



INDUS MOTOR COMPANY LTD.

Condensed Interim Financial Information
Half Year ended December 31, 2023
(Un-audited)



Contents

02	Directors' Report
08	Independent Auditor's Review Report
09	Condensed Interim Statement of Financial Position
10	Condensed Interim Statement of Profit or Loss
11	Condensed Interim Statement of Comprehensive Income
12	Condensed Interim Statement of Cash Flows
13	Condensed Interim Statement of Changes in Equity
14	Notes to and Forming Part of the Condensed Interim Financial Statements
24	Company Information

Directors' Report

For the half year ended December 31, 2023

The Directors of Indus Motor Company (IMC) Limited are pleased to present the unaudited Company accounts for the half year ended December 31, 2023.

Pakistan's Automobile Industry

During the first half of the current fiscal year 2023-24, the overall economy continued to face challenges in terms of high fiscal deficit, high inflation rate and an increase in power tariff. However, the economy did show positive signs of change, such as the reduction in current account deficit on external front, stability of rupee against major foreign currencies and improvement in agriculture sector output. The auto sector, on the other hand, remained and remains subdued due to higher duties and taxes, high interest rates, low auto finance availability and diminished purchasing power of consumers, whereas the second quarter also faced demand contraction on account of year-end phenomena. Furthermore, higher duties & taxes are evident from the fact that the duty & taxes to consumers in aggregate on price per vehicle above 2000 cc, have been increased from 30% to 50%, being almost double in comparison to last year in similar period.

Supply chain challenges continued to adversely affect the auto sector as well. The automotive financing in the new CKD market volume has declined by 54% during six months as compared to the corresponding period last year. This is predominantly due to high interest rates and restrictive conditions imposed through prudential regulations.

Consequential to stated factors during the six-month period, the auto-sector operated below 30% production capacity, the lowest in the last decade, which led to frequent plant shutdowns in the current six-month period.

Pakistan Automotive Manufacturers Association

During this period, the total sales of members of the Pakistan Automotive Manufacturers Association (PAMA) for locally manufactured Passenger Cars (PC) and Light Commercial Vehicles (LCV) decreased by 54% to 39,104 units, as against 84,116 units sold in the corresponding period last year. PAMA member's total production of locally manufactured PCs and LCVs for the six months of the fiscal year also decreased by 55% to 39,738 units, as against 88,472 units produced in the corresponding period last year. The import of used cars has shown an increase during the six months with an increase of 680% at around 16,500 units as compared to around 2,100 units in same period last year. The members of PAMA foresee a significant adverse effect on the locally manufactured car industry.

Company Review

The combined sales of Completely Knocked Down (CKD) and Completely Built-up Units (CBU) vehicles of the Company for the first six-month period ended Dec 31, 2023, decreased by 61% to 7,324 units as against 18,672 units sold during the same period in the corresponding period last year. The market share of the Company in the overall market stood at approximately 18% with respect to PAMA, for the first half of the year ended Dec 31, 2023. The Company produced 6,391 vehicles during the said six months of the fiscal year, registering an 66% decrease, as compared to 18,562 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.

Directors' Report

For the half year ended December 31, 2023

The Company's net sales turnover for the period of six months ended Dec 31, 2023, decreased to Rs. 50.91 billion, as compared to Rs. 86.83 billion in the same period last year, while profit after tax increased to Rs. 4.96 billion, as against Rs. 2.63 billion achieved in the same period last year

Despite the challenges of rising cost of living, the Company managed to achieve positive results, through cost reduction efforts and kaizen initiatives. In December 2023, the company launched the much-awaited Toyota Corolla Cross, the country's first Hybrid Electric Vehicle (HEV) with the highest-ever localised content. The initiative was in support of the government's efforts to adopt cleaner and more efficient vehicles to reduce pollution and fuel imports. The new features provided in this model has led to its initial success in the market, thereby receiving an overwhelming response from the customers.

During the second quarter, the Company received various accolades, such as the highly coveted, "Top 25 Companies Award" by PSX was presented by the Honourable Prime Minister, to the CEO, Mr Ali Asghar Jamali, at a ceremony at Karachi. Additionally, 5th "Best Sustainability Report 2022 Award" and "Best Corporate Report 2022 Award" was also awarded by the Institute of Cost & Management Accountants of Pakistan.

The Board of Directors in its meeting held on 21st February 2024, has approved an Investment of around Rs 3 Billion to be made by the Company for additional localization of parts and components of various existing vehicles. This is part of company's overall plan to continuously increase localization of parts and components of vehicles manufactured locally, in order to reduce outflow of foreign exchange and promote the local auto industry. The investment is planned to be completed by third quarter of calendar year 2025.

The Earnings Per Share (EPS) of the company for the half year ended December 31, 2023, stood at Rs. 63.07 in comparison to Rs. 33.43 reported in the same period last year. The Board of Directors are pleased to declare a second interim cash dividend of Rs. 13.20 per share for the quarter, as compared to Rs. 10.2 per share, for the same quarter 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 key role in defining Pakistan's future political and economic trajectory. The effective management of this crucial period is essential in steering Pakistan towards a path of stability and growth. The formation of a new Government, following the elections, will be the stepping stone in the positive direction and lead to more conclusive discussions with IMF for next tranche of loan. The continuation of IMF program and influx of external funding remain crucial for the economy, as major external repayments are due in this fiscal year. We foresee challenges to continue in the next quarters in the form of one or other, as certain measures but not limited to, continuing structural reforms, increase in taxes, privatization of state-owned entities, curbing circular debt, etc., are on the back of IMF conditions. The Import compression is expected to continue due to sluggish economic growth and negative Large-Scale Manufacturing (LSM) activity, however, remains a question, whether the same is sustainable in case of recovery of the economy.

Directors' Report

For the half year ended December 31, 2023

Based on Auto Industry Development and Export Policy 2021-2026 (AIDEP 21-26), brands from Japan, Korea and China have been launched in the Hybrid Electric Vehicles category, which indicates their trust and confidence in the policies made by the Government of Pakistan. We urge the Government of Pakistan to sustain the policy incentives announced in the AIDEP 21-26 for Hybrid Electric Vehicles, thereby reducing fuel import bill of vehicles and have clean environment.

