

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

Auditors

M/s. Ernst & Young Ford Rhodes Sidat
Hyder,
Chartered Accountants

Legal Advisors

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
E-mail: 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 Board of Directors of Millat Tractors Limited, I am pleased to present the review of Company operations along with unaudited interim financial statements for the first quarter ended September 30, 2015.

During the first quarter 2015-16 the Company could manage to achieve sales volume of 4,360 as against 6,085 tractors sold in the corresponding period last year showing a decrease of 28% in volume. The net sales for the first quarter remained at Rs. 3,541 million as against Rs. 4,766 million in the same period last year indicating a decrease of 26%.

The net profit after tax for the current period is Rs. 252 million as compared to Rs. 488 million for the same period last year which translates into EPS of Rs. 5.69 as compared to EPS of Rs. 11.03 for the corresponding period of last financial year showing a decrease of 48.41%.

Decrease of commodity prices internationally as well as locally with over all slump in the agriculture sector has severely hampered the purchasing power of the farmer which in turn has cascaded in all sectors related with agriculture. The situation further deteriorated with the long delay of subsidy schemes announced in the provincial budgets resulting in cash strapped farming community to remain on hold since the announcement. Decrease in Rupee value against Dollar has severely impacted the cost of imported components on the other hand. The aforesaid factors have impacted negatively on the tractor industry accordingly.

The economy continued its progress and showed improvement due to low inflation, decreasing fuel prices and improvement of foreign exchange reserves. It is expected that improvement in security situation and upcoming investment of Pak China Economic Corridor will strengthen the Pakistan economy resulting in uplifting of social and economic conditions of common man in the country.

Looking ahead, we expect the much awaited tractor subsidy schemes to materialize in the second half of the financial year. Moreover, we shall continue our focus on exports and identifying new avenues of growth through our negotiations with our Principals to overcome the cyclical variations of demand in the local market.

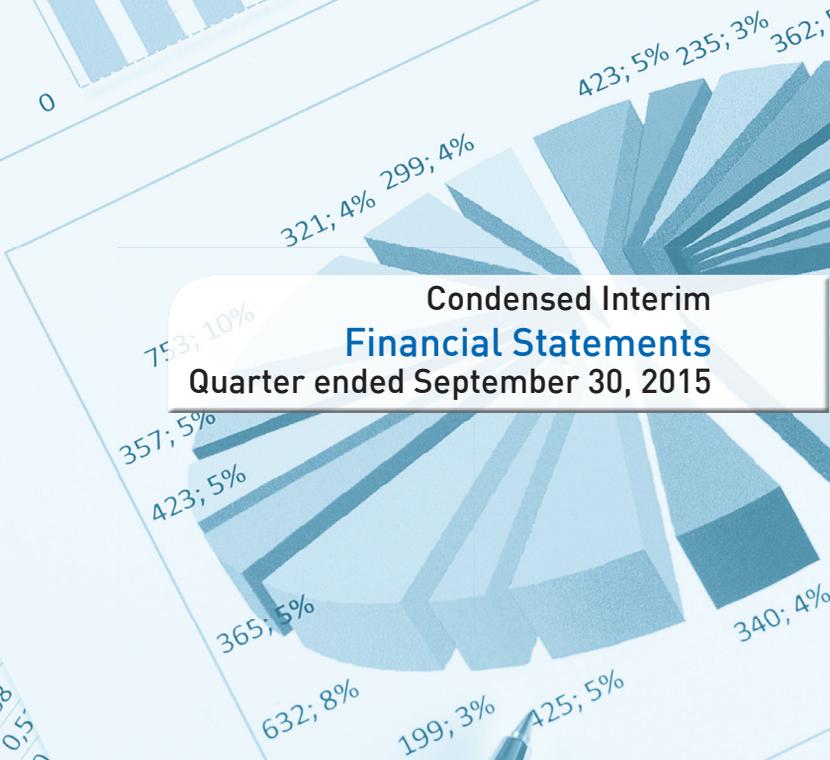
We take this opportunity to thank our customers, dealers, vending associates and all the stakeholders for having their trust and confidence in the Company and pay gratitude to the employees for the dedication, commitment, loyalty and hard work.



