



INDUS MOTOR COMPANY LTD.

Condensed Interim Financial Information
For the Half Year Ended December 31, 2021
(Un-audited)



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Directors' Report

For the half year ended December 31, 2021

The Directors of the Indus Motor Company (IMC) Limited are pleased to present the Company's accounts for the half year ended on December 31, 2021.

Pakistan's Automobile Industry

During the first half of the fiscal year, the automobile industry has remained one of the fast-growing sectors in Pakistan and experienced an increase in demand mainly due to economic growth, lower auto financing rates and a reduction in the price of vehicles on account of a reduction in Additional Custom Duty (ACD), Federal Excise Duty (FED) and Sales Tax (up to 1000cc category) vide Finance Act, 2021. During the six month period, the auto sector remained under severe pressure with rising input costs, mainly on account of depreciation of rupee, higher freight charges and higher commodity prices (i.e. of steel sheets, aluminium, copper, resin etc) finally lead to an increase in the price of the vehicles towards the end of the calendar year.

Despite of the robust demand of automobiles during the period, the auto sector production capability continued to be affected by supply chain disruptions, especially the supply gap of certain raw materials, including the shortage of semiconductor chips by certain manufacturers. The members of the Pakistan Automotive Manufacturers Association (PAMA) have successfully managed the supply chain challenges and were able to cope with, and adapt to changing business conditions. Automobile manufacturers strived to meet the increased market demand by producing 128,260 units, as compared to 74,946 units produced in the same period last year, registering a 71.1% increase in production.

Due to overall demand increase, industry wide sales for PAMA members of locally manufactured Passenger Cars (PC) and Light Commercial Vehicles (LCV) increased by 70% to 135,976 units during the first half of financial year 2021-22, as against 79,954 units sold in the corresponding period last year.

Company Review

The combined sales of Completely Knocked Down (CKD) and Completely Built-up Units (CBU) of the Company for the half year ended on December 31, 2021, increased by 46.5% to 38,632 units against 26,362 units sold in the same period last year. The market share of the Company in the overall market stood at approximately 20.4% for the half year ended on December 31, 2021. The Company produced 36,120 vehicles, registering a 38.3% increase, as compared to 26,119 units produced in the same period last year.

The Company's net sales turnover for the half year ended on December 31, 2021, increased to Rs.135.18 billion, as compared to Rs. 79.65 billion, for the corresponding period last year, while profit after tax has also increased to Rs. 10.18 billion as against Rs. 4.80 billion, in the same period last year. The net profit has increased mainly due to higher CKD and CBU sales volume and an increase in other income due to higher fund size on account of increase in customer advances.

In comparison with previous quarter ended September 2021, the quarter ended December 31, 2021 has observed an increase in net sales turnover on account of higher CKD and CBU volumes. Despite higher turnover for the quarter, the profit after tax for the quarter reduced as compared to previous quarter, mainly due to rising input costs as a consequence of depreciation of PKR against USD, higher commodity prices, rising cost of production, etc. These costs have been partially offset by higher other income.

During the period, the Company received various accolades. It was honoured by Asiamoney as the "Most Outstanding Company in Pakistan 2021" in the category of Automobile & Components, it won the "Annual Environment Excellence Award 2021" by the National Forum for Environment & Health, "Consumers Choice Award 2021" by the Consumers Association of Pakistan, as well as the "Best Corporate & Sustainability Reports Award 2020" by the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP).

The Earnings Per Share of the company for the half year ended on December 31, 2021 is Rs.129.45 in comparison to Rs. 61.08 reported in the same period last year. The Board of Directors are pleased to declare second interim cash dividend of Rs. 30 per share for the half year ended on December 31, 2021, as compared to Rs. 25 per share, for the same period last year. During the period, transactions with the

Directors' Report

For the half year ended December 31, 2021

related parties as disclosed in the financial statements, were carried out in the ordinary course of business.

Near Term Business Outlook

The Government recently passed the Finance (Supplementary) Act, 2022 ("Act"), effective from January 2022, after the half year period close. Through the Act Federal Excise Duty rates were increased in all categories, while sales tax rates were also increased from 12.5% to 17% for the 851-1000cc category. Unless reverted back, coupled with the State Bank of Pakistan (SBP) decision to compress import of CBU and CKD vehicles through stringent auto financing rules and restrictions introduced in September 2021, this is likely to impact sales volume of vehicles in calendar year 2022. In addition to this, challenges such as rising global commodity prices, rising freight charges on imports, material shortages and the continuation of the pandemic owing to the latest variant Omicron, may have a negative impact on the sales volume and profitability of the auto sector for coming periods.

The Government has taken measures to ease the pressure on import bill and trade deficit through increase in duties and taxes in mini-budget and rising interest rates. However, the Company urges the Government to devise and promote consistent policies for long-term economic growth of the auto sector and provide incentives to local vendors for manufacturing of high tech parts and reduce duties and taxes to support the continued demand in the auto industry, in order to promote the industry's higher capacity utilization and volumes. On the whole, this will generate more taxes for the Government and will also create more employment opportunities.

The current auto development policy 2016-21 has brought new investments and broadening of the local manufacturing base and has created new segments as well. For instance, urban sport utility vehicles (SUVs) are gaining sales momentum with a reflective shift in consumer behaviour. We are optimistic about the future outlook, which is contingent on the Government's efforts to formulate supportive long-term policies without resorting to ad-hoc and hasty policy changes.

