

Annual Report 2023



HINO



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Vision

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

Mission Statement / Corporate Strategy

To Pursue Our Vision, We Commit Ourselves:

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



Basic Principles of Hinopak Code of Conduct

1. Comply with laws, regulations, and standards

Safety, environment, and quality:

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

Fair trade:

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

Respecting human rights and diversity:

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

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

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

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

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



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

Accurate and complete financial reporting:

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

2. Contribution to Our Customers and Society

Contribution to customers:

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

Contributing to society and local communities:

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

Initiatives for the preservation of the global environment:

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

3. Creation of a Healthy Workplace

Safety and health:

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

Mutual respect and human resources development:

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

Dreams, goals, and driving forces for the future:

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



Company Information

BANKERS

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

AUDITORS

A.F. Ferguson & Co. Chartered Accountants

LEGAL ADVISOR

Sayeed & Sayeed

REGISTERED OFFICE

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

SHARE REGISTRAR

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

AREA OFFICES

Lahore

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

Islamabad

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

Quetta

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

Peshawar

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

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



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 Russia market.

Mr. Akira Uchida Director & Executive Vice President

Mr. Akira Uchida was appointed as the Director and Executive Vice President of the Company in April 2021. He has overall 25 years of experience, including 20 years in various leadership roles with Toyota Group Companies operating in the Asian and European 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 Ghaloo

Female Independent Non-Executive Director

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

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

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

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

Mr. Abdul Basit

Company Secretary

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



Board Committees

AUDIT COMMITTEE	BRIEF TERMS OF REFERENCE
<ul style="list-style-type: none"> - Nargis Ali Akbar Ghaloo Chairperson (Independent Director) - Mushtaq Malik (Independent Director) - Masato Uchida (Non - Executive Director) - Takuji Umemura (Non - Executive Director) - Nasir Manzoor (Secretary) 	<ul style="list-style-type: none"> • Determination of appropriate measures to safeguard Company's assets; • Review of quarterly, half-yearly and annual financial statements of the Company, prior to the approval by the Board of Directors; • Review of management letter issued by external auditors and management's response thereto and monitor the action plan to improve the control environment; • Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company; • Ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective; • Instituting special projects, other investigations on any matter specified by the Board of Directors, and to refer any matter to the external auditors or to any other external body; • Monitoring compliance with relevant statutes and best practices of Corporate Governance; and • Review arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures.

HUMAN RESOURCE & REMUNERATION COMMITTEE	BRIEF TERMS OF REFERENCE
<ul style="list-style-type: none"> - Mushtaq Malik Chairman (Independent Director) - Nargis Ali Akbar Ghaloo (Independent Director) - Takayuki Kizawa (Executive Director) - Fahim Aijaz Sabzwari (Secretary) 	<ul style="list-style-type: none"> • Recommending human resource management policies to the board; • Recommending to the board the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO; • Recommending to the board the selection, evaluation, compensation (including retirement benefits) of CFO, Company Secretary and Head of Internal Audit; • Recommending to the board for consideration and approval of policy framework for determining the remuneration of directors and Senior Management personnel (first layer of management below the Chief Executive Officer level); • Considering and approving on recommendations of CEO on such matters for key management positions who report directly to CEO; • Ensure annual evaluation of members of the board and board committees; and • Recommending to the Chairman of the board the performance evaluation of the board as whole.



Functional Committees

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

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



Chairman's Review

On behalf of the Board of Directors, I welcome you to the 38th Annual General Meeting of the Company and it is my privilege to present review on the performance of the Company for the year ended March 31, 2023.

Pakistan is facing multiple financial challenges. Foreign exchange reserves have touched as of now, their lowest level historically, business confidence is shattering, inflation is at its highest and the local currency's continued depreciation.

The political scenario lacks clarity vis-a-vis the upcoming elections and it's timing plus the continuous negotiation with International Monetary Fund (IMF) that are not getting finalized which all of this are adding to the exacerbating of the economic situation.

Because of continuous depreciation of local currency and depleting forex reserves, the government has advised commercial banks to prioritize and facilitate imports to essential industrial sectors only and which does not include automobile and various industrial sectors. This import restriction is causing acute shortage of material for production of vehicles. Consequently, Original Equipment Manufacturer (OEMs) were forced to opt for temporary plant shutdowns. At same time, automobile sector had to encounter high inflation, double digit interest rates, forex rates instability, global commodity price increase and Supply Chain Disruptions caused due to the COVID-19 resulting in increase in shipping costs.

Despite all these challenges, the management of the company succeeded to ensure the sustainable operations and closed the financial year Mar'23 with a hard earned surpass of breakeven. The eclipse of loss drifted to a flicker of profit after tax of Rs. 16.03 million.

HINOPAK BUSINESS

Market Share and Sales

In the financial year ending March 2023, the market size of the commercial vehicle industry contracted by 15%. The Company, however, capitalized only on the profitable deals as per its strategy and captured a market share of 20% as compared to 16.6% last year.

Gross Profit

Despite the uncertainty and challenging business scenario during the current financial year, the Company earned a gross profit of Rs. 1.13 billion as compared to Rs. 1.2 billion last year. The Company has always focused and committed to excellence and customers' satisfaction. The unwavering trust of our customers propels us forward, even in current challenging circumstances.

Distribution and Administrative Expenses

Although there has been a significant decrease in distribution and administrative costs over the previous few years due to management's efforts, changes are still necessary due to the inflationary pressures. As a result, the Distribution and administrative expenses for the year ending March 31, 2023, were Rs. 809.5 million.

Finance Cost

The adverse exchange rate parities mainly the significant depreciation of local currency against US dollar caused an exchange loss of Rs. 235.8 million.

Profit after tax

The Company made a profit after tax of Rs. 16.03 million as compared to Rs. 417.13 million in the preceding year. The company reported earnings per share of Rs. 0.65, compared to Rs. 16.82 in the preceding year.

Capital Expenditure

Acquisition and maintenance of capital assets are imperative for the improvement of productivity and quality. To guarantee the proper functioning of commercial operations, an expenditure of Rs. 123 million was mainly made in plant and machinery.

Dividend

The Company has achieved the minimum profit after tax but considering the cumulative loss position, the current political and economic uncertainties and the company's liquidity position, the directors have not recommended dividend payment.

Contribution To National Exchequer

The Company paid Rs. 1.69 billion approximately in taxes, duties, levies, and cess to the Government.

Announcement from Hino

Hino Motors Ltd (Hino). - parent company of Hinopak Motors Limited, Toyota Motor Corporation (Toyota), Mitsubishi Fuso Truck and Bus Corporation (MFTBC) and Daimler Truck have concluded a Memorandum of Understanding (MoU) on accelerating the development of advanced technologies and merging MFTBC and Hino.

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

Details on the scope and nature of the collaboration including the name, location, shareholding ratio and corporate structure of the new holding company will be decided over the course of the next 18 months.

CORPORATE GOVERNANCE**Board Performance & Role in achieving Company's Objectives**

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

The Board comprises an adequate number of Executive, Independent, and Non-Executive Directors with highly qualified members from diversified backgrounds. The Board played an indispensable role in achieving the Company's objectives by providing oversight, guidance, strategic direction, assessing strategy & underlying purpose of actions taken by Management, and monitoring the Company's performance towards the achievement of its objectives.

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

FUTURE OUTLOOK

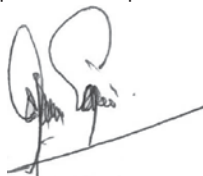
There is this apprehensive gloom that delays in negotiation with IMF would continue to force the government to keep import curbs of allowing essential goods only. Balancing the public expectations and maneuvering the fragile economic scorecard is extremely challenging.

Auto Industry is the biggest communication system of the country; inspite of this fact the macroeconomic indicators of the country are becoming challenging for it as a whole. This industry along with the allied industries provides direct and indirect employment to significant portion of the population, contributes significantly to national exchequer by payments of duties & taxes and promotes local development of auto parts gradually.

In return, automobile industry expects from the government the supportive intervention in business environment by ease and less cost of doing business to play their role in economic development of the country.

This financial year seems to be very challenging with respect to sales volumes and margins in context of the import restrictions from the government but the management is committed and has been making efforts for sustainable business operations.

In conclusion, I, on behalf of the Board and shareholders would like to express my appreciation to the management, executives, workers, dealers, suppliers, vendors, Hino Motors Limited and Toyota Tsusho Corporation experts for their efforts and contributions.



Muhammad Aslam Sanjrani

Chairman

Date: June 21, 2023



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, 2023.

The Board of Directors of the Company as at March 31, 2023 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, following casual vacancy occurred in the Board:

Outgoing Director	New Director	Appointment Date of New Director
a) Mr. Koji Nagata	Mr. Masato Uchida	February 10, 2023

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. Akira Uchida	4
Ms. Nargis Ali Akbar Ghaloo	4
Mr. Mushtaq Malik	4
Mr. Koji Nagata*	4
Mr. Takuji Umemura	4
Mr. Masato Uchida**	0

* Resigned during the year and the casual vacancy was filled as mentioned above.

** Mr. Masato Uchida was appointed on the Board on February 10, 2023, since then no meeting of the Board was held till year end.

Committees of the Board

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

a) Audit Committee

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

b) HR and Remuneration Committee

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

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

Name of Directors	Number of meetings attended
Ms. Nargis Ali Akbar Ghaloo	4
Mr. Mushtaq Malik	4
Mr. Takuji Umemura	4
Mr. Koji Nagata	4
Mr. Masato Uchida*	0

*Mr. Masato Uchida was appointed in the Audit Committee on February 10, 2023, since then no meeting of the Audit Committee was held till year end.

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.

During the financial year, Pakistan's economy showed a declining trend due to factors such as depleting foreign reserves and escalating inflation. The combined impacts of adverse exchange rates, and revised energy prices resulted in a historically high inflation rate. Additionally, the scarcity of essential goods and limitations on imports added further strain to domestic prices. As a result of these deteriorating economic fundamentals, the overall industry witnessed a significant decline.

Hinopak Motors Limited



Appropriation of Profit / (Loss)

Following are the details of appropriations:

	Year ended	
	March 31, 2023	March 31, 2022
	Rupees in '000	
Profit before income tax	260,689	564,784
Income tax expense	(244,656)	(147,654)
Profit after income tax	16,033	417,130
Transferred from surplus on revaluation of fixed assets on account of Incremental depreciation	63,790	55,871
Other comprehensive income / (loss) for the year	5,517	(1,039)
Unappropriated loss brought forward	(463,298)	(935,260)
Unappropriated loss carried forward	(377,958)	(463,298)
Earnings per share	Rs. 0.65	Rs. 16.82

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

The Company posted a profit after tax of Rs. 16.03 million as against profit after tax of Rs. 417.13 million in 2021-22. The current financial year was very challenging with respect to sales volumes and margins in context of the import restrictions from the government, supply chain disruptions, significant currency devaluation and high inflation.

The future profitability of the Company may face significant pressure due to the ongoing political and economic crises, limitations on LC openings and foreign remittances, unfavorable exchange rate parities, and a substantial rise in local material costs.

Despite the considerable challenges, the Company remains steadfast in its commitment to seize every opportunity for improvement. This includes delivering high-quality vehicles and enhancing the financial performance of the Company.

Principal Risks and Uncertainties

The current political instability and economic uncertainty in the country affected the overall businesses particularly the auto industry. SBP restrictions on LC openings, adverse exchange rate parities, soaring inflation and the purchasing power of the customers are the factors that may impact the results.

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, 2024 on such terms and conditions and remuneration as to be decided.

**Pattern of Shareholding**

The pattern of shareholding as at March 31, 2023 and additional information thereabout required under Listed Companies (Code of Corporate Governance) Regulations, 2019 are disclosed on page 79 and page 80 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

The Company has achieved the minimum profit after tax but considering the cumulative loss position, the current political and economic uncertainties and the company's liquidity position, the directors have not recommended dividend payment.

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, 2023 were as follows:

	Rupees in '000
Hinopak Motors Limited Employees' Provident Fund	328,933
Hinopak Motors Limited Employees' Gratuity Fund	330,921
Hinopak Motors Limited Employees' Pension Fund	608,580

Trading of Shares of the Company

During the year ended March 31, 2023, 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

Over the years our Company has contributed significantly towards the welfare of the society through various social activities. Under the CSR policy, the company mainly emphasis on healthcare, workplace, environment and society.

This year, we participated in multiple activities, including organizing a waste material recycling project and a poster competition with a government school, promoting road safety awareness, and conducting dengue spray. We also facilitated various industrial visits for different universities and schools, such as Bahria University, NED University, Generation School, and National University of Modern Languages Karachi Campus.

Hinopak Motors played a crucial role in distributing rations during the floods and participated in the flood donation drive. We gathered our employees and their families for a beach cleaning activity. Additionally, we conducted several webinars and online training sessions to enhance employee engagement during challenging times.

Significant features of remuneration policy of Non-executive directors

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

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

The remuneration of the President / Chief Executive Officer during the year amounts to Rs. 3 million (2022: Rs. 3 million).

The remuneration of Chairman for attending meetings during the year amounts to Rs. 0.6 million (2022: Rs. 0.5 million) and consultancy fee paid to the Chairman amounts to Rs. 4.20 million (2022: Rs. 3.79 million).

Further details of the remuneration of directors including Chief Executive Officer is detailed in the note no. 35 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 21, 2023



Chief Executive Officer



Financial Highlights

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Profit or Loss & Other Comprehensive Income (Rs. in Million)						
Revenue from contracts with customers	26,615.07	19,130.84	13,191.06	9,132.18	12,530.89	13,185.97
Gross profit / (loss)	3,034.44	1,113.31	(170.41)	687.37	1,209.55	1,126.61
Operating profit / (loss)	2,348.55	501.62	(809.22)	70.60	666.56	516.55
Profit / (loss) before income tax	1,669.55	(520.18)	(1,844.00)	(164.53)	564.78	260.69
Income tax expense	520.17	353.12	210.98	123.76	147.65	244.66
Profit / (loss) after income tax	1,149.38	(873.30)	(2,054.98)	(288.29)	417.13	16.03
Other comprehensive (loss) / income	(16.61)	(4.86)	207.70	13.13	230.92	173.01
Transfer from surplus on revaluation of fixed assets	42.00	47.24	47.98	55.13	55.87	63.79
Dividend	839.89	862.09	-	-	-	-
Unappropriated profit / (loss) carried forward	3,028.37	1,335.36	(879.33)	(935.26)	(463.30)	(377.96)
Financial Position (Rs. in Million)						
Net Assets						
Fixed assets	3,109.37	3,135.51	3,641.95	3,565.54	3,810.91	3,925.49
Other long term assets	29.29	49.98	44.04	68.49	72.03	91.44
Current assets	11,330.87	11,105.19	5,770.77	4,118.17	6,482.88	5,121.70
Less : current liabilities	8,885.62	10,431.95	7,444.44	3,112.45	5,230.95	3,749.29
Total	5,583.91	3,858.73	2,012.32	4,639.75	5,134.87	5,389.34
Financed By						
Issued, subscribed & paid up capital	124.01	124.01	124.01	248.01	248.01	248.01
Reserves / accumulated profit / (loss)	3,319.37	1,626.36	(390.16)	(644.26)	(172.30)	(86.96)
Surplus on revaluation of fixed assets	1,848.73	1,810.04	1,975.24	1,942.33	2,118.42	2,222.13
Share premium	-	-	-	2,771.53	2,771.53	2,771.53
Long term / deferred tax liabilities	291.81	298.32	303.23	322.14	169.21	234.63
Total	5,583.91	3,858.73	2,012.32	4,639.75	5,134.87	5,389.34
Cash Flow (Rs. in Million)						
Cash flows from / (used in) operating activities	2,866.99	(10,259.46)	3,229.20	1,643.77	2,848.54	(2,484.84)
Cash flows used in investing activities	(239.60)	(258.04)	(489.22)	(148.85)	(266.58)	(151.62)
Cash flows (used in) / from financing activities	(660.58)	(1,037.77)	(0.22)	2,878.09	(5.97)	(5.94)
Turnover (Rs. in Million)						
Hino chassis	23,831.54	15,185.18	10,154.14	5,743.17	7,959.01	8,746.69
Bus & other bodies	682.27	981.69	502.52	492.47	656.68	713.40
Spare parts	783.22	1,360.75	1,374.70	1,051.73	589.22	538.98
Others	1,318.04	1,603.22	1,159.70	1,844.80	3,325.98	3,186.90
Total	26,615.07	19,130.84	13,191.06	9,132.18	12,530.89	13,185.97
Production (Units)						
Hino chassis	4198	2880	1592	700	979	1020
Bus & other bodies	498	802	342	285	383	156
Hilux frame	10229	10310	5978	9108	16574	13989

