



# INDUS MOTOR COMPANY LTD.

**Condensed Interim Financial Information**  
For the Nine Months Ended March 31, 2020  
(Un-audited)



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## Directors' Report

For the quarter and nine months ended March 31, 2020

The Directors of Indus Motor Company Limited present the un-audited accounts of the Company for the quarter and nine months ended March 31, 2020.

### **Sad demise of the Chairman**

With profound grief and sorrow, we inform our shareholders that our beloved Mr. Ali Suleman Habib, Founding Director and Chairman of the Company and Chairman of House of Habib group of companies, passed away on April 17, 2020.

Mr. Ali S. Habib was an inspirational leader; a true visionary with brilliant business acumen and a passion for people. He made an unprecedented impact on Pakistan's industry, particularly through the development of the auto-sector in Pakistan and the establishment of Habib University. His remarkable leadership and tireless efforts led to the success and growth of the Company over the last 30 years. His dedicated philanthropic endeavors set an inspirational example for us all. Those who worked with him witnessed unparalleled diligence, and are honoured to have had the opportunity to learn from such a respected, charismatic and brilliant personality.

The Board of Directors along with the entire Company, offers heartfelt condolences to the Habib family. We pray that Mr. Ali S. Habib is granted the highest place in Jannat-ul-Firdous, and may he be blessed with eternal peace. We remain determined to uphold and advance his rich legacy and strong values.

### **Pakistan Automobile Industry**

During the nine months period ended March 31, 2020, the automobile industry observed a significant decrease in demand for automobiles due to challenging economic conditions. The imposition of Federal Excise Duty (FED) on sale of vehicles, Additional Custom Duty (ACD) at 7% and Value Addition Sales Tax at 3% on import of CKD kits and raw materials; in addition to currency devaluation, led to an increase in the price of vehicles. Simultaneously, consumer purchasing power remained constricted and auto-financing reduced significantly due to high interest rates, thereby reducing the demand for automobiles.

Consequent to the demand contraction, the third quarter industry wide sales for PAMA (Pakistan Automotive Manufacturers Association) members for locally manufactured Passenger Cars (PC) and Light Commercial Vehicles (LCV) vehicles declined by 53% to 30,935 units, as against 65,315 units sold for the same quarter last year. On a nine month basis, PAMA members' sales for locally manufactured PC and LCV vehicles witnessed a decrease of 47% to 98,429 units as compared to 185,757 units sold during the same period last year.

The slowdown in demand led to employee redundancies by certain automobile manufacturers and vendors. Automobile manufacturers also observed non-production days during the nine month period, in order to minimize their operational costs and reduce their finished goods inventory.

### **Company Review**

The Company's combined sales of CKD and CBU vehicles for the Quarter ended March 31, 2020, decreased by 35%, to 11,209 units as against 17,094 units sold in the same quarter last year. Moreover, sales for the nine months period ended March 31, 2020, decreased by 49%, to 25,662 units as against 50,181 units sold in the same period last year. Accordingly, the market share of locally manufactured PC and LCV vehicles for the nine months period stood at 26%. Owing to reduced demand, the Company produced 25,982 units for the nine months period, as compared to 50,241 units produced in the same period last year.

## Directors' Report

For the quarter and nine months ended March 31, 2020

The net sales turnover for the nine months ended March 31, 2020 decreased by 36% to Rs. 75.83 billion as compared to 117.98 billion in the same period last year, while profit after tax also decreased by 51% to Rs. 4.98 billion, as against Rs. 10.26 billion achieved in the same period last year. The decline in turnover and profitability for the nine months period was mainly due to lower CKD and CBU volumes.

In contrast with previous quarters this fiscal year, demand for the Company's vehicles slightly improved in the current quarter commencing January 2020, thereby improving the profitability for the current quarter. The increased demand is attributable to the new year buying phenomenon and continued marketing efforts by the Company. However, volumes still remained lower as against the same quarter last year. During this quarter, the Company almost completely sold out the Corolla 1.3L vehicle, which performed as a market leader in the segment for over 25 years and was discontinued in March 2020. The flagship Corolla brand will continue with vehicles in 1.6L and 1.8L segments, as available worldwide.

We are pleased to update that on March 19, 2020, the Company opened booking for the much-awaited Toyota Yaris vehicle with variants in 1.3L, as well as 1.5L segments. We are thankful to our customers who have shown a keen interest in the new vehicle. However, due to the country wide lockdown imposed by the Government on account of the COVID-19 pandemic, vehicle order, delivery and marketing activities for the newly launched vehicle remain disrupted. We look forward to resumption of regular booking and delivery processes once the pandemic is under control, and the government has securely relaxed the lockdown.

Based on the above results, the Board of Directors are pleased to declare an interim cash dividend of Rs. 10 per share for the quarter, thus making the total dividend for the nine months ended March 31, 2020 Rs. 23 per share.

### Near Term Business Outlook

The recent COVID-19 pandemic has created considerable uncertainty and is expected to have a lasting negative effect on the global economy, including in Pakistan. The GDP growth rate for 2019-20 was earlier projected by IMF to reduce from 3.3% in 2018-19 to 2.4 % this year. As a result of COVID-19 however, GDP growth rate is expected to contract sharply and the projection by IMF has been revised to -1.5%.

The automotive sector provides direct and indirect employment to over a million people, and serves as a major industrial and economic force in Pakistan. Unfortunately, the industry is already facing hardships owing to inconsistent economic policies, and will be exposed to additional challenges on account of the COVID-19 outbreak. Therefore, in the current crisis situation, we reiterate our request to the Government to take action to support the sector in sustaining volumes and maintaining employment. We request the government to eliminate Federal Excise Duty on vehicles, reduce custom duty on non-localized parts and exempt additional custom duty on imports of materials under SRO 655 and SRO 656. It is also requested to exempt 3% Value Addition Sales Tax and reduce income tax withholding on the import of raw materials by auto-manufacturers and their vendors.

We support the Government's "Make In Pakistan" initiative, and accordingly find that duty concessions being considered under the Electric Vehicles (EV) and Hybrid Electric Vehicles (HEV) policy under review, should be limited to EV and HEV exclusive parts only. In the current Policy under consideration, duty concessions are also being proposed for common vehicle parts, which are already being manufactured locally and can be purchased in Pakistan. Not only does the proposed policy severely damage our local part makers and manufacturers who remain in a state of crisis, it will also unnecessarily increase foreign cash outflows, to the detriment of the nation.

