



Half Yearly Report 2021



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COMPANY INFORMATION

Board of Directors

Mr. Muhammad Aslam Sanjrani
Chairman

Mr. Yoshihiko Nanami
President & Chief Executive Officer

Mr. Akira Uchida
Director & Executive Vice President

Ms. Nargis Ali Akbar Ghaloo
Independent Director

Mr. Mushtaq Malik
Independent Director

Mr. Koji Nagata
Mr. Akio Ishikawa

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
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., Shahra-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
1.7 KM from G. T. Road to Kohat Road Section,
Near Jamil Chowk beside Shell Filling Station,
Ring Road, Peshawar.
Tel: 091 - 2322530
Fax: 091 - 2322550
Email: hino-peshawar@hinopak.com

Multan
Kayan Pur, Tehsil Multan, Union Council
No. 73, Near: Multan, Bypass, Multan
Tel: 061-4263205-7
Fax: 061-04263208

DIRECTORS' REPORT

For The Half Year Ended September 30, 2021

GREETINGS TO THE SHAREHOLDERS!

The total sale of commercial vehicles of all makes in the country in the Apr-Sep first half of 2021 was 2708 units – 103% higher than in the corresponding same period of last year.

SALES

The sale of Hinopak's trucks and buses increased, to 433 units from 241 units in the corresponding period of the last year. The increase in sales unit is mainly due to improvement of business situation after uplifting of countrywide COVID-19 lockdown enforced by authorities in the corresponding period of the last year.

SALES REVENUE

The sales revenue for the first half increased to Rs. 6.02 billion from Rs. 2.97 billion, however the Company earned gross profit of Rs. 692 million as compared to Rs. 76 million in the corresponding period of last year.

FINANCE COST

The finance cost stood at Rs. 102 million (including net exchange loss of Rs. 83 million) in comparison with the finance cost of Rs. 252 million (including net exchange loss of Rs. 12 million) in the corresponding period of the last year, the decrease is mainly due to repayment of short-term loans.

PROFIT & LOSS

The profit after tax stood at Rs. 244 million compared to loss of Rs. (516) million in the last year's corresponding period leading to earning per share of Rs. 9.83. Last year it stood at Rs. (27.68) loss per share (restated).

FUTURE OUTLOOK:

The economic landscape of the country is undergoing gradual improvement creating hopes for better prospects for a broad base recovery. The journey to progress economic growth is accelerating industries including auto sector activities.

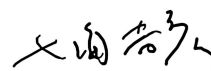
Despite the challenges of exchange rate fluctuations, rising commodities prices, energy tariff hikes and policy rates increase the management is committed and making its efforts for profitable growth.

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: November 25, 2021



Chief Executive Officer

Half Yearly Report 2021



A.F.FERGUSON&CO.

Independent Auditor's Review Report to the members of Hinopak Motors Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Hinopak Motors Limited as at September 30, 2021 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended September 30, 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended September 30, 2021.

