

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
N.I.T. Nominee
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 Share 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.
Barclays Bank Plc

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 accounts of Millat Tractors Limited for the first quarter ended September 30, 2010 as required by the Companies Ordinance 1984.

The Company achieved a sales volume of 8,945 Tractors in the first quarter as against 7,151 tractors for the corresponding period of last year, showing an increase of 25%. During the first quarter ended, 9,226 Tractors were produced as compared to 8,408 tractors for corresponding period last year, showing an increase of 9.7%.

Pre-tax profit for the 1st quarter amounted to Rs. 804.9 million as compared to Rs. 552.3 million of the corresponding period of previous year showing an increase of 45.7%. Profit after tax increased to 559.7 million from 368.5 million of the corresponding period of previous year, showing an increase of 51.9%.


The rehabilitation activities in the country are underway after the worst ever flood during the previous months. We foresee it as a substantial opportunity for our company due to multi facet use of our tractors in different sectors. We already have taken measures to improve our supply chain to cater the expected demand of our products.

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 best value of their money by supplying quality products.

We would also like to thank our vendors, dealers and financial institutions for their extended co-operation. We also acknowledge the co-operation extended to us by our valued principals 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 28, 2010


Sikandar Mustafa Khan
Chairman



ACCOUNTS

MILLAT TRACTORS LIMITED

CONDENSED INTERIM BALANCE SHEET

	September 30, 2010	June 30, 2010
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital 30,000,000 (June 30, 2010: 30,000,000) ordinary shares of Rs 10 each	<u>300,000</u>	<u>300,000</u>
Issued, subscribed and paid up capital	292,844	292,844
General reserves	2,467,776	2,467,776
Unappropriated profit	1,966,425	1,406,730
Fair value reserve	26,263	25,057
	4,753,308	4,192,407
NON-CURRENT LIABILITIES		
Security deposits	10,285	10,285
Deferred taxation	7,628	7,628
	17,913	17,913
CURRENT LIABILITIES		
Accumulating compensated absences	36,664	36,664
Current portion of deferred revenue	18,273	33,069
Trade and other payables	5,468,761	7,483,957
Mark-up accrued on short term borrowings	3,038	1,884
	5,526,736	7,555,574
	<u>10,297,957</u>	<u>11,765,894</u>

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

AS AT SEPTEMBER 30, 2010 (UN-AUDITED)

		September 30, 2010 (Rupees in thousand)	June 30, 2010
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	431,919	411,759
Capital work-in-progress	9	159,005	155,476
Intangible assets		26,421	29,357
Investment property		273,203	273,203
Long term investments	10	289,392	288,187
Long term loans - considered good		4,298	3,188
		1,184,238	1,161,170
CURRENT ASSETS			
Stores and spares		123,806	110,599
Stock-in-trade		2,781,037	2,475,904
Trade debts		93,107	454,465
Loans and advances		626,576	239,358
Trade deposits and prepayments		30,875	23,008
Other receivables		2,382,534	2,028,902
Taxation - net		148,879	46,612
Short term investments	11	2,842,874	4,116,821
Cash and bank balances		84,031	1,109,055
		9,113,719	10,604,724
		10,297,957	11,765,894



Sikandar Mustafa Khan
Chairman



Laeeq Uddin Ansari
Chief Executive

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)

	Note	1st quarter ended September 30,	
		2010	2009
(Rupees in thousand)			
Sales - net		5,078,256	3,798,043
Cost of sales		4,186,726	3,101,103
Gross profit		891,530	696,940
Distribution and marketing expenses		126,376	116,589
Administrative expenses		73,143	54,657
		199,519	171,246
Operating profit		692,011	525,694
Other operating income		176,671	56,749
		868,682	582,443
Other operating expenses		59,672	29,071
Finance cost		4,095	1,026
		63,767	30,097
Profit before taxation		804,915	552,346
Taxation		245,220	183,863
Profit for the period		559,695	368,483
Earnings per share - basic and diluted (Rupees)		19.11	12.58

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 STATEMENT OF COMPREHENSIVE INCOME

FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)

