

**HERALDING
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EXPORTS
THE NEW FOCUS**

1st Quarterly Report
For the quarter ended
September 30, 2016



MILLAT TRACTORS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN

Mr. Sikandar Mustafa Khan

CHIEF EXECUTIVE

Syed Muhammad Irfan Aqueel

Mr. Latif Khalid Hashmi

Mr. Sohail Bashir Rana

Mr. Laeeq Uddin Ansari

Mian Muhammad Saleem

Syed Zubair Ahmed Shah (NIT Nominee)

Mr. Saad Iqbal

COMPANY SECRETARY

Mian Muhammad Saleem

CHIEF FINANCIAL OFFICER

Mr. Sohail Ahmed Nisar - FCA

AUDITORS

EY Ford Rhodes

Chartered Accountants

LEGAL ADVISORS

Asjad Saeed and Associates

Mujtaba Jamal Law Associates (MJLA)

Akhtar Ali & Associates

Ch. Law Associates Inn

COMPANY SHARE REGISTRARS

M/s. Hameed Majeed Associates (Pvt.) Ltd.,

1st Floor, H.M. House, 7-Bank Square, Lahore.

Tel: 042-37235081-82 - Fax: 042-37358817

shares@hmaconsultants.com

BANKERS

Bank Alfalah Ltd.

Habib Bank Ltd.

MCB Bank Ltd.

Standard Chartered Bank.

United Bank Ltd.

Allied Bank Ltd.

Meezan Bank Ltd.

REGISTERED OFFICE AND PLANT

Sheikhupura Road, Distt. Sheikhupura.

Tel: 042-37911021-25, UAN: 111-200-786

Fax: 042-37924166, 37925835

Website: www.millat.com.pk

E-mail: info@millat.com.pk

REGIONAL OFFICES

KARACHI

3-A, Faiyaz Centre, Sindhi Muslim

Co-operative Housing Society,

Tel: 021-34553752, UAN: 111-200-786

Fax: 021-34556321

MULTAN CANTT.

Garden Town, (Daulatabad), Shershah Road,

Tel: 061-6537371 - Fax: 061-6539271

ISLAMABAD

H. No. 22, St. No. 41, Sector F-6/1,

Tel: 051-2271470, UAN: 111-200-786

Fax: 051-2270693

SUKKUR

A-3, Professor Housing Society, Shikarpur Road,

Tel: 071-5633042, Fax: 071-5633187

DIRECTORS' REVIEW

On behalf of the Board of Directors of Millat Tractors Limited, I am pleased to present to you the interim financial statements for the quarter ended September 30, 2016.

During the quarter the Company achieved a sales volume of 5,187 tractors compared to last year's 4,360 tractors showing an increase of 19% while revenue increased to Rs. 4,660 million against Rs. 3,541 million of corresponding period which is 32% higher.

Profit after tax for the three months ended was Rs. 513 million translating into an EPS of Rs. 11.58 against Rs. 252 million profit and EPS of Rs. 5.69 of the corresponding quarter.

Various incentives given by the Government in 2016 -17 Budget have contributed in improving farming economics resulting in increased tractor demand.

Highlights of the farmer relief package include reduction of sales tax on tractors from 10% to 5%, subsidy on fertilizers, pesticides and energy and reduced markup rates on agricultural loans. Apart from this, mega construction projects under CPEC have also contributed towards increased demand.

Consequent to our recent export agreement with AGCO Corporation, we have started exports to Africa and Middle East. Our product is very well received due to its competitive price and quality and we look forward to increase volumes.

I would like to express my gratitude to my fellow members of the Board for their contribution, customers, dealers, vending associates and all stakeholders for their trust and support as well as employees for their continued dedicated efforts and hard work.

