



INDUS MOTOR COMPANY LTD.

Condensed Interim Financial Information
Quarter ended September 30, 2023
(Un-audited)



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Directors' Report

For the quarter ended September 30, 2023

The Directors of Indus Motor Company (IMC) Limited are pleased to present the un-audited Company accounts for the first quarter that ended on Sept 30, 2023.

Pakistan's Automobile Industry

The overall economy is still going through a slowdown similar to the past fiscal year. However, the country's economic outlook has improved slightly recently considering the reduction in current account deficit compared with same period last year, increase in foreign exchange reserves and positive movement of rupee against major foreign currencies. All the fundamentals do not showcase a positive trend, as inflation still remains high. Owing to economic slowdown, higher duties and taxes, and diminished purchasing power of consumers, the demand of vehicles has remained subdued in the first quarter. Moreover, the supply chain challenges continued to adversely affect the auto sector. Consequently, the auto-sector has operated at below 40% production capacity, leading to frequent plant shutdowns observed during the three-month period ended on Sept 30, 2023.

During the three months ended Sept 30, 2023, the total sales of PAMA members for locally manufactured Passenger Cars (PC) and Light Commercial Vehicles (LCV) decreased by 40% to 20,983 units, as against 35,002 units sold in the corresponding quarter last year. PAMA member's total production of locally manufactured PCs and LCVs for the three months of the fiscal year also decreased by 46% to 21,820 units, as against 40,494 units produced in the corresponding period last year.

Company Review

The combined sales of Completely Knocked Down (CKD) and Completely Built-up Units (CBU) vehicles of the Company for the three-month period ended Sept 30, 2023, decreased by 49% to 4,583 units as against 8,994 units sold in the corresponding period last year. The market share of the Company in the overall market stood at approximately 22% with respect to PAMA players for the first three months period ended Sept 30, 2023. The Company produced 4,614 vehicles during the said three months of the fiscal year, registering an 50% decrease, as compared to 9,218 units produced in the same period last year. The company experienced a decline in production during the period primarily due to low demand and supply chain challenges.

The Company's net sales turnover for the quarter ended Sept 30, 2023, decreased to Rs. 32.671 billion, as compared to Rs. 37.249 billion in the same period last year, while profit after tax increased to Rs. 3.216 billion, as against Rs. 1.297 billion achieved in the same period last year. Despite of challenges of rising costs, the Company managed to achieve positive results, through cost reduction efforts and kaizen initiatives. Whereas, in the last year similar period, the company observed gross loss as we absorbed the full impact of input cost increases on account of severe Rupee devaluation, to maintain our commitment with the customers.

During the quarter ended, Sept 30, 2023, the Company received various accolades, such as the "Development Leadership Award" by the Ministry of Planning Development and Special Initiatives; the "Annual Environment Excellence Award 2023" by the National Forum for Environment & Health (NFEH) and, three awards in the categories, "Best Environmental Practices", "Solid Waste Treatment and Disposal" and "Water Treatment" under the banner of Environment, Health & Safety Awards 2023 by The Professionals Network (TPN).

Directors' Report

For the quarter ended September 30, 2023

The Earnings Per Share (EPS) of the company for the quarter ended Sept 30, 2023, is Rs. 40.91 in comparison to Rs. 16.50 reported in the same period last year. The Board of Directors are pleased to declare first interim cash dividend of Rs. 24.5 per share for the quarter, as compared to Rs. 8.20 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.

Near-Term Business Outlook

Financial Year 2023-24 holds a pivotal role in defining Pakistan's political and economic trajectory. The policy decisions made in second quarter of the fiscal year will significantly influence the nation's economic recovery and political direction. The effective management of this crucial period is essential to steer Pakistan towards a path of stability and growth.

Despite recent positive developments in economic indicators in terms of low currency deficit, increase in forex reserves etc., challenges lie ahead for Pakistan. Auto sector volumes are expected to remain relatively low in the upcoming quarter due to year end phenomena and the rising trend of import of used cars may have implications for local Completely Knocked Down (CKD) base manufacturing operations. The industry is calling for a level playing field due to reduced taxes on used cars, emphasizing the need for fair competition. Furthermore, Pakistan's existing taxation system, based on engine cubic capacity (CC) for Withholding Tax (WHT), Sales Tax (ST), and Federal Excise Duty (FED), has raised concerns about discrimination among vehicles with similar Retail Selling Prices (RSP). Addressing these industry concerns and implementing equitable taxation policies will be essential for fostering a fair and sustainable tax system that supports volume growth and thereby promotes the localization of parts in Pakistan.

