



INDUS MOTOR COMPANY LTD.

Condensed Interim Financial Information
For the Nine Months Ended March 31, 2015
(Un-audited)



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Directors' Report

For the nine months and quarter ended March 31, 2015

On behalf of the Board of Directors of Indus Motor Company Ltd., we are pleased to present the un-audited accounts of the Company for the quarter and nine months ending March 31, 2015.

Pakistan Automobile Market

The demand for locally manufactured passenger cars and light commercial vehicles remained robust for the quarter driven mainly by positive macroeconomic indicators of lower interest rates and inflation and overall improvement in the law and order situation throughout the country.

Strong sales primarily in the 'small-high' segment of 1,300 to 1,800cc cars led by the new generation Corolla, and in pickup vans on account of the Punjab Government's 'Apna Rozgar Scheme' enabled the auto industry to achieve a volume of 56,212 units for the quarter, up 44% from 38,967 units sold during the corresponding period 2014. On nine months to March 2015, the industry volume registered an increase by 23% to 123,638 units compared to 100,220 vehicles sold in the same period last year.

Despite the three years age restriction on used vehicle imports, nearly 11,000 units still entered the country during the quarter. On cumulative basis for nine months to March 2015, the used vehicle imports stand at 25,973 units, up 13% over the corresponding period last year. Influx of used car imports at these commercial volumes seriously impedes the indigenous industry growth fundamentals and the government would do well to take notice of this situation and curb the misuse of the transfer of residence, personal baggage and gift scheme policies intended to facilitate the expatriate Pakistanis.

Company's Operating Performance

The combined (CKD & CBU) sales for the quarter at 17,344 units and nine months to March 2015 at 40,425 units are up 49% and 50% respectively compared to 11,631 units and 27,031 units sold in the corresponding periods last year. Both of these are new volume records for the respective periods driven primarily by impact of the new generation Corolla and resulted in enhancing the Company market share from 22% to 27%. The GOP decision to remove punitive 10% FED on vehicles above 1800cc also enabled the Fortuner volume to grow benefiting the government exchequer by way of higher revenue and a better value proposition for the customers.

The overwhelming response to the new Corolla has generated a healthy buildup of the order book and we are mindful of the backlog it has created and regret the wait customers are experiencing. In order to fulfill the growing market demand and reduce delivery time cycle, the Company operated its manufacturing facilities at full capacity including working daily overtime hours and off Saturdays to achieve record production levels of 16,918 units for the quarter and 40,139 units for the nine months to March 2015, up 50% and 54%, compared to 11,253 units and 26,107 units respectively for the corresponding period last year.

The Company's sales revenue for the quarter from CKD, CBU and Parts business grew 55% to Rs 29.1 billion compared to Rs 18.7 billion, while the resultant profit after tax was Rs 3.3 billion as against Rs 0.9 billion achieved for the same period last year. On the basis of nine months to March 2015, the revenue at Rs 68.2 billion was up 52% compared to Rs 44.7 billion and profit after tax of Rs 6.4 billion versus Rs 2.3 billion for the corresponding period last year. Increase in sales volume of 13,394 units over the nine months period last year, improved margins, higher income stream from treasury operations and tighter control on fixed costs contributed to the enhanced profitability. During the period, the company's contribution to the government exchequer of Rs 23 billion was also a new record. It's befitting to note that achievement of these record results coincide with the 25 years of silver jubilee celebrations of the company.

Directors' Report

For the nine months and quarter ended March 31, 2015

Based on the results recorded above, the Board of Directors is pleased to declare a second interim dividend of Rs 20 per share for the nine months ended March 2015, which on cumulative basis adds up to Rs 40 per share compared to Rs 6 per share for the same period last year.

Next Term Business Outlook

The last quarter of FY2014-15 is expected to remain strong for the auto industry in general and the Company in particular on account of orders in hand, agricultural income cycle and farmer liquidity that contributes towards favorable demand in the rural areas leading to improved sales for new products. While the efforts of the government to improve law and order situation augers well for the economy to realize its potential, the menace of power shortages and poor governance continue to burden the industry adding significantly to the cost of doing business and eroding the country's competitive advantage. It is essential these concerns are tangibly addressed on priority to restore investor confidence and achieve efficiency.