Scope of Review

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

Conclusion

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

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

Chartered Accountants

Karachi

Dated: November 26, 2021

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

■ KARACHI ■ LAHORE ■ ISLAMABAD

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021

	Note	(Unaudited) September 30, 2021 (Rupees '000)	(Audited) March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,550,589	3,546,025
Right-of-use asset	6	13,879	16,565
Intangibles		15,372	19,515
Long-term investments	7	-	-
Long-term loans and advances		40,341	27,382
Long-term deposits		7,929	7,358
Employee benefit prepayment		-	17,189
		<u>3,628,110</u>	<u>3,634,034</u>
Current assets			
Inventories	8	1,706,593	2,083,760
Trade receivables - net	9	1,124,462	575,086
Loans and advances		45,831	40,835
Trade deposits and prepayments	10	41,024	33,765
Refunds due from the government - sales tax		364,339	145,025
Other receivables		5,483	1,615
Taxation - payments less provision		847,573	841,705
Cash and bank balances	11	2,405,470	396,379
		<u>6,540,775</u>	<u>4,118,170</u>
Total assets		<u>10,168,885</u>	<u>7,752,204</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	12	248,011	248,011
Capital Reserve			
Revaluation surplus on land and buildings		1,914,398	1,942,333
Share premium		2,771,525	2,771,525
Revenue Reserves			
General reserve		291,000	291,000
Accumulated loss		(663,655)	(935,260)
		<u>4,561,279</u>	<u>4,317,609</u>
LIABILITIES			
Non-current liabilities			
Deferred taxation		106,283	117,645
Employee benefit obligations		12,111	190,487
Lease liability	13	8,272	14,013
		<u>126,666</u>	<u>322,145</u>
Current liabilities			
Trade and other payables	14	5,463,942	3,095,997
Unclaimed dividend		13,142	13,235
Current portion of lease liability	13	3,856	3,218
		<u>5,480,940</u>	<u>3,112,450</u>
Total liabilities		<u>5,607,606</u>	<u>3,434,595</u>
Contingency and commitments	15		
Total equity and liabilities		<u>10,168,885</u>	<u>7,752,204</u>

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


Chief Financial Officer


Director



Chief Executive Officer

Half Yearly Report 2021

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2021 - (UNAUDITED)

		Quarter ended		Half year ended	
	Note	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
		(Rupees '000)			
Revenue from contracts with customers	16	3,673,832	2,161,656	6,020,369	2,967,914
Cost of sales		(3,213,123)	(1,962,615)	(5,328,328)	(2,891,483)
Gross profit		460,709	199,041	692,041	76,431
Distribution cost		(79,659)	(73,652)	(157,579)	(140,352)
Administration expenses		(84,263)	(92,560)	(170,695)	(174,524)
Other income	17	54,931	10,010	76,559	10,967
Other expenses	18	(18,530)	-	(22,786)	-
Impairment loss on trade receivables and deposits		(6,093)	657	(6,540)	345
Profit / (loss) from operations		327,095	43,496	411,000	(227,133)
Finance cost	19	(75,613)	(118,042)	(101,759)	(251,703)
Profit / (loss) before income tax		251,482	(74,546)	309,241	(478,836)
Income tax expense	20	(31,444)	(29,354)	(65,571)	(36,675)
Profit / (loss) after income tax		220,038	(103,900)	243,670	(515,511)
Other comprehensive income / (loss) for the period:					
Items that will not be reclassified to Profit or Loss					
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		-	-	-	-
Total comprehensive income / (loss) for the period		220,038	(103,900)	243,670	(515,511)
Earnings / (loss) per share - basic and diluted	21	Rs. 8.87	(Restated) Rs. (5.58)	Rs. 9.83	(Restated) Rs. (27.68)

The annexed notes 1 to 25 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 HALF YEAR ENDED SEPTEMBER 30, 2021 - (UNAUDITED)**

	Share Capital	Capital Reserve		Revenue Reserves		Total
		Revaluation Surplus	Share Premium	General Reserve	Accumulated loss	
	(Rupees '000)					
Balance as at April 1, 2020	124,006	1,975,241	-	291,000	(681,159)	1,709,088
Transferred from surplus on revaluation of land and buildings on account of incremental depreciation - net of deferred tax	-	(27,567)	-	-	27,567	-
Total comprehensive loss for the half year ended September 30, 2020						
- Loss for the half year ended September 30, 2020	-	-	-	-	(515,511)	(515,511)
Balance as at September 30, 2020	<u>124,006</u>	<u>1,947,674</u>	<u>-</u>	<u>291,000</u>	<u>(1,169,103)</u>	<u>1,193,577</u>
Balance as at April 1, 2021	248,011	1,942,333	2,771,525	291,000	(935,260)	4,317,609
Transferred from surplus on revaluation of land and buildings on account of incremental depreciation - net of deferred tax	-	(27,935)	-	-	27,935	-
Total comprehensive profit for the half year ended September 30, 2021						
- Profit for the half year ended September 30, 2021	-	-	-	-	243,670	243,670
Balance as at September 30, 2021	<u>248,011</u>	<u>1,914,398</u>	<u>2,771,525</u>	<u>291,000</u>	<u>(663,655)</u>	<u>4,561,279</u>

