



3rd Quarterly Report 2019

CONTENTS

- ❑ Company Information
- ❑ Directors' Report
- ❑ Condensed Interim Statement of Financial Position
- ❑ Condensed Interim Statement of Profit or Loss and Other Comprehensive Income
- ❑ Condensed Interim Statement of Changes in Equity
- ❑ Condensed Interim Statement of Cash Flows
- ❑ Notes to the Condensed Interim Financial Information

COMPANY INFORMATION

Board of Directors

Mr. Muhammad Aslam Sanjrani
Chairman

Mr. Yoshihiko Nanami
President & Chief Executive Officer

Mr. Shigeru Tsuchiya
Director & Executive Vice President

Mr. Mushtaq Malik
Independent Director

Ms. Nargis Ali Akbar Ghaloo
Independent Director

Mr. Shuichi Kaneko
Mr. Masato Nishihara

Syed Junaid Ali
Company Secretary

BANKERS

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

AUDITORS

A.F. Ferguson & Co. Chartered Accountants

LEGAL ADVISOR

Sayeed & Sayeed

REGISTERED OFFICE

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

SHARE REGISTRAR

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

AREA OFFICES

Lahore

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

Islamabad

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

Quetta

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

Peshawar

Hino Peshawar
1.7 Km from G.T. Road to Kohat Road
Ring Road, Peshawar.
Email: hino-peshawar@hinopak.com

DIRECTORS' REPORT

For The Nine Months Ended December 31, 2019

GREETINGS TO THE SHAREHOLDERS!

The total sale of commercial vehicles of all makes in the country in the Apr-Dec nine months of 2019 was 3726 units – 47% lower than in the corresponding same period of last year.

SALES

The sale of Hinopak's trucks and buses decreased, to 1277 units from 2435 units in the corresponding period of the last year.

SALES REVENUE

The sales revenue for the nine months decreased to Rs. 9.96 billion from Rs. 15.39 billion, whereas the gross loss stood at Rs. (325.95) million as compared to gross profit of Rs. 935.33 million in the corresponding period of last year.

FINANCE COST

The finance cost stood at Rs. 847 million (including net exchange loss of Rs. 154 million) in comparison with the finance cost of Rs. 822 million (including net exchange loss of Rs. 776 million) in the corresponding period of the last year, the increase is due to higher level of borrowing during the period to meet the working capital requirement together with the impact of increase in borrowing rate. As at 31st December the short term borrowing of the company stood at Rs. 5.5 billion.

PROFIT & LOSS

The loss after tax stood at Rs. (1,828) million compared to loss of Rs. (593) million in the last year's corresponding period leading to loss per share of Rs. (147.41), last year it stood at Rs. (47.80) loss per share.

FUTURE OUTLOOK:

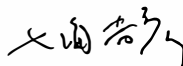
Pakistan's economy is still in difficult situation; the future is expected to remain challenging as economy is yet to pick up the momentum after which it is expected that overall size of commercial vehicle industry may increase, despite all odds the management of the company is endeavoring to improve sales volume and address declining profitability.

Finally, we would like to thank to our parent companies for their continuous support, our customers for their 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 support in these testing times.



Director

Date: January 17, 2020



Chief Executive Officer

3rd Quarterly Report 2019

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

	Note	(Unaudited) December 31, 2019	(Audited) March 31, 2019
----- (Rupees '000) -----			
ASSETS			
Non-current assets			
Property, plant and equipment	6	3,348,241	3,127,741
Intangible assets		3,993	7,769
Long-term loans and advances	7	32,909	24,675
Long-term deposits	8	7,300	8,112
Staff retirement benefit - prepayment		-	17,190
		3,392,443	3,185,487
Current assets			
Inventories	9	5,281,351	8,038,091
Trade debts	10	491,314	959,682
Loans and advances		37,323	22,545
Trade deposits and prepayments	11	44,686	89,789
Refunds due from the government		805,961	1,112,542
Taxation - payment less provision		853,867	832,857
Cash and bank balances	12	60,104	49,683
		7,574,606	11,105,189
Total assets		10,967,049	14,290,676
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital		124,006	124,006
Capital Reserve			
Revaluation surplus on land and building		1,770,009	1,810,044
Revenue Reserve			
General Reserve		291,000	291,000
Unappropriated Profit		(456,699)	1,335,362
		1,728,316	3,560,412
LIABILITIES			
Non-current liabilities			
Deferred taxation		111,135	116,926
Employee benefits - obligations		158,233	181,388
		269,400	298,314
Current liabilities			
Trade and other payables	13	3,130,183	3,343,029
Short-term borrowings - Secured	14	5,513,478	6,766,074
Unclaimed dividend		13,373	13,524
Provisions	15	312,331	309,323
		8,969,365	10,431,950
Total liabilities		9,238,765	10,730,264
CONTINGENCIES AND COMMITMENTS			
	16		
Total equity and liabilities		10,967,049	14,290,676

