



**A GLOBAL BRAND FOR
ALL CUSTOMERS**

HALF YEARLY REPORT 2018

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Company Information

BOARD OF DIRECTORS

Mr. Muhammad Aslam Sanjrani
Chairman

Mr. Tatsuhei Muto
Managing Director & Chief Executive Officer

Mr. Shigeru Tsuchiya
Deputy Managing Director

Mr. Takehito Sasaki
Director Production

Mr. Mushtaq Malik
Independent Director

Mr. Shuichi Kaneko
Mr. Makoto Sensui
Mr. Satoshi Sase
Mr. Hiroshi Semba

Syed Junaid Ali
Company Secretary

BANKERS

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

AUDITORS

A. F. Ferguson & Co., Chartered Accountants

LEGAL ADVISOR

Sayeed & Sayeed

REGISTERED OFFICE

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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

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Room No. 3
Kasi Plaza No. 1, Zarghoon Road
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Tel: 081-2452598
Fax: 081-2451217
Email: hino-quetta@hinopak.com

Peshawar

Hino Peshawar
Ring Road, Near Kohat Road Bridge
Peshawar
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Directors' Report

For the Half year ended September 30, 2018

GREETINGS TO THE SHAREHOLDERS!

SALES VOLUME

The total sale of commercial vehicles of all makes in the country in the Apr-Sep first half of 2018 was 5050 units, the sale of Hinopak's trucks and buses stood at 1735 units.

SALES REVENUE

The sales revenue for the first half is Rs. 11.07 billion from Rs. 12.42 billion, whereas the gross profit decreased to Rs. 728 million as compared to Rs. 1.57 billion in the corresponding period of last year mainly because of exchange rate impact.

FINANCE COST

The finance cost stood at Rs. 163 million (including net exchange loss of Rs. 153 million) in comparison with the finance cost of Rs. 16 million (including net exchange gain of Rs. 21 million) in the corresponding period of the last year.

The Company closed the cash and cash equivalent at Rs. 241 million.

PROFIT & LOSS

The profit after tax stood at Rs. 95 million compared to Rs. 776 million in the last year's corresponding period leading to earnings per share of Rs. 7.64. Last year it stood at Rs. 62.58 per share.

FUTURE OUTLOOK

The rupee down slide that started at the end of the last year coupled with increase in the discount rate and restriction on non-filers to register the new vehicle will impact the market volume on full year basis. Despite the dicey economic situation prevailed in the first half of the financial year the Company will strive hard to consolidate in the second half but a lot depends on stability of macro-economic factors and exchange rate.

We would like to thank our principal shareholders Hino Motors Ltd and Toyota Tsusho Corporation for their cooperation. We also like to appreciate our customers for reposing trust in our products, Hinopak team, vendors, dealers and all business partners for their untiring efforts.



Director

Date: November 27, 2018



Managing Director &
Chief Executive Officer



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, 2018 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, 2018 and 2017 have not been reviewed, as we are required to review only the cumulative figures for the half year ended September 30, 2018.

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 is 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 review resulting in this independent auditor's report is Syed Fahim ul Hasan.

