

  
Chief Financial Officer

  
Chairman

  
Chief Executive Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS ENDED DECEMBER 31, 2022 - (UNAUDITED)**

	Share Capital	Capital Reserve		Revenue Reserve		Total
		Revaluation Surplus	Share Premium	General Reserve	Accumulated loss	
	(Rupees '000)					
Balance as at April 1, 2021	248,011	1,942,333	2,771,525	291,000	(935,260)	4,317,609
Transferred from surplus on revaluation of land and building on account of incremental depreciation - net of deferred tax	-	(41,903)	-	-	41,903	-
Total comprehensive income for the nine months ended December 31, 2021						
- Profit for the nine months ended	-	-	-	-	341,548	341,548
Balance as at December 31, 2021	<u>248,011</u>	<u>1,900,430</u>	<u>2,771,525</u>	<u>291,000</u>	<u>(551,809)</u>	<u>4,659,157</u>
Balance as at April 1, 2022	248,011	2,118,424	2,771,525	291,000	(463,298)	4,965,662
Transferred from surplus on revaluation of land and building on account of incremental depreciation - net of deferred tax	-	(48,892)	-	-	48,892	-
Total comprehensive income for the nine months ended December 31, 2022						
- Profit for the nine months ended December 31, 2022	-	-	-	-	10,182	10,182
Balance as at December 31, 2022	<u>248,011</u>	<u>2,069,532</u>	<u>2,771,525</u>	<u>291,000</u>	<u>(404,224)</u>	<u>4,975,844</u>

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.

  
Chief Financial Officer

  
Chairman

  
Chief Executive Officer

**CONDENSED INTERIM STATEMENT OF CASH FLOWS  
FOR THE NINE MONTHS ENDED DECEMBER 31, 2022 - (UNAUDITED)**

	Note	December 31, 2022	December 31, 2021
(Rupees '000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in) / generated from operations	22	(2,952,820)	2,509,442
Return on savings accounts and deposits		107,081	103,515
Income taxes paid		(299,210)	(167,508)
Employee benefits paid		(30,934)	(219,745)
Increase in long-term deposits		(1,960)	(1,966)
Decrease / (increase) in long-term loans and advances		186	(16,175)
Net cash (used in) / generated from operating activities		<u>(3,177,657)</u>	<u>2,207,563</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment		(85,468)	(219,053)
Proceeds from sale of property, plant and equipment		29,021	19,138
Net cash used in investing activities		<u>(56,447)</u>	<u>(199,915)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(9)	(281)
Lease rentals paid		(4,152)	(5,640)
Net cash used in financing activities		<u>(4,161)</u>	<u>(5,921)</u>
Net (decrease) / increase in cash and cash equivalents		<u>(3,238,265)</u>	<u>2,001,727</u>
Cash and cash equivalents at beginning of the period		2,972,370	396,379
Cash and cash equivalents at end of the period	23	<u><u>(265,895)</u></u>	<u><u>2,398,106</u></u>

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.

  
Chief Financial Officer

  
Chairman

  
Chief Executive Officer

## **1. THE COMPANY AND ITS OPERATIONS**

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

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

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

These condensed interim financial statements do not include all the information required to be contained in the annual financial statements and therefore should be read in conjunction with the annual audited financial statements of the Company for the year ended March 31, 2022.

## **2. BASIS OF PREPARATION**

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

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

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

### **2.1 Change in accounting standards, interpretations and amendments to published approved accounting standards**

#### **a) Standards, interpretations and amendments to published approved accounting standards that are effective**

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on April 1, 2022. However, these do not have any significant impact on the Company's financial statements.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT  
FOR THE NINE MONTHS ENDED DECEMBER 31, 2022 - (UNAUDITED)**

**b) Standards, interpretations and amendments to published approved accounting standards that are not yet effective**

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after April 1, 2023. However, these will not have any impact on the Company's financial statements and, therefore, have not been disclosed in these condensed interim financial statements.

**3. ACCOUNTING POLICIES**

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended March 31, 2022.