For and on behalf of the Board



Sikandar Mustafa Khan
Chairman

Lahore:
October 26, 2016

Condensed Interim Financial Statements
MILLAT TRACTORS LIMITED
For the Quarter ended September 30, 2016



CONDENSED INTERIM BALANCE SHEET

as at September 30, 2016 (Unaudited)

	Note	September 30, 2016 (Rupees in thousand)	June 30, 2016
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital 50,000,000 (June 30, 2016: 50,000,000) ordinary shares of Rs 10 each		500,000	500,000
Issued, subscribed and paid up capital		442,926	442,926
General reserves		2,985,519	2,985,519
Unappropriated profit		1,135,214	622,192
Fair value reserve		170,324	91,123
		4,733,983	4,141,760
Non-current liabilities			
Security deposits		11,905	11,505
Deferred taxation		2,108	2,108
Employees' defined benefit plan		88,558	88,558
		102,571	102,171
Current liabilities			
Accumulating compensated absences		96,282	96,282
Trade and other payables		5,162,252	5,310,799
Accrued mark-up on short term borrowings		223	310
		5,258,757	5,407,391
CONTINGENCIES AND COMMITMENTS	5		
		10,095,311	9,651,322

The annexed notes 1 to 13 form an integral part of the condensed interim financial information.



S M Irfan Aqueel
Chief Executive

	Note	September 30, 2016 (Rupees in thousand)	June 30, 2016
ASSETS			
Non-current assets			
Property, plant and equipment			
Operating fixed assets	6	469,815	448,130
Capital work in progress	7	247,075	225,134
Intangible assets			
Investment property		255,708	255,708
Long term investments	8	476,129	396,928
Long term loans		1,830	1,483
		1,453,128	1,330,678
Current assets			
Stores, spare parts and loose tools		124,433	111,913
Stock-in-trade		2,602,609	2,545,484
Trade debts		216,961	286,194
Loans and advances		92,937	72,071
Trade deposits and short term prepayments		42,228	24,366
Balances with statutory authorities		1,415,704	1,184,143
Other receivables		134,336	104,756
Tax refunds due from the Government		554,590	629,148
Short term investments	9	2,246,124	800,317
Cash and bank balances		1,212,261	2,562,252
		8,642,183	8,320,644
		10,095,311	9,651,322



Sikandar Mustafa Khan
Director / Chairman

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

for the quarter ended September 30, 2016 (Unaudited)

	Quarter ended September 30	
	2016	2015
(Rupees in thousand)		
Sales - net	4,660,407	3,540,885
Cost of sales	3,660,634	2,960,312
Gross profit	999,773	580,573
Distribution and marketing expenses	120,810	72,116
Administrative expenses	121,708	127,399
	242,518	199,515
Operating profit	757,255	381,058
Other operating income	29,854	18,203
	787,109	399,261
Other operating expenses	55,642	27,786
Finance cost	200	2,321
	55,842	30,107
Profit before taxation	731,267	369,154
Taxation	218,245	116,940
Profit for the period	513,022	252,214
Earnings per share - basic and diluted (Rupees)	11.58	5.69

Appropriations have been reflected in the statement of changes in equity.

The annexed notes 1 to 13 form an integral part of the condensed interim financial information



S M Irfan Aqueel
Chief Executive



Sikandar Mustafa Khan
Director / Chairman

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the quarter ended September 30, 2016 (Unaudited)

	Quarter ended September 30	
	2016	2015
	(Rupees in thousand)	
Profit for the period	513,022	252,214
Other comprehensive income:		
Unrealized gain on revaluation of investments	79,201	10,096
Total other comprehensive income	79,201	10,096
Total comprehensive income for the period	592,223	262,310

The annexed notes 1 to 13 form an integral part of the condensed interim financial information.



S M Irfan Aqueel
Chief Executive



Sikandar Mustafa Khan
Director / Chairman

CONDENSED INTERIM CASH FLOW STATEMENT

for the quarter ended September 30, 2016 (Unaudited)

Quarter ended
September 30
2016 2015
(Rupees in thousand)

Cash flows from operating activities		
Profit before taxation	731,267	369,154
Adjustment for:		
Depreciation on property, plant & equipment	15,050	15,417
Amortization of intangible assets	724	674
Finance cost	200	2,321
Profit on bank deposits	(2,477)	(1,969)
	13,497	16,443
Cash flow from operating activities before working capital changes	744,764	385,597
Effect on cash flow due to working capital changes		
Increase in current assets:		
Stores and spares	(12,520)	(13,957)
Stock in trade	(57,125)	(641,977)
Trade debts	69,233	53,124
Loans and advances	(20,866)	(7,903)
Trade deposits and prepayments	(17,862)	(27,965)
Other receivables	(260,691)	(87,560)
	(299,831)	(726,238)
Increase in current liabilities:		
Trade and other payables	(137,860)	28,821
	(437,691)	(697,417)

