



Half Yearly 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

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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
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Fax: 021-34380106
E-mail: info.shares@famco.com.pk

AREA OFFICES

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Islamabad

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Peshawar

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Near Sarhad University, Ring Road, Peshawar.
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Multan

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Email: hino-multan@hinopak.com

DIRECTORS' REPORT

For The Half Year Ended September 30, 2023

GREETINGS TO THE SHAREHOLDERS!

The total sale of commercial vehicles of all makes in the country in the Apr-Sep first half of 2023 was 1,084 units – 58% lower than in the corresponding same period of last year.

SALES

The sale of Hinopak's trucks and buses decreased to 161 units from 463 units in the corresponding period of the last year.

SALES REVENUE

The sales revenue for the first half was Rs. 3.78 billion and the Company earned a gross profit of Rs. 321 million.

FINANCE COST

The finance cost stood at Rs. 11 million (including net exchange gain of Rs. 32 million) in comparison with the finance cost of Rs. 130 million (including net exchange loss of Rs. 121 million) in the corresponding period of the last year, the decrease is mainly attributed to better exchange rate parities resulting in exchange gain.

PROFIT & LOSS

The loss after tax stood at Rs. 104 million compared to profit after tax of Rs. 3 million in the last year's corresponding period leading to loss per share of Rs. 4.19 as compared to Rs. 0.12 earnings per share in the last year. The company has been taking strategic measures for lean business management.

FUTURE OUTLOOK:

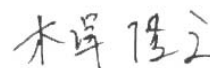
The review of the IMF (International Monetary Fund) Stand-by Facility has been successfully accomplished by the Government. The key macro-economic indicators are expected to show gradual improvement and manufacturing sector is also likely to show some growth. However, automobile sector is capital intensive and it need high volumes to sustain, which in the existing conditions not likely to show unexpected growth. But the company will make all the efforts for sustainable business operations.

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 24, 2023



Chief Executive Officer

Half Yearly Report 2023



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, 2023 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 six-months period 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, 2023 and September 30, 2022 have not been reviewed, as we are required to review only the cumulative figures for the six-months period ended September 30, 2023.

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 24, 2023

UDIN: RR202310059xNSDBqXZH

*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, 2023

	Note	(Unaudited) September 30, 2023 (Rupees '000)	(Audited) March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,802,646	3,905,869
Intangible assets		12,978	19,616
Long-term investments	6	-	-
Long-term loans and advances		37,005	38,908
Long-term deposits		9,073	8,829
Employee benefit prepayment		-	43,699
		<u>3,861,702</u>	<u>4,016,921</u>
Current assets			
Inventories		3,049,429	2,043,552
Trade receivables	7	144,606	187,224
Loans and advances		38,302	54,704
Trade deposits and prepayments	8	444,489	1,299,935
Refunds due from the government - sales tax		159,300	122,702
Other receivables	9	39,177	1,582
Taxation - payments less provision		1,142,695	1,062,713
Cash and bank balances	10	220,477	349,285
		<u>5,238,475</u>	<u>5,121,697</u>
Total assets		<u>9,100,177</u>	<u>9,138,618</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up capital	11	248,011	248,011
Capital Reserve			
Revaluation surplus on land and buildings		2,184,984	2,222,132
Share premium		2,771,525	2,771,525
Revenue Reserves			
General reserve		291,000	291,000
Accumulated loss		(444,752)	(377,958)
		<u>5,050,768</u>	<u>5,154,710</u>
LIABILITIES			
Non-current liabilities			
Deferred taxation		171,689	170,359
Employee benefit obligations		40,212	64,259
		<u>211,901</u>	<u>234,618</u>
Current liabilities			
Trade and other payables	12	1,928,985	2,064,148
Advances from customers		1,543,307	1,652,943
Short-term borrowings - secured	13	352,340	19,309
Unclaimed dividend		12,876	12,890
		<u>3,837,508</u>	<u>3,749,290</u>
Total liabilities		<u>4,049,409</u>	<u>3,983,908</u>
Contingency and commitments			
	14		
Total equity and liabilities		<u>9,100,177</u>	<u>9,138,618</u>

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



Chief Financial Officer

Half Yearly Report 2023



Director



Chief Executive Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR HALF YEAR ENDED SEPTEMBER 30, 2023 - (UNAUDITED)