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

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

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to financial statements as at and for the year ended March 31, 2022.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended March 31, 2022.

<b>(Unaudited)</b> <b>December 31,</b> <b>2022</b>	<b>(Audited)</b> <b>March 31,</b> <b>2022</b>
(Rupees '000)	

**5. PROPERTY, PLANT AND EQUIPMENT**

Operating fixed assets - note 5.1	<b>3,652,603</b>	3,792,808
Capital work-in-progress	<b>12,601</b>	-
	<b><u>3,665,204</u></b>	<b><u>3,792,808</u></b>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT  
FOR THE NINE MONTHS ENDED DECEMBER 31, 2022 - (UNAUDITED)**

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

	Additions (at cost)		Disposals (at net book value)	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	(Rupees '000)			
Plant & machinery	25,717	88,915	716	-
Building on leasehold land		1,469	-	-
Vehicles	23,725	56,033	10,425	13,800
Office and Other equipments	7,940	25,759	28	* -
Furniture & fittings	1,199	-	*	-
Electrical installations	1,777	2,280	-	-
	<b>60,358</b>	<b>174,456</b>	<b>11,169</b>	<b>13,800</b>

\* Assets disposed off having nil net book value.

	(Unaudited) December 31, 2022	(Audited) March 31, 2022
	(Rupees '000)	
<b>6. RIGHT-OF-USE ASSET</b>		
Opening net book value	11,192	16,565
Depreciation for the period	(4,029)	(5,373)
Closing net book value	<b>7,163</b>	<b>11,192</b>
<b>7. INTANGIBLE ASSETS</b>		
Opening net book value	18,106	19,515
Additions during the period	12,509	6,606
Amortisation for the period	(7,965)	(8,015)
Closing net book value	<b>22,650</b>	<b>18,106</b>

**8. LONG-TERM INVESTMENTS**

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

	(Unaudited) December 31, 2022	(Audited) March 31, 2022
	(Rupees '000)	
<b>9. TRADE RECEIVABLES</b>		
<b>Considered good - unsecured</b>		
Related party - Indus Motor Company Limited	87,886	144,576
Others	113,793	354,819
	<b>201,679</b>	<b>499,395</b>
Less: allowance for expected credit losses	(49,634)	(51,663)
	<b>152,045</b>	<b>447,732</b>



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT  
FOR THE NINE MONTHS ENDED DECEMBER 31, 2022 - (UNAUDITED)**

**10. TRADE DEPOSITS AND PREPAYMENTS**

These include cash margin amounting to Rs. 272.23 million (March 31, 2022: Nil) in respect of the letter of credit for the purchase of raw materials.

	(Unaudited) December 31, 2022	(Audited) March 31, 2022
	(Rupees '000)	
<b>11. CASH AND BANK BALANCES</b>		
Balances with banks		
- on term deposit accounts	-	1,900,000
- on PLS savings accounts	-	1,017,440
- on current accounts	12,785	13,643
Cheques in hand	-	41,216
Cash in hand	100	71
	<u>12,885</u>	<u>2,972,370</u>

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

	(Unaudited) December 31, 2022	(Audited) March 31, 2022		(Unaudited) December 31, 2022	(Audited) March 31, 2022
	(Number of shares)			(Rupees '000)	
<b>Authorised share capital</b>					
<u>100,000,000</u>	<u>100,000,000</u>	Ordinary shares of Rs. 10 each	<u>1,000,000</u>	<u>1,000,000</u>	
<b>Issued, subscribed and paid-up capital</b>					
Ordinary shares of Rs. 10 each					
18,600,840	18,600,840	Shares allotted for consideration paid in cash	186,008	186,008	
4,133,520	4,133,520	Shares issued for consideration other than cash - fixed assets	41,335	41,335	
<u>2,066,760</u>	<u>2,066,760</u>	Shares issued as bonus shares	<u>20,668</u>	<u>20,668</u>	
<u>24,801,120</u>	<u>24,801,120</u>		<u>248,011</u>	<u>248,011</u>	