The Company appreciates the initiative by the Government of Pakistan to finalise the new Auto policy with the stakeholders and for maintaining the Hybrid Electric Vehicle incentives under the said policy. We are looking forward to the implementation of the new policy, which will help the Government to reduce the oil import bill and combat climate changes.

Acknowledgement

We thank our valued customers for their trust and continued patronage of our products, as their sustained support has enabled the Company to prevail against all odds.

The Company is very proud of its employees, vendors and dealers for their commitment, passion, loyalty and dedication, even in the most challenging times and unprecedented circumstances. 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 24, 2022
Karachi.



Ali Asghar Jamali
Chief Executive & Director



Shinji Yanagi
Vice Chairman & Director

ڈائریکٹر رپورٹ برائے ششماہی مختتمہ 31 دسمبر، 2021

انڈس موٹر کمپنی (آئی ایم سی) لمیٹڈ کے ڈائریکٹرز 31 دسمبر، 2021 کو ختم ہونے والی پہلی ششماہی کیلئے کمپنی کے کھاتے (اکاؤنٹس) پیش کرنے میں مسرت محسوس کرتے ہیں۔

پاکستان کی آٹوموبائل انڈسٹری

مالی سال کی پہلی ششماہی کے دوران، آٹوموبائل انڈسٹری پاکستان میں تیزی سے ترقی کرنے والی انڈسٹری رہی جس نے اقتصادی ترقی، آٹوفنانسنگ کی کم شرح اور فنانس ایکٹ، 2021 کے ذریعے اضافی کسٹم ڈیوٹی (اے سی ڈی)، فیڈرل ایکسائز ڈیوٹی (ایف ای ڈی) اور سیلز ٹیکس (1000 سی سی تک کی کیگٹری) میں کمی کی وجہ سے گاڑیوں کی قیمتوں میں کمی کے نتیجے میں گاڑیوں کی طلب میں اضافہ کا مشاہدہ کیا۔ چھ ماہ کی مدت کے دوران آٹوسیکٹر کو ان پٹ لاگتوں میں اضافہ کی وجہ سے شدید باؤ کا سامنا رہا جس کی بنیادی وجوہات میں روپے کی قدر میں کمی، زیادہ فریٹ چارجز اور کموڈٹی (مثلاً سسٹیل شیٹس، ایلومینیم، کارپر، ریزن وغیرہ) کی بلند قیمتیں مالی سال کے اختتام پر گاڑیوں کی قیمتوں میں اضافہ کا سبب بنی۔

اس مدت کے دوران آٹوموبائلز کی زبردست طلب کے باوجود، آٹوسیکٹر کی پیداواری صلاحیت سپلائی چین میں رکاوٹوں، خاص طور پر بعض مینوفیکچررز کی طرف سے سی سی کنڈکٹر چپس کی کمی سمیت بعض خام مال کی سپلائی کے فرق سے متاثر رہی۔ پاکستان آٹوموٹیو مینوفیکچررز ایسوسی ایشن (پی اے ایم اے) کے اراکین سپلائی چین کے چیلنجز سے نمٹنے اور بدلتے ہوئے کاروباری حالات سے نبرد آزما ہونے اور ان کے مطابق خود کو ڈھالنے میں کامیاب رہے۔ آٹوموبائل مینوفیکچررز نے 128,260 یونٹس تیار کر کے مارکیٹ کی بڑھتی ہوئی طلب کو پورا کرنے کی کوشش کی جبکہ گزشتہ سال اسی مدت میں 74,946 یونٹس تیار کیے گئے جو پیداوار میں 71.1 فیصد اضافہ ظاہر کرتا ہے۔

طلب میں مجموعی اضافہ کے باعث مالی سال 2021-22 کی پہلی ششماہی کے دوران پی اے ایم اے اراکین کیلئے مقامی سطح پر تیار کردہ مسافر گاڑیوں (پی سی) اور ہلکی تجارتی گاڑیوں (ایل سی وی) کی انڈسٹری کی سطح پر فروخت میں 70 فیصد کے ساتھ 135,976 یونٹس رہی جبکہ گزشتہ سال 79,954 یونٹس فروخت ہوئے۔

کمپنی کا جائزہ

31 دسمبر، 2021 کو ختم ہونے والی ششماہی کیلئے کمپنی کی سی کے ڈی (CKD) اور سی بی یو (CBU) کی مجموعی فروخت 46.5 فیصد اضافہ کے ساتھ 38,632 یونٹس رہی جبکہ گزشتہ سال کی اسی مدت کے دوران 26,362 یونٹس فروخت ہوئے۔ 31 دسمبر، 2021 کو ختم ہونے والی ششماہی کیلئے کمپنی کا مجموعی مارکیٹ شیئر تقریباً 20.4 فیصد رہا۔ کمپنی نے 36,120 گاڑیاں تیار کیں جس میں گزشتہ سال کی اسی مدت کے 26,119 یونٹس کے مقابلے میں 38.3 فیصد اضافہ ہوا۔