	1st quarter ended September 30,	
	2010	2009
	(Rupees in thousand)	
Profit for the 1st quarter ended September 30, 2010	559,695	368,483
Unrealized gain on revaluation of investments	1,206	2,104
Total comprehensive income for the period	560,901	370,587

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, 2010 (UN-AUDITED)

	Note	1st quarter ended September 30,	
		2010	2009
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	12	(2,000,265)	736,825
Interest and mark-up paid		(2,941)	(3,527)
Net (increase)/decrease in long term loans to employees		(1,110)	(2,351)
Income tax paid		(347,487)	(176,601)
Net decrease in deferred revenue		(14,796)	(107,429)
Net cash generated from/(used in) operating activities		(2,366,599)	446,917
Cash flows from investing activities			
Purchase of property, plant and equipment		(43,505)	(64,432)
Purchase of intangible assets		-	(208)
Purchase of short term investments		(1,411,872)	(1,860,000)
Purchase from sale of short term investments		2,785,305	849,201
Proceeds from sale of property, plant and equipment		7,024	-
Profit on bank deposits		4,623	6,825
Net cash generated from/(used in) investing activities		1,341,576	(1,068,614)
Cash flows from financing activities			
Net increase/(decrease) in cash and cash equivalents		(1,025,024)	(621,697)
Cash and cash equivalents at the beginning of the period		1,109,055	995,373
Cash and cash equivalents at the end of the period	12.2	84,031	373,676

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



Sikandar Mustafa Khan
Chairman



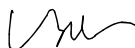
Laeeq Uddin Ansari
Chief Executive

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2010(UN-AUDITED)

	Revenue Reserves				Total
	Share capital	General reserves	Unappropriated profit	Fair value reserve	
	(Rupees in thousand)				
Balance as on July 01, 2009	234,275	2,220,776	892,018	23,774	3,370,843
Total comprehensive income for the 1st quarter ended September 30, 2009	-	-	368,483	2,104	370,587
Balance as on September 30, 2009	234,275	2,220,776	1,260,501	25,878	3,741,430
Final dividend for the year ended June 30, 2009 @ Rs 20 per share	-	-	(585,687)	-	(585,687)
Issue of ordinary shares of Rs. 10 each as fully paid bonus shares	58,569	-	(58,569)	-	-
Transferred from profit and loss account	-	247,000	(247,000)	-	-
Interim dividend @ Rs 30 per share	-	-	(878,530)	-	(878,530)
Total comprehensive income for the nine months ended June 30, 2010	-	-	1,916,015	(821)	1,915,194
Balance as on June 30, 2010	292,844	2,467,776	1,406,730	25,057	4,192,407
Total comprehensive income for the 1st quarter ended September 30, 2010	-	-	559,695	1,206	560,901
Balance as on September 30, 2010	292,844	2,467,776	1,966,425	26,263	4,753,308

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)

FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2010

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, 2010.
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, 2010.
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. 944,000 thousand (June 30, 2010: Rs 1,746,000 thousand).

	September 30,	June 30,
	2010	2010
	(Rupees in thousand)	
8. Property, plant and equipment		
Opening book value	411,759	405,618
Add: Additions during the period	-note 8.1 39,976	65,088
	<u>451,735</u>	<u>470,706</u>
Less: Disposals during the period (at book value)	(7,024)	(7,248)
Depreciation charged during the period	(12,792)	(51,699)
	(19,816)	(58,947)
	<u>431,919</u>	<u>411,759</u>
8.1 Additions during the period		
- Building on freehold land	-	2,598
- Plant and machinery	5,348	17,047
- Tools and equipments	864	1,592
- Furniture, fixture and office equipment	109	4,194
- Vehicles	33,570	37,144
- Computers	85	2,513
	<u>39,976</u>	<u>65,088</u>
9. Capital work-in-progress		
Plant and machinery	1,345	1,345
Advance for purchase of office space	151,830	151,830
Others	5,830	2,301
	<u>159,005</u>	<u>155,476</u>