## Directors' Report

For the quarter and nine months ended March 31, 2020

In these unprecedented times, your Company remains committed to monitoring development of the situation and proactively tackling the risks posed by the pandemic. We have addressed the need to protect and take care of our most important asset, our people, and have implemented a remote working model during this time. We have also put into motion various protocols for when the lockdown is lifted. For example, we intend to return to work with minimum staff at the premises in order to maintain appropriate social distancing and avoid large gatherings. We will enforce daily sanitization of the facility and transport vehicles, and daily body temperature screening for all employees, use of face masks shall be mandatory, and employees shall be informed about the risks of coronavirus and proper personal hygiene measures.

We are also supporting those immediately impacted by the COVID-19 crisis through various means, including donations to hospitals in various forms and distribution of over 10,000 grocery hampers to families in need. We remain dedicated to tackling this pandemic along with the Government and the nation, so that we can together emerge from this situation in a position of strength.

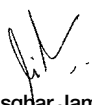
### Acknowledgement

We are grateful to our customers for their continued patronage of our products and wish to acknowledge the efforts of the entire IMC team, including our staff, vendors, dealers and all business partners, for their untiring efforts in these challenging times and look forward to their continued support.

We bow to the Almighty, and pray for His blessings, forgiveness and guidance.

On behalf of the Board of Directors.

April 24, 2020, Karachi.



**Ali Asghar Jamali**  
Chief Executive & Director



**Yuji Takarada**  
Vice Chairman & Director

## ڈائریکٹر رپورٹ برائے سہ ماہی اور 9 ماہ کی مدت مسختتمہ 31 مارچ 2020ء

انڈس موٹر کمپنی لمیٹڈ کے ڈائریکٹر ز ادارے کے مالی سال کی 31 مارچ، 2020 کو ختم ہونے والی سہ ماہی اور 9 ماہ کی مدت کیلئے کمپنی کے غیر آڈٹ شدہ حسابات (accounts) پیش کرتے ہیں۔

### چیز میں کا انتقال پُر ملال

ہم انتہائی دکھ اور تکلیف کے ساتھ اپنے شیئر ہولڈرز کو آگاہ کر رہے ہیں کہ ہمارے پیارے علی سلیمان حبیب، بانی ڈائریکٹر اور کمپنی چیز میں اور ہاؤس آف حبیب گروپ آف کمپنیز کے چیز میں 17 اپریل، 2020 کو اس درفانی سے کوچ کر گئے۔

علی ایس حبیب ایک متاثر کن رہنما، حقیقی معنوں میں دورانِ دلش، کاروباری ذہانت اور لیاقت رکھنے والے اور دوسرے لوگوں کیلئے ایک مثال تھے۔ انہوں نے حبیب یونیورسٹی کے قیام اور پاکستان میں آٹو سیکٹر کی ترقی کے ذریعے پاکستان کی صنعت پر بے مثال نقش چھوڑے۔ ان کی شاندار قیادت اور انتھک کوششوں نے گزشتہ 30 سالوں میں نہ صرف کمپنی کو کامیاب بنایا بلکہ بام عروج بخشا۔ ان کے فلاحی عامہ کے قابل تعریف کام دوسروں کیلئے مشعل راہ ہیں۔ ان کے ساتھ کام کرنے والے لوگ ان کی استقامت کی گواہی دیتے ہیں کیونکہ انہیں قابل احترام، جاذب نظر کرشماتی اور ذہین شخصیت سے سکھینے کا موقع ملا۔

کمپنی اور بورڈ آف ڈائریکٹر حبیب خاندان سے دلی تعزیت کرتا ہے۔ ہم اللہ تعالیٰ سے دعا گو ہیں کہ وہ علی ایس حبیب کو جنت الفردوس میں اعلیٰ مقام عطا کرے۔ ہم ان کی میراث اور مضبوط اقدار کو برقرار رکھنے اور انہیں آگے بڑھانے کیلئے پرعزم ہیں۔

### پاکستان کی آٹو مو بائل انڈسٹری

31 مارچ، 2020 کو ختم ہونے والی 9 ماہ کی مدت کے دوران چیلنجنگ معاشی حالات کے باعث آٹو مو بائل انڈسٹری کو گاڑیوں کی طلب میں خاطر خواہ کمی کا سامنا رہا۔ گاڑیوں کی فروخت پر فیڈرل ایکسائز ڈیوٹی (FED) اور سی کے ڈی کٹس اور خام مواد کی امپورٹ پر 7 فیصد کی اضافی کسٹم ڈیوٹی اور 3 فیصد اضافی سیلز ٹیکس اور روپے کی قدر میں کمی سے گاڑیوں کی قیمتیں بڑھیں۔ اسی طرح صارف کی قوت خرید محدود رہنے اور بلند شرح سود کے باعث آٹو سیکٹر میں سرمایہ میں خاطر خواہ کمی سے گاڑیوں کی طلب کمی واقع ہوئی ہے۔

طلب میں کمی کے نتیجے میں (پاکستان آٹو مینوفیکچررز ایسوسی ایشن) PAMA اراکین کیلئے مقامی سطح پر تیار شدہ مسافر گاڑیوں (پی سی) لائٹ کمرشل گاڑیوں (ایل سی وی) کی سہ ماہی کیلئے انڈسٹری کی سطح کی فروخت 53 فیصد کمی کے ساتھ 30,935 یونٹس رہی جبکہ گزشتہ سال کی اسی مدت کے دوران 65,315 گاڑیاں فروخت ہوئی تھیں۔ 9 ماہ کی مدت کی بنیاد پر پی اے ایم اے اراکین کی مقامی سطح پر تیار کردہ پی سی اور ایل سی وی گاڑیوں کی فروخت 47 فیصد کمی کے ساتھ 98,429 رہی جبکہ گزشتہ سال کی اسی مدت کے دوران

185,757 گاڑیاں فروخت ہوئیں۔ طلب میں کمی کے نتیجے میں بعض کارساز کمپنیوں اور وینڈرز کی طرف سے ڈاؤن سائزنگ بھی سامنے آئی ہے۔ کارساز کمپنیوں کی طرف سے آپریشنل لاگت اور اپنے تیار سامان کی کھپت مکمل کرنے کیلئے 9 ماہ کے دوران غیر پیداواری ایام پر عمل درآمد کیا گیا۔