Acknowledgment

We are grateful to our customers for their trust and continued patronage of our products, and wish to acknowledge the continuous and dedicated efforts of its employees, vendors, dealers and all business partners, even during these challenging and unprecedented times. We extend our gratitude 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.

October 26, 2023
Karachi.



Ali Asghar Jamali
Chief Executive & Director



Shinji Yanagi
Vice Chairman & Director

ڈائریکٹرز رپورٹ

برائے پہلی سہ ماہی، متممہ 30 ستمبر، 2023

انڈس موٹر کمپنی لمیٹڈ کے ڈائریکٹرز 30 ستمبر، 2023ء کو ختم ہونے والی پہلی سہ ماہی کے لئے کمپنی کے غیر پڑتال شدہ مالی حسابات پیش کرنے میں خوشی محسوس کرتے ہیں۔

پاکستان آٹوموبائل انڈسٹری

گزشتہ مالی سال کی طرح مجموعی معاشی صورتحال تا حال سست روی کا شکار ہے۔ تاہم گزشتہ سال کے مقابلے میں حسابات جاریہ کے خسارے میں کمی، غیر ملکی زرمبادلہ کے ذخائر میں اضافہ اور بڑی کرنسیوں کے مقابلے میں پاکستانی روپے کی قدر میں اضافہ کی بدولت ملک کی معاشی آؤٹ لک میں معمولی سے بہتری آئی ہے۔ چونکہ افراط زر کی شرح تا حال زیادہ ہے اس لئے تمام بنیادی اشاریوں سے کوئی مثبت رجحان ظاہر نہیں ہو رہا ہے۔ معاشی سست روی، بہت زیادہ ڈیپوٹیز اور ٹیکسوں، کنزیومر کی کم ہوتی قوت خرید کے باعث گاڑیوں کی طلب پہلی سہ ماہی میں بھی کم رہی۔ اس کے علاوہ سپلائی چین کو درپیش چیلنجز کے آؤٹسکٹ پر منفی اثرات جاری رہے۔ اس ساری صورتحال کا نتیجہ آؤٹسکٹ کی 40 فیصد سے کم پیداواری صلاحیت کی صورت میں نکلا اور 30 ستمبر، 2023 کو ختم ہونے والی سہ ماہی کی مدت کے دوران متواتر کے ساتھ پلانٹ بند کرنے پڑے۔

30 ستمبر، 2023 کو ختم ہونے والی سہ ماہی کے دوران پی اے ایم اے اے اراکین کیلئے مقامی سطح پر تیار کردہ مسافر گاڑیوں (پی سی) اور کمرشل گاڑیوں (ایل سی وی) کی مجموعی فروخت 40 فیصد کمی کے ساتھ گزشتہ سال کی اسی مدت کے 35,002 یونٹس کے مقابلے میں 20,983 یونٹس فروخت ہوئے۔ مالی سال کی سہ ماہی کیلئے پی اے ایم اے اے اراکین کی مقامی سطح پر تیار کردہ پی سی اور ایل سی ویز کی کل پیداوار 46 فیصد کمی کے ساتھ گزشتہ سال کی اسی مدت کے 40,494 یونٹس کے مقابلے میں 21,820 یونٹس رہی۔

کمپنی کا جائزہ

30 ستمبر، 2023 کو ختم ہونے والی سہ ماہی کے دوران سی کے ڈی اور سی بی یوگا ڈیوں کی فروخت 49 فیصد کمی کے ساتھ گزشتہ سال کی اسی مدت کی 8,994 یونٹس فروخت کے مقابلے میں 4,583 یونٹس رہی۔ 30 ستمبر، 2023 کی پہلی سہ ماہی کیلئے کمپنی کا مجموعی

مارکیٹ شیئر پی اے ایم اے اے اراکین کے مقابلے میں 22 فیصد رہا۔ کمپنی نے مالی سال کی مذکورہ مدت کیلئے 4614 گاڑیاں تیار کیں جبکہ گزشتہ سال کی اسی مدت میں 9,218 گاڑیاں تیار کی گئی تھیں جو 50 فیصد کمی کو ظاہر کرتا ہے۔ کمپنی کی طلب میں کمی اور سپلائی چین چیلنجز کے باعث مدت کے دوران پیداوار میں کمی ہوئی