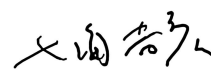
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Chief Financial Officer



Director



Chief Executive Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2021 - (UNAUDITED)

	Note	September 30, 2021	September 30, 2020
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	22	2,391,810	325,486
Mark-up paid on short-term borrowings		-	(267,218)
Return on savings accounts and deposits		55,257	1,918
Income taxes paid		(82,801)	(103,553)
Employee benefits paid		(210,430)	(31,769)
(Increase) / decrease in long-term deposits		(571)	150
Increase in long-term loans and advances		(12,959)	(4,692)
Net cash generated from / (used in) operating activities		2,140,306	(79,678)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(131,660)	(9,682)
Proceeds from sale of property, plant and equipment		6,177	18,341
Net cash (used in) / generated from investing activities		(125,483)	8,659
CASH FLOWS FROM FINANCING ACTIVITY			
Dividend paid		(93)	(44)
Lease rentals paid		(5,639)	-
Net cash used in financing activities		(5,732)	(44)
Net increase / (decrease) in cash and cash equivalents		2,009,091	(71,063)
Cash and cash equivalents at beginning of the period		396,379	(3,976,631)
Cash and cash equivalents at end of the period	23	2,405,470	(4,047,694)

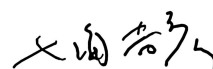
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Chief Financial Officer



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.

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, 2021.

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, 2021. However, these do not have any significant impact on the Company's financial reporting.

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

New standard, 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, 2022. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

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, 2021.

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, 2021.

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, 2021.

(Unaudited)	(Audited)
September 30,	March 31,
2021	2021
(Rupees '000)	

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets - note 5.1	3,514,900	3,540,983
Capital work-in-progress	35,689	5,042
	<u>3,550,589</u>	<u>3,546,025</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2021 - (UNAUDITED)

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

	Additions (at cost)		Disposals (at net book value)	
	Half year ended			
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	(Rupees '000)			
Plant & machinery	55,120	-	-	-
Building on leasehold land	1,469	-	-	-
Vehicles	37,376	9,683	5,182	14,719
Office and Other equipments	4,801	-	* -	-
Electrical installation	2,247	-	-	-
	101,013	9,683	5,182	14,719

* Assets disposed off having nil net book value.

	(Unaudited) September 30, 2021	(Audited) March 31, 2021
	(Rupees '000)	
6. RIGHT-OF-USE ASSET		
Right-of-use asset	16,565	21,490
Depreciation for the period	(2,686)	(4,925)
Closing net book value	<u>13,879</u>	<u>16,565</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 the current year financial statements.

8. INVENTORIES

As at September 30, 2021 raw materials and components has been written down by Rs. Nil (March 31, 2021: Rs. 14.21 million) and finished products by Rs. Nil (March 31, 2021: Rs. 1.26 million) to arrive at their net realisable values.

	(Unaudited) September 30, 2021	(Audited) March 31, 2021
	(Rupees '000)	
9. TRADE RECEIVABLES - NET		
Considered good - unsecured		
Related party - Indus Motor Company Limited	354,062	130,044
Others	844,780	513,277
	<u>1,198,842</u>	<u>643,321</u>
Less: allowance for expected credit losses	(74,380)	(68,235)
	<u>1,124,462</u>	<u>575,086</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2021 - (UNAUDITED)

10. TRADE DEPOSITS AND PREPAYMENTS

These do not carry mark-up.

	(Unaudited) September 30, 2021	(Audited) March 31, 2021
	(Rupees '000)	
11. CASH AND BANK BALANCES		
Balances with banks		
on term deposit accounts - note 11.1	1,300,000	-
- on PLS savings accounts - note 11.2 & 11.3	1,091,215	374,374
- on current accounts - note 11.3	14,235	17,982
Cheques in hand	-	4,010
Cash in hand	20	13
	<u>2,405,470</u>	<u>396,379</u>

11.1 These represent investment in Term Deposit Receipts held with various banks including JS Bank Limited - a related party amounting to Rs. 100 million (March 31, 2021: Nil). The expected rates of profits on these investments range from 7.15% to 7.4% per annum (March 31, 2021: Nil) and will mature on various dates latest by October 11, 2021.

