

CORPORATE INFORMATION

Board of Directors

Mr. Sikandar Mustafa Khan
Chairman

Mr. Sohail Bashir Rana
Chief Executive

Mr. Latif Khalid Hashmi

Mr. Laeeq Uddin Ansari

Mian Muhammad Saleem
Rana Muhammad Siddique

Mr. Manzoor Ahmed

Mr. Mazhar Uddin Ansari

Mr. S.M. Tanvir
M.C.B. Nominee

Company Secretary

Mian Muhammad Saleem

Chief Financial Officer

Mr. Javed Munir

Auditors

M/s. A. F. Ferguson & Co.
Chartered Accountants

Legal Advisors

Walker Martineau Saleem
Advocates & Legal Consultants

Altaf and Altaf
Advocates

Company Registrars

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

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

Bankers

Bank Alfalah Ltd.

Habib Bank Ltd.

MCB Bank Ltd.

Meezan Bank Ltd.

RBS (formerly ABN Amro Bank)

Standard Chartered Bank

United Bank Ltd.

Registered Office and Plant

Sheikhupura Road, Distt. Sheikhupura

Tel: 042-7911021-25, 111-200-786

Fax: 042-7924166, 7925835

Web Site: www.millat.com.pk

E-mail: info@millat.com.pk

Regional Offices

Karachi

3-A, Faiyaz Centre, Sindhi Muslim

Co-operative Housing Society

Tel: 021-4553752, 111-200-786

Fax: 021-4556321

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, 111-200-786

Fax: 051-2270693

Sukkur

A-3, Professor Housing Society,

Shikarpur Road

Tel: 071-5633042

Fax: 071-5633187

DIRECTORS' REVIEW

I feel pleasure to present to you on behalf of Board of Directors the un-audited quarterly accounts of Millat Tractors Limited for the first quarter ended September 30, 2008.

The Company achieved a sales volume of 5,840 tractors in the first quarter as against 5,719 tractors for the corresponding quarter of the last year, showing an increase of 2.11%. Sales revenue increased to Rs. 2,874 million as against Rs. 2,299 million during corresponding period of last year, showing an increase of 25%.


Pre-tax profit for the quarter amounts to Rs.192.26 million as compared to Rs.190.2 million of the corresponding period of previous year.

The raw material and other input costs have shown an increasing trend throughout the quarter. The depreciation of the rupee is off setting potential benefits of global raw material adjustments. Moreover, the global economy is facing recession making the local economic conditions non-conducive for the overall business activity. However, by the grace of Almighty, we still have managed to achieve better results as compared to the corresponding period of last year.

We are striving hard to enhance the production of tractors to meet the growing demand in the Country without compromising our quality standards. At the same time agri-economic conditions are changing very rapidly and we endeavor to meet these changes through customer focused products supported with elevated after sales services and back up support. Farmer support schemes like the "Green Tractor" scheme of the Punjab Government will further help the tractor industry.

We take this opportunity to thank our valued customers who have shown great confidence in our products and make a resolve to provide them the value of their money. We also acknowledge the co-operation extended to us by our valued principals, dealers, vendors and convey our gratitude to the employees of the Company for their loyalty, devotion and hard work.

For and on behalf of the Board



Sikandar Mustafa Khan
Chairman

Lahore:
October 30, 2008

A close-up photograph of a stack of coins on a white surface. The coins are slightly out of focus, with a soft bokeh effect in the background. The word 'Accounts' is faintly visible in the background, suggesting the text is overlaid on the image. The overall color palette is warm and monochromatic, dominated by shades of red and orange.