کمپنی کی 31 دسمبر، 2021 کو ختم ہونے والی ششماہی کیلئے خالص فروخت سے ہونے والی آمدن گزشتہ سال کی اسی مدت کے دوران 79.65 بلین روپے کے مقابلے میں 135.18 بلین روپے رہی۔ بعد از ٹیکس منافع گزشتہ سال کی اسی مدت کے 4.80 بلین روپے کے مقابلے میں 10.18 بلین روپے رہا۔ خالص منافع میں اضافہ ہوا جس کی وجوہات میں سی کے ڈی اور سی بی یو کی بلند فروخت اور صارفین کی طرف سے دیئے جانے والے ایڈوائسز کے باعث بلند فٹڈ حجم کی وجہ سے دیگر آمدن میں اضافہ ہے۔

ستمبر 2021 کو ختم ہونے والی گزشتہ سہ ماہی کے مقابلے میں 31 دسمبر، 2021 کو ختم ہونے والی سہ ماہی نے سی کے ڈی اور سی بی یو کے بلند حجم کی بدولت خالص فروخت سے حاصل ہونیوالی آمدن میں اضافہ کا مشاہدہ کیا۔ سہ ماہی کیلئے آمدن میں اضافہ کے باوجود سہ ماہی کیلئے بعد از ٹیکس منافع میں گزشتہ سہ ماہی کے مقابلے میں کمی ہوئی جس کی وجوہات میں امریکی ڈالر کے مقابلے میں روپے کی قدر میں کمی کے نتیجے میں ان پٹ لاگتوں میں اضافہ، کموڈٹی کی قیمتوں میں اضافہ، پیداوار کی لاگت میں اضافہ وغیرہ شامل ہیں۔ ان اخراجات کو دیگر آمدن سے جزوی طور پر پورا کیا گیا

اسی مدت کے دوران کمپنی نے متعدد ایوارڈ اپنے نام کئے جن میں ایٹامنی کی طرف سے آٹو موبائل اور پرزہ جات کی کیٹگری میں ”موسٹ آؤٹ اسٹینڈنگ کمپنی ان پاکستان 2021“، نیشنل فورم برائے ماحول اور صحت کی طرف سے ”سالانہ انوائزمنٹ ایکسی لینس ایوارڈ 2021“، کنزیومرز ایسوسی ایشن آف پاکستان کی طرف سے ”کنزیومرز چوائس ایوارڈ 2021 اور انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (آئی سی اے پی) اور انسٹی ٹیوٹ آف کاسٹ اینڈ مینجمنٹ اکاؤنٹنٹس آف پاکستان (آئی سی ایم اے پی) کی طرف سے ”بیسٹ کارپوریٹ اینڈسٹین ایبلٹی رپورٹس ایوارڈ 2020 شامل ہے۔

31 دسمبر، 2021 کو ختم ہونے والی ششماہی کیلئے کمپنی کی فی حصص آمدن گزشتہ سال کی اسی مدت کے 61.08 روپے کے مقابلے میں 129.45 روپے رہی۔ بورڈ آف ڈائریکٹرز 31 دسمبر، 2021 کو ختم ہونے والی ششماہی کیلئے 30 روپے فی حصص کے دوسرے عبوری نقد منقسمہ منافع کا اعلان کرنے میں مسرت محسوس کرتے ہیں جبکہ گزشتہ سال کی اسی مدت کیلئے یہ آمدنی 25 روپے فی حصص تھی۔ اسی مدت کے دوران متعلقہ پارٹیوں کے ساتھ کی جانے والی ٹرانزیکشنز جنہیں مالی گوشواروں میں ظاہر کیا گیا ہے، کو عمومی کاروبار کے دوران سرانجام دیا گیا۔

مستقبل کا کاروباری جائزہ

حکومت نے حال ہی میں مالیاتی (ضمنی) ایکٹ، 2022 ("ایکٹ") منظور کیا، جو ششماہی کی مدت کے بعد جنوری 2022 سے نافذ ہوا۔ ایکٹ کے ذریعے تمام کیٹیگریز میں فیڈرل ایکسائز ڈیوٹی کی شرح میں اضافہ کیا گیا جبکہ 851-1000cc کیٹیگری کے لیے سیلز ٹیکس کی شرح بھی 12.5 فیصد سے بڑھا کر 17 فیصد کر دی گئی۔ جب تک یہ ایکٹ واپس نہیں لیا جاتا، ستمبر 2021 میں متعارف کرائے گئے سخت آٹو فنانسنگ قوانین اور پابندیوں کے ذریعے سی بی یو اور سی کے ڈی گاڑیوں کی درآمد کو کم کرنے کے اسٹیٹ بینک آف پاکستان (ایس بی پی) کے فیصلے سے اس سے کیلنڈر سال 2022 میں گاڑیوں کی فروخت کا حجم متاثر ہونے کا امکان ہے۔ اس کے علاوہ عالمی سطح پر اشیاء کی قیمتوں میں اضافہ، درآمدات پر بڑھتے ہوئے فریٹ چارجز، میٹرل کی قلت اور کرونا کی حالیہ اویکرون کی وجہ سے وبائی مرض کے جاری رہنے جیسے چیلنجز آنے والے وقت میں آٹو سیکٹر کی فروخت کے حجم اور منافع پر منفی اثر ڈال سکتے ہیں۔