Chartered Accountants
Karachi

Dated: November 27, 2018

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2018**

	Note	(Unaudited) September 30, 2018	(Audited) March 31, 2018
(Rupees '000)			
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,064,258	3,096,033
Intangible assets		12,187	13,335
Long-term investments		-	72
Long-term loans and advances	6	25,087	21,452
Long-term deposits	7	9,080	7,770
		<u>3,110,612</u>	<u>3,138,662</u>
Current assets			
Stores, spares and loose tools		22,507	20,718
Stock-in-trade	8	6,864,613	4,914,595
Trade receivables	9	953,932	714,935
Loans and advances		32,266	23,274
Trade deposits and prepayments	10	97,120	97,616
Refunds due from Government		720,842	295,743
Other receivables		7,381	438
Taxation - payments less provision		656,917	418,426
Interest accrued		-	6,248
Cash and bank balances	11	279,057	4,838,879
		<u>9,634,635</u>	<u>11,330,872</u>
Total assets		<u>12,745,247</u>	<u>14,469,534</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		124,006	124,006
Reserves		2,575,152	3,319,366
Revaluation surplus on land and buildings		1,825,599	1,848,727
		<u>4,524,757</u>	<u>5,292,099</u>
LIABILITIES			
Non-current liabilities			
Deferred taxation		112,417	123,436
Staff retirement benefit - obligations		169,765	168,377
		<u>282,182</u>	<u>291,813</u>
Current liabilities			
Trade and other payables	12	7,206,417	8,393,894
Short-term borrowings - secured	13	38,449	-
Unclaimed dividend		14,110	10,997
Unpaid dividend	14	372,190	178,214
Provisions	15	307,142	302,517
		<u>7,938,308</u>	<u>8,885,622</u>
Total liabilities		<u>8,220,490</u>	<u>9,177,435</u>
Contingency and commitments	16		
Total equity and liabilities		<u>12,745,247</u>	<u>14,469,534</u>

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



Chief Financial Officer



Director



Managing Director &
Chief Executive Officer

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018 - (UNAUDITED)**

Note	Quarter ended		Half year ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
(Rupees '000)				
Revenue	4,410,798	6,276,064	11,070,104	12,418,233
Cost of sales	(4,176,586)	(5,525,736)	(10,342,341)	(10,846,388)
Gross profit	234,212	750,328	727,763	1,571,845
Distribution costs	(85,150)	(116,150)	(183,611)	(206,779)
Administration expenses	(106,770)	(106,181)	(197,293)	(202,228)
Other income	17 41,405	83,567	114,489	127,097
Other expenses	18 (1,554)	(43,228)	(21,068)	(88,743)
Profit from operations	82,143	568,336	440,280	1,201,192
Finance cost	19 (70,130)	(1,764)	(163,477)	(16,130)
Profit before income tax	12,013	566,572	276,803	1,185,062
Income tax expense	20 (36,437)	(172,328)	(182,058)	(408,946)
(Loss) / profit after income tax	(24,424)	394,244	94,745	776,116
Other comprehensive income				
Items that will not be reclassified to Profit or Loss				
Remeasurement of post employment benefits obligations - net of deferred tax				
	-	-	-	-
Surplus on revaluation of land and buildings - net of deferred tax				
	-	-	-	-
Total comprehensive (loss) / income for the period	(24,424)	394,244	94,745	776,116
(Loss) / earnings per share - basic and diluted	21 (Rs. 1.97)	Rs. 31.79	Rs. 7.64	Rs. 62.58

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



Chief Financial Officer



Director



Managing Director &
Chief Executive Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018 - (UNAUDITED)**

	Share Capital	Reserves - Revenue		Capital Reserves	Total
		General	Unappropriated profit	Revaluation Surplus	
	(Rupees '000)				
Balance as at April 1, 2017	124,006	291,000	2,693,494	1,659,138	4,767,638
Final dividend at Rs. 67.73 per share for the year ended March 31, 2017	-	-	(839,890)	-	(839,890)
Transferred from surplus on revaluation of land and buildings on account of incremental depreciation - net of deferred tax	-	-	20,998	(20,998)	-
Total comprehensive income for the half year ended September 30, 2017					
- Profit for the half year ended September 30, 2017	-	-	776,116	-	776,116
- Other comprehensive income for the half year ended September 30, 2017	-	-	-	-	-
	-	-	776,116	-	776,116
Balance as at September 30, 2017	124,006	291,000	2,650,718	1,638,140	4,703,864
Balance as at April 1, 2018	124,006	291,000	3,028,366	1,848,727	5,292,099
Final dividend at Rs. 69.52 per share for the year ended March 31, 2018	-	-	(862,087)	-	(862,087)
Transferred from surplus on revaluation of land and buildings on account of incremental depreciation - net of deferred tax	-	-	23,128	(23,128)	-
Total comprehensive income for the half year ended September 30, 2018					
- Profit for the half year ended September 30, 2018	-	-	94,745	-	94,745
- Other comprehensive income for the half year ended September 30, 2018	-	-	-	-	-
	-	-	94,745	-	94,745
Balance as at September 30, 2018	124,006	291,000	2,284,152	1,825,599	4,524,757