	(Unaudited) December 31, 2022	(Audited) March 31, 2022
	(Rupees '000)	
<b>13. LEASE LIABILITY</b>		
Lease liability under IFRS 16	<u>8,937</u>	<u>12,634</u>
Non current portion	<u>-</u>	<u>6,777</u>
Current portion	<u>8,937</u>	<u>5,857</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT  
FOR THE NINE MONTHS ENDED DECEMBER 31, 2022 - (UNAUDITED)**

	<b>(Unaudited)</b> <b>December 31,</b> <b>2022</b>	<b>(Audited)</b> <b>March 31,</b> <b>2022</b>
	(Rupees '000)	
<b>14. TRADE AND OTHER PAYABLES</b>		
These include the following amounts payable to related parties:		
Bills payable to:		
- Toyota Tsusho Corporation, Japan - group company	<b>74,098</b>	803,606
- Hino Motors Limited, Japan - holding company	<b>4,755</b>	4,967
- Hino Motors Asia Limited, Thailand - group company	<b>11,708</b>	15,163
- Toyota Tsusho, Asia Pacific PTE Limited, Singapore - group company	<b>103,377</b>	167,138
Royalty payable to Hino Motors, Limited, Japan - holding company	<b>82,804</b>	58,494
	<b><u>276,742</u></b>	<b><u>1,049,368</u></b>

**15. CONTINGENCY AND COMMITMENTS**

**15.1 Contingency**

There has been no change in the status of contingency as reported in the financial statements for the year ended March 31, 2022.

**15.2 Commitments**

Commitments for capital expenditures as at December 31, 2022 amounted to Rs. 39.9 million (March 31, 2022: Rs. 11.17 million).

	<b>(Unaudited)</b> <b>December 31,</b> <b>2022</b>	<b>(Unaudited)</b> <b>December 31,</b> <b>2021</b>
	(Rupees '000)	
<b>16. REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		
Revenue from:		
- Manufacturing business	<b>11,176,870</b>	9,916,456
- Part sales	<b>514,832</b>	589,830
	<b><u>11,691,701</u></b>	<u>10,506,286</u>
Less: Commission and discounts	<b>(175,556)</b>	(158,072)
Sales tax	<b>(1,711,518)</b>	(1,534,801)
	<b><u>9,804,627</u></b>	<u>8,813,413</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT  
FOR THE NINE MONTHS ENDED DECEMBER 31, 2022 - (UNAUDITED)**

	(Unaudited) December 31, 2022	(Unaudited) December 31, 2021
	(Rupees '000)	
<b>17. OTHER INCOME</b>		
<b>Income from financial assets</b>		
Return on PLS savings accounts	40,271	30,872
Return on term deposit accounts	66,880	72,643
	<u>107,151</u>	<u>103,515</u>
<b>Income from non-financial assets</b>		
Gain on disposal of property, plant and equipment	17,852	5,338
<b>Others</b>		
Scrap sales	48,886	28,652
Liabilities no longer required written back	253	-
Others	1,677	1,876
	<u>50,816</u>	<u>30,528</u>
	<u>175,819</u>	<u>139,381</u>
<b>18. OTHER EXPENSES</b>		
Workers' Profits Participation Fund	11,209	23,772
Workers' Welfare Fund	4,176	8,857
Donations	1,500	-
	<u>16,885</u>	<u>32,629</u>
<b>19. FINANCE COST</b>		
Exchange loss - net	142,679	96,808
Bank charges and others	10,828	22,498
Interest on lease liability	455	-
Mark-up on short-term borrowings	3,996	-
	<u>157,958</u>	<u>119,306</u>
<b>20. INCOME TAX EXPENSE</b>		
Current		
- for the period - notes 20.1 & 20.2	137,588	113,009
- for prior year - note 20.2	64,940	-
	<u>202,528</u>	<u>113,009</u>
Deferred	(3,914)	(11,740)
	<u>198,614</u>	<u>101,269</u>
<b>20.1</b>	Current income tax expense has been computed under section 113 of the Income Tax Ordinance, 2001 i.e. minimum tax on turnover for the period at the rate of 1.25% (December 31, 2021: 1.25%). The rate of income tax paid at import stage is 5.5% and 2% on import of parts and Completely Knocked Down (CKD) units respectively.	
<b>20.2</b>	As per Finance Act, 2022, companies operating in certain sectors, including automobile, are liable to pay super tax upto 10% for tax year 2022 and upto 4% for subsequent years. Accordingly, the Company has made provision for prior and current tax charge.	

