



# INDUS MOTOR COMPANY LTD.

**Condensed Interim Financial Information**  
For the Half Year Ended December 31, 2020  
(Un-audited)



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## Directors' Report

For the half year ended December 31, 2020

The Directors of Indus Motor Company (IMC) Limited are pleased to present the Company's accounts for the half-year ended December 31, 2020.

### Pakistan's Automobile Industry

During the first half of the fiscal year, the automobile industry experienced an increase in demand following relaxation of the Coronavirus (COVID-19) lockdown, as economic activities began to normalize. Consumer purchasing power was revitalized, and a reduction in interest rates led to increase in auto financing, which contributed to demand in the first half of FY 20-21. The disruptions caused to world trade and global economy persist, with significantly restricted economic activities, severe supply chain management issues, port congestions and vessel delays across the globe. This has required local automotive companies to vigorously manage their manufacturing operations to overcome problems in inbound international logistics operations. Despite the said challenges, however, the continued demand for vehicles and outlook of the automotive sector this year appears promising.

Consequent to demand increase, industry wide sales for PAMA (Pakistan Automotive Manufacturers Association) members of locally manufactured Passenger Cars (PC) and Light Commercial Vehicles (LCV) vehicles increased by 18.5% to 79,954 units during the first half of financial year 2020-21, as against 67,494 units sold in the same period last year.

### Company Review

The combined sales of Completely Knocked Down (CKD) and Completely Built-up Units (CBU) units of the Company for the half year ended December 31, 2020, increased by 82% to 26,362 units against 14,453 units sold in the same period last year. The market share of Indus Motor Company in the overall market stood at approximately 24.7% for the half year ended December 31, 2020. The Company produced 26,383 vehicles, registering an 81% increase, as compared to 14,555 units produced in the same period last year.

The Company's net sales turnover for the half year ended December 31, 2020, increased to Rs. 79.65 billion as compared to Rs. 42.78 billion, for the same period last year, while profit after tax increased to Rs. 4.80 billion as against Rs. 2.30 billion achieved in the same period last year. The net profit has increased mainly due to higher sales volumes and an increase in other income, due to improved cash fund position of the Company. However, material cost increased mainly due to Rupee devaluation, which has resulted in reduction in gross profit margin to 7.55% against 8.81% in same period last year.

Sales volumes improved in all segments, mainly due to pent up demand after lockdown and lower interest rates in the first half of FY20-21. The Company also experienced an overwhelming response to Toyota Yaris in the first, as well as second quarter of fiscal year 2020-21 which contributed to the increase in volume in Passenger Car segment. Moreover, Fortuner TRD variant was launched in October 2020 which was well received by customers.

The Earnings Per Share of the company for half year ended December 31, 2020 is Rs. 61.08 as compared to Rs. 29.32 reported during the same period last year. The Board of Directors is pleased to declare second interim cash dividend of Rs. 25 per share for the half year ended December 31, 2020, compared to Rs. 6 per share, for the same period last year. During the period, transactions with the related parties as disclosed in the financial statements were carried out in the ordinary course of business.

### Business Outlook

Signs of recovery in Pakistan's auto industry were evident in the 2nd Quarter of FY2021 as industry witnessed a 32% increase on year on year basis. Although the after effects of COVID-19 linger on, it is expected that economic activity in the country will improve. Global port congestions, particularly in the Asia Pacific region, are disrupting inward supply chains, resulting in shipment delayed at the port. While the industry continues

## Directors' Report

For the half year ended December 31, 2020

to fight against all odds to manage operations, the disruptions have led to increased delivery lead times of vehicles. All efforts are being made to utilize full capacity, so that customer demand and sales can be met.

The Auto policy introduced in 2016 will end by June 2021. The policy enabled green field investments in the auto industry to reach the 500,000 units of annual production capacity, with multiple brands and product offerings. However, the targets set forth in the auto policy 2016-21 have still not materialized fully. Government has started stakeholder consultation to formulate the next auto policy for the period 2021-2026. The Company urges the Government to draw up a new auto policy that encourages localization and generates employment not only for OEMs, but necessarily for parts makers as well.

In the wake of COVID-19 and the consequent lockdowns, the industry must strive even harder. There is a need for the Government to introduce fiscal stimulus in the market to promote growth. The auto industry hopes that the Government will take due cognizance of the problems faced, and will focus seriously on eliminating excessive duties and taxes like Additional Custom Duty and Federal Excise Duty. The reduction in duties will boost the sales value and the auto industry's higher capacity utilization and volumes will generate more taxes for the Government on an overall basis, and will also create more employment opportunities.

Recently the Government has focused on vehicle electrification and has offered incentives for introduction of electric vehicles. These low emission vehicles will only deliver to its full potential once the necessary charging infrastructure is established and available in the country. Alternatively, hybrid vehicles (HEVs) may provide an immediate solution in terms of reduction in the oil import bill and low CO2 emissions, and incentives for HEVs should be pursued with this electrification drive. As one of Pakistan's leading auto manufacturers, the Company has always emphasized a 'Make in Pakistan' approach in terms of policymaking.

During the period, the Company received various accolades, winning the "Most Outstanding Company in Pakistan 2020 (Automobiles and Component Sector)" awarded by Asiamoney, as well as the "Best Sustainability Report Award 2019" conferred by the Joint Committee of Institute of Chartered Accountants of Pakistan and Institute of Cost and Management Accountants of Pakistan.

Our philosophy is to always put the 'Customer First'. Compliance with this philosophy, demands a high level of contribution, dedication and efficiency from everyone in the Company so that maximum customer satisfaction can be ensured throughout the supply chain. This is the 'Toyota Way' – a path that is central to the long-term success of the Company.

### Acknowledgement:

We thank our valued customers who have always placed their trust in our products. Their sustained support has enabled the Company to prevail against all hurdles and odds faced.

