



3rd Quarterly  
Report 2023



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# COMPANY INFORMATION

## BOARD OF DIRECTORS

Mr. Muhammad Aslam Sanjrani  
Chairman

Mr. Takayuki Kizawa  
President & Chief Executive Officer

Mr. Akira Uchida  
Director & Executive Vice President

Ms. Nargis Ali Akbar Ghaloo  
Independent Director

Mr. Mushtaq Malik  
Independent Director

Mr. Masato Uchida  
Mr. Takuji Umemura

Abdul Basit  
Company Secretary

## BANKERS

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

## AUDITORS

A.F. Ferguson & Co. Chartered Accountants

## LEGAL ADVISOR

Sayeed & Sayeed

## REGISTERED OFFICE

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

## SHARE REGISTRAR

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

## AREA OFFICES

### Lahore

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

### Islamabad

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

### Quetta

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

### Peshawar

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

### Multan

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

# DIRECTORS' REPORT

For the Nine Months Ended December 31, 2023

## GREETINGS TO THE SHAREHOLDERS!

The total sale of commercial vehicles of all makes in the country in the Apr-Dec nine months of 2023-24 was 1572 units – 56% lower than in the corresponding same period of last year.

## SALES

The sale of Hinopak's trucks and buses decreased to 240 units from 780 units in the corresponding period of the last year.

## SALES REVENUE

The sales revenue for the nine months decreased to Rs. 5.48 billion from Rs. 9.80 billion, the Company earned gross profit of Rs. 514 million as compared to gross profit of Rs. 815 million in the corresponding period of last year.

## FINANCE COST

The finance cost stood at Rs. 90 million (including markup on short term borrowings of Rs.92 million and net exchange gain of Rs. 15 million) in comparison with the finance cost of Rs. 158 million (including markup on short term borrowings of Rs. 4 million and net exchange loss of Rs. 143 million) in the corresponding period of the last year.

## PROFIT & LOSS

The loss after tax was Rs. 244 million as compared to profit after tax of Rs. 10 million in the last year's corresponding period leading to loss per share of Rs.9.83 against the earnings per share of Rs. 0.41 in the corresponding period.

## FUTURE OUTLOOK:

Pakistan's economy is undergoing a process of structural reforms in alignment with the International financing programs. A stable and well-functioning democracy is a prerequisite to initiating structural reforms and institutional overhauling. The government that emerges after the upcoming elections, will face numerous challenges. Fiscal imbalances, high debt payments, significantly high inflation and exchange parity pressure may pose significant hurdles to the new government's economic revival agenda.

Low purchasing power of consumers, expensive & restricted auto financing, and lower government spending has contributed to the decline in sales of overall automobile sector. This situation will gradually improve once overall economic condition becomes stable.

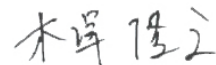
Despite the challenging situation, the company will make all the efforts for lean and sustainable business operations.

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



Director

Date: January 29, 2024



Chief Executive Officer

3rd Quarterly Report 2023



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2023**

		(Unaudited) December 31, 2023 (Rupees '000)	(Audited) March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	3,724,499	3,905,869
Intangible assets	6	10,694	19,616
Long-term investments	7	-	-
Long-term loans and advances		29,701	38,908
Long-term deposits		8,954	8,829
Employee benefit prepayment		-	43,699
		<b>3,773,848</b>	<b>4,016,921</b>
<b>Current assets</b>			
Inventories		3,947,111	2,043,552
Trade receivables	8	68,641	187,224
Loans and advances		31,130	54,704
Trade deposits and prepayments	9	422,249	1,299,935
Refunds due from the government - sales tax		239,093	122,702
Other receivables		-	1,582
Taxation - payments less provision		1,160,974	1,062,713
Cash and bank balances	10	13,461	349,285
		<b>5,882,659</b>	<b>5,121,697</b>
<b>Total assets</b>		<b>9,656,507</b>	<b>9,138,618</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserve</b>			
Issued, subscribed and paid-up capital	11	248,011	248,011
<b>Capital Reserve</b>			
Revaluation surplus on land and buildings		2,163,076	2,222,132
Share premium		2,771,525	2,771,525
<b>Revenue Reserve</b>			
General reserve		291,000	291,000
Accumulated loss		(562,708)	(377,958)
		<b>4,910,904</b>	<b>5,154,710</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred taxation		171,392	170,359
Employee benefit obligations		40,424	64,259
		<b>211,816</b>	<b>234,618</b>
<b>Current liabilities</b>			
Trade and other payables	12	2,034,589	2,064,148
Short-term borrowings - secured		1,800,069	19,309
Advances from customers		686,253	1,652,943
Unclaimed dividend		12,876	12,890
		<b>4,533,787</b>	<b>3,749,290</b>
<b>Total liabilities</b>		<b>4,745,603</b>	<b>3,983,908</b>
<b>Contingency and commitments</b>	13		
<b>Total equity and liabilities</b>		<b>9,656,507</b>	<b>9,138,618</b>