Auto sector volumes are expected to remain relatively low in the upcoming quarters as compared to previous year volumes, unless any specific measures are being taken by the Government. The import of used cars has been normalised due to relaxation of import and taxation regime, whereas, the locally manufactured vehicles are subject to consistent rise in duties and taxes, which is a cause for concern. Furthermore, Pakistan's existing taxation system overburdens the automotive industry with higher duties and taxes, which has contributed to decline in volumes along with the deteriorating economic situation. Any further hike in duties and taxes will hurt the declining auto industry and will also reduce the overall revenue to the Government from this sector. Addressing the industry concerns and implementing equitable taxation policies, will be essential for fostering a fair and sustainable tax system that support volume growth and thereby promote the localization of parts in Pakistan to save foreign exchange.

Acknowledgement

We are grateful to our customers for their continued trust and patronage of our products, and wish to acknowledge the 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.

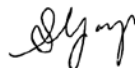
We bow to the Almighty and pray for His blessings and guidance.

On behalf of the Board of Directors.

February 21, 2024
Karachi.



Ali Asghar Jamali
Chief Executive & Director



Shinji Yanagi
Vice Chairman & Director

ڈائریکٹرز رپورٹ

برائے ششماہی مہنتہ 31 دسمبر، 2023

انڈس موٹر کمپنی کے ڈائریکٹرز 31 دسمبر، 2023 کو ختم ہونے والی ششماہی کیلئے کمپنی کے غیر پڑتال شدہ مالی حسابات پیش کرنے میں خوشی محسوس کرتے ہیں۔

پاکستان کی آٹوموبائل انڈسٹری

ملکی معیشت کو جاری مالی سال 2023-24 کی پہلی ششماہی کے دوران بھی مالیاتی خسارے، مہنگائی کی زیادہ شرح اور بجلی کے ٹیرف میں اضافہ کے تناظر میں چیلنجز کا سامنا رہا۔ تاہم برونی سطح پر حسابات جاریہ کے خسارے میں کمی، بڑی غیر ملکی کرنسیوں کے مقابلے میں پاکستانی روپے کی قدر میں اضافہ اور زرعی پیداوار میں بہتری جیسے مثبت اثرات سے بھی دیکھنے کو ملے۔ دوسری طرف آٹو سکٹر بہت زیادہ ڈیوٹیز اور ٹیکسوں، شرح سود کی بلند شرح، آٹو فنانسنگ کی محدود دستیابی اور کنزیومرز کی کم ہوتی قوت خرید کے باعث دباؤ کا شکار رہا جبکہ سال کے اختتام کے مظاہر کی وجہ سے دوسری سہ ماہی میں بھی گاڑیوں کی طلب میں کمی واقع ہوئی۔ اس کے علاوہ بہت زیادہ ڈیوٹیز اور ٹیکس سراسر خالق کا ثبوت ہیں کہ 2000 سی سی سے زائد گاڑیوں کی قیمت پر صارفین کیلئے ڈیوٹی اور ٹیکسوں کی شرح 30 فیصد سے بڑھا کر 50 فیصد کر دی گئی جو گزشتہ سال کی اسی مدت کے مقابلے دگنی ہے۔

پلائی چین کے حوالے سے درپیش چیلنجز کے آؤٹسکٹر پر بھی منفی اثرات جاری رہے۔ چھ ماہ کی مدت کے دوران نئی سی کے ڈی مارکیٹ کے حجم میں آٹوموبیل فنانسنگ میں گزشتہ سال کی اسی مدت کے مقابلے میں 54 فیصد کمی واقع ہوئی جس کی نمایاں وجہ سود کی بلند شرح اور سخت ریگولیشنز کے ذریعے عائد کردہ شرائط ہیں۔

مذکورہ بالا عوامل کا نتیجہ چھ ماہ کی مدت کے دوران آؤٹسکٹر کی 30 فیصد سے کم پیداواری صلاحیت کی صورت میں نکلا جو گزشتہ دہائی میں سب سے کم ہے اور جاری چھ ماہ کی مدت میں متواتر کے ساتھ پائمنٹ بند کرنے پڑے۔

پاکستان آٹوموبیل انڈسٹری

مذکورہ مدت کے دوران پاکستان آٹوموبیل انڈسٹری کے (پی اے ایم اے) کے اراکین کیلئے مقامی سطح پر تیار کردہ مسافر گاڑیوں (پی سی) اور لائٹ کمرشل ڈیپلکڑ (ایل سی وی) گاڑیوں کی مجموعی فروخت 54 فیصد کمی کے ساتھ گزشتہ سال کی اسی مدت کی 84,116 یونٹس فروخت کے مقابلے میں 39,104 یونٹس رہی۔ پی اے ایم اے اراکین کی مالی سال کی پہلی ششماہی کیلئے مقامی سطح پر تیار کردہ پی سزا اور ایل سی وی کی مجموعی پیداوار 55 فیصد کمی کے ساتھ گزشتہ سال کی 88,472 یونٹس پیداوار کے مقابلے میں 39,738 یونٹس رہی۔ چھ ماہ کی مدت کے دوران استعمال شدہ گاڑیوں کی درآمد میں اضافہ ہوا جو 680 فیصد اضافہ کے ساتھ گزشتہ سال کی اسی مدت کے 2,100 یونٹس کے مقابلے میں 16,500 یونٹس رہی۔ پی اے ایم اے کے اراکین مقامی کارساز انڈسٹری پر نمایاں منفی اثرات کی پیشنگوی کرتے ہیں۔