Accounts

Millat Tractors Limited

CONDENSED INTERIM BALANCE SHEET

	Un-audited Sept. 30, 2008	Audited June 30, 2008
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital 20,000,000 (2008: 20,000,000) ordinary shares of Rs. 10/- each	200,000	200,000
Issued, subscribed and paid up capital	187,420	187,420
General reserve	2,211,000	2,211,000
Unappropriated profit	727,874	576,917
Unrealized gain on revaluation of investments	58,090	63,542
	3,184,384	3,038,879
NON-CURRENT LIABILITIES		
Security deposits	9,485	9,485
Deferred revenue	24,439	32,729
Deferred tax liability	12,355	12,355
Accumulating compensated absences	28,344	28,344
	74,623	82,913
CURRENT LIABILITIES		
Current portion of deferred revenue	202,080	218,127
Trade and other payables	3,547,778	3,925,019
Mark-up accrued on short term borrowings	6,778	2,858
Short term borrowings	249,221	-
	4,005,857	4,146,004
CONTINGENCIES AND COMMITMENTS	6	
	7,264,864	7,267,796

The annexed notes 1 to 16 form an integral part of the condensed interim financial information.

AS AT SEPTEMBER 30, 2008 (UN AUDITED)

Un-audited Audited
Sept. 30, 2008 June 30, 2008

Note (Rupees in thousand)

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment	7	405,916	298,219
Capital work in progress	8	92,845	179,955
Intangible assets - in progress		19,855	17,028
Investment property		273,203	273,203
Long term investments	9	309,974	315,425
Long term loans - considered good		5,569	4,385
		1,107,362	1,088,215

CURRENT ASSETS

Stores and spares		83,982	78,292
Stock in trade		1,965,640	1,636,153
Trade debts		61,776	102,660
Loans and advances		286,051	98,082
Trade deposits and prepayments		18,237	7,782
Other receivables		993,201	1,167,286
Taxation - net		92,247	8,198
Short - term Investments	10	2,604,813	2,831,770
Cash and bank balances		51,555	249,358
		6,157,502	6,179,581

7,264,864

7,267,796



Sikandar Mustafa Khan
Chairman




Sohail Bashir Rana
Chief Executive

**CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
for the 1st quarter ended September 30, 2008**

	Sept. 30, 2008	Sept. 30, 2007
	(Rupees in thousand)	
Sales - net	2,872,605	2,298,784
Cost of sales	<u>2,599,475</u>	<u>2,025,172</u>
Gross profit	273,130	273,612
Distribution and marketing expenses	94,129	78,084
Administrative expenses	51,415	48,337
	<u>145,544</u>	<u>126,421</u>
Operating profit	127,586	147,191
Other operating income	<u>82,283</u>	<u>65,745</u>
	209,869	212,936
Other operating expenses	10,119	17,904
Finance cost	7,493	4,844
	<u>17,612</u>	<u>22,748</u>
Profit before taxation	192,257	190,188
Taxation	<u>41,300</u>	<u>45,824</u>
Profit after taxation	<u>150,957</u>	<u>144,364</u>
Earnings per share - basic and diluted (Rs.)	<u>8.05</u>	<u>7.70</u>

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

The annexed notes 1 to 16 form an integral part of the condensed interim financial information.


Sikandar Mustafa Khan
Chairman



Sohail Bashir Rana
Chief Executive

**CONDENSED INTERIM
CASH FLOW STATEMENT (UN-AUDITED)
for the 1st quarter ended September 30, 2008**

Sept. 30, 2008 Sept. 30, 2007
(Rupees in thousand)

	Note		
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	12	(258,337)	(58,837)
Interest and markup paid		(3,573)	(5,997)
Net (increase) / decrease in long term loans to employees		(1,184)	430
Income tax paid		(125,350)	(97,004)
Net decrease in deferred revenue		(24,337)	(21,605)
Net cash used in operating activities		(412,781)	(183,013)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment		(33,442)	(16,280)
Purchase of intangible assets		(2,827)	-
Proceeds from sale of property, plant and equipment		711	1,575
Profit on bank deposits		1,315	777
Net cash used in investing activities		(34,243)	(13,928)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net decrease in cash and cash equivalents		(447,024)	(196,941)
Cash and cash equivalents at the beginning of the period		249,358	(1,262)
Cash and cash equivalents at the end of the period	12.2	<u>(197,666)</u>	<u>(198,203)</u>

The annexed notes 1 to 16 form an integral part of the condensed interim financial information.