Quarter ended
September 30
2016 2015
(Rupees in thousand)

Cash used in operations		
Income tax paid	(143,687)	(160,080)
Increase in long term loans to employees	(347)	(202)
Increase in long term security deposits	400	600
Mark-up paid	(287)	(1,694)
	(143,921)	(161,376)
Net cash generated from/(used in) operating activities	163,152	(473,196)
Cash flows from investing activities		
Purchase of property, plant and equipment	(66,889)	(18,048)
Purchase of intangible assets	-	(2,381)
Purchase of short term investments	(1,445,807)	-
Proceeds from sale of short term investments	-	700,203
Proceeds from sale of property, plant and equipment	8,213	4,775
Profit on bank deposits	2,027	3,269
Net cash (used in)/generated from investing activities	(1,502,456)	687,818
Cash flows from financing activities		
Dividend paid	(10,687)	(5,359)
Net cash used in financing activities	(10,687)	(5,359)
Net (decrease)/increase in cash and cash equivalents	(1,349,991)	209,263
Cash and cash equivalents at the beginning of the period	2,562,252	1,082,170
Cash and cash equivalents at the end of the period	1,212,261	1,291,433

The annexed notes 1 to 13 form an integral part of the condensed interim financial information.



S M Irfan Aqueel
Chief Executive



Sikandar Mustafa Khan
Director / Chairman

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

for the quarter ended September 30, 2016 (Unaudited)

	Share capital	Revenue Reserves		Fair value reserve	Total
		General reserves	Unappropriated profit		
(Rupees in thousand)					
Balance as on July 1, 2015	442,926	3,116,706	1,086,858	64,953	4,711,443
Total comprehensive income for the quarter ended September 30, 2015	-	-	252,214	10,096	262,310
Balance as on September 30, 2015	442,926	3,116,706	1,339,072	75,049	4,973,753
Balance as on July 1, 2016	442,926	2,985,519	622,192	91,123	4,141,760
Total comprehensive income for the quarter ended September 30, 2016	-	-	513,022	79,201	592,223
Balance as on September 30, 2016	442,926	2,985,519	1,135,214	170,324	4,733,983

The annexed notes 1 to 13 form an integral part of the condensed interim financial information.



S M Irfan Aqueel
Chief Executive



Sikandar Mustafa Khan
Director / Chairman

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

for the quarter ended September 30, 2016 (Unaudited)

1. THE COMPANY AND ITS ACTIVITIES

The Company is a public limited company incorporated in Pakistan in 1964 under the Companies Ordinance, 1984, and is listed on Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange in which Lahore and Islamabad stock exchanges have merged). The registered office of the Company is situated at Sheikhpura Road, District Sheikhpura. It is principally engaged in assembling and manufacturing of agricultural tractors, implements and multi-application products.

2. STATEMENT OF COMPLIANCE

- 2.1 This interim financial information of the Company for the quarter ended September 30, 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.
- 2.2 This interim financial information is un-audited and is being submitted to shareholders, as required by section 245 of the Companies Ordinance, 1984.

3. BASIS OF PREPARATION

- 3.1 This interim financial information does not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual financial statements as at June 30, 2016.
- 3.2 The accounting policies adopted for the preparation of this interim financial information are same as those applied in the preparation of the preceding annual published financial statements of the Company for the year ended June 30, 2016 except for as disclosed in note 3.3 below.
- 3.3 The Company has adopted the following amended IFRS and IFRIC interpretation which became effective during the period:
- IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment)
 - IFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)
 - IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)
 - IAS 16 Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)
 - IAS 16 Property, Plant and Equipment, IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)

- IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)

The adoption of the above amendments did not have any effect on the interim financial information.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, incomes and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation are the same as those that applied to the financial statements for the year ended June 30, 2016.