کمپنی کا جائزہ

31 دسمبر، 2023 کو ختم ہونے والی پہلی ششماہی کے دوران کمپنی کی سی کے ڈی اور سی بی یوگاڑیوں کی فروخت 61 فیصد کمی کے ساتھ گزشتہ سال کی اسی مدت کی 18,672 یونٹس فروخت کے مقابلے میں 7,324 یونٹس رہی۔ 31 دسمبر، 2023 کو ختم ہونے والی پہلی ششماہی کیلئے کمپنی کا مجموعی مارکیٹ شیئر پی اے ایم اے اراکین کے مقابلے میں تقریباً 18 فیصد رہا۔ کمپنی نے مالی سال کی مذکورہ مدت کیلئے 6,391 گاڑیاں تیار کیں جبکہ گزشتہ سال کی اسی مدت

میں 18,562 گاڑیاں تیار کی گئی تھیں جو 66 فیصد کمی کو ظاہر کرتا ہے۔ مدت کے دوران کمپنی کی پیداوار میں کمی طلب میں کمی اور سپلائی چین چیلنجز کے باعث ہوئی۔

31 دسمبر، 2023 کو اختتام پذیر ششماہی کیلئے کمپنی کی فروخت سے حاصل ہونے والی خالص آمدن گزشتہ سال کی اسی مدت کے 86.83 بلین روپے کے مقابلے میں کم ہو کر 50.91 بلین روپے رہی جبکہ بعد از ٹیکس منافع گزشتہ سال کی اسی مدت میں حاصل کردہ 2.63 بلین روپے کے مقابلہ میں بڑھ کر 4.96 بلین روپے ہو گیا۔

اخراجات میں اضافہ کے چیلنجز کے باوجود کمپنی لاگتوں میں کمی کیلئے کی جانے والی کوششوں اور کارکنان اقدامات کے ذریعے مثبت نتائج حاصل کرنے میں کامیاب رہی۔ دسمبر 2023 میں کمپنی نے ملک کی پہلی ہائبرڈ الیکٹرک وہیل (ایچ ای وی) ٹویونا کرولا کراس لائچ کی جس کا بہت بے صبری سے انتظار کیا جا رہا تھا۔ ٹویونا کرولا کراس میں زیادہ پوزہ جات مقامی سطح پر تیار کردہ استعمال کئے گئے ہیں۔ یہ اقدام فضائی آلودگی اور درآمدی تیل میں کمی کرنے کیلئے زیادہ موثر گاڑیوں کیلئے حکومت کی کوششوں میں معاونت فراہم کرنا تھا۔ نئے فیچرز کے باعث یہ ماڈل مارکیٹ میں اپنی جگہ بنانے میں کامیاب رہا اور صارفین کی طرف سے بہت زیادہ مثبت رد عمل دیکھنے کو ملا۔

دوسری سہ ماہی کے دوران کمپنی نے متعدد ایوارڈز اپنے نام کئے جن میں پاکستان اسٹاک ایکس چینج کی طرف سے اعلیٰ ترین ایوارڈ ”ٹاپ 25 کمپنیز ایوارڈ“ شامل ہے۔ یہ ایوارڈ عزت مآب وزیر اعظم نے کراچی میں ایک تقریب کے دوران سی ای او اعلیٰ اصغر بھالی کو دیا۔ اس کے علاوہ انٹرنیٹ ٹیٹ آف کاسٹ اینڈ مینجمنٹ اکاؤنٹنٹس آف پاکستان (آئی سی ایم اے) کی طرف سے ”بیسٹ سسٹین ایبلٹی رپورٹ 2022 ایوارڈ اور ”بیسٹ کارپوریٹ رپورٹ 2022 ایوارڈ دئے گئے۔

بورڈ آف ڈائریکٹرز نے 21 فروری، 2024 کو اپنے اجلاس میں 3 بلین روپے کے لگ بھگ سرمایہ کاری کی منظوری دی۔ یہ سرمایہ کاری موجودہ گاڑیوں کے مقامی سطح پر اضافی پوزہ جات اور جزو تیار کیلئے کی جائے گی۔ یہ کمپنی کے مجموعی منصوبے کا حصہ ہے جس میں مقامی سطح پر گاڑیوں کے پوزہ جات اور اجزاء کی تیاری کو مسلسل فروغ دیا جائے گا تاکہ غیر ملکی کرنسی کے بہاؤ کو کم کیا جاسکے اور مقامی آٹو انڈسٹری کو فروغ دیا جاسکے۔ یہ سرمایہ کاری کیلینڈر سال 2025 کی تیسری سہ ماہی تک مکمل کرنے کی منصوبہ بندی کی گئی ہے۔

31 دسمبر، 2023 کو ختم ہونے والی ششماہی کیلئے کمپنی کی فی شخص آمدن گزشتہ سال کی اسی مدت کی 22.15 روپے فی شخص کے مقابلے میں 63.07 روپے فی شخص رہی۔ بورڈ آف ڈائریکٹرز سہ ماہی کیلئے 13.20 روپے فی شخص کے دوسرے عبوری نقد منافع منقسمہ کے اعلان کرنے میں مسرت محسوس کرتے ہیں جبکہ گزشتہ سال کی اسی مدت کیلئے یہ منافع 10.2 روپے فی شخص تھا۔ مدت کے دوران معمول کے کاروباری طریقہ کار کے مطابق متعلقہ فریقین سے گئے گئے لین دین مالی گوشواروں میں بیان کئے گئے۔

تقریب مدت کیلئے کاروباری پیش بینی

مالی سال 2023-2024 پاکستان کے مستقبل کے سیاسی استحکام اور معاشی ترقی کو وضع کرنے میں اہم کردار کا حامل ہے۔ پاکستان کو استحکام اور ترقی کی راہ پر گامزن کرنے کیلئے اس اہم مدت کا موثر انداز انتظام نہایت ضروری ہے۔ عام انتخابات کے بعد نئی حکومت کی تشکیل مثبت سمت میں سنگ میل ثابت ہوگا اور قرضہ کی اگلی قسط کے حصول کیلئے آئی ایم ایف کے ساتھ نتیجہ خیز بات چیت ممکن ہوگی۔ آئی ایم ایف پروگرام جاری رہنے اور بیرونی فنڈنگ کا حصول ملکی معیشت کیلئے اہم ہے کیونکہ رواں مالی سال میں حکومت کو بڑی بیرونی ادائیگیاں کرنی ہیں۔ اگلے سہ ماہی میں کسی نہ کسی شکل میں چیلنجز جاری رہنے کا امکان ہے کیونکہ آئی ایم ایف