Sikandar Mustafa Khan
Chairman


Sohail Bashir Rana
Chief Executive

**CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
for the 1st quarter ended September 30, 2008**

(Rupees in thousand)

	Share capital	Revenue reserves		Fair Value Reserve	Total
		General reserves	Unappropriated profit		
BALANCE AS ON JULY 01, 2007	187,420	1,986,000	450,638	72,522	2,696,580
Profit for the 1st quarter ended September 30, 2007	-	-	144,364	-	144,364
Unrealized loss on revaluation of investments	-	-	-	(706)	(706)
BALANCE AS ON SEPTEMBER 30, 2007	187,420	1,986,000	595,002	71,816	2,840,238
Final dividend for the year ended June 30, 2007	-	-	(224,904)	-	(224,904)
Transfer to General reserve	-	225,000	(225,000)	-	-
Interim dividend	-	(234,275)	-	(234,275)	-
Profit for the three quarters October 2007 - June 2008	-	-	666,094	-	666,094
Unrealized loss on revaluation of investments	-	-	-	(8,274)	(8,274)
BALANCE AS ON JUNE 30, 2008	187,420	2,211,000	576,917	63,542	3,038,879
Profit for the 1st quarter ended September 30, 2008	-	-	150,957	-	150,957
Unrealized loss on revaluation of investments	-	-	-	(5,452)	(5,452)
BALANCE AS ON SEPTEMBER 30, 2008	187,420	2,211,000	727,874	58,090	3,184,384

The annexed notes 1 to 16 form an integral part of the condensed interim financial information.



Sikandar Mustafa Khan
Chairman



Sohail Bashir Rana
Chief Executive

**SELECTED NOTES TO THE
FINANCIAL INFORMATION (UN-AUDITED)
for the 1st quarter ended September 30, 2008**

1. The Company is incorporated in Pakistan having registered office at Sheikhpura Road, District Sheikhpura and is listed on Karachi, Lahore and Islamabad Stock Exchanges. It is engaged in assembly and manufacture of agricultural tractors, implements and equipments.
2. This condensed interim financial information is un-audited and is being submitted to shareholders, as required by section 245 of the Companies ordinance, 1984.
3. The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended June 30, 2008.
4. This condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 " Interim Financial Reporting".
5. Judgments and estimates made by the management in the preparation of the condensed interim financial information are the same as those applied in preparation of preceding annual published financial statements of the Company for the year ended June 30, 2008.
6. CONTINGENCIES AND COMMITMENTS
There has been no significant change in the contingencies since the date of preceding published annual financial statements.

	Un-audited Sept. 30, 2008	Audited June 30, 2008
(Rupees in thousand)		
7. PROPERTY, PLANT AND EQUIPMENT		
Opening book value	298,219	230,474
Add: Additions during the period - note 7.1	120,552	127,776
	418,771	358,250
Less: Disposals during the period (at book value)	(711)	(8,413)
Transferred to investment property	-	(17,495)
Depreciation charged during the period	(12,144)	(34,123)
	(12,855)	(60,031)
	405,916	298,219

Un-audited Audited
 Sept. 30, 2008 June 30, 2008
 (Rupees in thousand)

7.1 Following is the detail of additions during the period

Land	-	45,533
Building on freehold land	-	3,224
Plant and machinery	113,017	10,463
Tools and equipments	1,237	16,099
Furniture, fixture and equipments	1,054	9,695
Vehicles	5,184	37,021
Computers	60	5,741
	120,552	127,776

8. CAPITAL WORK-IN-PROGRESS

Plant & Machinery	13,273	111,145
Advance for purchase of vehicles	6,006	-
Advance for purchase of office space	72,071	64,064
Advance for purchase of office furniture	1,345	102
Others	150	4,644
	92,845	179,955

