

Indus Motor Company Limited  
Quarterly & Nine Months Accounts March 2008

 **TOYOTA**  
*moving forward ▶*



# Directors' Review

For the third quarter ended March 31, 2008

The Directors of Indus Motor Company are pleased to present the un-audited financial statement of the Company for the third quarter ended March 31, 2008.

## Pakistan Automobile Market

The domestic automobile industry demand for Passenger Cars (PC) and Light Commercial Vehicles (LCV) which fell for two successive quarters since 2002, recovered slightly during January - March 2008 quarter but was still down 8% to 47,638 units compared 51,740 units sold during the same period last year. Timely intervention by the government to suspend application of 2.5% Withholding Tax for two months until April 21, 2008 helped prevent further drop. On nine months year to date basis, the sales volume was down 5% to 136,587 units compared to 144,072 units sold for the same period last year. Uncertainty in the market place created by the political and economic pressures mainly contributed to the volume decline.

## Company Operating Performance

Despite the prevailing adverse market environment, your Company's sales of Toyota and Daihatsu brands CKD and CBU for the quarter recorded an increase of 4% to 13,307 units compared to 12,799 units sold for the same period last year. On year to date basis, the sales volume of PC and LCV at 36,445 units declined 1% from 36,704 units, while production at 34,925 units was slightly up from 34,819 produced for the same period in 2007. During the period, the Company was able to improve its market share by 2% to 23%.

The sales revenue for the nine months ended March 31, 2008 increased by 4% to Rs 29.3 billion (9 months to March 2007: Rs 28.3 billion), while profit after tax at Rs 1.9 billion was almost the same as earned in the previous period last year. Increases in cost of production on account of rising Yen and Dollar, coupled with higher cost of steel, consumables and other inputs caused erosion in margins, even though the Company was able to partially offset some of this burden by way of increases in retail selling prices of its products.

## Near Term Business Outlook

The last quarter April/June is traditionally the strongest for the automobile industry owing to the agricultural income cycle and farmer liquidity that contributes by way of strong demand for our products in rural areas. We expect overall sales to remain robust during the quarter but earnings will decline as the Company absorbs cost up pressures owing to the inflationary trends and the effect of exchange rate that has significantly weakened the rupee.

We hope that the new government will take proactive steps to encourage growth of the automobile sector which provides robust revenue stream to the government, creates thousands of job opportunities throughout the industry, enables technology transfer for localization, and above all provides affordable mobility for the economic prosperity of the country. Despite recent slowdown in the market, the Company expects the sales to rebound in the new fiscal year with political stability returning amidst continuity of economic policies for sustainable development. We are thankful to the government for taking the interim step to temporarily suspend application of the withholding tax and would favor this to be dropped altogether. We would also like the new government to take note of the recommendations made by the Pakistan Automobile Manufacturers Association to accelerate growth of the local industry, particularly with reference to curtailing the imports of used vehicles.

We are indebted to our customers for their strong preference for our products and we commit to do our utmost to continue to satisfy them. We are also grateful to our staff, dealers, vendors and business partners for their continued efforts.