The Company is very proud of its employees for their commitment, passion, loyalty and dedication, even in the most challenging of times. Our gratitude extends to all our stakeholders and shareholders who have always supported the Company.

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

### On behalf of the Board of Directors.

February 25, 2021  
Karachi.

  
**Ali Asghar Jamali**  
Chief Executive & Director

  
**Yuji Takarada**  
Vice Chairman & Director

## ڈائریکٹرز رپورٹ برائے نصف سال ختمہ 31 دسمبر، 2020

انڈس موٹر کمپنی کے ڈائریکٹرز 31 دسمبر 2020 کو ختم ہونے والی ششماہی کیلئے کمپنی کے حسابات (accounts) پیش کرنے میں مسرت محسوس کرتے ہیں۔

### پاکستان کی آٹوموبائل انڈسٹری

مالی سال کی پہلی ششماہی کے دوران کورونا وائرس کی وبا کے باعث لگائے جانے والے لاک ڈاؤن میں نرمی کے بعد اقتصادی سرگرمیاں معمول پر آنا شروع ہوئیں جس کے نتیجے میں آٹوموبائل انڈسٹری کو گاڑیوں کی طلب میں اضافہ دیکھنے کو ملا۔ صارفین کی قوت خرید میں بہتری اور شرح سود میں کمی آٹو انڈسٹری میں سرمایہ کاری میں اضافہ کا باعث بنی جس سے مالی سال 2020-21 کی پہلی ششماہی میں گاڑیوں کی طلب میں اضافہ ہوا۔ محدود پیمانے پر معاشی سرگرمیوں، ترسیل مینجمنٹ کے شدید مسائل، بندرگاہ پر گنجائش کا نہ ہونا، عالمی سطح پر جہازوں میں تاخیر کے ساتھ عالمی تجارت اور معیشت کو رکاوٹوں اور چیلنجوں کا بدستور سامنا ہے۔ اس صورتحال میں مقامی کارساز کمپنیوں کو عالمی لاجسٹک آپریشنز کے حوالے سے درپیش آنے والے مسائل پر قابو پانے کیلئے اپنے مینوفیکچرنگ آپریشنز کا بھرپور انتظام کرنا چاہیے۔ مذکورہ چیلنجوں کے باوجود رواں گاڑیوں کی بڑھتی ہوئی طلب اور آٹومو بیو سیکٹر کا کاروباری جائزہ شاندار رہا۔

طلب میں اضافہ کی وجہ سے پاکستان آٹومو بیو مینوفیکچررز ایسوسی ایشن (PAMA) اراکین کیلئے مقامی سطح پر تیار کردہ مسافر گاڑیوں (پی سی) اور لائٹ کمرشل گاڑیوں (ایل سی وی) کی مالی سال 2020-21 کی پہلی ششماہی کے دوران کیلئے انڈسٹری کی سطح پر فروخت 18.5 فیصد اضافہ کے ساتھ 79,954 یونٹس رہی جبکہ گزشتہ سال کی اسی مدت کے دوران 67,494 گاڑیاں ہوئی تھیں۔

### کمپنی کا جائزہ

31 دسمبر، 2020 کو ختم ہونے والی ششماہی کیلئے کمپنی کی CKD اور CBU کی مشترکہ فروخت 82 فیصد اضافہ کے ساتھ گزشتہ سال کی اسی مدت میں 14,453 یونٹس کے مقابلے میں 26,362 یونٹس رہی۔ اسی دوران انڈس موٹر کمپنی کا مجموعی مارکیٹ شیئر تقریباً 24.7 فیصد رہا۔ کمپنی نے 26,383 گاڑیاں تیار کیں جس میں 81 فیصد اضافہ ہوا جبکہ گزشتہ مالی سال کی اسی مدت کے دوران 14,555 گاڑیاں تیار کی گئی تھیں۔ 31 دسمبر، 2020 کو ختم ہونے والی ششماہی کیلئے کمپنی کی خالص فروخت بڑھ کر 79.65 بلین روپے رہی جبکہ گزشتہ سال کی اسی مدت کیلئے یہ فروخت 42.78 بلین روپے تھی۔ اسی مدت کے دوران بعد از ٹیکس منافع بڑھ کر 4.80 بلین روپے ہوا جبکہ گزشتہ سال کی اسی مدت میں بعد از ٹی 2.3 بلین روپے رہا۔ خالص منافع اضافہ کی بڑی وجوہات میں فروخت کا زیادہ حجم اور دیگر آمدن میں اضافہ ہے۔ تاہم پاکستانی روپے کی قدر میں کمی کے نتیجے میں لاگت میں اضافہ کے باعث کمپنی کا مجموعی مارجن گزشتہ سال کی اسی مدت کے 8.81 فیصد کے مقابلے میں 7.55 فیصد رہا۔ مالی سال 2020-21 کی پہلی ششماہی میں لاک ڈاؤن کے بعد طلب میں اضافہ اور شرح سود میں کمی کے باعث گاڑیوں کی تمام اقسام کی

فروخت کا حجم بہتر ہوا۔ مالی سال 2020-21 کی پہلی اور دوسری سہ ماہی کے دوران ٹویٹا یارس کی بہتر پیرائی ہوئی جس سے مسافر گاڑی کے سیکمنٹ میں فروخت کا حجم بہتر ہوا۔ فورچیز ٹی آر ڈی ویرینٹ کو اکتوبر 2020 میں لانچ کیا گیا جسے صارفین نے بہت زیادہ پسند کیا۔ 31 دسمبر، 2020 کو ختم ہونے والی ششماہی کیلئے کمپنی کی فی حصص آمدنی 61.08 روپے ہے جو گزشتہ سال کی اسی مدت کے دوران 29.32 روپے تھی۔ بورڈ آف ڈائریکٹرز 31 دسمبر، 2020 کو ختم ہونے والے دوسرے ششماہی کیلئے 25 روپے فی حصص کے دوسرے عبوری منافع کی تقسیم کا اعلان کرتے ہوئے مسرت محسوس کرتے ہیں جبکہ گزشتہ سال کی اسی مدت کیلئے یہ منافع 6 روپے فی حصص تھا۔ اسی مدت کے دوران متعلقہ فریقین کے ساتھ کاروباری لین دین معمول کے طریقہ کار میں کیا گیا ہے جس کا مالیاتی گوشواروں میں ذکر کیا گیا ہے۔