	September 30, 2010	June 30, 2010
	(Rupees in thousand)	
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	26,263	25,057
	38,407	37,202
	<u>289,392</u>	<u>288,187</u>
11. Short term investments		
Financial assets at fair value through profit and loss - Mutual fund units at cost	2,788,099	4,116,821
Surplus on revaluation of investments	54,775	-
	2,842,874	4,116,821
	<u>2,842,874</u>	<u>4,116,821</u>
	1st quarter ended	
	September 30,	
	2010	2009
	(Rupees in thousand)	
12. Cash (used in)/generated from operations		
Profit before taxation	804,915	552,346
Adjustment for:		
- Depreciation on property, plant and equipment	12,792	11,534
- Amortization of intangibles	2,936	-
- Gain on investment at fair value through profit and loss	(99,490)	(255,488)
- Profit on bank deposits	(4,623)	(585)
- Finance cost	4,095	1,026
- Working capital changes - note 12.1	(2,720,890)	427,992
	<u>(2,000,265)</u>	<u>736,825</u>

**1st quarter ended
September 30,
2010 2009
(Rupees in thousand)**

12.1 Working capital changes

(Increase)/decrease in current assets

- Stores and spares	(13,207)	1,090
- Stock-in-trade	(305,133)	(660,033)
- Trade debts	361,358	(15,728)
- Loan and advances	(387,218)	350
- Trade deposits and prepayments	(7,867)	(19,412)
- Other receivables	(353,627)	25,029

Increase/(decrease) in current liabilities

- Trade and other payables	(2,015,196)	1,096,696
	(2,720,890)	427,992

12.2 Cash and cash equivalents

Cash and bank balances	84,031	373,676
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13. Transactions with related parties

Purchases from related parties	945,128	212,959
Payable to related parties	214,910	-
Payments to fund:		
- Pension	2,483	2,486
- Gratuity	6,552	6,025
- Benevolent	71	69

14. Events after balance sheet date

Dividend declared by the company after the balance sheet date amounting to Rs. 1,0254,951 thousand (Rs. 35 per share { 2009 : Rs. 585,688 thousand (Rs. 25 per share) }, while appropriation to general reserve and for issuance of bonus shares made after the balance sheet date amount to Rs., 300,000 thousand and Rs. 73,211 thousand respectively (2009 : Rs. 247,000 thousand and Rs. 58,569 thousand respectively).

15. Date of authorisation for issue

This condensed interim financial information was authorised for issue on October 28, 2010 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, 2010	June 30, 2010
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital 30,000,000 (June 30, 2010: 30,000,000) ordinary shares of Rs 10 each	300,000	300,000
Issued, subscribed and paid up capital	292,844	292,844
General reserves	2,467,776	2,467,776
Unappropriated profit	2,343,922	1,747,571
Unrealized gain on revaluation of investments	12,926	11,720
Equity attributable to equity holders of the parent	5,117,468	4,519,911
Non-controlling interest	50,524	46,683
	5,167,992	4,566,594
NON-CURRENT LIABILITIES		
Security deposits	10,285	10,285
Deferred taxation	8,528	8,528
	18,813	18,813
CURRENT LIABILITIES		
Accumulating compensated absences	36,664	36,664
Current portion of deferred revenue	18,273	33,069
Trade and other payables	5,483,373	7,513,070
Mark-up accrued on short term borrowings	3,353	1,909
	5,541,663	7,584,712
	10,728,468	12,170,119

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

AS AT SEPTEMBER 30, 2010 (UN-AUDITED)

	Note	September 30, 2010 (Rupees in thousand)	June 30, 2010
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	467,888	446,997
Capital work-in-progress	9	167,451	157,748
Intangible assets		26,421	29,357
Investment property		273,203	273,203
Long term investments	10	556,462	525,467
Long term loans - considered good		4,298	3,188
		1,495,723	1,435,960
CURRENT ASSETS			
Stores and spares		128,931	113,921
Stock-in-trade		2,837,165	2,520,520
Trade debts		124,212	483,605
Loans and advances		646,607	257,022
Trade deposits and prepayments		31,904	24,013
Other receivables		2,384,456	2,030,965
Taxation - net		145,865	43,412
Short term investments	11	2,842,874	4,116,821
Cash and bank balances		90,731	1,143,880
		9,232,745	10,734,159
		10,728,468	12,170,119