5. CONTINGENCIES AND COMMITMENTS

There has been no significant change in the contingencies since the date of preceding published annual financial statements.

Commitments in respect of outstanding letters of credit are Rs. 1,175,350 thousand (June 30, 2015 : Rs 270,910 thousand).

	Note	September 30, 2016	June 30, 2016
(Rupees in thousand)			
6. OPERATING FIXED ASSETS			
Opening book value		448,130	485,721
Add: Additions during the period	6.1	44,948	53,591
		493,078	539,312
Less: Disposals / write offs during the period (at book value)		(8,213)	(24,520)
Depreciation charged during the period		(15,050)	(66,662)
		(23,263)	(91,182)
Closing book value		469,815	448,130

	September 30, 2016	June 30, 2016
	(Rupees in thousand)	
6.1 Additions during the period		
- Plant and machinery	4,608	4,276
- Tools and equipments	552	1,545
- Furniture, fixture and office equipment	-	4,811
- Vehicles	39,788	39,479
- Computers	-	3,480
	44,948	53,591
7. CAPITAL WORK IN PROGRESS		
Advance for purchase of office space	227,165	220,125
Others	19,910	5,009
	247,075	225,134
8. LONG TERM INVESTMENTS		
Investment at cost		
Subsidiaries		
- Millat Industrial Products Limited - unquoted	57,375	57,375
- Tipeg Intertrade DMCC - unquoted	42,675	42,675
- Bolan Castings Limited - quoted	76,610	76,610
- Millat Equipment Limited - unquoted	117,000	117,000
	293,660	293,660
Others		
Available for sale - quoted		
- Baluchistan Wheels Limited	12,145	12,145
Surplus on revaluation of investment	170,324	91,123
	182,469	103,268
	476,129	396,928

	September 30, 2016	June 30, 2016
	(Rupees in thousand)	
9. SHORT TERM INVESTMENTS		
Financial assets at fair value through profit and loss - Mutual fund units	2,246,124	800,317

	Quarter ended September 30	
	2016	2015
	(Rupees in thousand)	
10. TRANSACTIONS WITH RELATED PARTIES		
Purchases from related parties	822,224	879,040
Payable to related parties	162,171	280,756
Receivable from related parties	34,558	15,294
Retirement benefit plans	22,705	26,134

11. EVENTS AFTER BALANCE SHEET DATE

The Board of Directors have declared Nil cash dividend (June 30, 2016: Rs. 30 per share) in their meeting held on October 26, 2016.

12. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 26, 2016 by the Board of Directors of the Company.

13. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.



S M Irfan Aqueel
Chief Executive



Sikandar Mustafa Khan
Director / Chairman

Consolidated Condensed Interim Financial Statements
MILLAT TRACTORS LIMITED
For the Quarter ended September 30, 2016



CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

as at September 30, 2016 (Unaudited)

Note	September 30, 2016	June 30, 2016	
	(Rupees in thousand)		
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
	50,000,000 (June 30, 2016: 50,000,000)		
	ordinary shares of Rs 10 each	500,000	500,000
	Issued, subscribed and paid up capital	442,926	442,926
	General reserves	3,181,893	3,181,893
	Unappropriated profit	1,669,933	1,105,960
	Exchange translation reserve	1,029	1,029
	Fair value reserve	243,258	146,450
		5,539,039	4,878,258
	Non-controlling interest	1,169,459	1,118,359
Non-current liabilities			
	Long term deposits	22,339	21,343
	Deferred taxation	76,961	21,660
	Employees' defined benefit plan	170,813	168,513
		270,113	211,516
Current liabilities			
	Accumulating compensated absences	112,177	121,202
	Trade and other payables	5,336,543	5,461,736
	Current portion of long term deposits	579	899
	Short term borrowings	260,803	274,159
	Accrued mark-up on short term borrowings	5,569	5,111
		5,715,671	5,863,107
	CONTINGENCIES AND COMMITMENTS	5	
		12,694,282	12,071,240

The annexed notes 1 to 13 form an integral part of the condensed interim financial information.



