

CORPORATE INFORMATION

Board of Directors

Mr. Sikandar Mustafa Khan
Chairman

Mr. Laeeq Uddin Ansari
Chief Executive

Mr. Latif Khalid Hashmi
Mr. Sohail Bashir Rana
Mian Muhammad Saleem
Rana Muhammad Siddique
Mr. Manzoor Ahmed
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.
Royal Bank of Scotland
Standard Chartered Bank
United Bank Ltd.

Registered Office and Plant

Sheikhupura Road, Distt. Sheikhupura
Tel: 042-37911021-25, 111-200-786
Fax: 042-37924166, 37925835
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: 021-34553752, 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, 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 Financial Statements of Millat Tractors Limited for the first quarter ended September 30, 2009.

The Company achieved a sales volume of 7,151 tractors in the first quarter as against 5,840 tractors for the corresponding quarter of the last year, showing an increase of 22.4 %. Sales revenue increased to Rs. 3,798 million as against Rs. 2,873 million during corresponding period of last year, showing an increase of 32.2%.

Pre-tax profit for the quarter amounts to Rs. 552 million as compared to Rs. 192 million of the corresponding period of previous year, thus showing an increase of 187.5%.

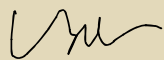
During this quarter, your Company has shown better performance due to increase in production of tractors, which was made possible through better management of our production resources and marked improvement in our supply chain. Such performance will consequently reduce the delivery time of tractors in future.

Government support for agriculture sector in the shape of subsidy schemes like Benazir Tractor Scheme has boosted up the demand of tractors. We are well prepared to meet the increased requirements through efficient utilization of our resources.

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 by supplying quality products. We also acknowledge the co-operation extended to us by our valued principals, dealers, vendors and convey our gratitude to employees of the Company for their loyalty, devotion and hard work.

For and on behalf of the Board

Lahore:
October 29, 2009


Sikandar Mustafa Khan
Chairman



ACCOUNTS

MILLAT TRACTORS LIMITED

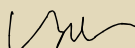
CONDENSED INTERIM BALANCE SHEET

	September 30, 2009	June 30, 2009
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital 30,000,000 (June 30, 2009: 30,000,000) ordinary shares of Rs 10 each	300,000	300,000
Issued, subscribed and paid up capital	234,275	234,275
General reserves	2,220,776	2,220,776
Unappropriated profit	1,260,501	892,018
Fair value reserve	25,878	23,774
	3,741,430	3,370,843
NON-CURRENT LIABILITIES		
Security deposits	9,485	9,485
Deferred revenue	18,273	33,069
Deferred taxation	8,883	8,883
Accumulating compensated absences	31,618	31,618
	68,259	83,055
CURRENT LIABILITIES		
Current portion of deferred revenue	109,446	202,079
Trade and other payables	4,220,221	3,123,525
Mark-up accrued on short term borrowings	797	3,298
Taxation - net	3,995	-
	4,334,459	3,328,902
	8,144,148	6,782,800


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

AS AT SEPTEMBER 30, 2009 (UN-AUDITED)

	Note	September 30, 2009 (Rupees in thousand)	June 30, 2009
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	406,683	405,618
Capital work-in-progress	9	156,168	104,335
Intangible assets		30,416	30,208
Investment property		273,203	273,203
Long term investments	10	289,008	286,904
Long term loans - considered good		5,726	3,375
		1,161,204	1,103,643
CURRENT ASSETS			
Stores and spares		76,154	77,244
Stock-in-trade		2,737,055	2,077,022
Trade debts		142,937	127,209
Loans and advances		101,440	101,790
Trade deposits and prepayments		35,291	15,879
Other receivables		1,076,665	1,107,934
Taxation - net		-	3,267
Short term investments	11	2,439,726	1,173,439
Cash and bank balances		373,676	995,373
		6,982,944	5,679,157
		8,144,148	6,782,800



Sikandar Mustafa Khan
Chairman



Laeeq Uddin Ansari
Chief Executive

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2009 (UN-AUDITED)