11.2 At September 30, 2021, the rates of mark-up on savings accounts are 5.5% per annum (March 31, 2021: 5.5% per annum).

11.3 Cash and bank balances includes Rs. 3.66 million (March 31, 2021: Rs. 9.16 million) in bank accounts of JS Bank Limited - a related party of the Company. The maximum aggregate amount at the end of any month during the period was Rs. 58.24 million (March 31, 2021: Rs. 9.16 million).

12. SHARE CAPITAL

(Unaudited) September 30, 2021	(Audited) March 31, 2021		(Unaudited) September 30, 2021	(Audited) March 31, 2021
(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 allotted for consideration paid in cash	186,008	186,008
4,133,520	4,133,520	shares issued for consideration other than cash - fixed assets	41,335	41,335
<u>2,066,760</u>	<u>2,066,760</u>	shares issued as bonus shares	<u>20,668</u>	<u>20,668</u>
<u>24,801,120</u>	<u>24,801,120</u>		<u>248,011</u>	<u>248,011</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2021 - (UNAUDITED)

	(Unaudited) September 30, 2021	(Audited) March 31, 2021
	(Rupees '000)	
13. LEASE LIABILITY		
Lease liability under IFRS 16	<u>12,128</u>	<u>17,231</u>
Non current portion	<u>8,272</u>	<u>14,013</u>
Current portion	<u>3,856</u>	<u>3,218</u>
14. TRADE AND OTHER PAYABLES		
14.1 These include the following amounts payable to related parties:		
Bills payable to:		
- Toyota Tsusho Corporation, Japan - group company	646,781	399,438
- Hino Motors Limited, Japan - holding company	9,497	4,021
- Toyota Tsusho, Asia Pacific PTE Limited - group company	92,013	69,245
Royalty payable to Hino Motors, Limited, Japan		
- Holding company	<u>178,179</u>	<u>113,307</u>
	<u>926,470</u>	<u>586,011</u>
14.2 These also include advance from a customer amounting to Rs. 1.68 billion (March 31, 2021: Nil). The Company has issued a bank guarantee against the total advance received from the customer.		

	(Unaudited) September 30, 2021	(Audited) March 31, 2021
	(Rupees '000)	
14.3 Provisions		
Opening balance	327,728	326,924
Recognised during the period	28,990	59,062
Payments / reversals	(46,186)	(58,258)
Closing balance	<u>310,532</u>	<u>327,728</u>
Provisions represent:		
Provision for compensated absences	113,398	122,119
Provision for warranty services	38,384	46,859
Provision for custom duties	158,750	158,750
	<u>310,532</u>	<u>327,728</u>

15. CONTINGENCY AND COMMITMENTS

15.1 Contingency

There has been no change in the status of contingency as reported in the financial statements for the year ended March 31, 2021.

15.2 Commitments

Commitments for capital expenditures as at September 30, 2021 amounted to Rs. 32.53 million (March 31, 2021: Rs. 13.07 million).

The facilities for opening letter of credit and guarantees as at September 30, 2021 amounted to Rs. 12.67 billion (March 31, 2021: Rs. 12.67 billion) of which the amount remaining unutilised as at September 30, 2021 was Rs. 8.52 billion (March 31, 2021: Rs. 10.2 billion).