The government should endeavor to quickly finalize the long awaited new auto policy and create an enabling environment for both the new entrants and the existing manufacturers to plan and invest in new models and technologies for future growth of the industry.

We would like the government to take serious notice and curb the gross misuse of used car import privileges reserved for expatriate Pakistani that have been usurped by traders in this business on commercial basis. The concessionary duties and valuations applied to these used vehicles create an unlevelled playing field that puts the local industry at a huge disadvantage. We urge the government to revisit the valuation of used vehicles (SRO 577) and auto parts (Ruling 329), which could significantly increase GOP duties and tax revenues if valued at prevailing market prices.

The prospects of trade with India appear to be on a back burner for now. However, when the governmental talks restart, we look forward to an effective and balanced trade regime and expect our government will safeguard the industry interests by strengthening trade defense laws, the enforcing bodies and continuously engaging the industry whilst firming the trade agreements with India and other countries.

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

April 29, 2015
Karachi


Parvez Ghias
Chief Executive


Keiichi Murakami
Vice Chairman & Director

Condensed Interim Balance Sheet

As at March 31, 2015

	Note	March 31 2015 (Unaudited)	June 30 2014 (Audited)
------(Rupees in '000)-----			
ASSETS			
Non-current assets			
Fixed assets	4	5,393,614	6,033,264
Long-term loans and advances		13,954	29,392
Long-term investments	5	4,941,944	-
Long-term deposits		9,667	9,667
Deferred taxation		6,284	-
		<u>10,365,463</u>	<u>6,072,323</u>
Current assets			
Stores and spares		170,473	141,659
Stock-in-trade		7,799,164	4,469,460
Trade debts		662,035	1,737,358
Loans and advances		1,045,216	1,006,010
Short-term prepayments		36,565	14,942
Accrued return		289,118	87,354
Other receivables		179,987	175,689
Short-term investments	6	6,692,518	4,332,387
Taxation - payment less provision		-	1,216,369
Cash and bank balances		23,173,074	6,857,084
		<u>40,048,150</u>	<u>20,038,312</u>
TOTAL ASSETS		<u>50,413,613</u>	<u>26,110,635</u>
EQUITY			
Share capital			
Authorised capital			
100,000,000 (June 30, 2014: 100,000,000) ordinary shares of Rs 10 each		<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up capital			
78,600,000 (June 30, 2014: 78,600,000) ordinary shares of Rs 10 each		786,000	786,000
Reserves		<u>22,132,560</u>	<u>19,129,652</u>
		<u>22,918,560</u>	<u>19,915,652</u>
LIABILITIES			
Non-current liabilities			
Deferred taxation		-	218,949
Current liabilities			
Trade, other payables and provisions		10,332,358	4,252,853
Advances from customers and dealers		16,550,147	1,723,181
Taxation - provision less payment		612,548	-
		<u>27,495,053</u>	<u>5,976,034</u>
CONTINGENCIES AND COMMITMENTS			
	7		
TOTAL EQUITY AND LIABILITIES		<u>50,413,613</u>	<u>26,110,635</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.



Parvez Ghias
Chief Executive



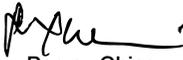
Keiichi Murakami
Vice Chairman & Director

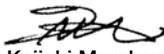
Condensed Interim Profit and Loss Account

For the nine months and quarter ended March 31, 2015 (unaudited)