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

  
Chief Financial Officer

  
Director

  
Chief Executive Officer

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE NINE MONTHS ENDED DECEMBER 31, 2023 - (UNAUDITED)**

	Note	Quarter ended		Nine months ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
(Rupees '000)					
Revenue from contracts with customers	14	1,700,649	3,960,605	5,481,718	9,804,627
Cost of sales		<u>(1,507,372)</u>	<u>(3,674,474)</u>	<u>(4,967,705)</u>	<u>(8,989,130)</u>
Gross profit		193,277	286,131	514,013	815,497
Distribution cost		<u>(132,069)</u>	<u>(111,859)</u>	<u>(327,646)</u>	<u>(308,270)</u>
Administration expenses		<u>(142,566)</u>	<u>(102,518)</u>	<u>(371,855)</u>	<u>(301,351)</u>
Other income	15	41,145	31,775	99,646	175,819
Other expenses	16	<u>(225)</u>	<u>(6,564)</u>	<u>(225)</u>	<u>(16,885)</u>
Reversal of impairment on trade receivables and deposits		<u>1,955</u>	<u>-</u>	<u>4,340</u>	<u>1,944</u>
(Loss) / profit from operations		<u>(38,483)</u>	96,965	<u>(81,727)</u>	366,754
Finance cost	17	<u>(79,610)</u>	<u>(28,241)</u>	<u>(90,166)</u>	<u>(157,958)</u>
(Loss) / profit before income tax		<u>(118,093)</u>	68,724	<u>(171,893)</u>	208,796
Income tax expense	18	<u>(21,771)</u>	<u>(61,606)</u>	<u>(71,913)</u>	<u>(198,614)</u>
(Loss) / profit after income tax		<u>(139,864)</u>	7,118	<u>(243,806)</u>	10,182
<b>Other comprehensive income for the period:</b>					
<b>Items that will not be reclassified to Profit or Loss</b>					
Remeasurement of post employment benefit obligations		-	-	-	-
Impact of deferred tax		-	-	-	-
Gain on revaluation of land and buildings		-	-	-	-
Impact of deferred tax		-	-	-	-
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>		<u><u>(139,864)</u></u>	<u><u>7,118</u></u>	<u><u>(243,806)</u></u>	<u><u>10,182</u></u>
(Loss) / earnings per share - basic and diluted	19	<u><u>Rs. (5.64)</u></u>	<u><u>Rs. 0.29</u></u>	<u><u>Rs. (9.83)</u></u>	<u><u>Rs. 0.41</u></u>

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



Chief Financial Officer



Director



Chief Executive Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS ENDED DECEMBER 31, 2023 - (UNAUDITED)**

	Share Capital	Capital Reserve		Revenue Reserve		Total
		Revaluation Surplus	Share Premium	General Reserve	Accumulated loss	
	← (Rupees '000) →					
Balance as at April 1, 2022	248,011	2,118,424	2,771,525	291,000	(463,298)	4,965,662
Transferred from surplus on revaluation of land and building on account of incremental depreciation - net of deferred tax	-	(48,892)	-	-	48,892	-
Total comprehensive income for the nine months ended December 31, 2022						
- Profit for the nine months ended December 31, 2022	-	-	-	-	10,182	10,182
<b>Balance as at December 31, 2022</b>	<b>248,011</b>	<b>2,069,532</b>	<b>2,771,525</b>	<b>291,000</b>	<b>(404,224)</b>	<b>4,975,844</b>
Balance as at April 1, 2023	248,011	2,222,132	2,771,525	291,000	(377,958)	5,154,710
Transferred from surplus on revaluation of land and building on account of incremental depreciation - net of deferred tax	-	(59,056)	-	-	59,056	-
Total comprehensive income for the nine months ended December 31, 2023						
- Loss for the nine months ended December 31, 2023	-	-	-	-	(243,806)	(243,806)
<b>Balance as at December 31, 2023</b>	<b>248,011</b>	<b>2,163,076</b>	<b>2,771,525</b>	<b>291,000</b>	<b>(562,708)</b>	<b>4,910,904</b>