حکومت نے منی بجٹ میں ڈیوٹیوں اور ٹیکسوں میں اضافے اور شرح سود میں اضافے کے ذریعے درآمدی بل اور تجارتی خسارے پر دباؤ کو کم کرنے کے لیے اقدامات کیے ہیں۔ تاہم، کمپنی حکومت پر زور دیتی ہے کہ وہ آٹو سیکٹر کی طویل مدتی اقتصادی ترقی کے لیے مستقل پالیسیاں وضع کرے اور اسے فروغ دے اور ہائی ٹیک پارٹس کی تیاری کے لیے مقامی دکانداروں کو مراعات فراہم کرے اور آٹو انڈسٹری میں مسلسل طلب کو پورا کرنے کے لیے ڈیوٹیوں اور ٹیکسوں کو کم کرے تاکہ صنعت کی پیداواری صلاحیت اور حجم کو فروغ دیا جاسکے۔ مجموعی طور پر اس سے حکومت زیادہ محصولات اکٹھا کر سکے گی اور روزگار کے مزید مواقع بھی پیدا ہوں گے۔

موجودہ آٹو ڈیولپمنٹ پالیسی 2016-21 نے نئی سرمایہ کاری کو راغب کیا اور مقامی مینوفیکچرنگ ہس کو وسیع کیا۔ مثال کے طور پر

اربن اسپورٹ یوٹیلٹی وہیکلز (SUVs) کی صارفین کے رویے میں تبدیلی کے ساتھ فروخت میں اضافہ ہو رہا ہے۔ ہم مستقبل کے نقطہ نظر کے بارے میں پرامید ہیں جس کا انحصار پالیسی میں عارضی اور عجلت میں تبدیلیوں کا سہارا لیے بغیر معاون طویل مدتی پالیسیاں بنانے کی حکومت کی کوششوں پر ہے۔

کمپنی حکومت پاکستان کی جانب سے اسٹیک ہولڈرز کے ساتھ مل کر نئی آٹو پالیسی کو حتمی شکل دینے اور مذکورہ پالیسی کے تحت ہابروڈ الیکٹرک وہیکل مراعات کو برقرار رکھنے کے اقدام کو سراہتی ہے۔ ہم نئی پالیسی کے نفاذ کے منتظر ہیں جس سے حکومت کو تیل کے درآمدی بل کو کم کرنے اور موسمیاتی تبدیلیوں سے نمٹنے میں مدد ملے گی۔

اظہار تشکر

ہمیشہ کی طرح ہم اپنے صارفین کے شکر گزار ہیں کہ انہوں نے ہماری مصنوعات پر مسلسل اعتماد کیا اور ان کے تعاون سے کمپنی تمام تر مشکلات سے کامیابی سے نبرد آزما ہوئی۔

کمپنی کو اپنے ملازمین، وینڈرز اور ڈیلرز کے مشکل وقتوں اور غیر معمولی حالات میں عزم، جذبہ، وفاداری اور لگن پر فخر ہے۔ ہم اپنے تمام اسٹیک ہولڈرز اور شیئر ہولڈرز کے بھی مشکور ہیں جنہوں نے کمپنی کی ہمیشہ معاونت کی۔

ہم ربّ عظیم کے شکر گزار ہیں اور اس کی برکتوں سمیت رہنمائی کیلئے دعا گو ہیں۔

بورڈ آف ڈائریکٹرز کی طرف سے

24 فروری، 2022

کراچی

877

شن جی یاناگی

وائس چیئرمین اور ڈائریکٹر

علی اصغر جمالی

چیف ایگزیکٹو اور ڈائریکٹر

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Indus Motor Company Limited as at December 31, 2021 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, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2021.

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 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 audit resulting in this independent auditor's report is Shahbaz Akbar.

A. F. Ferguson & Co.,

Chartered Accountants

Karachi

Date: 28 February 2022

UDIN: RR202110068Ro2I9jpHX

Condensed Interim Statement of Financial Position

As at December 31, 2021

	Note	December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
------(Rupees in '000)-----			
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	15,055,975	15,769,862
Intangible assets		29,977	39,784
Long-term loans and advances		11,330	16,857
Long-term deposits		10,020	10,020
Long-term investments	5	9,893,917	3,127,175
Deferred taxation - net		453,048	230,553
		25,454,267	19,194,251
Current Assets			
Stores and spares		434,914	420,105
Stock-in-trade		21,150,913	22,288,961
Trade debts - unsecured		2,386,585	517,138
Loans and advances		7,351,675	6,263,003
Short-term prepayments		53,845	36,999
Accrued return		239,669	109,996
Other receivables		3,319,954	983,119
Short-term investments	6	93,029,607	82,052,447
Cash and bank balances		5,515,917	2,039,797
		133,483,079	114,711,565
		158,937,346	133,905,816
TOTAL ASSETS			
EQUITY			
Share Capital			
Authorised capital		5,000,000	5,000,000
Issued, subscribed and paid-up capital		786,000	786,000
Reserves		52,009,557	47,415,465
		52,795,557	48,201,465
LIABILITIES			
Non-Current Liabilities			
Long term loan	7	391,868	589,837
Deferred Government grant		-	6,023
Gas Infrastructure Development Cess Payable		-	149,573
		391,868	745,433
Current Liabilities			
Current portion of long term loan	7	388,417	373,303
Current portion of deferred Government grant		19,566	34,680
Current portion of deferred revenue		495	3,799
Current portion of Gas Infrastructure Development Cess Payable		112,633	41,522
Unclaimed dividend		1,922,036	330,370
Trade payables, other payables and provisions		27,663,142	30,288,196
Advances from customers and dealers		72,541,384	51,266,776
Taxation - net		3,102,248	2,620,272
		105,749,921	84,958,918
		158,937,346	133,905,816
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			