کی شرائط کے تحت سٹرکچرل اصلاحات، ٹیکسوں میں اضافے، سرکاری اداروں کی نجکاری، گھنٹی قرضوں پر قاپا پانے سمیت دیگر اقدامات جاری ہیں۔ توقع ہے کہ سست اقتصادی ترقی اور لارج مینوفیکچرنگ (ایل ایس ایم) کی منفی سرگرمی کی وجہ سے درآمدی شعبہ بڑا دکھارے گا تاہم یہ سوال باقی ہے کہ کیا معیشت کی بحالی کی صورت میں یہ پائیدار ہے۔

آٹو انڈسٹری ڈویلپمنٹ اینڈ ایکسپورٹ پالیسی 2021-26 (اے آئی ڈی ای پی 21-26) کی بنیاد پر جاپان، کوریا اور چین سے ہائبرڈ الیکٹرک ویہیکل ٹیکنالوجی میں براہمڈز لانچ کیے گئے ہیں جو ان کی طرف سے حکومت پاکستان کی پالیسیوں پر اعتماد کا اظہار ہے۔ ہم حکومت سے مطالبہ کرتے ہیں کہ وہ ہائبرڈ الیکٹرک گاڑیوں کیلئے اے آئی ڈی ای پی 21-26 میں اعلان کردہ پالیسی مراعات کو برقرار رکھے جس سے درآمدی بل میں کمی ہوگی اور صرف اور سبزمز ماحول کو فروغ ملے گا۔

جب تک حکومت کی طرف سے مخصوص اقدامات اٹھائے نہیں جاتے اس وقت تک گزشتہ سال کے حجم کے مقابلے میں آئندہ سہ ماہی میں آٹو سیکٹر کا حجم کم رہنے کی توقع ہے۔ درآمد اور ٹیکسوں میں نرمی کی بدولت استعمال شدہ گاڑیوں کی درآمد معمول پر آگئی ہے جبکہ مقامی سطح تیار ہونے والی گاڑیاں ڈیویٹیز اور ٹیکسوں کی بلند شرح کی زد میں ہیں جو باعث تشویش ہے۔ اس کے علاوہ پاکستان کے ٹیکسوں کے موجودہ نظام کے باعث آٹو موٹیو انڈسٹری بہت زیادہ ٹیکسوں اور ڈیویٹیز کے بوجھ تلے دبی ہوئی ہے۔ ڈیویٹیز اور ٹیکسوں میں مزید اضافے سے آٹو انڈسٹری پر منفی اثرات مرتب ہوں گے بلکہ اس شعبہ کی طرف سے حکومت کیلئے محاصل میں کمی ہوگی۔ انڈسٹری کے خدشات کو دور کرنا اور منصفانہ ٹیکسیشن پالیسیوں پر عمل درآمد کرنا ایک منصفانہ اور پائیدار ٹیکس نظام کو فروغ دینے کے لئے ضروری ہوگا جو حجم میں اضافے میں معاونت کے لئے پاکستان میں مقامی سطح پر مزہ جات کی تیاری کو بھی فروغ ملے گا۔

اظہار تشکر

ہم اپنے صارفین کے شکرگزار ہیں کہ انہوں نے ہماری مصنوعات پر مسلسل اعتماد کیا۔ ہم کمپنی کے ملازمین، ویئڈرز، ڈیلرز اور تمام پرائس 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 رتب عظیم کے شکرگزار ہیں اور اس کی برکتوں سمیت رہنمائی کیلئے دعا گو ہیں۔

بورڈ آف ڈائریکٹرز کی طرف سے

21 فروری، 2024

علی اصغر جمالی

چیف ایگزیکٹو اینڈ ڈائریکٹر

کراچی
شن جی یاتاگی

نائب چیئرمین اینڈ ڈائریکٹر

Independent Auditor's Review Report

To The Members of Indus Motor Company Limited

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Indus Motor Company Limited as at December 31, 2023 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 condensed interim financial statements for the six-month period 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 interim financial statements based on our review. The figures for the quarters ended December 31, 2023 and December 31, 2022 in the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and relevant notes have not been reviewed and we do not express a conclusion on them.

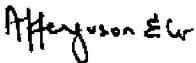
Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements 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 review report is Junaid Mesia.



A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: February 28, 2024

UDIN: RR202310611cjPJ6YyNx

Condensed Interim Statement of Financial Position

As at December 31, 2023

	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
----- (Rupees in '000) -----			
ASSETS			
Non-current Assets			
Property, plant and equipment	4	24,203,560	24,375,442
Intangible assets		104,589	122,240
Long-term loans and advances		63,049	76,460
Long-term deposits		10,020	10,020
Deferred taxation - net		1,041,238	-
		25,422,456	24,584,162
Current Assets			
Stores and spares		829,862	643,248
Stock-in-trade		38,929,647	28,733,390
Trade debts - unsecured		4,007,286	886,064
Loans and advances		3,613,238	14,968,126
Short-term prepayments		123,275	64,510
Accrued return		214,832	285,108
Other receivables		2,779,337	2,188,943
Short-term investments	5	40,361,104	44,148,189
Cash and bank balances		5,791,255	6,262,571
		96,649,836	98,180,149
TOTAL ASSETS		122,072,292	122,764,311
EQUITY			
Share Capital			
Authorised capital		5,000,000	5,000,000
Issued, subscribed and paid-up capital		786,000	786,000
Reserves		60,035,861	59,283,912
		60,821,861	60,069,912
LIABILITIES			
Non-Current Liabilities			
Long-term loan	6	229,899	239,895
Deferred revenue		8,386	2,500
Deferred taxation - net		-	311,303
		238,285	553,698
Current Liabilities			
Current portion of long-term loan	6	39,983	39,983
Current portion of deferred revenue		4,816	691
Unclaimed dividend		153,341	153,341
Unpaid dividend		4,235,229	3,512,068
Trade and other payables		32,718,519	41,033,604
Warranty obligations		2,233,068	2,189,635
Advances from customers and dealers		14,614,957	9,736,394
Taxation - net		7,012,233	5,474,985
		61,012,146	62,140,701
		61,250,431	62,694,399
TOTAL EQUITY AND LIABILITIES		122,072,292	122,764,311
CONTINGENCIES AND COMMITMENTS			
	7		