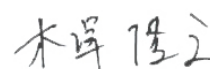
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Chief Financial Officer



Director



Chief Executive Officer

**CONDENSED INTERIM STATEMENT OF CASH FLOWS  
FOR THE NINE MONTHS ENDED DECEMBER 31, 2023 - (UNAUDITED)**

	Note	December 31, 2023	December 31, 2022
(Rupees '000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash used in operations	20	(1,883,012)	(2,952,820)
Return on savings accounts and deposits		16,610	107,081
Income taxes paid		(169,141)	(299,210)
Mark-up paid on short-term borrowings		(42,164)	-
Employee benefits paid		(59,302)	(30,934)
Increase in long-term deposits		(125)	(1,960)
Decrease in long-term loans and advances		9,207	186
Net cash used in operating activities		<u>(2,127,927)</u>	<u>(3,177,657)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment		(63,078)	(85,468)
Proceeds from sale of property, plant and equipment		74,435	29,021
Net cash generated from / (used in) investing activities		11,357	(56,447)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(14)	(9)
Lease rentals paid		-	(4,152)
Net cash used in financing activities		(14)	(4,161)
Net decrease in cash and cash equivalents		<u>(2,116,584)</u>	<u>(3,238,265)</u>
Cash and cash equivalents at beginning of the period		329,976	2,972,370
Cash and cash equivalents at end of the period	21	<u><u>(1,786,608)</u></u>	<u><u>(265,895)</u></u>

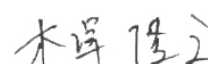
The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Director



Chief Executive Officer

## 1. THE COMPANY AND ITS OPERATIONS

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

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

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

These condensed interim financial statements do not include all the information required to be contained in the annual financial statements and therefore should be read in conjunction with the annual audited financial statements of the Company for the year ended March 31, 2023.

## 2. BASIS OF PREPARATION

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

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

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

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

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on April 1, 2023. However, these do not have any significant impact on the Company's financial statements.



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

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

**3. ACCOUNTING POLICIES**

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended March 31, 2023.

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

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

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to financial statements as at and for the year ended March 31, 2023.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended March 31, 2023.

<b>(Unaudited)</b>	<b>(Audited)</b>
<b>December 31,</b>	<b>March 31,</b>
<b>2023</b>	<b>2023</b>
(Rupees '000)	

**5. PROPERTY, PLANT AND EQUIPMENT**

Operating fixed assets - note 5.1	<b>3,713,762</b>	3,856,570
Capital work-in-progress	<b>10,737</b>	49,299
	<b><u>3,724,499</u></b>	<u>3,905,869</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED DECEMBER 31, 2023 - (UNAUDITED)**

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

	Additions (at cost)		Disposals (at net book value)	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	← (Rupees '000) →			
Plant & machinery	16,758	25,717	198	716
Building on leasehold land	45,217	-	-	-
Vehicles	34,177	23,725	47,315	10,425
Office and Other equipments	4,962	7,940	94	* 28
Furniture & fittings	75	1,199	-	-
Electrical installations	-	1,777	* -	-
	<u>101,189</u>	<u>60,358</u>	<u>47,607</u>	<u>11,169</u>

\* Assets disposed off having nil net book value.

	(Unaudited) December 31, 2023	(Audited) March 31, 2023
	(Rupees '000)	
6. INTANGIBLE ASSETS		
Opening net book value	19,616	18,106
Additons during the period	450	12,963
Amortisation for the period	(9,372)	(11,453)
Closing net book value	<u>10,694</u>	<u>19,616</u>

7. LONG-TERM INVESTMENTS

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

	(Unaudited) December 31, 2023	(Audited) March 31, 2023
	(Rupees '000)	
8. TRADE RECEIVABLES		
Considered good - unsecured		
Related party - Indus Motor Company Limited	18,705	112,865
Others	49,936	74,359
	<u>68,641</u>	<u>187,224</u>
Considered doubtful		
Others	40,618	45,007
	<u>109,259</u>	<u>232,231</u>
Less: allowance for expected credit losses	(40,618)	(45,007)
	<u>68,641</u>	<u>187,224</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED DECEMBER 31, 2023 - (UNAUDITED)**

**9. TRADE DEPOSITS AND PREPAYMENTS**

These include cash margin amounting to Rs. 378.76 million (March 31, 2023: Rs.1.27 billion) in respect of the letter of credit for the purchase of raw materials.