**Parvez Ghias**

Chief Executive Officer



**Yutaka Arae**

Vice Chairman & Director

# Condensed Interim Balance Sheet

As at March 31, 2008

	Note	March 31 2008 (Unaudited)	June 30 2007 (Audited)
(Rupees '000)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	4	3,165,741	2,093,852
Long-term loans		6,885	4,240
Long-term deposits		7,195	6,629
		<u>3,179,821</u>	<u>2,104,721</u>
<b>Current assets</b>			
Stores and spares		248,471	227,191
Stock-in-trade		4,346,099	2,859,951
Trade debts - considered good		1,166,474	665,647
Current maturity of finance under musharika arrangements		882	3,710
Loans and advances - considered good		449,494	426,165
Short-term prepayments and trade deposits		30,597	47,523
Accrued mark-up		50,969	132,634
Other receivables		151,851	605,725
Investments - at fair value through profit and loss		52,965	-
Taxation - net		-	48,520
Cash and bank balances		6,696,892	8,543,263
		<u>13,194,694</u>	<u>13,560,329</u>
<b>TOTAL ASSETS</b>		<u><b>16,374,515</b></u>	<u><b>15,665,050</b></u>
<b>EQUITY</b>			
<b>Share capital and reserves</b>			
<b>Authorised</b>			
100,000,000 (June 30, 2007: 100,000,000) ordinary shares of Rs 10 each		<u>1,000,000</u>	<u>1,000,000</u>
<b>Issued, subscribed and paid-up capital</b>			
78,600,000 (June 30, 2007: 78,600,000) ordinary shares of Rs 10 each		786,000	786,000
<b>Reserves</b>		<u>8,230,897</u>	<u>7,257,975</u>
		<b>9,016,897</b>	<b>8,043,975</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred taxation		199,738	210,149
<b>Current liabilities</b>			
Trade and other payables		3,992,743	2,892,017
Advances from customers and dealers		2,980,488	4,514,480
Accrued mark-up		136	715
Current portion of liabilities against assets subject to finance lease		882	3,714
Taxation- Net		183,631	-
		<u>7,157,880</u>	<u>7,410,926</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	5		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>16,374,515</b></u>	<u><b>15,665,050</b></u>

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.



**Parvez Ghias**  
Chief Executive Officer



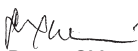
**Yutaka Arae**  
Vice Chairman & Director

## Condensed Interim Profit and Loss Account(Unaudited)

For the quarter and nine months ended March 31, 2008

	Note	Nine Months ended March 31		Quarter ended March 31	
		2008	2007	2008	2007
(Rupees '000)					
Net sales	6.1	29,375,969	28,287,958	10,676,167	9,866,274
Cost of sales	6.2	26,275,870	25,232,149	9,772,064	8,762,017
<b>Gross profit</b>		<b>3,100,099</b>	<b>3,055,809</b>	<b>904,103</b>	<b>1,104,257</b>
Distribution costs		352,267	352,241	95,992	143,120
Administrative expenses		204,745	193,564	72,507	60,094
		557,012	545,805	168,499	203,214
		2,543,087	2,510,004	735,604	901,043
Other operating expenses		228,418	239,372	65,652	90,331
		2,314,669	2,270,632	669,952	810,712
Other operating income		624,901	719,814	164,765	207,709
		2,939,570	2,990,446	834,717	1,018,421
Finance cost		523	26,582	(2,687)	(4,464)
<b>Profit before taxation</b>		<b>2,939,047</b>	<b>2,963,864</b>	<b>837,404</b>	<b>1,022,885</b>
Taxation		1,047,964	1,035,711	307,404	372,824
<b>Profit after taxation</b>		<b>1,891,083</b>	<b>1,928,153</b>	<b>530,000</b>	<b>650,061</b>
<b>Earnings per share - basic (Rupees)</b>		<b>24.06</b>	<b>24.53</b>	<b>6.74</b>	<b>8.27</b>

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**Parvez Ghias**  
Chief Executive Officer



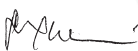
**Yutaka Arae**  
Vice Chairman & Director