### مستقبل کا کاروباری جائزہ

پاکستان میں آٹو انڈسٹری کی بحالی کے اشارے مالی سال 2020-21 کی دوسری سہ ماہی میں دیکھے گئے کیونکہ انڈسٹری نے سال ہا سال کی بنیاد پر 32 فیصد اضافہ کا مشاہدہ کیا۔ اگرچہ کوویڈ-19 کے اثرات تاحال جاری ہیں اس کے باوجود توقع ہے کہ ملک میں معاشی سرگرمیوں کی صورتحال مزید بہتر ہوگی۔ عالمی سطح بالخصوص ایشیائی پسیفک ریجن میں ہندوستان پر گنجائش کے نہ ہونے سے سپلائی چین میں رکاوٹ ہندوستان پر پینٹ میں تاخیر کا سبب بنا۔ انڈسٹری کی طرف سے آپریشنز کو متبج کرنے کیلئے ہر قسم کی رکاوٹ سے نمٹنے کا سلسلہ جاری ہے تاہم ان رکاوٹوں کے نتیجے میں گاڑیوں کے ڈیلیوری میں تاخیر ہوئی۔ صارف کی طلب اور فروخت کو پورا کرنے کیلئے مکمل صلاحیت کو بروئے کار لانے کیلئے تمام تر کوششیں جاری ہیں۔

حکومت پاکستان نے آٹو پالیسی 2016 میں متعارف کرائی جس کی مدت جون 2021 میں ختم ہو جائے گی۔ اس پالیسی کے باعث آٹو انڈسٹری میں براہ راست غیر ملکی سرمایہ کاری میں اضافہ ہوا جو مختلف برانڈز اور پراڈکٹ کی پیش کشوں کے ساتھ 500,000 یونٹس کی سالانہ پیداواری صلاحیت تک پہنچ گئی۔ تاہم 2016-21 کی آٹو پالیسی میں متعین کئے گئے اہداف مکمل طور پر حاصل نہیں کیے گئے ہیں۔ حکومت نے 2021-2026 کی مدت کیلئے آٹو پالیسی کی تشکیل کیلئے تمام فریقین کے ساتھ مشاورت کا عمل شروع کر دیا۔ کمپنی حکومت سے مطالبہ کرتی ہے کہ ایسی نئی آٹو پالیسی تشکیل دی جائے جس سے مقامی سطح پر گاڑیوں کی تیاری کی حوصلہ افزائی کے ساتھ ساتھ ملک میں نہ صرف ملازمتوں کے مواقع پیدا ہوں بلکہ مقامی طور پر پرزہ جات بنانے کی حوصلہ افزائی ہو۔

کوویڈ-19 اور لاک ڈاؤن کے تناظر میں انڈسٹری کو سخت جدوجہد کرنی ہوگی۔ حکومت کی طرف سے ترقی کیلئے مارکیٹ میں مالی پیکیج متعارف کرانے کی ضرورت ہے۔ انڈسٹری توقع کرتی ہے کہ حکومت انڈسٹری کو درپیش مسائل کا ادراک کرتے ہوئے اضافی کسٹم ڈیوٹی اور فیڈرل ایکسائز ڈیوٹی جیسے ٹیکسوں اور ڈیوٹیز کے خاتمے کیلئے سنجیدگی کا مظاہرہ کرے گی۔ ڈیوٹیز میں کمی سے فروخت کا حجم بہتر ہوگا اور انڈسٹری کی پیداواری صلاحیت کے بھرپور استعمال اور حجم سے حکومت کیلئے مجموعی بنیادوں پر ٹیکس حاصل ہوگا اور ملازمتوں کے مزید مواقع پیدا ہوں گے۔

حکومت نے حال ہی میں برقی گاڑیوں پر توجہ مرکوز کرتے ہوئے چند مراعات کی پیش کش کی ہے۔ یہ برقی گاڑیاں اسی وقت مکمل طور پر متعارف کرائی جاسکتی ہیں جب ملک میں برقی گاڑیوں کیلئے چارجنگ انفراسٹرکچر قائم اور دستیاب ہوگا۔ اس کے برعکس تیل کے درآمدی بل اور زہریلی گیسوں کے اخراج کو کم کرنے کے تناظر میں ہائبرڈ گاڑیاں (ایچ ای ویز) فوری حل ثابت ہو سکتی ہیں، اس لئے برقی گاڑیوں کی ہم میں ایچ ای ویز کیلئے مراعات دی جانی چاہیے۔ پاکستان کی نمایاں مینوفیکچرر ہونے کی حیثیت سے کمپنی نے ہمیشہ ”میک ان پاکستان“ کی وکالت کی ہے۔

اسی مدت کے دوران کمپنی کو متعدد اعزازات سے نوازا گیا جس میں ایشیائی کی طرف سے ”موسٹ آؤٹ سیٹنگ کمپنی ان پاکستان 2020“ (آٹوموبائل اور پرزہ جات سیکٹر) اور انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان اور انسٹی ٹیوٹ آف کاسٹ اینڈ مینجمنٹ اکاؤنٹنٹس آف پاکستان کی طرف سے ”بیسٹ سسٹین ایبلٹی رپورٹ ایوارڈ 2019“ شامل ہے۔