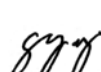
The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



Mohammad Ibadullah
Chief Financial Officer



Ali Asghar Jamali
Chief Executive & Director



Shinji Yanagi
Vice Chairman & Director

Condensed Interim Profit and Loss Account

For the half year and quarter ended December 31, 2021 (unaudited)

	Note	Half year ended		Quarter ended	
		December 31		December 31	
		2021	2020	2021	2020
----- (Rupees in '000) -----					
Revenue from contracts with customers	9	135,184,599	79,645,782	69,632,584	45,450,854
Cost of sales	10	(122,848,203)	(73,634,538)	(64,368,491)	(41,727,760)
Gross profit		12,336,396	6,011,244	5,264,093	3,723,094
Distribution expenses		(874,021)	(571,726)	(418,492)	(345,699)
Administrative expenses		(929,211)	(645,115)	(462,639)	(329,043)
Other operating expenses		(71,089)	(10,540)	(51,814)	(1,885)
		(1,874,321)	(1,227,381)	(932,945)	(676,627)
		10,462,075	4,783,863	4,331,148	3,046,467
Workers' Profit Participation Fund and Workers' Welfare Fund		(825,779)	(391,468)	(359,011)	(245,356)
		9,636,296	4,392,395	3,972,137	2,801,111
Other income	12	4,549,132	2,456,506	2,501,918	1,367,970
		14,185,428	6,848,901	6,474,055	4,169,081
Finance costs		(58,713)	(58,285)	(30,167)	(24,193)
Profit before taxation		14,126,715	6,790,616	6,443,888	4,144,888
Taxation		(3,952,023)	(1,989,510)	(1,693,935)	(1,189,152)
Profit after taxation		10,174,692	4,801,106	4,749,953	2,955,736
Earnings per share - basic and diluted (Rupees)		129.45	61.08	60.43	37.60

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



Shinji Yanagi
Vice Chairman & Director

Condensed Interim Statement of Comprehensive Income

For the half year and quarter ended December 31, 2021 (unaudited)

	Half year ended		Quarter ended	
	December 31		December 31	
	2021	2020	2021	2020
	----- (Rupees in '000) -----			
Profit after taxation for the period	10,174,692	4,801,106	4,749,953	2,955,736
Other comprehensive income				
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	10,174,692	4,801,106	4,749,953	2,955,736

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



Shinji Yanagi
Vice Chairman & Director

Condensed Interim Statement of Cash Flows

For the half year ended December 31, 2021 (unaudited)

Note

Half year ended
December 31

20212020

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

CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from operations	13	26,737,156	24,317,830
Net decrease / (increase) in long-term loans and advances		5,527	(4,268)
Decrease in deferred revenue		-	(3,339)
Compensation paid on advances received from customers		(487,808)	(113,941)
Payment to Workers' Welfare Fund		(300,395)	(110,003)
Interest paid on long term loan		(10,380)	(6,405)
Income tax paid		(3,692,544)	(1,259,058)
Net cash inflow from operating activities		22,251,556	22,820,816

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment and intangible assets		(981,482)	(1,079,208)
Proceeds from disposal of property, plant and equipment		69,628	63,785
Interest received on bank deposits and Term Deposit Receipts		478,570	463,215
Gain on sale of Market Treasury Bills		1,718,331	1,308,264
Interest income on Market Treasury Bills		1,037,541	-
Investment in Pakistan Investment Bonds (PIBs)		(6,766,742)	(2,667,520)
Gain on sale of Pakistan Investment Bonds (PIBs)		177,658	117,024
Interest income on Pakistan Investment Bonds (PIBs)		264,090	-
Investment in listed mutual fund units		(10,711,170)	(14,600,145)
Dividend income received from listed mutual fund units		367,539	249,712
Proceeds from redemption of listed mutual fund units		14,334,577	4,305,342
Net cash outflow on investing activities		(11,460)	(11,839,531)

CASH FLOWS FROM FINANCING ACTIVITIES

Long term loan received		-	539,797
Repayment of long term loan		(203,992)	(16,714)
Dividend paid		(3,988,934)	(1,518,457)
Net cash outflow on financing activities		(4,192,926)	(995,374)
Net increase in cash and cash equivalents during the period		18,047,170	9,985,911
Cash and cash equivalents at the beginning of the period		71,477,141	41,865,896
Cash and cash equivalents at the end of the period	14	89,524,311	51,851,807

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


Shinji Yanagi
 Vice Chairman & Director

Condensed Interim Statement of Changes in Equity

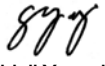
For the half year ended December 31, 2021 (unaudited)