30 ستمبر، 2023 کو اختتام پذیر سہ ماہی کیلئے کمپنی کی فروخت سے حاصل ہونے والی خالص آمدن گزشتہ سال کی اسی مدت کے 37.249 بلین روپے کے مقابلے میں کم ہو کر 32.671 بلین روپے رہی جبکہ بعد از ٹیکس منافع گزشتہ سال کی اسی مدت میں حاصل کردہ 1.297 بلین روپے کے مقابلے میں بڑھ کر 3.216 بلین روپے ہو گیا۔ گزشتہ سال کی اسی مدت میں کمپنی کو مجموعی نقصان کا سامنا کرنا پڑا جس کی وجہ روپے کی قدر میں کمی کے باعث ان پٹ لاگت میں اضافہ تھا کیونکہ ہمیں صارفین کے ساتھ کئے گئے وعدوں کی تکمیل کرنی تھی۔

30 ستمبر 2023 کو ختم ہونے والی سہ ماہی کے دوران کمپنی نے مختلف ایوارڈز حاصل کئے جن میں وزارت منصوبہ بندی، ترقی و خصوصی اقدامات کی طرف سے ”ڈیپولپمنٹ لیڈرشپ ایوارڈ“، نیشنل فورم برائے انوائرنمنٹ اینڈ ہیلتھ (این ایف ای ایچ) کی طرف سے ”سالانہ انوائرنمنٹ ایکسیلنس ایوارڈ 2023“ جبکہ دی پروفیشنل نیٹ ورک (ٹی پی این) کی طرف سے ماحول، صحت، سیفٹی ایوارڈ 2023 کے تحت تین کینگریوں ”بہترین ماحولیاتی طرز عمل“، ”سالڈ ویسٹ ٹریٹمنٹ اینڈ ڈسپوزل“ اور ”واٹر ٹریٹمنٹ ایوارڈز شامل ہیں۔

30 ستمبر، 2023 کو ختم ہونے والی سہ ماہی کیلئے کمپنی کی فی حصص آمدن گزشتہ سال کی اسی مدت کی 16.50 روپے فی حصص کے مقابلے میں 40.91 روپے فی حصص رہی۔ بورڈ آف ڈائریکٹرز سہ ماہی کیلئے 24.50 روپے فی حصص کے عبوری نقد منافع منقسمہ کے اعلان کرنے میں مسرت محسوس کرتے ہیں جبکہ گزشتہ سال کی اسی مدت کیلئے یہ منافع 8.20 روپے فی حصص تھا۔ مدت کے دوران معمول کے کاروباری طریقہ کار کے مطابق متعلقہ فریقین سے کئے گئے لین دین مالی گوشواروں میں بیان کئے گئے۔

قریب مدت کیلئے کاروباری پیش بینی

مالی سال 2023-24 پاکستان کی سیاسی اور معاشی ترقی کی رفتار کے حوالے سے اہم کردار ہے۔ مالی سال کی دوسری سہ ماہی میں کیے گئے پالیسی فیصلوں سے معیشت کی بحالی اور سیاسی سمت کے تعین میں نمایاں اثرات مرتب ہوں گے۔ اس مدت کا موثر انتظام پاکستان کو استحکام اور ترقی کی جانب گامزن کرنے میں ضروری ہے۔


کرنسی کے کم خسارے، غیر ملکی زرمبادلہ کے ذخائر میں اضافہ کے تناظر میں معاشی اشاریوں میں حالیہ مثبت پیش رفت کے باوجود پاکستان کو ابھی مزید چیلنجز کا سامنا کرنا ہوگا۔ آٹوموبائل کا حجم سال کے اختتامی مظاہر کی وجہ سے آمدہ سہ ماہی میں کم رہنے کی توقع ہے جبکہ استعمال شدہ گاڑیوں کی درآمد کے بڑھتے ہوئے رجحان کے مقامی سی ڈی کے بیس مینوفیکچرنگ آپریشنز پر اثرات مرتب ہو سکتے ہیں۔ انڈسٹری استعمال شدہ گاڑیوں پر کم ٹیکسوں کی وجہ سے منصفانہ مسابقتی ماحول پر زور دیتے ہوئے مساوی مواقعوں کا مطالبہ کر رہی ہے۔ اس کے علاوہ پاکستان کے ٹیکسوں کے موجودہ نظام، جو دو ہولڈنگ ٹیکس، سیلز ٹیکس اور فیڈرل ایکسائز ڈیوٹی کیلئے انجن کیوبک کپسٹی (سی سی) کی بنیاد پر ہے، نے ریٹیل سیلنگ پرائسز (آر ایس پی) کے ساتھ گاڑیوں میں امتیاز کے بارے میں خدشات اٹھائے ہیں۔ انڈسٹری کے خدشات کو دور کرنے اور ٹیکسوں کی مساوی پالیسیوں کا نفاذ شفاف اور پائیدار ٹیکس نظام کے فروغ کیلئے ضروری ہوگا جو حجم میں اضافہ اور پاکستان میں مقامی سطح پر پرزہ جات کی تیاری کے فروغ کو معاونت کرے۔