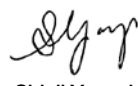
The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



Mohammad Ibadullah
Chief Financial Officer



Ali Asghar Jamali
Chief Executive & Director



Shinji Yanagi
Vice Chairman & Director

Condensed Interim Statement of Profit or Loss

For the Half Year and Quarter ended December 31, 2023 (Unaudited)

	Note	Half year ended		Quarter ended	
		December 31		December 31	
		2023	2022	2023	2022
----- (Rupees in '000) -----					
Revenue from contracts with customers	8	50,910,436	86,833,532	18,239,790	49,584,785
Cost of sales	9	(46,191,883)	(89,681,711)	(16,821,361)	(50,075,417)
Gross profit / (loss)		4,718,553	(2,848,179)	1,418,429	(490,632)
Distribution expenses		(1,063,688)	(722,810)	(680,558)	(350,526)
Administrative expenses		(1,190,093)	(1,015,123)	(654,390)	(564,882)
Other operating expenses		(51,962)	(126,017)	(43,719)	(38,687)
		(2,305,743)	(1,863,950)	(1,378,667)	(954,095)
		2,412,810	(4,712,129)	39,762	(1,444,727)
Workers' Profit Participation Fund and Workers' Welfare Fund		(310,600)	(76,733)	(73,477)	(39,207)
Profit / (loss) from operations		2,102,210	(4,788,862)	(33,715)	(1,483,934)
Other income	11	5,315,457	8,617,522	2,494,323	3,454,497
		7,417,667	3,828,660	2,460,608	1,970,563
Finance cost		(62,315)	(68,725)	(31,194)	(49,419)
Profit before taxation		7,355,352	3,759,935	2,429,414	1,921,144
Taxation		(2,398,303)	(1,132,422)	(688,069)	(590,608)
Profit after taxation		4,957,049	2,627,513	1,741,345	1,330,536
----- (Rupees) -----					
Earnings per share - basic and diluted (Rupees)		63.07	33.43	22.15	16.93

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



Mohammad Ibadullah
Chief Financial Officer



Ali Asghar Jamali
Chief Executive & Director



Shinji Yanagi
Vice Chairman & Director

Condensed Interim Statement of Comprehensive Income

For the Half Year and Quarter ended December 31, 2023 (Unaudited)

	Half year ended		Quarter ended	
	December 31		December 31	
	2023	2022	2023	2022
	----- (Rupees in '000) -----			
Profit after taxation for the period	4,957,049	2,627,513	1,741,345	1,330,536
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	4,957,049	2,627,513	1,741,345	1,330,536

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



Mohammad Ibadullah
Chief Financial Officer



Ali Asghar Jamali
Chief Executive & Director



Shinji Yanagi
Vice Chairman & Director

Condensed Interim Statement of Cash Flows

For the Half Year ended December 31, 2023 (Unaudited)

Note	Half year ended	
	December 31	
	2023	2022
	------(Rupees in '000)-----	

CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from / (utilised in) operations	12	1,363,898	(88,455,989)
Net decrease / (increase) in long-term loans and advances		13,411	(51,970)
(Decrease) / increase in deferred revenue		5,886	855
Compensation paid on advances received from customers		(1,248,957)	(1,607,641)
Payment to Workers' Profit Participation Fund		(240,000)	-
Payment to Workers' Welfare Fund		(334,983)	(509,052)
Interest paid on long-term loan		(3,733)	(7,723)
Income tax paid		(2,213,596)	(2,433,757)
Net cash outflow on operating activities		(2,658,074)	(93,065,277)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment and intangible assets		(2,871,936)	(3,378,934)
Proceeds from disposal of property, plant and equipment		111,111	50,321
Interest received on bank deposits and Term Deposit Receipts		499,508	1,491,018
Proceeds from sale of Pakistan Investment Bonds - net		6,751,074	4,714,075
Interest income on Pakistan Investment Bonds	11	541,339	835,559
Investment in listed mutual fund units		(29,407,648)	(50,250,000)
Dividend income received from listed mutual fund units	11	1,000,650	1,629,444
Proceeds from redemption of listed mutual fund units		36,473,661	36,282,036
(Investment in) / proceeds from sale of Market Treasury Bills - net		(742,400)	32,049,410
Net cash inflow from investing activities		12,355,359	23,422,929

CASH FLOWS FROM FINANCING ACTIVITY

Repayment of long-term loan		(9,996)	(213,987)
Dividend paid		(3,481,939)	(397,768)
Net cash outflow on financing activities		(3,491,935)	(611,755)
Net increase / (decrease) in cash and cash equivalents during the period		6,205,350	(70,254,103)
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	13	31,011,474	22,142,784

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



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 Half Year ended December 31, 2023 (Unaudited)