انڈس موٹر اپنے فلسفے میں ”پہلے صارف“ کو بنیادی حیثیت دیتی ہے جو کمپنی کے ہر فرد سے اعلیٰ کارکردگی، لگن اور استعداد کا متقاضی ہے تاکہ مکمل سپلائی چین میں صارفین کی خوشی اور اطمینان کو یقینی بنایا جاسکے۔ یہ ”ٹویوٹا طریقہ کار“ (Toyota Way) کی بنیاد اور کمپنی کی طویل المدت کامیابی کیلئے نہایت اہم ہے۔


#### اظہار تشکر

ہم اپنے صارفین کے شکر گزار ہیں کہ انہوں نے ہماری مصنوعات پر مسلسل اعتماد کیا جس سے کمپنی تمام تر مشکلات اور کاؤٹوں میں سرخرو ہوئی۔ کمپنی کو اپنے ملازمین کے مشکل وقتوں میں عزم، جذبے، وفاداری اور لگن پر فخر ہے۔ ہم سٹیک ہولڈرز اور شیئر ہولڈرز کی طرف سے کمپنی کی مسلسل حمایت و معاونت پر مشکور ہیں۔


ہم رب کریم کے شکر گزار ہیں اور اس کی برکتوں سمیت رہنمائی کیلئے دعا گو ہیں۔

مخائب بورڈ آف ڈائریکٹرز

25 فروری 2021

  
یوجی تاکارادا

نائب چیئرمین اینڈ ڈائریکٹر

  
علی اصغر جمالی  
چیف ایگزیکٹو

# Independent Auditors' Review Report to the Members of Indus Motor Company Limited Report on Review of Interim Financial Statement

## Introduction

We have reviewed the accompanying condensed interim statement of financial position of Indus Motor Company Limited as at December 31, 2020 and the related condensed interim statement of profit or loss, condensed interim statement of 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 these 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 condensed interim statement of comprehensive income for the quarters ended December 31, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.

## Scope of Review

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

## Conclusion

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

The engagement partner on the review resulting in this independent auditor's report is Shahbaz Akbar.



A. F. Ferguson & Co.,  
Chartered Accountants  
Karachi  
Date: February 26, 2021




# Condensed Interim Statement of Financial Position

As at December 31, 2020

	Note	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
----- (Rupees in '000) -----			
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	4	16,033,877	16,501,642
Intangible assets		53,632	72,550
Long-term loans and advances		16,907	12,639
Long-term deposits		10,020	10,020
Deferred taxation - net		223,432	64,491
		<u>16,337,868</u>	<u>16,661,342</u>
<b>Current Assets</b>			
Stores and spares		373,307	478,455
Stock-in-trade		15,398,029	15,932,791
Trade debts - unsecured		674,770	1,141,711
Loans and advances		5,463,479	2,990,543
Short-term prepayments		44,117	27,272
Accrued return		73,309	111,128
Other receivables		326,941	438,655
Taxation - net		-	130,725
Short-term investments	5	64,823,794	41,194,878
Cash and bank balances		514,375	1,171,064
		<u>87,692,121</u>	<u>63,617,222</u>
<b>TOTAL ASSETS</b>		<u>104,029,989</u>	<u>80,278,564</u>
<b>EQUITY</b>			
<b>Share Capital</b>			
Authorised capital		5,000,000	5,000,000
Issued, subscribed and paid-up capital		786,000	786,000
Reserves		43,691,097	40,383,391
		<u>44,477,097</u>	<u>41,169,391</u>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Long term loan	6	639,468	459,361
Deferred income - Government grant	7	19,566	19,965
Deferred revenue		460	3,799
		<u>659,494</u>	<u>483,125</u>
<b>Current Liabilities</b>			
Current portion of long term loan		407,983	85,735
Current portion of deferred income - Government grant		48,817	27,690
Current portion of deferred revenue		13,494	28,420
Unclaimed dividend		332,009	357,066
Trade payables, other payables and provisions		22,230,276	13,593,480
Advances from customers and dealers		35,102,151	24,533,657
Taxation - net		758,668	-
		<u>58,893,398</u>	<u>38,626,048</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>104,029,989</u>	<u>80,278,564</u>
<b>CONTINGENCIES AND COMMITMENTS</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 Profit or Loss

For the Half year and Quarter Ended December 31, 2020 (Unaudited)

	Note	Half year ended December 31		Quarter ended December 31	
		2020	2019	2020	2019
----- (Rupees in '000) -----					
<b>Revenue from contracts with customers</b>	9	79,645,782	42,775,279	45,450,854	22,059,239
Cost of sales	10	(73,634,538)	(39,008,106)	(41,727,760)	(20,300,437)
<b>Gross profit</b>		<b>6,011,244</b>	<b>3,767,173</b>	<b>3,723,094</b>	<b>1,758,802</b>
Distribution expenses		(571,726)	(737,681)	(345,699)	(337,357)
Administrative expenses		(645,115)	(691,006)	(329,043)	(366,787)
Other operating expenses		(10,540)	(95,834)	(1,885)	(47,806)
		<b>(1,227,381)</b>	<b>(1,524,521)</b>	<b>(676,627)</b>	<b>(751,950)</b>
		<b>4,783,863</b>	<b>2,242,652</b>	<b>3,046,467</b>	<b>1,006,852</b>
Workers' Profit Participation Fund and Workers' Welfare Fund		(391,468)	(236,779)	(245,356)	(104,912)
		<b>4,392,395</b>	<b>2,005,873</b>	<b>2,801,111</b>	<b>901,940</b>
Other income	12	2,456,506	1,226,920	1,367,970	532,138
		<b>6,848,901</b>	<b>3,232,793</b>	<b>4,169,081</b>	<b>1,434,078</b>
Finance costs		(58,285)	(37,984)	(24,193)	(18,518)
<b>Profit before taxation</b>		<b>6,790,616</b>	<b>3,194,809</b>	<b>4,144,888</b>	<b>1,415,560</b>
Taxation		(1,989,510)	(890,320)	(1,189,152)	(429,806)
<b>Profit after taxation</b>		<b>4,801,106</b>	<b>2,304,489</b>	<b>2,955,736</b>	<b>985,754</b>
----- (Rupees) -----					
<b>Earnings per share - basic and diluted</b>		<b>61.08</b>	<b>29.32</b>	<b>37.60</b>	<b>12.54</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 Comprehensive Income