Sikandar Mustafa Khan

Chairman

October 26, 2015



**Condensed Interim
Financial Statements
Quarter ended September 30, 2015**

A silver and black pen is positioned at the bottom of the page, pointing towards a table of numerical data. The table contains various decimal values arranged in columns.

0.29	0.03	0.17	0.09	0.43	0.90	0.35	0.70	0.30	0.88	0.35	0.38	0.57	0	
0.29	0.48	0.16	0.15	0.40	0.85	0.56	0.71	0.23	0.37	0.26	0.45	0.85	0.48	0.17
0.09	0.70	0.84	0.06	0.18	0.71	0.65	0.50	0.79						

Condensed Interim Balance Sheet

as at September 30, 2015 (Unaudited)

Note	September 30, 2015	June 30, 2015
(Rupees in thousand)		
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorised capital		
50,000,000 (June 30, 2014: 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	3,116,706	3,116,706
Unappropriated profit	1,339,072	1,086,858
Fair value reserve	75,049	64,953
	4,973,753	4,711,443
Non-current liabilities		
Security deposits	11,195	10,595
Deferred taxation	16,074	10,214
	27,269	20,809
Current liabilities		
Accumulating compensated absences	90,311	90,311
Trade and other payables	2,908,324	2,884,862
Mark-up accrued on short term borrowings	2,427	1,800
	3,001,062	2,976,973
CONTINGENCIES AND COMMITMENTS		
5	8,002,084	7,709,225

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



Sikandar Mustafa Khan
Chairman

	Note	September 30, 2015	June 30, 2015
(Rupees in thousand)			
ASSETS			
Non-current assets			
Property, plant and equipment			
Operating fixed assets	6	476,116	485,721
Capital work in progress	7	217,121	209,660
Intangible assets		5,574	3,867
Investment property		255,708	255,708
Long term investments	8	379,639	369,543
Long term loans		2,113	1,911
Employee benefits		142,578	143,512
		<u>1,478,849</u>	<u>1,469,922</u>
Current assets			
Stores and spares		121,098	107,141
Stock-in-trade		3,071,959	2,429,982
Trade debts		131,253	184,377
Loans and advances		76,586	68,683
Trade deposits and prepayments		50,713	22,748
Balances with statutory authority		838,831	767,295
Other receivables		77,164	61,506
Tax refunds due from the Government		864,198	815,198
Short term investments	9	–	700,203
Cash and bank balances		1,291,433	1,082,170
		<u>6,523,235</u>	<u>6,239,303</u>
		<u>8,002,084</u>	<u>7,709,225</u>



Syed Muhammad Irfan Aqueel
Chief Executive

Condensed Interim Profit and Loss Account

for the quarter ended September 30, 2015 (Unaudited)

	September 30, 2015	September 30, 2014
(Rupees in thousand)		
Sales - net	3,540,885	4,765,992
Cost of sales	2,960,312	3,848,046
Gross profit	580,573	917,946
Distribution and marketing expenses	72,116	115,024
Administrative expenses	127,399	94,843
	199,515	209,867
Operating profit	381,058	708,079
Other operating income	18,203	59,727
	399,261	767,806
Other operating expenses	27,786	51,287
Finance cost	2,321	2,085
	30,107	53,372
Profit before taxation	369,154	714,434
Taxation	116,940	225,930
Profit for the period	252,214	488,504
Earnings per share - basic and diluted (Rupees)	5.69	11.03

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.



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

Condensed Interim Statement of Comprehensive Income

for the quarter ended September 30, 2015 (Unaudited)

	September 30, 2015	September 30, 2014
	(Rupees in thousand)	
Profit for the period	252,214	488,504
Other comprehensive income:		
Unrealized gain on revaluation of investments	10,096	10,904
Total other comprehensive income	10,096	10,904
Total comprehensive income for the period	<u>262,310</u>	<u>499,408</u>

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



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

Condensed Interim Cash Flow Statement

for the quarter ended September 30, 2015 (Unaudited)

September 30, September 30,
2015 2014
(Rupees in thousand)

Cash flows from operating activities

Profit before taxation	369,154	714,434
Adjustment for:		
Depreciation on property, plant & equipment	15,417	16,139
Amortization of intangible assets	674	578
Gain on disposal of short term investments	-	-
Finance cost	2,321	2,085
Profit on bank deposits	(1,969)	(3,613)
Dividend income	-	-
	<u>16,443</u>	<u>15,189</u>
Cash flow from operating activities before working capital changes	<u>385,597</u>	<u>729,623</u>