	Share capital Issued, subscribed and paid-up	Reserves			Sub - Total	Total
		Capital		Revenue		
		Share premium	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 half year ended December 31, 2022	-	-	-	2,627,513	2,627,513	2,627,513
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 cash dividend @ 32.5% for the year ended June 30, 2022 declared subsequent to year end (Rs 3.25 per ordinary share)	-	-	-	(255,450)	(255,450)	(255,450)
Interim dividend @ 82% declared during the half year ended December 31, 2022 (Rs 8.20 per ordinary share)	-	-	-	(644,520)	(644,520)	(644,520)
Balance as at December 31, 2022	<u>786,000</u>	<u>196,500</u>	<u>51,951,050</u>	<u>2,805,069</u>	<u>54,952,619</u>	<u>55,738,619</u>
Balance as at July 1, 2023	786,000	196,500	51,951,050	7,136,362	59,283,912	60,069,912
Total comprehensive income for the half year ended December 31, 2023	-	-	-	4,957,049	4,957,049	4,957,049
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 cash dividend @ 290% for the year ended June 30, 2023 declared subsequent to year end (Rs 29 per ordinary share)	-	-	-	(2,279,400)	(2,279,400)	(2,279,400)
Interim dividend @ 245% declared during the half year ended December 31, 2023 (Rs 24.50 per ordinary share)	-	-	-	(1,925,700)	(1,925,700)	(1,925,700)
Balance as at December 31, 2023	<u>786,000</u>	<u>196,500</u>	<u>55,951,050</u>	<u>3,888,311</u>	<u>60,035,861</u>	<u>60,821,861</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.


Mohammad Ibadullah
 Chief Financial Officer


Ali Asghar Jamali
 Chief Executive & Director


Shinji Yanagi
 Vice Chairman & Director

Notes to and Forming Part of the Condensed Interim Financial Statements

For the Half Year ended December 31, 2023 (Unaudited)

1 THE COMPANY AND ITS OPERATIONS

Indus Motor Company Limited (the Company) was incorporated in Pakistan as a public company limited by shares in December 1989 under the repealed Companies Ordinance, 1984 (now, the Companies Act, 2017) 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 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting which 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 (the Act); and
- provisions of and directives issued under the Act.

Where provisions of or directives issued under the Act differ with the requirements of IAS 34, the provisions of and directives issued under the Act have been followed.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2023.

2.2 Change in accounting standards, interpretations and amendments to published accounting and reporting standards

(a) Amendments to published accounting and reporting standards which became effective during the period

There were certain amendments to the accounting and reporting standards which became mandatory for the Company during the period. However, the amendments did not have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

Notes to and Forming Part of the Condensed Interim Financial Statements

For the Half Year ended December 31, 2023 (Unaudited)

(b) Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new standards, interpretations and amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2024. However, these amendments will not have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

2.3 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2023.

3. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim financial statements requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets and liabilities and income and expenses. Actual results may differ from these estimates, assumptions and judgments. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events.

Judgments and estimates made by the management in the preparation of these condensed interim financial statements are consistent with those applied in the annual audited financial statements of the Company 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 annual audited financial statements of the Company as at and for the year ended June 30, 2023.

4. PROPERTY, PLANT AND EQUIPMENT

	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	------(Rupees in '000)-----	
Operating assets	22,632,969	18,766,047
Capital work-in-progress	1,570,591	5,609,395
	<u>24,203,560</u>	<u>24,375,442</u>

Notes to and Forming Part of the Condensed Interim Financial Statements

For the Half Year ended December 31, 2023 (Unaudited)

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	
	2023	2022	2023	2022
	----- (Rupees in '000) -----			
Tangible - Owned				
Buildings on leasehold land:				
- Factory	137,232	4,175	-	-
- Others	92,939	34,492	-	-
Plant and machinery	2,010,883	139,207	39,742	33,958
Motor vehicles	150,662	207,391	89,724	64,858
Furniture and fixtures	34,624	2,314	-	-
Office equipment	11,447	10,666	97	-
Computers and related accessories	17,258	18,908	4,874	48,155
Tools and equipment	264,058	7,159	43,414	2,577
Jigs, moulds and related equipment	4,171,762	-	386,261	-
	<u>6,890,865</u>	<u>424,312</u>	<u>564,112</u>	<u>149,548</u>
Intangible assets				
Computer software	19,875	406	-	87,598

- 4.1.1 Additions to owned assets include transfers from capital work-in-progress amounting to Rs 6,662.970 million (December 31, 2022: Rs 168.189 million).

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
		----- (Rupees in '000) -----	
5 SHORT TERM INVESTMENTS			
At amortized cost			
Government securities			
- Pakistan Investment Bonds (PIBs)	5.1	2,107,560	7,794,310
Term Deposit Receipts (TDRs)	5.2	19,500,000	-
At fair value through profit or loss			
Government securities			
- Market Treasury Bills (T-Bills)	5.3	8,154,975	18,801,975
Listed Mutual Fund Units		10,598,569	17,551,904
		<u>40,361,104</u>	<u>44,148,189</u>

- 5.1 These securities will be maturing on January 2, 2024. The yield on these securities ranges between 21.89% to 21.92% (December 31, 2022: 15.95% to 17.53%) per annum. The fair value of these securities is Rs. 2,125 million.
- 5.2 These TDRs carry profit at rates ranging between 22.75% to 23.25% per annum (December 31, 2022: 16.60% to 18% per annum). These TDRs have varying maturities ranging between January 2, 2024 to January 17, 2024.
- 5.3 These securities have varying maturities ranging between January 25, 2024 to June 13, 2024. The yield on these securities ranges between 21.29% to 22.39% per annum (December 31, 2022: 15.55% to 16.99% per annum).

Notes to and Forming Part of the Condensed Interim Financial Statements

For the Half Year ended December 31, 2023 (Unaudited)

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
------(Rupees in '000)-----			
6 LONG-TERM LOAN			
Loan under refinance scheme for renewable energy	6.1	269,882	279,878
Less: Current Portion		(39,983)	(39,983)
		<u>229,899</u>	<u>239,895</u>

6.1 This represents loan obtained under the SBP financing scheme for investment in Plant and Machinery for renewable energy projects. During the period, the Company had repaid amount of Rs 9.996 million (December 31, 2022: Rs 29.987 million). The financing was made in six tranches. The first tranche carries mark-up at the rate of 3.25% (December 31, 2022: 3.25%) per annum whereas the remaining five tranches carry mark-up at the rate of 4.25% per annum (December 31, 2022: 4.25%) and is secured by way of hypothecation charge over plant and machinery. The loan is repayable on a quarterly basis in 40 equal installments and the first repayment was made on September 12, 2020.