S M Irfan Aqueel
Chief Executive

	Note	September 30, 2016	June 30, 2016
(Rupees in thousand)			
ASSETS			
Non-current assets			
Property, plant and equipment			
Operating fixed assets	6	1,273,176	1,238,495
Capital work in progress	7	292,058	270,631
Intangible assets		2,848	3,597
Goodwill		18,572	18,572
Investment property		255,708	255,708
Long term investments	8	223,363	126,555
Long term loans		3,274	2,264
Long term deposits		7,411	7,411
Deferred taxation		52,322	
		2,128,732	1,923,233
Current assets			
Stores and spares		355,947	342,749
Stock in trade		3,270,422	3,149,366
Trade debts		309,144	433,764
Loans and advances		195,536	135,257
Trade deposits and short term prepayments		61,725	36,940
Other receivables		135,871	105,305
Balances with statutory authorities		1,447,230	1,193,953
Tax refunds due from the Government		755,505	821,906
Short term investments	9	2,560,549	1,194,315
Cash and bank balances		1,473,621	2,734,452
		10,565,550	10,148,007
		12,694,282	12,071,240



Sikandar Mustafa Khan
Director / Chairman

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

for the quarter ended September 30, 2016 (Unaudited)

	Restated Quarter ended September 30	
	2016	2015
	(Rupees in thousand)	
Sales - net	4,900,018	3,858,536
Cost of sales	3,688,300	3,091,809
Gross profit	1,211,718	766,727
Distribution and marketing expenses	137,358	90,451
Administrative expenses	161,568	169,520
	298,926	259,971
Operating profit	912,792	506,756
Other operating income	38,149	27,154
	950,941	533,910
Other operating expenses	66,379	36,362
Finance cost	5,383	12,804
	71,762	49,166
Profit before taxation	879,179	484,744
Taxation	264,106	152,839
Profit for the period	615,073	331,905
Attributable to:		
- Equity holders of the holding Company	563,973	292,633
- Non-controlling interests	51,100	39,272
	615,073	331,905
Earnings per share - basic and diluted (Rupees)	13.89	7.49

Appropriations have been reflected in the statement of changes in equity.

The annexed notes 1 to 13 form an integral part of the condensed interim financial information.



S M Irfan Aqueel
Chief Executive



Sikandar Mustafa Khan
Director / Chairman



CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the quarter ended September 30, 2016 (Unaudited)

	Quarter ended September 30 2016	Restated Quarter ended September 30 2015
	(Rupees in thousand)	
Profit for the period	615,073	331,905
Other comprehensive income:		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Unrealized gain on revaluation of available for sale investments	96,808	12,919
Total other comprehensive loss, net of tax	96,808	12,919
Total comprehensive income for the year	711,881	344,824
Attributable to:		
- Equity holders of the holding Company	660,781	305,552
- Non-controlling interest	51,100	39,272
	711,881	344,824

The annexed notes 1 to 13 form an integral part of the condensed interim financial information.

S M Irfan Aqueel
Chief Executive

Sikandar Mustafa Khan
Director / Chairman

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT

for the quarter ended September 30, 2016 (Unaudited)

	Restated Quarter ended September 30	
	2016	2015
	(Rupees in thousand)	
Cash flows from operating activities		
Profit before taxation	879,179	484,744
Adjustment for:		
Depreciation on property, plant & equipment	34,031	33,876
Amortization of intangible assets	749	711
Provision for accumulated compensated absences	(9,025)	(9,823)
Finance cost	5,383	12,804
Profit on bank deposits	(5,978)	(4,296)
	25,160	33,272
Cash flow from operating activities before working capital changes	904,339	518,016
Effect on cash flow due to working capital changes		
Increase in current assets:		
Stores and spares	(13,198)	(18,575)
Stock in trade	(121,056)	(674,472)
Trade debts	124,620	30,988
Loans and advances	(60,279)	(40,914)
Trade deposits and prepayments	(24,785)	(20,994)
Other receivables	(281,093)	(65,179)
	(375,791)	(789,146)
Increase in current liabilities:		
Trade and other payables	(112,921)	70,861
	(488,712)	(718,285)

Restated
Quarter ended September 30
2016 2015
(Rupees in thousand)