	<b>(Unaudited)</b> <b>December 31,</b> <b>2023</b>	<b>(Audited)</b> <b>March 31,</b> <b>2023</b>
	(Rupees '000)	
<b>10. CASH AND BANK BALANCES</b>		
Balances with banks		
- on term deposit accounts	-	-
- on PLS savings accounts	-	324,425
- on current accounts	<b>13,376</b>	13,597
Cheques in hand	-	11,175
Cash in hand	<b>85</b>	88
	<u><b>13,461</b></u>	<u><b>349,285</b></u>

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

	<b>(Unaudited)</b> <b>December 31,</b> <b>2023</b>	<b>(Audited)</b> <b>March 31,</b> <b>2023</b>		<b>(Unaudited)</b> <b>December 31,</b> <b>2023</b>	<b>(Audited)</b> <b>March 31,</b> <b>2023</b>
	(Number of shares)			(Rupees '000)	
<b>Authorised share capital</b>					
<u><b>100,000,000</b></u>	<u>100,000,000</u>	Ordinary shares of Rs. 10 each		<u><b>1,000,000</b></u>	<u>1,000,000</u>
<b>Issued, subscribed and paid-up capital</b>					
Ordinary shares of Rs. 10 each					
<b>18,600,840</b>	18,600,840	Shares allotted for consideration paid in cash		<b>186,008</b>	186,008
<b>4,133,520</b>	4,133,520	Shares issued for consideration other than cash - fixed assets		<b>41,335</b>	41,335
<b>2,066,760</b>	2,066,760	Shares issued as bonus shares		<b>20,668</b>	20,668
<u><b>24,801,120</b></u>	<u>24,801,120</u>			<u><b>248,011</b></u>	<u>248,011</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED DECEMBER 31, 2023 - (UNAUDITED)**

	(Unaudited) December 31, 2023	(Audited) March 31, 2023
	(Rupees '000)	
<b>12. TRADE AND OTHER PAYABLES</b>		
These include the following amounts payable to related parties:		
Bills payable to:		
- Toyota Tsusho Corporation, Japan - group company	423,079	332,095
- Hino Motors Limited, Japan - holding company	-	4,288
- Hino Motors Asia Limited, Thailand - group company	5,482	-
- Toyota Tsusho, Asia Pacific PTE Limited, Singapore - group company	-	97,846
- Hino Motors Limited, Middle East - FZE	-	13,244
Royalty payable to Hino Motors, Limited, Japan - holding company	130,357	127,630
	<u>558,918</u>	<u>575,103</u>

**13. CONTINGENCY AND COMMITMENTS**

**13.1 Contingency**

There has been no change in the status of contingency as reported in the financial statements for the year ended March 31, 2023.

**13.2 Commitments**

Commitments for capital expenditures as at December 31, 2023 amounted to Rs. 15.78 million (March 31, 2023: Rs. 9.51 million).

	(Unaudited) December 31, 2023	(Unaudited) December 31, 2022
	(Rupees '000)	
<b>14. REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		
Revenue from:		
- Manufacturing business	5,819,891	11,176,870
- Part sales	892,696	514,831
	<u>6,712,587</u>	<u>11,691,701</u>
Less: Commission and discounts	(214,829)	(175,556)
Sales tax	(1,016,040)	(1,711,518)
	<u>5,481,718</u>	<u>9,804,627</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED DECEMBER 31, 2023 - (UNAUDITED)**

	(Unaudited) December 31, 2023	(Unaudited) December 31, 2022
	(Rupees '000)	
<b>15. OTHER INCOME</b>		
<b>Income from financial assets</b>		
Return on PLS savings accounts	16,610	40,271
Return on term deposit accounts	-	66,880
	<u>16,610</u>	<u>107,151</u>
<b>Income from non-financial assets</b>		
Gain on disposal of property, plant and equipment	26,828	17,852
<b>Others</b>		
Scrap sales	49,659	48,886
Liabilities no longer required written back	243	253
Others	6,306	1,677
	<u>56,208</u>	<u>50,816</u>
	<u>99,646</u>	<u>175,819</u>
<b>16. OTHER EXPENSES</b>		
Workers' Profits Participation Fund	-	11,209
Workers' Welfare Fund	225	4,176
Donations	-	1,500
	<u>225</u>	<u>16,885</u>
<b>17. FINANCE COST</b>		
Exchange loss - net	(14,941)	142,679
Bank charges and others	12,680	10,828
Interest on lease liability	-	455
Mark-up on short-term borrowings	92,427	3,996
	<u>90,166</u>	<u>157,958</u>
<b>18. INCOME TAX EXPENSE</b>		
Current		
- for the period - notes 18.1 & 18.2	70,880	137,588
- for prior year - note 18.2	-	64,940
	<u>70,880</u>	<u>202,528</u>
Deferred	1,033	(3,914)
	<u>71,913</u>	<u>198,614</u>