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT  
FOR THE NINE MONTHS ENDED DECEMBER 31, 2022 - (UNAUDITED)**

**21. EARNINGS PER SHARE - BASIC AND DILUTED**

	Quarter ended		Nine Months ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Profit after income tax attributable to ordinary shareholders (Rupees in '000)	<u>7,118</u>	<u>97,878</u>	<u>10,182</u>	<u>341,548</u>
Weighted average number of ordinary shares outstanding at the end of the period (number of shares in '000)	<u>24,801</u>	<u>24,801</u>	<u>24,801</u>	<u>24,801</u>
Earnings per share - basic and diluted (Rupees)	<u>0.29</u>	<u>3.95</u>	<u>0.41</u>	<u>13.77</u>

There were no convertible dilutive potential ordinary shares in issue as at December 31, 2022 and 2021.

(Unaudited)                      (Unaudited)  
**December 31,**                      **December 31,**  
**2022**                                      **2021**  
(Rupees '000)

**22. CASH GENERATED FROM OPERATIONS**

Profit before income tax	<b>208,796</b>	442,817
<b>Add / (less): Adjustments for non-cash charges and other items</b>		
Depreciation and amortisation	<b>201,388</b>	200,001
Gain on disposal of property, plant and equipment	<b>(17,852)</b>	(5,338)
Retirement benefits charge	<b>40,179</b>	65,091
Mark-up on short-term borrowings	<b>3,996</b>	-
Interest on lease liability	<b>455</b>	790
Income on PLS savings and deposit accounts	<b>(107,151)</b>	(103,515)
Operating cashflows before working capital changes	<b>329,811</b>	599,846
<b>Effect on cash flow due to working capital changes</b>		
(Increase) / decrease in current assets		
Inventories	<b>(1,487,484)</b>	106,482
Trade receivables	<b>295,687</b>	(41,363)
Loans and advances	<b>(21,735)</b>	(7,460)
Trade deposits and prepayments	<b>(297,389)</b>	(10,566)
Refunds due from government - sales tax	<b>(117,817)</b>	(188,821)
Other receivables	<b>9,791</b>	(3,963)
	<b>(1,618,947)</b>	(145,691)
(Decrease) / increase in current liabilities		
Trade and other payables	<b>(1,663,684)</b>	2,055,287
	<b>(3,282,631)</b>	1,909,596
Cash (used in) / generated from operations	<b>(2,952,820)</b>	2,509,442

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT  
FOR THE NINE MONTHS ENDED DECEMBER 31, 2022 - (UNAUDITED)**

	(Unaudited) December 31, 2022 (Rupees '000)	(Unaudited) December 31, 2021
<b>23. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	12,885	2,398,106
Short-term borrowings - secured	(278,780)	-
	<u>(265,895)</u>	<u>2,398,106</u>

**24. TRANSACTIONS WITH RELATED PARTIES**

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

Relationship	Nature of transactions	December 31, 2022 (Rupees '000)	December 31, 2021
i. Holding company	- Purchase of goods	65,403	61,550
	- Royalty charge	127,244	107,202
ii. Associated companies	- Purchase of goods	5,688,240	4,271,039
	- Sale of goods	2,925,518	2,712,357
	- Purchase of property, plant and equipment	2,824	23,981
iii. Staff retirement funds	- Payments to retirement benefits plans	76,147	69,124
iv. Key management personnel	- Salaries and other employee benefits	46,243	47,056
	- Retirement benefits	3,094	3,021
	- Consultancy / meeting fee	5,250	4,544