	Note	Nine months ended		Quarter ended	
		March 31		March 31	
		2015	2014	2015	2014
----- (Rupees in '000) -----					
Net sales	8.1	68,173,866	44,763,978	29,076,327	18,716,012
Cost of sales	8.2	58,575,504	40,772,890	24,124,430	17,074,429
Gross profit	8.3	9,598,362	3,991,088	4,951,897	1,641,583
Distribution expenses		929,425	650,788	273,570	271,990
Administrative expenses		581,326	454,989	227,044	154,806
Other operating expenses		746,861	268,548	386,469	107,787
		2,257,612	1,374,325	887,083	534,583
		7,340,750	2,616,763	4,064,814	1,107,000
Other income		2,146,945	750,306	820,984	295,514
		9,487,695	3,367,069	4,885,798	1,402,514
Finance costs		41,354	19,489	19,739	9,850
Profit before taxation		9,446,341	3,347,580	4,866,059	1,392,664
Taxation		3,024,333	1,026,724	1,587,200	424,073
Profit after taxation		6,422,008	2,320,856	3,278,859	968,591
----- (Rupees) -----					
Earnings per share - basic and diluted		81.70	29.53	41.72	12.32

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Parvez Ghias
 Chief Executive

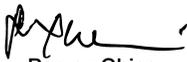

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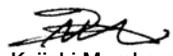
Condensed Interim Statement of Comprehensive Income

For the nine months and quarter ended March 31, 2015 (unaudited)

	Nine months ended		Quarter ended	
	March 31		March 31	
	2015	2014	2015	2014
	----- (Rupees in '000) -----			
Profit for the period	6,422,008	2,320,856	3,278,859	968,591
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	6,422,008	2,320,856	3,278,859	968,591

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.


Parvez Ghias
 Chief Executive


Keiichi Murakami
 Vice Chairman & Director

Condensed Interim Cash Flow Statement

For the nine months ended March 31, 2015 (unaudited)

	Note	Nine months ended	
		March 31	
		2015	2014
------(Rupees in '000)-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	9	26,908,039	4,885,630
Interest paid		-	(158)
Workers' Welfare Fund paid		(100,330)	(103,941)
Interest received		1,279,616	139,884
Income tax paid		(1,420,645)	(1,564,259)
Movement in long-term loans and advances		15,438	11,836
Net cash generated from operating activities		26,682,118	3,368,992
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(531,168)	(3,227,675)
Proceeds from disposal of fixed assets		23,313	48,775
Purchase of Pakistan Investment Bonds		(4,912,071)	-
Investment in listed mutual fund units		(5,000,000)	(4,411,104)
Proceeds from redemption of listed mutual fund units		1,527,213	3,710,068
Purchase of Market Treasury Bills		(12,432,225)	(5,558,398)
Proceeds from redemption of Market Treasury Bills		13,900,000	6,989,811
Net cash used in investing activities		(7,424,938)	(2,448,523)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(2,941,190)	(1,624,882)
Net cash used in financing activities		(2,941,190)	(1,624,882)
Net increase / (decrease) in cash and cash equivalents		16,315,990	(704,413)
Cash and cash equivalents at the beginning of the period		6,857,084	4,195,302
Cash and cash equivalents at the end of the period		23,173,074	3,490,889

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.


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 Chief Executive


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 Vice Chairman & Director

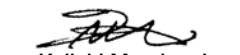
Condensed Interim Statement of Changes in Equity

For the nine months ended March 31, 2015 (unaudited)

	Share capital	Reserves			Sub-total	Total
		Capital	Revenue			
			Premium on issue of ordinary shares	General reserve		
Issued, subscribed and paid-up						
----- (Rupees in '000) -----						
Balance as at July 1, 2013	786,000	196,500	13,351,050	3,359,741	16,907,291	17,693,291
Final dividend @ 150% for the year ended June 30, 2013 declared subsequent to year end	-	-	-	(1,179,000)	(1,179,000)	(1,179,000)
Transfer to general reserve for the year ended June 30, 2013 appropriated subsequent to year end	-	-	1,500,000	(1,500,000)	-	-
Total comprehensive income for the nine months ended March 31, 2014	-	-	-	2,320,856	2,320,856	2,320,856
Interim Dividend @ 60%	-	-	-	(471,600)	(471,600)	(471,600)
Balance as at March 31, 2014	<u>786,000</u>	<u>196,500</u>	<u>14,851,050</u>	<u>2,529,997</u>	<u>17,577,547</u>	<u>18,363,547</u>
Balance as at July 1, 2014	786,000	196,500	14,851,050	4,082,102	19,129,652	19,915,652
Final dividend @ 235% for the year ended June 30, 2014 declared subsequent to year end	-	-	-	(1,847,100)	(1,847,100)	(1,847,100)
Transfer to general reserve for the year ended June 30, 2014 appropriated subsequent to year end	-	-	2,000,000	(2,000,000)	-	-
Total comprehensive income for the nine months ended March 31, 2015	-	-	-	6,422,008	6,422,008	6,422,008
Interim Dividend @ 200%	-	-	-	(1,572,000)	(1,572,000)	(1,572,000)
Balance as at March 31, 2015	<u>786,000</u>	<u>196,500</u>	<u>16,851,050</u>	<u>5,085,010</u>	<u>22,132,560</u>	<u>22,918,560</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.