Effect on cash flow due to working capital changes

Decrease/(increase) in current assets:		
Stores and spares	(13,957)	(4,446)
Stock in trade	(641,977)	274,335
Trade debts	53,124	6,717
Loans and advances	(7,903)	(25,178)
Trade deposits and prepayments	(27,965)	(19,453)
Other receivables	(87,560)	(139,302)
	<u>(726,238)</u>	<u>92,673</u>
Increase/(decrease) in current liabilities:		
Trade and other payables	28,821	832,682
	<u>(697,417)</u>	<u>925,355</u>

Cash used in operations

Income tax paid	(160,080)	(122,718)
Increase in long term loans to employees	(202)	(486)
Increase in long term security deposits	600	50
Mark-up paid	(1,694)	(2,664)
	<u>(161,376)</u>	<u>(125,818)</u>
Net cash generated from/(used in) operating activities	<u>(473,196)</u>	<u>1,529,160</u>

September 30, September 30,
2015 2014
(Rupees in thousand)

Cash flows from investing activities

Purchase of property, plant and equipment	(18,048)	(32,483)
Purchase of intangible assets	(2,381)	-
Purchase of short term investments	-	(1,931,316)
Proceeds from sale of short term investments	700,203	-
Proceeds from sale of property, plant and equipment	4,775	3,683
Profit on bank deposits	3,269	5,186
Net cash [used in]/generated from investing activities	687,818	(1,954,930)

Cash flows from financing activities

Dividend paid	(5,359)	(3,576)
Net cash used in financing activities	(5,359)	(3,576)
Net decrease in cash and cash equivalents	209,263	(429,346)
Cash and cash equivalents at the beginning of the period	1,082,170	1,118,174
Cash and cash equivalents at the end of the period	1,291,433	688,828

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



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

Condensed Interim Statement of Changes in Equity

for the quarter ended September 30, 2015 (Unaudited)

	Share capital	Revenue Reserves		Fair value reserve	Total
		General reserves	Unappropriated profit		
(Rupees in thousand)					
Balance as on July 1, 2014	442,926	3,263,551	739,006	42,375	4,487,858
Total comprehensive income for the quarter ended September 30, 2014	-	-	488,504	10,904	499,408
Balance as on September 30, 2014	442,926	3,263,551	1,227,510	53,279	4,987,266
Final dividend for the year ended 30 June 2014 @ Rs. 20 per share	-	(146,845)	(739,006)	-	(885,851)
Interim dividend @ Rs. 25/- per share	-	-	(1,107,314)	-	(1,107,314)
Total comprehensive income for the nine months ended June 30, 2015	-	-	1,705,668	11,674	1,717,342
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

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



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

Selected Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2015 (Unaudited)

1. THE COMPANY AND ITS ACTIVITIES

The company is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984, and is listed on Karachi, Islamabad and Lahore Stock Exchanges. The registered office of the company is situated at Sheikhpura Road, District Sheikhpura. It is engaged in assembling and manufacturing of agricultural tractors, implements and equipments.

2. STATEMENT OF COMPLIANCE

- 2.1 This interim financial information of the Company for the quarter ended September 30, 2015 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, 2015.
- 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, 2015 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 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements - Investment Entities (Amendment)

IFRS 11 - Joint Arrangements

IFRS 12 - Disclosure of Interests in Other Entities

IFRS 13 - Fair Value Measurement

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

Selected Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2015 (Unaudited)

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, 2015.

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. 333,000 thousand (June 30, 2015: Rs 287,944 thousand).

	Note	September 30, 2015	June 30, 2015
(Rupees in thousand)			
6. OPERATING FIXED ASSETS			
Opening book value		485,721	481,293
Add: Additions during the period	6.1	10,587	86,043
		<u>496,308</u>	<u>567,336</u>
Less: Disposals / write offs during the period (at book value)		(4,775)	(11,034)
Depreciation charged during the period		(15,417)	(70,581)
		<u>(20,192)</u>	<u>(81,615)</u>
Closing book value		<u>476,116</u>	<u>485,721</u>
6.1 Additions during the period			
- Buildings on freehold land		-	2,090
- Plant and machinery		-	9,563
- Tools and equipments		479	758
- Furniture, fixture and office equipment		619	3,940
- Vehicles		9,490	50,480
- Computers		-	19,212
		<u>10,587</u>	<u>86,043</u>