	September 30, 2021	September 30, 2020
	(Rupees '000)	
16. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Revenue from:		
- Manufacturing business	6,735,156	2,678,543
- Part sales	427,764	924,969
	<u>7,162,920</u>	<u>3,603,512</u>
Less: Commission and discounts	(104,009)	(113,698)
Sales tax	<u>(1,038,542)</u>	<u>(521,900)</u>
	<u><u>6,020,369</u></u>	<u><u>2,967,914</u></u>
17. OTHER INCOME		
Income from financial assets		
Return on PLS savings accounts	19,336	1,918
Return on term deposit accounts	35,921	-
	<u>55,257</u>	<u>1,918</u>
Income from non-financial assets		
Gain on disposal of property, plant and equipment	995	3,622
Others		
Scrap sales	18,443	5,344
Liabilities no longer required written back	1,322	-
Miscellaneous	542	83
	<u>20,307</u>	<u>5,427</u>
	<u><u>76,559</u></u>	<u><u>10,967</u></u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2021 - (UNAUDITED)

	September 30, 2021	September 30, 2020
	(Rupees '000)	
18. OTHER EXPENSES		
Workers' Profits Participation Fund	16,601	-
Workers' Welfare Fund	6,185	-
	<u>22,786</u>	<u>-</u>
19. FINANCE COST		
Exchange loss - net	83,331	11,980
Bank charges and others	17,892	14,845
Interest on lease liability	536	-
Mark-up on short-term borrowings	-	224,878
	<u>101,759</u>	<u>251,703</u>
20. INCOME TAX EXPENSE		
Current - for the period	76,933	45,990
Deferred	(11,362)	(9,315)
	<u>65,571</u>	<u>36,675</u>

- 20.1** 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% (September 30, 2020: 1.5%). The rate of income tax paid at import stage is 5.5% and 2% on import of parts and Completely Knocked Down (CKD) units respectively.

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

	Quarter ended		Half year ended	
	September 30, 2021	September 30, 2020 (Restated)	September 30, 2021	September 30, 2020 (Restated)
Profit / (loss) after income tax attributable to ordinary shareholders (Rupees in '000)	<u>220,038</u>	<u>(103,900)</u>	<u>243,670</u>	<u>(515,511)</u>
Weighted average number of ordinary shares outstanding at the end of the period (number of shares in '000)	<u>24,801</u>	<u>18,626</u>	<u>24,801</u>	<u>18,626</u>
Earnings / (loss) per share - basic and diluted (Rupees)	<u>8.87</u>	<u>(5.58)</u>	<u>9.83</u>	<u>(27.68)</u>

There were no convertible dilutive potential ordinary shares in issue as at September 30, 2021 and 2020.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2021 - (UNAUDITED)

	September 30, 2021	September 30, 2020
	(Rupees '000)	
22. CASH GENERATED FROM OPERATIONS		
Profit / (loss) before income tax	309,241	(478,836)
Add / (less): Adjustments for non-cash charges and other items		
Depreciation and amortisation	128,743	125,431
Gain on disposal of property, plant and equipment	(995)	(3,622)
Retirement benefits charge	49,243	38,503
Mark-up on short-term borrowings	-	224,878
Interest on lease liability	536	-
Income on PLS savings and deposit accounts	(55,257)	(1,918)
Operating cashflows before working capital changes	431,511	(95,564)
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Inventories	377,167	252,895
Trade receivables	(549,376)	(21,461)
Loans and advances	(4,996)	(18,535)
Trade deposits and prepayments	(7,259)	(13,874)
Refunds due from government - sales tax	(219,314)	49,216
Other receivables	(3,868)	11,453
	(407,646)	259,694
Increase in current liabilities		
Trade and other payables	2,367,945	161,356
	1,960,299	421,050
Cash generated from operations	2,391,810	325,486
23. CASH AND CASH EQUIVALENTS		
Cash and bank balances	2,405,470	125,644
Short-term borrowings - secured	-	(4,173,338)
	2,405,470	(4,047,694)

24. TRANSACTIONS WITH RELATED PARTIES

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

Relationship	Nature of transactions	September 30, 2021	September 30, 2020
		(Rupees '000)	
i. Holding company	- Purchase of goods	41,536	18,627
	- Royalty charge	68,919	28,874
ii. Associated companies	- Purchase of goods	2,692,547	1,182,367
	- Sale of goods	1,531,974	414,097
	- Purchase of property, plant and equipment	7,388	-
iii. Staff retirement funds	- Payments to retirement benefits plans	47,423	52,027
iv. Key management personnel	- Salaries and other employee benefits	30,653	28,771
	- Retirement benefits	2,493	2,955
	- Consultancy / meeting fee	3,096	3,396

25. DATE OF AUTHORISATION FOR ISSUE

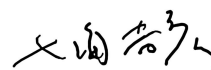
These condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on November 25, 2021.