اظہار تشکر

ہم اپنے صارفین کے شکرگزار ہیں کہ انہوں نے ہماری مصنوعات پر مسلسل اعتماد کیا۔ ہم کمپنی کے ملازمین، وینڈرز، ڈیلرز اور تمام برنس پارٹنر کی مشکل وقتوں میں ان کی انتھک محنت کو سراہنا چاہتے ہیں۔ ہم اپنے سٹیک ہولڈرز اور حصص یافتگان کے بھی مشکور ہیں کہ انہوں نے کمپنی کو ہمیشہ معاونت فراہم کی۔
ہم رب عظیم کے شکرگزار ہیں اور اس کی برکتوں سمیت رہنمائی کیلئے دعا گو ہیں۔

بورڈ آف ڈائریکٹرز کی طرف سے

26 اکتوبر، 2023


علی اصغر جمالی
چیف ایگزیکٹو


شن جی یانایا
نائب چیئرمین اینڈ ڈائریکٹر

Condensed Interim Statement of Financial Position

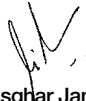
As at September 30, 2023

	Note	September 30 2023 (Unaudited)	June 30 2023 (Audited)
------(Rupees in '000)-----			
ASSETS			
Non-current Assets			
Property, plant and equipment	5	24,821,238	24,375,442
Intangible assets		123,215	122,240
Long-term loans and advances		69,942	76,460
Long-term deposits		10,019	10,020
Deferred taxation - net		134,222	-
		<u>25,158,636</u>	<u>24,584,162</u>
Current Assets			
Stores and spares		788,912	643,248
Stock-in-trade		34,286,088	28,733,390
Trade debts - unsecured		7,210,464	886,064
Loans and advances		4,761,408	14,968,126
Short-term prepayments		81,674	64,510
Accrued return		102,971	285,108
Other receivables		2,338,903	2,188,943
Short-term investments	6	38,746,909	44,148,189
Cash and bank balances		5,642,049	6,262,571
		<u>93,959,378</u>	<u>98,180,149</u>
TOTAL ASSETS		<u>119,118,014</u>	<u>122,764,311</u>
EQUITY			
Share Capital			
Authorised capital			
500,000,000 (June 30, 2023: 500,000,000) ordinary shares of Rs 10 each		<u>5,000,000</u>	<u>5,000,000</u>
Issued, subscribed and paid-up capital			
78,600,000 (June 30, 2023: 78,600,000) ordinary shares of Rs 10 each		786,000	786,000
Reserves		<u>60,220,217</u>	<u>59,283,912</u>
		<u>61,006,217</u>	<u>60,069,912</u>
LIABILITIES			
Non-Current Liabilities			
Long term loan	7	229,899	239,895
Deferred Revenue		4,450	2,500
Deferred Taxation - Net		-	311,303
		<u>234,349</u>	<u>553,698</u>
Current Liabilities			
Current portion of long term loan		39,983	39,983
Current portion of deferred revenue		1,075	691
Dividend payable		4,413,874	3,665,409
Trade payables, other payables and provisions		39,921,485	43,223,239
Advances from customers and dealers		7,021,626	9,736,394
Taxation - net		6,479,406	5,474,985
		<u>57,877,449</u>	<u>62,140,701</u>
TOTAL EQUITY AND LIABILITIES		<u>119,118,014</u>	<u>122,764,311</u>
CONTINGENCIES AND COMMITMENTS			
	8		

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.



Mohammad Ibadullah
Chief Financial Officer



Ali Asghar Jamali
Chief Executive & Director



Shinji Yanagi
Vice Chairman & Director

Condensed Interim Profit and Loss Account

For the quarter ended September 30, 2023 (unaudited)

	Note	Quarter ended	
		September 30 2023	September 30 2022
------(Rupees in '000)-----			
Revenue from contracts with customers	9	32,670,646	37,248,747
Cost of sales	10	(29,370,522)	(39,606,294)
Gross profit / (loss)		3,300,124	(2,357,547)
Distribution expenses		(383,130)	(372,284)
Administrative expenses		(535,703)	(450,241)
Other operating expenses		(8,243)	(87,330)
		(927,076)	(909,855)
		2,373,048	(3,267,402)
Workers' Profit Participation Fund and Workers' Welfare Fund Profit / (Loss) from operations		(237,123)	(37,526)
Other income	12	2,821,134	5,163,025
		4,957,059	1,858,097
Finance cost		(31,121)	(19,306)
Profit before taxation		4,925,938	1,838,791
Taxation		(1,710,234)	(541,814)
Profit after taxation		3,215,704	1,296,977
Earnings per share - basic and diluted (Rupees)		40.91	16.50

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.