Financial Highlights

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Sales (Units)						
Hino chassis	4310	2850	1639	758	973	1000
Bus & other bodies	478	822	345	271	394	157
Hilux frame	10328	10377	5897	9036	15644	14813
No. of Employees	354	376	372	372	383	383
Investor Information						
Financial Ratios						
Gross profit / (loss) ratio	11.40%	5.82%	(1.29%)	7.53%	9.65%	8.54%
Net profit / (loss) margin	4.32%	(4.56%)	(15.58%)	(3.16%)	3.33%	0.12%
Return on assets (after tax)	7.94%	(6.11%)	(21.73%)	(3.72%)	4.02%	0.18%
Return on equity (after tax)	21.72%	(24.53%)	(120.24%)	(6.68%)	8.40%	0.31%
Debt equity ratio*	0.06	0.08	0.18	0.07	0.03	0.05
Current ratio	1.28	1.06	0.78	1.32	1.24	1.37
Quick ratio	0.72	0.29	0.26	0.65	0.89	0.82
Interest cover ratio	-	(1.77)	(1.21)	0.35	0.00	31.73
Dividend payout ratio**	75.01%	0.00%	0.00%	0.00%	0.00%	0.00%
Dividend yield ratio**	5.99%	0.00%	0.00%	0.00%	0.00%	0.00%
Dividend cover ratio**	133.32%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Ratios						
Price earning ratio	12.52	(5.61)	(2.76)	(29.51)	19.09	310.14
Earning / (loss) before interest, taxes, depreciation and amortization (EBITDA)	2,569.97	739.05	(578.42)	335.61	936.56	787.94
EBITDA margin to sales	9.66%	3.86%	(4.38%)	3.68%	7.47%	5.98%
Total assets turnover ratio	1.84	1.34	1.39	1.18	1.21	1.44
Fixed assets turnover ratio	8.56	6.10	3.62	2.56	3.28	3.36
Return on capital employed	20.58%	(22.63%)	(102.12%)	(6.21%)	8.12%	0.30%
Inventory turnover ratio	5.77	2.79	2.26	2.85	5.84	6.29
Number of days inventory	63	131	162	128	63	58
Debtors turnover ratio	55.19	22.85	19.85	19.34	24.50	41.53
Number of days debtors	7	16	18	19	15	9
Creditors turnover ratio	3.39	2.90	3.95	2.67	2.73	2.71
Number of days creditors	108	126	93	137	134	135
Operating cycle (days)	(38)	21	87	10	(56)	(68)
Per Share Amounts (in Rupees)						
Cash dividend**	69.52	-	-	-	-	-
Breakup value with surplus on revaluation of fixed assets	426.76	287.12	137.82	174.09	200.22	207.84
Breakup value without surplus on revaluation of fixed assets	277.68	141.15	(21.46)	95.77	114.80	118.24
Earning / (loss) per share	92.69	(70.42)	(110.33)	(13.37)	16.82	0.65
Share price (high)	1,708.13	1,221.81	511.33	404.00	330.00	200.50
Share price (low)	970.00	394.20	245.50	391.00	318.00	200.00
Share price (closing)	1160.31	395.10	305.00	394.50	321.00	200.50
One US\$ = rupee as at period end	115.40	140.70	166.75	153.60	183.20	284.10
One JPY = rupee as at period end	1.0851	1.2702	1.5376	1.3854	1.4976	2.1375

* 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	2022-23		2021-22		2020-21	
	(Rs. in million)	%	(Rs. in million)	%	(Rs. in million)	%
Revenue from contracts with customers	13,185.97	100.00	12,530.89	100.00	9,132.18	100.00
Cost of sales	(12,059.37)	(91.46)	(11,321.34)	(90.35)	(8,444.81)	(92.47)
Gross profit	1,126.61	8.54	1,209.55	9.65	687.37	7.53
Distribution cost	(395.62)	(3.00)	(339.87)	(2.71)	(321.61)	(3.52)
Administration expenses	(404.15)	(3.06)	(375.98)	(3.00)	(356.30)	(3.90)
Other income	204.60	1.55	214.48	1.71	61.14	0.67
Other expenses	(14.89)	(0.11)	(41.62)	(0.33)	-	-
Profit from operations	516.55	3.92	666.56	5.32	70.60	0.77
Finance cost	(255.86)	(1.94)	(101.77)	(0.81)	(235.13)	(2.57)
Profit / (loss) before income tax	260.69	1.98	564.78	4.51	(164.53)	(1.80)
Income tax expense	(244.66)	(1.86)	(147.65)	(1.18)	(123.76)	(1.36)
Profit / (loss) after income tax	16.03	0.12	417.13	3.33	(288.29)	(3.16)
Financial Position						
Property, plant and equipment	3,905.87	42.74	3,792.81	36.59	3,546.02	45.74
Other non current assets	19.62	0.21	29.30	0.28	36.08	0.47
Long-term deposits	8.83	0.10	7.99	0.08	7.36	0.10
Long-term loans and advances	38.91	0.43	40.27	0.39	27.38	0.35
Employee benefit prepayment	43.70	0.48	12.57	0.12	17.19	0.22
Current assets	5,121.70	56.04	6,482.88	62.54	4,118.17	53.12
Total assets	9,138.62	100.00	10,365.83	100.00	7,752.20	100.00
Shareholders' equity	5,154.71	56.41	4,965.66	47.90	4,317.61	55.69
Deferred taxation	170.36	1.86	126.60	1.22	117.64	1.52
Other non-current liabilities	64.26	0.70	42.61	0.41	204.50	2.64
Short term debt	19.31	0.21	58.11	0.56	-	-
Other current liabilities	3,729.98	40.82	5,172.85	49.90	3,112.45	40.15
Total equity and liabilities	9,138.62	100.00	10,365.83	100.00	7,752.20	100.00
Cash Flows						
Cash flows (used in) / from operating activities	(2,484.84)	94.04	2,848.54	110.58	1,643.77	37.59
Cash flows used in investing activities	(151.62)	5.74	(266.58)	(10.35)	(148.85)	(3.40)
Cash flows (used in) / from financing activities	(5.94)	0.22	(5.97)	(0.23)	2,878.09	65.81
Net (decrease) / increase in cash and cash equivalents	(2,642.39)	100.00	2,575.99	100.00	4,373.01	100.00



Horizontal Analysis

	2022-23		2021-22		2020-21	
	(Rs. in million)	Variance vs Last Year Increase / (Decrease) %	(Rs. in million)	Variance vs Last Year Increase / (Decrease) %	(Rs. in million)	Variance vs Last Year Increase / (Decrease) %
Operating Results						
Revenue from contracts with customers	13,185.97	5.23	12,530.89	37.22	9,132.18	(30.77)
Cost of sales	(12,059.37)	(6.52)	(11,321.34)	(34.06)	(8,444.81)	(36.80)
Gross profit	1,126.61	(6.86)	1,209.55	75.97	687.37	(503.36)
Distribution cost	(395.62)	(16.40)	(339.87)	(5.68)	(321.61)	(12.14)
Administration expenses	(404.15)	(7.49)	(375.98)	(5.53)	(356.30)	0.17
Other income	204.60	(4.61)	214.48	250.80	61.14	(26.24)
Other expenses	(14.89)	64.22	(41.62)	-	-	(100.00)
Profit from operations	516.55	(22.51)	666.56	844.14	70.60	(108.72)
Finance cost	(255.86)	(151.41)	(101.77)	56.72	(235.13)	(77.28)
Profit / (loss) before income tax	260.69	(53.84)	564.78	443.27	(164.53)	(91.08)
Income tax expense	(244.66)	(65.70)	(147.65)	(19.30)	(123.76)	(41.34)
Profit / (loss) after income tax	16.03	(96.16)	417.13	244.69	(288.29)	(85.97)
Financial Position						
Property, plant and equipment	3,905.87	2.98	3,792.81	6.96	3,546.02	(2.55)
Other non current assets	19.62	(33.04)	29.30	(18.79)	36.08	1,041.77
Long-term deposits	8.83	10.51	7.99	8.56	7.36	1.80
Long-term loans and advances	38.91	(3.38)	40.27	47.08	27.38	9.26
Employee benefit prepayment	43.70	247.56	12.57	(26.85)	17.19	46.29
Current assets	5,121.70	(21.00)	6,482.88	57.42	4,118.17	(28.64)
Total assets	9,138.62	(11.84)	10,365.83	33.71	7,752.20	(18.02)
Shareholders' equity	5,154.71	3.81	4,965.66	15.01	4,317.61	152.63
Deferred taxation	170.36	34.57	126.60	7.62	117.64	(12.99)
Other non-current liabilities	64.26	50.81	42.61	(79.16)	204.50	21.71
Short term debt	19.31	(66.77)	58.11	-	-	(100.00)
Other current liabilities	3,729.98	(27.89)	5,172.85	66.20	3,112.45	(6.51)
Total equity and liabilities	9,138.62	(11.84)	10,365.83	33.71	7,752.20	(18.02)
Cash Flows						
Cash flows (used in) / from operating activities	(2,484.84)	(187.23)	2,848.54	73.29	1,643.77	(49.10)
Cash flows used in investing activities	(151.62)	43.12	(266.58)	(79.09)	(148.85)	69.57
Cash flows (used in) / from financing activities	(5.94)	0.50	(5.97)	(100.21)	2,878.09	1,308.32*
Net (decrease) / increase in cash and cash equivalents	(2,642.39)	(202.58)	2,575.99	(41.09)	4,373.01	59.61

* % in '000



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

FOR THE YEAR ENDED MARCH 31, 2023

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

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

a) Male	06
b) Female	01

2. The composition of the Board is as follows:

Composition	Numbers	Names
a) Independent Directors *		
- Male	01	Mr. Mushtaq Malik
- Female	01	Ms. Nargis Ali Akbar Ghaloo
b) Non-Executive Directors	03	Mr. Muhammad Aslam Sanjrani Mr. Masato Uchida Mr. Takuji Umemura
c) Executive Directors	02	Mr. Takayuki Kizawa Mr. Akira Uchida

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

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

8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Three out of seven directors have complied with the requirements of Directors' Training program;
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:
 - a) **Audit Committee**
 - Nargis Ali Akbar Ghaloo - Chairperson
 - Mushtaq Malik
 - Masato Uchida
 - Takuji Umemura
 - b) **HR and Remuneration Committee**
 - Mushtaq Malik - Chairman
 - Nargis Ali Akbar Ghaloo
 - Takayuki Kizawa
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings of the committees were as per following:

Audit Committee	Four quarterly meetings during the financial year ended March 31, 2023
HR and Remuneration Committee	Two meetings during the financial year ended March 31, 2023
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 (if applicable):

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

Muhammad Aslam Sanjrani
Chairman

Takayuki Kizawa
Chief Executive Officer

Date: June 21, 2023



**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, 2023 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, 2023.

**Chartered Accountants
Karachi**

Date: July 03, 2023

UDIN: CR202310059qJ3LVKwWA

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Financial Statements 2023



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, 2023, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at March 31, 2023 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

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Following is the key audit matter:

S.No.	Key audit matter	How the matter was addressed in our audit
(i)	<p>Deferred Taxation</p> <p>(Refer notes 2.7 and 19 to the annexed financial statements)</p> <p>The Company has not recognized deferred tax asset on unused tax losses, unabsorbed tax depreciation and minimum tax in view of lack of current and future estimated taxable profits required to recover the asset. 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.</p> <p>As estimating future taxable profits requires significant management judgement, we considered this a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> - Considered the expected timing of utilisation of the Deferred Tax Assets (DTA) keeping in view the relevant provision of Income Tax Ordinance, 2001 that apply to the utilisation of tax losses. - Determined the extent to which sufficient probable taxable profits would arise in the period within which the related losses would be available for utilisation, - Obtained financial projections from the Company's management; - Obtained understanding of the Company's process of preparing financial projections; - Evaluated the financial projections and assessed the likelihood of the Company generating sufficient future taxable profits; and - Ensured that presentation and disclosures of deferred taxation are being addressed adequately.

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

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

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

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



Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: July 03, 2023

UDIN: AR202310059h4bQxZLWO



STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023

	Note	2023	2022
Rupees '000			
ASSETS			
Non-current assets			
Property, plant and equipment	4	3,905,869	3,792,808
Right-of-use asset	5	-	11,192
Intangibles assets	6	19,616	18,106
Long-term investments	7	-	-
Long-term loans	8	38,908	40,273
Long-term deposits		8,829	7,990
Employee benefit prepayment	20	43,699	12,573
		<u>4,016,921</u>	<u>3,882,942</u>
Current assets			
Inventories	9	2,043,552	1,815,805
Trade receivables	10	187,224	447,732
Loans and advances	11	54,704	36,393
Trade deposits and prepayments	12	1,299,935	28,126
Refunds due from government - sales tax	13	122,702	176,166
Other receivables	14	1,582	9,791
Taxation - payments less provision		1,062,713	938,393
Cash and bank balances	15	349,285	3,030,479
		<u>5,121,697</u>	<u>6,482,885</u>
Total assets		<u>9,138,618</u>	<u>10,365,827</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up capital	16	248,011	248,011
Capital Reserve			
Revaluation surplus on land and buildings	17	2,222,132	2,118,424
Share premium		2,771,525	2,771,525
Revenue Reserve			
General reserve	18	291,000	291,000
Accumulated loss		(377,958)	(463,298)
		<u>5,154,710</u>	<u>4,965,662</u>
LIABILITIES			
Non-current liabilities			
Deferred taxation	19	170,359	126,600
Employee benefit obligations	20	64,259	35,833
Lease liability	21	-	6,777
		<u>234,618</u>	<u>169,210</u>
Current liabilities			
Trade and other payables	22	2,064,148	2,823,819
Advances from customers	23	1,652,943	2,330,264
Short-term borrowings - secured	24	19,309	58,109
Unclaimed dividend		12,890	12,906
Current portion of lease liability	21	-	5,857
		<u>3,749,290</u>	<u>5,230,955</u>
Total liabilities		<u>3,983,908</u>	<u>5,400,165</u>
Commitments			
	25		
Total equity and liabilities		<u>9,138,618</u>	<u>10,365,827</u>

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, 2023

	Note	2023 Rupees '000	2022
Revenue from contracts with customers	26	13,185,973	12,530,886
Cost of sales	27	<u>(12,059,366)</u>	<u>(11,321,335)</u>
Gross profit		1,126,607	1,209,551
Distribution costs	27	(405,354)	(356,496)
Administrative expenses	27	(404,148)	(375,981)
Other income	28	204,601	214,476
Other expenses	29	(14,890)	(41,616)
Reversal of impairment on trade receivables and deposits		<u>9,731</u>	<u>16,622</u>
Operating profit		516,547	666,556
Finance costs	30	<u>(255,858)</u>	<u>(101,772)</u>
Profit before income tax		260,689	564,784
Income tax expense	31	<u>(244,656)</u>	<u>(147,654)</u>
Profit for the year		16,033	417,130
Other comprehensive income / (loss) for the year:			
Items that will not be reclassified subsequently to profit or loss			
Gain / (loss) on remeasurements of post employment benefit obligations	20	8,234	(1,463)
Impact of deferred tax		<u>(2,717)</u>	<u>424</u>
		5,517	(1,039)
Gain on revaluation of land and buildings		210,492	254,946
Impact of deferred tax		<u>(42,994)</u>	<u>(22,984)</u>
Other comprehensive income for the year		167,498	231,962
		173,015	230,923
Total comprehensive income for the year		<u>189,048</u>	<u>648,053</u>
Earnings per share - basic and diluted	32	<u>Rs. 0.65</u>	<u>Rs. 16.82</u>