For the half year and quarter ended December 31, 2020 (Unaudited)

	Half year ended		Quarter ended	
	December 31		December 31	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
<b>Profit after taxation for the period</b>	<b>4,801,106</b>	<b>2,304,489</b>	<b>2,955,736</b>	<b>985,754</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>4,801,106</b>	<b>2,304,489</b>	<b>2,955,736</b>	<b>985,754</b>

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



**Mohammad Ibadullah**  
Chief Financial Officer



**Ali Asghar Jamali**  
Chief Executive & Director



**Yuji Takarada**  
Vice Chairman & Director

# Condensed Interim Statement of Cash Flows

For the half year ended December 31, 2020 (Unaudited)

Note	Half year ended	
	December 31	
	2020	2019
	------(Rupees in '000)-----	

## CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from / (utilised in) operations	13	24,317,830	(2,247,625)
Net increase in long-term loans and advances		(4,268)	(2,145)
Net increase in long-term deposits		-	(250)
Decrease in deferred revenue		(3,339)	(38,801)
Compensation paid on advances received from customers		(113,941)	(13,211)
Payment to Workers' Welfare Fund		(110,003)	(330,495)
Interest paid on long term loan		(6,405)	(732)
Income tax paid		(1,259,058)	(1,963,184)
<b>Net cash inflow from / (outflow) on operating activities</b>		<b>22,820,816</b>	<b>(4,596,443)</b>


## CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment and intangible assets	(1,079,208)	(3,161,921)
Proceeds from disposal of property, plant and equipment	63,785	21,431
Interest received on bank deposits and Term Deposit Receipts	463,215	466,330
Gain on sale of Market Treasury Bills	1,308,264	594,987
Investment in Pakistan Investment Bonds (PIBs)	(2,550,496)	-
Proceeds from sale of Pakistan Investment Bonds	-	46,887
Investment in listed mutual fund units	(14,600,145)	-
Dividend income received from listed mutual fund units	249,712	-
Proceeds from redemption of listed mutual fund units	4,305,342	-
<b>Net cash outflow on investing activities</b>	<b>(11,839,531)</b>	<b>(2,032,286)</b>

## CASH FLOWS FROM FINANCING ACTIVITIES

Long term loan received	539,797	110,945
Repayment of long term loan	(16,714)	-
Dividend paid	(1,518,457)	(2,690,082)
<b>Net cash outflow on financing activities</b>	<b>(995,374)</b>	<b>(2,579,137)</b>
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	<b>9,985,911</b>	<b>(9,207,866)</b>
Cash and cash equivalents at beginning of the period	41,865,896	26,684,246
Cash and cash equivalents at end of the period	14	51,851,807
		17,476,380

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

  
**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 half year ended December 31, 2020 (Unaudited)

	Share Capital	Reserves				
		Capital	Revenue			
	Issued, subscribed and paid-up	Premium on issue of ordinary shares	General reserve	Unappropriated profit	Sub-Total	Total
	------(Rupees in '000)-----					
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 half year ended December 31, 2019	-	-	-	2,304,489	2,304,489	2,304,489
Transfer to general reserve for the year ended June 30, 2019 appropriated subsequent to year end	-	-	4,500,000	(4,500,000)	-	-
Transactions 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 half year ended December 31, 2019	-	-	-	(550,200)	(550,200)	(550,200)
Balance as at December 31, 2019	786,000	196,500	36,451,050	2,204,548	38,852,098	39,638,098
Balance as at July 1, 2020	786,000	196,500	36,451,050	3,735,841	40,383,391	41,169,391
Total comprehensive income for the half year ended December 31, 2020	-	-	-	4,801,106	4,801,106	4,801,106
Transfer to general reserve for the year ended June 30, 2020 appropriated subsequent to year end	-	-	3,000,000	(3,000,000)	-	-
Transactions with owners						
Final dividend @ 70% for the year ended June 30, 2020 declared subsequent to year end	-	-	-	(550,200)	(550,200)	(550,200)
Interim dividend @ 120% declared during the half year ended December 31, 2020	-	-	-	(943,200)	(943,200)	(943,200)
Balance as at December 31, 2020	786,000	196,500	39,451,050	4,043,547	43,691,097	44,477,097

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



**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 half year ended December 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 Limited.

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 Standards (IAS) 34, 'Interim Financial Reporting', issued by International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where 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 statements do not include all the information and disclosures required for full financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2020.

**2.2** These condensed interim financial statements comprise of condensed interim statement of financial position as at December 31, 2020, condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes thereto for the half year ended which have been subjected to a review in accordance with the listing regulations but not audited. These condensed interim financial statements also include condensed statement of interim profit or loss and other comprehensive income for the quarter ended December 31, 2020 which has neither been reviewed nor audited.

**2.3** The comparative statement of financial position presented in these condensed interim financial statements as at June 30, 2020 has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2020 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 half year ended December 31, 2019 have been extracted from the condensed interim financial statements of the Company for the half year then ended, which were subjected to a review but not audited. The comparative

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

For the half year ended December 31, 2020 (Unaudited)

condensed statement of interim profit or loss and other comprehensive income for the quarter ended December 31, 2020 included in these condensed interim financial statements was neither subjected to a review nor audited.