### کمپنی کا جائزہ

31 مارچ 2020 کو ختم ہونے والی سہ ماہی کیلئے کمپنی کی سی کے ڈی (CKD) اور سی بی یو (CBU) گاڑیوں کی مشترکہ فروخت 35 فیصد کم ہوئی جو گزشتہ سال کی اسی مدت کے دوران 17,094 یونٹس کے مقابلے میں 11,209 یونٹس رہی۔ مزید برآں، 31 مارچ، 2020 کو ختم ہونے والی 9 ماہ کی مدت کیلئے فروخت 49 فیصد کمی کے ساتھ 25,662 یونٹس رہی جبکہ گزشتہ سال کی اسی مدت میں 50,181 یونٹس فروخت ہوئیں۔ اسی طرح 9 ماہ کی مدت کیلئے کمپنی کا مقامی سطح پر تیار کردہ پی سی (PC) اور ایل سی وی (LCV) گاڑیوں کا مارکیٹ شیئر 26 فیصد رہا۔ طلب میں کمی کے باعث کمپنی نے 9 ماہ کی مدت کیلئے 25,982 گاڑیاں تیار کی جبکہ گزشتہ سال کی اسی مدت میں 50,241 گاڑیاں تیار کی گئی تھیں۔

31 مارچ 2020 میں ختم ہونے والی 9 ماہ کیلئے آمدن پر خالص منافع میں 36 فیصد کمی ہوئی جو گزشتہ سال کی اسی مدت میں 117.98 بلین روپے کے مقابلے میں 75.83 بلین روپے رہا۔ بعد از ٹیکس منافع بھی 51 فیصد کمی کے ساتھ 4.98 بلین روپے رہا جبکہ گزشتہ سال کی اسی مدت کے دوران یہ منافع 10.26 بلین روپے تھا۔ 9 ماہ کی مدت کیلئے آمدن اور منافع میں کمی کی بڑی وجہ سی کے ڈی (CKD) اور سی بی یو (CBU) کے حجم میں کمی ہے۔

رواں مالی سال کی گزشتہ سہ ماہی مدتوں کے مقابلے میں جنوری 2020 سے شروع ہونے والی موجودہ سہ ماہی میں کمپنی کی گاڑیوں کی طلب تھوڑی بہتر ہوئی ہے جس سے موجودہ سہ ماہی میں منافع بھی بہتر ہوا۔ طلب میں اضافہ کا کریڈٹ نئے سال کی آمد پر گاڑیاں خریدنے کے رجحان اور کمپنی کی تسلسل کے ساتھ مارکیٹنگ کوششوں کو جاتا ہے۔ تاہم فروخت کا حجم گزشتہ سال کی اسی مدت کے مقابلے میں کم رہا۔ اس سہ ماہی کے دوران، کمپنی نے کزولا 1.3L گاڑی کو مکمل طور پر فروخت کیا جو گزشتہ 25 سال سے مارکیٹ میں چھائی رہی اور مارچ 2020 میں گاڑیوں کی پیداوار بند کر دی گئی۔ 1.6L اور 1.8L ویریئنٹ کے ساتھ کزولا برانڈ فلیگ شپ دنیا بھر میں دستیاب ہوگا۔

ہمیں یہ بتاتے ہوئے مسرت محسوس ہو رہی ہے کہ کمپنی نے 19 مارچ 2020 کو 1.3L اور 1.5L ویریئنٹ کے ساتھ Toyota Yaris ماڈل کی بنگ کا آغاز کیا۔ ہم نئی گاڑی میں دلچسپی ظاہر کرنے پر صارفین کے مشکور ہیں۔ تاہم کورونا وائرس کی عالمی وباء کے باعث حکومت کی طرف سے نافذ کردہ لاک ڈاؤن کی وجہ سے نئی متعارف کردہ گاڑی کی بنگ، ڈیلیوری اور مارکیٹنگ سرگرمیاں معطل رہیں۔ کورونا کی وباء کنٹرول کرنے اور آٹو انڈسٹری کیلئے حکومت کی طرف سے لاک ڈاؤن میں نرمی کی صورت میں گاڑی کے آرڈر اور ڈیلیوری کا عمل دوبارہ شروع کر دیا جائے گا۔

مذکورہ بالا نتائج کی بنیاد پر، بورڈ آف ڈائریکٹرز سہ ماہی کیلئے 10 روپے فی حصص کے عبوری منافع کی تقسیم کا اعلان کرنے میں مسرت محسوس کرتے ہیں۔ 31 مارچ، 2020 کو ختم ہونے والی 9 ماہ کی مدت کیلئے ٹوٹل منافع کی تقسیم 23 روپے فی حصص رہی۔

### مستقبل کا کاروباری جائزہ

کورونا وائرس کی حالیہ وبا نے بڑے پیمانے پر غیر یقینی کی صورت حال پیدا کر دی ہے اور پاکستان سمیت عالمی معیشت پر اس کے طویل منفی اثرات مرتب ہو سکتے ہیں۔ آئی ایم ایف کی طرف سے اس سے قبل 20-2019 کیلئے گزشتہ سال کی جی ڈی پی کی شرح نمو 3.3 فیصد سے کم کر کے اس سال 2.4 فیصد رہنے کی توقع ظاہر کی گئی تھی ہے۔ تاہم کورونا وائرس کی عالمی وبا کے نتیجے میں جی ڈی پی کی شرح نمو اور کم ہونے کی توقع ہے اور آئی ایم ایف کی طرف سے شرح نمو میں نظر ثانی کر کے منفی 1.5 فیصد کر دی گئی۔

آٹو مو بائل سیکٹر بلا واسطہ اور بلا واسطہ لاکھوں لوگوں کو روزگار فراہم کرتا ہے اور پاکستان میں ایک بڑی صنعتی اور معاشی قوت کے طور پر خدمات سرانجام دے رہا ہے۔ بد قسمتی سے انڈسٹری پبلے معاشی مشکلات کا سامنا کر رہی ہے اور کورونا وائرس کی وبا کی وجہ سے یہ مزید مشکلات کا شکار ہو جائے گی۔ اس لئے موجودہ صورتحال کو مد نظر رکھتے ہوئے ہم حکومت سے مطالبہ کرتے ہیں وہ انڈسٹری سے بوجھ کو ختم کرنے کیلئے فوری طور پر اقدامات اٹھائے اور حجم اور روزگار کو برقرار رکھنے کیلئے ہماری معاونت کرے۔ ہم حکومت سے درخواست کرتے ہیں کہ وہ گاڑیوں پر فیڈرل ایکسائز ڈیوٹی کو ختم کرے، غیر مقامی پارٹس پر کسٹم ڈیوٹی میں کمی اور اور ایس آر او 665 اور ایس آر او 656 کے تحت میٹریلز کی امپورٹ پر کسٹم ڈیوٹی سے استثنیٰ دیا جائے۔ یہ بھی درخواست کی جاتی ہے کہ آٹو مینوفیکچررز اور ان کے وینڈرز کی طرف سے امپورٹ کردہ خام مواد پر 3 فیصد ویلیو ایڈیشن سیلز ٹیکس کی چھوٹ دی جائے اور انکم ٹیکس وڈ ہولڈنگ کو کم کیا جائے تاکہ آٹو انڈسٹری کے آمدن اور اخراجات کے مسائل کو حل کرنے میں مدد مل سکے۔