	2016	2015
Cash used in operations		
Income tax paid	(194,726)	(214,743)
Increase in long term loans to employees	(1,010)	(838)
Increase in long term security deposits	676	891
Mark-up paid	(4,925)	(12,628)
	(199,985)	(227,318)
Net cash generated from/(used in)		
operating activities	215,642	(427,587)
Cash flows from investing activities		
Purchase of property, plant and equipment	(99,526)	(24,844)
Purchase of intangible assets	-	(2,321)
Purchase of short term investments	(1,366,234)	-
Proceeds from sale of short term investments	-	822,547
Proceeds from sale of property, plant and equipment	9,387	5,035
Profit on bank deposits	5,528	5,596
Net cash (used in)/generated from investing activities	(1,450,845)	806,013
Cash flows from financing activities		
Dividend paid	(12,272)	(6,040)
Net cash used in financing activities	(12,272)	(6,040)
Net (decrease)/increase in cash and cash equivalents	(1,247,475)	372,386
Cash and cash equivalents at the beginning of the period	2,734,452	1,195,761
Short term borrowings	(274,159)	(592,917)
Cash and cash equivalents at the end of the period	1,212,818	975,230

The annexed notes 1 to 13 form an integral part of the condensed interim financial information.



S M Irfan Aqueel
Chief Executive



Sikandar Mustafa Khan
Director / Chairman

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

for the quarter ended September 30, 2016 (Unaudited)

	Share capital	Revenue reserves		Exchange translation reserve	Fair value reserve	Non-Controlling interest	Total
		General reserves	Unappropriated profit				
..... (Rupees in thousand)							
Balance as on							
30 June 2015 - restated	442,926	3,313,080	1,496,683	145	117,241	1,081,632	6,451,707
Net profit for the period	-	-	292,633	-	-	39,272	331,905
Other comprehensive income for the period	-	-	-	-	12,919	-	12,919
	-	-	292,633	-	12,919	39,272	344,824
Balance as on							
30 September 2015	442,926	3,313,080	1,789,316	145	130,160	1,120,904	6,796,531
Balance as on							
30 June 2016	442,926	3,181,893	1,105,960	1,029	146,450	1,118,359	5,996,617
Net profit for the period	-	-	563,973	-	-	51,100	615,073
Other comprehensive income for the period	-	-	-	-	96,808	-	96,808
	-	-	563,973	-	96,808	51,100	711,881
Balance as on							
30 September 2016	442,926	3,181,893	1,669,933	1,029	243,258	1,169,459	7,508,412

The annexed notes 1 to 13 form an integral part of the condensed interim financial information.



S M Irfan Aqueel
Chief Executive



Sikandar Mustafa Khan
Director / Chairman



SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION for the quarter ended September 30, 2016 (Unaudited)

1. THE GROUP AND ITS ACTIVITIES

Millat Tractors Limited - the Holding Company is a public limited Company incorporated in Pakistan in 1964 under the Companies Ordinance 1984, and is listed on Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange in which Lahore and Islamabad stock exchanges have merged). The registered office of the Company is situated at Sheikhpura Road, District Sheikhpura. It is principally engaged in assembling and manufacturing of agricultural tractors, implements and multi-application products.

Millat Industrial Products Limited (MIPL), an unlisted public company registered under the Companies Ordinance 1984, is a subsidiary of Millat Tractors Limited which holds 64.09% equity. MIPL is engaged in the business of manufacturing of industrial, domestic and vehicular batteries, cells and components.

Tipeg Inter trade DMCC, Dubai, a limited liability company registered with Dubai Multi Commodities Centre Authority, is a subsidiary of Millat Tractors Limited which holds 75% equity. The principal place of business of the company is located at Jumeirah Lake Towers, Dubai - UAE. The company is formed for trading of machinery and heavy equipment and company has recently started its operations.

Millat Equipment Limited (MEL), an unlisted public company registered under the Companies Ordinance 1984, is a subsidiary of Millat Tractors Limited which holds 45% equity. MEL is engaged in the business of manufacturing of automotive, agricultural and industrial vehicles parts and components thereof.