9. LONG TERM INVESTMENTS

Investment at cost

Related parties

- Subsidiary Company-unquoted	57,375	57,375
- Associated Company-quoted	65,364	65,364
- Associated Companies-unquoted	117,000	117,000
	239,739	239,739

Others - available for sale - quoted

Cost	12,145	12,145
Surplus on revaluation of investment	58,090	63,541
	70,235	75,686
	309,974	315,425

Un-audited Audited
 Sept. 30, 2008 June 30, 2008
 (Rupees in thousand)

10. SHORT TERM INVESTMENTS

Financial assets at fair value through profit
 and loss - Mutual Fund units - cost
 Surplus on revaluation of investments

2,391,010	2,507,379
213,803	324,391
<u>2,604,813</u>	<u>2,831,770</u>

11. TAXATION AND OTHER CHARGES

Provision in respect of workers' profit participation fund, workers' welfare fund and taxation are made on an estimated basis.

12. CASH USED IN OPERATIONS

Profit before taxation	192,257	190,188
Adjustment for:		
- Depreciation on property, plant and equipment	12,144	8,090
- Bad debts written off	2,221	-
- Profit on bank deposits	(1,315)	(61,344)
- Finance cost	7,493	4,844
Working capital changes - note 12.1	(471,137)	(200,615)
	<u>(258,337)</u>	<u>(58,837)</u>

12.1 Working capital changes

(Increase)/decrease in current assets		
- Stores and spares	(5,690)	(8,329)
- Stock in trade	(329,487)	(12,223)
- Trade debts	38,663	126,160
- Loans and advances	(187,969)	6,950
- Trade deposits and prepayments	(10,455)	10,985
- Other receivables	174,085	32,188
- Short term investments	226,957	-
Increase/(decrease) in current liabilities		
- Trade and other payables	(377,241)	(356,346)
	<u>(471,137)</u>	<u>(200,615)</u>

Un-audited	Audited
Sept. 30, 2008	June 30, 2008
(Rupees in thousand)	

12.2 Cash and cash equivalents

Cash and bank balances	51,555	6,444
Short term running finance	(249,221)	(204,647)
	(197,666)	(198,203)

1st quarter ended	
September 30	
2008	2007
(Rupees in thousand)	

13. TRANSACTIONS WITH RELATED PARTIES

Relation with undertaking	Nature & Transaction		
Associated Undertaking	Purchase of Components	501,070	412,314
Other Related Parties	Purchase of Components	16,236	59,695
Retirement benefits plans	Contribution to staff retirement benefits plans	7,901	4,663

14. EVENTS AFTER BALANCE SHEET DATE

Dividend declared by the Company after the balance sheet date amounts to Rs. 374,840 thousand (Rs. 20 per share) {2007: Rs. 224,904 thousand (Rs. 12 per share)}, while appropriation to general reserve and for issuance of bonus shares made after the balance sheet date amount to Rs. 155,000 thousand and Rs. 46,855 thousand respectively (2007: Rs. 225,000 thousand and Rs. Nil thousand respectively).

15. DATE OF AUTHORIZATION OF ISSUE

This condensed interim financial information was authorised for issue on October 30, 2008 by the Board of Directors of the Company.

16. 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



Sohail Bashir Rana
Chief Executive

The image features a large, semi-transparent red umbrella on the left side, with its handle pointing towards the top left. To the right of the umbrella, there are several stacks of gold coins of varying heights, arranged in a row that recedes into the background. The entire scene is set against a plain white background.