ہم حکومت کے ”میک اپ پاکستان“ اقدام کی بھرپور حمایت کرتے ہیں اور اس سے یہی پتہ چلتا ہے کہ برقی گاڑیوں (ای وی) اور ہائبرڈ برقی گاڑیوں (ایچ ای وی) کی پالیسی کے تحت ڈیوٹی مراعات زیر غور ہیں۔ ان مراعات کو صرف ای وی اور ایچ ای وی کے مخصوص پرزہ جات تک ہی محدود کیا جانا چاہیے۔ زیر غور موجودہ پالیسی میں ڈیوٹی کی چھوٹ گاڑی کے عام پرزہ جات کیلئے تجویز کی گئی ہے حالانکہ یہ پرزہ جات مقامی سطح پر تیار کیے جا رہے ہیں اور پاکستان میں خریدے جاسکتے ہیں جو قومی معیشت کی ترقی میں کردار ادا کر رہے ہیں۔ یہ مجوزہ پالیسی نہ صرف پرزہ جات تیار کرنے والے مقامی افراد اور مینوفیکچررز کیلئے شدید نقصان کا باعث بنتی ہے جو ہمیشہ بحران کی کیفیت کا شکار رہتے ہیں بلکہ غیر ملکی اخراجات میں بھی غیر ضروری اضافہ کرے گی۔

ان غیر معمولی حالات میں آپ کی کمپنی صورتحال میں تبدیلی کا جائزہ لینے اور خطرات سے نمٹنے کیلئے فعال اقدامات اٹھانے کیلئے پرعزم ہے۔ ہم نے ہمارے بہت زیادہ قیمتی اثاثے، ہمارے لوگوں کے تحفظ اور ان کی دیکھ بھال کی ضرورت کے تحت اقدامات اٹھائے ہیں اور ان حالات میں گھر سے کام کرنے کا ورکنگ ماڈل نافذ کیا ہے۔ لاک ڈاؤن ختم ہونے کی صورت میں ہم اپنے بزنس آپریشن کیلئے متعدد قواعد و ضوابط بھی تشکیل دیے ہیں۔ ہم سماجی فاصلے کو برقرار رکھنے کیلئے ہمارے دفاتر میں کم سے کم سٹاف کے ساتھ کام کریں گے اور



بڑے اجتماع سے گریز کیا جائے گا۔ فیکٹریوں اور مال بردار گاڑیوں کو روزانہ ڈس انفیکٹ کیا جائے گا۔ فیکٹریوں میں تمام ملازمین کا روزانہ کی بنیاد پر بخار چیک کیا جائے گا، ماسک کا استعمال لازمی قرار دیا جائے گا اور کورونا وائرس کے خطرات اور ذاتی صفائی ستھرائی کے حوالے سے ملازمین کو تعلیم فراہم کی جائے گی۔

ہم کورونا وائرس کی عالمی وباء سے متاثر افراد کو متعدد ذرائع سے مدد اور تعاون فراہم کر رہے ہیں جن میں ہسپتالوں کو عطیات کی فراہمی اور ضرورت مند خاندانوں میں 10 ہزار سے زائد راشن کی تقسیم شامل ہے۔ ہم کورونا وائرس سے نمٹنے کیلئے حکومت اور قوم کے شانہ بشانہ ہیں تاکہ ہمل کر اس صورتحال سے مضبوط حیثیت سے ابھریں۔

### اعتراف

ہمیشہ کی طرح ہم اپنے صارفین کے شکرگزار ہیں کہ انہوں نے ہماری مصنوعات پر مسلسل اعتماد کیا۔ ہم آئی ایم سی کی پوری ٹیم بشمول اسٹاف، وینڈرز، ڈیلرز اور تمام بزنس پارٹنر کی مشکل وقتوں میں انتھک محنت کو سراہنا چاہتے ہیں اور امید کرتے ہیں کہ ان کا مسلسل ساتھ حاصل رہے گا۔

ہم رب عظیم کے شکرگزار ہیں اور اس کی برکتوں سمیت رہنمائی کیلئے دعا گو ہیں

بورڈ آف ڈائریکٹرز کی طرف سے

24 اپریل 2020ء

کراچی



یو جی تا کارادا

نائب چیئرمین اینڈ ڈائریکٹر



علی اصغر اجمالی

چیف ایگزیکٹو

# Condensed Interim Statement of Financial Position

AS AT MARCH 31, 2020

	Note	March 31 2020 (Unaudited)	June 30 2019 (Audited)
------(Rupees in '000)-----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	16,592,054	13,804,509
Intangible assets		67,783	93,524
Long-term loans and advances		16,747	15,906
Long-term deposits		10,981	11,129
Deferred taxation - net		119,033	-
		<u>16,806,598</u>	<u>13,925,068</u>
<b>Current assets</b>			
Stores and spares		548,909	544,005
Stock-in-trade		11,014,651	13,560,393
Trade debts - unsecured		942,470	2,547,915
Loans and advances		3,245,247	3,728,026
Short-term prepayments		67,707	31,946
Accrued return		53,963	34,846
Other receivables		1,285,596	3,109,549
Short-term investments	6	31,867,421	23,402,464
Taxation - net		4,076	617,068
Cash and bank balances		3,359,162	3,281,782
		<u>52,389,202</u>	<u>50,857,994</u>
<b>TOTAL ASSETS</b>		<u><b>69,195,800</b></u>	<u><b>64,783,062</b></u>
<b>EQUITY</b>			
<b>Share capital</b>			
<b>Authorised capital</b>			
500,000,000 (June 30 2019: 500,000,000) Ordinary shares of Rs 10 each		<u>5,000,000</u>	<u>5,000,000</u>
<b>Issued, subscribed and paid-up capital</b>			
78,600,000 (June 30, 2019: 78,600,000) ordinary shares of Rs 10 each		786,000	786,000
Reserves		<u>41,059,734</u>	<u>39,259,309</u>
		<u>41,845,734</u>	<u>40,045,309</u>
<b>LIABILITIES</b>			
<b>Non-Current liabilities</b>			
Deferred revenue		8,792	80,540
Long term loan		214,105	53,690
Deferred taxation - net		-	424,690
		<u>222,897</u>	<u>558,920</u>
<b>Current liabilities</b>			
Trade payables, other payables and provisions		16,404,986	15,950,203
Current portion of Long term loan		14,361	-
Current portion of deferred revenue		33,279	3,300
Unclaimed Dividend		165,650	174,538
Unpaid Dividend		143,848	121,059
Advances from customers and dealers		10,365,045	7,929,733
		<u>27,127,169</u>	<u>24,178,833</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>69,195,800</b></u>	<u><b>64,783,062</b></u>