Parvez Ghias
 Chief Executive


Keiichi Murakami
 Vice Chairman & Director

Notes to and Forming Part of the Condensed Interim Financial Information

For the nine months ended March 31, 2015 (unaudited)

1 THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan as a public limited company in December, 1989 and started commercial production in May 1993. The shares of the Company are quoted on all the stock exchanges in Pakistan.

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

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

2 STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirement of the Companies Ordinance, 1984 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Companies Ordinance, 1984, or the directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Companies Ordinance, 1984 or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34, "Interim Financial Reporting". This condensed interim financial information does not include all the information and disclosures requires in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Company for the year ended June 30, 2014.

3 ACCOUNTING POLICIES

The accounting policies and methods of computation of balances adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Company for the year ended June 30, 2014.

3.1 New and amended standards and interpretations to published approved accounting standards that are effective in the current period

There are certain new and amended standards and interpretations to published approved accounting standards that are mandatory for the Company's accounting periods beginning on or after July 1, 2014 but are considered not to be relevant or do not have any material effect on the Company's operations and are therefore not detailed in this condensed interim financial information.

Notes to and Forming Part of the Condensed Interim Financial Information

For the nine months ended March 31, 2015 (unaudited)

	Note	March 31 2015 (Un-audited)	June 30 2014 (Audited)
------(Rupees in '000)-----			
4			
FIXED ASSETS			
Property, plant and equipment	4.1	5,387,537	6,032,201
Intangible assets		6,077	1,063
		5,393,614	6,033,264
4.1			
Property, plant and equipment			
Operating assets		5,373,102	5,746,600
Capital work-in-progress		14,435	285,601
		5,387,537	6,032,201

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

	Additions (at cost)		Disposals (at cost)	
	Nine months ended March 31		Nine months ended March 31	
	2015	2014	2015	2014
------(Rupees in '000)-----				
Tangible assets				
Leasehold Land	70,000	-	-	-
Buildings on leasehold land:				
Factory	11,105	66,139	-	-
Others	146,242	1,548	-	-
Plant and machinery	307,618	59,104	46,994	458
Motor vehicles	50,855	53,149	34,589	67,364
Furniture and fixtures	9,566	8,856	643	-
Office equipment	14,974	9,407	1,745	1,729
Computers and related accessories	12,197	4,077	671	15,090
Tools and equipment	128,719	16,960	1,011	8,694
Jigs, moulds and related equipments	44,846	-	6,588	-
	796,122	219,240	92,241	93,335
Intangible assets				
Computer Software	6,212	1,478	-	-

Notes to and Forming Part of the Condensed Interim Financial Information

For the nine months ended March 31, 2015 (unaudited)

- 4.3** During the period, capital work-in-progress amounting to Rs 499.165 million (March 31, 2014: 18.037 million) was transferred to owned assets.

	March 31	June 30
	2015	2014
	(Un-audited)	(Audited)
	------(Rupees in '000)-----	

5 LONG-TERM INVESTMENTS

Held to Maturity

- Government securities - Pakistan Investment Bonds	4,941,944	-
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6 SHORT-TERM INVESTMENTS

Financial Assets 'at fair value through profit or loss'-held for trading

- Mutual Fund Units	3,535,733	-
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Held to Maturity

- Government securities - Market Treasury Bills	3,156,785	4,332,387
	6,692,518	4,332,387

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

7.1.1 The status of contingencies, as disclosed in note 21.1 and 21.2 to the annual financial statements of the Company for the year ended June 30, 2014 has remained unchanged.