Millat Tractors Group

CONSOLIDATED

Financial Statements

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

	Un-audited Sept. 30, 2008	Audited June 30, 2008
	Note	
	(Rupees in thousand)	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital 20,000,000 (June 30, 2008: 20,000,000) ordinary shares of Rs. 10/- each	200,000	200,000
Issued, subscribed and paid up capital	187,420	187,420
General reserve	2,211,000	2,211,000
Unappropriated profit	840,218	682,216
Unrealized gain on revaluation of investments	44,753	50,205
Equity attributable to equity holders of the parent	3,283,391	3,130,841
Minority Interest	17,937	17,211
TOTAL EQUITY	3,301,328	3,148,052
NON-CURRENT LIABILITIES		
Security deposits	9,485	9,485
Deferred revenue	24,439	32,729
Deferred tax liability	12,355	12,355
Accumulating compensated absences	28,344	28,344
	74,623	82,913
CURRENT LIABILITIES		
Current Portion of deferred revenue	202,080	218,127
Trade and other payables	3,560,529	3,936,330
Mark-up accrued on short term borrowings	8,510	4,504
Short term borrowings	287,859	56,203
	4,058,978	4,215,164
CONTINGENCIES AND COMMITMENTS	6	-
	7,434,929	7,446,129

The annexed notes 1 to 16 form an integral part of the consolidated condensed interim financial information.

AS AT SEPTEMBER 30, 2008 (UN AUDITED)

	Un-audited Sept. 30, 2008		Audited June 30, 2008
	Note		
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	436,699	329,151
Capital work in progress	8	92,845	179,955
Intangible assets - in progress		19,855	17,028
Investment property		273,203	273,203
Long term investments	9	370,053	369,753
Long term loans-considered good		5,569	4,385
Deferred cost		774	1,032
		1,198,998	1,174,507
CURRENT ASSETS			
Stores and spares		85,170	79,334
Stock in trade		2,002,070	1,670,618
Trade debts		78,721	118,809
Loans and advances		294,193	100,185
Trade deposits and prepayments		18,237	9,543
Other receivables		993,201	1,168,935
Taxation - net		92,247	8,198
Short - term Investments	10	2,604,813	2,831,770
Cash and bank balances		67,279	284,230
		6,235,931	6,271,622
		7,434,929	7,446,129



Sikandar Mustafa Khan
Chairman




Sohail Bashir Rana
Chief Executive

**CONSOLIDATED CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
for the 1st quarter ended September 30, 2008**

	Sept. 30, 2008	Sept. 30, 2007
	(Rupees in thousand)	
Sales - net	2,907,872	2,298,784
Cost of sales	2,625,614	2,020,137
Gross profit	282,258	278,647
Distribution and marketing expenses	95,947	80,495
Administrative expenses	54,934	50,373
	150,881	130,868
Operating profit	131,377	147,779
Other operating income	82,291	65,746
	213,668	213,525
Other operating expenses	9,271	17,904
Finance cost	10,119	6,346
	19,390	24,250
Share of profit and loss of associated companies	9,392	7,130
Profit before taxation	203,670	196,405
Taxation		
Group	41,300	45,974
Associated	3,642	763
	44,942	46,737
Profit after taxation	158,728	149,668
Attributable to:		
Equity holders of the parent	158,002	150,102
Minority interests	(726)	(434)
	158,728	149,668
Earnings per share - basic and diluted (Rs.)	8.47	7.99

Appropriations have been reflected in the consolidated condensed interim statement of changes in equity.

The annexed notes 1 to 16 form an integral part of the consolidated condensed interim financial information.


Sikandar Mustafa Khan
Chairman



Sohail Bashir Rana
Chief Executive

**CONSOLIDATED CONDENSED INTERIM
CASH FLOW STATEMENT (UN-AUDITED)
for the 1st quarter ended September 30, 2008**

Sept. 30, 2008 Sept. 30, 2007
(Rupees in thousand)

	Note		
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	12	(256,725)	(176,349)
Interest and markup paid		(6,113)	(7,383)
Net (increase) / decrease in long term loans to employees		(1,184)	430
Income tax paid		(125,351)	(97,312)
Net decrease in deferred revenue		(24,337)	(21,605)
Net cash used in operating activities		(413,710)	(302,219)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment		(34,096)	(16,428)
Purchase of intangible assets		(2,827)	-
Proceeds from sale of property, plant and equipment		711	1,575
Profit on bank deposits		1,315	777
Net cash used in investing activities		(34,897)	(14,076)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net decrease in cash and cash equivalents		(448,607)	(316,295)
Cash and cash equivalents at the beginning of the period		228,027	73,340
Cash and cash equivalents at the end of the period	12.2	(220,580)	(242,955)

The annexed notes 1 to 16 form an integral part of the consolidated condensed interim financial information.