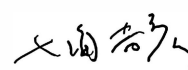
The annexed notes 1 to 24 form an integral part of this condensed interim financial information.



Chief Financial Officer



Director



Chief Executive Officer

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS ENDED DECEMBER 31, 2019 - (UNAUDITED)**

Note	Quarter ended		Nine months ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	(Rupees '000)			
Revenue from contracts with customers	3,443,236	4,318,921	9,959,156	15,389,025
Cost of sales	(3,483,851)	(4,111,353)	(10,285,110)	(14,453,694)
Gross (loss) / profit	(40,615)	207,568	(325,954)	935,331
Distribution costs	(86,272)	(97,006)	(271,796)	(280,618)
Administration expenses	(88,208)	(115,305)	(267,383)	(312,598)
Other income	17 9,167	17,218	30,246	131,707
Other expenses	18 -	20,095	-	(972)
(Loss) / profit from operations	(205,928)	32,570	(834,887)	472,850
Finance cost	19 (221,383)	(658,240)	(846,576)	(821,716)
Loss before taxation	(427,311)	(625,670)	(1,681,463)	(348,866)
Taxation	20 (52,767)	(61,874)	(146,584)	(243,933)
(Loss) after taxation	(480,078)	(687,544)	(1,828,047)	(592,799)
Other comprehensive loss for the period				
Items that will not be reclassified to Profit or Loss				
Loss on remeasurement of post employment benefits obligations - net of deferred tax	-	-	-	-
Total comprehensive loss	(480,078)	(687,544)	(1,828,047)	(592,799)
Loss per share - basic and diluted	Rs. (38.71)	Rs. (55.44)	Rs. (147.41)	Rs. (47.80)

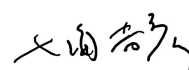
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Chief Financial Officer



Director



Chief Executive Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED DECEMBER 31, 2019 - (UNAUDITED)**

	Share Capital	Reserves - Revenue General	Unappropri- ated Profit	Capital Reserves Revaluation Surplus	Total
	(Rupees '000)				
Balance as at April 01, 2018	124,006	291,000	3,028,366	1,848,727	5,292,099
Dividend for the year ended March 31, 2018 @ Rs. 69.52 per share	-	-	(862,086)	-	(862,086)
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	35,181	(35,181)	-
Total comprehensive income for the nine months ended December 31, 2018	-	-	(592,799)	-	(592,799)
Balance as at December 31, 2018	124,006	291,000	1,608,662	1,813,546	3,837,214
Balance as at April 01, 2019	124,006	291,000	1,335,362	1,810,044	3,560,412
Dividend for the year ended March 31, 2019 @ Rs. Nil per share	-	-	-	-	-
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	35,986	(40,035)	(4,049)
Total comprehensive loss for the nine months ended December 31, 2019	-	-	(1,828,047)	-	(1,828,047)
Balance as at December 31, 2019	124,006	291,000	(456,699)	1,770,009	1,728,316

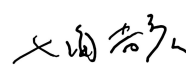
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Chief Financial Officer