**18.1** Current income tax expense has been computed under section 113 of the Income Tax Ordinance, 2001 i.e. minimum tax on turnover for the period at the rate of 1.25% (December 31, 2022: 1.25%). The rate of income tax paid at import stage ranges from 5.5% to 6% and 2% on import of parts and Completely Knocked Down (CKD) units respectively.

**18.2** As per Finance Act 2023, the government has enhanced the rate of super tax on high earning persons ranging from 1% to 10% whereas on the Companies having income in excess of Rs. 500 million, 10% super tax will be applicable. The Company has not recorded any super tax as it has generated taxable losses during the period.



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED DECEMBER 31, 2023 - (UNAUDITED)**

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

	Quarter ended		Nine Months ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
(Loss) / profit after income tax attributable to ordinary shareholders (Rupees in '000)	<u>(139,864)</u>	<u>7,118</u>	<u>(243,806)</u>	<u>10,182</u>
Weighted average number of ordinary shares outstanding at the end of the period (number of shares in '000)	<u>24,801</u>	<u>24,801</u>	<u>24,801</u>	<u>24,801</u>
(Loss) / earnings per share - basic and diluted (Rupees)	<u>(5.64)</u>	<u>0.29</u>	<u>(9.83)</u>	<u>0.41</u>

There were no convertible dilutive potential ordinary shares in issue as at December 31, 2023 and 2022.

(Unaudited) (Unaudited)  
December 31, December 31,  
2023 2022  
(Rupees '000)

**20. CASH GENERATED FROM OPERATIONS**

(Loss) / profit before income tax	<b>(171,893)</b>	208,796
<b>Add / (less): Adjustments for non-cash charges and other items</b>		
Depreciation and amortisation	<b>205,763</b>	201,388
Gain on disposal of property, plant and equipment	<b>(26,828)</b>	(17,852)
Retirement benefits charge	<b>79,166</b>	40,179
Mark-up on short-term borrowings	<b>92,427</b>	3,996
Interest on lease liability	<b>-</b>	455
Income on PLS savings and deposit accounts	<b>(16,610)</b>	(107,151)
Operating cashflows before working capital changes	<b>162,025</b>	329,811
<b>Effect on cash flow due to working capital changes</b>		
(Increase) / decrease in current assets		
Inventories	<b>(1,903,559)</b>	(1,487,484)
Trade receivables	<b>118,583</b>	295,687
Loans and advances	<b>23,574</b>	(21,735)
Trade deposits and prepayments	<b>877,686</b>	(297,389)
Refunds due from government - sales tax	<b>(116,391)</b>	(117,817)
Other receivables	<b>1,582</b>	9,791
	<b>(998,525)</b>	(1,618,947)
Decrease in current liabilities		
Trade and other payables	<b>(79,822)</b>	(870,830)
Advance from customers	<b>(966,690)</b>	(792,854)
	<b>(1,046,512)</b>	(1,663,684)
	<b>(2,045,037)</b>	(3,282,631)
Cash used in operations	<b>(1,883,012)</b>	(2,952,820)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED DECEMBER 31, 2023 - (UNAUDITED)**

**(Unaudited)**      (Unaudited)  
**December 31,**      December 31,  
**2023**                      2022  
(Rupees '000)

**21. CASH AND CASH EQUIVALENTS**

Cash and bank balances	<b>13,461</b>	12,885
Short-term borrowings - secured	<b>(1,800,069)</b>	(278,780)
	<b><u>(1,786,608)</u></b>	<b><u>(265,895)</u></b>