	Note	1st quarter ended September 30,	
		2009	2008
(Rupees in thousand)			
Sales - net		3,798,043	2,872,605
Cost of sales		3,101,103	2,599,475
Gross profit		696,940	273,130
Distribution and marketing expenses		116,589	94,129
Administrative expenses		54,657	51,415
		171,246	145,544
Operating profit		525,694	127,586
Other operating income		56,749	82,283
		582,443	209,869
Other operating expenses		29,071	10,119
Finance cost		1,026	7,493
		30,097	17,612
Profit before taxation		552,346	192,257
Taxation		183,863	41,300
Profit for the period		368,483	150,957
Earnings per share - basic and diluted (Rupees)		15.73	6.44

Appropriations have been reflected in the 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



Laeeq Uddin Ansari
Chief Executive

CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2009 (UN-AUDITED)

	Note	1st quarter ended September 30,	
		2009	2008
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	12	(273,974)	(258,337)
Interest and mark-up paid		(3,527)	(3,573)
Net decrease/(increase) in long term loans to employees		(2,351)	(1,184)
Income tax paid		(176,601)	(125,350)
Net decrease in deferred revenue		(107,429)	(24,337)
Net cash (used in)/generated from operating activities		(563,882)	(412,781)
Cash flows from investing activities			
Purchase of property, plant and equipment		(64,432)	(33,442)
Purchase of intangible assets		(208)	(2,827)
Proceeds from sale of property, plant and equipment		-	711
Profit on bank deposits		6,825	1,315
(Net cash used) in investing activities		(57,815)	(34,243)
Cash flows from financing activities			
		-	-
Net (decrease) / increase in cash and cash equivalents		(621,697)	(447,024)
Cash and cash equivalents at the beginning of the period		995,373	249,358
Cash and cash equivalents at the end of the period		373,676	(197,666)

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



Sikandar Mustafa Khan
Chairman



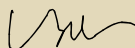
Laeeq Uddin Ansari
Chief Executive

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2009 (UN-AUDITED)

	<u>Revenue Reserves</u>				Total
	Share capital	General reserves	Unappropriated profit	Fair value reserve	
	(Rupees in thousand)				
Balance as on July 1, 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
Final dividend for the year ended June 30, 2008 Rs. 20 per share	-	-	(374,839)	-	(374,839)
Issue of ordinary shares of Rs. 10 each as fully paid bonus shares	46,855	-	(46,855)	-	-
Interim dividend Rs. 20 per share	-	(145,224)	(323,325)	-	(468,549)
Transferred from profit and loss account	-	155,000	(155,000)	-	-
Profit for the three quarters October 2008 - June 2009	-	-	1,064,163	-	1,064,163
Unrealized loss on revaluation of investments	-	-	-	(34,316)	(34,316)
Balance as on June 30, 2009	234,275	2,220,776	892,018	23,774	3,370,843
Profit for the 1st quarter ended September 30, 2009	-	-	368,483	-	368,483
Unrealized gain on revaluation of investments	-	-	-	2,104	2,104
Balance as on September 30, 2009	234,275	2,220,776	1,260,501	25,878	3,741,430

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



Sikandar Mustafa Khan
Chairman



Laeeq Uddin Ansari
Chief Executive

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

1. 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 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, 2009.
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, 2009.
6. Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

7. 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. 627,290 thousand (June 30, 2009: Rs 837,800 thousand).

	September 30, 2009	June 30, 2009
	(Rupees in thousand)	
8. Property, plant and equipment		
Opening book value	405,618	298,219
Add: Additions during the period	-note 8.1 12,599	168,938
	<u>418,217</u>	<u>467,157</u>
Less: Disposals during the period (at book value)	-	(11,095)
Depreciation charged during the period	(11,534)	(50,444)
	<u>(11,534)</u>	<u>(61,539)</u>
Closing book value	<u><u>406,683</u></u>	<u><u>405,618</u></u>