**25. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on January 26, 2023.

  
Chief Financial Officer

  
Chairman

  
Chief Executive Officer

# ڈائریکٹر رپورٹ

## حصص یافتگان کو تسلیمات

ملک بھر میں فروخت کی جانے والی تمام تر برانڈز کی کمرشل وہیکل کی فروختگی کا کل حجم رواں نو ماہی (اپریل - دسمبر) کے دوران 3549 یونٹس رہا جو کہ گذشتہ سال اس نو ماہی سے 11% کم ہے۔

## فروخت

رواں نو ماہی ہینو پاک کے ٹرکوں اور بسوں کی فروختگی گذشتہ سال اس نو ماہی کے مقابلے میں 663 یونٹس سے بڑھ کر 780 یونٹس ہو گئی۔

## فروخت سے حاصل شدہ آمدنی

رواں نو ماہی فروخت سے حاصل ہونے والی آمدنی 8.81 بلین روپے سے بڑھ کر 9.80 بلین روپے ہو گئی البتہ خالص منافع گذشتہ سال ہونے والے 964 ملین روپے منافع کے بمقابلہ کم ہو کر 815 ملین روپے تک آ پہنچا۔

## مالیاتی لاگت (فنانس کاسٹ)

گذشتہ سال کی اسی نو ماہی کے دوران ہونے والی 119 ملین روپے کی مالیاتی لاگت (بشمول زرمبادلہ کی مد میں 97 ملین روپے کا ہونے والا خسارہ) کے بمقابلہ رواں نو ماہی مالیاتی لاگت بڑھ کر (بشمول زرمبادلہ کی مد میں 143 ملین روپے کا ہونے والا خسارہ) 158 ملین روپے رہے۔ یہ اضافہ بنیادی طور پر امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی کی وجہ سے ہے۔

## نفع اور نقصان

رواں نو ماہی بعد از ٹیکس منافع 10 ملین روپے رہا جو کہ گذشتہ سال اس نو ماہی کے دوران 342 ملین روپے تھا۔ جسکی بناء پر رواں نو ماہی فی حصص منافع 0.41 روپے رہا۔ گذشتہ سال کی اسی نو ماہی فی حصص منافع 13.77 روپے تھا۔

## مستقبل کی پیش بینی

2022 میں معیشت کا مزید خراب ہونا، بڑھتی ہوئی سیاسی بد امنی اور معاشی بحران کی وجہ سے کاروباری حالات مشکل ہو گئے۔ ملکی معیشت میں شدید بحران کی وجہ زرمبادلہ کے ذخائر کا خطرناک حد تک کم ہونا ہے، جسکے نتیجے میں امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی، مہنگائی اور شرح سود کا سامنا ہے۔ مذکورہ بالا چیلنجز کے باوجود، انتظامیاں اس مرحلے کو ہمت اور عزم کے ساتھ اسٹیک ہولڈر اور کاروباری شراکت داروں کے تعاون سے آگے بڑھانے کیلئے کوشاں اور پر عزم ہے۔

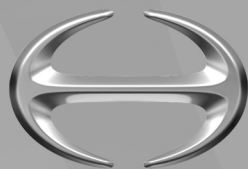
آخر میں ہم اپنی بیزنس کمپنیوں کے مستقل تعاون اور اپنے کسٹمرز کی سرپرستی کا شکریہ ادا کرتے ہیں۔ ہم ہینو پاک کے پوری ٹیم کی کوششوں کو سراہتے ہیں اس کے ساتھ ساتھ ہم ملازمین، وینڈرز، ڈیلرز اور تمام بزنس پارٹنرز کی انتھک کوششوں کو بھی خراج تحسین پیش کرتے ہیں۔

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چیف ایگزیکٹو آفیسر



ڈائریکٹر  
مورخہ 26 جنوری 2023



**HINO**

**HINOPAK MOTORS LIMITED**

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