## Condensed Interim Statement of Changes In Equity (Unaudited)

For the nine months ended March 31, 2008

	Share Capital Issued, subscribed and paid-up	Capital Premium on issue of ordinary shares	Reserves		Unrealised gain / (loss) on hedging instruments Sub-Total	Total	
			General reserve	Revenue Unappropriated profit			
(Rupees '000)							
<b>Balance as at June 30, 2006</b>	786,000	196,500	3,028,500	2,255,513	(8,634)	5,471,879	6,257,879
Final dividend for the year ended June 30, 2006 @ 10% declared subsequent to the year end	-	-	-	(550,200)	-	(550,200)	(550,200)
Transfer to general reserve for the year ended June 30, 2006 appropriated subsequent to the year end	-	-	1,705,300	(1,705,300)	-	-	-
Unrealised loss on cash flow hedge removed from equity and reported in net profit for the period	-	-	-	-	8,634	8,634	8,634
Profit after taxation for the nine months ended March 31, 2007	-	-	-	1,928,153	-	1,928,153	1,928,153
Unrealised loss on revaluation of forward foreign exchange contracts	-	-	-	-	(1,334)	(1,334)	(1,334)
Interim Dividend @ 50%	-	-	-	(393,000)	-	(393,000)	(393,000)
<b>Balance as at March 31, 2007</b>	<b>786,000</b>	<b>196,500</b>	<b>4,733,800</b>	<b>1,535,166</b>	<b>(1,334)</b>	<b>6,464,132</b>	<b>7,250,132</b>
<b>Balance as at June 30, 2007</b>	786,000	196,500	4,733,800	2,352,714	(25,039)	7,257,975	8,043,975
Final dividend for the year ended June 30, 2007 @ 80% declared subsequent to the year end	-	-	-	(628,800)	-	(628,800)	(628,800)
Transfer to general reserve for the year ended June 30, 2007 appropriated subsequent to the year end	-	-	1,723,900	(1,723,900)	-	-	-
Unrealised loss on cash flow hedge removed from equity and reported in net profit for the period	-	-	-	-	25,039	25,039	25,039
Profit after taxation for the nine months ended March 31, 2008	-	-	-	1,891,083	-	1,891,083	1,891,083
Interim Dividend @ 40%	-	-	-	(314,400)	-	(314,400)	(314,400)
<b>Balance as at March 31, 2008</b>	<b>786,000</b>	<b>196,500</b>	<b>6,457,700</b>	<b>1,576,697</b>	<b>-</b>	<b>8,230,897</b>	<b>9,016,897</b>

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.



**Parvez Ghias**  
Chief Executive Officer



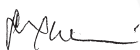
**Yutaka Arae**  
Vice Chairman & Director

# Condensed Interim Cash Flow Statement (Unaudited)

For the nine months ended March 31, 2008

	Nine Months ended	
	March 31	
	2008	2007
	(Rupees '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,939,047	2,963,864
<b>Adjustment for non-cash charges and other items</b>		
Depreciation	338,340	280,036
Amortisation	1,925	3,373
Gain on sale of fixed assets	(2,633)	(4,149)
Net unrealised (gain) / loss on revaluation of creditors and forward foreign exchange contracts	(12,620)	(4,899)
Unrealised gain on revaluation of investments made in listed mutual funds	(2,965)	(715)
Return on bank deposits	(490,662)	(608,885)
Return on finance under musharika arrangements	(114)	(394)
Workers' profit participation fund	157,844	159,176
Workers' welfare fund	59,981	60,487
Mark-up on advances from customers and dealers	2,688	(2,014)
Mark-up on liabilities against assets subject to finance lease	135	396
	<b>51,919</b>	<b>(117,588)</b>
<b>Operating surplus before working capital changes</b>	<b>2,990,966</b>	<b>2,846,276</b>
<b>Movement in working capital</b>		
<b>(Increase) / decrease in current assets</b>		
Stores and spares	(21,280)	(26,044)
Stock-in-trade	(1,486,148)	1,085,079
Trade debts	(500,827)	151,223
Loans and advances	(23,329)	245,666
Short-term prepayments and trade deposits	16,926	(24,942)
Other receivables	456,669	795,190
	<b>(1,557,989)</b>	<b>2,226,172</b>
<b>(Decrease) in current liabilities</b>		
Trade and other payables	746,549	277,569
Advances from customers and dealers	(1,533,992)	(2,446,364)
	<b>(787,443)</b>	<b>(2,168,795)</b>
<b>Cash generated from operations</b>	<b>645,534</b>	<b>2,903,653</b>
Interest paid	(3,402)	(20,427)
Workers' profit participation fund paid	(7,114)	(7,618)
Workers' welfare fund paid	(77,965)	(67,655)
Interest received	572,441	556,875
Income tax paid	(826,223)	(1,117,076)
Long-term loans - net	(2,645)	(895)
Long-term deposits	(566)	(38)
	<b>(345,474)</b>	<b>(656,834)</b>
<b>Net cash used in operating activities</b>	<b>300,060</b>	<b>2,246,819</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(1,416,173)	(425,562)
Proceeds from disposal of fixed assets	6,651	39,670
Investment made in listed mutual funds	(50,000)	(25,000)
Receipts from finance under musharika arrangements	2,828	5,635
<b>Net cash used in investing activities</b>	<b>(1,456,694)</b>	<b>(405,257)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of obligation against assets subject to finance lease	(2,832)	(5,406)
Dividend paid	(686,905)	(937,199)
<b>Net cash used in financing activities</b>	<b>(689,737)</b>	<b>(942,605)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(1,846,371)</b>	<b>898,957</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>8,543,263</b>	<b>7,416,180</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>6,696,892</b>	<b>8,315,137</b>

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.