## CONTINGENCIES AND COMMITMENTS

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



**Mohammad Ibadullah**  
Chief Financial Officer



**Ali Asghar Jamali**  
Chief Executive & Director




**Yuji Takarada**  
Vice Chairman & Director

## Condensed Interim Statement of Profit or Loss

For the nine months and quarter ended March 31, 2020 (unaudited)

	Note	Nine months ended		Quarter ended	
		March 31		March 31	
		2020	2019	2020	2019
----- (Rupees in '000) -----					
<b>Revenue from contracts with customers</b>	8	75,830,354	117,979,946	33,055,075	41,533,145
<b>Cost of sales</b>	9	(68,054,877)	(103,055,837)	(29,046,771)	(36,666,364)
<b>Gross profit</b>		7,775,477	14,924,109	4,008,304	4,866,781
Distribution expenses		(1,236,590)	(997,619)	(498,909)	(335,036)
Administrative expenses		(1,032,047)	(1,001,001)	(341,041)	(404,217)
Other operating expenses		(143,611)	(121,328)	(47,777)	(43,475)
		(2,412,248)	(2,119,948)	(887,727)	(782,728)
		5,363,229	12,804,161	3,120,577	4,084,053
Workers' Profit Participation Fund & Workers' Welfare Fund		(545,500)	(1,098,479)	(308,721)	(346,956)
		4,817,729	11,705,682	2,811,856	3,737,097
Other income	11	2,337,269	3,156,639	1,110,349	1,058,555
		7,154,998	14,862,321	3,922,205	4,795,652
Finance costs		(54,238)	(40,815)	(16,254)	(12,931)
<b>Profit before taxation</b>		7,100,760	14,821,506	3,905,951	4,782,721
Taxation		(2,117,035)	(4,564,297)	(1,226,715)	(1,437,577)
<b>Profit after taxation</b>		4,983,725	10,257,209	2,679,236	3,345,144
<b>Earnings per share - basic and diluted (Rupees)</b>		63.41	130.50	34.09	42.56

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



**Mohammad Ibadullah**  
Chief Financial Officer



**Ali Asghar Jamali**  
Chief Executive & Director



**Yuji Takarada**  
Vice Chairman & Director

## Condensed Interim Statement of Comprehensive Income

For the nine months and quarter ended March 31, 2020 (unaudited)

	Nine months ended		Quarter ended	
	March 31		March 31	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
<b>Profit after taxation for the period</b>	<b>4,983,725</b>	<b>10,257,209</b>	<b>2,679,236</b>	<b>3,345,144</b>
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Items that will not be subsequently reclassified to profit or loss	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>4,983,725</b>	<b>10,257,209</b>	<b>2,679,236</b>	<b>3,345,144</b>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



**Mohammad Ibadullah**  
Chief Financial Officer



**Ali Asghar Jamali**  
Chief Executive & Director



**Yuji Takarada**  
Vice Chairman & Director

# Condensed Interim Statement of Cash Flows

For the nine months and quarter ended March 31, 2020 (unaudited)

	Note	Nine months ended March 31	
		2020	2019
------(Rupees in '000)-----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	12	16,684,131	(5,944,377)
Workers' Welfare Fund paid		(330,495)	(444,589)
Income tax paid		(2,047,781)	(6,074,159)
(Decrease) / increase in Deferred revenue		(44,898)	23,752
Interest paid on Long term loan		(1,857)	-
Long term loans and advances		(841)	(12,019)
Movement in long-term deposits		148	(1,686)
<b>Net cash generated from / (outflow in) operating activities</b>		<b>14,258,407</b>	<b>(12,453,078)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment and intangible assets		(4,891,610)	(5,586,062)
Proceeds from disposal of property, plant and equipment		71,622	36,420
Interest income received		2,068,014	1,515,024
Investment in listed mutual fund units		(6,706,007)	(6,738,075)
Proceeds from redemption of listed mutual fund units		-	13,190,282
Proceeds from sale of Market Treasury Bills		-	1,013,131
<b>Net cash (used) in / generated from investing activities</b>		<b>(9,457,981)</b>	<b>3,430,720</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(3,169,399)	(8,007,640)
Long-term loan for renewable energy project		147,926	-
		(3,021,473)	(8,007,640)
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>1,778,953</b>	<b>(17,029,998)</b>
Cash and cash equivalents at the beginning of the period		26,684,246	48,043,180
<b>Cash and cash equivalents at the end of the period</b>	13	<b>28,463,199</b>	<b>31,013,182</b>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



**Mohammad Ibadullah**  
Chief Financial Officer



**Ali Asghar Jamali**  
Chief Executive & Director



**Yuji Takarada**  
Vice Chairman & Director

# Condensed Interim Statement of Changes in Equity

For the nine months and quarter ended March 31, 2020 (unaudited)

	Share Capital	Reserves				
	Issued, subscribed and paid-up	Capital Premium on issue of ordinary shares	Revenue		Sub-Total	Total
			General reserve	Unappropriated profit		
	----- (Rupees in '000) -----					
Balance as at July 1, 2018	786,000	196,500	27,451,050	8,310,792	35,958,342	36,744,342
Total comprehensive income for the nine months ended March 31, 2019	-	-	-	10,257,209	10,257,209	10,257,209
Transfer to general reserve for the year ended June 30, 2018 appropriated subsequent to year end	-	-	4,500,000	(4,500,000)	-	-
Transaction with owners						
Final dividend @ 450% for the year ended June 30, 2018 declared subsequent to year end	-	-	-	(3,537,000)	(3,537,000)	(3,537,000)
Interim dividend @ 325% declared during the period ended September 30, 2018	-	-	-	(2,554,500)	(2,554,500)	(2,554,500)
Interim dividend @ 250% declared during the period ended December 31, 2018	-	-	-	(1,965,000)	(1,965,000)	(1,965,000)
Balance as at March 31, 2019	786,000	196,500	31,951,050	6,011,501	38,159,051	38,945,051
Balance as at July 1, 2019	786,000	196,500	31,951,050	7,111,759	39,259,309	40,045,309
Total comprehensive income for the nine months ended March 31, 2020	-	-	-	4,983,725	4,983,725	4,983,725
Transfer to general reserve for the year ended June 30, 2019 appropriated subsequent to year end	-	-	4,500,000	(4,500,000)	-	-
Transaction with owners						
Final dividend @ 275% for the year ended June 30, 2019 declared subsequent to year end	-	-	-	(2,161,500)	(2,161,500)	(2,161,500)
Interim dividend @ 70% declared during the period ended September 30, 2019	-	-	-	(550,200)	(550,200)	(550,200)
Interim dividend @ 60% declared during the period ended December 31, 2019	-	-	-	(471,600)	(471,600)	(471,600)
Balance as at March 31, 2020	786,000	196,500	36,451,050	4,412,184	41,059,734	41,845,734