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, 2023

	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, 2021	248,011	1,942,333	2,771,525	291,000	(935,260)	4,317,609
Transferred from surplus on revaluation of land & building on account of incremental depreciation - net of deferred tax	-	(55,871)	-	-	55,871	-
Total comprehensive income / (loss) for the year ended March 31, 2022						
- Profit for the year ended March 31, 2022	-	-	-	-	417,130	417,130
- Other comprehensive income / (loss) for the year ended March 31, 2022	-	231,962	-	-	(1,039)	230,923
	-	231,962	-	-	416,091	648,053
Balance at March 31, 2022	248,011	2,118,424	2,771,525	291,000	(463,298)	4,965,662
Transferred from surplus on revaluation of land & building on account of incremental depreciation - net of deferred tax	-	(63,790)	-	-	63,790	-
Total comprehensive income for the year ended March 31, 2023						
- Profit for the year ended March 31, 2023	-	-	-	-	16,033	16,033
- Other comprehensive income for the year ended March 31, 2023	-	167,498	-	-	5,517	173,015
	-	167,498	-	-	21,550	189,048
Balance at March 31, 2023	248,011	2,222,132	2,771,525	291,000	(377,958)	5,154,710

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, 2023

	Note	2023 Rupees '000	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	33	(2,181,865)	3,192,679
Mark-up paid on short-term borrowings		(4,072)	(19)
Return on savings accounts and deposits		113,647	156,975
Income taxes paid		(370,928)	(257,947)
Employee benefits paid		(42,145)	(229,623)
Increase in long-term deposits		(839)	(632)
Decrease / (increase) in long-term loans and advances		1,365	(12,891)
Net cash (used in) / generated from operating activities		<u>(2,484,837)</u>	<u>2,848,542</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(172,034)	(290,676)
Purchase of intangible assets		(12,963)	(6,606)
Proceeds from sale of property, plant and equipment		33,382	30,698
Net cash used in investing activities		<u>(151,615)</u>	<u>(266,584)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(16)	(329)
Lease rentals paid		(5,926)	(5,638)
Net cash used in from financing activities		<u>(5,942)</u>	<u>(5,967)</u>
Net (decrease) / increase in cash and cash equivalents		<u>(2,642,394)</u>	<u>2,575,991</u>
Cash and cash equivalents at beginning of the year		2,972,370	396,379
Cash and cash equivalents at end of the year	34	<u><u>329,976</u></u>	<u><u>2,972,370</u></u>

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, 2023

1. THE COMPANY AND ITS OPERATIONS

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

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

The manufacturing facilities of the Company is situated at D-2 and D-136, S.I.T.E. Manghopir Road, Karachi and the 3s facility of the Company is situated at Kayan Pur, Tehsil Multan, Union Council No.73, near Multan Bypass, Multan.

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

- 1.3 Subsequent to the year end, Hino Motors Ltd (Hino) – parent company, Toyota Motor Corporation – ultimate parent company (Toyota), Mitsubishi Fuso Truck and Bus Corporation (MFTBC) and Daimler Truck have concluded a Memorandum of Understanding (MoU) on accelerating the development of advanced technologies and merging MFTBC and Hino.

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

Details on the scope and nature of the collaboration including the name, location, shareholding ratio and corporate structure of the new holding company will be decided over the course of the next 18 months.

- 1.4 The prevalent economic conditions of the country including depleting foreign exchange reserves and high inflation are impacting the overall business activity including imports. The Company's main raw material is imported, availability of which is also impacted due to the prevalent economic conditions. During the year, the Company temporarily shut down its Chassis assembly plant from March 24, 2023 to April 04, 2023 due to facing hurdles in opening of LCs for the import of CKD and other raw materials. The rise in exchange rate has also affected the Company. Management believes that these challenges are due to temporary downfall in the economic situation of the country and Company will recover accordingly. The Company will continue its operations for the foreseeable future on the basis of the Company's plans and the continued support of the related parties and lenders of the Company.

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



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

2.1.1 Statement of compliance

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

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

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

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

2.1.2 Changes in accounting standards, interpretations and pronouncements

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for accounting periods beginning on or after April 01, 2022. However, these do not have any significant impact on the Company's financial statements.

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

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

2.2 Overall valuation policy

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



2.3 Property, plant and equipment

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

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

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

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

2.4 Intangible assets - computer softwares

Computer software licenses acquired by the Company are stated at cost less accumulated amortisation. Cost represents the cost incurred to acquire the software licenses and bring them to use. Amortisation is calculated using the straight line method over the estimated useful life.

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

2.5 Impairment

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

2.6 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, 2023 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.

The adoption of the expected loss approach has not resulted in any material change in impairment provision for any financial asset.

Financial liabilities

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

Offsetting

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



Transaction costs

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

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

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

2.7 Taxation

i. Current

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

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 fixed assets and on change in fair value of investments categorised as fair value through other comprehensive income which is charged to the surplus on revaluation and fair value reserve respectively.

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



2.8 Inventories

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

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

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

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

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

2.9 Trade receivables

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

2.10 Cash and cash equivalents

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

2.11 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.

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



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

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

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

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

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

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



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

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

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

2.12 Employee benefits - retirement benefits

Defined benefit plans

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

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

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

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

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

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



Defined contribution plan

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

2.13 Compensated absences

The Company accounts for compensated absences of its employees on unavailed balance of leave in the period in which the leave is earned and can be encashed according to the Company's policy as per discretion of the employee.

2.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. The nature of provision is not stated in the financial statements where such is expected to materially prejudice Company's position, as allowed under the applicable accounting framework.

2.15 Borrowings and their costs

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

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

2.16 Warranty obligations

The Company recognises the estimated liability, on an accrual basis, to repair or replace products under warranty at the statement of financial position's date, and recognises the estimated product warranty costs in the statement of profit or loss when the sale is recognised. It can be availed on the discretion of the customer as per agreed terms.

2.17 Trade and other payables

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

**2.18 Contract liabilities**

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

2.19 Revenue from contracts with customers

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

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

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

2.20 Income on bank deposits and term deposits

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

2.21 Research and development cost

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

2.22 Foreign currency transaction and translation

Foreign currency transactions are recorded in Pak Rupee using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupee at the rates of exchange prevailing at the statement of financial position's date. Exchange gains and losses are taken to statement of profit or loss and other comprehensive income.

2.23 Dividend distribution

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

2.24 Segment reporting

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.



2.25 Share capital

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

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

- a) Taxation - note 2.7
- b) Defined benefit plans - note 2.12
- c) Trade receivables - note 2.9
- d) Provisions - note 2.14
- e) Property, plant and equipment - note 2.3

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.

	Note	2023	2022
		Rupees '000	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	4.1	3,856,570	3,792,808
Capital work-in-progress	4.8	49,299	-
		<u>3,905,869</u>	<u>3,792,808</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)	Building on freehold land (Revalued - note 4.2)	Plant and machinery	Furniture and fittings	Vehicles	Electrical installations	Office and other equipments	Total
	← Rupees '000 →									
Year ended										
March 31, 2023										
Opening net book value (NBV)	1,781,000	113,200	789,188	286,421	412,688	13,621	284,684	33,743	78,263	3,792,808
Revaluation	134,770	2,830	55,066	17,826	-	-	-	-	-	210,492
Additions	-	-	1,149	-	59,048	1,780	41,888	2,024	16,847	122,736
Disposals - at NBV	-	-	-	-	(2,198)*	-*	(17,204)*	-*	(148)*	(19,550)
Impairment	-	-	-	-	1,392	-	4,607	-	-	5,999
Depreciation charge for the year	(39,720)	-	(52,446)	(4,082)	(61,459)	(11,212)	(46,718)	(10,519)	(29,759)	(255,915)
Closing net book value	<u>1,876,050</u>	<u>116,030</u>	<u>792,957</u>	<u>300,165</u>	<u>409,471</u>	<u>4,189</u>	<u>267,257</u>	<u>25,248</u>	<u>65,203</u>	<u>3,856,570</u>
At March 31, 2023										
Cost or revalued amount	1,876,050	116,030	809,696	300,165	1,284,969	34,260	498,933	156,341	314,831	5,391,275
Accumulated impairment	-	-	-	-	(1,342)	-	(15,441)	-	(100)	(16,883)
Accumulated depreciation	-	-	(16,739)	-	(874,156)	(30,071)	(216,235)	(131,093)	(249,528)	(1,517,822)
Net book value	<u>1,876,050</u>	<u>116,030</u>	<u>792,957</u>	<u>300,165</u>	<u>409,471</u>	<u>4,189</u>	<u>267,257</u>	<u>25,248</u>	<u>65,203</u>	<u>3,856,570</u>
Year ended										
March 31, 2022										
Opening net book value (NBV)	1,643,187	111,856	758,820	284,033	332,628	17,985	276,952	37,926	77,596	3,540,983
Revaluation	174,347	1,344	65,720	13,535	-	-	-	-	-	254,946
Additions	-	-	2,068	-	167,009	997	92,580	5,860	27,204	295,718
Disposals - at NBV	-	-	-	-	(125)	-	(21,820)	(186)	(41)	(22,172)
Impairment**	-	-	-	-	-	-	(20,048)	-	-	(20,048)
Depreciation charge for the year	(36,534)	-	(37,420)	(11,147)	(86,824)	(5,361)	(42,980)	(9,857)	(26,496)	(256,619)
Closing net book value	<u>1,781,000</u>	<u>113,200</u>	<u>789,188</u>	<u>286,421</u>	<u>412,688</u>	<u>13,621</u>	<u>284,684</u>	<u>33,743</u>	<u>78,263</u>	<u>3,792,808</u>
At March 31, 2022										
Cost or revalued amount	1,781,000	113,200	808,547	287,875	1,261,314	44,462	494,067	164,688	301,601	5,256,754
Accumulated impairment	-	-	-	-	(2,735)	-	(20,048)	-	(100)	(22,883)
Accumulated depreciation	-	-	(19,359)	(1,454)	(845,891)	(30,841)	(189,335)	(130,945)	(223,238)	(1,441,063)
Net book value	<u>1,781,000</u>	<u>113,200</u>	<u>789,188</u>	<u>286,421</u>	<u>412,688</u>	<u>13,621</u>	<u>284,684</u>	<u>33,743</u>	<u>78,263</u>	<u>3,792,808</u>
Useful life (years) - note	76 to 79	N/A	40	40	2 to 12	2 to 10	4 to 5	6	3 to 9	

* Assets disposed off having nil net book value.

** Due to absence of active market of tailored vehicles, the Company has not been able to dispose them off. The Company eventually will have to sell the vehicles as scrap. The recoverable amount of the said vehicles is fair value less costs to sell amounting to Rs. 5.5 million approximately.

The tangible assets (note 4.1) include items costing Rs. 948.05 million (2022: Rs. 986.34 million) which are fully depreciated as of March 31, 2023 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 and one plot of land located at Muzzafargarh Road, Multan, measuring 10.61 acres, 6 acres and 1.77 acres respectively and buildings on Karachi and Multan land were revalued by an independent valuer - M/s. Sadruddin Associates (Private) Limited on March 31, 2023 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).



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).

4.4 Had there been no revaluation, the net book values of lands and buildings as at March 31, 2023 would have been Rs. 111.78 million (2022: Rs. 111.95 million) and Rs. 582.92 million (2022: Rs. 602.12 million) respectively.

4.5 Forced sales value of lands and buildings on leasehold lands as estimated by valuer is Rs. 1,593.66 million (2022: Rs. 1,515.36 million) and Rs. 874.50 million (2022: Rs. 860.49 million), respectively.

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

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

4.7 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 purchaser
Motor Vehicle	9,271	5,748	3,523	3,000	(523)	Negotiation	Toyota Highway Motors
"	7,181	4,452	2,729	2,000	(729)	Negotiation	Toyota Highway Motors
"	3,517	1,576	1,941	2,443	502	Company policy	Mr. M. Ahmer Siddiqui
"	2,675	330	2,345	2,370	25	Company policy	Mr. Muzaffar Anjum
"	2,129	1,288	841	1,375	534	Company policy	Mr. Khanzada Sahban
"	2,065	278	1,787	1,835	47	Company policy	Mr. Umair Iqbal Punjwani
"	1,954	1,095	859	1,257	398	Company policy	Mr. Syed Muhammad Aftab
"	1,678	1,128	550	998	448	Company policy	Mr. Rukhshab Anjum



4.8 Capital work-in-progress - at cost

	2023				2022			
	Balance as at April 01, 2022	Additions during the year	Transfers	Balance as at March 31, 2023	Balance as at April 01, 2021	Additions during the year	Transfers	Balance as at March 31, 2022
	← Rupees '000 →							
Building	-	14,280	-	14,280	2,780	-	(2,780)	-
Plant and machinery and office equipments	-	62,359	(27,340)	35,019	2,262	35,136	(37,398)	-
Total	-	76,639	(27,340)	49,299	5,042	35,136	(40,178)	-

5. RIGHT-OF-USE ASSET

	2023	2022
	Rupees '000	
Opening net book value	11,192	16,565
Addition to right-of-use asset - note 5.1	-	-
Deletion	(7,163)	-
Depreciation for the year - note 5.2	(4,029)	(5,373)
Closing net book value	<u>-</u>	<u>11,192</u>

5.1 The Company had an agreement for rental premises situated at C-42, Navy Housing Scheme Clifton, Block-19, Karachi on which right-of-use asset had been recorded. Useful life for such right-of-use asset is 4 years. This agreement expired in December 2022.

5.2 Depreciation charge on right-of-use asset has been allocated to administrative expenses.

6. INTANGIBLES ASSETS

	2023	2022
	Rupees '000	
Opening balance		
Cost	102,508	95,902
Accumulated amortisation	(84,402)	(76,387)
Net book value	<u>18,106</u>	<u>19,515</u>
Year ended March 31		
Opening net book value	18,106	19,515
Additions	12,963	6,606
Amortisation	(11,453)	(8,015)
Closing net book value	<u>19,616</u>	<u>18,106</u>
Closing balance		
Cost	115,471	102,508
Accumulated amortisation	(95,855)	(84,402)
Net book value	<u>19,616</u>	<u>18,106</u>
Useful life (years)	<u>3</u>	<u>3</u>

6.1 The intangible assets include items costing Rs. 73.77 million (2022: Rs. 73.77 million) which are fully amortised as of March 31, 2023 but are still in active use.

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



	2023	2022
	Rupees '000	
7. LONG-TERM INVESTMENTS		
Fair value through other comprehensive income		
Arabian Sea Country Club Limited [500,000 (2022: 500,000) Unquoted ordinary shares of Rs.10 each, representing 6.45 percent (2022: 6.45 percent) of equity]	-	-
Automotive Testing & Training Centre (Private) Limited [50,000 (2022: 50,000) Unquoted ordinary shares of Rs.10 each, representing 2.77 percent (2022: 2.77 percent) of equity]	-	-
	<u>-</u>	<u>-</u>

7.1 The above investments were reassessed by the management on initial application of 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, 2023.

	2023	2022
	Rupees '000	
8. LONG-TERM LOANS		
considered good, secured		
Loans to employees	67,243	65,047
Less: Recoverable within one year - note 11	(28,335)	(24,774)
	<u>38,908</u>	<u>40,273</u>

8.1 The loans are extended to employees under their terms of employment on interest free basis. During the year, the unwinding of discount of Rs. 12.32 million (2022: Rs. 8.08 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.

8.2 Long term loans include loan provided to key management personnel amounting to Rs 14.05 million (2022: Rs. 18.34 million).