**Parvez Ghias**  
Chief Executive Officer



**Yutaka Arai**  
Vice Chairman & Director

# Notes to the Condensed Interim Financial Statements (Unaudited) For the nine months ended March 31, 2008

## **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 vehicles in Pakistan.

The company is also a sole distributor of 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**

These condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Companies Ordinance, 1984 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Where the requirements of the Companies Ordinance, 1984 and the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Companies Ordinance, 1984 and the directives issued by SECP prevail.

The disclosures made in these financial statements have, however, been limited based on the requirements of International Accounting Standard 34, "Interim Financial Reporting". They do not include all the information and disclosures made in the annual published financial statements and should be read in conjunction with the financial statements of the company for the year ended June 30, 2007.

## **3 ACCOUNTING POLICIES**

The accounting policies 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, 2007. However, the company has adopted the following accounting policy in respect of investments:

### **3.1 Investments**

The management determines the appropriate classification of its investments in accordance with the requirements of International Accounting Standard 39 (IAS 39) "Financial Instruments: Recognition and Measurement" at the time of purchase of investment and re-evaluates this classification on a regular basis. The existing investment portfolio of the company has been categorised as follows:

#### **i) Held to maturity**

These are investments with fixed or determinable payments and fixed maturity with the company having positive intent and ability to hold to maturity. Investments classified as held to maturity are initially recognised at fair value. Subsequently these investments are carried at amortised cost.

#### **ii) At fair value through profit and loss account**

Investments that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as 'financial assets at fair value through profit or loss account' category. These investments are initially recognised at fair value and the transaction costs associated with these investment are taken directly to the profit and loss account. Subsequent to initial recognition, these investments are marked to market using the closing market rates and are carried on the balance sheet at fair value. Net gains and losses arising on changes in fair values of these investments are taken to the profit and loss account in the period in which they arise.

**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**For the nine months ended March 31, 2008**

**iii) Available for sale**

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in equity prices, are classified as 'available for sale'. Available for sale financial instruments are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables (b) held to maturity investments (c) financial assets at fair value through profit and loss. These investments are initially recognised at fair value which includes transaction costs associated with the investments. Subsequent to initial recognition, these investments are marked to market using the closing market rates and are carried on the balance sheet at fair value. Net gains and losses arising on changes in fair values of these investments are taken to shareholders' equity.

The company assesses at each balance sheet date whether there is objective evidence that an investment is impaired. Impairment loss on all investments is recognised in the profit and loss account. In arriving at the provision in respect of any diminution in long-term investments, consideration is given only if there is a permanent impairment in the value of the investment.

	<b>Nine Months ended</b>	
	<b>March 31</b>	
	<b>2008</b>	<b>2007</b>
<b>4 FIXED ASSETS</b>	<b>(Rupees '000)</b>	

**4.1 Details of additions during the period are as follows:**

**Tangible**

**Owned**

Buildings on leasehold land:

Factory	13,815	64,503
Others	230	-
Plant and machinery	159,851	264,404
Motor vehicles	41,664	33,708
Furniture and fixtures	15,947	12,187
Office equipment	5,533	13,554
Computers and related accessories	6,317	4,301
Tools and equipment	63,466	8,654
Jigs and fixtures	103,908	27,915
Capital work in progress	1,121,809	175,283
	<u>1,532,540</u>	<u>604,509</u>

**Intangible assets**

**Software**

	<u>891</u>	<u>2,032</u>
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**4.2 Details of disposals / retirements (at cost) during the period are as follows:**

Plant and machinery	15,976	2,299
Motor vehicles	11,081	49,959
Office equipment	1,407	420
Computers and related accessories	167	-
Tools and equipment	3,848	-
Jigs and fixtures	70,456	-
Capital work in progress capitalized during the period	279,180	380,311
	<u>382,115</u>	<u>432,989</u>