	Share Capital	Reserves				
	Issued, subscribed and paid-up	Capital	Revenue		Sub-Total	Total
		Premium on issue of ordinary shares	General reserve	Unappropriated profit		
	------(Rupees in '000)-----					
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 (Rs 7 per ordinary share)	-	-	-	(550,200)	(550,200)	(550,200)
Interim dividend @ 120% declared during the half year ended December 31, 2020 (Rs 12 per ordinary share)	-	-	-	(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
Balance as at July 1, 2021	786,000	196,500	39,451,050	7,767,915	47,415,465	48,201,465
Total comprehensive income for the half year ended December 31, 2021	-	-	-	10,174,692	10,174,692	10,174,692
Transfer to general reserve for the year ended June 30, 2021 appropriated subsequent to year end	-	-	4,500,000	(4,500,000)	-	-
Transactions with owners						
Final dividend @ 365% for the year ended June 30, 2021 declared subsequent to year end (Rs 36.5 per ordinary share)	-	-	-	(2,868,900)	(2,868,900)	(2,868,900)
Interim dividend @ 345% declared during the half year ended December 31, 2021 (Rs 34.5 per ordinary share)	-	-	-	(2,711,700)	(2,711,700)	(2,711,700)
Balance as at December 31, 2021	786,000	196,500	43,951,050	7,862,007	52,009,557	52,795,557

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


Shinji Yanagi
 Vice Chairman & Director

Notes to and Forming Part of the Condensed Interim Financial Statements

For the half year ended December 31, 2021 (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 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 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, 2021.

2.2 New standards, amendments to accounting standards and new interpretations

(a) Amendments to accounting and reporting standards which are effective during the year

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, 2021. 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 July 1, 2022. 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.

2.3 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, 2021.

Notes to and Forming Part of the Condensed Interim Financial Statements

For the half year ended December 31, 2021 (unaudited)

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, 2021.

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, 2021.

4. PROPERTY, PLANT AND EQUIPMENT

	December 31 2021 (Unaudited)	June 30, 2021 (Audited)
	------(Rupees in '000)-----	
Operating assets	13,297,214	14,653,657
Capital work-in-progress	<u>1,758,761</u>	<u>1,116,205</u>
	<u>15,055,975</u>	<u>15,769,862</u>

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	
	2021	2020	2021	2020
	------(Rupees in '000)-----			
Tangible - Owned				
Buildings on leasehold land:				
- Factory	741	58,737	222	-
- Others	23,200	300	-	-
Plant and machinery	101,116	393,079	48,078	53,364
Motor vehicles	138,561	47,851	57,463	70,273
Furniture and fixtures	25,619	6,072	83	37
Office equipment	16,813	16,985	815	505
Computers and related accessories	20,114	10,532	15,997	2,299
Tools and equipment	7,418	65,458	1,108	425
Jigs, moulds and related equipment	391	273,231	-	190
	<u>333,973</u>	<u>872,245</u>	<u>123,766</u>	<u>127,093</u>
Intangible assets				
Computer software	<u>4,953</u>	1,828	-	-

4.1.1 Additions to owned assets include transfers from capital work-in-progress amounting to Rs 166.686 million (December 31, 2020: Rs 810.369 million).

Notes to and Forming Part of the Condensed Interim Financial Statements

For the half year ended December 31, 2021 (unaudited)

	Note	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
		------(Rupees in '000)-----	
5. LONG-TERM INVESTMENT			
At amortised cost			
Government securities			
- Pakistan Investment Bonds (PIBs)	5.1	9,893,917	3,127,175
5.1	These securities have varying maturities ranging from November 5, 2022 to October 22, 2023. The yield on these securities ranges from 7.33% to 8.99% per annum (2021: 7.31% to 7.44% per annum).		
	Note	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
		------(Rupees in '000)-----	
6. SHORT-TERM INVESTMENTS			
Amortised cost			
-Term Deposit Receipts (TDRs)	6.1	46,000,000	32,000,000
At fair value through profit or loss			
Government securities			
- Market Treasury Bills (T-Bills)	6.2	38,008,394	37,437,344
		84,008,394	69,437,344
- Listed mutual fund units		9,021,213	12,615,103
		93,029,607	82,052,447
6.1	As at December 31, 2021, the Company holds TDRs carrying profit rates ranging between 10.98% to 14.55% per annum (2021: 7.90% to 9.20% per annum). The term deposit receipts are due to mature maximum by January 27, 2022.		
6.2	These securities have varying maturities ranging from January 27, 2022 to March 24, 2022. The yield on these securities ranges between 7.43% to 10.69% per annum (2021: 7.29% to 7.60% per annum).		

Notes to and Forming Part of the Condensed Interim Financial Statements

For the half year ended December 31, 2021 (unaudited)

	Note	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
7. LONG TERM LOAN		----- (Rupees in '000) -----	
Loan under financing scheme			
- Refinance scheme for renewable energy	7.1	339,851	359,843
- Refinance scheme for payment of wages and salaries to employees	7.2	440,434	603,297
		780,285	963,140
Less: Current Portion			
- Refinance scheme for renewable energy		(39,983)	(39,983)
- Refinance scheme for payment of wages and salaries to employees		(348,434)	(333,320)
		(388,417)	(373,303)
		391,868	589,837

7.1 This represents loan obtained under the SBP financing scheme for investment in Plant and Machinery for renewable energy projects. 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.

7.2 This represents loan obtained under the SBP refinance scheme for payment of wages and salaries to the workers and employees of the Company. 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 against TDRs / T Bills held as lien from time to time. The loan is repayable on a quarterly basis in 8 equal installments and first repayment was made on April 1, 2021. The aforementioned facility has been availed from Habib Metropolitan Bank Limited - a related party.

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, 2021 has remained unchanged.