	2023	2022
	Rupees '000	
9. INVENTORIES		
Stores and spares	14,308	9,355
Loose tools	2,554	2,397
	16,862	11,752
Less: Provision for net realisable value - note 9.2	(2,674)	(2,913)
	14,188	8,839
Raw materials and components - note 9.1 [including in transit Rs. 430.9 million (2022: Rs. 548.9 million)]	1,512,489	1,384,176
Less: Provision for net realisable value - note 9.2	(38,612)	(36,835)
	1,473,877	1,347,341
Work-in-process	87,375	30,508
Finished goods	398,138	333,220
Trading stock - Spare parts [including in transit Rs. 13.5 million (2022: Rs. 12.1 million)]	115,935	156,599
Less: Provision for net realisable value - note 9.2	(45,961)	(60,702)
	69,974	95,897
	2,043,552	1,815,805

9.1 Raw materials include stocks held with suppliers amounting to Rs. 73.4 million (2022: Rs. 86.05 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	(2,913)	(36,835)	(60,702)	(100,450)
(Charge) / reversal during the year - net	239	(1,777)	14,741	13,203
Balance at end of the year	(2,674)	(38,612)	(45,961)	(87,247)



		2023	2022
		Rupees '000	
10.	TRADE RECEIVABLES		
	Considered good - unsecured		
	Related party - note 10.1 and 10.2		
	Indus Motor Company Limited, group company	112,865	144,576
	Others - note 10.3	74,359	303,156
		<u>187,224</u>	<u>447,732</u>
	Considered doubtful		
	Others	45,007	51,663
		<u>232,231</u>	<u>499,395</u>
	Less: allowance for expected credit losses - note 10.4	<u>(45,007)</u>	<u>(51,663)</u>
		<u>187,224</u>	<u>447,732</u>

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

10.2 The maximum aggregate amount due from the related party at the end of any month during the year was Rs. 436.28 million (2022: Rs. 354.06 million). Moreover, the provision for doubtful debt related to the amount outstanding at March 31, 2023 amounts to Rs. 0.2 million (2022: 0.3 million).

10.3 These include amount receivable from government institutions amounting to Rs. 13.82 million (2022: Rs. 228.13 million).

		2023	2022
		Rupees '000	
10.4	Balance at beginning of the year	51,663	68,235
	Reversal during the year - net	(6,656)	(16,572)
	Balance at end of the year	<u>45,007</u>	<u>51,663</u>

11. LOANS AND ADVANCES

	Current maturity of long term loans - unsecured	28,335	24,774
	Advances to:		
	- employees - secured	266	2,217
	- suppliers - unsecured	33,373	16,672
		<u>33,639</u>	<u>18,889</u>
		<u>61,974</u>	<u>43,663</u>
	Provision for doubtful advances to suppliers	(7,270)	(7,270)
		<u>54,704</u>	<u>36,393</u>

11.1 The maximum aggregate amount due from Indus Motors Limited at the end of any month during the year was Rs. 2.87 million (2022: Rs. 11.93 million).



	2023	2022
	Rupees '000	
12. TRADE DEPOSITS AND PREPAYMENTS		
Trade deposits	16,055	24,101
LC deposit - note 12.2	1,265,815	-
Provision for doubtful deposits - note 12.1	(5,061)	(8,137)
	<u>1,276,809</u>	<u>15,964</u>
Prepayments	23,126	12,162
	<u>1,299,935</u>	<u>28,126</u>
12.1 Balance at beginning of the year	8,137	8,187
Reversal during the year	(3,076)	(50)
Balance at end of the year	<u>5,061</u>	<u>8,137</u>

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

	2023	2022
	Rupees '000	
13. REFUNDS DUE FROM GOVERNMENT - SALES TAX		
Sales tax refundable - note 13.1	175,621	229,085
Custom duty and excise duty refundable	2,807	2,807
	<u>178,428</u>	<u>231,892</u>
Less: Provision for doubtful refunds - note 13.1	(55,726)	(55,726)
	<u>122,702</u>	<u>176,166</u>

13.1 This includes sales tax refundable of Rs. 47.14 million (2022: Rs. 47.14 million), net of provisional refunds of Rs. 519.05 million (2022: 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.

14. OTHER RECEIVABLES

Other receivable includes accrued markup of Rs. 1.58 million (2022: Rs. 4.24) on term deposit accounts. Accrued markup includes Rs. 0.07 million (2022: Rs. 1.03 million) from JS Bank Limited, a related party of the Company.



	2023	2022
	Rupees '000	
15. CASH AND BANK BALANCES		
Balances with banks:		
- on term deposit accounts	-	1,900,000
- on current accounts - note 15.2	13,597	13,643
- on PLS savings accounts - note 15.1 & 15.2	324,425	1,075,549
Cheques in hand	11,175	41,216
Cash in hand	88	71
	<u>349,285</u>	<u>3,030,479</u>

15.1 At March 31, 2023, the rate of profit on savings accounts range from 8.25% to 15.5% per annum (2022: 5.5% to 8.25% per annum).

15.2 Bank balances includes Rs. 20.03 million (2022: Rs. 20.79 million) in bank accounts of JS Bank Limited, a related party of the Company.

16. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	2023	2022		2023	2022
	(Number of shares)			Rupees '000	
Authorised share capital					
<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>
Issued, subscribed and paid-up capital					
Ordinary shares of Rs. 10 each					
18,600,840	18,600,840	Shares issued for consideration paid in cash		186,008	186,008
4,133,520	4,133,520	Shares issued for consideration other than cash - fixed assets		41,335	41,335
2,066,760	2,066,760	Shares issued as bonus shares		20,668	20,668
<u>24,801,120</u>	<u>24,801,120</u>			<u>248,011</u>	<u>248,011</u>

16.1 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.

16.2 At March 31, 2023 Hino Motors Limited, Japan (HML) - the Holding Company and Toyota Tsusho Corporation, Japan (TTC) - an associated company respectively held 14,797,733 (2022: 14,797,733) and 7,398,867 (2022: 7,398,867) ordinary shares of Rs. 10 each representing 59.67 percent (2022: 59.67 percent) and 29.83 percent (2022: 29.83 percent) of total ordinary shares.

16.3 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.

17. 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

	2023	2022
	Rupees '000	
Revaluation surplus at beginning of the year	2,118,424	1,942,333
Surplus arising on revaluation :		
- Leasehold land	134,770	174,347
- Freehold land	2,830	1,344
- Building on Leasehold land	55,066	65,720
- Building on Freehold land	17,826	13,535
	210,492	254,946
Deferred tax liability on revaluation surplus	(42,994)	(22,984)
	2,285,922	2,174,295
Net amount transferred to accumulated loss on account of		
- Incremental depreciation	(75,729)	(64,059)
- Deferred tax on incremental depreciation	11,939	8,188
	(63,790)	(55,871)
	2,222,132	2,118,424

18. GENERAL RESERVE

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



19. 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:

	2023	2022
	Rupees '000	
Deferred tax asset	(116,526)	(109,951)
Deferred tax liability	286,885	236,551
	<u>170,359</u>	<u>126,600</u>

19.1 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, 2022	99,238	137,313	(29,130)	(35,632)	(34,423)	(10,766)	126,600
(Charge) / credit to profit or loss	19,279	(11,939)	339	(1,703)	(4,749)	(3,179)	(1,952)
Charge to other comprehensive income	-	-	-	-	2,717	-	2,717
Charge to equity	-	42,994	-	-	-	-	42,994
March 31, 2023	118,517	168,368	(28,791)	(37,335)	(36,455)	(13,945)	170,359
April 01, 2021	99,257	122,521	(16,092)	(40,453)	(33,999)	(13,589)	117,645
(Charge) / credit to profit or loss	(19)	(8,192)	(13,038)	4,821	-	2,823	(13,605)
Reversal from other comprehensive income	-	-	-	-	(424)	-	(424)
Charge to equity	-	22,984	-	-	-	-	22,984
March 31, 2022	99,238	137,313	(29,130)	(35,632)	(34,423)	(10,766)	126,600

19.2 Deferred tax asset has not been recognised on unused tax losses, unabsorbed tax depreciation and minimum tax amounting to Rs. 308.30 million (2022: Rs. 399.43 million), Rs. 101.46 million (2022: Rs. 101.46 million) and Rs. 907.40 (2022: Rs. 738.31) 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.

19.3 Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2019 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. Accordingly, deferred tax assets and liabilities have been recognised using the expected rate.



20. EMPLOYEE BENEFIT OBLIGATIONS - RETIREMENT BENEFITS

20.1 As stated in note 2.12, 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, 2023.

20.2 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

20.3 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.

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

	2023			2022		
	Funded		Unfunded Gratuity	Funded		Unfunded Gratuity
	Gratuity	Pension		Gratuity	Pension	
	Fund	Fund	Fund	Fund		
← Rupees '000 →						
20.5 Movement in (asset) / liability						
Opening balance	19,031	(12,573)	16,802	(17,189)	21,509	168,978
Charge for the year	19,851	13,364	14,465	16,392	20,574	41,156
Remeasurements recognised in other comprehensive income	31,157	(40,443)	1,052	19,644	(13,667)	(4,514)
Contribution paid	(37,075)	(4,047)	(1,024)	(17,005)	(40,989)	(188,818)
Withdrawals	-	-	-	17,189	-	-
Closing balance	32,964	(43,699)	31,295	19,031	(12,573)	16,802

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

Fair value of plan assets	(330,921)	(608,580)	-	(303,507)	(567,988)	-
Present value of defined benefit obligations	363,885	564,881	31,295	322,538	555,415	16,802
Recognised liability / (assets)	32,964	(43,699)	31,295	19,031	(12,573)	16,802



	2023			2022		
	Funded		Unfunded Gratuity	Funded		Unfunded Gratuity
	Gratuity Fund	Pension Fund		Gratuity Fund	Pension Fund	
	← Rupees '000 →					
20.7 Remeasurement recognised in other comprehensive income						
Remeasurement losses / (gains) on obligation						
- Financial assumptions	12,723	(51,785)	3,179	5,841	(27,595)	(334)
- Demographic assumptions	34	-	(1,433)	-	-	-
Experience (gains) / losses	304	14,828	(694)	(1,339)	(1,035)	(4,180)
Remeasurement losses / (gains) on fair value of plan assets	18,096	(3,486)	-	15,142	14,963	-
	31,157	(40,443)	1,052	19,644	(13,667)	(4,514)
20.8 Charge for the year						
Current service cost	19,794	20,719	12,551	18,072	25,672	12,929
Interest cost	36,266	63,066	1,914	27,132	50,192	1,356
Employee contribution	-	(5,327)	-	-	(4,955)	-
Expected return on plan assets	(36,209)	(65,094)	-	(28,812)	(50,335)	-
Curtailment loss	-	-	-	-	-	26,871
	19,851	13,364	14,465	16,392	20,574	41,156
20.9 Movement in the present value of obligation						
Opening balance	322,538	555,415	16,802	283,984	521,406	168,978
Current service cost	19,794	20,719	12,551	18,072	25,672	12,929
Interest cost	36,266	63,066	1,914	27,132	50,192	1,356
Remeasurement	13,061	(36,957)	1,052	4,502	(28,630)	(4,514)
Benefits paid	(27,774)	(37,362)	(1,024)	(11,152)	(13,225)	(188,818)
Curtailment loss	-	-	-	-	-	26,871
Closing balance	363,885	564,881	31,295	322,538	555,415	16,802
20.10 Movement in fair value of plan assets						
Opening balance	303,507	567,988	-	301,173	499,897	-
Expected return on plan assets	36,209	65,094	-	28,812	50,335	-
Remeasurement	(18,096)	3,486	-	(15,142)	(14,963)	-
Employer contributions	37,075	4,248	-	17,005	40,989	-
Employee contributions	-	5,327	-	-	4,955	-
Withdrawals	-	(201)	-	(17,189)	-	-
Benefits paid	(27,774)	(37,362)	-	(11,152)	(13,225)	-
Closing balance	330,921	608,580	-	303,507	567,988	-

	2023			2022			
	Funded		Unfunded Gratuity	Funded		Unfunded Gratuity	
	Gratuity	Pension		Gratuity	Pension		
	Fund	Fund	Fund	Fund			
← Rupees '000 →							
20.11	Plan assets comprise of:						
	Government bonds	194,374	287,243	-	196,085	297,362	-
	Mutual funds	67,609	53,025	-	39,705	56,259	-
	Bank deposits	62,236	251,018	-	63,551	210,072	-
	Cash at bank	6,702	17,294	-	4,166	4,295	-
		330,921	608,580	-	303,507	567,988	-

20.12	Key actuarial assumptions used:						
	Expected rate of return on plan assets (%)	16.00	16.00	-	11.75	11.75	-
	Future salary increase (%)	15.00	15.00	15.00	11.50	11.50	11.00
	Discount rate at March 31 (%)	16.00	16.00	16.00	11.75	11.75	11.75
	Retirement age (years)	60	60	60	60	60	60

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

20.14 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 2023 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.

20.15 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.



20.16 Sensitivity analysis for actuarial assumptions

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

	Change in assumption	Impact on defined benefit obligation			
		Increase in assumption		Decrease in assumption	
		2023	2022	2023	2022
		← Rupees '000 →			
Discount rate at 31 March	1.00%	59,241	61,577	(67,278)	(70,776)
Future salary increases	1.00%	58,635	56,486	(53,075)	(51,111)

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.

20.17 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.

20.18 Based on actuary's advice, the amount of expected contribution to gratuity and pension funds in 2023-24 will be Rs. 19.92 million and Rs. 5.34 million respectively.

20.19 The weighted average duration of pension fund, funded gratuity and unfunded gratuity is 6.59 years.

20.20 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, 2023 Retirement benefit plans	<u>95,539</u>	<u>141,626</u>	<u>443,358</u>	<u>853,022</u>	<u>16,573,559</u>	<u>18,107,104</u>
At March 31, 2022 Retirement benefit plans	<u>83,783</u>	<u>79,705</u>	<u>367,476</u>	<u>640,204</u>	<u>6,452,167</u>	<u>7,623,335</u>



	2023	2022
	Rupees '000	
21. LEASE LIABILITY		
Lease liability under IFRS 16	-	12,634
Non current portion	-	6,777
Current portion	-	5,857

21.1 Finance cost on lease liabilities for the year ended March 31, 2023 was Rs. 0.50 million (2022: Rs. 1.04 million). Total cash outflow for leases was Rs. 5.42 million (2022: Rs. 5.64 million).

	2023			2022		
	Present Value of Minimum Lease Payment	Financial Charge for the future	Minimum Lease Payment	Present Value of Minimum Lease Payment	Financial Charge for the future	Minimum Lease Payment
	----- (Rupees in '000) -----					
Not Later than one year	-	-	-	5,857	595	6,452
Later than one year but not later than Five year	-	-	-	6,777	46	6,823
	-	-	-	12,634	641	13,275

	2023	2022
	Rupees '000	
22. TRADE AND OTHER PAYABLES		
Creditors	145,363	288,677
Bills payable to		
- Toyota Tsusho Corporation, Japan, group company	332,095	803,606
- Hino Motors Limited, Japan - holding company	4,288	4,967
- Toyota Tsusho, Asia Pacific PTE Ltd, Singapore, group company	97,846	155,076
- Hino Motors Limited, Middle East - FZE	13,244	12,062
- Hino Motors Asia Limited, Thailand, group company	-	15,163
Accrued liabilities - note 22.1	829,845	1,007,776
Workers welfare fund	4,988	11,296
Royalty payable to Hino Motors, Ltd. Japan, holding company	127,630	58,494
Security deposits from dealers - note 22.2	35,000	35,000
Employees related obligation - note 22.3	95,280	90,392
Tax deducted at source and payable to statutory authorities	7,197	6,633
Workers' profit participation fund	13,390	-
Sindh sales tax on services	15,463	7,604
Provisions - note 22.4	330,457	320,617
Others	12,062	6,456
	2,064,148	2,823,819



- 22.1** This includes an amount of 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, 2023, the Company has corporate guarantees issued to Collectorate of Customs amounting to Rs. 370 million (2022: Rs. 370 million).
- 22.2** These represent amounts received from dealers of the Company, which are utilised for the purpose of business in accordance with the related agreements.
- 22.3** This represents contributions made by employees towards the sale price of vehicles provided to them by the Company in accordance with the Company's vehicle policy.

