## 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



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## CONDENSED INTERIM BALANCE SHEET

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

Note (Rupees in thousand)

200,000

3,184,384

200,000

3,038,879

#### EQUITY AND LIABILITIES

### SHARE CAPITAL AND RESERVES

Authorized capital 20,000,000 (2008: 20,000,000) ordinary shares of Rs. 10/- each

T 1 1	107 400	107 400
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

## 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

Sohail Bashir Rana Chief Executive

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Sikandar Mustafa Khan Chairman

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

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

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.

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Sikandar Mustafa Khan Chairman

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Sohail Bashir Rana Chief Executive

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

	Note	-	Sept. 30, 2007 n thousand)
CASH FLOWS FROM OPERATING ACTIVITIE	ËS		
Cash used in operations Interest and markup paid Net (increase) / decrease in long term	12	(258,337) (3,573)	(58,837) (5,997)
loans to employees Income tax paid Net decrease in deferred revenue		(1,184) (125,350) (24,337)	430 (97,004) (21,605)
Net cash used in operating activities		(412,781)	(183,013)
CASH FLOWS FROM INVESTING ACTIVITIES	5		
Purchase of property, plant & equipment Purchase of intangible assets Proceeds from sale of property, plant and equipm Profit on bank deposits	nent	(33,442) (2,827) 711 1,315	(16,280) - 1,575 777
Net cash used in investing activities		(34,243)	(13,928)
CASH FLOWS FROM FINANCING ACTIVITIES	S	-	-
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	(197,666)	(198,203)

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

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Sikandar Mustafa Khan Chairman

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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)				
		Revenue reserves			
	Share	General	Unapprop-	Fair Value	
	capital	reserves	riated	Reserve	Total
			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)
				(100)	(100)
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)	-	-
T		(004.075)		(004.075)	
Interim dividend -	-	(234,275)	-	(234,275)	
Profit for the three quarters					
October 2007 - June 2008	_	_	666,094	_	666,094
October 2007 - June 2000		_	000,034	_	000,034
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				(5 450)	(5.450)
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
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The annexed notes 1 to 16 form an integral part of the condensed interim financial information.

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Sikandar Mustafa Khan Chairman

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Sohail Bashir Rana Chief Executive

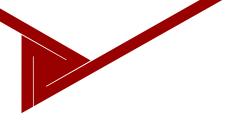
# SELECTED NOTES TO THE FINANCIAL INFORMATION (UN-AUDITED) for the 1st quarter ended September 30, 2008

- The Company is incorporated in Pakistan having registered office at Sheikhupura Road, District Sheikhupura 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	Audited
		Sept. 30, 2008	June 30, 2008
		(Rupees ii	n 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



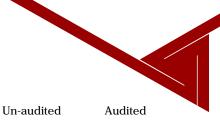
7.1 Following is the detail of additions

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

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 111,145 13,273 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 T	ERM INVESTMENTS		
Financial a	assets at fair value through profit		
and loss	- Mutual Fund units - cost	2,391,010	2,507,379
Surplus or	n revaluation of investments	213,803	324,391
		2,604,813	2,831,770

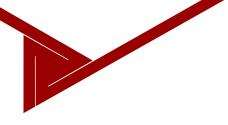
## 11. TAXATION AND OTHER CHARGES

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	2.1 (471,137)	(200,615)
	(258,337)	(58,837)
12.1 Working capital changes		
(Increase)/decrease in current assets	(5.000)	(0,000)
- 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
<ul> <li>Trade deposits and prepayments</li> </ul>	(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)

(471,137)

(200, 615)



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.

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Sikandar Mustafa Khan Chairman

Sohail Bashir Rana Chief Executive

# Millat Tractors Group **CONSOLIDATED** Financial Statements

## CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

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

200,000

Note

200,000

(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

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)

	C.	Un-audited	Audited
	Se Note	ept. 30, 2008	June 30, 2008
	Note	(Rupoos ir	n thousand)
ASSETS		(Rupees II	i tilousaliu)
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

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Sohail Bashir Rana Chief Executive

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Sikandar Mustafa Khan Chairman

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

	Sept. 30, 2008 (Rupees ii	Sept. 30, 2007 n 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 Administrative expenses	95,947 54,934	80,495 50,373
	150,881	130,868
Operating profit Other operating income	131,377 82,291	147,779 65,746
	213,668	213,525
Other operating expenses Finance cost	9,271 10,119	17,904 6,346
Share of profit and loss of	19,390	24,250
associated companies	9,392	7,130
Profit before taxation	203,670	196,405
Taxation Group Associated	41,300 3,642	45,974 763
	44,942	46,737
Profit after taxation	158,728	149,668
Attributable to: Equity holders of the parent Minority interests	158,002 (726) 158,728	150,102 (434) 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.  $\hfill \sim$ 

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Sikandar Mustafa Khan Chairman

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Sohail Bashir Rana Chief Executive

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

Note

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

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 equipme	nt	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		(222 222)	
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.

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Sikandar Mustafa Khan Chairman

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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)					
		Revenu	ie reserves			
	Share capital	General reserves	Unapprop- riated	Fair Value Reserve	Minority Interest	Total
		16361763	profit	Reserve	interest	10101
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.

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Sikandar Mustafa Khan Chairman

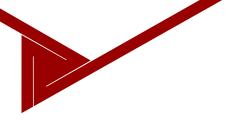
Sohail Bashir Rana Chief Executive

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

- 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.

## 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 ir	n 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



7.1 Following is the detail of additions

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

	The remember of additional		
	during the period		
	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 145,528 146,540 - Associated Company-quoted - Associated Companies-unquoted 154,291 147,527 299,819 294,067 Others - available for sale - quoted Cost 25,481 25,481 Surplus on revaluation of investment 44,753 50,205 70,234 75,686 370,053 369,753

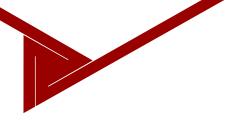
Un-audited Audited Sept. 30, 2008 June 30, 2008 (Rupees in thousand)

10.	SHORT TERM INVESTMENTS		
	Financial assets at fair value through profit		
	and loss - Mutual Fund units - cost	2,391,010	2,507,379
	Surplus on revaluation of investments	213,803	324,391
		2,604,813	2,831,770

## 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)
	-	(256,725)	(176,349)
	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
	<ul> <li>Trade deposits and prepayments</li> </ul>	(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)
	-	(475,233)	(319,727)
	-		



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

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

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.

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Sikandar Mustafa Khan Chairman

Sohail Bashir Rana Chief Executive