		Quarter ended		Half year ended	
	Note	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
		(Rupees '000)			
Revenue from contracts with customers	15	1,914,952	2,860,995	3,781,069	5,844,022
Cost of sales		(1,691,923)	(2,599,069)	(3,460,333)	(5,314,656)
Gross profit		223,029	261,926	320,736	529,366
Distribution cost		(101,218)	(99,464)	(195,577)	(196,411)
Administration expenses		(117,925)	(100,124)	(229,289)	(198,833)
Other income	16	34,533	62,198	58,501	144,044
Other expenses	17	-	(3,690)	-	(10,321)
Reversal of impairment on trade receivables and deposits		219	2,030	2,385	1,944
(Loss) / profit from operations		38,638	122,876	(43,244)	269,789
Finance cost	18	(10,482)	(72,792)	(10,556)	(129,717)
(Loss) / profit before income tax		28,156	50,084	(53,800)	140,072
Income tax expense	19	(26,516)	(98,717)	(50,142)	(137,008)
(Loss) / profit after income tax		1,640	(48,633)	(103,942)	3,064
Other comprehensive (loss) / income 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 (loss) / income for the period		1,640	(48,633)	(103,942)	3,064
(Loss) / earnings per share - basic and diluted	20	Rs. 0.07	Rs. (1.96)	Rs. (4.19)	Rs. 0.12

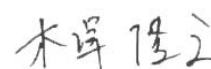
The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Director



Chief Executive Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2023 - (UNAUDITED)

	Share Capital	Capital Reserve		Revenue Reserves		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 buildings on account of incremental depreciation - net of deferred tax	-	(32,546)	-	-	32,546	-
Total comprehensive income for the half year ended September 30, 2022	-	-	-	-	-	-
- Profit for the half year ended September 30, 2022	-	-	-	-	3,064	3,064
Balance as at September 30, 2022	<u>248,011</u>	<u>2,085,878</u>	<u>2,771,525</u>	<u>291,000</u>	<u>(427,688)</u>	<u>4,968,726</u>
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 buildings on account of incremental depreciation - net of deferred tax	-	(37,148)	-	-	37,148	-
Total comprehensive income for the half year ended September 30, 2023	-	-	-	-	-	-
- Loss for the half year ended September 30, 2023	-	-	-	-	(103,942)	(103,942)
Balance as at September 30, 2023	<u>248,011</u>	<u>2,184,984</u>	<u>2,771,525</u>	<u>291,000</u>	<u>(444,752)</u>	<u>5,050,768</u>

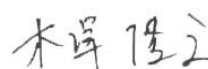
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Chief Financial Officer



Director



Chief Executive Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2023 - (UNAUDITED)

	Note	September 30, 2023	September 30, 2022
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	21	(283,495)	(2,203,837)
Return on savings accounts and deposits		9,586	100,374
Income taxes paid		(128,794)	(192,297)
Mark-up paid on short-term borrowings		(31,296)	-
Employee benefits paid		(13,303)	(36,440)
Increase in long-term deposits		(244)	(250)
Decrease / (increase) in long-term loans and advances		1,903	(4,093)
Net cash used in operating activities		(445,643)	(2,336,543)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(47,059)	(36,405)
Purchase of intangible assets		(450)	-
Proceeds from sale of property, plant and equipment		31,327	23,445
Net cash used in investing activities		(16,182)	(12,960)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(14)	(9)
Lease rentals paid		-	(6,316)
Net cash used in financing activities		(14)	(6,325)
Net decrease in cash and cash equivalents		(461,839)	(2,355,828)
Cash and cash equivalents at beginning of the period		329,976	2,972,370
Cash and cash equivalents at end of the period	22	(131,863)	616,542

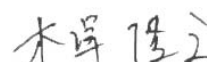
The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.



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.

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 reporting.

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 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, 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.

(Unaudited)	(Audited)
September 30,	March 31,
2023	2023
(Rupees '000)	

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets - note 5.1	3,791,911	3,856,570
Capital work-in-progress	10,735	49,299
	<u>3,802,646</u>	<u>3,905,869</u>

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, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	(Rupees '000)			
Plant & machinery	13,567	14,559	79	594
Building on leasehold land	45,218	-	-	-
Vehicles	23,946	20,097	18,702	8,827
Office and other equipments	2,806	33	93	28
Furniture & fittings	75	-	-	-
Electrical installation	-	1,293	* -	* -
	85,612	35,982	18,874	9,449

* Assets disposed off having nil net book value.

6. 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.