8.1.2 As at December 31, 2021 the claims not acknowledged as debts by the Company aggregate to Rs 2,093.761 million (June 30, 2021: Rs 2,058.862 million).

8.1.3 Commitments in respect of outstanding bank guarantees as at December 31, 2021 amounted to Rs 17,917.823 million (June 30, 2021: Rs 19,166.608 million). This includes an amount of Rs 5,444.054 million (June 30, 2021: Rs 4,939.347 million) in respect of bank guarantees from Habib Metropolitan Bank Limited - a related party.

8.2 Commitments

8.2.1 Commitments in respect of capital expenditure as at December 31, 2021 aggregates to Rs 1,122.870 million (June 30, 2021: Rs 1,225.474 million).

8.2.2 Commitments in respect of letters of credit, other than for capital expenditure, amounted to Rs 14,489.834 million (June 30, 2021: Rs 7,493.812 million). The above letters of credit include an amount of Rs 2,062.198 million (June 30, 2021: Rs 1,402.745) 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, 2021 (unaudited)

	Half year ended		Quarter ended	
	December 31		December 31	
	2021	2020	2021	2020
----- (Rupees in '000) -----				
9. REVENUE FROM CONTRACTS WITH CUSTOMERS				
Manufacturing				
Gross sales	160,122,025	95,259,666	81,856,352	54,521,084
Sales tax	(23,255,018)	(13,842,227)	(11,894,469)	(7,920,177)
Federal excise duty	(5,020,882)	(3,517,271)	(2,567,454)	(2,131,548)
	131,846,125	77,900,168	67,394,429	44,469,359
Commission	(2,752,078)	(1,565,948)	(1,414,630)	(882,094)
Discounts	(6,066)	(3,422)	(2,739)	(1,623)
Compensation on advances from customers	(652,465)	(340,633)	(268,132)	(243,954)
Net sales	128,435,516	75,990,165	65,708,928	43,341,688
Trading				
Gross sales	8,335,364	4,707,540	4,777,310	2,712,950
Sales tax	(1,134,555)	(727,523)	(635,187)	(419,044)
	7,200,809	3,980,017	4,142,123	2,293,906
Commission	(122,242)	(107,708)	(48,518)	(65,713)
Discounts	(329,484)	(216,692)	(169,949)	(119,027)
Net sales	6,749,083	3,655,617	3,923,656	2,109,166
Revenue from contracts with customers	135,184,599	79,645,782	69,632,584	45,450,854
	Half year ended		Quarter ended	
	December 31		December 31	
	2021	2020	2021	2020
----- (Rupees in '000) -----				
10. COST OF SALES				
Manufacturing	117,704,814	71,039,473	61,304,917	40,265,414
Trading	5,143,389	2,595,065	3,063,574	1,462,346
	122,848,203	73,634,538	64,368,491	41,727,760

Notes to and Forming Part of the Condensed Interim Financial Statements

For the half year ended December 31, 2021 (unaudited)

11. SEGMENT REPORTING

	Half year ended December 31, 2021			Half year ended December 31, 2020		
	Manufacturing	Trading	Total	Manufacturing	Trading	Total
	(Rupees in '000)					
Net sales	128,435,516	6,749,083	135,184,599	75,990,165	3,655,617	79,645,782
Gross Profit	10,730,702	1,605,694	12,336,396	4,950,692	1,060,552	6,011,244
Profit from operations	8,166,922	1,469,374	9,636,296	3,423,957	968,437	4,392,395
	Quarter ended December 31, 2021			Quarter ended December 31, 2020		
	Manufacturing	Trading	Total	Manufacturing	Trading	Total
	(Rupees in '000)					
Net sales	65,708,928	3,923,656	69,632,584	43,341,688	2,109,166	45,450,854
Gross Profit	4,404,011	860,082	5,264,093	3,076,274	646,820	3,723,094
Profit from operations	3,186,295	785,842	3,972,137	2,204,903	596,207	2,801,111

Half year ended	
December 31	
2021	2020
(Rupees in '000)	

12. OTHER INCOME

Return on bank deposits and Term Deposit Receipts	608,083	420,565
Interest income on Market Treasury Bills	1,037,541	-
Gain on sale of investments in Market Treasury Bills	1,469,152	1,179,646
Gain on trade of Pakistan Investment Bonds (PIBs)	441,748	103,767
Unrealised gain on Pakistan Investment Bonds (PIBs)	-	13,258
Unrealised gain on Market Treasury Bills	249,179	128,618
Dividend income from listed mutual fund units	367,699	254,543
Net gain against investments in listed mutual fund units	29,517	23,993
Agency commission, net of commission expense	7,067	53,125
Gain on disposal of operating fixed assets	31,584	31,807
Freight and other charges income - net of expenses	72,163	88,419
Certification income	26,452	13,908
Unclaimed liabilities written back	205,651	128,182
Others	3,296	16,675
	4,549,132	2,456,506

Notes to and Forming Part of the Condensed Interim Financial Statements

For the half year ended December 31, 2021 (unaudited)