	September 30, 2009	June 30, 2009
	(Rupees in thousand)	
8.1 Additions during the period		
- Building on freehold land	-	2,421
- Plant and machinery	238	131,543
- Tools and equipments	333	3,120
- Furniture, fixture and office equipment	792	4,407
- Vehicles	9,125	27,361
- Computers	2,111	86
	<u>12,599</u>	<u>168,938</u>
9. Capital work-in-progress		
Plant and machinery	14,788	14,938
Advance for purchase of office space	141,230	83,230
Advance for purchase of office furniture	-	85
Others	150	6,082
	<u>156,168</u>	<u>104,335</u>
10. Long term investments - Equities		
Related parties		
Investment at cost		
- Subsidiary -unquoted	57,375	57,375
- Associates -quoted	76,610	76,610
- Associates-unquoted	117,000	117,000
	250,985	250,985
Others		
Available for sale - quoted		
Cost	12,145	12,145
Surplus on revaluation of investment	25,878	23,774
	38,023	35,919
	<u>289,008</u>	<u>286,904</u>
11. Short term investments		
Financial assets at fair value through profit and loss - Mutual fund units at cost	2,370,422	1,153,999
Surplus on revaluation of investments	69,304	19,440
	<u>2,439,726</u>	<u>1,173,439</u>

**1st quarter ended
September 30,
2009 2008
(Rupees in thousand)**

12. Cash (used in)/generated from operations

Profit before taxation	552,346	192,257
Adjustment for:		
- Depreciation on property, plant and equipment	11,534	12,144
- Bad debts written off	-	2,221
- Profit on bank deposits	(585)	(1,315)
- Finance cost	1,026	7,493
- Working capital changes	- note 12.1 (838,295)	(471,137)
	(273,974)	(258,337)

12.1 Working capital changes

(Increase)/decrease in current assets

- Stores and spares	1,090	(5,690)
- Stock-in-trade	(660,033)	(329,487)
- Trade debts	(15,728)	38,663
- Loan and advances	350	(187,969)
- Trade deposits and prepayments	(19,412)	(10,455)
- Other receivables	25,029	174,085
- Short term investment	(1,266,287)	226,957

Increase/(decrease) in current liabilities

- Trade and other payables	1,096,696	(377,241)
	(838,295)	(471,137)

12.2 Cash and cash equivalents

Cash and bank balances	373,676	51,555
Short term running finance	-	(249,221)
	373,676	(197,666)

13. Transactions with related parties

Relation with undertaking	Nature & Transaction		
Associated Undertaking	Purchase of Components	207,852	501,070
Other related parties	Purchase of Components	5,107	16,236
Retirement benefit plans	Contribution to staff retirement benefits plans	8,580	7,901

14. Events after balance sheet date

Dividend declared by the Company after the balance sheet date amounts to Rs. 585,688 thousand (Rs. 25 per share) {2008: Rs. 374,840 thousand (Rs. 20 per share) }, while appropriations to general reserve and for issuance of bonus shares made after the balance sheet date amount to Rs. 274,000 thousand and Rs. 58,569 thousand respectively (2008: Rs. 155,000 thousand and Rs. 46,855 thousand respectively).

15. Date of authorisation for issue

This condensed interim financial information was authorised for issue on October 29, 2009 by the Board of Directors of the Company.