7. TRADE RECEIVABLES

Considered good - unsecured

Related party - Indus Motor Company Limited	82,056	112,865
Others	62,550	74,359
	<u>144,606</u>	<u>187,224</u>

Considered doubtful

Others	42,579	45,007
	<u>187,185</u>	<u>232,231</u>
Less: allowance for expected credit losses	(42,579)	(45,007)
	<u>144,606</u>	<u>187,224</u>

8. TRADE DEPOSITS AND PREPAYMENTS

These include cash margin amounting to Rs. 406.78 million (March 31, 2023: Rs. 1.27 billion) in respect of the letter of credit for the purchase of raw materials.

9. OTHER RECEIVABLES

This includes Rs. 38.25 million (March 31, 2023: nil) held under lien as cash margin against letter of credit.

	(Unaudited) September 30, 2023	(Audited) March 31, 2023
	(Rupees '000)	
10. CASH AND BANK BALANCES		
Balances with banks		
- on PLS savings accounts - notes 10.1 & 10.2	201,285	324,425
- on current accounts - note 10.2	14,118	13,597
Cheques in hand	4,996	11,175
Cash in hand	78	88
	<u>220,477</u>	<u>349,285</u>

10.1 At September 30, 2023, the rate of mark-up on savings accounts is 20.5% per annum (March 31, 2023: 15.50% per annum).

10.2 Cash and bank balances includes Rs. 1.09 million (March 31, 2023: Rs. 20.03 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. 1.82 million (March 31, 2023: Rs. 207.91 million).

11. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

(Unaudited) September 30, 2023 (Number of shares)	(Audited) March 31, 2023		(Unaudited) September 30, 2023 (Rupees '000)	(Audited) March 31, 2023
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>

	(Unaudited) September 30, 2023 (Rupees '000)	(Audited) March 31, 2023
12. TRADE AND OTHER PAYABLES		
12.1 These include the following amounts payable to related parties:		
Bills payable to:		
- Toyota Tsusho Corporation, Japan - group company	315,679	332,095
- Toyota Tsusho, Asia Pacific PTE Limited, Singapore - group company	28,038	97,846
- Hino Motors Limited, Japan - holding company	4,826	4,288
Royalty payable to Hino Motors, Limited, Japan - holding company	128,193	127,630
	<u>476,736</u>	<u>575,103</u>
12.2 Provisions		
Opening balance	330,457	320,617
Recognised during the period	63,967	49,391
Payments / reversals	(122,161)	(39,551)
Closing balance	<u>272,263</u>	<u>330,457</u>
Provisions represent:		
- Provision for compensated absences	128,118	128,009
- Provision for warranty services	43,084	42,257
- Provision for custom duties	69,122	158,750
- Provision for infrastructure cess - note 12.2.1	31,939	1,441
	<u>272,263</u>	<u>330,457</u>
12.2.1 This pertains to levy of Infrastructure Cess under the Sindh Finance Act, 1994 and the related amendments. The Court has granted stay against the levy of infrastructure cess along with other petitioners subject to the furnishing of bank guarantee to the minimum of extent of amount involved therein which is as stated in note 14.2.5 to these condensed interim financial statements.		

	(Unaudited) September 30, 2023 (Rupees '000)	(Unaudited) September 30, 2022
13. SHORT-TERM BORROWINGS - SECURED		
Running finance - notes 13.1 & 13.2	<u>352,340</u>	<u>19,309</u>
13.1	The facilities for running finance under mark-up arrangements with various banks as at September 30, 2023 amounted to Rs. 3.87 billion (March 31, 2023: Rs. 3.87 billion) of which the amount remaining unutilised at the period end was Rs. 3.52 billion (March 31, 2023: Rs. 3.85 billion). The rates of mark-up applicable on running finance are based on KIBOR and range from one month KIBOR + 0.5% to three month KIBOR + 0.75% per annum.	
13.2	These facilities are secured by way of hypothecation charge on inventory and intra-group guarantees arranged through bank.	
14. CONTINGENCY AND COMMITMENTS		
14.1 Contingency	There has been no change in the status of contingency as reported in the financial statements for the year ended March 31, 2023.	
14.2 Commitments		
14.2.1	Commitments for capital expenditures as at September 30, 2023 amounted to Rs. 12.48 million (March 31, 2023: Rs. 9.51 million).	
14.2.2	The facilities for opening letter of credit and guarantees as at September 30, 2023 amounted to Rs. 13.67 billion (March 31, 2023: Rs. 13.67 billion) of which the amount remaining unutilised as at September 30, 2023 was Rs. 12.05 billion (March 31, 2023: Rs. 11.97 billion).	
14.2.3	The Company as at September 30, 2023 issued bank guarantees amounting to Rs. 148.45 million (March 31, 2023: Rs. 224.93 million) in relation to advance against customers.	
14.2.4	The Company as at September 30, 2023 issued bank guarantees amounting to Rs. 370 million (March 31, 2023: Rs. 370 million) to the Collector of Customs on account of additional custom duty on the import of CKD, MSPs, and IMV frames levied through notifications issued by Federal Board of Revenue.	
14.2.5	The Company as at September 30, 2023 issued bank guarantees amounting to Rs. 50 million (March 31, 2023: Rs. 25 million) in relation to Sindh infrastructure cess.	