22.4 Provisions	2023	2022
	Rupees '000	
Provision for compensated absences - note 2.13	128,009	124,744
Provision for warranty services - note 2.16	42,257	37,123
Provision for infrastructure cess	1,441	-
Provision for custom duties - 22.4.1.1	158,750	158,750
	<u>330,457</u>	<u>320,617</u>

22.4.1 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	Provision for custom duties - note 22.4.1.1	Total
	← Rupees '000 →				
Balance as at April 01, 2022	124,744	37,123	-	158,750	320,617
Recognised during the year	39,289	8,661	1,441	-	49,391
Payments / reversals / expenses against provision	(36,024)	(3,527)	-	-	(39,551)
Balance as at March 31, 2023	<u>128,009</u>	<u>42,257</u>	<u>1,441</u>	<u>158,750</u>	<u>330,457</u>
	Provision for compensated absences	Provision for warranty services	Provision for infrastructure cess	Provision for custom duties	Total
	← Rupees '000 →				
Balance as at April 1, 2021	122,119	46,859	-	158,750	327,728
Recognised during the year	38,649	17,049	-	-	55,698
Payments / reversals / expenses against provision	(36,024)	(26,785)	-	-	(62,809)
Balance as at March 31, 2022	<u>124,744</u>	<u>37,123</u>	<u>-</u>	<u>158,750</u>	<u>320,617</u>



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

Subsequent to the year end, for Case I, demand notice PWL-62/1995-PT(AW) dated May 18, 2023 was received from Collector of Customs regarding recovery of Rs. 19.07 million calculated in accordance with the judgement passed by the Customer Appellate Tribunal (Bench-1), Karachi dated March 29, 2022. The Company intends to settle the case and will be paying the aforesaid amount.

23. ADVANCES FROM CUSTOMERS

During the year, the Company recognised revenue amounting to Rs. 2.29 billion (2022: Rs. 1.13 billion) out of the advances from customers balance outstanding at the beginning of the year.

	2023	2022
	Rupees '000	
24. SHORT-TERM BORROWINGS - SECURED		
Running finance - note 24.1 & 24.3	<u>19,309</u>	<u>58,109</u>

- 24.1** The facilities for running finance under mark-up arrangements with various banks as at March 31, 2023 amounted to Rs. 3.87 billion (2022: Rs. 3.87 billion) of which the amount remaining unutilised at the year end was Rs. 3.85 billion (2022: Rs. 3.81 billion). The rates of mark-up applicable on running finance are based on KIBOR and range from one month KIBOR + 0.5% to three months KIBOR + 0.75% per annum.

- 24.2** The facilities for opening the letters of credit and guarantees as at March 31, 2023 amounted to Rs. 13.67 billion (2022: Rs. 13.67 billion) of which the amount remaining unutilised at the year end was Rs. 11.97 billion (2022: Rs. 9.86 billion).

- 24.3** The above facilities are secured by way of hypothecation charge on inventory and intra-group guarantees arranged through banks.

25. COMMITMENTS

- 25.1** Commitments for capital expenditure as at March 31, 2023 amounted to Rs. 9.51 million (2022: Rs 11.17 million).

- 25.2** The Company as at March 31, 2023 issued bank guarantees amounting to Rs. 224.93 million (2022: Rs. 2,041.83 million) in relation to advances from customers.

- 25.3** The Company as at March 31, 2023 issued bank guarantee amounting to Rs. 25 million (2022: Nil) in relation to sindh infrastructure cess.

	2023	2022
	Rupees '000	
26. REVENUE FROM CONTRACTS WITH CUTOMERS		
Gross sales	15,765,505	14,966,972
Sales tax	<u>(2,304,585)</u>	<u>(2,169,216)</u>
	13,460,920	12,797,756
Commission and discounts	(270,011)	(266,527)
Sales returns	<u>(4,936)</u>	<u>(343)</u>
	<u>13,185,973</u>	<u>12,530,886</u>

- 26.1** Sales to Government institutions of Rs. 2.72 billion (2022: Rs. 3.69 billion) which account for 20.62% (2022: 29.47%) of the net sales.

- 26.2** Sales to Indus Motor Company Limited, a related party of the Company, amount to Rs. 3.22 billion (2022: Rs. 2.56 billion) which account for 24.43% (2022: 20.41%) of the net sales.



27. TOTAL COST OF SALES, DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES

	COST OF SALES		DISTRIBUTION COSTS		ADMINISTRATIVE EXPENSES		TOTAL	
	2023	2022	2023	2022	2023	2022	2023	2022
	← Rupees '000 →							
Raw materials consumed	10,275,760	9,118,916	-	-	-	-	10,275,760	9,118,916
Staff costs - note 27.1	867,305	878,533	226,910	210,486	180,025	165,832	1,274,240	1,254,851
Depreciation and amortisation	186,200	201,098	31,806	22,736	53,391	46,172	271,397	270,006
Royalty and technical assistance	174,742	158,759	-	-	-	-	174,742	158,759
Fuel and power	121,222	88,773	5,041	4,653	14,102	13,872	140,365	107,298
Vehicle running and maintenance	27,623	23,397	36,751	20,431	36,088	17,321	100,462	61,149
Security and maintenance	26,175	23,530	9,639	13,275	51,663	45,227	87,477	82,032
Repair and maintenance	44,962	75,774	747	2,056	6,434	7,733	52,143	85,563
Product maintenance charges	-	-	46,193	44,937	-	-	46,193	44,937
Communication and stationery	4,704	5,469	4,705	4,607	9,278	12,453	18,687	22,529
Legal and professional charges	2,626	2,449	951	1,193	13,219	11,466	16,796	15,108
Insurance	9,554	9,906	4,938	3,618	3,708	2,931	18,200	16,455
Rent, rates and taxes	3,686	1,226	9,116	6,911	2,883	-	15,685	8,137
Travelling and entertainment	1,958	901	8,385	6,763	2,548	3,047	12,891	10,711
Advertising and sales promotion	-	-	9,437	10,800	106	-	9,543	10,800
(Reversal) / charge of impairment of fixed assets - note 4.1	-	-	-	-	(5,999)	20,048	(5,999)	20,048
(Reversal) / provision for obsolete stock-in-trade, stores and spares	(13,203)	44,960	-	-	-	-	(13,203)	44,960
Auditors' remuneration - note 27.2	-	-	-	-	7,184	6,158	7,184	6,158
Warranty services	-	-	6,621	(2,286)	-	-	6,621	(2,286)
Other expenses	10,367	8,992	4,114	6,316	29,518	23,721	43,999	39,029
	11,743,681	10,642,683	405,354	356,496	404,148	375,981	12,553,183	11,375,160
Opening stock of work in process	30,508	66,769						
Closing stock of work in process	(87,375)	(30,508)						
Cost of goods manufactured	11,686,814	10,678,944						
Opening stock of finished goods	333,220	509,225						
Closing stock of finished goods	(398,138)	(333,220)						
	11,621,896	10,854,949						
Consumption of trading goods	437,470	466,386						
	12,059,366	11,321,335						

27.1 Staff costs

Salaries, wages, allowances and staff welfare	820,939	822,413	212,109	199,373	168,237	154,943	1,201,285	1,176,729
Charge for defined benefit plans	31,806	44,187	8,851	6,476	7,023	6,885	47,680	57,548
Charge for defined contribution plan	14,560	11,933	5,950	4,637	4,765	4,004	25,275	20,574
	867,305	878,533	226,910	210,486	180,025	165,832	1,274,240	1,254,851

	2023	2022
	Rupees '000	
27.2 Auditors' remuneration		
Audit fee	2,441	2,260
Fee for limited review of half yearly financial statements and other certifications	4,271	3,656
Out of pocket expenses	472	242
	<u>7,184</u>	<u>6,158</u>
28. OTHER INCOME		
Income from financial assets		
Return on PLS Savings accounts - note 28.1	46,767	40,144
Return on deposit accounts - note 28.2	66,880	116,831
	<u>113,647</u>	<u>156,975</u>
Income from non-financial assets		
Gain on disposal of non-current assets	13,832	8,526
Others		
Scrap sales	66,573	45,265
Insurance claim	1,353	-
Liabilities no longer required written back	7,270	2,202
Others	1,926	1,508
	<u>204,601</u>	<u>214,476</u>
28.1	Return on PLS Savings accounts include Rs. 3.80 million (2022: Rs. 1.31 million) from JS Bank Limited, a related party of the Company.	
28.2	Return on deposit accounts include Rs. 25.77 million (2022: Rs. 22.71 million) from JS Bank Limited, a related party of the Company.	
	2023	2022
	Rupees '000	
29. OTHER EXPENSES		
Donations and charities - note 29.1	1,500	-
Workers' Profits Participation Fund	13,390	30,320
Workers' Welfare Fund	-	11,296
	<u>14,890</u>	<u>41,616</u>
29.1	This represents donation paid to Inter-services public relations for army relief for flood affectees. None of the Directors or their spouses had any interest in the donees.	
	2023	2022
	Rupees '000	
30. FINANCE COSTS		
Exchange loss - net	235,812	78,497
Mark-up on short-term borrowings	8,483	19
Bank charges and others	11,108	22,214
Interest on lease liability	455	1,042
	<u>255,858</u>	<u>101,772</u>



	2023	2022
	Rupees '000	
31. INCOME TAX EXPENSE		
Current - for the year	181,668	161,259
- for prior year - note 31.2	64,940	-
Deferred	<u>(1,952)</u>	<u>(13,605)</u>
	<u>244,656</u>	<u>147,654</u>

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

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

- 31.2** This represents super tax charge at the rate of 10% under Finance Act, 2022 for the tax year 2022. Through Finance Act 2022, the Government had introduced Super Tax. With regard to certain specified sectors, an enhanced rate of 10% was prescribed for the tax year 2022 only.

In relation to the retrospective application of super tax for the tax year 2022 and enhanced rate applicable for specified sectors, Constitution Petitions were filed before different High Courts. The High Court of Sindh held the same to be inapplicable for the tax year 2022 and enhanced rate for certain specified sectors in excess of 4% was declared ultra vires being discriminatory. The said decision is currently subjudice before the Honourable Supreme Court of Pakistan.

The Finance Bill 2023 has proposed to introduce new slab rates for super tax for taxpayers having income in excess of Rs. 300 million. As a result, the highest slab rate of 10% will be applicable on taxpayers from all sectors having income in excess of Rs. 500 million. Further, the provision relating to enhanced rate of 10% applicable for specified sectors for the tax year 2022 has not changed. The Company will pay the 4% of super tax and as a matter of precaution, the Company will continue to carry the provision at the differential of 6%.

	2023	2022
32. EARNINGS PER SHARE		
- BASIC AND DILUTED		
Profit for the year attributable to ordinary shareholders (Rupees '000)	<u>16,033</u>	<u>417,130</u>
Weighted average number of ordinary shares outstanding at end of the year (Number in '000)	<u>24,801</u>	<u>24,801</u>
Earnings per share - basic & diluted	<u>Rs. 0.65</u>	<u>Rs. 16.82</u>

- 32.1** There were no dilutive potential ordinary shares in issue as at March 31, 2023 and 2022.



	2023	2022
	Rupees '000	
33. CASH (USED IN) / GENERATED FROM OPERATIONS		
Profit before income tax	260,689	564,784
Add / (less): Adjustments for non cash charges and other items		
Depreciation and amortisation	271,397	270,006
Impairment of fixed assets	(5,999)	20,048
Gain on disposal of operating fixed assets	(13,832)	(8,526)
Retirement benefits charge	47,680	78,122
Mark-up on short-term borrowings	8,483	19
Interest on lease liability	455	1,042
Income on PLS saving and deposit accounts	(113,647)	(156,976)
	455,226	768,519
EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES		
Decrease / (increase) in current assets		
Inventories	(227,747)	267,955
Trade receivables	260,508	127,354
Loans and advances	(18,311)	4,442
Trade deposits and prepayments	(1,271,809)	5,639
Refunds due from the government - sales tax	53,464	(31,141)
Other receivables	8,208	(8,175)
	(1,195,687)	366,074
(Decrease) / increase in current liabilities		
Trade and other payables	(764,083)	889,481
Advances from customers	(677,321)	1,168,605
	(2,637,091)	2,424,160
	(2,181,865)	3,192,679



2023 2022
Rupees '000

34. CASH AND CASH EQUIVALENTS

Cash and bank balances - note 15	349,285	3,030,479
Short-term borrowings - secured - note 24	(19,309)	(58,109)
	<u>329,976</u>	<u>2,972,370</u>

35. 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	
	2023	2022	2023	2022	2023	2022
	← Rupees '000 →					
Managerial remuneration and allowances	2,527	2,535	2,206	2,185	130,597	108,056
Bonus	-	-	-	-	23,796	24,926
Retirement benefits	-	-	-	-	15,506	14,566
Rent and utilities	-	-	-	-	32,015	28,894
Leave passage	182	182	162	162	5,055	4,395
Club expenses	-	-	-	-	2,075	1,229
Medical expenses	244	227	241	202	6,253	4,543
	<u>2,953</u>	<u>2,944</u>	<u>2,609</u>	<u>2,549</u>	<u>215,297</u>	<u>186,609</u>
Number of persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>31</u>	<u>27</u>

35.1 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.

35.2 Consultancy fee paid to the Chairman amounts to Rs. 4.20 million (2022: Rs. 3.79 million). The Chairman is also provided with free use of Company maintained car.

35.3 In addition to above, fee paid to the Chairman and two independent directors (2022: two) (Pakistan resident only) for attending meetings during the year amounted to Rs. 0.6 million (2022: Rs. 0.5 million) and Rs. 2 million (2022: Rs. 1.7 million) respectively.

← 2023
Units
→ 2022

36. PLANT CAPACITY AND PRODUCTION

Plant capacity (single shift without overtime)

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

Actual production

- Chassis	1,020	1,075
- Bodies	156	383

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

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.



37.1 Transactions with related parties

Relationship	Nature of transaction	2023	2022
		Rupees '000	
i. Holding company	- Purchase of goods	60,463	78,605
	- Royalty charge	166,048	158,759
ii. Other related parties	- Purchase of goods	6,438,601	6,076,897
	- Sale of goods	3,840,107	3,760,508
	- Purchase of property, plant and equipment	29,313	32,007
	- Payments to retirement benefit plans	93,434	90,551
iii. Key management personnel	- Salaries and other employee benefits	55,563	62,838
	- Retirement benefits	4,131	4,919

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	Askari Bank 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

* During the year, Askari Bank Limited ceased to be related party.



(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, 2023 the Company's interest bearing financial assets amounted to Rs. 0.32 billion (2022: Rs. 2.98 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. 3.24 million (2022: Rs. 29.76 million).

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

(ii) Credit risk

Credit risk represents the accounting loss that would be recognised if counterparts failed to perform as contracted. The financial assets exposed to credit risk amount to Rs. 1.89 billion (2022: Rs. 3.58 billion).

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

	Note	2023	2022
		Rupees '000	
Loans to employees	8 & 11	67,243	65,047
Deposits	12	1,285,638	23,954
Trade receivables	10	187,224	447,732
Other receivables	14	1,582	9,791
Bank balances	15	349,196	3,030,408
		<u>1,890,884</u>	<u>3,576,931</u>

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

	2023		2022	
	Gross	Impairment	Gross	Impairment
	Rupees '000			
0-30 days	180,763	835	307,095	1,394
31-90 days	1,264	132	80,062	1,781
91-180 days	34	-	32,314	2,238
181-270 days	-	-	-	-
270-360 days	-	-	526	210
Over 1 year	50,170	44,040	79,398	46,040
Total	<u>232,231</u>	<u>45,007</u>	<u>499,395</u>	<u>51,663</u>

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	A-1+	AAA
Habib Bank Limited	VIS	A-1+	AAA
United Bank Limited	VIS	A-1+	AAA
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+
Citibank N.A.	MOODY'S	P-1	AA3
Bank Alfalah Limited	PACRA	A-1+	AA+
Standard Chartered Bank Limited	PACRA	A-1+	AAA
Muslim Commercial Bank Limited	PACRA	A-1+	AAA
Bank Al Habib Limited	PACRA	A-1+	AAA
JS Bank Limited	PACRA	A-1+	AA-
Allied Bank Limited	PACRA	A-1+	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.

(iii) Liquidity risk

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



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

	2023				
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years
	← Rupees in '000 →				
Financial liabilities					
Trade and other payables	1,562,372	(1,562,372)	(1,562,372)	-	-
Unclaimed dividend	12,890	(12,890)	(12,890)	-	-
Short term financing	19,309	(19,309)	(19,309)	-	-
	<u>1,594,572</u>	<u>(1,594,572)</u>	<u>(1,594,571)</u>	<u>-</u>	<u>-</u>
	2022				
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years
	← Rupees in '000 →				
Financial liabilities					
Trade and other payables	2,352,278	(2,352,278)	(2,352,278)	-	-
Unclaimed dividend	12,906	(12,906)	(12,906)	-	-
Short term financing	-	-	-	-	-
Lease liability	12,634	(13,275)	(5,495)	(278)	(7,502)
	<u>2,377,818</u>	<u>(2,378,459)</u>	<u>(2,370,679)</u>	<u>(278)</u>	<u>(7,502)</u>

(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, 2023 payable exposed to foreign exchange risk is of Rs. 575.10 million (2022: Rs. 1,049.37 million). The liability is mainly denominated in Japanese Yen.