16 Corresponding figures

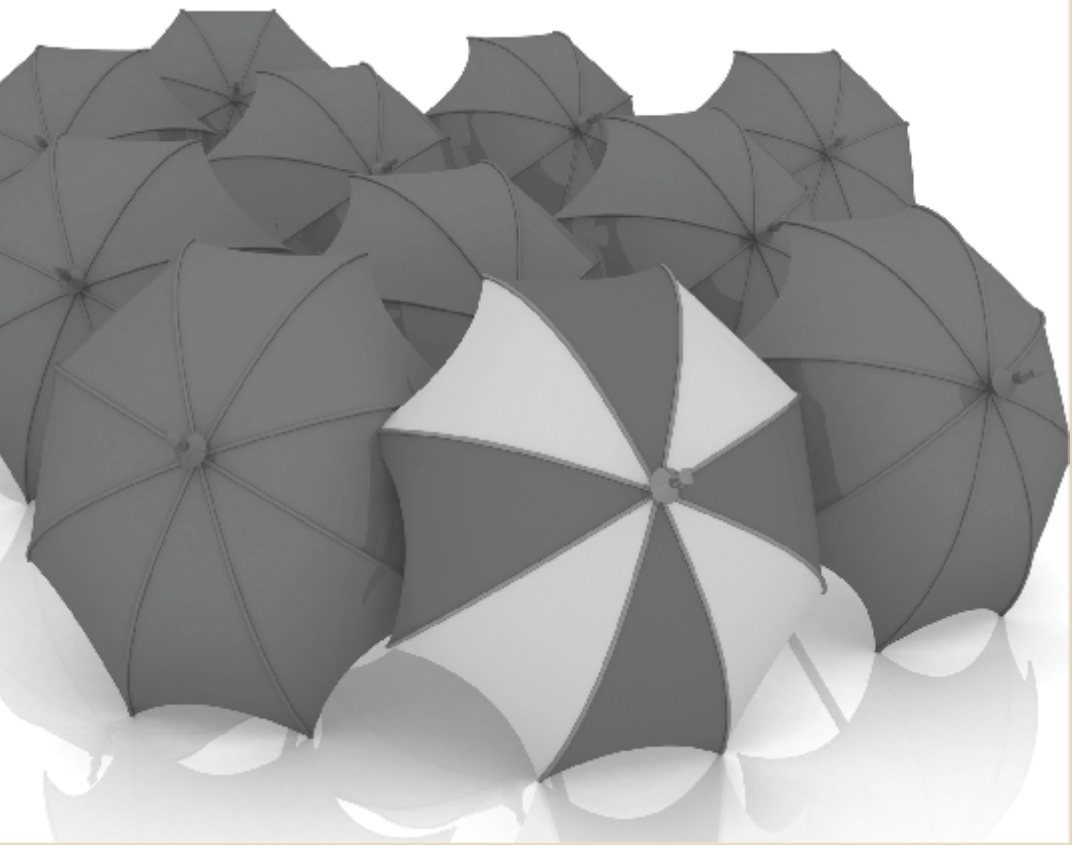
Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.



Sikandar Mustafa Khan
Chairman



Laeeq Uddin Ansari
Chief Executive



MILLAT TRACTORS GROUP

CONSOLIDATED

FINANCIAL STATEMENTS

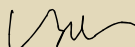
CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

	September 30, 2009	June 30, 2009
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital 30,000,000 (June 30, 2009: 30,000,000) ordinary shares of Rs 10 each	300,000	300,000
Issued, subscribed and paid up capital	234,275	234,275
General reserves	2,220,776	2,220,776
Unappropriated profit	1,454,977	1,062,420
Unrealized gain on revaluation of investments	12,541	10,437
Equity attributable to equity holders of the parent	3,922,569	3,527,908
Minority Interest	34,130	31,038
	3,956,699	3,558,946
NON-CURRENT LIABILITIES		
Security deposits	9,485	9,485
Deferred revenue	18,273	33,069
Deferred taxation	9,396	9,396
Accumulating compensated absences	31,618	31,618
	68,772	83,568
CURRENT LIABILITIES		
Current portion of deferred revenue	109,446	202,079
Trade and other payables	4,240,321	3,141,848
Mark-up accrued on short term borrowings	819	3,691
Provision for taxation	9,522	695
	4,360,108	3,348,313
	8,385,579	6,990,827

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

AS AT SEPTEMBER 30, 2009 (UN-AUDITED)

	Note	September 30, 2009 (Rupees in thousand)	June 30, 2009
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	441,022	439,208
Capital work-in-progress	9	156,168	104,335
Intangible assets		30,416	30,208
Investment property		273,203	273,203
Long term investments	10	402,323	381,662
Long term loans - considered good		5,726	3,375
		1,308,858	1,231,991
CURRENT ASSETS			
Stores and spares		78,231	78,844
Stock-in-trade		2,785,029	2,110,211
Trade debts		165,625	148,677
Loans and advances		116,944	107,222
Trade deposits and prepayments		36,085	16,631
Other receivables		1,078,866	1,107,934
Taxation - net		-	5,189
Short term investments	11	2,439,726	1,173,439
Cash and bank balances		376,215	1,010,689
		7,076,721	5,758,836
		<u>8,385,579</u>	<u>6,990,827</u>