	(Unaudited) September 30, 2023 (Rupees '000)	(Unaudited) September 30, 2022
15. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Revenue from:		
- Manufacturing business	4,135,132	6,640,486
- Part sales	500,388	337,869
	<u>4,635,520</u>	<u>6,978,355</u>
Less: Commission and discounts	(154,390)	(106,977)
Sales tax	(700,061)	(1,027,356)
	<u><u>3,781,069</u></u>	<u><u>5,844,022</u></u>
16. OTHER INCOME		
Income from financial assets		
Return on PLS savings accounts	9,586	33,494
Return on term deposit accounts	-	66,880
	<u>9,586</u>	<u>100,374</u>
Income from non-financial assets		
Gain on disposal of property, plant and equipment	12,453	13,996
Others		
Scrap sales	36,368	29,508
Miscellaneous	94	166
	<u>36,462</u>	<u>29,674</u>
	<u><u>58,501</u></u>	<u><u>144,044</u></u>
17. OTHER EXPENSES		
Workers' Profits Participation Fund	-	7,520
Workers' Welfare Fund	-	2,801
	<u>-</u>	<u>10,321</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2023 - (UNAUDITED)

	(Unaudited) September 30, 2023	(Unaudited) September 30, 2022
18. FINANCE COST	(Rupees '000)	
Exchange (gain) / loss - net	(31,794)	120,790
Bank charges and others	4,602	8,611
Markup on running finance facility	37,748	-
Interest on lease liability	-	316
	<u>10,556</u>	<u>129,717</u>
19. INCOME TAX EXPENSE		
Current		
- for the period - notes 19.1 & 19.2	48,812	80,666
- for prior year - note 19.2	-	64,940
	<u>48,812</u>	<u>145,606</u>
Deferred	1,330	(8,598)
	<u>50,142</u>	<u>137,008</u>

19.1 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, 2022: 1.25%). The rate of income tax paid at import stage range from 5.5% to 6% and 2% on import of parts and Completely Knocked Down (CKD) units respectively.

19.2 As per Finance Act, 2022, companies operating in certain sectors, including automobile, were liable to pay super tax upto 10% for tax year 2022 and upto 4% for tax year 2023. Accordingly, the Company had made provision for current tax charge for tax year 2023 (i.e. financial year March 31, 2022) amounting to Rs. 5.19 million at 4% and a prior tax charge amounting to Rs. 64.94 million at 10%.

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.

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

	Quarter ended		Half year ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
(Loss) / profit after income tax attributable to ordinary shareholders (Rupees in '000)	<u>1,640</u>	<u>(48,633)</u>	<u>(103,942)</u>	<u>3,064</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>0.07</u>	<u>(1.96)</u>	<u>(4.19)</u>	<u>0.12</u>

There were no convertible dilutive potential ordinary shares in issue as at September 30, 2023 and 2022.

	(Unaudited) September 30, 2023 (Rupees '000)	(Unaudited) September 30, 2022
21. CASH USED IN OPERATIONS		
(Loss) / profit before income tax	(53,800)	140,072
Add / (less): Adjustments for non-cash charges and other items		
Depreciation and amortisation	138,496	131,876
Gain on disposal of property, plant and equipment	(12,453)	(13,996)
Retirement benefits charge	32,955	39,206
Mark-up on short-term borrowings	37,748	-
Interest on lease liability	-	316
Income on PLS savings and deposit accounts	(9,586)	(100,374)
Operating cashflows before working capital changes	133,360	197,100
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Inventories	(1,005,877)	(1,188,193)
Trade receivables	42,618	150,380
Loans and advances	16,402	(24,862)
Trade deposits and prepayments	855,446	(252,065)
Refunds due from government - sales tax	(36,598)	(74,009)
Other receivables	(37,595)	3,152
	(165,604)	(1,385,597)
Decrease in current liabilities		
Trade and other payables	(141,615)	(976,576)
Advance from customers	(109,636)	(38,764)
	(251,251)	(1,015,340)
	(416,855)	(2,400,937)
Cash used in operations	(283,495)	(2,203,837)
22. CASH AND CASH EQUIVALENTS		
Cash and bank balances - note 10	220,477	616,542
Short-term borrowings - note 13	(352,340)	-
	(131,863)	616,542