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



**Mohammad Ibadullah**  
Chief Financial Officer



**Ali Asghar Jamali**  
Chief Executive & Director



**Yuji Takarada**  
Vice Chairman & Director

# Notes to and Forming Part of the Condensed Interim Financial Statements

For the nine months ended March 31, 2020 (unaudited)

## 1 THE COMPANY AND ITS OPERATIONS

Indus Motor Company Limited (the Company) was incorporated in Pakistan as a public limited company in December 1989 and started commercial production in May 1993. The shares of the Company are quoted on the Pakistan Stock Exchange.

The Company was formed in accordance with the terms of a Joint Venture agreement concluded amongst certain House of Habib companies, Toyota Motor Corporation and Toyota Tsusho Corporation for the purposes of assembling, progressive manufacturing and marketing of Toyota vehicles. The Company also acts as the sole distributor of Toyota and Daihatsu vehicles in Pakistan and has a license for assembling, progressive manufacturing and marketing of these vehicles in Pakistan.

The registered office and factory of the Company is situated at Plot No. NWZ/1/P-1, Port Qasim Industrial Estate, Bin Qasim, Karachi.

## 2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 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.

These condensed interim financial information do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Company for the year ended June 30, 2019.

2.2 The comparative statement of financial position presented in these condensed interim financial statements as at June 30, 2019 has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2019 whereas the comparative condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with the notes thereto for the nine months ended March 31, 2019 have been extracted from the condensed interim financial statements of the Company for the nine months then ended, which were neither subjected to review nor audited. The comparative condensed statement of interim profit or loss and other comprehensive income for the quarter ended March 31, 2019 included in these condensed interim financial statements was neither subjected to a review nor audited.

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation of balances adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Company for the year ended June 30, 2019 except for those disclosed in note 3.2

# Notes to and Forming Part of the Condensed Interim Financial Statements

For the nine months ended March 31, 2020 (unaudited)

## 3.2 Changes in accounting standards, interpretations and amendments to published accounting and reporting standards

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

IFRS 16 'Leases' - replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. It results in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under IFRS 16, a new concept of right to use leased item is introduced requiring recognition of right of use asset and a financial liability to pay rentals. The only exceptions are short-term and low-value leases.

The management has assessed that the application of IFRS 16 does not have any significant impact on the Company's financial reporting.

There are certain other new standards, interpretations and amendments to accounting and reporting standards which are mandatory for the Company's accounting periods beginning on or after July 1, 2019 but are considered not to be relevant or have any significant effect on the Company's financial reporting and therefore, have not been disclosed in these condensed interim financial statements.

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

There are certain new standards, interpretations and amendments to accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2020 but are considered not to be relevant or have any significant effect on the Company's financial reporting and therefore, have not been disclosed in these condensed interim financial statements.

## 4 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

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

Judgments and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied to the financial statements as at and for the year ended June 30, 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 June 30, 2019.



# Notes to and Forming Part of the Condensed Interim Financial Statements

For the nine months ended March 31, 2020 (unaudited)

	March 31, 2020 (Un-audited)	June 30, 2019 (Audited)
	----- (Rupees in '000) -----	
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>		
Operating assets	<b>13,449,928</b>	13,360,788
Capital work-in-progress	<b>3,142,126</b>	443,721
	<b><u>16,592,054</u></b>	<u>13,804,509</u>

## 5.1 Details of additions and disposals during the period are as follows:

	Additions (at cost)		Disposals (at cost)	
	Nine months ended March 31		Nine months ended March 31	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
<b>Tangible assets</b>				
Buildings on leasehold land:				
Factory	37,767	102,862	-	1,963
Others	3,060	5,824	-	-
Plant and machinery	306,373	294,290	232,912	39,589
Motor vehicles	82,801	88,692	77,472	49,239
Furniture and fixtures	5,235	141	242	65
Office equipment	8,250	8,657	11,023	14,147
Computers and related accessories	5,149	10,424	3,811	7,405
Tools and equipment	28,005	22,049	9,381	1,102
Jigs, moulds and related equipment	1,716,565	2,684	323	-
	<b><u>2,193,205</u></b>	<u>535,623</u>	<b><u>335,164</u></b>	<u>113,511</u>
<b>Intangible assets</b>				
Computer software	-	4,794	-	-

### 5.1.1 Additions to owned assets include transfers from capital work-in-progress amounting to Rs 2,055.941 million (March 31, 2019: Rs 354.787 million).

# Notes to and Forming Part of the Condensed Interim Financial Statements

For the nine months ended March 31, 2020 (unaudited)

March 31 2020 (Unaudited)	June 30 2019 (Audited)
----- (Rupees in '000) -----	

## 6 SHORT-TERM INVESTMENTS

### Amortized Cost

- Term Deposit Receipts (TDRs)	10,000,000	19,000,000
--------------------------------	------------	------------

### At fair value through profit or loss

- Government securities - Market Treasury Bills	15,104,037	4,402,464
- Mutual Fund units	6,763,384	-
	<u>31,867,421</u>	<u>23,402,464</u>

## 7 CONTINGENCIES AND COMMITMENTS

### 7.1 Contingencies

**7.1.1** The status of contingencies as disclosed in annual financial statements of the Company for the year ended June 30, 2019 has remained unchanged.

**7.1.2** As at March 31, 2020, the claims not acknowledged as debt by the company amounts to Rs 1,859.511 million (June 30, 2019: Rs 1,437.109 million).

**7.1.3** Commitments in respect of outstanding bank guarantees as at March 31, 2020 amounted to Rs 14,839 million (June 30, 2019: Rs 18,141.215 million). This includes an amount of Rs 5,985 million (June 30, 2019: Rs 6,080.385 million) in respect of bank guarantees from related party.

### 7.2 Commitments

**7.2.1** Commitments in respect of capital expenditure as at March 31, 2020 aggregate to Rs 2,943.805 million (June 30, 2019: Rs 5,517.255 million).

**7.2.2** Commitments in respect of letters of credit, other than for capital expenditure, as at March 31, 2020 amounted to Rs 3,917.682 million (June 30, 2019: Rs 4,559.860 million). The above letters of credit include an amount of Rs 1,789.146 million (June 30, 2019: Rs Nil million) availed from a related party.