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

7.1.1 The status of contingencies as disclosed in the annual financial statements of the Company for the year ended June 30, 2023 has remained unchanged.

7.1.2 As at December 31, 2023, the claims not acknowledged as debts by the Company aggregate to Rs 4,646.954 million (June 30, 2023: Rs 3,081.169 million).

7.1.3 Commitments in respect of outstanding bank guarantees as at December 31, 2023 amounts to Rs 14,094.801 million (June 30, 2023: Rs 21,982.926 million). This includes an amount of Rs 8,698.702 million (June 30, 2023: Rs 8,261.406 million) in respect of bank guarantees from Habib Metropolitan Bank Limited - a related party.

7.2 Commitments

7.2.1 Commitments in respect of capital expenditure as at December 31, 2023 aggregate to Rs 454.509 million (June 30, 2023: Rs 2,384.215 million).

7.2.2 Commitments in respect of letters of credit as at December 31, 2023, other than for capital expenditure, amounts to Rs 16,176.079 million (June 30, 2023: Rs 20,900.590 million). The above letters of credit include an amount of Rs 639.565 million (June 30, 2023: Rs 10,471.836 million) availed from Habib Metropolitan Bank Limited - a related party.

Notes to and Forming Part of the Condensed Interim Financial Statements

For the Half Year ended December 31, 2023 (Unaudited)

Half year ended		Quarter ended	
December 31		December 31	
2023	2022	2023	2022

------(Rupees in '000)-----

8 REVENUE FROM CONTRACTS WITH CUSTOMERS

Manufacturing

Manufactured goods sales	47,087,182	84,214,346	16,347,901	47,867,902
Commission	(807,859)	(2,050,489)	(274,440)	(1,191,392)
Discounts	(14,701)	(22,835)	(9,576)	(17,008)
Compensation on advances from customers	-	(1,700,523)	-	(769,351)
Net sales	46,264,622	80,440,499	16,063,885	45,890,151

Trading

Trading goods sales	5,053,488	6,947,979	2,366,391	3,995,280
Commission	(50,850)	(89,387)	(19,174)	(56,679)
Discounts	(356,824)	(465,559)	(171,312)	(243,967)
Net sales	4,645,814	6,393,033	2,175,905	3,694,634

Revenue from contracts with customers

50,910,436	86,833,532	18,239,790	49,584,785
-------------------	------------	-------------------	------------

9 COST OF SALES

Manufacturing	43,238,635	84,892,508	15,369,994	47,167,832
Trading	2,953,248	4,789,203	1,451,367	2,907,585
	46,191,883	89,681,711	16,821,361	50,075,417

Notes to and Forming Part of the Condensed Interim Financial Statements

For the Half Year ended December 31, 2023 (Unaudited)

10. SEGMENT REPORTING

	Half year ended December 31, 2023			Half year ended December 31, 2022		
	Manufacturing	Trading	Total	Manufacturing	Trading	Total
	----- (Rupees in '000) -----					
Net sales	46,264,622	4,645,814	50,910,436	80,440,499	6,393,033	86,833,532
Gross profit / (loss)	3,025,987	1,692,566	4,718,553	(4,452,009)	1,603,830	(2,848,179)
Profit / (loss) from operations	610,158	1,492,052	2,102,210	(6,276,792)	1,487,930	(4,788,862)
	Quarter ended December 31, 2023			Quarter ended December 31, 2022		
	Manufacturing	Trading	Total	Manufacturing	Trading	Total
	----- (Rupees in '000) -----					
Net sales	16,063,885	2,175,905	18,239,790	45,890,151	3,694,634	49,584,785
Gross profit / (loss)	693,891	724,538	1,418,429	(1,277,681)	787,049	(490,632)
(Loss) / profit from operations	(626,185)	592,470	(33,715)	(2,209,152)	725,218	(1,483,934)
	----- (Rupees in '000) -----					
	Half year ended					
	December 31					
	2023		2022			
	----- (Rupees in '000) -----					

11 OTHER INCOME

Return on bank deposits and Term Deposit Receipts	429,232	1,366,124
Net gain against investment in Market Treasury Bills	1,433,934	3,515,907
Gain on sale of Pakistan Investment Bonds (PIBs)	1,064,324	503,186
Interest income on Pakistan Investment Bonds (PIBs)	541,339	835,559
Dividend income from listed mutual fund units	1,000,650	1,629,444
Net gain against investment in listed mutual fund units	112,678	125,027
Agency commission, net of commission expense	15,042	13,408
Gain on disposal of operating fixed assets	76,010	10,736
Freight and other charges income - net of expenses	157,279	233,913
Certification income	44,526	33,092
Unclaimed liabilities written back	400,141	323,337
Others	40,302	27,789
	5,315,457	8,617,522

Notes to and Forming Part of the Condensed Interim Financial Statements

For the Half Year ended December 31, 2023 (Unaudited)