Sikandar Mustafa Khan
Chairman



Laeeq Uddin Ansari
Chief Executive

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)

	1st quarter ended September 30,	
Note	2010	2009
	(Rupees in thousand)	
Sales - net	5,147,363	3,847,596
Cost of sales	4,232,022	3,128,680
	915,341	718,916
Distribution and marketing expenses	127,606	119,440
Administrative expenses	78,459	58,301
	206,065	177,741
Operating profit	709,276	541,175
Other operating income	177,185	56,750
	886,461	597,925
Other operating expenses	60,805	30,166
Finance cost	4,470	1,171
	65,275	31,337
Share of profit and loss of associated companies	48,216	28,549
Profit before taxation	869,402	595,137
Taxation		
Group	250,784	189,496
Associated companies	18,426	9,992
	269,210	199,488
Profit for the period	600,192	395,649
Attributable to:		
Equity holders of the parent	596,351	392,557
Non-controlling interest	3,841	3,092
	600,192	395,649
Earnings per share - basic and diluted (Rupees)	20.36	13.40

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 STATEMENT OF COMPREHENSIVE INCOME

FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)

	1st quarter ended September 30, 2010 2009 (Rupees in thousand)	
Profit for the 1st quarter ended September 30, 2010	600,192	395,649
Unrealized gain on revaluation of investments	1,206	2,104
Total comprehensive income for the period	601,398	397,753
Non-controlling interest	(3,841)	(3,092)
Equity holders of the parent	597,557	394,661

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, 2010 (UN-AUDITED)

		1st quarter ended September 30, 2010 2009 (Rupees in thousand)	
	Note		
Cash flows from operating activities			
Cash generated from operations	12	(2,014,653)	725,133
Interest and mark-up paid		(3,026)	(4,043)
Net decrease/(increase) in long term loans to employees		(1,110)	(2,351)
Income tax paid		(353,237)	(175,480)
Net decrease in deferred revenue		(14,796)	(107,429)
Net cash (used in)/generated from operating activities		(2,386,822)	435,830
Cash flows from investing activities			
Purchase of property, plant and equipment		(51,407)	(66,122)
Purchase of intangible assets		-	(208)
Purchase of short term investments		(1,411,872)	(1,860,000)
Sale of short term investments		2,785,305	849,201
Proceeds from sale of property, plant and equipment		7,024	-
Profit on bank deposits		4,623	6,825
(Net cash used) in investing activities		1,333,673	(1,070,304)
Cash flows from financing activities			
Net decrease in cash and cash equivalents		(1,053,149)	(634,474)
Cash and cash equivalents at the beginning of the period		1,143,880	1,010,689
Cash and cash equivalents at the end of the period	12.2	90,731	376,215

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, 2010 (UN-AUDITED)

	Share capital	Revenue Reserves			Non-controlling interest	Total equity	
		General reserves	Unappropriated profit	Fair value reserve			
(Rupees in thousand)							
Balance as on July 01, 2009	234,275	2,220,776	1,062,420	10,437	3,527,908	31,038	3,558,946
Total comprehensive income for the 1st quarter ended September 30, 2009	-	-	392,557	2,104	394,661	3,092	397,753
Balance as on September 30, 2009	234,275	2,220,776	1,454,977	12,541	3,922,569	34,130	3,956,699
Final dividend for the year ended June 30, 2009 Rs. 25 per share	-	-	(585,687)	-	(585,687)	-	(585,687)
Issue of ordinary shares of Rs.10 each as fully paid as bonus shares	58,569	-	(58,569)	-	-	-	-
Tranferred from profit and loss account	-	247,000	(247,000)	-	-	-	-
Interim dividend @ Rs. 30 per share	-	-	(878,530)	-	(878,530)	-	(878,530)
Total comprehensive income for the nine months ended June 30, 2010	-	-	2,062,380	(821)	2,061,559	12,553	2,074,112
Balance as on June 30, 2010	292,844	2,467,776	1,747,571	11,720	4,519,911	46,683	4,566,594
Total Comprehensive income for the 1st quarter ended September 30, 2010	-	-	596,351	1,206	597,557	3,841	601,398
Balance as on September 30, 2010	292,844	2,467,776	2,343,922	12,926	5,117,468	50,524	5,167,992

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)

FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2010

1. 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.
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, 2010.
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, 2010.
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. 945,068 thousand (June 30, 2010: Rs 1,755,638 thousand).