	September 30, 2015	June 30, 2015
	(Rupees in thousand)	
7. CAPITAL WORK IN PROGRESS		
Advance for purchase of office space	198,295	198,295
Others	18,826	11,365
	<u>217,121</u>	<u>209,660</u>
8. LONG TERM INVESTMENTS		
Related parties		
Investment at cost		
- Subsidiary - unquoted	57,375	57,375
- Subsidiary - unquoted	41,460	41,460
- Associates - quoted	76,610	76,610
- Associates - unquoted	117,000	117,000
	<u>292,445</u>	<u>292,445</u>
Others		
Available for sale - quoted		
Cost	12,145	12,145
Surplus on revaluation of investment	75,049	64,953
	<u>87,194</u>	<u>77,098</u>
	<u>379,639</u>	<u>369,543</u>
9. SHORT TERM INVESTMENTS		
Financial assets at fair value through profit and loss - Mutual fund units	-	700,203

	Quarter ended	
	September 30, 2015	September 30, 2014
	(Rupees in thousand)	
10. TRANSACTIONS WITH RELATED PARTIES		
Purchases from related parties	879,040	876,343
Dividend income	-	-
Payable to related parties	280,756	101,480
Receivable from related parties	15,294	17,702
Payments to funds:		
- Pension	2,821	2,821
- Gratuity	19,595	10,511
- Benevolent	69	69
- Provident fund	3,649	3,186

Selected Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2015 (Unaudited)

11. EVENTS AFTER BALANCE SHEET DATE

The Board of Directors have declared Nil cash dividend (June 30, 2015: Rs. 27.5 per share) in their meeting held on October 26, 2015.

12. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 26, 2015 by the Board of Directors of the company.

13. CORRESPONDING FIGURES

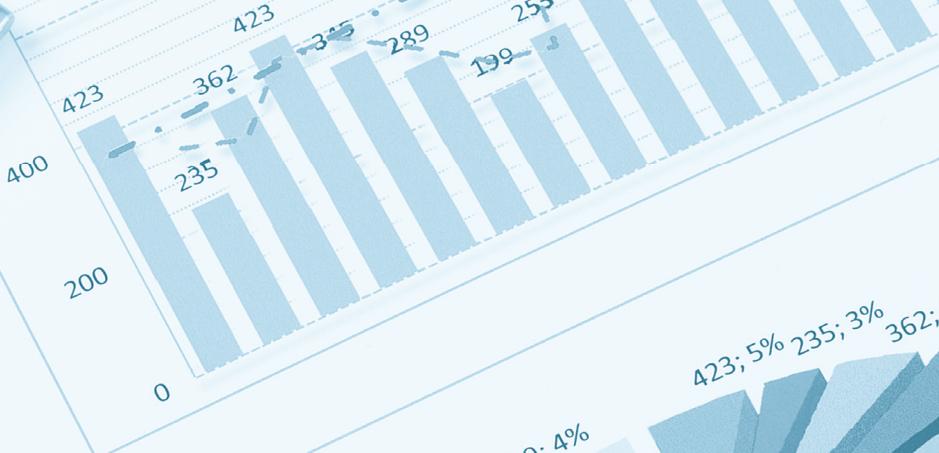
Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.