**22. TRANSACTIONS WITH RELATED PARTIES**

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

		<b>(Unaudited)</b>	(Unaudited)
<b>Relationship</b>	<b>Nature of transactions</b>	<b>December 31,</b>	December 31,
		<b>2023</b>	2022
		<b>(Rupees '000)</b>	
i. Holding company	- Purchase of goods	<b>34,144</b>	65,403
	- Royalty charge	<b>121,974</b>	127,244
ii. Associated companies	- Purchase of goods	<b>3,805,908</b>	5,688,240
	- Sale of goods	<b>1,405,374</b>	2,925,518
	- Purchase of property, plant and equipment	<b>5,012</b>	2,824
iii. Staff retirement funds	- Payments to retirement benefits plans	<b>59,302</b>	76,147
iv. Key management personnel	- Salaries and other employee benefits	<b>43,398</b>	46,243
	- Retirement benefits	<b>2,552</b>	3,094
	- Consultancy / meeting fee	<b>4,896</b>	5,250

**23. DATE OF AUTHORISATION FOR ISSUE**


These condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on January 29, 2024.



Chief Financial Officer



Director



Chief Executive Officer

# ڈائریکٹرز رپورٹ

## حصص یافتگان کے لیے نیک خواہشات

ملک بھر میں فروخت کی جانے والی تمام تریبونڈز کی کمرشل وہیکل کی فروختگی کا کل حجم رواں نو ماہی (اپریل - دسمبر) کے دوران 1572 یونٹس رہا جو کہ گذشتہ سال اس نو ماہی سے 56% کم ہے۔

## فروخت

رواں نو ماہی ہینو پاک کے ٹرکوں اور بسوں کی فروختگی گذشتہ سال اس نو ماہی کے مقابلے میں 780 یونٹس سے کم ہو کر 240 یونٹس ہو گئی۔

## فروخت سے حاصل شدہ آمدنی

رواں نو ماہی فروخت سے حاصل ہونے والی آمدنی 9.80 بلین روپے سے کم ہو کر 5.48 بلین روپے ہو گئی البتہ خالص منافع گذشتہ سال ہونے والے 815 بلین روپے منافع کے بمقابل کم ہو کر 514 بلین روپے تک آ پہنچا۔

## مالیاتی لاگت (فنانس کاسٹ)

گذشتہ سال کی اسی نو ماہی کے دوران ہونے والی 158 بلین روپے کی مالیاتی لاگت (بشمول زرمبادلہ کی مد میں 143 بلین روپے کا ہونے والا خسارہ اور مختصر مدت کے قرضوں پر سود 4 بلین) کے بمقابل رواں نو ماہی مالیاتی لاگت کم ہو کر (بشمول زرمبادلہ کی مد میں 15 بلین روپے کا ہونے والا منافع اور مختصر مدت کے قرضوں پر سود 92 بلین) 90 بلین رہی۔

## نفع اور نقصان

رواں نو ماہی بعد از ٹیکس خسارہ 244 بلین روپے رہا جو کہ گذشتہ سال اس نو ماہی کے دوران بعد از ٹیکس منافع 10 بلین روپے تھا۔ جسکی بناء پر رواں نو ماہی فی حصص خسارہ 9.83 روپے رہا۔ گذشتہ سال کی اسی نو ماہی فی حصص منافع 0.41 روپے تھا۔

## مستقبل کی پیش بینی

پاکستان کی معیشت بیلا اتوامی مالیاتی پروگراموں کے ساتھ ہم آہنگی میں ساختی اصلاحات کے عمل سے گزر رہی ہے۔ ایک مستحکم اور اچھی طرح سے کام کرنے والی جمہوریت ساختی اصلاحات اور ادارہ جاتی تعمیر نو کرنے کی شرط ہے۔ آئندہ انتخابات کے بعد بننے والی حکومت کو بے شمار چیلنجز کا سامنا کرنا پڑے گا۔ مالیاتی عدم توازن، بلند قرضوں کی ادائیگی، بہت زیادہ مہنگائی اور ایکسینج برابری کا دباؤ نئی حکومت کے اقتصادی بحالی کے ایجنڈے میں اہم رو کا وٹیں پیدا کر سکتی ہے۔

صارفین کی کم قوت خرید، ہنگامی اور محدود آٹو فنانسنگ اور کم حکومتی اخراجات نے آٹو مو بائل سیکٹر کی مجموعی فروخت میں کمی کا باعث بنا ہے۔ مجموعی معاشی حالت مستحکم ہونے کے بعد یہ صورتحال بتدریج بہتر ہوگی۔

مشکل صورتحال کے باوجود کمپنی مستحکم اور پائیدار کاروباری کاروائیوں کے لیے تمام تر کوششیں کرے گی۔

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

木 14 2

چیف ایگزیکٹو آفیسر

ڈائریکٹر  
مورخہ 29 جنوری 2024



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