7.1.2 As at March 31, 2015, the claims not acknowledged as debt by the company amounts to Rs 982.562 million (June 30, 2014: Rs 984.523 million).

7.1.3 Contingencies in respect of outstanding bank guarantees at March 31, 2015 amounted to Rs 3,706.961 million (June 30, 2014: Rs 3,672.013 million). This includes an amount of Rs 1,864.471 million (June 30, 2014: Rs 1,795.011 million) in respect of bank guarantees from related parties.

7.2 Commitments

Commitments in respect of capital expenditure at March 31, 2015 is Rs. 175.951 million (June 30, 2014: Rs 179.702 million).

Notes to and Forming Part of the Condensed Interim Financial Information

For the nine months ended March 31, 2015 (unaudited)

8	OPERATING RESULTS	Nine months ended		Quarter ended	
		March 31		March 31	
		2015	2014	2015	2014
----- (Rupees in '000) -----					
8.1	Sales				
	Manufacturing				
	Gross sales	78,733,419	50,335,818	33,869,586	21,337,907
	Sales tax	(11,420,857)	(7,275,572)	(4,919,480)	(3,078,682)
	Federal excise duty	-	(150,833)	-	(47,573)
		<u>67,312,562</u>	<u>42,909,413</u>	<u>28,950,106</u>	<u>18,211,652</u>
	Commission	(2,063,755)	(1,038,652)	(883,855)	(436,239)
	Discounts	(1,059)	(2,686)	(604)	-
	Manufacturing net sales	<u>65,247,748</u>	<u>41,868,075</u>	<u>28,065,647</u>	<u>17,775,413</u>
	Trading				
	Gross sales	3,445,666	3,435,423	1,191,561	1,091,898
	Sales tax	(371,707)	(423,052)	(122,965)	(109,664)
		<u>3,073,959</u>	<u>3,012,371</u>	<u>1,068,596</u>	<u>982,234</u>
	Commission	(31,637)	(17,546)	(9,450)	(5,778)
	Discounts	(116,204)	(98,922)	(48,466)	(35,857)
	Trading net sales	<u>2,926,118</u>	<u>2,895,993</u>	<u>1,010,680</u>	<u>940,599</u>
	Net sales	<u>68,173,866</u>	<u>44,764,068</u>	<u>29,076,327</u>	<u>18,716,012</u>
8.2	Cost of sales				
	Raw materials and vendor parts consumed	51,635,565	34,883,081	19,949,119	14,248,867
	Stores and spares consumed	886,064	610,924	344,907	246,072
	Salaries, wages and other benefits	603,386	456,548	201,543	164,308
	Rent, rates and taxes	5,761	6,791	1,387	2,630
	Repairs and maintenance	189,035	104,916	87,389	45,786
	Depreciation	1,114,957	627,418	375,222	177,182
	Traveling	22,336	19,467	8,518	5,778
	Insurance	20,699	18,502	6,667	4,506
	Vehicle running	10,682	11,677	2,897	3,972
	Communication	3,084	4,654	626	1,088
	Printing, stationery and office supplies	1,566	1,498	524	660
	Fuel and power	275,181	194,283	94,190	71,091
	Running royalty	1,501,755	613,647	642,430	250,916
	Technical fee	4,203	4,380	1,401	1,393
	Staff catering, transport and uniforms	191,779	139,264	71,133	54,141
	(Reversal) / Provision for obsolete stock-in-trade, stores and spares	(902)	(59,728)	724	(57,428)
	Others	15,527	13,594	7,643	7,128
		<u>4,845,113</u>	<u>2,767,835</u>	<u>1,847,202</u>	<u>979,223</u>
	Opening work-in-process	214,910	378,502	1,233,687	825,750
	Closing work-in-process	(304,473)	(204,849)	(304,473)	(204,849)
	Cost of goods manufactured	<u>56,391,115</u>	<u>37,824,569</u>	<u>22,725,534</u>	<u>15,848,991</u>
	Opening stock of finished goods	434,134	1,659,398	1,024,434	1,397,130
	Closing stock of finished goods	(324,214)	(870,042)	(324,214)	(870,042)
	Cost of sales - Manufacturing	<u>56,501,035</u>	<u>38,613,925</u>	<u>23,425,754</u>	<u>16,376,079</u>
	Cost of sales - Trading	<u>2,074,469</u>	<u>2,158,965</u>	<u>698,676</u>	<u>698,350</u>
	Total	<u>58,575,504</u>	<u>40,772,890</u>	<u>24,124,430</u>	<u>17,074,429</u>