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



Chief Financial Officer



Director



Managing Director &
Chief Executive Officer

**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018 - (UNAUDITED)**

	Note	September 30, 2018	September 30, 2017
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	22	(3,480,990)	2,483,535
Interest paid on an advance from customer		-	(23,925)
Return on savings and deposit accounts		100,832	95,506
Income taxes paid - net		(431,568)	(517,180)
Retirement benefits obligations paid		(31,991)	(39,084)
Increase in long-term deposits		(1,310)	(180)
(Increase) / decrease in long-term loans and advances		(3,635)	1,368
Net cash (used in) / generated from operating activities		(3,848,662)	2,000,040
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(87,738)	(60,971)
Purchase of intangible assets		(4,082)	-
Proceeds from sale of property, plant and equipment		7,209	1,587
Net cash used in investing activities		(84,611)	(59,384)
CASH FLOWS FROM FINANCING ACTIVITY			
Dividend paid		(664,998)	(659,522)
Net (decrease) / increase in cash and cash equivalents		(4,598,271)	1,281,134
Cash and cash equivalents at beginning of the period		4,838,879	2,872,070
Cash and cash equivalents at end of the period	23	240,608	4,153,204

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



Chief Financial Officer



Director



Managing Director &
Chief Executive Officer

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018 – (UNAUDITED)

1. THE COMPANY AND ITS OPERATIONS

Hinopak Motors Limited 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, 2018.

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 approve accounting standards

a) Amendments to published approved accounting standards which are effective during the half year ended September 30, 2018

There are certain amendments to approved accounting standards which are mandatory for the Company's annual accounting period which began on April 01, 2018. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

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

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2018. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018 – (UNAUDITED)

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

The following are the new standards, amendments to existing approved accounting standards and new interpretations that will be effective for the periods beginning on or after July 1, 2018 that may have an impact on the financial statements of the Company.

- IFRS9 '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.
- 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.
- 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 management is in the process of assessing the impact of changes laid down by these standards on its 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, 2018.

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

The preparation of condensed interim financial statements in conformity with approved accounting 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, 2018.

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, 2018.

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018 – (UNAUDITED)**

	(Unaudited) September 30, 2018	(Audited) March 31, 2018
	(Rupees '000)	
5. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets - note 5.1	2,951,593	2,997,017
Capital work-in-progress	112,665	99,016
	<u>3,064,258</u>	<u>3,096,033</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, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	(Rupees '000)			
Plant & Machinery	33,988	11,200	-	11
Vehicles	26,672	12,961	5,600	715
Building on leasehold land	-	7,223	-	-
Office and Other equipments	10,188	5,761	*	823
Furniture & Fixtures	420	-	-	-
Electrical Installation	2,821	3,404	-	* -
	<u>74,089</u>	<u>40,549</u>	<u>5,600</u>	<u>1,549</u>

* Assets disposed off having nil net book value.

6. LONG-TERM LOANS AND ADVANCES

These loans and advances do not carry mark-up.

7. LONG-TERM DEPOSITS

These deposits do not carry mark-up.

8. STOCK-IN-TRADE

As at September 30, 2018 raw materials and components costing Rs. 62.57 million (March 31, 2018: Rs. 269.51 million) have been written down by Rs. 14.99 million (March 31, 2018: Rs. 68.23 million) and finished products costing Rs. 56.06 million (March 31, 2018: Rs. 58.35 million) by Rs. 12.72 million (March 31, 2018: Rs. 8.26 million) to arrive at their net realisable values.