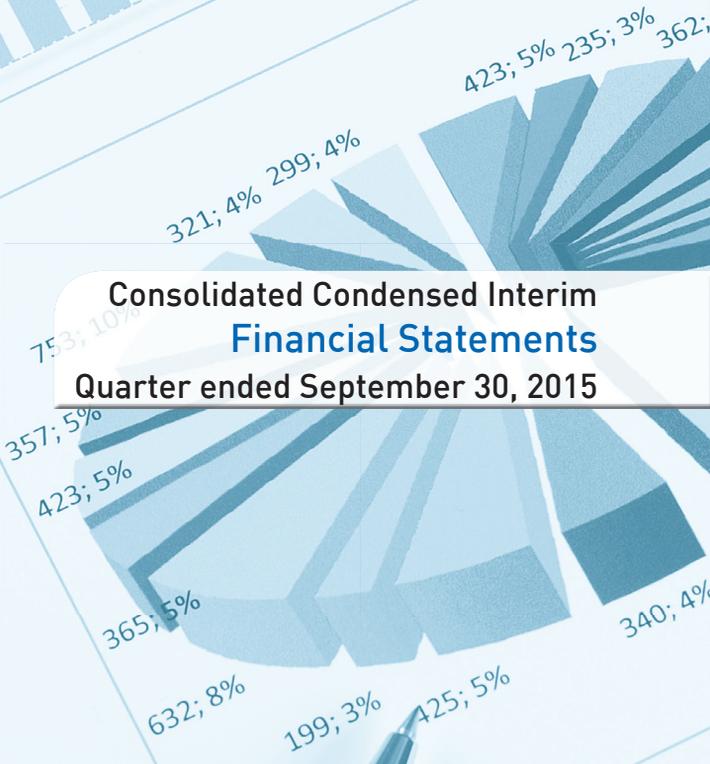
Sikandar Mustafa Khan
Chairman



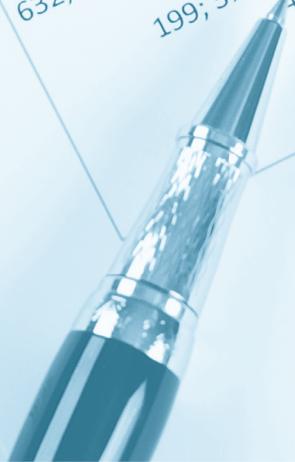
Syed Muhammad Irfan Aqueel
Chief Executive



**Consolidated Condensed Interim
Financial Statements**
Quarter ended September 30, 2015



0.29
0.03
0.1
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0.06
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0.71
0.65
0.50
0.79



Consolidated Condensed Interim Balance Sheet

as at September 30, 2015 (Unaudited)

	Note	September 30, 2015	June 30, 2015
(Rupees in thousand)			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
50,000,000 (June 30, 2014: 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		3,116,706	3,116,706
Unappropriated profit		2,054,139	1,761,505
Exchange translation reserve		145	145
Fair value reserve		61,712	51,616
		5,675,628	5,372,898
Non-controlling interests		164,072	156,657
Non-current liabilities			
Security deposits		11,195	10,595
Deferred taxation		21,797	15,553
		32,992	26,148
Current liabilities			
Accumulating compensated absences		90,311	90,311
Trade and other payables		2,983,563	2,953,948
Mark-up accrued on short term borrowings		2,452	1,800
		3,076,326	3,046,059
CONTINGENCIES AND COMMITMENTS	5	8,949,018	8,601,762

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



Sikandar Mustafa Khan
Chairman

	Note	September 30, 2015	June 30, 2015
(Rupees in thousand)			
ASSETS			
Non-current assets			
Property, plant and equipment			
Operating fixed assets	6	545,113	556,497
Capital work in progress	7	217,736	209,660
Intangible assets		5,574	3,867
Investment property		255,708	255,708
Long term investments	8	755,591	719,336
Long term loans		2,113	1,911
Employee benefits		142,578	143,512
		1,924,413	1,890,491
Current assets			
Stores and spares		132,516	118,573
Stock-in-trade		3,245,593	2,566,614
Trade debts		205,930	247,990
Loans and advances		104,883	83,279
Trade deposits and prepayments		55,599	26,493
Balances with statutory authority		838,831	767,295
Other receivables		76,335	64,171
Tax refunds due from the Government		885,379	834,983
Short term investments	9	-	845,203
Cash and bank balances		1,479,539	1,156,670
		7,024,605	6,711,271
		8,949,018	8,601,762



Syed Muhammad Irfan Aqueel
Chief Executive

Consolidated Condensed Interim Profit and Loss Account

for the quarter ended September 30, 2015 (Unaudited)

	September 30, 2015	September 30, 2014
	(Rupees in thousand)	
Sales - net	3,813,127	4,966,690
Cost of sales	3,175,505	4,008,839
Gross profit	637,622	957,851
Distribution and marketing expenses	78,442	119,734
Administrative expenses	146,092	105,045
	224,534	224,779
Operating profit	413,088	733,072
Other operating income	19,944	60,400
	433,032	793,472
Other operating expenses	29,844	52,780
Finance cost	2,779	2,161
	32,623	54,941
Profit before taxation	400,409	738,531
Share of profit of associates	38,015	53,382
	438,424	791,913
Taxation		
- Group	126,520	232,511
- Associates	11,856	25,693
	138,375	258,204
Profit for the period	300,049	533,709
Attributable to:		
- Equity holders of the holding Company	292,634	529,099
- Non-controlling interests	7,415	4,610
	300,049	533,709
Earnings per share - basic and diluted (Rupees)	6.77	12.05

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.