Notes to and Forming Part of the Condensed Interim Financial Information

For the nine months ended March 31, 2015 (unaudited)

	Nine months ended		Quarter ended	
	March 31		March 31	
	2015	2014	2015	2014
	----- (Rupees in '000) -----			
8.3 Gross profit				
Manufacturing	8,746,713	3,254,150	4,639,893	1,399,334
Trading	851,649	736,938	312,004	242,249
	<u>9,598,362</u>	<u>3,991,088</u>	<u>4,951,897</u>	<u>1,641,583</u>
	Note	Nine months ended		
		March 31		
		2015	2014	
		----- (Rupees in '000) -----		
9 CASH GENERATED FROM OPERATIONS				
Profit before taxation		9,446,341	3,347,580	
Adjustment for non-cash charges and other items				
Depreciation		1,154,515	675,480	
Amortization		1,198	168	
Gain on sale of fixed assets		(8,209)	(25,974)	
Gain on redemption/ revaluation of investment in listed mutual fund units		(62,947)	(267,102)	
Net unrealised (gain) / loss on revaluation of creditors and foreign exchange contracts		(11,880)	16,624	
Return on bank deposits		(1,168,651)	(179,876)	
Income on Pakistan Investment Bonds		(342,601)	-	
Income on Market Treasury Bills		(292,173)	(135,595)	
Workers' Profit Participation Fund		507,676	179,784	
Workers' Welfare Fund		199,511	68,318	
Mark-up on advances from customers		-	24	
Provision for bad debts		232,258	-	
Working capital changes	9.1	17,253,001	1,206,199	
		<u>26,908,039</u>	<u>4,885,630</u>	
9.1 Working capital changes				
(Increase) / decrease in current assets				
Stores and spares		(28,814)	30,118	
Stock-in-trade		(3,329,704)	2,563,282	
Trade debts		843,065	(2,072,465)	
Loans and advances		(39,206)	1,043,999	
Short-term prepayments		(21,623)	(14,633)	
Other receivables		4,018	(13,899)	
		<u>(2,572,264)</u>	<u>1,536,402</u>	
Increase / (decrease) in current liabilities				
Trade and other payables		4,998,299	145,082	
Advances from customers and dealers		14,826,966	(475,285)	
		<u>19,825,265</u>	<u>(330,203)</u>	
		<u>17,253,001</u>	<u>1,206,199</u>	

Notes to and Forming Part of the Condensed Interim Financial Information

For the nine months ended March 31, 2015 (unaudited)

10 TRANSACTIONS WITH RELATED PARTIES

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

	Nine months ended		Quarter ended	
	March 31		March 31	
	2015	2014	2015	2014
	----- (Rupees in '000) -----			
Sales	235,893	71,912	71,024	30,289
Purchases	31,707,345	24,566,389	11,876,735	9,433,396
Insurance premium	56,153	26,740	18,513	7,141
Agency commission	190,126	102,674	6,751	65,037
Running royalty	1,513,859	619,720	647,528	264,368
Rent expense	8,172	9,852	2,724	3,284
Return on bank deposits	936,719	175,136	421,239	74,050
Proceeds from disposal of fixed assets / insurance claim	6,314	9,556	183	4,689
Donations	23,550	3,250	22,050	-
Director Fee	500	-	500	-
Banks charges	30,624	21,206	11,086	7,242
LC charges	4,711	6,146	519	1,459
Contribution to retirement benefit funds	42,247	34,235	16,054	9,843
With key management personnel:				
- Salaries and benefits	87,656	70,060	32,958	23,556
- Post employment benefits	4,435	3,103	1,593	1,045
- Sale of fixed assets	2,016	513	-	-