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018 – (UNAUDITED)**

	(Unaudited) September 30, 2018	(Audited) March 31, 2018
	(Rupees '000)	
9. TRADE RECEIVABLES		
Considered good - unsecured		
Related party - Indus Motor Company Limited	61,384	60,457
Others	<u>892,548</u>	<u>654,478</u>
	<u>953,932</u>	<u>714,935</u>
Considered doubtful		
Others	<u>18,609</u>	<u>21,956</u>
	<u>972,541</u>	<u>736,891</u>
Less: Provision for doubtful debts	<u>(18,609)</u>	<u>(21,956)</u>
	<u>953,932</u>	<u>714,935</u>

10. TRADE DEPOSITS AND PREPAYMENTS

These deposits and prepayments do not carry mark-up.

	(Unaudited) September 30, 2018	(Audited) March 31, 2018
	(Rupees '000)	
11. CASH AND BANK BALANCES		
Balances with banks:		
- on term deposit accounts	-	2,300,000
- on current accounts	16,422	39,276
- on PLS savings accounts	160,838	2,414,162
Cheques in hand	101,413	85,070
Cash in hand	<u>384</u>	<u>371</u>
	<u>279,057</u>	<u>4,838,879</u>

11.1 All bank accounts are maintained under conventional banking system.

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018 – (UNAUDITED)**

12. TRADE AND OTHER PAYABLES

These include bills payable to Hino Motors Limited, Japan - holding company amounting to Rs. 61.49 million (March 31, 2018: Rs. 46.78 million), Toyota Tsusho Corporation, Japan - associated company amounting to Rs. 3,511 million (March 31, 2018: Rs. 4,675 million), Toyota Tsusho Corporation - Asia Pacific PTE Limited - associated company amounting to Rs. 10.98 million (March 31, 2018: Rs. 19.49 million) and advances from customers amounting to Rs. 2,300 million (March 31, 2018: Rs. 1,756 million). Further, include herein is royalty payable to Hino Motors Limited, Japan - holding company amounting to Rs. 101.43 million (March 31, 2018: Rs. 311.03 million).

13. SHORT-TERM BORROWINGS - secured

Short term running finance under mark-up arrangements have been obtained from commercial banks amounting to Rs. 2.71 billion (March 31, 2018: Rs. 2.71 billion) of which the amount remaining unutilised at the period end was Rs. 2.67 billion (March 31, 2018: Rs. 2.71 billion). The facilities are secured by way of hypothecation charge on stock-in-trade of the Company. The rates of mark-up on these facilities range from 1 month KIBOR plus 0.5% to 3 month KIBOR plus 1.25% per annum.

14. UNPAID DIVIDEND

This represents part of final dividend for the year ended March 31, 2017 and March 31, 2018 which remained unpaid to Company's foreign shareholders Hino Motors Limited, Japan and Toyota Tsusho Corporation, Japan amounting to Rs. 269.75 million and Rs. 102.44 million respectively. Dividend was pending due to non-registration of shares with the State Bank of Pakistan which registration has now been obtained and subsequent to period end the dividend has been paid.

	(Unaudited) September 30, 2018	(Audited) March 31, 2018
	(Rupees '000)	

15. PROVISIONS

Balance at beginning of the period	302,517	295,251
Recognised during the year	19,352	36,271
Expenses against provision	<u>(14,727)</u>	<u>(29,005)</u>
Balance at end of the period	<u>307,142</u>	<u>302,517</u>

15.1 Provisions represent:

Provision for compensated absences	77,028	77,028
Provision for warranty services	48,115	43,490
Provision for infrastructure cess	23,249	23,249
Provision for custom duties	<u>158,750</u>	<u>158,750</u>
	<u>307,142</u>	<u>302,517</u>

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018 – (UNAUDITED)**

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, 2018.

16.2 Commitments

Commitments for capital expenditures as at September 30, 2018 amounted to Rs. 41.05 million (March 31, 2018: Rs. 40.04 million).

The facilities for opening the letter of credit and guarantees as at September 30, 2018 amounted to Rs. 11.85 billion (March 31, 2018: Rs. 12.03 billion) of which the amount remaining unutilised as at September 30, 2018 was Rs. 3.84 billion (March 31, 2018: Rs. 5.42 billion).