23. TRANSACTIONS WITH RELATED PARTIES

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

Relationship	Nature of transactions	September 30, 2023	September 30, 2022
		(Rupees '000)	
i. Holding company	- Purchase of goods	26,727	45,956
	- Royalty charge	78,967	78,073
ii. Associated companies	- Purchase of goods	2,447,554	3,666,955
	- Sale of goods	1,235,424	1,841,959
	- Purchase of property, plant and equipment	5,012	2,824
iii. Staff retirement funds	- Payments to retirement benefits plans	37,472	53,039
iv. Key management personnel	- Salaries and other employee benefits	29,218	31,684
	- Retirement benefits	1,709	2,057
	- Consultancy / meeting fee	3,600	3,400

24. SUBSEQUENT EVENTS

In October 2023, there was an employee rightsizing activity carried out for lean business operations by the Company. The restructuring plan has been communicated to the relevant employees in October 2023. The restructuring provision pertaining to this activity will be approximately Rs. 90 million.

25. DATE OF AUTHORISATION FOR ISSUE

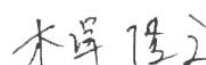
These condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on November 24, 2023.



Chief Financial Officer



Director



Chief Executive Officer

ڈائریکٹر رپورٹ

حصص یافتگان کے لئے نیک خواہشات!

اپریل تا ستمبر یعنی 2023 کی پہلی ششماہی میں ملک میں ہر قسم کی تھلکتی گاڑیوں کی مجموعی فروخت 1084 یونٹس رہی جو کہ گزشتہ سال اس ششماہی سے 58 فیصد کم ہے۔

فروخت

رواں ششماہی ہینو پاک کے ٹرکوں اور بسوں کی فروخت گزشتہ سال اس ششماہی کے مقابلے میں 463 یونٹس سے کم ہو کر 161 یونٹس ہو گئی۔

فروخت کی آمدن

پہلی ششماہی میں فروخت 3.78 بلین روپے رہی جبکہ خام منافع 321 ملین روپے رہا۔

مالیاتی لاگت

مالیاتی لاگت 11 ملین روپے (بشمول مبادلہ پر منافع 32 ملین) روپے ہو گئی جبکہ گزشتہ سال اسی مدت میں مالیاتی لاگت 130 ملین روپے (بشمول مبادلہ پر خسارہ 121 ملین) روپے تھی۔ مالیاتی لاگت میں کمی بنیادی طور پر ڈالر کے مقابلے میں روپے کی قدر میں بہتری ہے۔

نفع اور نقصان

رواں سال ششماہی بعد از ٹیکس خسارہ 104 ملین روپے رہا جبکہ گزشتہ سال اسی مدت میں بعد از ٹیکس منافع 3 ملین روپے تھا جس کے نتیجے میں فی حصص خسارہ 4.19 روپے ہو گیا۔ گزشتہ سال فی حصص منافع 0.12 روپے تھا۔

مستقبل کی پیش بینی

حکومت کی جانب سے آئی ایم ایف (بین الاقوامی مالیاتی فنڈ) اسٹینڈ بائی فیسلیٹی کا جائزہ کامیابی سے مکمل کیا گیا ہے، کلیدی میکرو اکنامک اشاریوں میں تدریج بہتری توقع ہے اور مینوفیکچرنگ سیکٹر میں بھی کچھ بہتری کا امکان ہے۔ تاہم آٹوموبائل کا شعبہ سرمایہ دارانہ ہے اور اسے برقرار رکھنے کے لیے اعلیٰ حجم کی ضرورت ہے جو کہ موجودہ حالات میں غیر متوقع ترقی کا امکان نہیں ہے۔ لیکن کمپنی پائیدار کاروباری آپریشن کے لیے تمام کوشش کرے گی۔

ہم اپنی ہیئرٹ کمپنیوں کے مستقل تعاون اور اپنے کسٹمرز کے مشکور ہیں جنہوں نے ہماری مصنوعات کو مسلسل سراہا۔ 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 خراج تحسین پیش کرتے ہیں۔

木田 隆二

چیف ایگزیکٹو آفیسر



ڈائریکٹر

مورخہ 24 نومبر 2023



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