Mohammad Ibadullah
Chief Financial Officer



Ali Asghar Jamali
Chief Executive & Director



Shinji Yanagi
Vice Chairman & Director

Condensed Interim Statement of Comprehensive Income

For the quarter ended September 30, 2023 (unaudited)

	Quarter ended	
	September 30 2023	September 30 2022
	------(Rupees in '000)-----	
Profit after taxation for the period	3,215,704	1,296,977
Items that may be reclassified subsequently to profit or loss	-	-
Items that will not be subsequently reclassified to profit or loss	-	-
Total comprehensive income for the period	3,215,704	1,296,977

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.



Mohammad Ibadullah
Chief Financial Officer



Ali Asghar Jamali
Chief Executive & Director




Shinji Yanagi
Vice Chairman & Director

Condensed Interim Statement of Cash Flows

For the quarter ended September 30, 2023 (unaudited)

Note	Quarter ended September 30	
	2023	2022
	------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash utilized in operations	13 (3,300,110)	(48,350,914)
Net increase / (decrease) in long-term loans and advances	6,518	(773)
Workers' profit participation fund	(240,000)	-
Compensation paid on advances received from customers	(686,876)	(134,929)
Income tax paid	(1,151,342)	(1,320,860)
Net cash outflow from operating activities	(5,371,810)	(49,807,476)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(1,863,904)	(1,216,428)
Proceeds from disposal of property, plant and equipment	76,742	43,825
Interest received on bank deposits and Term Deposit Receipts	344,939	760,836
Interest received on Pakistan Investment Bonds	1,048,758	458,576
Net (investment in) / proceeds from sale of Government Securities	(2,357,146)	23,302,660
Net (investment in) / proceeds from redemption of listed mutual fund units	496,560	(10,003,522)
Dividend Income from listed mutual fund units	403,374	657,642
Net cash outflow / inflow from investing activities	(1,850,677)	14,003,589
CASH FLOWS FROM FINANCING ACTIVITY		
Dividends paid	(1,530,937)	(3,202)
Long-term loan installments paid	(9,996)	(101,996)
Net cash outflow on financing activities	(1,540,933)	(105,198)
Net decrease in cash and cash equivalents during the period	(8,763,420)	(35,909,085)
Cash and cash equivalents at the beginning of the period	24,806,124	92,396,887
Cash and cash equivalents at the end of the period	16,042,704	56,487,802

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.



Mohammad Ibadullah
Chief Financial Officer




Ali Asghar Jamali
Chief Executive & Director



Shinji Yanagi
Vice Chairman & Director

	Share Capital	Reserves			Sub-Total	Total
	Issued, subscribed and paid-up	Capital	Revenue			
		Premium on issue of ordinary shares	General reserve	Unappropriated profit		
------(Rupees in '000)-----						
Balance as at July 1, 2022	786,000	196,500	43,951,050	9,077,526	53,225,076	54,011,076
Total comprehensive income for the quarter ended September 30, 2022	-	-	-	1,296,977	1,296,977	1,296,977
Transfer to general reserve for the year ended June 30, 2022 appropriated subsequent to year end	-	-	8,000,000	(8,000,000)	-	-
Transactions with owners						
Final dividend @ 32.5% for the year ended June 30, 2022 declared subsequent to year end	-	-	-	(255,450)	(255,450)	(255,450)
Balance as at September 30, 2022	<u>786,000</u>	<u>196,500</u>	<u>51,951,050</u>	<u>2,119,053</u>	<u>54,266,603</u>	<u>55,052,603</u>
Balance as at July 1, 2023	786,000	196,500	51,951,050	7,136,362	59,283,913	60,069,913
Total comprehensive income for the quarter ended September 30, 2023	-	-	-	3,215,704	3,215,704	3,215,704
Transfer to general reserve for the year ended June 30, 2023 appropriated subsequent to year end	-	-	4,000,000	(4,000,000)	-	-
Transactions with owners						
Final dividend @ 290% for the year ended June 30, 2023 declared subsequent to year end	-	-	-	(2,279,400)	(2,279,400)	(2,279,400)
Balance as at September 30, 2023	<u>786,000</u>	<u>196,500</u>	<u>55,951,050</u>	<u>4,072,667</u>	<u>60,220,217</u>	<u>61,006,217</u>

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.