As at March 31, 2023, if the Pak Rupee had weakened / strengthened by 16% (2022: 10%) against Japanese Yen with all other variables held constant, profit before income tax for the year would have been higher / lower by Rs. 75.77 million (2022: profit before income tax would have been higher / lower by Rs. 89.43 million), mainly as a result of foreign exchange losses / gains on translation of Japanese Yen denominated financial assets and liabilities.

As at March 31, 2023, if the Pak Rupee had weakened / strengthened by 21% (2022: 12%) against Dollar with all other variables held constant, profit before income tax for the year would have been higher / lower by Rs. 20.93 million (2022: profit before income tax would have been higher / lower by Rs. 19.16 million), mainly as a result of foreign exchange losses / gains on translation of Dollar denominated financial assets and liabilities.

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

(v) Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

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.

Consistent with others in the industry, the Company monitors capital on the basis of the debt equity ratio. However, the Company as at March 31, 2023 does not have any long term borrowings from financial institutions.

	2023	2022
40. NUMBER OF EMPLOYEES		
Number of employees at March 31		
- Permanent	383	383
- Contractual	380	329
	<u>763</u>	<u>712</u>
Average number of employees during the year		
- Permanent	382	383
- Contractual	365	385
	<u>747</u>	<u>768</u>

41. 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.



42. CORRESPONDING FIGURES

Comparative information has been reclassified and re-arranged in these financial statements, wherever necessary, to facilitate comparison and to confirm with presentation in the current period, having insignificant impact.

43. DATE OF AUTHORISATION FOR ISSUE

These financial statements were approved and authorised for issue in the Board of Directors meeting held on June 21, 2023.

Chief Financial Officer

Director

Chief Executive Officer

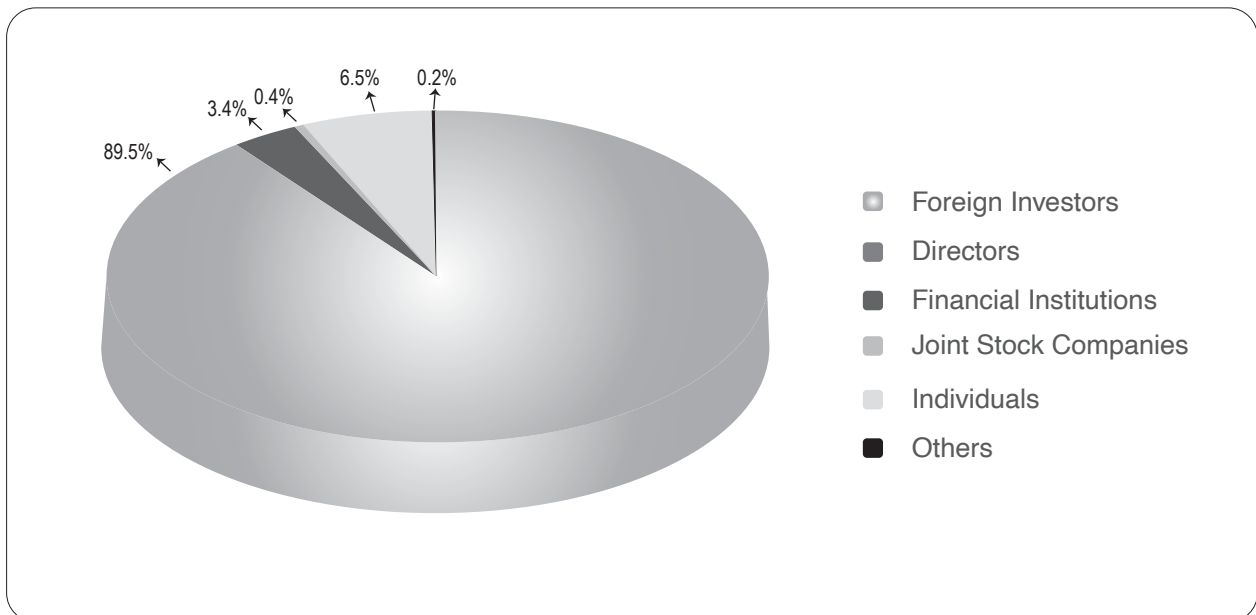


Pattern of Shareholding

AS AT MARCH 31, 2023

No of Shareholders	Shareholdings		Total Shares Held
	From	To	
783	1	100	28,159
662	101	500	141,141
110	501	1000	86,288
91	1001	5000	188,741
11	5001	10000	81,140
8	10001	100000	409,067
4	100001	1000000	1,669,984
1	3000001	10000000	7,398,867
1	10000001	15000000	14,797,733
1671			24,801,120

Shareholders' Category	No. of Shareholders	No. of Shares Held	Percentage of holding
Foreign Investors	4	22,204,200	89.5%
Directors	2	20	0.0%
Financial Institutions	4	840,220	3.4%
Joint Stock Companies	14	94,845	0.4%
Individuals	1645	1,613,653	6.5%
Others	2	48,182	0.2%
Grand Total	1671	24,801,120	100.0%





Pattern of Shareholding

Shareholders' Category	No. of Shareholders	No. of Shares Held
<u>Directors, Chief Executive Officer, and their spouse and minor children</u>		
Mr. Mushtaq Malik	1	10
Ms. Nargis Ali Akbar Ghaloo	1	10
<u>Associated Companies, undertakings and related parties</u>		
Hino Motors Ltd. (Hinopak Motors Limited is Toyota Group Company and subsidiary of Hino Motors Ltd., Japan. Toyota Motors Corporation is the ultimate parent of the group)	1	14,797,733
Toyota Tsusho Corporation, Japan	1	7,398,867
<u>NIT and ICP</u>		
CDC - Trustee National Investment (Unit) Trust	1	838,784
N.B.P. Trustee Dept. Head Office	1	200
<u>Executives</u>		
Mr. Naushad Riaz	1	200
<u>Banks, Development Financial Institutions, Non-Banking Financial Institutions</u>		
	1	286
<u>Modarabas and Mutual Funds</u>		
First Alnoor Modaraba	1	950
<u>Share holders holding 10% or more voting interest</u>		
Hino Motors Ltd., Japan	1	14,797,733
Toyota Tsusho Corporation	1	7,398,867
<u>General Public (Individuals)</u>		
A. Local	1644	1,613,453
B. Foreign	1	100
<u>Others</u>		
	17	150,527
	1671	24,801,120

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 38th 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 Tuesday, July 25, 2023 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, 2023, together with the Reports of the Directors and Auditors.
2. To appoint auditors for the ensuing year and fix their remuneration.
3. Any other business with the permission of the Chair.

SPECIAL BUSINESS

1. The Securities and Exchange Commission of Pakistan has allowed companies to circulate the annual audited accounts together with reports thereon (“annual audited financial statements”) to its members through QR enabled code and weblink. Accordingly, consent of the members is sought and if thought fit to pass the following resolution as special resolution:

“RESOLVED THAT the Company may transmit the annual audited financial statements to its members through QR enabled code and weblink address to view and download the annual audited financial statements instead of transmitting in CD/DVD/USB form or in hard copies, as allowed by the Securities and Exchange Commission of Pakistan.”

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

By order of the Board
ABDUL BASIT
Company Secretary

Karachi:
July 04, 2023



Notes

i. Online Participation in the Annual General Meeting

In order to facilitate and for the safety and well-being of the shareholders, the Company in addition to convening a physical meeting has also arranged attendance of shareholders virtually through video link facility. The shareholders who are interested in attending the AGM proceedings online may send the below information along with valid copy of both sides of CNIC with the subject "Registration for Hinopak Motors Limited AGM" at info@hinopak.com for their / their appointed proxy's verification. Such information should be sent from their duly registered valid email ID for the registration purposes latest by July 18, 2023.

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

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

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

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

ii. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from July 18, 2023 to July 25, 2023 (both days inclusive). No transfer will be accepted for registration during this period. Transfers received at Share Registrar Office M/s FAMCO Associates (Pvt.) Limited, at the close of business on July 17, 2023, 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 Associates (Pvt.) Limited. In case of non-receipt of the copy of a valid CNIC, the Company would be constrained under section 243(3) of the Companies Act, 2017, to withhold dividend (if any) of such shareholders.

vi. 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://famco.com.pk/> and send the duly filled form along with a copy of CNIC to Company's Share Registrar, M/s FAMCO Associates (Pvt.) Limited.

vii. Change of Address

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

viii. Conversion of Physical Shares into Book Entry Form

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

ix. Video-link Facility to Members

If the Company receives consent from the members holding at least 10% shareholding residing in a city, to participate in the meeting through video-link at least 07 days prior to



date of the meeting, the Company will arrange facility of video-link in that city subject to availability of such facility in that city.

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

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

Signature of Member(s)

x. Placement of Financial Statements on Website:

The Financial Statements of the Company for the year ended March 31, 2023 along with reports have been placed on the website of the Company: <https://www.hinopak.com>.

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

This statement sets forth the material facts concerning the special business listed hereinabove, to be transacted at the 38th Annual General Meeting to be held on July 25, 2023.

Transmission of Annual Audited Financial Statements through QR Code / Weblink:

The Securities and Exchange Commission of Pakistan vide SRO 389(I)/2023 dated March 21st, 2023 has allowed companies to circulate the annual audited financial statements to its members through QR enabled code and weblink instead of transmitting in CD/DVD/USB form or in hard copies.

The notice of the meeting shall be dispatched as usual to the members as per the requirements of the Companies Act. 2017, however it shall contain the QR enabled code and weblink address to enable the shareholders to view and download the annual audited financial statements.

The Company shall circulate the annual audited financial statements through email in case the email address has been provided by the member to the Company.

Further, the Company however shall supply the hard copy of the annual report to the members at their registered addresses, free of cost, within one week, if a request has been made by the member on the standard request form available on the Company's website.

None of the directors of the Company have any direct or indirect interest in the above said special business.

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 38th Annual General Meeting of the Company to be
held on Tuesday, July 25, 2023 and at any adjournment thereof.

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

Affix Revenue
Stamp of five
rupees

Witness 1 _____
Signature _____
Name _____
Address _____

CNIC or Passport No. _____

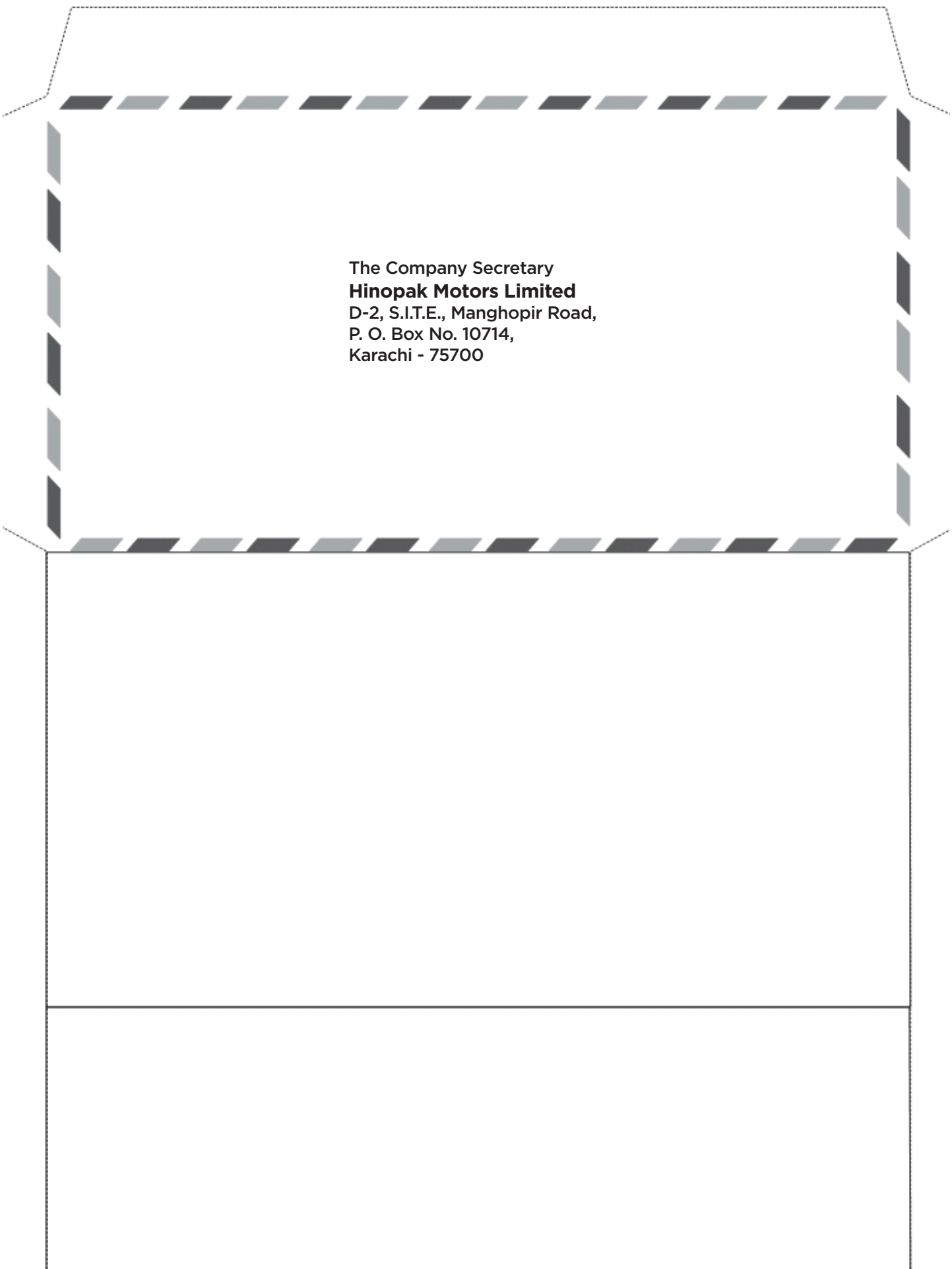
Witness 2 _____
Signature _____
Name _____
Address _____

CNIC or Passport No. _____

NOTES:

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

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



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

مختار نامہ (پراکسی فارم)

میں/ہم _____ بحیثیت ممبر بینوپاک موٹرز لمیٹڈ بمملکت _____ عام حصص بر مطابق رجسٹرڈ فوئیو نمبر _____
یا _____ CDC Participant's I.D. No. _____ اکاؤنٹ نمبر _____
مسمیٰ/مسماة _____ یا ان کی غیر موجودگی میں مسمیٰ/مسماة _____ کو اپنا/ ہمارا بطور مختار مقرر
کرتا ہوں/کرتے ہیں تاکہ وہ میری/ہماری غیر موجودگی میں میری/ہماری طرف سے کمپنی کے اڈتیسواں سالانہ اجلاس عام جو کہ بتاریخ، 25 جولائی 2023،
بروز منگل منعقد ہو رہا ہے اور اس کے ملتوی شدہ اجلاس میں شرکت کر سکے اور ووٹ ڈال سکے۔

مطلوبہ (پانچ روپے کا)
ریونیٹلٹ چسپاں کریں

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

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

نوٹس:

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



میں / ہم منجانب جو کہ ہینوپاک موٹرز لمیٹڈ کے رجسٹرڈ
فولیو / سی ڈی سی اکاؤنٹ نمبر کے تحت عمومی حصص کے مالک ہیں، میں / ہم ویڈیو کانفرنس
کی سہولت سے استفادہ کرنا چاہتے ہیں۔

ممبر (ممبران) کے دستخط

۱۰۔ آڈٹ شدہ مالیاتی گوشواروں کی ویب سائٹ پر دستیابی

کمپنی کے مالیاتی گوشوارے برائے منتخب مدت 31 مارچ 2023، مع رپورٹس، کمپنی کی ویب سائٹ <https://www.hinopak.com> پر اپ لوڈ کر دی گئی ہیں۔