	Note	Half year ended	
		December 31	
		2023	2022
------(Rupees in '000)-----			
12. CASH GENERATED FROM / (UTILISED IN) OPERATIONS			
Profit before taxation		7,355,352	3,759,935
Adjustment for non-cash charges and other items:			
Depreciation		2,978,909	1,722,890
Amortisation		37,526	39,284
Allowance for expected credit loss		403,900	7,427
Gain on disposal of operating fixed assets	11	(76,010)	(10,736)
Gain on sale of investments in Pakistan Investment Bonds (PIBs)	11	(1,064,324)	(503,186)
Interest income on Pakistan Investment Bonds (PIBs)	11	(541,339)	(835,559)
Net gain against investment in listed mutual fund units	11	(112,678)	(125,027)
Net gain against investment in Market Treasury Bills	11	(1,433,934)	(3,515,907)
Net unrealised loss on revaluation of foreign exchange contracts - fair value hedge		-	14,513
Return on bank deposits and Term Deposit Receipts	11	(429,232)	(1,366,124)
Dividend income from listed mutual fund units	11	(1,000,650)	(1,629,444)
Charge in respect of Workers' Profit Participation Fund		154,190	-
Charge in respect of Workers' Welfare Fund		156,410	76,733
Compensation on advance received from customers		-	1,700,523
Interest on long-term loan		5,610	7,120
Working capital changes	12.1	(5,069,832)	(87,798,431)
		1,363,898	(88,455,989)
12.1 Working capital changes			
(Increase) / decrease in current assets			
Stores and spares		(186,614)	14,203
Stock-in-trade		(10,196,257)	(5,744,258)
Trade debts		(3,525,122)	1,651,981
Loans and advances		11,354,888	(23,003,084)
Short-term prepayments		(58,765)	(37,820)
Other receivables		(494,649)	(2,242,692)
		(3,106,519)	(29,361,670)
(Decrease) / increase in current liabilities			
Current portion of deferred revenue		4,125	140
Trade and other payables		(6,802,568)	6,452,821
Warranty obligations		(43,433)	(47,203)
Advances from customers and dealers		4,878,563	(64,815,392)
Gas Infrastructure Development Cess Payable		-	(27,127)
		(1,963,313)	(58,436,761)
		(5,069,832)	(87,798,431)
13. CASH AND CASH EQUIVALENTS			
Cash and bank balances		5,791,255	1,514,951
Term Deposit Receipts		19,500,000	10,500,000
Government securities - Market Treasury Bills		5,720,219	10,127,833
		31,011,474	22,142,784

Notes to and Forming Part of the Condensed Interim Financial Statements

For the Half Year ended December 31, 2023 (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. The Company considers its Chief Executive Officer, Chief Financial Officer, Company secretary and directors as key management personnel. Transactions carried out with associated undertakings / related parties during the period, not disclosed elsewhere in these condensed interim financial statements are as follows:

Nature of transactions	Half year ended December 31		Quarter ended December 31	
	2023	2022	2023	2022
	----- (Rupees in '000) -----			
Nature of transactions				
with associated companies:				
Sales	746,521	180,868	130,310	115,162
Purchases	35,506,717	59,043,107	9,537,592	34,940,664
Insurance premium	89,955	60,615	45,893	32,747
Agency commission	11,814	13,758	8,541	2,948
Running royalty	675,014	1,320,287	187,246	656,482
Donations	2,533	20,000	2,533	-
Return on bank deposits and Term Deposit Receipts	340,324	691,727	218,233	356,739
Proceeds from disposal of operating fixed assets / insurance claim	246	2,801	121	15
Bank charges and LC charges	39,830	42,683	20,811	24,503
Annual subscription	1,250	1,250	625	625
Interest on long-term loan facility	-	694	-	231
Contribution to and accruals in respect of staff retirement benefit fund	89,230	76,622	50,863	38,255
With key management personnel:				
Salaries and benefits	86,563	84,691	44,782	43,471
Post employment benefits	5,415	5,092	2,708	2,546
Sale of operating fixed assets	-	19	-	-

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

Nature of balances	December 31,	June 30,
	2023	2023
	(Un-audited)	(Audited)
	----- (Rupees in '000) -----	
Short-term prepayments	39,426	6,082
Accrued return	68,562	440
Bank balances & Term Deposit Receipts	15,242,180	2,564,664
Margin held with bank against imports	473,454	11,899,070
Warranty claims, agency commission and other receivable	220,910	281,918
Trade and other payables	3,776,718	12,727,814

Notes to and Forming Part of the Condensed Interim Financial Statements

For the Half Year ended December 31, 2023 (Unaudited)

14.2 During the period, an amount of Rs 1.5 million (December 31, 2022: Rs 1.125 million) has been paid to non-executive directors, as fee for attending board and other meetings.

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences may arise between the carrying value and the fair value estimates.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- 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 or indirectly (level 2); and
- inputs for the asset or liability that are not based on observable market data (level 3).

The level in the fair value hierarchy within which the fair value measurement of a financial instrument is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement of that financial instrument.

	----- (Un-audited) -----			----- (Audited) -----		
	----- As at December 31, 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'

- Listed mutual fund units	-	10,598,569	-	-	17,551,904	-
- Government securities - Market Treasury Bills	-	8,154,975	-	-	18,801,975	-

The fair value of Pakistan Investment Bonds as disclosed in note 5.1 has been determined based on level 2 fair value measurement.

15.1 Valuation techniques used in determination of fair values within level 2.

Debt Securities

The fair value of Federal Government securities is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP).

Units of mutual fund

The fair values of investments in units of mutual funds are determined based on their net asset values as published at the close of each business day.

Notes to and Forming Part of the Condensed Interim Financial Statements

For the Half Year ended December 31, 2023 (Unaudited)

15.2 During the period ended December 31, 2023, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

15.3 The carrying amount of all other financial assets and financial liabilities are a reasonable approximation of their fair value, therefore, their fair value has not been disclosed in these condensed interim financial statements.

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

The Board of Directors in its meeting held on February 21, 2024 have proposed an interim cash dividend of Rs 13.2 per share (December 31, 2022: Rs 10.2 per share) in respect of the year ending June 30, 2024. The condensed interim financial statements for the half year ended December 31, 2023, 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, 2024.

17. GENERAL

17.1 Figures in these condensed interim financial statements have been rounded to the nearest thousand rupees unless otherwise stated.

17.2 Corresponding figures and balances have been rearranged and / or reclassified, where considered necessary, for the purpose of better comparison and presentation, the effects of which are not material.

17.3 These condensed interim financial statements were authorised for issue on February 21, 2024 by the Board of Directors of the Company.



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. Asif Qadir	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. Asif Qadir	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

Syeda Tatheer Zehra Hamdani	Committee Chairperson
Mr. Mohamedali R. Habib	Member
Mr. Shinji Yanagi	Member
Mr. Riyaz T. Chinoy	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.
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Website: www.toyota-indus.com

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Short term rating: A-1+

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