Mohammad Ibadullah
 Chief Financial Officer


Ali Asghar Jamali
 Chief Executive & Director


Shinji Yanagi
 Vice Chairman & Director

Condensed Interim Statement of Changes in Equity

For the quarter ended September 30, 2023 (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 Toyota 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, 2023.

2.2 These condensed interim financial statements comprise of condensed interim statement of financial position as at September 30, 2023, 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 quarter ended September 2023, which have neither been reviewed nor audited.

The comparative statement of financial position presented in these condensed interim financial statements as at June 30, 2023 has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2023. 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 quarter ended September 30, 2022 have been extracted from the condensed interim financial statements of the Company for the quarter then ended, which were neither subjected to review nor audited.

Notes to and Forming Part of the Condensed Interim Financial Statements

For the quarter ended September 30, 2023 (unaudited)

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, 2023 except for those disclosed in note 3.2.

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

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

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, 2023 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, 2023 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, 2023.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2023.

Notes to and Forming Part of the Condensed Interim Financial Statements

For the quarter ended September 30, 2023 (unaudited)

5. PROPERTY, PLANT AND EQUIPMENT	September 30 2023 (Unaudited)	June 30, 2023 (Audited)
	----- (Rupees in '000) -----	
Operating assets	22,242,076	18,766,047
Capital work-in-progress	2,579,162	5,609,395
	24,821,238	24,375,442
	September 30 2023 (Unaudited)	June 30, 2023 (Audited)
	----- (Rupees in '000) -----	

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

	Additions (at cost)		Disposals (at cost)	
	Quarter ended September 30		Quarter ended September 30	
	2023	2022	2023	2022
	----- (Rupees in '000) -----			
Tangible owned				
Buildings on leasehold land:				
- Factory	122,881	-	-	-
- Others	35,572	-	-	-
Plant and machinery	1,126,055	32,951	35,288	-
Motor vehicles	97,425	130,439	53,361	51,825
Furniture and fixtures	28,542	59	-	-
Office equipment	5,935	3,839	97	-
Computers and related accessories	8,341	11,325	1,913	1,072
Tools and equipment	147,768	524	42,576	-
Jigs, moulds and related equipment	3,301,731	-	386,261	-
	4,874,250	179,137	519,495	52,897
Intangible assets				
Computer software	19,874	406	-	-

5.1.1 Additions to owned assets include transfers from capital work-in-progress amounting to Rs 4,730.506 million (September 30, 2022: Rs 28.572 million).

Notes to and Forming Part of the Condensed Interim Financial Statements

For the quarter ended September 30, 2023 (unaudited)

	September 30 2023 (Unaudited)	June 30, 2023 (Audited)
	------(Rupees in '000)-----	
6 SHORT TERM INVESTMENTS		
Amortized cost		
- Pakistan Investment Bonds (PIBs)	4,241,183	7,794,310
- Term Deposit Receipts (TDRs)	4,000,000	-
At fair value through profit or loss		
- Government securities	13,394,898	18,801,975
- Listed Mutual Fund Units	17,110,828	17,551,904
	38,746,909	44,148,189
7 LONG TERM LOAN		
Loan Under financing scheme		
- Refinance scheme for renewable energy	269,882	279,878
	269,882	279,878
Less: Current Portion		
- Refinance scheme for renewable energy	(39,983)	(39,983)
	229,899	239,895
8 CONTINGENCIES AND COMMITMENTS		
8.1 Contingencies		
8.1.1	The status of contingencies as disclosed in annual financial statements of the Company for the year ended June 30, 2023 has remained unchanged.	
8.1.2	As at September 30, 2023, the claims not acknowledged as debt by the company amounts to Rs 3,081.169 million (June 30, 2023: Rs 3,081.169 million).	
8.1.3	Outstanding bank guarantees as at September 30, 2023 amounted to Rs 16,237.490 million (June 30, 2023: Rs 21,982.926 million). This includes an amount of Rs 8,348.194 million (June 30, 2023: Rs 8,261.406 million) in respect of bank guarantees from a related party.	
8.2 Commitments		
8.2.1	Commitments in respect of capital expenditure as at September 30, 2023 aggregate to Rs 1,409.266 million (June 30, 2023: Rs 2,384.215 million).	
8.2.2	Commitments in respect of letters of credit, other than for capital expenditure, as at September 30, 2023 amounted to Rs 13,943.370 million (June 30, 2023: Rs 20,900.590 million). The above letters of credit include an amount of Rs 1,997.249 million (June 30, 2023: Rs 10,471.836 million) availed from a related party.	