خصوصی امور سے متعلق کمپنیز ایکٹ 2017 کے سیکشن (3) 134 کے تحت مادی حقائق کا بیان

یہ بیان 25 جولائی 2023 کو منعقد ہونے والے اڑتیسویں سالانہ اجلاس عام میں لین دین کیلئے اوپر درج خصوصی امور سے متعلق مادی حقائق کو بیان کرتا ہے۔

QR فعال کوڈ اور ویب لنک کے ذریعے سالانہ آڈٹ شدہ مالیاتی گوشواروں کی ترسیل

سیکریٹری اینڈ ایگزیکٹو کمیشن آف پاکستان (SECP) نے اپنے SRO نمبر 389(1)/2023 مورخہ 21 مارچ 2023 کے ذریعے کمپنیوں کو اجازت دی ہے کہ وہ اپنے ممبران کو سالانہ آڈٹ شدہ مالیاتی گوشواروں کو USB / DVD / CD فارم میں یا ہارڈ کاپیاں کی شکل میں ارسال کرنے کے بجائے QR فعال کوڈ اور ویب لنک کے ذریعے ارسال کریں۔

عام اجلاس کانٹریکٹس ممبران کو کمپنیز ایکٹ، 2017 کی شرائط کے مطابق، ان کے رجسٹرڈ پتے پر بھیجا جائے گا، جس میں سالانہ رپورٹ بشمول سالانہ آڈٹ شدہ مالیاتی بیانات، آڈیٹر کی رپورٹ، ڈائریکٹرز کی رپورٹ، چیئرمین کی جائزہ رپورٹ اور اس میں موجود دیگر رپورٹس کو دیکھنے اور ڈاؤن لوڈ کرنے کیلئے QR کوڈ اور ویب لنک ایڈریس میں درج ہوگا۔

اگر ممبران کی جانب سے ای میل ایڈریس کمپنی کو فراہم کیا گیا ہوگا تو کمپنی سالانہ آڈٹ شدہ مالیاتی گوشواروں کو ای میل کے ذریعے ارسال کر دے گی۔ مزید برآں، اگر کسی ممبر کی جانب سے درخواست فارم کو کوئی باقاعدہ درخواست کی گئی ہو تو کمپنی اس ممبر کو سالانہ رپورٹس کی ہارڈ کاپی ان کے رجسٹرڈ پتے پر ایک ہفتے کے اندر بلا معاوضہ فراہم کر دے گی۔

کمپنی کے کسی بھی ڈائریکٹر کا درج بالا خصوصی امور میں بلا واسطہ یا بالواسطہ کوئی مفاد نہیں ہے۔



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 / مع 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 رجسٹر اور کفرانہم نہیں کی ہیں، انہیں ایک مرتبہ پھر یاد دہانی کروائی جاتی ہے کہ جلد از جلد اپنے CNIC کی نقل کمپنی کے شیئر رجسٹر اری میسرز فیمکو ایسوسی ایٹس (پرائیویٹ) 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://www.famco.com.pk> 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 رجسٹر اری میسرز فیمکو ایسوسی ایٹس (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 رجسٹر اری میسرز فیمکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کو آگاہ کریں۔

۸۔ طبعی حصص کی بگ 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 بگ 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 انویسٹراکاؤنٹس سرورسز یا پاکستان اسٹاک ایکچینج کے کسی بھی TRE سرٹیفیکیٹ ہولڈر / شریک کار کے ذریعے بگ انٹری فارم میں تبدیل کروالیں۔

۹۔ ممبران کیلئے ویڈیولنک کی سہولت

اگر کمپنی کو کسی ممبر / ممبران سے اجلاس میں بذریعہ ویڈیولنک شرکت کرنے کی درخواست 7 دن قبل موصول ہو جن 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 رجسٹر اری میسرز فیمکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کو مندرجہ ذیل معلومات فراہم کریں:



گزارشات

۱۔ 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 ویڈیولنک کے ذریعے حاضر ہونے کی اجازت دی جائے گی۔ حصص یافتگان جو سالانہ اجلاس عام (AGM) کی آن لائن کارروائی میں دلچسپی رکھتے ہوں، وہ اپنے درست کمپیوٹرائزڈ شناختی کارڈ کی دونوں اطراف کی نقل (اسکین کر کے یا تصویر کھینچ کر) عنوان میں ”رجسٹریشن آف ہینو پاک موٹرز لمیٹڈ A G M“ درج کر کے اپنے مقرر کردہ پراکسی توثیق کیلئے info@hinopak.com پر بھیج دیں۔ رجسٹریشن کے مقصد کیلئے اس قسم کی معلومات باقاعدہ رجسٹرڈ درست ای میل آئی ڈی کے ذریعے 18 جولائی 2023 تک فراہم کر دی جائیں۔

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

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

اراکین کی بہر حال، حوصلہ افزائی کی جاتی ہے کہ وہ بذریعہ ویڈیولنک، ذاتی طور پر یا بذریعہ پراکسی سالانہ اجلاس عام میں اپنی شرکت کو یقینی بنائیں۔

۲۔ حصص منتقلی کی کتابوں کی بندش

سالانہ اجلاس عام کیلئے کمپنی کے حصص منتقلی کی کتابیں 18 جولائی سے 25 جولائی 2023 تک (بشمول دونوں ایام) بند رہیں گی۔ اس مدت کے دوران کسی بھی حصص کی منتقلی کی رجسٹریشن قبول نہیں کی جائے گی۔ شیئر رجسٹرار آفس میسرز فیکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ میں 17 جولائی 2023 کو دفتری اوقات ختم ہونے تک موصول ہونے والی منتقلیوں کو اجلاس عام میں شرکت اور ووٹ دینے کے حق کو بروقت تصور کیا جائے گا۔

۳۔ اجلاس میں حاضری کیلئے

انفرادی فرد ہونے کی صورت میں کھاتے دار یا ذیلی کھاتے دار اور/یا وہ افراد جن کے حصص گروپ اکاؤنٹ کی صورت میں ہیں اور ان کی تفصیلات ریگولیشنز کے تحت اپ لوڈ کر دی گئی ہیں، وہ اپنی شناخت کیلئے اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ اجلاس میں حاضری کے وقت پیش کریں۔

کارپوریٹ ادارہ ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمع نامزد فرد کے نمونہ دستخط اجلاس عام میں حاضری کے وقت (اگر پہلے سے فراہم نہ کیے گئے ہوں) پیش کیے جائیں گے۔

۴۔ پراکسی

ایک ممبر جو اجلاس 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۔ پراکسی کو موثر ہونے کیلئے ان کمپنی کے رجسٹرڈ آفس میں اجلاس کے وقت سے 48 گھنٹے قبل موصول ہونا ضروری ہے۔

سالانہ اجلاس عام میں شرکت کے سلسلے میں شناخت کی سہولت کیلئے حصص یافتگان کے حصص سینٹرل ڈپازٹری سسٹم (CDS) میں ہیں یا ان کا پراکسی اپنی شناخت کیلئے

نوٹس برائے سالانہ اجلاس عام

بذریعہ ہذا اطلاع دی جاتی ہے کہ ہینوپاک موٹرز لمیٹڈ (کمپنی) کے حصص یافتگان کا اڑتیسواں سالانہ اجلاس عام (AGM)، منگل 25 جولائی 2023، کو صبح 09:30 بجے کمپنی کے رجسٹرڈ آفس واقع D-2، سائٹ، منگھو پیروڈ، 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

- ۱۔ کمپنی کے آڈٹ شدہ مالیاتی گوشوارے برائے مختتمہ مدت 31 مارچ 2023 کے ساتھ ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خاص اور انہیں اختیار کرنا۔
- ۲۔ اگلے سال کیلئے آڈیٹرز کی تقرری اور ان کا معاوضہ طے کرنا۔
- ۳۔ صدر مجلس کی اجازت سے مزید دیگر امور کی انجام دہی۔

خصوصی امور

- ۱۔ پاکستان کے سیکورٹیز اینڈ ایکسچینج کمیشن نے کمپنیوں کو اجازت دی ہے کہ وہ سالانہ آڈٹ شدہ اکاؤنٹس کو رپورٹس ("سالانہ آڈٹ شدہ مالیاتی گوشوارے") کے ساتھ اپنے اراکین کو QR فعال کوڈ اور ویب لنک کے ذریعے بھیجیں۔ اسی مناسبت سے اراکین کی رضامندی لی جاتی ہے اور اگر مناسب سمجھا جائے تو درج ذیل قرار داد کو بطور خاص منظور کیا جائے:
- "قرار پایا ہے کہ کمپنی سالانہ آڈٹ شدہ مالیاتی گوشواروں کو CD/DVD/USB فارم میں یا ہارڈ کاپیاں کی شکل میں ارسال کرنے کی بجائے، QR فعال کوڈ اور ویب لنک ایڈریس کے ذریعے اپنے اراکین کو دیکھنے اور ڈاؤن لوڈ کرنے کے لیے ترسیل کر سکتی ہے، جیسا کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان بھی اس کی اجازت دیتا ہے۔"

کمپنیز ایکٹ 2017 کے سیکشن 134(3) کے تحت درکار مادی حقائق کا بیان، جو مذکورہ خصوصی کاروبار کا احاطہ کرتا ہے، اجلاس عام کے نوٹس کے ساتھ منسلک ہے۔

محکم بورڈ

عبدالباسط

کمپنی سیکریٹری

کراچی:
04 جولائی 2023



کارپوریٹ سماجی ذمہ داریاں / ماحول پر اثرات

کمپنی ساہما سال سے معاشرے کی فلاح و بہبود میں مختلف سماجی سرگرمیوں کے ذریعے قابل ذکر معاونت کر رہی ہے۔ CSR پالیسی کے تحت کمپنی کی بنیادی سرگرمیوں میں صحت کی سہولتیں، مقام ملازمت، ماحول اور معاشرہ شامل ہے۔

اس سال، ہم نے متعدد سرگرمیوں میں حصہ لیا، جس میں ایک ویسٹ میٹرل ری سائیکلنگ پروجیکٹ اور ایک سرکاری اسکول کے ساتھ پوسٹر مقابلے کا انعقاد، سڑک کی حفاظت سے متعلق آگاہی کو فروغ دینا اور ڈینگی اسپرے کا انعقاد شامل ہے۔ ہم نے مختلف یونیورسٹیوں اور اسکولوں جیسے کہ بحریہ یونیورسٹی، این ای ڈی یونیورسٹی، جرنیشن اسکول، اور نیشنل یونیورسٹی آف ماڈرن لینگویجز کراچی کیسٹس کے لیے مختلف صنعتی دوروں کیلئے بھی سہولت فراہم کی۔

ہینوپاک موٹرز نے سیلاب کے دوران راشن کی تقسیم میں اہم کردار ادا کیا اور سیلاب متاثرین کیلئے عطیات جمع کرنے کی مہم میں حصہ لیا۔ ہم نے اپنے ملازمین اور ان کے اہل خانہ کے ساتھ مل کر ساحل سمندر کی صفائی کی سرگرمی میں حصہ لیا۔ مزید برآں، ہم نے مشکل وقت کے دوران ملازمین کی مشغولیت کو بڑھانے کیلئے کئی وہمی ناز اور آن لائن تربیتی سیشنز کا انعقاد کیا۔

نان ایگزیکٹو ڈائریکٹرز کے معاوضہ کی پالیسی کے نمایاں خدو خال

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

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

سال کے دوران پریزیڈنٹ / چیف ایگزیکٹو آفیسر کا معاوضہ 3 ملین روپے (2022 میں 3 ملین روپے) رہا۔

سال کے دوران چیئر مین کا بورڈ کے اجلاس میں شرکت کا معاوضہ 0.6 ملین روپے (2022 میں 0.5 ملین روپے) اور مشاورتی فیس جو ادا کی گئی وہ 4.20 ملین روپے (2022 میں 3.79 ملین روپے) رہی۔

ڈائریکٹر بشمول چیف ایگزیکٹو کے معاوضہ کی مزید تفصیلات مالیاتی گوشواروں کے نوٹ نمبر 35 میں بیان کی گئی ہیں۔

چیئر مین کا جائزہ

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

حسب احکام بورڈ

ڈائریکٹر

水澤隆文

چیف ایگزیکٹو آفیسر

تاریخ 21 جون 2023

منافع منقسمہ

کمپنی نے بعد از ٹیکس منافع حاصل کیا ہے تاہم جمع شدہ خساروں کی پوزیشن اور موجودہ سیاسی اور اقتصادی عدم استحکام اور کمپنی کی لیکویڈٹی پوزیشن کو مد نظر رکھتے ہوئے، ڈائریکٹرز نے منافع منقسمہ کی ادائیگی کی سفارش نہیں کی ہے۔

بعد ازاں واقعات

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

کارپوریٹ نظم و ضبط کے بہترین طور طریقوں کی پاسداری

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

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارے، کمپنی کی حالت، اس کی سرگرمیوں، امور کے نتائج، حصص میں تبدیلی اور کیش فلکوی شفاف عکاسی کرتے ہیں۔
- کمپنی کے کھاتوں کی کتابیں مناسب انداز میں تیار کی گئی ہیں۔
- مناسب اکاؤنٹنگ پالیسیوں کو مالیاتی گوشواروں کی تیاری میں مسلسل لاگو کیا گیا ہے سوائے اس کے کہ منکشف کیا گیا ہو اور اکاؤنٹنگ تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہوں۔
- بین الاقوامی اکاؤنٹنگ معیارات اور بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، کی مالی گوشواروں کی تیاری میں پیروی کی گئی ہے۔
- اندرونی کنٹرول کا نظام مضبوط طرز پر بنایا گیا ہے اور اس کا موثر طریقے سے نفاذ کیا گیا ہے اور اس کی مسلسل نگرانی کو یقینی بنایا جاتا ہے۔
- کمپنی کی سرگرمیاں جاری رہنے کے حوالے سے کسی طرح کے شکوک و شبہات نہیں پائے جاتے۔
- پاکستان اسٹاک ایکسچینج کی رول بک کے قواعد میں بیان کردہ ادارتی نظم و نسق کے بہترین طور طریقوں سے کوئی قابل ذکر انحراف نہیں کیا گیا۔
- گذشتہ چھ سال کے آپریٹنگ اور مالیاتی ڈیٹا کی جھلکیاں صفحہ 18 پر دی گئی ہیں۔
- 31 مارچ 2023 تک کمپنی کے پروویڈنٹ، گریجویٹی اور پنشن فنڈز کی سرمایہ کاری کی مالیت حسب ذیل ہے:

فنڈ کا نام	روپے ہزاروں میں
ہینوپاک موٹرز لمیٹڈ ایمپلائز پروویڈنٹ فنڈ	328,933
ہینوپاک موٹرز لمیٹڈ ایمپلائز گریجویٹی فنڈ	330,921
ہینوپاک موٹرز لمیٹڈ ایمپلائز پنشن فنڈ	608,580

کمپنی کے حصص کی خرید و فروخت

سال مختتمہ 31 مارچ 2023 کے دوران ڈائریکٹرز، ایگزیکٹوز اور ان کی شریک حیات اور نابالغ بچوں نے کمپنی کے حصص میں کوئی خرید و فروخت نہیں کی۔ کمپنیز ایکٹ 2017 کے فورتھ شیڈول میں طے کردہ حد کے مطابق سالانہ رپورٹ میں اصطلاح ”ایگزیکٹوز“ سے مراد ایسا ملازم ہے، جس کی سالانہ بنیادی تنخواہ 1.2 ملین روپے سے زیادہ ہو۔



کمپنی کے کاروبار کی ترقی و کارکردگی اور مستقبل میں منافع کے امکانات

کمپنی نے بعد از ٹیکس منافع Rs. 16.03 ملین روپے حاصل کیا جو گزشتہ برس 2021-22 میں 417.13 ملین روپے تھا۔ موجودہ مالی سال حکومت کی طرف سے درآمدی پابندیوں، سپلائی چین میں رکاوٹوں، کرنسی کی قدر میں نمایاں کمی اور بلند افراط زر کے تناظر میں فروخت کے حجم اور منافع کے حوالے سے بہت چیلنجنگ تھا۔

کمپنی کے مستقبل کے منافع کو موجودہ سیاسی اور اقتصادی بحرانوں، ایل سی کھولنے اور غیر ملکی ترسیلات زر پر پابندیوں، شرح مبادلہ کی ناموافق برابری، اور مقامی میٹر میل کی لاگت میں خاطر خواہ اضافے کی وجہ سے نمایاں دباؤ کا سامنا کرنا پڑ سکتا ہے۔