Sikandar Mustafa Khan
Chairman



Laeeq Uddin Ansari
Chief Executive


CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2009 (UN-AUDITED)

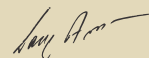
	quarter ended September 30,	
Note	2009	2008
	(Rupees in thousand)	
Sales - net	3,847,596	2,907,872
Cost of sales	3,128,680	2,625,614
Gross profit	718,916	282,258
Distribution and marketing expenses	119,440	95,947
Administrative expenses	58,301	54,934
	177,741	150,881
Operating profit	541,175	131,377
Other operating income	56,750	82,291
	597,925	213,668
Other operating expenses	30,166	9,271
Finance cost	1,171	10,119
	31,337	19,390
Share of profit and loss of associated companies	28,549	9,392
Profit before taxation	595,137	203,670
Taxation		
Group	189,496	41,300
Associated companies	9,992	3,642
	199,488	44,942
Profit for the period	395,649	158,728
Attributable to:		
Equity holders of the parent	392,557	158,002
Minority interest	3,092	726
	395,649	158,728
Earnings per share - basic and diluted (Rupees)	16.76	6.74

Appropriations have been reflected in the 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



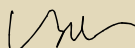
Laeeq Uddin Ansari
Chief Executive

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2009 (UN-AUDITED)

		quarter ended September 30,	
	Note	2009	2008
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	12	(285,666)	(256,725)
Interest and mark-up paid		(4,043)	(6,113)
Net decrease/(increase) in long term loans to employees		(2,351)	(1,184)
Income tax paid		(175,480)	(125,351)
Net decrease in deferred revenue		(107,429)	(24,337)
Net cash (used in)/generated from operating activities		(574,969)	(413,710)
Cash flows from investing activities			
Purchase of property, plant and equipment		(66,122)	(34,096)
Purchase of intangible assets		(208)	(2,827)
Proceeds from sale of property, plant and equipment		-	711
Profit on bank deposits		6,825	1,315
(Net cash used) in investing activities		(59,505)	(34,897)
Cash flows from financing activities			
		-	-
Net decrease in cash and cash equivalents		(634,474)	(448,607)
Cash and cash equivalents at the beginning of the period		1,010,689	228,027
Cash and cash equivalents at the end of the period	12.2	376,215	(220,580)

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



Sikandar Mustafa Khan
Chairman

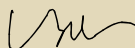


Laeeq Uddin Ansari
Chief Executive

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2009 (UN-AUDITED)

	Share capital	Revenue Reserves			Minority interest	Total
		General reserves	Unappropriated profit	Fair value reserve		
(Rupees in thousand)						
Balance as on July 01, 2008	187,420	2,211,000	682,216	50,205	17,211	3,148,052
Profit for the first 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
Final dividend for the year ended June 30, 2008 Rs. 20 per share	-	-	(374,839)	-	-	(374,839)
Issue of ordinary shares of Rs.10 each as fully paid as bonus shares	46,855	-	(46,855)	-	-	-
Profit for the three quarters October 2008 - June 2009	-	-	1,122,221	-	13,101	1,135,322
Interim dividend Rs. 20 per share	-	(145,224)	(323,325)	-	-	(468,549)
Transferred from profit and loss account	-	155,000	(155,000)	-	-	-
Unrealized loss on revaluation of investments	-	-	-	(34,316)	-	(34,316)
Balance as on June 30, 2008	234,275	2,220,776	1,062,420	10,437	31,038	3,558,946
Profit for the 1st quarter ended September 30, 2009	-	-	392,557	-	3,092	395,649
Unrealized gain on revaluation of investments	-	-	-	2,104	-	2,104
Balance as on September 30, 2009	234,275	2,220,776	1,454,977	12,541	34,130	3,956,699

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



Sikandar Mustafa Khan
Chairman



Laeeq Uddin Ansari
Chief Executive

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

- 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 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 vehicles, industrial and domestic batteries, cells and components thereof.
- 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.
- 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, 2009.
- This consolidated condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting".
- 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, 2009.
- Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

7. 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. 637,289 thousand (June 30, 2009: Rs 843,286 thousand).