## **2.4 Changes in accounting standards, interpretations and pronouncements**

### **(a) Standards and amendments to accounting and reporting standards that are effective**

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2020. However, these do not have any significant impact on the Company's financial reporting.

### **(b) Standards and amendments to accounting and reporting standards that are not yet effective**

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after January 1, 2021. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

## **2.5 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2020.**

## **3 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT**

The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan for interim financial reporting 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 annual financial statements of the Company as at and for the year ended June 30, 2020.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company as at and for the year ended June 30, 2020.

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

For the half year ended December 31, 2020 (Unaudited)

	December 31, 2020 (Un-audited)	June 30, 2020 (Audited)
	----- (Rupees in '000) -----	
<b>4 Property, plant and equipment</b>		
Operating assets	<b>14,661,749</b>	15,334,649
Capital work-in-progress	<b>1,372,128</b>	1,166,993
	<b>16,033,877</b>	16,501,642

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

	Additions (at cost)		Disposals (at cost)	
	Half year ended December 31		Half year ended December 31	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
<b>Tangible - Owned</b>				
Buildings on leasehold land:				
Factory	58,737	5,156	-	-
Others	300	3,060	-	-
Plant and machinery	393,079	95,710	53,364	7,920
Motor vehicles	47,851	57,347	70,273	27,924
Furniture and fixtures	6,072	2,409	37	-
Office equipment	16,985	4,893	505	2,586
Computers and related accessories	10,532	3,028	2,299	1,053
Tools and equipment	65,458	8,196	425	2,510
Jigs, moulds and related equipment	273,231	1,622,718	190	-
	<b>872,245</b>	<b>1,802,517</b>	<b>127,093</b>	<b>41,993</b>
<b>Intangible assets</b>				
Computer software	<b>1,828</b>	-	-	-

- 4.1.1 Additions to owned assets include transfers from capital work-in-progress amounting to Rs 810.369 million (December 31, 2019: Rs 1,711.233 million).



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

For the half year ended December 31, 2020 (Unaudited)

	Note	December 31, 2020 (Un-audited)	June 30, 2020 (Audited)
		------(Rupees in '000)-----	
<b>5. SHORT-TERM INVESTMENTS</b>			
<b>Amortised cost</b>			
- Term Deposit Receipts (TDRs)		21,000,000	34,000,000
<b>At fair value through profit or loss</b>			
Government securities			
- Market Treasury Bills (T-Bills)		30,337,432	6,694,832
- Pakistan Investment Bonds (PIBs)		3,167,566	500,046
		<u>33,504,998</u>	<u>7,194,878</u>
Listed mutual fund units		10,318,796	-
		<u>64,823,794</u>	<u>41,194,878</u>
<b>6. LONG TERM LOAN</b>			
Loan under financing scheme			
- Refinance scheme for renewable energy	6.1	379,834	231,754
- Refinance scheme for payment of wages and salaries to employees	6.2	667,617	313,342
		<u>1,047,451</u>	<u>545,096</u>
Less: Current Portion			
- Refinance scheme for renewable energy		(39,983)	(23,175)
- Refinance scheme for payment of wages and salaries to employees		(368,000)	(62,560)
		<u>(407,983)</u>	<u>(85,735)</u>
		<u>639,468</u>	<u>459,361</u>

- 6.1** This represents loan obtained under the SBP financing scheme for investment in Plant and Machinery for renewable energy projects. At the period end, the Company has further drawn Rs 164.794 million and had repaid a sum of Rs 16.714 million. The financing already made carries mark-up at the rate of 3.25% - 4.25% per annum and is secured by way of hypothecation charge over plant and machinery against which the facility is available. The loan is repayable on a quarterly basis in 40 equal installments and the first repayment was made on September 12, 2020.

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

For the half year ended December 31, 2020 (Unaudited)

**6.2** This represents loan obtained under the SBP refinance scheme for payment of wages and salaries to the workers and employees of the Company. At the period end, the Company has availed financing up to Rs 736 million. The financing already made carries mark-up at the rate of 1% per annum and is secured by way of utilisation of running finance facility from bank and TDRs / T Bills held as lien from time to time. The loan is repayable on a quarterly basis in 8 equal installments commencing from March 2021. The aforementioned facility has been availed from Habib Metropolitan Bank Limited - a related party.

	Note	December 31, 2020 (Un-audited)	June 30, 2020 (Audited)
		------(Rupees in '000)-----	
<b>7. DEFERRED INCOME - GOVERNMENT GRANT</b>			
Deferred grant		92,660	47,655
Less: Government grant recognised in the period		(24,277)	-
Less: Current Portion		(48,817)	(27,690)
		<u>19,566</u>	<u>19,965</u>

## 8. CONTINGENCIES AND COMMITMENTS

### 8.1 Contingencies

**8.1.1** The status of contingencies as disclosed in the annual financial statements of the Company for the year ended June 30, 2020 has remained unchanged.

**8.1.2** As at December 31, 2020 the claims not acknowledged as debts by the company aggregate to Rs 2,780.055 million (June 30, 2020: Rs 2,049.572 million).

### 8.2 Commitments

**8.2.1** Commitments in respect of capital expenditure as at December 31, 2020 aggregates to Rs 1,339.666 million (June 30, 2020: Rs 1,513.673 million).

**8.2.2** Commitments in respect of outstanding bank guarantees as at December 31, 2020 amounted to Rs 16,789.600 million (June 30, 2020: Rs 22,119.010 million). This includes an amount of Rs 6,357.133 million (June 30, 2020: Rs 6,657.832 million) in respect of bank guarantees from a related party.

**8.2.3** Commitments in respect of letters of credit, other than for capital expenditure, amounted to Rs 9,332.855 million (June 30, 2020: Rs 3,711.941 million). The above letters of credit include an amount of Rs 641.890 million (June 30, 2020: Rs 1,489.520) availed from a related party.