Chief Financial Officer



Director



Chief Executive Officer

ڈائریکٹر رپورٹ

حصص یافتگان کے لئے نیک خواہشات!

فروخت کا حجم

اپریل تا ستمبر یعنی 2021 کی پہلی ششماہی میں ملک میں ہر قسم کی تجارتی گاڑیوں کی مجموعی فروخت 2708 یونٹس رہی جو کہ گزشتہ سال اس ششماہی سے 103 فیصد زیادہ ہے۔

فروخت

رواں ششماہی ہینو پاک کے ٹرکوں اور بسوں کی فروخت کی گزشتہ سال اس ششماہی کے مقابلے میں 241 یونٹس سے زیادہ ہو کر 433 یونٹس ہو گئی۔ سیل یونٹ اور کاروبار میں بہتری کی وجہ بنیادی طور پر گزشتہ سال کے اسی ششماہی میں Covid-19 کے باعث ملک گیر لگنے والے لاک ڈاؤن کا خاتمہ ہے۔

فروخت کی آمدن

پہلی ششماہی میں فروخت 2.97 ملین سے بڑھ کر 6.02 ملین روپے ہو گئی جبکہ خام منافع جو کہ گزشتہ سال اسی مدت میں 76 ملین روپے تھا، بڑھ کر 692 ملین روپے تک پہنچا۔

مالیاتی لاگت

مالیاتی لاگت 102 ملین روپے (بشمول مبادلہ پر خسارہ 83 ملین) ہو گئی جبکہ گزشتہ سال اسی مدت میں مالیاتی لاگت 252 ملین (بشمول مبادلہ پر خسارہ 12 ملین روپے) تھی۔ مالیاتی لاگت میں اس کمی کی وجہ زیر کار سرمائے کی ضرورت کے پیش نظر لینے گئے قرضوں کی ادائیگی ہے۔

نفع اور نقصان

رواں سال ششماہی بعد اس تکس منافع 244 ملین روپے رہا جبکہ گزشتہ سال اسی مدت میں بعد از تکس خسارہ 516 ملین روپے تھا جس کے نتیجے میں فی حصص منافع 9.83 روپے ہو گیا۔ گزشتہ سال ہی حصص خسارہ (اصلاحی) 27.68 روپے تھا۔

مستقبل کی پیش بینی

ملک کی معاشی صورتحال بتدریج بہتری کی طرف گامزن ہے جس سے وسیع پیمانے پر بحالی کے بہتر امکانات کی امید پیدا ہو رہی ہے۔ معاشی ترقی کا سفر صنعتوں بشمول آٹومبائل کی سرگرمیوں کو تیز کر رہا ہے۔

شرح مبادلہ میں اتار چڑھاؤ، اشیاء کی بڑھتی ہوئی قیمتوں، توانائی کے ٹیرف اور پالیسی کے ریٹس میں اضافے کے چیلنجز کے باوجود انتظامیہ پر عزم ہے اور منافع بخش ترقی کے لیے اپنی کوششیں کر رہی ہے۔

آخر ہم اپنی پیرنٹ کمپنیوں کے مستقل تعاون اور اپنے کسٹمرز کے مشکور ہیں جنہوں نے ہماری مصنوعات کو مسلسل سراہا۔ ہم ہینو پاک کے پوری ٹیم کی کوششوں کو سراہتے ہیں اس کے ساتھ ساتھ ہم ملازمین، وینڈرز، ڈیلرز اور تمام بزنس پارٹنرز کی انتھک کوششوں کو بھی خراج تحسین پیش کرتے ہیں۔

سی ای او

ڈائریکٹر
مورخہ 25 نومبر 2021



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