

50 YEARS
OF DELIVERING DYNAMIC CHANGE
WITH INTEGRITY AND TRANSPARENCY

GOLDEN JUBILEE
CELEBRATIONS



FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE QUARTER ENDED
SEPTEMBER 30, 2014

YEARS



MILLAT TRACTORS LIMITED

Corporate Information

BOARD OF DIRECTORS

Chairman

Mr. Sikandar Mustafa Khan

Chief Executive

Syed Muhammad Irfan Aqueel

Mr. Latif Khalid Hashmi

Mr. Sohail Bashir Rana

Mr. Laeeq Uddin Ansari

Mian Muhammad Saleem

Syed Zubair Ahmed Shah (NIT Nominee)

Mr. Saad Iqbal

Company Secretary

Mian Muhammad Saleem

Chief Financial Officer

Mr. Javed Munir

Auditors

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

Chartered Accountants

Legal Advisors

Walker Martineau Saleem

Advocates & Legal Consultants

Akhtar Ali & Associates

Ch. Law Associates Inn

Company Share Registrars

M/s. Hameed Majeed Associates (Pvt.) Ltd.,
1st Floor, H.M. House, 7-Bank Square, Lahore.

Tel: 042-37235081-82

Fax: 042-37358817

shares@hmaconsultants.com

Bankers

Bank Alfalah Ltd.

Barclays Bank PLC.

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

I am pleased to present the un-audited financials of Millat Tractors Limited, on behalf of the Board of Directors, for the quarter ended September 30, 2014.

Company achieved a sales volume of 6,085 tractors compared to 3,282 tractors for the corresponding period of last year, showing a significant increase of 85%. Sales revenue during the period recorded at Rs. 4.8 billion as against Rs. 2.6 billion of the same quarter of the last year. Profit after tax earned during the quarter at Rs. 488.5 million compared to a profit of Rs. 247.5 million in the corresponding period of last year, showing an improvement of 97%.

Government of Pakistan, in its Federal Budget 2014-15 has reduced the sales tax on tractors from 16% to 10% resulting in increased bookings and deliveries during the period. Commencement of loaning to farming community from ZTBL and other commercial bank has also played a pivotal role in increase of tractor demand in the country. Despite of the worst ever floods in the country, the company has managed to surpass the previous performance records due to dedicated efforts of all stakeholders.

Sales are expected to improve in the upcoming quarters of the financial year due to start of winter season crops, after flood rehabilitation activities and expected improvement in the overall economy. We at Millat have taken various measures to improve our supply chain and quality of products to provide customers with a product built on international standards on timely basis.

I wish to thank our principals, dealers and vendors for their cooperation as well as our devoted employees who have supported the Company in providing quality products and services.

For and on behalf of the Board



Sikandar Mustafa Khan
Chairman

Lahore:
October 27, 2014

Condensed Interim

Financial Statements

Quarter ended September 30, 2014

GOLDEN JUBILEE
CELEBRATIONS

50 YEARS
Quarter ended September 30, 2014

Condensed Interim Balance Sheet

as at September 30, 2014 (Unaudited)

	Note	September 30, 2014	June 30, 2014
(Rupees in thousand)			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
50,000,000 (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			
		3,263,551	3,263,551
Unappropriated profit			
		1,227,510	739,006
Fair value reserve			
		53,279	42,375
		4,987,266	4,487,858
Non-current liabilities			
Security deposits		10,565	10,515
Deferred taxation		18,922	18,922
		29,487	29,437
Current liabilities			
Accumulating compensated absences		77,650	77,650
Trade and other payables		3,248,661	2,419,555
Mark-up accrued on short term borrowings		3,021	3,600
		3,329,332	2,500,805
CONTINGENCIES AND COMMITMENTS			
	5	8,346,085	7,018,100

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



Sikandar Mustafa Khan
Chairman

	Note	September 30, 2014	June 30, 2014
(Rupees in thousand)			
ASSETS			
Non-current assets			
Property, plant and equipment			
Operating fixed assets	6	474,647	481,293
Capital work in progress	7	231,738	212,431
Intangible assets		5,310	5,888
Investment property		255,708	255,708
Long term investments	8	356,654	345,750
Long term loans		2,427	1,941
Employee benefits		293,800	293,800
		1,620,284	1,596,811
Current assets			
Stores and spares		125,397	120,951
Stock-in-trade		2,159,355	2,433,690
Trade debts		115,014	121,731
Loans and advances		147,225	122,047
Trade deposits and prepayments		43,651	24,198
Balances with statutory authority		454,457	317,853
Other receivables		120,804	119,679
Tax refunds due from the Government		839,754	942,966
Short term investments	9	2,031,316	100,000
Cash and bank balances		688,828	1,118,174
		6,725,801	5,421,289
		8,346,085	7,018,100



Syed Muhammad Irfan Aqueel
Chief Executive

Condensed Interim Profit and Loss Account for the quarter ended September 30, 2014 (Unaudited)

	Quarter ended September 30	
	2014	2013
	(Rupees in thousand)	
Sales - net	4,765,992	2,626,660
Cost of sales	3,848,046	2,235,093
Gross profit	917,946	391,567
Distribution and marketing expenses	115,024	93,007
Administrative expenses	94,843	93,146
	209,867	186,153
Operating profit	708,079	205,414
Other operating income	59,727	159,695
	767,806	365,109
Other operating expenses	51,287	21,436
Finance cost	2,085	15,970
	53,372	37,406
Profit before taxation	714,434	327,703
Taxation	225,930	80,201
Profit for the period	488,504	247,502
Earnings per share - basic and diluted (Rupees)	11.03	5.59

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, 2014 (Unaudited)

	Quarter ended September 30	
	2014	2013
	(Rupees in thousand)	
Profit for the period	488,504	247,502
Other comprehensive income:		
Unrealized gain on revaluation of investments	10,904	3,925
Total other comprehensive income	10,904	3,925
Total comprehensive income for the period	499,408	251,427

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, 2014 (Unaudited)

	Quarter ended September 30	
	2014	2013
	(Rupees in thousand)	
Cash flows from operating activities		
Profit before taxation	714,434	327,703
Adjustment for:		
Depreciation on property, plant & equipment	16,139	15,258
Amortization of intangible assets	578	80
Gain on disposal of short term investments	-	(3,813)
Finance cost	2,085	15,970
Profit on bank deposits	(3,613)	(6,109)
Dividend income	-	(128,475)
	15,189	(107,089)
Cash flow from operating activities before working capital changes	729,623	220,614
Effect on cash flow due to working capital changes		
Decrease/(increase) in current assets:		
Stores and spares	(4,446)	(7,968)
Stock in trade	274,335	(1,168,033)
Trade debts	6,717	387,055
Loans and advances	(25,178)	(65,166)
Trade deposits and prepayments	(19,453)	2,710
Other receivables	(139,302)	429,949
	92,673	(421,453)
Increase/(decrease) in current liabilities:		
Trade and other payables	832,682	(2,871,987)
	925,355	(3,293,440)

	Quarter ended September 30	
	2014	2013
	(Rupees in thousand)	
Cash used in operations		
Income tax paid	(122,718)	(286,040)
Increase in long term loans to employees	(486)	(641)
Increase in long term security deposits	50	-
Mark-up paid	(2,664)	(1,870)
	(125,818)	(288,551)
Net cash generated from/(used in)		
operating activities	1,529,160	(3,361,377)
Cash flows from investing activities		
Purchase of property, plant and equipment	(32,483)	(12,168)
Purchase of short term investments	(1,931,316)	-
Proceeds from sale of short term investments	-	555,684
Proceeds from sale of property, plant and equipment	3,683	135
Profit on bank deposits	5,186	7,869
Net cash (used in)/generated from investing activities	(1,954,930)	551,520
Cash flows from financing activities		
Dividend paid	(3,576)	(1,259)
Net cash used in financing activities	(3,576)	(1,259)
Net decrease in cash and cash equivalents	(429,346)	(2,811,116)
Cash and cash equivalents at the beginning of the period	1,118,174	2,087,580
Cash and cash equivalents at the end of the period	688,828	(723,536)

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, 2014 (Unaudited)

	Share capital	Revenue reserves		Fair value reserve	Total
		General reserves	Unappropriated profit		
.....(Rupees in thousand).....					
Balance as on					
July 1, 2013 - restated	402,660	3,306,590	1,115,255	50,714	4,875,219
Final dividend for the year ended June 30, 2013					
@ Rs. 25/- per share	-	(43,039)	(963,610)	-	(1,006,649)
Issue of ordinary shares of Rs.10/- each as fully paid bonus shares					
	40,266	-	(40,266)	-	-
Total comprehensive income for the quarter ended					
September 30, 2013	-	-	247,502	3,925	251,427
Balance as on					
September 30, 2013	442,926	3,263,551	358,881	54,639	4,119,997
Interim dividend					
@ Rs. 20/- per share	-	-	(885,851)	-	(885,851)
Total comprehensive income for the nine months ended					
June 30, 2014	-	-	1,265,976	(12,264)	1,253,712
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

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, 2014 (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 assembly and manufacture 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, 2014 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, 2014.
- 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, 2014 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:

IAS 19 - Employee Contributions

IAS 32 - Offsetting Financial Assets and Financial Liabilities (Amendment)

IAS 36 - Recoverable Amount for Non-Financial Assets (Amendment)

IAS 39 - Novation of Derivatives and Continuation of Hedge Accounting - (Amendment)

IFRIC 21 - Levies

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

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, incomes and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation are the same as those that applied to the financial statements for the year ended June 30, 2014.

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. 847,479 thousand (June 30, 2014 : Rs 290,000 thousand).

	Note	September 30, 2014	June 30, 2014
(Rupees in thousand)			
6. OPERATING FIXED ASSETS			
Opening book value		481,293	448,375
Add: Additions during the period	6.1	13,176	103,626
		494,469	552,001
Less: Disposals / write offs during the period (at book value)		(3,683)	(10,338)
Depreciation charged during the period		(16,139)	(60,370)
		(19,822)	(70,708)
Closing book value		474,647	481,293

	September 30, 2014	June 30, 2014
	(Rupees in thousand)	
6.1 Additions during the period		
- Buildings on freehold land	-	3,155
- Plant and machinery	-	17,480
- Tools and equipments	-	1,762
- Furniture, fixture and office equipment	573	5,758
- Vehicles	10,981	67,954
- Computers	1,622	7,517
	<u>13,176</u>	<u>103,626</u>
7. CAPITAL WORK IN PROGRESS		
Advance for purchase of office space	187,320	187,320
Others	44,418	25,111
	<u>231,738</u>	<u>212,431</u>
8. LONG TERM INVESTMENTS - EQUITIES		
Related parties		
Investment at cost		
- Subsidiary - unquoted	57,375	57,375
- Subsidiary - unquoted	40,245	40,245
- Associates - quoted	76,610	76,610
- Associates - unquoted	117,000	117,000
	<u>291,230</u>	<u>291,230</u>
Others		
Available for sale - quoted		
Cost	12,145	12,145
Surplus on revaluation of investment	53,279	42,375
	<u>65,424</u>	<u>54,520</u>
	<u>356,654</u>	<u>345,750</u>

	September 30, 2014	June 30, 2014
	(Rupees in thousand)	
9. SHORT TERM INVESTMENTS		
Financial assets at fair value through profit and loss - Mutual fund units	2,031,316	100,000
	Quarter ended September 30	
	2014	2013
	(Rupees in thousand)	
10. TRANSACTIONS WITH RELATED PARTIES		
Purchases from related parties	876,343	537,872
Dividend income	-	128,475
Payable to related parties	101,480	135,200
Receivable from related parties	17,702	172,213
Payments to funds:		
- Pension	2,828	2,817
- Gratuity	10,511	12,847
- Benevolent	67	68

11. EVENTS AFTER BALANCE SHEET DATE

The Board of Directors have declared Nil cash dividend (June 30, 2014: Rs. 20 per share) and Nil bonus shares (June 30, 2014: Nil) in their meeting held on October 27, 2014.

12. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 27, 2014 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

Condensed Interim
Consolidated
Financial Statements
Quarter ended September 30, 2014

GOLDEN JUBILEE
CELEBRATIONS

50 YEARS
Quarter ended September 30, 2014

Consolidated Condensed Interim Balance Sheet

as at September 30, 2014 (Unaudited)

	Note	September 30, 2014	June 30, 2014
(Rupees in thousand)			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share 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			
		3,263,551	3,263,551
Unappropriated profit			
		1,842,437	1,313,338
Exchange translation reserve			
		231	231
Fair value reserve			
		39,942	29,038
		5,589,087	5,049,084
Non-controlling interest			
		123,433	118,823
Non-current liabilities			
Security deposits		10,565	10,515
Deferred taxation		23,448	23,722
		34,013	34,237
Current liabilities			
Accumulating compensated absences		77,650	77,650
Trade and other payables		3,277,502	2,425,347
Mark-up accrued on short term borrowings		3,046	3,814
		3,358,198	2,506,811
CONTINGENCIES AND COMMITMENTS			
	5	9,104,731	7,708,955

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



Sikandar Mustafa Khan
Chairman

	Note	September 30, 2014	June 30, 2014
(Rupees in thousand)			
ASSETS			
Non-current assets			
Property, plant and equipment			
Operating fixed assets	6	537,335	544,867
Capital work in progress	7	231,738	212,431
Intangible assets		5,310	5,888
Investment property		255,708	255,708
Long term investments	8	713,465	674,873
Long term loans		2,427	1,941
Employee benefits		293,800	293,800
		2,039,783	1,989,508
Current assets			
Stores and spares		135,476	129,639
Stock-in-trade		2,301,025	2,543,726
Trade debts		170,176	157,743
Loans and advances		166,531	135,502
Trade deposits and prepayments		46,758	27,438
Balances with statutory authority		438,685	302,081
Other receivables		111,558	111,792
Tax refunds due from the Government		856,098	954,097
Short term investments	9	2,031,316	100,000
Cash and bank balances		807,325	1,257,429
		7,064,948	5,719,447
		9,104,731	7,708,955



Syed Muhammad Irfan Aqueel
Chief Executive

Consolidated Condensed Interim Profit and Loss Account for the quarter ended September 30, 2014 (Unaudited)

	Quarter ended September 30	
	2014	2013
	(Rupees in thousand)	
Sales - net	4,966,690	2,963,422
Cost of sales	4,008,839	2,542,657
Gross profit	957,851	420,765
Distribution and marketing expenses	119,734	94,482
Administrative expenses	105,045	103,185
	224,779	197,667
Operating profit	733,072	223,098
Other operating income	60,400	45,075
	793,472	268,173
Other operating expenses	52,780	23,302
Finance cost	2,161	17,168
	54,941	40,470
	738,531	227,703
Share of profit/(loss) of associates	53,382	(18,942)
Profit before taxation	791,913	208,761
Taxation		
- Group	232,511	88,783
- Associates	25,693	11,954
	258,204	100,737
Profit after taxation	533,709	108,024
Attributable to:		
- Equity holders of the holding Company	529,099	106,222
- Non-controlling interest	4,610	1,802
Profit for the period	533,709	108,024
Earnings per share - basic and diluted (Rupees)	12.05	2.44

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, 2014 (Unaudited)

	Quarter ended September 30	
	2014	2013
	(Rupees in thousand)	
Profit for the period	533,709	108,024
Other comprehensive income:		
Unrealized gain on revaluation of investments	10,904	3,925
Total comprehensive income for the period	544,613	111,949
Non controlling interest	(4,610)	(1,802)
Equity holders of the holding Company	540,003	110,147

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, 2014 (Unaudited)

	Quarter ended September 30	
	2014	2013
	(Rupees in thousand)	
Cash flows from operating activities		
Profit before taxation	791,913	208,761
Adjustment for:		
Depreciation on property, plant & equipment	17,955	16,785
Amortization of intangible assets	578	80
Gain on disposal of short term investments	-	(3,813)
Finance cost	2,161	17,168
Share of (profit)/loss of associates	(53,382)	18,942
Profit on bank deposits	(4,286)	(6,836)
Dividend income	-	-
	(36,974)	42,326
Cash flow from operating activities before working capital changes	754,939	251,087
Effect on cash flow due to working capital changes		
Decrease/(increase) in current assets:		
Stores and spares	(5,837)	(10,275)
Stock in trade	242,701	(1,199,425)
Trade debts	(12,433)	376,835
Loans and advances	(31,029)	(69,473)
Trade deposits and prepayments	(19,320)	3,314
Other receivables	(137,942)	404,443
	36,140	(494,581)
Increase/(decrease) in current liabilities:		
Trade and other payables	855,731	(2,829,207)
	891,871	(3,323,788)

	Quarter ended September 30	
	2014	2013
	(Rupees in thousand)	
Cash used in operations		
Income tax paid	(134,786)	(306,023)
Increase in long term loans to employees	(486)	(641)
Increase in long term security deposits	50	-
Mark-up paid	(2,929)	(3,069)
	(138,151)	(309,733)
Net cash generated from/(used in)		
operating activities	1,508,659	(3,382,434)
Cash flows from investing activities		
Purchase of property, plant and equipment	(33,413)	(13,849)
Purchase of short term investments	(1,931,316)	-
Proceeds from sale of short term investments	-	555,684
Proceeds from sale of property, plant and equipment	3,683	135
Profit on bank deposits	5,859	8,596
Net cash (used in)/generated from investing activities	(1,955,187)	550,566
Cash flows from financing activities		
Dividend paid	(3,576)	(1,259)
Net cash used in financing activities	(3,576)	(1,259)
Net decrease in cash and cash equivalents	(450,104)	(2,833,127)
Cash and cash equivalents at the beginning of the period	1,257,429	2,213,524
Cash and cash equivalents at the end of the period	807,325	(619,603)

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, 2014 (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, 2013 - restated	402,660	3,306,590	1,749,244	(47)	37,377	106,029	5,601,853
Final dividend for the year ended June 30, 2013							
@ Rs. 25/- per share	-	(43,039)	(963,610)	-	-	-	(1,006,649)
Issue of ordinary shares of Rs. 10/- each as fully paid bonus shares							
	40,266	-	(40,266)	-	-	-	-
Total comprehensive income for the quarter ended							
September 30, 2013	-	-	106,222	-	3,925	1,802	111,949
Balance as on							
September 30, 2013	442,926	3,263,551	851,590	(47)	41,302	107,831	4,707,153
Interim dividend @ Rs. 20/- per share							
	-	-	(885,851)	-	-	-	(885,851)
Dividend payment to non-controlling interest							
	-	-	-	-	-	(6,431)	(6,431)
Exchange difference on translation of foreign operations							
	-	-	-	278	-	93	371
Total comprehensive income for the nine months ended							
June 30, 2014	-	-	1,347,599	-	(12,264)	17,330	1,352,665
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

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, 2014 (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 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. Tipeg Intertade JLT 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, 2014 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, 2014.
- 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, 2014 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:

IAS 19 - Employee Contributions

IAS 32 - Offsetting Financial Assets and Financial liabilities (Amendment)

IAS 36 - Recoverable Amount for Non-Financial Assets (Amendment)

IAS 39 - Novation of Derivatives and Continuation of Hedge Accounting - (Amendment)

IFRIC 21 - Levies

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

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, incomes and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation are the same as those that applied to the financial statements for the year ended June 30, 2014.

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. 847,479 thousand (June 30, 2014 : Rs 296,596 thousand).

	Note	September 30, 2014	June 30, 2014
(Rupees in thousand)			
6. OPERATING FIXED ASSETS			
Opening book value		544,867	498,858
Add: Additions during the period	6.1	14,105	123,051
		558,972	621,909
Less: Disposals / write offs during the period (at book value)		(3,683)	(10,395)
Depreciation charged during the period		(17,955)	(66,647)
		(21,638)	(77,042)
Closing book value		537,334	544,867

	September 30, 2014	June 30, 2014
	(Rupees in thousand)	
6.1 Additions during the period		
- Buildings on freehold land	262	17,507
- Plant and machinery	-	19,091
- Tools and equipments	581	3,308
- Furniture, fixture and office equipment	659	6,202
- Vehicles	10,981	69,304
- Computers	1,622	7,639
	<u>14,105</u>	<u>123,051</u>
7. CAPITAL WORK IN PROGRESS		
Advance for purchase of office space	187,320	187,320
Others	44,418	25,111
	<u>231,738</u>	<u>212,431</u>
8. LONG TERM INVESTMENTS - EQUITIES		
Related parties		
- Associates - quoted	169,729	76,610
- Associates - unquoted	478,312	117,000
	<u>648,041</u>	<u>193,610</u>
Others		
Available for sale - quoted		
Cost	12,145	12,145
Surplus on revaluation of investment	53,279	42,375
	<u>65,424</u>	<u>54,520</u>
	<u>713,465</u>	<u>248,130</u>

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