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

For the half year ended December 31, 2020 (Unaudited)

----- (Un-audited) -----				
	Half year ended		Quarter ended	
	December 31		December 31	
	2020	2019	2020	2019
----- (Rupees in '000) -----				
<b>9. REVENUE FROM CONTRACTS WITH CUSTOMERS</b>				
<b>Manufacturing</b>				
Gross sales	95,259,666	48,948,557	54,521,084	25,512,753
Sales tax	(13,842,227)	(7,115,082)	(7,920,177)	(3,709,715)
Federal excise duty	(3,517,271)	(1,670,572)	(2,131,548)	(877,787)
	<u>77,900,168</u>	<u>40,162,903</u>	<u>44,469,359</u>	<u>20,925,251</u>
Commission	(1,565,948)	(1,178,743)	(882,094)	(746,745)
Discounts	(3,422)	(48,070)	(1,623)	(46,308)
Compensation on advances from customers	(340,633)	(2,230)	(243,954)	96
<b>Net sales</b>	<u>75,990,165</u>	<u>38,933,860</u>	<u>43,341,688</u>	<u>20,132,294</u>
<b>Trading</b>				
Gross sales	4,707,540	4,979,009	2,712,950	2,490,818
Sales tax	(727,523)	(777,812)	(419,044)	(389,358)
	<u>3,980,017</u>	<u>4,201,197</u>	<u>2,293,906</u>	<u>2,101,460</u>
Commission	(107,708)	(132,742)	(65,713)	(61,302)
Discounts	(216,692)	(227,036)	(119,027)	(113,213)
<b>Net sales</b>	<u>3,655,617</u>	<u>3,841,419</u>	<u>2,109,166</u>	<u>1,926,945</u>
<b>Revenue from contracts with customers</b>	<u>79,645,782</u>	<u>42,775,279</u>	<u>45,450,854</u>	<u>22,059,239</u>
----- (Un-audited) -----				
	Half year ended		Quarter ended	
	December 31		December 31	
	2020	2019	2020	2019
----- (Rupees in '000) -----				
<b>10. COST OF SALES</b>				
Manufacturing	71,039,473	36,404,010	40,265,414	18,985,070
Trading	2,595,065	2,604,096	1,462,346	1,315,367
	<u>73,634,538</u>	<u>39,008,106</u>	<u>41,727,760</u>	<u>20,300,437</u>

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

For the half year ended December 31, 2020 (Unaudited)

## 11 SEGMENT REPORTING

	(Un-audited)			(Un-audited)		
	Half year ended December 31, 2020			Half year ended December 31, 2019		
	Manufacturing	Trading	Total	Manufacturing	Trading	Total
	(Rupees in '000)					
Net sales	75,990,165	3,655,617	79,645,782	38,933,860	3,841,419	42,775,279
Gross Profit	4,950,692	1,060,552	6,011,244	2,529,850	1,237,323	3,767,173
Profit from operations	3,423,957	968,437	4,392,395	945,365	1,060,508	2,005,873

	(Un-audited)			(Un-audited)		
	Quarter ended December 31, 2020			Quarter ended December 31, 2019		
	Manufacturing	Trading	Total	Manufacturing	Trading	Total
	(Rupees in '000)					
Net sales	43,341,688	2,109,166	45,450,854	20,132,294	1,926,945	22,059,239
Gross Profit	3,076,274	646,820	3,723,094	1,147,224	611,578	1,758,802
Profit from operations	2,204,903	596,207	2,801,111	385,648	516,292	901,940

	(Un-audited)	
	Half year ended	
	December 31	
	2020	2019
	(Rupees in '000)	

## 12. OTHER INCOME

Return on bank deposits and Term Deposit Receipts	420,565	493,248
Interest income on Market Treasury Bills	-	9,196
Gain on sale of investments in Market Treasury Bills	1,179,646	585,791
Gain on trade of Pakistan Investment Bonds (PIBs)	103,767	46,887
Unrealised gain on Pakistan Investment Bonds (PIBs)	13,258	-
Unrealised gain on Pakistan Market Treasury Bills	128,618	-
Dividend income from listed mutual fund units	254,543	-
Net gain against investments in listed mutual fund units	23,993	-
Agency commission, net of commission expense	53,125	7,788
Others	278,991	84,010
	<b>2,456,506</b>	<b>1,226,920</b>

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

For the half year ended December 31, 2020 (Unaudited)

Note	(Un-audited)	
	Half year ended December 31	
	2020	2019
	(Rupees in '000)	
<b>13. CASH GENERATED / (UTILISED IN) FROM OPERATIONS</b>		
Profit before taxation	6,790,616	3,194,809
Adjustment for non-cash charges and other items:		
Depreciation	1,513,151	1,427,402
Amortisation	20,746	14,357
Provision / (reversal) for doubtful debts	16,280	(436)
Gain on disposal of operating fixed assets	(31,807)	(8,625)
Gain on sale of investments in Pakistan Investment Bonds (PIBs)	(103,767)	(46,887)
Gain on redemption of investments in listed mutual fund units	(23,993)	-
Gain on sale of investments in Market Treasury Bills	(1,179,646)	(585,791)
Net unrealised loss on revaluation of foreign contracts - exchange fair value hedge	956	4,491
Return on bank deposits and Term Deposit Receipts	(420,565)	(493,248)
Unrealised gain on Pakistan Investment Bonds (PIBs)	(13,258)	-
Unrealised gain on Market Treasury Bills	(128,618)	-
Interest Income on Market Treasury Bills	-	(9,196)
Dividend income from listed mutual fund units	(254,543)	-
Charge in respect of Workers' Profit Participation Fund	252,884	171,579
Charge in respect of Workers' Welfare Fund	138,584	65,200
Compensation on advance received from customers	340,633	2,230
Interest on long term loan	8,759	1,785
Working capital changes	13.1 17,391,418	(5,985,295)
	<u>24,317,830</u>	<u>(2,247,625)</u>