کافی چیلنجوں کے باوجود، کمپنی بہتری کے ہر موقع سے فائدہ اٹھانے کیلئے پُر عزم اور ثابت قدم ہے۔ اعلیٰ معیار کی گاڑیوں کی فراہمی اور کمپنی کی مالی کارکردگی کو ہمیز رکھنا اس کی ترجیحات میں شامل ہے۔

بنیادی خطرات اور غیر یقینی صورتحال

ملک میں موجودہ سیاسی عدم استحکام اور غیر یقینی اقتصادی صورتحال نے مجموعی کاروبار بالخصوص آٹو انڈسٹری پر اپنے اثرات مرتب کیے ہیں۔ ایل سی کھولنے کے حوالے سے اسٹیٹ بینک آف پاکستان کی پابندیاں، شرح مبادلہ کے ناموافق اتار چڑھاؤ، بڑھتی ہوئی افراط زر اور کسٹمز کی قوت خرید میں کمی وہ عوامل ہیں جو نتائج کو متاثر کر سکتے ہیں۔

آڈیٹرز کی تقرری

موجودہ آڈیٹرز میسرز ایف فرگوسن اینڈ کو، 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 ایف فرگوسن اینڈ کو، کی بحیثیت آڈیٹرز برائے سال 31 مارچ 2024 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 2023 کو حصص داری کی ساخت اور دیگر اضافی معلومات کو بالترتیب صفحہ 79 تا صفحہ 80 پر منکشف کیا گیا ہے۔

ہولڈنگ کمپنی

19 اکتوبر 1998 سے ہینو موٹرز 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 پُر 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۔



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

ڈائریکٹر کا نام	حاضری کی تعداد
محترمہ زگس علی اکبر گھالو	4
جناب مشتاق ملک	4
جناب تاجو جی اومیمورا	4
جناب کوجی ناگاٹا	4
جناب مساتو اوچیڈا*	0

* جناب مساتو اوچیڈا کی آڈٹ کمیٹی میں 10 فروری 2023 کو تقرری ہوئی، جس کے بعد سے آڈٹ کمیٹی کا کوئی اجلاس سال کے اختتام تک منعقد نہیں ہوا۔

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۔

مالی سال کے دوران پاکستان کی معیشت میں تنزلی کا رجحان دیکھنے میں آیا جس کا سبب غیر ملکی ذخائر میں کمی اور افراط زر میں اضافہ تھا۔ منفی شرح مبادلہ اور توانائی کی نظر ثانی شدہ قیمتوں کے مشترکہ اثرات کے نتیجے میں تاریخی طور پر مہنگائی کی شرح بلند ہوئی۔ مزید برآں، ضروری اشیاء کی قلت اور درآمدات پر پابندیوں نے علاقائی قیمتوں پر مزید دباؤ ڈالا۔ بگڑے ہوئے بنیادی اقتصادی اشاریوں کے نتیجے میں مجموعی طور پر صنعت میں تنزلی دیکھی گئی۔

منافع / (خسارہ) کا اختصا

اختصا کی تفصیلات درج ذیل ہیں:

سال تختہ	سال تختہ	
31 مارچ 2022	31 مارچ 2023	
		روپے '000 میں
564,784	260,689	منافع قبل از انکم ٹیکس
(147,654)	(244,656)	انکم ٹیکس اخراجات
417,130	16,033	منافع بعد از انکم ٹیکس
55,871	63,790	اضافی فرسودگی کی مد میں جامد اثاثوں کی از سر نو تشخیصی مالیت پر اضافہ کی منتقلی
(1,039)	5,517	دیگر جامع آمدنی (خسارہ) برائے سال
(935,260)	(463,298)	غیر مصرف شدہ (خسارہ) پیچھے سے لایا گیا
(463,298)	(377,958)	غیر مصرف شدہ (خسارہ) آگے لے جایا گیا
Rs. 16.82	Rs. 0.65	فی حصص آمدنی



بورڈ کے اجلاس

اس سال بورڈ کے 14 اجلاس منعقد ہوئے، جن میں ہر ڈائریکٹر کی حاضری درج ذیل رہی:

ڈائریکٹر کے نام	حاضری کی تعداد
جناب محمد اسلم سنجانی	4
جناب تاکا یو کیو اوا	4
جناب آکیرا اوچیدا	4
محترمہ نرگس علی اکبر گھالو	4
جناب مشتاق ملک	4
جناب کوجی ناگاٹا*	4
جناب تاکو جی او میورا	4
جناب مساتو اوچیڈا**	0

* سال کے دوران مستعفی ہو گئے اور مذکورہ بالا بیان کردہ اتفاقی آسامیاں پُر کر لی گئیں۔

** جناب مساتو اوچیڈا کی بورڈ میں 10 فروری 2023 کو تقرری ہوئی، جس کے بعد سے بورڈ کا کوئی اجلاس سال کے اختتام تک منعقد نہیں ہوا۔

بورڈ کی کمیٹیاں

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

۱۔ آڈٹ کمیٹی

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

۲۔ انسانی وسائل و معاوضہ کمیٹی

- مشتاق ملک۔ چیئر مین
- نرگس علی اکبر گھالو
- تاکا یو کیو اوا



ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز اپنی رپورٹ کے ساتھ کمپنی کے آڈٹ شدہ مالیاتی گوشوارے برائے ختمہ مدت 31 مارچ 2023 پیش کرتے ہوئے اظہارِ مسرت کرتے ہیں:

31 مارچ 2023 پر 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
10 فروری 2023

نئے آنے والے ڈائریکٹرز
جناب مساتوا اوچیڈا

جانے والے ڈائریکٹرز
۱۔ جناب کوجی نگاتا



اور موثر نظام وضع کیا گیا ہے۔ بورڈ کی طرف سے اس نظام کو باقاعدہ قائم، منظور و کامیابی کے ساتھ نافذ کیا گیا ہے۔

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

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

مستقبل کا منظر نامہ

یہ گھمبیر صورتحال ہے کہ آئی ایم ایف کے ساتھ مذاکرات میں تاخیر کے باعث حکومت کو نہ چاہتے ہوئے بھی صرف ضروری اشیاء کی درآمد پر پابندیاں برقرار رکھنی پڑ رہی ہیں۔ عوامی توقعات کو متوازن کرنا اور کمزور معیشت کو سنبھالنا ایک مشکل امر ہے۔

آٹو انڈسٹری ملک کا سب سے بڑا موصلاتی نظام ہے۔ اس حقیقت کے باوجود ملک کے میکرو اکنامک اشاریے مجموعی طور پر اس کے لیے چیلنج بن رہے ہیں۔ یہ صنعت منسلک صنعتوں کے ساتھ مل کر آبادی کے ایک اہم حصے کو بلا واسطہ اور بالواسطہ روزگار فراہم کرتی ہے، ڈیویڈوں اور ٹیکسوں کی ادائیگی کے ذریعے قومی خزانے میں نمایاں حصہ ڈالتی ہے، اور آٹو پارٹس کی مقامی ترقی کو بتدریج فروغ دیتی ہے۔

بدلے میں، آٹو موٹور انڈسٹری حکومت سے کاروبار کے ماحول میں آسانی اور لاگتوں میں کمی کے ذریعے ملک کی اقتصادی ترقی میں اپنا کردار ادا کرنے کیلئے تعاون کی توقع رکھتی ہے۔

اظہار تشکر

آخر میں، میں، بورڈ اور شیئر ہولڈرز کی جانب سے انتظامیہ، ایگزیکٹو، ورکرز، ڈیلرز، سپلائرز، وینڈرز، ہنوموٹر لمیٹڈ، اور ٹویٹا سوشو کارپوریشن کے ماہرین کی کاوشوں اور شراکت کیلئے معترف اور مشکور ہوں۔

محمد اسلم سجرانی

چیئر مین

تاریخ: 21 جون 2023



مالیاتی لاگت

منفی شرح مبادلہ کی برابری بنیادی طور پر امریکی ڈالر کے مقابلے میں مقامی کرنسی کی نمایاں متزلی نے روپے کے تبادلے میں 235.8 ملین روپے کا نقصان پہنچایا۔

بعد از ٹیکس منافع

کمپنی نے بعد از ٹیکس منافع 16.03 ملین روپے حاصل کیا جو مقابلتاً گذشتہ سال 417.13 ملین روپے تھا۔ کمپنی نے 0.65 روپے فی حصص آمدنی بھی حاصل کی۔ جو گزشتہ سال 16.82 روپے فی حصص تھی۔

سرمایہ جاتی اخراجات

پیداواری صلاحیت اور معیار کی بہتری کیلئے سرمائے کے اثاثوں کا حصول اور دیکھ بھال ضروری ہوتی ہے۔ تجارتی آپریشنز کے مناسب کام کی ضمانت دینے کیلئے 123 ملین روپے کا خرچ بنیادی طور پر پلانٹ اور مشینری کی مد میں کیا گیا۔

منافع منقسمہ

کمپنی نے بعد از ٹیکس کم از کم منافع حاصل کیا ہے لیکن مجموعی نقصان کی پوزیشن، موجودہ سیاسی اور اقتصادی غیر یقینی صورتحال اور کمپنی کی لیکویڈیٹی پوزیشن کو دیکھتے ہوئے، ڈائریکٹرز نے منافع منقسمہ کی ادائیگی کی سفارش نہیں کی ہے۔

قومی خزانے میں حصہ داری

کمپنی نے حکومت کو ٹیکسوں، ڈیوٹیوں، لیویز اور سیس کی مد میں تقریباً 1.69 بلین روپے ادا کیے۔

ہینو سے اعلان

ہینو پاک موٹرز لمیٹڈ، ٹویوٹا موٹرز کارپوریشن (ٹویوٹا)، مشوبہٹی فوسوٹرک اینڈ بس کارپوریشن (MFTBC) اور ڈیملر ٹرک کی بیزنس کمپنی ہینو موٹرز لمیٹڈ (Hino) نے جدید ٹیکنالوجی کی پیش رفت کو تیز کرنے اور MFTBC اور ہینو کو ضم کرنے کیلئے مفاہمت کی ایک یادداشت (ایم او یو) پر اتفاق کیا ہے۔ ہینو، ٹویوٹا، MFTBC اور ڈیملر ٹرک باہم اشتراک سے CASE ٹیکنالوجیز (Connected/Autonomous & Automated/Shared/Electric) تیار کر کے اور تجارتی گاڑیوں کے کاروبار کو عالمی سطح پر پائیدار کر کے کاربن کے توازن کو حاصل کرنے اور ایک خوشحال مربوط معاشرہ بنانے کیلئے تعاون کریں گے۔ تعاون کے دائرہ کار اور نوعیت کے بارے میں تفصیلات بشمول نام، مقام، شیڈولنگ کا تناسب اور نئی ہولڈنگ کمپنی کے کارپوریٹ ڈھانچے کا فیصلہ اگلے 18 ماہ کے دوران کیا جائے گا۔

کارپوریٹ نظم و ضبط

بورڈ کی کارکردگی اور کمپنی کے مقاصد کے حصول میں کردار

لسڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تقاضوں کے مطابق، بورڈ، ممبران بورڈ اور اس کی ذیلی کمیٹیوں کی کارکردگی کا سالانہ جائزہ لینے کیلئے ایک باضابطہ



چیئر مین کا جائزہ

بورڈ آف ڈائریکٹرز کی جانب سے، میں آپ کو کمپنی کے اڑتیسواں سالانہ اجلاس عام میں خوش آمدید کہتا ہوں اور 31 مارچ 2023 کو ختم ہونے والے سال کیلئے کمپنی کی کارکردگی کا جائزہ پیش کرنا اپنے لیے اعزاز سمجھتا ہوں۔

پاکستان کو کئی مالیاتی چیلنجز کا سامنا ہے۔ تاریخی نقطہ نگاہ سے ملکی زرمبادلہ کے ذخائر کم ترین سطح کو اب تک چھو چکے ہیں، کاروباری اعتماد ٹوٹ پھوٹ کا شکار ہے، افراط زر اپنی بلند ترین سطح پر ہے اور مقامی کرنسی کی مسلسل گرانی کی جانب مائل ہے۔

سیاسی منظر نامے کی بات کریں تو آنے والے انتخابات اور اس کے انعقاد کا وقت کے حوالے سے وضاحت کا فقدان ہے، مزید برآں بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کے ساتھ مسلسل مذاکرات بھی حتمی نہیں ہو پارہے ہیں، جن کے سبب تمام تر معاشی صورتحال مزید خراب ہوتی جا رہی ہے۔

مقامی کرنسی کی مسلسل تنزلی اور غیر ملکی زرمبادلہ کے ذخائر میں کمی کی وجہ سے، حکومت نے کمرشل بینکوں کو مشورہ دیا ہے کہ وہ صرف ضروری صنعتی شعبوں کی درآمدات کو ترجیح دیں اور اس میں سہولت فراہم کریں۔ بد قسمتی سے اس میں آٹوموبائل اور مختلف صنعتی شعبے شامل نہیں ہیں۔ یہ درآمدی پابندی گاڑیوں کی تیاری کیلئے میٹیریل کی شدید قلت کا باعث بن رہی ہے۔ نتیجتاً، اور بجٹل ایکو پینٹ مینوفیکچر (OEMs) کو عارضی طور پر کارخانے بند کرنے کے سوا کوئی چارہ نہ تھا۔ اسی دوران، آٹوموبائل سیکٹر کو بلند افراط زر، دوہرے ہندسے کی شرح سود، غیر ملکی کرنسی کی شرحوں میں عدم استحکام، عالمی اجناس کی قیمتوں میں اضافہ اور کووڈ-19 کی وجہ سے سپلائی چین میں رکاوٹوں کا سامنا کرنا پڑا جس کے نتیجے میں شپنگ لاگتوں میں اضافہ دیکھنے میں آیا۔

ان تمام تر چیلنجز کے باوجود، کمپنی کی انتظامیہ پائیدار آپریشنز کو یقینی بنانے میں کامیاب رہی اور سخت محنت کے بعد مالی سال 23 مارچ 2023 کا نفع و نقصان کے بغیر اختتام کیا۔ نقصان ہونے کا جو اندیشہ تھا وہ 16.03 ملین روپے کے ٹیکس کے بعد منافع میں تبدیل ہو گیا۔

ہینوپاک کاروبار

مارکیٹ شیئر اور فروخت

مارچ 2023 کو ختم ہونے والے مالی سال میں، کمرشل گاڑیوں کی صنعت کی مارکیٹ کا حجم 15 فیصد کم ہوا۔ تاہم، کمپنی نے اپنی حکمت عملی کے مطابق صرف منافع بخش سودوں میں سرمایہ کاری کی اور گزشتہ سال کے 16.6 فیصد کے مقابلے میں 20 فیصد مارکیٹ شیئر حاصل کیا۔

مجموعی منافع

موجودہ مالی سال کے دوران غیر یقینی صورتحال اور مشکل کاروباری منظر نامے کے باوجود، کمپنی نے 1.13 بلین روپے کا مجموعی منافع حاصل کیا جو گزشتہ سال 1.2 بلین روپے تھا۔ کمپنی نے ہمیشہ کی طرح اپنی بہترین کارکردگی دکھانے پر توجہ مرکوز رکھی ہے اور صارفین کے اطمینان کے لیے پرعزم ہے۔ ہمارے کسٹمرز کا غیر متزل اعتماد ہمیں، یہاں تک کہ موجودہ مشکل حالات میں بھی آگے کی منزلیں طے کرنے پر گامزن رکھتا ہے۔

تقسیم اور انتظامی اخراجات

اگرچہ انتظامیہ کی کاوشوں کی وجہ سے پچھلے چند برسوں میں تقسیم اور انتظامی اخراجات میں نمایاں کمی واقع ہوئی ہے، لیکن افراط زر کے دباؤ کی وجہ سے مزید تبدیلیوں کی اب بھی ضرورت ہے۔ نتیجے کے طور پر، 31 مارچ 2023 کو ختم ہونے والے سال کیلئے تقسیم اور انتظامی اخراجات 809.5 ملین روپے تھے۔



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