# Notes to and Forming Part of the Condensed Interim Financial Statements

For the nine months ended March 31, 2020 (unaudited)

	Nine months ended		Quarter ended	
	March 31		March 31	
	2020	2019	2020	2019
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
<b>8 REVENUE FROM CONTRACTS WITH CUSTOMERS</b>				
<b>Manufacturing</b>				
Gross sales	87,888,157	134,208,680	38,939,600	47,538,622
Sales tax	(12,768,548)	(19,495,022)	(5,653,466)	(6,903,374)
Federal excise duty	(3,025,124)	(179,041)	(1,354,552)	(179,041)
	<u>72,094,485</u>	<u>114,534,617</u>	<u>31,931,582</u>	<u>40,456,207</u>
Commission	(1,856,792)	(2,969,688)	(678,049)	(1,002,585)
Discounts	(87,581)	(6,863)	(39,511)	(2,657)
Compensation on advances from customers	(2,230)	(195,857)	-	(34,467)
<b>Manufacturing net sales</b>	<u>70,147,882</u>	<u>111,362,209</u>	<u>31,214,022</u>	<u>39,416,498</u>
<b>Trading</b>				
Gross sales	7,412,662	8,067,305	2,433,653	2,630,834
Sales tax	(1,153,948)	(868,671)	(376,136)	(278,736)
	<u>6,258,714</u>	<u>7,198,634</u>	<u>2,057,517</u>	<u>2,352,098</u>
Commission	(232,903)	(206,048)	(100,161)	(100,650)
Discounts	(343,339)	(374,849)	(116,303)	(134,801)
<b>Trading net sales</b>	<u>5,682,472</u>	<u>6,617,737</u>	<u>1,841,053</u>	<u>2,116,647</u>
<b>Net sales</b>	<u>75,830,354</u>	<u>117,979,946</u>	<u>33,055,075</u>	<u>41,533,145</u>
<b>9 COST OF SALES</b>				
Manufacturing	64,223,792	98,087,099	27,819,782	35,155,840
Trading	3,831,085	4,968,738	1,226,989	1,510,524
	<u>68,054,877</u>	<u>103,055,837</u>	<u>29,046,771</u>	<u>36,666,364</u>

# Notes to and Forming Part of the Condensed Interim Financial Statements

For the nine months ended March 31, 2020 (unaudited)

## 10 SEGMENT REPORTING

	Nine months ended March 31, 2020			Nine months ended March 31, 2019		
	Manufacturing	Trading	Total	Manufacturing	Trading	Total
	(Rupees in '000)					
Net sales	70,147,882	5,682,472	75,830,354	111,362,209	6,617,737	117,979,946
Gross Profit	5,924,090	1,851,387	7,775,477	13,275,110	1,648,999	14,924,109
Profit from operations	3,209,612	1,608,117	4,817,729	10,228,849	1,476,833	11,705,682
	Quarter ended March 31, 2020			Quarter ended March 31, 2019		
	Manufacturing	Trading	Total	Manufacturing	Trading	Total
	(Rupees in '000)					
Net sales	31,214,022	1,841,053	33,055,075	39,416,498	2,116,647	41,533,145
Gross Profit	3,394,240	614,064	4,008,304	4,260,658	606,123	4,866,781
Profit from operations	2,264,247	547,609	2,811,856	3,191,612	545,485	3,737,097

Nine months ended	
March 31	
2020	2019
(Rupees in '000)	

## 11 OTHER INCOME

Return on bank deposits	768,807	1,309,150
Gain on investments in listed mutual funds units	57,377	391,203
Realized gain on sale of investments in Pakistan Investment Bonds (PIBs)	134,147	205,351
Realized gain on sale of investments in Market Treasury Bills (T Bills)	1,063,428	400,497
Unrealized gain on investments in Market Treasury Bills (T Bills)	111,553	96,082
Interest Income on Market Treasury Bills (T Bills)	9,196	399,787
Agency Commission income - net of expenses	20,228	112,852
Others	172,533	241,717
	<u>2,337,269</u>	<u>3,156,639</u>

# Notes to and Forming Part of the Condensed Interim Financial Statements

For the nine months ended March 31, 2020 (unaudited)

		Nine months ended	
		March 31	
Note		2020	2019
		------(Rupees in '000)-----	
<b>12</b>	<b>CASH GENERATED FROM OPERATIONS</b>		
	Profit before taxation	7,100,760	14,821,506
	<b>Adjustment for non-cash charges and other items</b>		
	Depreciation	2,069,682	1,525,018
	Amortization	26,574	22,777
	Gain on sale of fixed assets	(38,057)	(16,468)
	Unrealized gain on foreign exchange contracts & derivatives-net	(18,291)	(14,711)
	Gain on investment in listed mutual fund units	(57,377)	(391,203)
	Return on Bank Deposits & Term Deposit Receipts	(768,807)	(1,309,150)
	Gain on sale of investment in Pakistan Investment Bonds	(134,147)	(205,351)
	Interest Income on Market Treasury Bills	(9,196)	(399,787)
	Realized gain on sale of investments in Market Treasury Bills	(1,063,428)	(400,497)
	Unrealized gain on investments in Market Treasury Bills	(111,553)	(96,082)
	Workers' Profit Participation Fund	382,313	795,999
	Workers' Welfare Fund	163,187	302,480
	(Reversal) / Provision of doubtful debts	(435)	976
	Interest on Long term loan	3,613	-
	Working capital changes	12.1 9,139,293	(20,579,884)
		<b>16,684,131</b>	<b>(5,944,377)</b>
<b>12.1</b>	<b>Working capital changes</b>		
	<b>(Increase) / decrease in current assets</b>		
	Stores and spares	(4,904)	(90,899)
	Stock-in-trade	2,545,742	(1,109,552)
	Trade debts	1,605,880	(1,834,043)
	Loans and advances	482,779	1,014,312
	Short-term prepayments	(35,761)	(35,498)
	Other receivables	1,834,280	(1,701,227)
		<b>6,428,016</b>	<b>(3,756,907)</b>
	<b>Increase / (decrease) in current liabilities</b>		
	Current portion of deferred revenue	29,979	4,486
	Trade and other payables	245,986	1,304,236
	Advances from customers and dealers	2,435,312	(18,131,698)
		<b>2,711,277</b>	<b>(16,822,976)</b>
		<b>9,139,293</b>	<b>(20,579,884)</b>
<b>13</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Term Deposit Receipts	6 10,000,000	21,000,000
	Government Securities-Market Treasury Bills	6 15,104,037	8,638,882
	Cash and bank balances	3,359,162	1,374,300
		<b>28,463,199</b>	<b>31,013,182</b>