	September 30, 2009	June 30, 2009
	(Rupees in thousand)	
8. Property, plant and equipment		
Opening book value	439,208	329,151
Add: Additions during the period	-note 8.1 14,289	175,576
	<u>453,497</u>	<u>504,727</u>
Less: Disposals during the period (at book value)	-	(48,604)
Depreciation charged during the period	(12,475)	(16,915)
	<u>(12,475)</u>	<u>(65,519)</u>
Closing book value	<u>441,022</u>	<u>439,208</u>

	September 30, 2009 (Rupees in thousand)	June 30, 2009
8.1 Additions during the period		
- Land	-	-
- Building on freehold land	136	2,657
- Plant and machinery	466	133,067
- Tools and equipments	992	5,820
- Furniture, fixture and office equipment	880	4,753
- Vehicles	9,704	29,073
- Computers	2,111	206
	<u>14,289</u>	<u>175,576</u>
9. Capital work-in-progress		
Plant and machinery	14,788	14,938
Advance for purchase of office space	141,230	83,230
Advance for purchase of office furniture	-	85
Others	150	6,082
	<u>156,168</u>	<u>104,335</u>
10. Long term investments - Equities		
Related parties		
Investment at cost		
Related parties		
- Associates -quoted	174,651	173,526
- Associates-unquoted	189,650	172,217
	364,301	345,743
Others		
Available for sale - quoted		
Cost	25,481	25,481
Surplus on revaluation of investment	12,541	10,438
	38,022	35,919
	<u>402,323</u>	<u>381,662</u>
11. Short term investments		
Financial assets at fair value through profit and loss - Mutual fund units at cost	2,370,422	1,153,999
Surplus on revaluation of investments	69,304	19,440
	<u>2,439,726</u>	<u>1,173,439</u>

**1st quarter ended
September 30,
2009 2008
(Rupees in thousand)**

12. Cash (used in)/generated from operations

Profit before taxation	595,137	203,670
Adjustment for:		
- Depreciation on property, plant and equipment	12,475	12,947
- Bad debts written off	-	2,221
- Amortization of pre-operating expenses	-	258
- Profit on bank deposits	(585)	(1,315)
- Finance cost	1,171	10,119
- Share of loss / (profit) of associates	(28,549)	(9,392)
- Working capital changes	note 12.1 (865,315)	(475,233)
	(285,666)	(256,725)

12.1 Working capital changes

(Increase)/decrease in current assets

- Stores and spares	613	(5,836)
- Stock-in-trade	(674,818)	(331,452)
- Trade debts	(16,948)	37,867
- Loan and advances	(9,722)	(194,008)
- Trade deposits and prepayments	(19,454)	(8,694)
- Other receivables	22,828	175,734
- Short term investment	(1,266,287)	226,957

Increase/(decrease) in current liabilities

- Trade and other payables	1,098,473	(375,801)
	(865,315)	(475,233)

12.2 Cash and cash equivalents

Cash and bank balances	376,215	67,279
Short term running finance	-	(287,859)
	376,215	(220,580)

13. Transactions with related parties

Relation with undertaking	Nature & Transaction		
Associated Undertaking	Purchase of Components	191,750	501,070
Other related parties	Purchase of Components	5,107	16,236
Retirement benefit plans	Contribution to staff retirement benefits plans	8,580	7,901

14. Events after balance sheet date

Dividend declared by the MTL after the balance sheet date amounts to Rs. 585,688 thousand (Rs. 25 per share) {2008: Rs. 374,840 thousand (Rs. 20 per share) }, while appropriations to general reserve and for issuance of bonus shares made after the balance sheet date amount to Rs. 274,000 thousand and Rs. 58,569 thousand respectively (2008: Rs. 155,000 thousand and Rs. 46,855 thousand respectively).

15. Date of authorisation for issue

This consolidated condensed interim financial information was authorised for issue on October 29, 2009 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



Laeeq Uddin Ansari
Chief Executive