**5 CONTINGENCIES AND COMMITMENTS**

**5.1 Contingencies**

5.1.1 The status of contingencies, as disclosed in note 23.1-23.2 to the annual financial statements for the year ended June 30, 2007 has changed as follows:

5.1.1.1 With regards to total demand from collector of custom against short recovery of Rs. 480.311 million (refer note 23.1 to the annual financial statements for the year ended 30 June 2007), Custom, Excise and sales Tax Appellate Tribunal has decided case in company's favor and accordingly demand to the extent of Rs. 370.373 million (custom duty Rs. 235.775 million and Sales Tax Rs. 134.596 million) has been reversed. Appeal amounting of Rs. 54.348 million is pending with custom collector appeal and Rs. 55.59 million is pending with Tribunal. Similar decision is expected out of the said pending appeals as facts are common and involve identical questions of law. No provision therefore has been made in the financial statements.

**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**For the nine months ended March 31, 2008**

5.1.12 With regards to matter relating to alleged demand of income tax from Azad Jammu and Kashmir (AJK) tax authorities of Rs 14.741 million for assessment year 1997-1998 to 2001-2002 (refer note 23.2 to the said financial statements), an appeal was filed before the Income Tax Appellate Tribunal (ITAT) against this matter, which was forwarded to Commissioner of Income Tax-Appeals (CITA) for reassessment. The CITA gave its decision in favor of the company. The tax authorities then filed an appeal against the CITA order before ITAT. The ITAT has also decided the case in favor of the company and all the appeals filed by the tax authorities have been dismissed. No provision therefore has been / is required to be made by the company in the financial statements.

5.1.2 Contingencies in respect of outstanding bank guarantees at the end of the current period amounted to Rs 638.674 million (June 30, 2007: Rs 1,185.235 million).

**5.2 Commitments**

Commitments in respect of capital expenditure at March 31, 2008 amounted to Rs 571.699 million (June 30, 2007: Rs 858.614 million).

6 OPERATING RESULTS	Nine Months ended		Quarter ended	
	March 31		March 31	
	2008	2007	2008	2007
	(Rupees '000)			
<b>6.1 Sales</b>				
<b>Manufacturing</b>				
Gross sales	29,030,890	29,213,677	10,743,569	10,363,602
Sales tax	(3,753,076)	(3,808,944)	(1,388,862)	(1,351,283)
Federal excise duty	(250,368)	-	(92,621)	-
	<u>25,027,446</u>	25,404,733	<u>9,262,086</u>	9,012,319
Commission	(655,828)	(662,163)	(243,621)	(236,402)
Discounts	(4,991)	(403)	(27)	(388)
<b>Net sales</b>	<u>24,366,627</u>	24,742,167	<u>9,018,438</u>	8,775,529
<b>Trading</b>				
Gross sales	6,007,886	4,367,016	2,004,164	1,377,201
Sales tax	(714,105)	(548,551)	(237,906)	(170,811)
	<u>5,293,781</u>	3,818,465	<u>1,766,258</u>	1,206,390
Commission	(142,711)	(124,068)	(44,645)	(50,325)
Discounts	(141,728)	(148,606)	(63,884)	(65,320)
<b>Net sales</b>	<u>5,009,342</u>	3,545,791	<u>1,657,729</u>	1,090,745
	<u>29,375,969</u>	28,287,958	<u>10,676,167</u>	9,866,274
<b>6.2 Cost of sales</b>				
Raw materials and vendor parts consumed	21,060,913	20,364,019	7,435,698	7,129,558
Stores and spares consumed	425,827	482,915	151,015	159,419
Salaries, wages and other benefits	214,704	170,850	76,978	56,351
Repairs and maintenance	72,587	55,254	33,296	23,058
Depreciation	290,812	237,228	117,814	83,681
Traveling	9,441	9,730	1,652	1,619
Insurance	14,594	14,373	4,829	4,795
Vehicle running	3,955	3,500	1,736	1,004
Communication	4,644	3,294	1,414	1,158
Printing, stationery & office supplies	3,023	1,972	1,095	555
Fuel and power	79,387	91,030	23,424	24,869
Running royalty	216,457	201,128	75,478	68,980
Technical fee	6,184	7,152	4,503	559
Staff catering, transport & uniforms	67,827	68,434	23,228	23,889
Staff training	9,208	12,609	879	6,033
Others	7,377	13,771	1,991	2,138
	<u>1,426,027</u>	1,373,240	<u>519,332</u>	458,108
Add: opening work-in-process	64,553	95,520	52,882	282,972
Less: closing work-in-process	173,996	79,386	173,996	79,386
<b>Cost of goods manufactured</b>	<u>22,377,497</u>	21,753,393	<u>7,833,916</u>	7,791,252
Opening stock of finished goods	59,162	744,469	916,069	266,065
Closing stock of finished goods	(375,021)	(231,692)	(375,021)	(231,692)
<b>Cost of sales - Manufacturing</b>	<u>22,061,638</u>	22,266,170	<u>8,374,964</u>	7,825,625
<b>Cost of sales - Trading</b>	<u>4,214,232</u>	2,965,979	<u>1,397,100</u>	936,392
	<u>26,275,870</u>	25,232,149	<u>9,772,064</u>	8,762,017
<b>6.3 Gross profit</b>				
Manufacturing	2,304,989	2,475,997	643,474	949,904
Trading	795,110	579,812	260,629	154,353
	<u>3,100,099</u>	3,055,809	<u>904,103</u>	1,104,257