Bolan Castings Limited (BCL), a public limited company incorporated in Pakistan under the Companies Ordinance 1984, and is listed on Pakistan Stock Exchange (formerly Karachi Stock Exchange in which Lahore and Islamabad stock exchanges have merged), is a subsidiary of Millat Tractors Limited which holds 46.26% equity. BCL is engaged in the business of manufacturing of castings for tractors and automotive parts thereof.

2. STATEMENT OF COMPLIANCE

- 2.1 This interim financial information of the Group for the quarter ended September 30, 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.
- 2.2 This interim financial information is un-audited and is being submitted to shareholders, as required by section 245 of the Companies Ordinance, 1984.

3. BASIS OF PREPARATION

- 3.1 This interim financial information does not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Group's annual financial statements as at June 30, 2016.
- 3.2 The accounting policies adopted for the preparation of this interim financial information are same as those applied in the preparation of the preceding annual published financial statements of the Group for the year ended June 30, 2016 except for as disclosed in note 3.3 below.

- 3.3 As a result of adoption of International Financial Reporting Standard (IFRS)-10, the “Consolidated Financial Statements” by Securities and Exchange Commission of Pakistan(SECP), the Company reassessed control mechanism of its investment in Bolan Castings Limited (BCL) and Millat Equipment Limited (MEL) that although the Company has less than 50% voting rights both in BCL and MEL, the Company has the ability to exercise control over both these companies. Henceforth these companies are concluded to be subsidiaries of the Company and comparatives have been accordingly restated. This restatement has resulted in change in profit after tax of comparative period from Rs. 300,049 thousand to Rs. 331,905 thousand.
- 3.4 The Group has adopted the following amended IFRS and IFRIC interpretation which became effective during the period:
- IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment)
 - IFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)
 - IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)
 - IAS 16 Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)
 - IAS 16 Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)
 - IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)

The adoption of the above amendments did not have any effect on the interim financial information.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, incomes and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation are the same as those that applied to the financial statements for the year ended June 30, 2016.

5. CONTINGENCIES AND COMMITMENTS

There has been no significant change in the contingencies since the date of preceding published annual financial statements.

Commitments in respect of outstanding letters of credit are Rs. 1,175,350 thousand (June 30, 2016: Rs 403,826 thousand).

	September 30, 2016	June 30, 2016
	(Rupees in thousand)	
6. OPERATING FIXED ASSETS		
Opening book value	1,237,431	1,263,416
Stores, spares & loose tools	1,064	1,064
Add: Additions during the period	6.1 78,099	152,471
	1,316,594	1,416,951
Less: Disposals / write offs during the period (at book value)	(9,387)	(33,066)
Depreciation charged during the period	(34,031)	(145,390)
	(43,418)	(178,456)
Closing book value	1,273,176	1,238,495
6.1 Additions during the period		
- Buildings on freehold land	-	32,573
- Plant and machinery	24,960	27,824
- Tools and equipments	4,620	19,078
- Furniture, fixture and office equipment	109	8,041
- Vehicles	48,041	60,855
- Computers	369	4,100
	78,099	152,471
7. CAPITAL WORK IN PROGRESS		
Advance for purchase of office space	227,165	220,125
Others	64,893	50,506
	292,058	270,631
8. LONG TERM INVESTMENTS		
Available for sale - quoted		
- Baluchistan Wheels Limited	24,364	24,364
Surplus on revaluation of investment	198,999	102,191
	223,363	126,555
	223,363	126,555

	September 30, 2016	June 30, 2016
	(Rupees in thousand)	
9. SHORT TERM INVESTMENTS		
Financial assets at fair value through profit and loss - Mutual fund units	2,560,549	1,194,315

	Quarter ended September 30 2016	2015
	(Rupees in thousand)	
10. TRANSACTIONS WITH RELATED PARTIES		
Retirement benefit plans	25,559	28,657

11. EVENTS AFTER BALANCE SHEET DATE

The Board of Directors have declared Nil cash dividend (June 30, 2016 : Rs. 30 per share) in their meeting held on October 26, 2016.

12. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 26, 2016 by the Board of Directors of the Group.

13. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.



S M Irfan Aqueel
Chief Executive

















Sikandar Mustafa Khan
Director / Chairman



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