Director



Chief Executive Officer

**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2019 - (UNAUDITED)**

	Note	December 31, 2019	December 31, 2018
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	21	2,517,807	(6,203,099)
Mark-up paid on short-term borrowings		(633,844)	(11,595)
Return on savings accounts and deposits		5,078	102,276
Income taxes paid - net		(177,434)	(473,766)
Employee benefits paid		(62,745)	(44,661)
Decrease / (Increase) in long-term deposits		812	(3,284)
Decrease / (Increase) in long-term loans and advances		(8,234)	(1,875)
Net cash generated from / (used in) operating activities		1,641,440	(6,636,004)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(395,744)	(176,761)
Proceeds from sale of property, plant and equipment		17,472	13,584
Net cash used in investing activities		(378,272)	(163,177)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(151)	(1,037,493)
Net (decrease) / increase in cash and cash equivalents		1,263,017	(7,836,674)
Cash and cash equivalents at the beginning of the period		(6,716,391)	4,838,879
Cash and cash equivalents at the end of the period		(5,453,374)	(2,997,795)

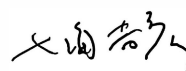
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Chief Financial Officer



Director



Chief Executive Officer

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED DECEMBER 31, 2019 - (UNAUDITED)

1. THE COMPANY AND ITS OPERATIONS

Hinopak Motors Limited (the Company) is incorporated in Pakistan as a public limited company 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, 2019.

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 Changes in accounting standards and interpretations

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

The amendments to following standards have been adopted by the Company for the first time for the financial year beginning on April 1, 2019.

- IFRS 9 'Financial instruments' - This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

The impact of changes laid down by this standard are detailed in note 5.

- IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations on revenue recognition.
- IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard does not have any impact on the condensed interim financial statements.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED DECEMBER 31, 2019 - (UNAUDITED)**

- IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases. The standard does not have any material impact on the 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, 2019 except as disclosed otherwise.

4. CHANGE IN ACCOUNTING POLICIES

IFRS 9 'Financial instruments' (effective for reporting periods ending on or after June 30, 2019)

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. It retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: Amortised Cost, Fair Value through Other Comprehensive Income (FVOCI) and Fair Value through Profit or Loss (FVPL). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI, not being recycled subsequently.

The standard also includes an expected credit losses (ECL) model that replaces the current incurred loss impairment model. The ECL model involves a three-stage approach whereby financial assets move through the three stages as their credit quality changes. The stage dictates how an entity measures impairment losses and applies the effective interest rate method. A simplified approach is permitted for financial assets that do not have a significant financing component (e.g. trade receivables). On initial recognition, entities will record a day-1 loss equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired.

For financial liabilities, there are no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss.

The adoption of IFRS 9 from April 1, 2019 by the Company has resulted in change in accounting policies. The Company has applied IFRS 9 retrospectively in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", however, it has elected not to restate comparative information as permitted under the transitional provisions of the standard considering there being no material impact of the same.

Furthermore, on April 1, 2019, the management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories. The main effects resulting from the reclassification as at that date are as follows:

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED DECEMBER 31, 2019 - (UNAUDITED)**

	Original classification under IAS 39	New classification under IFRS 9	Original amount under IAS 39	New carrying amount under IFRS 9
			(Rupees in '000)	
Financial assets				
Loans and advances	Loans and receivables	Amortised cost	37,897	37,897
Deposits	Loans and receivables	Amortised cost	76,024	76,024
Trade Debts	Loans and receivables	Amortised cost	959,682	959,682
Cash and bank balances	Loans and receivables	Amortised cost	49,683	49,683
Financial liabilities				
Trade and other payables	Amortised cost	Amortised cost	1,837,974	1,837,974
Short-term borrowings	Amortised cost	Amortised cost	6,766,074	6,766,074
Unclaimed dividend	Amortised cost	Amortised cost	13,524	13,524

No material differences were noted in prior year figures as a result of applying the new expected credit loss model on adoption of IFRS 9. The reclassifications of the financial instruments also did not result in any changes to measurements. Hence, there was no restatement of opening balances and reserves. Furthermore, there is no impact on the 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.

5. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim financial statements in conformity with approved 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, 2019.

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, 2019.