**Notes to the Condensed Interim Financial Statements (Unaudited)  
For the nine months ended March 31, 2008**

**7 TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS / RELATED PARTIES**

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

	Nine Months ended		Quarter ended	
	March 31		March 31	
	2008	2007	2008	2007
	(Rupees '000)			
Sales	82,045	37,984	14,971	17,513
Purchases	15,393,054	13,005,674	5,427,193	4,371,488
Insurance premium	90,043	108,793	24,257	26,443
Agency commission	72,340	80,782	10,925	12,598
Running royalty	219,510	203,329	76,537	69,796
Technical fee	6,184	7,152	4,503	559
Share registrar's fee, charges and other services	12,775	11,041	4,082	3,961
Return on bank deposits	248,693	130,181	84,563	47,882
Proceeds from sale of fixed assets / insurance claim	1,788	3,868	401	2,934
Key management personnel compensation				
- Salaries and benefits	44,405	43,562	14,860	12,790
- Post employment benefits	854	753	335	251

**March 31, June 30,**  
**2008 2007**  
**(Rupees '000)**

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

Warranty claims, agency commission and other receivables	65,744	32,476
Trade and other payables	1,742,405	1,149,805

Transactions with associated undertakings / related parties are made under normal commercial terms and conditions.

**8 CORRESPONDING FIGURES**

Corresponding figures have been rearranged and reclassified wherever necessary, for the purpose of comparison. There have been no significant rearrangements or reclassifications in these condensed interim financial statements.

**9 DATE OF AUTHORIZATION OF ISSUE**

These condensed interim financial statements were authorized for issue on April 18, 2008 by the Board of Directors of the company.

**10 GENERAL**

Figures have been rounded off to the nearest thousand rupees.



**Parvez Ghias**  
Chief Executive Officer



**Yutaka Arae**  
Vice Chairman & Director

# Company Information

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## Board of Directors

Ali S. Habib	Chairman
Yutaka Arae	Vice Chairman
Parvez Ghias	Chief Executive Officer
Farhad Zulficar	Director
Ilyas Suri	Director
A. Okabe	Director
K. Furubayashi	Director
Mohammedali R. Habib	Director

## Chief Financial Officer & Company Secretary

Shahid Mahmood Khan

## Auditors

A. F. Ferguson & Co.  
Chartered Accountants,  
State Life Building 1-C,  
I. I. Chundrigar Road,  
Karachi.

## Registrar

Noble Computer Services (Private) Limited  
2nd Floor, Solmi Center, BS 5 & 6, Ma Karimabad  
Block- 4, Feddal B. Area, Karachi - 75950, Pakistan.

## Legal advisors

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

## Factory / Registered Office

Plot No. NWZ/ 1/ P - 1,  
Port Qasim Industrial Estate,  
Bin Qasim, Karachi  
Phone : (UAN) (92-21) 111-TOYOTA (869-682)  
Fax: (92-21) 4720056

## Website

[www.toyota-indus.com](http://www.toyota-indus.com)

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