**September 30, September 30,
2018 2017
(Rupees '000)**

17. OTHER INCOME

Income from financial assets

Return on PLS savings accounts	39,183	41,932
Return on deposit accounts	55,401	62,470
	94,584	104,402

Income from non-financial assets

Gain on disposal of property, plant and equipment	1,609	861
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Others

Scrap sales	15,127	12,760
Commission from an associated company	922	2,992
Liabilities no longer required written back	537	128
Others	1,710	5,954
	18,296	21,834
	114,489	127,097

18. OTHER EXPENSES

Donations	600	600
Workers' Profits Participation Fund	14,860	63,619
Workers' Welfare Fund	5,536	23,701
Write off of property, plant and equipment	-	823
Impairment of investment	72	-
	21,068	88,743
	21,068	88,743

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018 – (UNAUDITED)**

	September 30, 2018	September 30, 2017
	(Rupees '000)	
19. FINANCE COST		
Exchange loss / (gain) - net	153,006	(21,161)
Bank charges and others	10,325	13,366
Mark-up on short-term borrowings	146	-
Interest on an advance from customer	-	23,925
	<u>163,477</u>	<u>16,130</u>

19.1 The Company does not deal in any foreign currency derivative products for hedging or trading purposes.

20. INCOME TAX EXPENSE

This includes prior year charge of super tax amounting to Rs. 52.49 million (2017: Rs. 51.2 million) imposed for rehabilitation of temporarily displaced persons under section 4B of the Income Tax Ordinance, 2001 (as inserted by Finance Act 2018).

21. EARNINGS PER SHARE

	Quarter ended		Half year ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	(Rupees '000)			
(Loss) / profit after income tax attributable to ordinary shareholders	<u>(24,424)</u>	<u>394,244</u>	<u>94,745</u>	<u>776,116</u>
Weighted average number of ordinary shares outstanding at the end of the period	<u>12,401</u>	<u>12,401</u>	<u>12,401</u>	<u>12,401</u>
(Loss) / Earnings per share - basic and diluted (Rupees)	<u>(1.97)</u>	<u>31.79</u>	<u>7.64</u>	<u>62.58</u>

There were no convertible dilutive potential ordinary shares in issue as at September 30, 2018 and 2017.

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018 – (UNAUDITED)**

September 30, September 30,
2018 2017
(Rupees '000)

22. CASH (USED IN) / GENERATED FROM OPERATIONS

Profit before income tax	276,803	1,185,062
Add / (less): Adjustments for non-cash charges and other items		
Depreciation and amortisation	119,143	107,027
Gain on disposal of operating fixed assets	(1,609)	(861)
Write off of property, plant and equipment	-	823
Retirement benefits charge	33,379	33,082
Mark-up on short-term borrowings	146	-
Interest on advance from customer	-	23,925
Impairment of investment	72	-
Income on PLS savings and deposit accounts	(94,584)	(104,402)
Profit before working capital changes	<u>333,350</u>	<u>1,244,656</u>

**Effect on cash flow due to
working capital changes**

(Increase) / decrease in current assets

Stores, spares and loose tools	(1,789)	3,393
Stock-in-trade	(1,950,018)	(767,857)
Trade receivables	(238,997)	(305,884)
Loans and advances	(8,992)	(2,518)
Trade deposits and prepayments	496	(46,904)
Refunds due from Government	(425,099)	(33,630)
Other receivables	(6,943)	862
	<u>(2,631,342)</u>	<u>(1,152,538)</u>

(Decrease) / increase in current liabilities

Trade and other payables	(1,187,623)	2,390,955
Provisions	4,625	462
	<u>(3,814,340)</u>	<u>1,238,879</u>
Cash (used in) / generated from operations	<u>(3,480,990)</u>	<u>2,483,535</u>

23. CASH AND CASH EQUIVALENTS

Cash and bank balances	279,057	4,153,204
Short-term borrowings - secured	(38,449)	-
	<u>240,608</u>	<u>4,153,204</u>