Notes to and Forming Part of the Condensed Interim Financial Statements

For the quarter ended September 30, 2023 (unaudited)

	Quarter ended	
	September 30 2023	September 30 2022
----- (Rupees in '000) -----		
9 REVENUE FROM CONTRACTS WITH CUSTOMERS		
Manufacturing		
Manufactured goods sales	30,739,281	36,346,444
Commission	(533,419)	(859,097)
Discounts	(5,125)	(5,827)
Compensation on advances from customers	-	(931,172)
Manufacturing net sales	30,200,737	34,550,348
Trading		
Trading goods sales	2,687,097	2,952,699
Commission	(31,676)	(32,708)
Discounts	(185,512)	(221,592)
Trading net sales	2,469,909	2,698,399
Net sales	32,670,646	37,248,747
	Quarter ended	
	September 30 2023	September 30 2022
	----- (Rupees in '000) -----	

10 COST OF SALES

Manufacturing	27,868,641	37,724,676
Trading	1,501,881	1,881,618
	29,370,522	39,606,294

11 SEGMENT REPORTING

	Quarter ended September 30, 2023			Quarter ended September 30, 2022		
	Manufacturing	Trading	Total	Manufacturing	Trading	Total
----- (Rupees in '000) -----						
Net sales	30,200,737	2,469,909	32,670,646	34,550,348	2,698,399	37,248,747
Gross Profit / (Loss)	2,332,096	968,028	3,300,124	(3,174,328)	816,781	(2,357,547)
Profit / (Loss) from Operations	1,236,343	899,582	2,135,925	(4,067,640)	762,712	(3,304,928)

Notes to and Forming Part of the Condensed Interim Financial Statements

For the quarter ended September 30, 2023 (unaudited)

Note	Quarter ended	
	September 30	
	2023	2022
	------(Rupees in '000)-----	
12 OTHER INCOME		
Income from Financial Assets		
Return on bank deposits	162,802	708,930
Net gain on investment in listed mutual funds units	55,485	105,384
Dividend income from listed mutual fund units	403,374	657,642
Gain on trade of investment in Government Securities	1,488,123	2,918,545
Interest income on Government Securities	386,183	458,576
Income from Non Financial Assets		
Agency Commission income - net of expenses	3,186	10,960
Freight and other charges income - net of expenses	86,142	258,940
Unclaimed liabilities written back	140,428	5,862
Others	95,411	38,186
	2,821,134	5,163,025
13 CASH (USED IN) OPERATIONS		
Profit before taxation	4,925,938	1,838,791
Adjustment for non-cash charges and other items:		
Depreciation	1,373,676	860,705
Amortization	18,884	27,805
Provision for doubtful debts	105,203	2,700
Gain on disposal of operating fixed assets	(52,166)	(6,686)
Net gain on investments in listed mutual fund units	(55,485)	(105,384)
Dividend income from listed mutual fund units	(403,374)	(657,642)
Return on bank deposits	(162,802)	(708,930)
Gain on trade of investment in Government Securities	(1,488,123)	(2,918,545)
Interest income on Government Securities	(386,183)	(458,576)
Charge in respect of Workers' Profit Participation Fund	133,355	-
Charge in respect of Workers' Welfare Fund	103,768	37,526
Interest expense on long term loan	2,855	3,727
Compensation on advances received from customers	-	931,171
Movement in Deferred Revenue	2,333	(27)
Working capital changes	13.1 (7,417,989)	(47,197,549)
	(3,300,110)	(48,350,914)

Notes to and Forming Part of the Condensed Interim Financial Statements

For the quarter ended September 30, 2023 (unaudited)

Quarter ended	
September 30	
2023	2022
------(Rupees in '000)-----	

13.1 Working capital changes

Increase / (decrease) in current assets

Stores and spares	(145,663)	(128,376)
Stock-in-trade	(5,552,691)	134,864
Trade debts	(6,429,602)	2,194,141
Loans and advances	10,206,717	(14,314,778)
Short-term prepayments	(17,164)	(32,693)
Other receivables	(43,314)	(224,487)
	(1,981,717)	(12,371,329)