# Notes to and Forming Part of the Condensed Interim Financial Statements

For the nine months ended March 31, 2020 (unaudited)

## 14 TRANSACTIONS AND BALANCES WITH ASSOCIATED UNDERTAKINGS / RELATED PARTIES

- 14.1 The associated undertakings / related parties comprise of associated companies, staff retirement funds and key management personnel. Transactions carried out with associated undertakings / related parties during the year are as follows:

	Nine months ended March 31		Quarter Ended March 31	
	2020	2019	2020	2019
	------(Rupees in '000)-----		------(Rupees in '000)-----	
<b>With associated undertakings / related parties:</b>				
Sales	264,094	315,661	89,875	80,759
Purchases	36,131,459	63,452,238	11,909,001	22,542,868
Insurance premium	55,599	68,048	20,070	26,585
Agency commission	47,531	73,871	12,893	37,801
Running royalty	1,390,075	2,333,526	612,570	830,890
Rent expense	1,077	978	359	326
Return on bank deposits	420,899	534,974	61,541	193,028
Proceeds from disposal of fixed assets / insurance claim	904	227	155	-
Donations	51,500	63,500	25,000	41,500
Bank and LC charges	45,912	38,675	14,762	12,926
<b>With other related parties:</b>				
Contribution to retirement benefit funds	101,238	75,886	34,947	28,689
<b>With key management personnel:</b>				
- Salaries and benefits	71,557	60,980	25,281	21,136
- Post employment benefits	4,709	3,781	1,672	1,400
- Sale of fixed assets	3,161	-	-	-

The related party balances outstanding as at period / year end are as follows:

	(Unaudited) March 31 2020	(Audited) June 30 2019
	------(Rupees in '000)-----	
Short-term prepayments	15,474	1,841
Accrued Return	2,432	12,619
Bank balances and Term Deposit Receipts	1,062,957	9,700,126
Margin held by bank against LC's	1,250,992	-
Warranty claims, agency commission and other receivables	146,741	446,874
Trade and other payables	2,857,836	4,221,790

- 14.2 During the period, Rs 1.875 million (March 31, 2019: Rs 0.750 million) was paid as directors' fee to independent directors.

# Notes to and Forming Part of the Condensed Interim Financial Statements

For the nine months ended March 31, 2020 (unaudited)

## 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

International Financial Reporting Standard 7, 'Financial Instruments: Disclosure' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

Investment of the Company carried at fair value are categorised as follows:

	----- As at March 31, 2020 -----			----- As at June 30, 2019 -----		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	----- Rupees in '000-----					
Financial assets / (liabilities) 'at fair value through profit or loss'						
- Government Securities						
- Market Treasury Bills	-	15,104,037	-	-	4,402,464	-
- Listed Mutual Fund Units	-	6,763,384	-	-	-	-
- Derivative financial instruments	-	-	29,285	-	-	10,994

## 16 NON-ADJUSTING EVENT AFTER THE DATE OF STATEMENT OF FINANCIAL POSITION


The Board of Directors in its meeting held on April 24, 2020 have proposed an interim cash dividend of Rs 10 per share (March 31, 2019: Rs 30 per share) in respect of the year ending June 30, 2020. The condensed interim financial information for the nine months ended March 31, 2020, does not include the effect of this dividend which will be accounted for in the annual financial statements for the year ended June 30, 2020.

## 17 DATE OF AUTHORIZATION OF ISSUE

These condensed interim financial statements were authorised for issue on April 24, 2020 by the Board of Directors of the Company.

## 18 GENEREAL

- 18.1** Figures in these condensed interim financial statements have been rounded off to the nearest thousand rupees.
- 18.2** Corresponding figures have been reclassified for the purpose of better presentation and comparison, where necessary.



**Mohammad Ibadullah**  
Chief Financial Officer



**Ali Asghar Jamali**  
Chief Executive & Director



**Yuji Takarada**  
Vice Chairman & Director

## Company Information

### Board of Directors

Mr. Ali S. Habib*	Chairman
Mr. Yuji Takarada	Vice Chairman
Mr. Ali Asghar Jamali	Chief Executive
Mr. Mohamedali R. Habib	Director
Mr. Tadao Nasu	Director
Mr. Tetsuya Ezumi	Director
Mr. Imran A. Habib	Director
Mr. Azam Faruque	Independent Director
Mr. Riyaz T. Chinoy	Independent Director
Syeda Tatheer Zehra Hamdani	Independent Director

\*Casual vacancy created on 17th April 2020 due to demise

### Chief Financial Officer

Mr. Mohammad Ibadullah

### Company Secretary

Mr. Muhammad Arif Anzer

### Audit Committee Members

Mr. Azam Faruque	Committee Chairman
Mr. Mohamedali R. Habib	Member
Mr. Imran A. Habib	Member
Mr. Tadao Nasu	Member
Mr. Riyaz T. Chinoy	Member
Mr. Tetsuya Ezumi	Member
Mr. Azam Khan	Secretary & Head of Internal Audit

### Human Resource and Remuneration

#### Committee Members

Mr. Azam Faruque	Committee Chairman
Mr. Ali S. Habib*	Member
Mr. Yuji Takarada	Member
Syeda Tatheer Zehra Hamdani	Member
Mr. Ali Asghar Jamali	Member
Mr. Khurram Mahmood	Secretary

### Auditors

A.F. Ferguson & Co.  
Chartered Accountants,  
State Life Building No. 1-C,  
I.I. Chundrigar Road, Karachi.

### Legal Advisors

A.K. Brohi & Company  
Mansoor Ahmed Khan & Co.  
Mahmud & Co.  
Sayeed & Sayeed.

### Bankers

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

### Registrar

CDC Share Registrar Services Limited  
CDC House, 99-B, Block 'B'  
S.M.C.H.S. Main Shakra-e-Faisal  
Karachi - 74400. Pakistan.  
UAN: 111-111-500  
Tel: 0800 - 23275  
Fax (92-21) 34326053  
Email: info@cdcsrsl.com

### Factory / Registered Office

Plot No. N.W.Z/1/P-1, Port Qasim Authority,  
Bin Qasim, Karachi.

Phone: (PABX) (92-21) 34720041-48  
(UAN) (92-21) 111-TOYOTA (869-682)  
Fax: (92-21) 34720056  
Website: www.toyota-indus.com

### Credit Rating

Credit Rating Company:  
VIS Credit Rating Company Limited  
Long term rating: AA+  
Short term rating: A-1+



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