	September 30,	June 30,
	2010	2010
	(Rupees in thousand)	
8. Property, plant and equipment		
Opening book value	446,997	439,209
Add: Additions during the period	-note 8.1 41,704	70,659
	<u>488,701</u>	<u>509,868</u>
Less: Disposals during the period (at book value)	(7,024)	(7,248)
Depreciation charged during the period	(13,789)	(55,623)
	<u>(20,813)</u>	<u>(62,871)</u>
Closing book value	<u><u>467,888</u></u>	<u><u>446,997</u></u>
8.1 Additions during the period		
- Building on freehold land	82	2,599
- Plant and machinery	5,348	18,638
- Tools and equipments	1,081	2,672
- Furniture, fixture and office equipment	359	4,844
- Vehicles	34,659	39,105
- Computers	175	2,801
	<u>41,704</u>	<u>70,659</u>
9. Capital work-in-progress		
Plant and machinery	2,938	1,345
Advance for purchase of office space	151,830	151,830
Others	12,683	4,573
	<u>167,451</u>	<u>157,748</u>
10. Long term investments - Equities		
Related parties		
- Associates -quoted	210,541	211,533
- Associates-unquoted	307,514	276,733
	518,055	488,266
Others		
Available for sale - quoted		
Cost	25,481	25,481
Surplus on revaluation of investment	12,926	11,720
	38,407	37,201
	<u>556,462</u>	<u>525,467</u>
11. Short term investments		
Financial assets at fair value through profit and loss - Mutual fund units at cost	2,788,099	4,116,821
Surplus on revaluation of investments	54,775	-
	<u>2,842,874</u>	<u>4,116,821</u>

1st quarter ended
September 30,
2010 2009
(Rupees in thousand)

12. Cash (used in)/generated from operations

Profit before taxation	869,402	595,137
Adjustment for:		
- Depreciation on property, plant and equipment	13,789	12,475
- Amortization of intangibles	2,936	-
- Unrealized (gain) on investment at fair value through profit and loss	(99,490)	(255,488)
- Profit on bank deposits	(4,623)	(585)
- Finance cost	4,470	1,171
- Share of (profit) of associates	(48,216)	(28,549)
- Working capital changes - note 12.1	(2,752,921)	400,972
	<u>(2,014,653)</u>	<u>725,133</u>

12.1 Working capital changes

(Increase)/decrease in current assets

- Stores and spares	(15,010)	613
- Stock-in-trade	(316,645)	(674,818)
- Trade debts	359,393	(16,948)
- Loan and advances	(389,585)	(9,722)
- Trade deposits and prepayments	(7,891)	(19,454)
- Other receivables	(353,486)	22,828

Increase/(decrease) in current liabilities

- Trade and other payables	(2,029,697)	1,098,473
	<u>(2,752,921)</u>	<u>400,972</u>

12.2 Cash and cash equivalents

Cash and bank balances	<u>90,731</u>	<u>376,215</u>
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13. Transactions with related parties

Purchases from associated undertakings	892,426	191,750
Other related parties	33,378	5,107
Payable to related parties	208,857	-
Payments to fund:		
- Pension	2,483	2,486
- Gratuity	6,552	6,025
- Benevolent	71	69

14. Events after balance sheet date

Dividend declared by the parent undertaking after the balance sheet date amounts of Rs. 1,024,951 thousand (Rs. 35 per share) { 2009: Rs. 585,688 thousand (Rs. 25 per share) }, while appropriation to general reserve and for issuance of bonus shares made after the balance sheet date amount to Rs. 300,000 thousand and Rs. 73,211 thousand respectively (2009 : Rs. 247,000 thousand and Rs. 58,569 thousand respectively).

15. Date of authorisation for issue

This consolidated condensed interim financial information was authorised for issue on October 28, 2010 by the Board of Directors.

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