Sikandar Mustafa Khan
Chairman


Sohail Bashir Rana
Chief Executive

**CONSOLIDATED CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
for the 1st quarter ended September 30, 2008**

(Rupees in thousand)

	Share capital	Revenue reserves		Fair Value Reserve	Minority Interest	Total
		General reserves	Unappropriated profit			
BALANCE AS AT JULY 01, 2007	187,420	1,986,000	558,007	59,185	11,579	2,802,191
Profit for the 1st quarter ended September 30, 2007	-	-	150,102	-	(434)	149,668
Unrealized loss on revaluation of investments	-	-	-	(705)	-	(705)
BALANCE AS ON SEPTEMBER 30, 2007	187,420	1,986,000	708,109	58,480	11,145	2,951,154
Final dividend for the year ended June 30, 2007	-	-	(224,904)	-	-	(224,904)
Transfer to General reserve	-	225,000	(225,000)	-	-	-
Interim dividend	-	-	(234,275)	-	2,788	(231,487)
Profit for the three quarters October 2007 - June 2008	-	-	658,286	-	3,278	661,564
Unrealized loss on revaluation of investments	-	-	-	(8,275)	-	(8,275)
BALANCE AS ON JUNE 30, 2008	187,420	2,211,000	682,216	50,205	17,211	3,148,052
Profit for the 1st quarter ended September 30, 2008	-	-	158,002	-	726	158,728
Unrealized loss on revaluation of investments	-	-	-	(5,452)	-	(5,452)
BALANCE AS ON SEPTEMBER 30, 2008	187,420	2,211,000	840,218	44,753	17,937	3,301,328

The annexed notes 1 to 16 form an integral part of the consolidated condensed interim financial information.



Sikandar Mustafa Khan
Chairman



Sohail Bashir Rana
Chief Executive

**SELECTED NOTES TO THE CONOSOLIDATED
CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
for the 1st quarter ended September 30, 2008**

1. Millat Tractors Limited (MTL) incorporated in Pakistan and is listed on Karachi, Lahore and Islamabad Stock Exchanges. It is engaged in assembly and manufacture 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 of vehicles, industrial and domestic batteries, cells and components thereof.
2. This consolidated condensed interim financial information is un-audited and is being submitted to shareholders, as required by section 245 of the Companies Ordinance, 1984.
3. The accounting policies adopted for the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the group for the year ended June 30, 2008.
4. This consolidated condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 " Interim Financial Reporting".
5. Judgments and estimates made by the management in the preparation of the consolidated condensed interim financial information are the same as those applied in preparation of preceding annual published financial statements of the group for the year ended June 30, 2008.
6. CONTINGENCIES AND COMMITMENTS
There has been no significant change in the contingencies since the date of preceding published annual financial statements.

	Un-audited Sept. 30, 2008	Audited June 30, 2008
	(Rupees in thousand)	
7. PROPERTY, PLANT AND EQUIPMENT		
Opening book value	329,151	261,514
Add: Additions during the period - note 7.1	121,206	131,079
	450,357	392,593
Less: Disposals during the period (at book value)	(711)	(8,413)
Transferred to investment property	-	(17,495)
Depreciation charged during the period	(12,947)	(37,534)
	(13,658)	(63,442)
	436,699	329,151

Un-audited Audited
 Sept. 30, 2008 June 30, 2008
 (Rupees in thousand)