		(Unaudited) December 31, 2019	(Audited) March 31, 2019
	Note	(Rupees '000)	
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	3,013,946	3,069,788
Capital work-in-progress		334,295	57,953
		<u>3,348,241</u>	<u>3,127,741</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED DECEMBER 31, 2019 - (UNAUDITED)**

6.1 Additions / disposals

	Additions (at cost)		Disposals (at net book value)	
	Nine months ended			
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	(Rupees '000)			
Building on leasehold land	-	4,190	-	-
Plant and machinery	23,788	52,657	70	421
Furniture and fittings	-	646	-	-
Vehicles	88,090	40,823	9,186	8,850
Electrical installations	-	18,998	*	-
Office and other equipments	6,882	18,815	69	75
	118,760	136,129	9,325	9,346

* Assets disposed off having nil net book value

7. LONG-TERM LOANS AND ADVANCES

These loans and advances do not carry mark-up.

8. LONG-TERM DEPOSITS

These deposits do not carry mark-up.

9. INVENTORIES

As at December 31, 2019 raw materials and components costing Rs. 248.33 million (March 31, 2019: Rs. 99.57 million) have been written down by Rs. 131.31 million (March 31, 2019: Rs. 8.69 million) and finished products costing Rs. 185.25 million (March 31, 2019: Rs. 25.38 million) by Rs. 28.74 million (March 31, 2019: Rs. 4.75 million) to arrive at their net realisable values.

(Unaudited) (Audited)
December 31, March 31,
2019 2019
(Rupees '000)

10. TRADE DEBTS

Considered good - unsecured

Related party - Indus Motor Company Limited
Others

85,347 78,407
405,967 881,275
491,314 959,682

Considered doubtful

Others

36,948 36,948
528,262 996,630

Less: Provision for doubtful debts

(36,948) (36,948)
491,314 959,682

11. TRADE DEPOSITS AND PREPAYMENTS

These deposits and prepayments do not carry mark-up.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED DECEMBER 31, 2019 - (UNAUDITED)**

	(Unaudited) December 31, 2019	(Audited) March 31, 2019
	(Rupees '000)	
12. CASH AND BANK BALANCES		
Balances with banks:		
- on current accounts	15,697	13,872
- on PLS savings accounts	29,199	22,966
Cheques in hand	15,170	12,793
Cash in hand	38	52
	<u>60,104</u>	<u>49,683</u>

13. TRADE AND OTHER PAYABLES

These include bills payable to Toyota Tsusho Corporation, Japan - associated company amounting to Rs. 0.24 billion (March 31, 2019: Rs. 0.77 billion) and advances from customers amounting to Rs. 1.77 billion (March 31, 2019: Rs. 1.39 billion).

	(Unaudited) December 31, 2019	(Audited) March 31, 2019
	(Rupees '000)	
14. SHORT-TERM BORROWINGS - secured		
Short-term loans - note 14.1	4,600,000	4,600,000
Running Finance - note 14.2	913,478	2,166,074
	<u>5,513,478</u>	<u>6,766,074</u>

14.1 The short-term loans have been obtained from various banks and carry mark-up at rates ranging from one month KIBOR + 0.2% per annum to one-month KIBOR + 0.3% per annum (March 31, 2019: one month KIBOR + 0.2% per annum to one-month KIBOR + 0.3% per annum). The loans are repayable by January 23, 2020.

14.2 The facilities for running finance under mark-up arrangements with various banks amounted to Rs. 11.9 billion (March 31, 2019: Rs. 11.9 billion) of which the amount remaining unutilised at the period end was Rs. 6.4 billion (March 31, 2019: Rs. 5.14 billion). The rates of markup applicable on running finance are based on KIBOR and range from one month KIBOR + 0.5% to three month KIBOR + 1.25% (March 31, 2019: one month KIBOR + 0.5% to three month KIBOR + 1.25%) per annum.

14.3 The above facilities are secured by way of hypothecation charge on inventories of the Company and intra-group guarantees arranged through banks.