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018 – (UNAUDITED)**

24. TRANSACTIONS WITH RELATED PARTIES

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

Relationship	Nature of transactions	September 30,	September 30,
		2018	2017
		(Rupees '000)	
i. Holding company	Dividend paid	371,416	361,853
	Purchase of goods	242,281	220,640
	Royalty charge	100,584	155,203
ii. Associated companies	Purchase of goods and services	8,131,413	7,878,595
	Sale of goods	632,887	419,816
	Dividend paid	201,872	196,674
	Purchase of property, plant and equipment	20,535	2,929
	Commission earned	922	2,992
iii. Staff retirement funds	Payments to retirement benefits plans	51,159	51,482
iv. Key Management Personnel	Salaries and other employee benefits	16,709	23,491
	Consultancy / meeting fee	2,035	2,085

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 27, 2018.



Chief Financial Officer



Director



Managing Director &
Chief Executive Officer

ڈائریکٹرز رپورٹ

حصص یافتگان کے لئے نیک خواہشات!

فروخت کا حجم

اپریل تا ستمبر یعنی 2018 کی پہلی ششماہی میں ملک میں ہر قسم کی تجارتی گاڑیوں کی مجموعی فروخت 5050 یونٹ رہی جس میں یسوپاک کے ٹرک اور بسوں کی فروخت 1735 یونٹ تھی۔

فروخت کی آمدن

پہلی ششماہی میں فروخت 12.42 بلین سے کم ہو کر 11.07 بلین روپے رہ گئیں جبکہ خام منافع جو کہ گزشتہ سال اسی مدت میں 1.57 بلین روپے تھا کم ہو کر 728 ملین روپے رہ گیا جس کی بنیادی وجہ مبادلہ نرخ کے اثرات تھے۔

مالیاتی لاگت

مالیاتی لاگت 163 ملین روپے (بشمول مبادلہ پر خسارہ 153 ملین) ہو گئی جبکہ گزشتہ سال اسی مدت میں مالیاتی لاگت 16 ملین (بشمول مبادلہ پر منافع 21 ملین روپے) تھی۔

کمپنی کے نقد اور مساوی نقد اثاثے 241 ملین روپے پر بند ہوئے۔

نفع اور نقصان

رواں ششماہی بعد از نیکس منافع 95 ملین روپے رہا جبکہ گزشتہ سال اسی مدت میں 776 ملین روپے تھا جس کے نتیجے میں فی حصص منافع 7.64 روپے رہ گیا۔ گزشتہ سال یہ 62.58 روپے فی حصص تھا۔

مستقبل کی پیش بینی

پچھلے سال کے آخر میں ہونے والی روپے کی قدر میں کمی، ڈسکاونٹ ریٹ میں اضافہ اور نان فائلر کے لئے نئی گاڑیوں کی رجسٹریشن میں رکاوٹ مارکیٹ کے حجم پر سالانہ بنیادوں پر اثر انداز ہوگی۔ پہلی ششماہی میں غیر مستحکم معاشی صورتحال رہنے کے باوجود کمپنی مالی سال کی دوسری ششماہی میں بہتری لانے کی بھرپور کوشش کرے گی مگر اس کا زیادہ تر انحصار کلیاتی معاشیات کے عناصر اور زر مبادلہ کی شرح میں استحکام پر ہوگا۔

ہم اپنے نمایاں حصص یافتگان، یسوپاک موٹرز لمیٹڈ اور ٹویوٹا تسوشو کارپوریشن کے تعاون کے مشکور ہیں۔ مزید برآں ہم اپنے کسٹمرز کے ہماری مصنوعات پر بلا تسلسل اعتماد، یسوپاک ٹیم، سپلائرز، ڈیلرز اور دیگر کاروباری شراکت داروں کی انتھک کوششوں کو سراہتے ہیں۔

武藤

مینجنگ ڈائریکٹر اینڈ سی ای او



ڈائریکٹر

مؤرخہ 27 نومبر 2018



HINO

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