7.1 Following is the detail of additions during the period

	Un-audited Sept. 30, 2008	Audited June 30, 2008
Land	-	45,533
Building on freehold land	17	3,963
Plant and machinery	113,089	10,532
Tools and equipments	1,689	18,376
Furniture, fixture and office equipment	1,136	9,859
Vehicles	5,184	37,021
Computers	91	5,795
	121,206	131,079

8. CAPITAL WORK-IN-PROGRESS

Plant & Machinery	13,273	111,145
Advance for purchase of vehicles	6,006	-
Advance for purchase of office space	72,071	64,064
Advance for purchase of office furniture	1,345	102
Others	150	4,644
	92,845	179,955

9. LONG TERM INVESTMENTS

Investment at cost

Related parties

- Associated Company-quoted	145,528	146,540
- Associated Companies-unquoted	154,291	147,527
	299,819	294,067

Others - available for sale - quoted

Cost

Surplus on revaluation of investment

Cost	25,481	25,481
Surplus on revaluation of investment	44,753	50,205
	70,234	75,686
	370,053	369,753

Un-audited Audited
 Sept. 30, 2008 June 30, 2008
 (Rupees in thousand)

10. SHORT TERM INVESTMENTS

Financial assets at fair value through profit
 and loss - Mutual Fund units - cost
 Surplus on revaluation of investments

Un-audited Sept. 30, 2008	Audited June 30, 2008
2,391,010	2,507,379
213,803	324,391
<u>2,604,813</u>	<u>2,831,770</u>

11. TAXATION AND OTHER CHARGES

Provision in respect of workers' profit participation fund, workers' welfare fund and taxation are made on an estimated basis.

12. CASH USED IN OPERATIONS

Profit before taxation	203,670	196,405
Adjustment for:		
- Depreciation on property, plant and equipment	12,947	8,843
- Bad debts written off	2,221	-
- Profit on bank deposits	(1,315)	(61,344)
- Finance cost	10,119	6,346
- Share of profit of associates	(9,392)	(7,130)
- Amortization of pre - commencement operating expenses	258	258
Working capital changes - note 12.1	(475,233)	(319,727)
	<u>(256,725)</u>	<u>(176,349)</u>

12.1 Working capital changes

(Increase)/decrease in current assets		
- Stores and spares	(5,836)	(8,355)
- Stock in trade	(331,452)	(15,464)
- Trade debts	37,867	123,452
- Loans and advances	(194,008)	9,640
- Trade deposits and prepayments	(8,694)	(1,604)
- Other receivables	175,734	(70,810)
- Short term investments	226,957	-
Increase/(decrease) in current liabilities		
- Trade and other payables	(375,801)	(356,586)
	<u>(475,233)</u>	<u>(319,727)</u>

Un-audited Audited
 Sept. 30, 2008 June 30, 2008
 (Rupees in thousand)

12.2 Cash and cash equivalents

Cash and bank balances	67,279	11,135
Short term running finance	(287,859)	(254,090)
	(220,580)	(242,955)

1st quarter ended
 September 30
 2008 2007
 (Rupees in thousand)

13. TRANSACTIONS WITH RELATED PARTIES

Relation with undertaking	Nature & Transaction		
Associated Undertaking	Purchase of Components	501,070	412,314
Other Related Parties	Purchase of Components	16,236	59,695
Retirement benefits plans	Contribution to staff retirement benefit plans	7,901	4,663

14. EVENTS AFTER BALANCE SHEET DATE

Dividend declared by MTL after the balance sheet date amounts to Rs. 374,840 thousand (Rs. 20 per share) {2007: Rs. 224,904 thousand (Rs. 12 per share)}, while appropriation to general reserve and for issuance of bonus shares made after the balance sheet date amount to Rs. 155,000 thousand and Rs. 46,855 thousand respectively (2007: Rs. 225,000 thousand and Rs. Nil thousand respectively).

15. DATE OF AUTHORIZATION OF ISSUE

This consolidated condensed interim financial information was authorised for issue on October 30, 2008 by the Board of Directors of the Company.

16. 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



Sohail Bashir Rana
 Chief Executive