	(Unaudited) December 31, 2019	(Audited) March 31, 2019
	(Rupees '000)	
15. PROVISIONS		
Balance at beginning of the period	309,323	302,517
Recognised during the year	24,540	33,116
Expenses against provision	(21,532)	(26,310)
Balance at end of the period	<u>312,331</u>	<u>309,323</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED DECEMBER 31, 2019 - (UNAUDITED)**

	(Unaudited) December 31, 2019 (Rupees '000)	(Audited) March 31, 2019
15.1 Provisions represent:		
Provision for compensated absences	83,807	82,111
Provision for warranty services	46,525	45,213
Provision for infrastructure cess	23,249	23,249
Provision for custom duties	158,750	158,750
	<u>312,331</u>	<u>309,323</u>
16. CONTINGENCY AND COMMITMENTS		
16.1 Contingency		
There has been no change in the status of contingency as reported in the financial statements for the year ended March 31, 2019.		
16.2 Commitments		
Commitments for capital expenditures as at December 31, 2019 amounted to Rs. 35.60 million (March 31, 2019: Rs. 17.83 million).		
The facilities for opening the letter of credit and guarantees as at December 30, 2019 amounted to Rs. 13.07 billion (March 31, 2019: Rs. 12.9 billion) of which the amount remaining unutilised as at December 31, 2019 was Rs. 10.06 billion (March 31, 2019: Rs. 9.3 billion).		
	(Unaudited) December 31, 2019 (Rupees '000)	(Unaudited) December 31, 2018
17. OTHER INCOME		
Income from financial assets		
Return on PLS savings accounts	4,672	40,627
Return on deposit accounts	406	55,401
	<u>5,078</u>	<u>96,028</u>
Income from non-financial assets		
Gain on disposal of non-current assets	8,148	4,238
Others		
Scrap sales	16,543	25,016
Commission from an associated company	-	922
Liabilities no longer required written back	64	537
Others	413	4,966
	<u>17,020</u>	<u>31,441</u>
	<u>30,246</u>	<u>131,707</u>
18. OTHER EXPENSES		
Donations	-	900
Workers' Profits Participation Fund	-	-
Workers' Welfare Fund	-	-
Impairment of investmet	-	72
	<u>-</u>	<u>972</u>
19. FINANCE COST		
Exchange loss - net	154,109	775,691
Bank charges and others	17,044	15,173
Mark-up on short-term borrowings	675,423	30,852
	<u>846,576</u>	<u>821,716</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED DECEMBER 31, 2019 - (UNAUDITED)**

	(Unaudited) December 31, 2019	(Unaudited) December 31, 2018
	(Rupees '000)	
20. INCOME TAX EXPENSE		
Current		
- for the year	156,425	198,039
- for prior year	-	52,486
	156,425	250,525
Deferred	(9,841)	(6,592)
	<u>146,584</u>	<u>243,933</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 1.5%. (December 31, 2018: 1.25%)

	(Unaudited) December 31, 2019	(Unaudited) December 31, 2018
	(Rupees '000)	
21. CASH GENERATED FROM / (USED IN) OPERATIONS		
Loss before taxation	(1,681,463)	(348,866)
Add / (less): Adjustments for non cash charges and other items		
Depreciation and amortisation	169,053	179,219
Gain on disposal of operating fixed assets	(8,148)	(4,238)
Write off of property, plant & equipment	643	-
Retirement benefits charge	56,780	53,100
Mark-up on short-term borrowings	675,423	30,852
Impairment of investment	-	72
Income on PLS savings and deposit accounts	(5,078)	(96,028)
	<u>888,673</u>	<u>162,977</u>
Loss before working capital changes	(792,790)	(185,889)

Effect on cash flow due to working capital changes

Decrease / (increase) in current assets

Inventories	2,756,740	(3,876,508)
Trade debts	468,368	84,598
Loans and advances	(14,778)	(18,493)
Trade deposits and prepayments	45,103	12,673
Refunds due from the government - sales tax	306,581	(919,291)
Other receivables	-	(13,409)
	<u>3,562,014</u>	<u>(4,730,430)</u>
(Decrease) / increase in current liabilities		
Trade and other payables	(254,425)	(1,294,058)
Provisions	3,008	7,278
	<u>3,310,597</u>	<u>(6,017,210)</u>
	<u>2,517,807</u>	<u>(6,203,099)</u>

22. CASH AND CASH EQUIVALENTS

Cash and bank balances	60,104	277,393
Short-term borrowings - secured	(5,513,478)	(3,275,188)
	<u>(5,453,374)</u>	<u>(2,997,795)</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED DECEMBER 31, 2019 - (UNAUDITED)**

23. TRANSACTIONS WITH RELATED PARTIES

Disclosure of transactions between the company and the related parties during the period are as follows:

		(Unaudited) December 31, 2019	(Unaudited) December 31, 2018
		(Rupees '000)	
Relationship	Nature of transactions		
i. Holding company	- Dividend Paid	-	647,987
	- Purchase of goods	64,034	313,674
	- Royalty charge	90,266	105,137
	- Technical assistance fee	3,679	-
ii. Associated Companies	- Purchase of goods and services	4,067,575	12,063,249
	- Sale of goods	600,445	912,559
	- Dividend Paid	-	308,246
	- Purchase of property, plant and equipment	67,185	25,248
	- Commission earned	-	922
iii. Staff retirement funds	- Payments to retirement benefits plan	52,838	70,045
iii. Key Management Personnel	- Salaries and other employee benefits	6,811	22,443
	- Consultancy / meeting fee	3,568	3,115

24. DATE OF AUTHORISATION FOR ISSUE

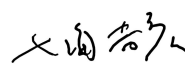
These condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on January 17, 2020.



Chief Financial Officer



Director



Chief Executive Officer

ڈائریکٹر رپورٹ

حصص یافتگان کو تسلیمات

ملک بھر میں فروخت کی جانے والی تمام تر برانڈز کی کمرشل وہیکل کی فروختگی کا کل حجم رواں نوماہی (اپریل - دسمبر) کے دوران 3726 یونٹس رہا جو کہ گذشتہ سال اس نوماہی سے 47% کم ہے۔

فروخت

رواں نوماہی ہینو پاک کے ٹرکوں اور بسوں کی فروختگی گذشتہ سال اس نوماہی کے مقابلے میں 2435 یونٹس سے کم ہو کر 1277 یونٹس ہو گئی۔

فروخت سے حاصل شدہ آمدنی

رواں نوماہی فروخت سے حاصل ہونے والی آمدنی 15.39 ملین روپے سے کم ہو کر 9.96 ملین روپے ہو گئی جبکہ خالص خسارہ گذشتہ سال ہونے والے 935.33 ملین روپے منافع کے بمقابل کم ہو کر 325.95 ملین روپے تک آ پہنچا۔

مالیاتی اخراجات (فنانس کا سٹ)

گذشتہ سال کی اسی نوماہی کے دوران ہونے والی 822 ملین روپے کی مالیاتی آمدنی (بشمول زرمبادلہ کی مد میں 776 ملین روپے کا ہونے والا نقصان) کے بمقابل رواں نوماہی مالیاتی اخراجات بڑھ کر (بشمول زرمبادلہ کی مد میں 154 ملین روپے کا ہونے والا نقصان) 847 ملین روپے رہے۔ مالیاتی لاگت میں اس اضافہ کی وجہ زیر کار سرمائے کی ضرورت کے پیش نظر بڑھتی ہوئی قرضوں کی سطح ہے۔ اس کے علاوہ شرح سود میں اضافہ بھی ایک اہم وجہ ہے۔ کمپنی کے قلیل المیعاد قرضہ جات 5.5 ملین روپے پر بند ہوئے۔

نفع اور نقصان

رواں نوماہی بعد از ٹیکس خسارہ 1,828 ملین روپے رہا جو کہ گذشتہ سال اس نوماہی کے دوران 593 ملین روپے تھا۔ جسکی بناء پر رواں سال فی حصص خسارہ 147.41 روپے رہا۔ گذشتہ سال فی حصص خسارہ 47.80 رہا۔

مستقبل کی پیش بینی

پاکستان کی معیشت اب بھی مشکل صورتحال سے دوچار ہے۔ پاکستان کی معیشت کو رفتار کے لیے، مستقبل میں ایک بڑا چیلنج متوقع ہے جس کے بعد یہ توقع ہے کہ صنعتی گاڑیوں کی تجارت کا مجموعی حجم بڑھ سکتا ہے۔ تمام تر مشکلات کے باوجود کمپنی کی انتظامیاں سیلز کے حجم میں بہتری لانے اور کم ہونے والے منافع کو دور کرنے میں کوشاں ہے۔

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

سی ای او

سی ای او

ڈائریکٹر

ڈائریکٹر

مورخہ 17 جنوری 2020



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