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

	(Unaudited)	(Audited)
	March 31	June 30
	2015	2014
	----- (Rupees in '000) -----	
Long-term deposits	2,005	2,005
Short-term prepayments	17,458	3,053
Accrued return	154,637	71,243
Bank balances	15,059,343	3,553,316
Warranty claims, agency commission and other receivables	106,877	129,797
Trade, other payables and provisions	3,675,450	2,090,436

Notes to and Forming Part of the Condensed Interim Financial Information

For the nine months ended March 31, 2015 (unaudited)

11 SEGMENT REPORTING

	Nine months ended March 31, 2015			Nine months ended March 31, 2014		
	Manufacturing	Trading	Total	Manufacturing	Trading	Total
	----- (Rupees in '000) -----					
Net sales	<u>65,247,748</u>	<u>2,926,118</u>	<u>68,173,866</u>	<u>41,868,075</u>	<u>2,895,903</u>	<u>44,763,978</u>
Profit before taxation	<u>8,457,570</u>	<u>988,771</u>	<u>9,446,341</u>	<u>2,586,239</u>	<u>761,341</u>	<u>3,347,580</u>
	Quarter ended March 31, 2015			Quarter ended March 31, 2014		
	Manufacturing	Trading	Total	Manufacturing	Trading	Total
	----- (Rupees in '000) -----					
Net sales	<u>28,065,647</u>	<u>1,010,680</u>	<u>29,076,327</u>	<u>17,775,413</u>	<u>940,599</u>	<u>18,716,012</u>
Profit before taxation	<u>4,550,079</u>	<u>315,980</u>	<u>4,866,059</u>	<u>1,118,547</u>	<u>274,117</u>	<u>1,392,664</u>

12 NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors in its meeting held on April 29, 2015 have proposed a second interim cash dividend of Rs. 20 per share (March 31, 2014: Nil) in respect of the year ending June 30, 2015. The condensed interim financial information for the nine months ended March 31, 2015, does not include the effect of this dividend which will be accounted for in the annual financial statements for the year ending June 30, 2015.

13 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified wherever necessary, for the purpose of better presentation and comparison. No significant reclassifications or rearrangements were made during the current period.

14 DATE OF AUTHORIZATION OF ISSUE

These financial statements were authorised for issue on April 29, 2015 by the Board of Directors of the Company.

15 GENERAL

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


Parvez Ghias
 Chief Executive


Keiichi Murakami
 Vice Chairman & Director

Company Information

Board of Directors

Mr. Ali S. Habib	Chairman
Mr. Keiichi Murakami	Vice Chairman
Mr. Parvez Ghias	Chief Executive
Mr. Farhad Zulficar	Director
Mr. Mohamedali R. Habib	Director
Mr. Kyoichi Tanada	Director
Mr. Tetsuro Hirai	Director
Mr. Yoshiyuki Matsuo	Director
Mr. Azam Faruque	Independent Director
Mr. Raza Ansari	Director

Chief Financial Officer

Mr. Rayomand Ghadiali

Company Secretary

Ms. Anam Fatima Khan

Audit Committee Members

Mr. Mohamedali R. Habib	Committee Chairman
Mr. Farhad Zulficar	Member
Mr. Kyoichi Tanada	Member
Mr. Tetsuro Hirai	Member
Mr. Azam Faruque	Independent Director
Mr. Raza Ansari	Member
Mr. Ahmed Waseem Khan	Secretary

Auditors

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

Legal Advisors

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

Bankers

Bank Alfalah Limited
Barclays Bank PLC Pakistan
Bank Al-Habib Limited
Citibank N.A.
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Meezan Bank Ltd
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
The Bank of Tokyo-Mitsubishi UFJ Limited
United Bank Limited

Registrar

Noble Computer Services (Private) Limited
First Floor, House of Habib Building
(Siddiqsons Tower), 3-Jinnah C. H. Society,
Main Shahrah-e-Faisal, Karachi-75350.

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