## 13.1 Working capital changes

### (Increase) / Decrease in current assets

Stores and spares	105,148	(115,902)
Stock-in-trade	534,762	(1,797,840)
Trade debts	450,661	884,580
Loans and advances	(2,472,936)	2,176,489
Short-term prepayments	(16,845)	(18,533)
Other receivables	(139,864)	(1,131,339)
	<u>(1,539,074)</u>	<u>(2,545)</u>

### (Decrease) / Increase in current liabilities

Current portion of deferred revenue	(14,926)	33,475
Trade payables, other payables and provisions	8,376,924	(3,236,577)
Advances from customers and dealers	10,568,494	(2,779,648)
	<u>18,930,492</u>	<u>(5,982,750)</u>
	<u>17,391,418</u>	<u>(5,985,295)</u>

## 14. CASH AND CASH EQUIVALENTS

Cash and bank balances	514,375	482,736
Term Deposit Receipts (TDRs)	21,000,000	16,750,000
Government securities- Market Treasury Bills	30,337,432	243,644
	<u>51,851,807</u>	<u>17,476,380</u>

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

For the half year ended December 31, 2020 (Unaudited)

## 15. TRANSACTIONS AND BALANCES WITH ASSOCIATED UNDERTAKINGS / RELATED PARTIES

- 15.1** 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 period are as follows:

	(Un-audited)			
	Half year ended		Quarter ended	
	December 31		December 31	
	2020	2019	2020	2019
	(Rupees in '000)			
Nature of transactions				
with associated companies:				
Sales	118,780	174,219	58,587	118,363
Purchases	39,651,725	24,222,458	23,864,515	9,300,606
Insurance premium	53,803	35,529	28,834	17,016
Agency commission	52,758	34,638	51,239	3,545
Running royalty	1,234,082	777,505	688,425	406,216
Rent expense	-	718	-	359
Donations	2,548	26,500	2,548	25,000
Supervisor fee	547	68,410	547	1,817
Return on bank deposits	137,648	359,358	70,547	214,958
Proceeds from disposal of fixed assets / insurance claim	225	749	155	645
Bank charges and LC charges	38,504	31,150	21,584	13,985
Annual subscription	500	-	500	-
With other related parties:				
Contribution to / reverse charge from retirement benefit funds	12,293	66,291	(17,414)	33,291
With key management personnel:				
- Salaries and benefits	55,517	46,276	29,728	23,283
- Post employment benefits	3,344	3,037	1,672	1,563
- Sale of operating fixed assets	-	3,161	-	2,498

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

Nature of balances	December 31,	June 30,
	2020	2020
	(Un-audited)	(Audited)
	(Rupees in '000)	
Short-term prepayments	14,415	3,123
Accrued return	2,534	27,384
Bank balances & Term deposit receipts	5,455,827	10,799,351
Margin held with bank against imports	72,492	430,977
Warranty claims, agency commission and other receivable	226,765	66,447
Trade, other payables and provisions	3,656,525	635,897

- 15.2** During the period, Rs 1.25 million (December 31, 2019: Rs 1 million) was paid as directors' fee to independent directors.

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

For the half year ended December 31, 2020 (Unaudited)

## 16. 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. Consequently, differences may arise between the carrying value and the fair value estimates. The fair value hierarchy has the following levels:

Level I: Quoted market price (unadjusted) in an active market for an identical instrument.

Level II: Valuation techniques based on observable inputs, either directly (i.e. market prices) or indirectly (i.e. derived from prices).

Level III: Valuation techniques using significant un-observable inputs.

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

	(Un-audited)			(Audited)		
	As at December 31, 2020			As at June 30, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	Rupees in '000					
Financial assets 'at fair value through profit or loss'						
- Listed mutual fund units	-	10,318,796	-	-	-	-
- Government securities						
- Pakistan Investment Bonds (PIBs)	-	3,167,566	-	-	500,046	-
- Government securities						
- Market Treasury Bills	-	30,337,432	-	-	6,694,832	-
- Derivative financial instruments	-	-	6,444	-	-	7,400

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

The Board of Directors in its meeting held on February 25, 2021 have proposed an interim cash dividend of Rs 25 per share (December 31, 2019: Rs 6 per share) in respect of the year ending June 30, 2021. The condensed interim financial statements for the half year ended December 31, 2020, do not include the effect of this dividend which will be accounted for in the condensed interim financial statements for the quarter ending March 31, 2021.

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

For the half year ended December 31, 2020 (Unaudited)

## 18. GENERAL

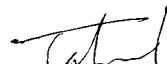
- 18.1 All financial information has been rounded to the nearest thousand rupees.
- 18.2 Corresponding figures have been reclassified for the purpose of better presentation and comparison, where necessary.
- 18.3 These condensed interim financial statements were authorised for issue by the Board of Directors of the Company on February 25, 2021.



**Mohammad Ibadullah**  
Chief Financial Officer



**Ali Asghar Jamali**  
Chief Executive & Director



**Yuji Takarada**  
Vice Chairman & Director



## Company Information

### Board of Directors

Mr. Mohamedali R. Habib	Chairman
Mr. Yuji Takarada	Vice Chairman
Mr. Ali Asghar Jamali	Chief Executive
Mr. Muhammad H. Habib	Director
Mr. Noriaki Kurokawa	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

### Chief Financial Officer

Mr. Mohammad Ibadullah

### Company Secretary

Mr. Muhammad Arif Anzer

### Audit Committee Members

Mr. Azam Faruque	Committee Chairman
Mr. Muhammad H. Habib	Member
Mr. Imran A. Habib	Member
Mr. Noriaki Kurokawa	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. Mohamedali R. 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 Shahra-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](http://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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