Increase / (decrease) in current liabilities

Trade payables, other payables and provisions	(2,721,888)	(607,445)
Current portion of deferred revenue	384	(26)
Advances from customers and dealers	(2,714,768)	(34,218,749)
	(5,436,272)	(34,826,220)
	(7,417,989)	(47,197,549)

14 CASH AND CASH EQUIVALENTS

Term Deposit Receipts	4,000,000	16,000,000
Government Securities	6,400,656	38,061,910
Cash and bank balances	5,642,049	2,425,892
	16,042,705	56,487,802

Notes to and Forming Part of the Condensed Interim Financial Statements

For the quarter ended September 30, 2023 (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 year are as follows:

	Quarter ended	
	September 30 2023	September 30 2022
	------(Rupees in '000)-----	
With associated undertakings / related parties:		
Sales	616,211	65,706
Purchases	25,969,125	24,102,443
Insurance premium	44,062	27,868
Agency commission	3,273	10,810
Running royalty	487,768	663,805
Return on bank deposits	122,091	334,988
Proceeds from disposal of fixed assets / insurance claim	125	2,786
Donations	-	20,000
Supervisor Fees	-	-
Bank and LC charges	19,019	18,180
Annual Subscription	625	625
Interest on long term loan facility	-	463
With other related parties:		
Contribution to retirement benefit funds	38,367	38,367
With key management personnel:		
- Salaries and benefits	41,782	41,220
- Post employment benefits	2,707	2,546
- Sale of fixed assets	-	19

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

Nature of balances	September 30	June 30,
	2023 (Unaudited)	2023 (Audited)
	------(Rupees in '000)-----	
Short-term prepayments	19,874	6,082
Accrued Return on deposits and savings accounts	7,233	440
Bank balances and Term Deposit Receipts	10,425,488	2,564,664
Margin held by bank against LC's	1,827,923	11,899,070
Warranty claims, agency commission and other receivables	328,417	281,918
Trade and other payables	4,778,858	12,727,813

15.2 During the period, Rs 0.875 million (September 30, 2022: Rs 0.500 million) was paid as directors' fee to independent directors.

Notes to and Forming Part of the Condensed Interim Financial Statements

For the quarter ended September 30, 2023 (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. 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:

------(Un-Audited)-----			------(Audited)-----		
----- As at September 30, 2023 -----			----- As at June 30, 2023 -----		
Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
----- Rupees in '000-----					

Financial assets 'at fair value through profit or loss'

- Government Securities	-	13,394,898	-	-	18,801,975	-
- Listed mutual fund units	-	17,110,828	-	-	17,551,904	-
- Derivative financial instruments	-	-	-	-	-	-

17 NON-ADJUSTING EVENT AFTER STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors in its meeting held on October 26, 2023 have proposed an interim cash dividend of Rs 24.5 per share (September 30, 2022: Rs 8.2 per share) in respect of the year ending June 30, 2024. The condensed interim financial information for the quarter ended September 30, 2023, does not include the effect of this dividend which will be accounted for in the condensed interim financial information for the period ended December 31, 2023.

18 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified wherever necessary, for the purpose of better presentation and comparison.

Notes to and Forming Part of the Condensed Interim Financial Statements

For the quarter ended September 30, 2023 (unaudited)

19 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 26, 2023 by the Board of Directors of the Company.

20 GENERAL

Figures in this condensed interim financial information has been rounded off to the nearest thousand rupees.



Mohammad Ibadullah
Chief Financial Officer



Ali Asghar Jamali
Chief Executive & Director



Shinji Yanagi
Vice Chairman & Director

Company Information

Board of Directors

Mr. Mohamedali R. Habib	Chairman
Mr. Shinji Yanagi	Vice Chairman
Mr. Ali Asghar Jamali	Chief Executive
Mr. Muhammad H. Habib	Director
Mr. Akihiro Murakami	Director
M. Shigeki Furuya	Director
Mr. Imran A. Habib	Director
Mr. Azam Faruque	Independent Director
Mr. Riyaz T. Chinoy	Independent Director
Syeda Tattheer 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. Akihiro Murakami	Member
Mr. Riyaz T. Chinoy	Member
Mr. Shiraz Sanawar	Secretary & Head of Internal Audit

Human Resource and Remuneration

Committee Members

Mr. Azam Faruque	Committee Chairman
Mr. Mohamedali R. Habib	Member
Mr. Shinji Yanagi	Member
Syeda Tattheer 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.

Bankers

Bank Alfalah Limited
Bank Al-Habib Limited
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) 34720040
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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