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

Consolidated Condensed Interim Statement of Comprehensive Income for the quarter ended September 30, 2015 (Unaudited)

	September 30, 2015	September 30, 2014
	(Rupees in thousand)	
Profit for the period	300,049	533,709
Other comprehensive income:		
Unrealized gain on revaluation of investments	10,096	10,904
Total comprehensive income for the period	310,145	544,613
Attributable to:		
- Equity holders of the holding Company	302,730	540,003
- Non-controlling interest	7,415	4,610
	310,145	544,613

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



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

Consolidated Condensed Interim Cash Flow Statement

for the quarter ended September 30, 2015 (Unaudited)

September 30, September 30,
2015 2014
(Rupees in thousand)

Cash flows from operating activities

Profit before taxation	438,424	791,913
Adjustment for:		
Depreciation on property, plant & equipment	17,462	17,955
Amortization of intangible assets	674	578
Share of profit of associates	(38,015)	(53,382)
Finance cost	2,779	2,161
Profit on bank deposits	(3,710)	(4,286)
	(20,810)	(36,974)
Cash flow from operating activities before working capital changes	417,614	754,939

Effect on cash flow due to working capital changes

(Increase)/decrease in current assets:

Stores and spares	(13,943)	(5,837)
Stock in trade	(678,979)	242,701
Trade debts	42,060	(12,433)
Loans and advances	(21,604)	(31,029)
Trade deposits and prepayments	(29,106)	(19,320)
Other receivables	(84,066)	(137,942)
	(785,638)	36,140

Increase in current liabilities:

Trade and other payables	34,977	855,731
	(750,661)	891,871

Cash used in operations

Income tax paid	(170,672)	(134,786)
Increase in long term loans to employees	(202)	(486)
Increase in long term security deposits	600	50
Mark-up paid	(2,127)	(2,929)
	(172,401)	(138,151)
Net cash (used in)/generated from operating activities	(505,447)	1,508,659

September 30, September 30,
2015 2014
(Rupees in thousand)

Cash flows from investing activities

Purchase of property, plant and equipment	(18,999)	(33,413)
Purchase of intangible assets	(2,381)	-
Purchase of short term investments	-	(1,931,316)
Proceeds from sale of short term investments	845,203	-
Proceeds from sale of property, plant and equipment	4,845	3,683
Profit on bank deposits	5,010	5,859
Net cash generated from/(used in) from investing activities	833,678	(1,955,187)

Cash flows from financing activities

Dividend paid	(5,362)	(3,576)
Net cash used in financing activities	(5,362)	(3,576)
Net increase/(decrease) in cash and cash equivalents	322,869	(450,104)
Cash and cash equivalents at the beginning of the period	1,156,670	1,257,429
Cash and cash equivalents at the end of the period	1,479,539	807,325

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



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

Consolidated Condensed Interim Statement of Changes in Equity for the quarter ended September 30, 2015 (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 July 1, 2014	442,926	3,263,551	1,313,338	231	29,038	118,823	5,167,907
Total comprehensive income for the quarter ended September 30, 2014	-	-	529,099	-	10,904	4,610	544,613
Balance as on September 30, 2014	442,926	3,263,551	1,842,437	231	39,942	123,433	5,712,520
Final dividend for the year ended 30 June 2014 @ Rs. 20 per share	-	(146,845)	(739,006)	-	-	-	(885,851)
Interim dividend @ Rs. 25/- per share	-	-	(1,107,314)	-	-	-	(1,107,314)
Dividend payment to NCI	-	-	-	-	-	(9,646)	(9,646)
Exchange difference	-	-	-	(86)	-	(29)	(115)
Total comprehensive income for the nine months ended June 30, 2015	-	-	1,765,388	-	11,674	42,899	1,819,961
Balance as on July 1, 2015	442,926	3,116,706	1,761,505	145	51,616	156,657	5,529,555
Total comprehensive income for the quarter ended September 30, 2015	-	-	292,634	-	10,096	7,415	310,145
Balance as on September 30, 2015	442,926	3,116,706	2,054,139	145	61,712	164,072	5,839,700