	Note	Half year ended December 31	
		2021	2020
------(Rupees in '000)-----			
13. CASH GENERATED / (UTILISED IN) FROM OPERATIONS			
Profit before taxation		14,126,715	6,790,616
Adjustment for non-cash charges and other items:			
Depreciation		1,658,748	1,513,151
Amortisation		15,557	20,746
Provision for doubtful debts		12,647	16,280
Gain on disposal of operating fixed assets		(31,584)	(31,807)
Gain on sale of investments in Pakistan Investment Bonds (PIBs)		(441,748)	(103,767)
Gain on redemption of investments in listed mutual fund units		(29,517)	(23,993)
Gain on sale of investments in Market Treasury Bills		(1,469,152)	(1,179,646)
Net unrealised loss on revaluation of foreign exchange contracts -fair value hedge		7,858	956
Return on bank deposits and Term Deposit Receipts		(608,083)	(420,565)
Unrealised gain on Pakistan Investment Bonds (PIBs)		-	(13,258)
Unrealised gain on Market Treasury Bills		(249,179)	(128,618)
Interest Income on Market Treasury Bills		(1,037,541)	-
Dividend income from listed mutual fund units		(367,699)	(254,543)
Charge in respect of Workers' Profit Participation Fund		537,479	252,884
Charge in respect of Workers' Welfare Fund		288,300	138,584
Compensation on advance received from customers		652,465	340,633
Interest on long term loan		9,783	8,759
Working capital changes	13.1	13,662,107	17,391,418
		26,737,156	24,317,830
13.1 Working capital changes			
(Increase) / Decrease in current assets			
Stores and spares		(14,809)	105,148
Stock-in-trade		1,138,048	534,762
Trade debts		(1,882,094)	450,661
Loans and advances		(1,088,672)	(2,472,936)
Short-term prepayments		(16,846)	(16,845)
Other receivables		(2,889,343)	(139,864)
		(4,753,716)	(1,539,074)
(Decrease) / Increase in current liabilities			
Current portion of deferred revenue		(3,304)	(14,926)
Trade payables, other payables and provisions		(2,777,019)	8,376,924
Advances from customers and dealers		21,274,608	10,568,494
Gas Infrastructure Development Cess Payable		(78,462)	-
		18,415,823	18,930,492
		13,662,107	17,391,418
14. CASH AND CASH EQUIVALENTS			
Cash and bank balances		5,515,917	514,375
Term Deposit Receipts (TDRs)		46,000,000	21,000,000
Government securities- Market Treasury Bills		38,008,394	30,337,432
		89,524,311	51,851,807

Notes to and Forming Part of the Condensed Interim Financial Statements

For the half year ended December 31, 2021 (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. 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 are as follows:

	Half year ended		Quarter ended	
	December 31		December 31	
	2021	2020	2021	2020
	(Rupees in '000)			
Nature of transactions				
with associated companies:				
Sales	780,368	118,780	521,616	58,587
Purchases	70,234,110	39,651,725	37,066,779	23,864,515
Insurance premium	69,446	53,803	36,462	28,834
Agency commission	7,165	52,758	2,010	51,239
Running royalty	1,977,379	1,234,082	1,034,786	688,425
Donations	30,000	2,548	15,000	2,548
Supervisor fee	5,922	547	-	547
Return on bank deposits	173,366	137,648	87,041	70,547
Proceeds from disposal of fixed assets / insurance claim	84	225	-	155
Bank charges and LC charges	33,973	38,504	18,905	21,584
Annual subscription	1,150	500	1,150	500
Interest on long term loan facility	2,552	3,110	1,160	1,850
With other related parties:				
Contribution to / reverse charge from retirement benefit funds	72,717	12,293	36,021	(17,414)
With key management personnel:				
- Salaries and benefits	62,720	55,517	31,360	29,728
- Post employment benefits	4,040	3,344	2,020	1,672
- Sale of operating fixed assets	35	-	-	-

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

	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
	------(Rupees in '000)-----	
Nature of balances		
Short-term prepayments	17,960	2,987
Accrued return	23,071	14,779
Bank balances & Term deposit receipts	15,061,829	11,821,129
Margin held with bank against imports	573,026	2,104,031
Warranty claims, agency commission and other receivable	158,773	136,113
Trade, other payables and provisions	4,379,279	3,633,143

- 15.2** During the period, Rs 1.5 million (December 31, 2020: Rs 1.25 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, 2021 (unaudited)

16. 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, 2021			As at June 30, 2021		
	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	-	9,021,213	-	-	12,615,103	-
- Government securities - Market Treasury Bills	-	38,008,394	-	-	37,437,344	-
- Derivative financial instruments	-	21,221	-	-	29,079	-

16.1 Valuation techniques used in determination of fair values within level 1 and 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) and the fair value of other corporate and foreign government securities is determined using the rates from Reuters / Bloomberg.

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.

Derivatives

The fair valuation techniques include forward pricing and swap models using the present value calculations.

Notes to and Forming Part of the Condensed Interim Financial Statements

For the half year ended December 31, 2021 (unaudited)

16.2 During the period ended December 30, 2021, 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.

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

The Board of Directors in its meeting held on February 24, 2022 have proposed an interim cash dividend of Rs 30 per share (December 31, 2020: Rs 25 per share) in respect of the year ending June 30, 2022. The condensed interim financial statements for the half year ended December 31, 2021, 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, 2022.

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 24, 2022.



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
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. Akihiro Murakami	Member
Mr. Riyaz T. Chinoy	Member
Mr. Tetsuya Ezumi	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 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.

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
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Tel: 0800 - 23275
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Short term rating: A-1+

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