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



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

Selected Notes to the Consolidated Condensed Interim Financial Information for the quarter ended September 30, 2015 (Unaudited)

1. THE GROUP AND ITS ACTIVITIES

Millat Tractors Limited, the company is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984, and is listed on Karachi, Islamabad and Lahore Stock Exchanges. The registered office of the company is situated at Sheikhpura Road, District Sheikhpura. It is engaged in assembling and manufacturing of agricultural tractors, implements and equipments. Millat Industrial Products Limited (MIPL) is a subsidiary of Millat Tractors Limited and is engaged in business of manufacturing vehicles, industrial and domestic batteries, cells and components thereof. Tipeg Intertade DMCC is a subsidiary of Millat Tractors Limited and is engaged in trading business of machinery and heavy equipment.

2. STATEMENT OF COMPLIANCE

- 2.1 This interim financial information of the Group for the quarter ended September 30, 2015 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, 2015.
- 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, 2015 except for as disclosed in note 3.3 below.

- 3.3 The Group has adopted the following amended IFRS and IFRIC interpretation which became effective during the period:

IFRS 10 – Consolidated Financial Statements

IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities (Amendment)

IFRS 11 – Joint Arrangements

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 13 – Fair Value Measurement

IFRS 10 Requires Management to establish significant judgment to determine which entities are controlled and therefore, required to be consolidated by a parent, compared with the requirement in IAS 27.

The Management is in the process of estimating the impact of IFRS 10 on the currently held investments in associates of the Group and resultantly on the consolidated financial statement of the Group.

Selected Notes to the Consolidated Condensed Interim Financial Information for the quarter ended September 30, 2015 (Unaudited)

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, 2015.

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. 333,000 thousand (June 30, 2015: Rs 293,405 thousand).

	Note	September 30, 2015	June 30, 2015
(Rupees in thousand)			
6. OPERATING FIXED ASSETS			
Opening book value		556,497	544,867
Add: Additions during the period	6.1	10,923	101,977
		567,420	646,844
Less: Disposals / write off during the period (at book value)		(4,845)	(11,859)
Depreciation charged during the period		(17,462)	(78,488)
		(22,307)	(90,347)
Closing book value		545,113	556,497
6.1 Additions during the period			
- Buildings on freehold land		-	6,206
- Plant and machinery		-	13,753
- Tools and equipments		479	6,135
- Furniture, fixture and office equipment		683	4,282
- Vehicles		9,680	52,245
- Computers		82	19,356
		10,923	101,977

	September 30, 2015	June 30, 2015
	(Rupees in thousand)	
7. CAPITAL WORK IN PROGRESS		
Advance for purchase of office space	198,295	198,295
Others	19,441	11,365
	<u>217,736</u>	<u>209,660</u>
8. LONG TERM INVESTMENTS		
Related parties		
- Associates - quoted	189,044	187,127
- Associates - unquoted	479,352	455,111
	668,397	642,238
Others		
Available for sale - quoted		
Cost	12,145	12,145
Surplus on revaluation of investment	75,049	64,953
	87,194	77,098
	<u>755,591</u>	<u>719,336</u>
9. SHORT TERM INVESTMENTS		
Financial assets at fair value through profit and loss - Mutual fund units	-	845,203

	Quarter ended	
	September 30, 2015	September 30, 2014
	(Rupees in thousand)	
10. TRANSACTIONS WITH RELATED PARTIES		
Purchases from related parties	834,561	842,657
Payable to related parties	267,237	93,499
Receivable from related parties	9,922	-
Payments to funds:		
- Pension	2,821	2,821
- Gratuity	19,595	10,511
- Benevolent	69	69
- Provident fund	3,649	3,186

Selected Notes to the Consolidated Condensed Interim Financial Information for the quarter ended September 30, 2015 (Unaudited)

11. EVENTS AFTER BALANCE SHEET DATE

The Board of Directors have declared Nil cash dividend (June 30, 2015: Rs. 27.5 per share) in their meeting held on October 26, 2015.

12. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 26, 2015 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.



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive



