

# CORPORATE

information

## BOARD OF DIRECTORS

### Chairman

MR. SIKANDAR MUSTAFA KHAN

### Chief Executive

MR. LAEEQ UDDIN ANSARI

MR. LATIF KHALID HASHMI

MR. SOHAIL BASHIR RANA

MIAN MUHAMMAD SALEEM

RANA MUHAMMAD SIDDIQUE

MR. MANZOOR AHMED (NIT NOMINEE)

MR. S. M. TANVEER (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

TEL: 042-37235081-82

FAX: 042-37358817

shares@hmaconsultants.com

### Bankers

BANK ALFALAH LTD.

BARCLAYS BANK PLC.

FAYSAL BANK LTD. (FORMERLY RBS)

HABIB BANK LTD.

MCB BANK LTD.

MEEZAN BANK LTD.

STANDARD CHARTERED BANK

UNITED 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

corporate@millatgroup.net

## 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

feel pleasure to present to you on behalf of Board of Directors' the unaudited accounts of Millat Tractors Limited for the first quarter ended September 30, 2011.

The company achieved a sales volume of 3,265 tractors in the first quarter as against 8,945 tractors for the corresponding quarter of the last year, showing a decrease of 63%. Sales revenue decreased to Rs. 2,341 million as against Rs. 5,078 million during corresponding period of last year. Pre-tax profit for the quarter amounted to Rs. 318 million as compared to Rs. 805 million of the corresponding period, showing a decrease of 60%.

Tractor demand in the country has faced a major downfall due to various factors like imposition of General Sales Tax and natural calamities like floods etc. However, we will strive to explore and tap all available opportunities, shall readily accept challenges and also continue to make course corrections wherever necessary for the betterment of the company. We have put specific emphasis for improvement of product quality and supply chain and are confident about the future growth in the upcoming period.

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

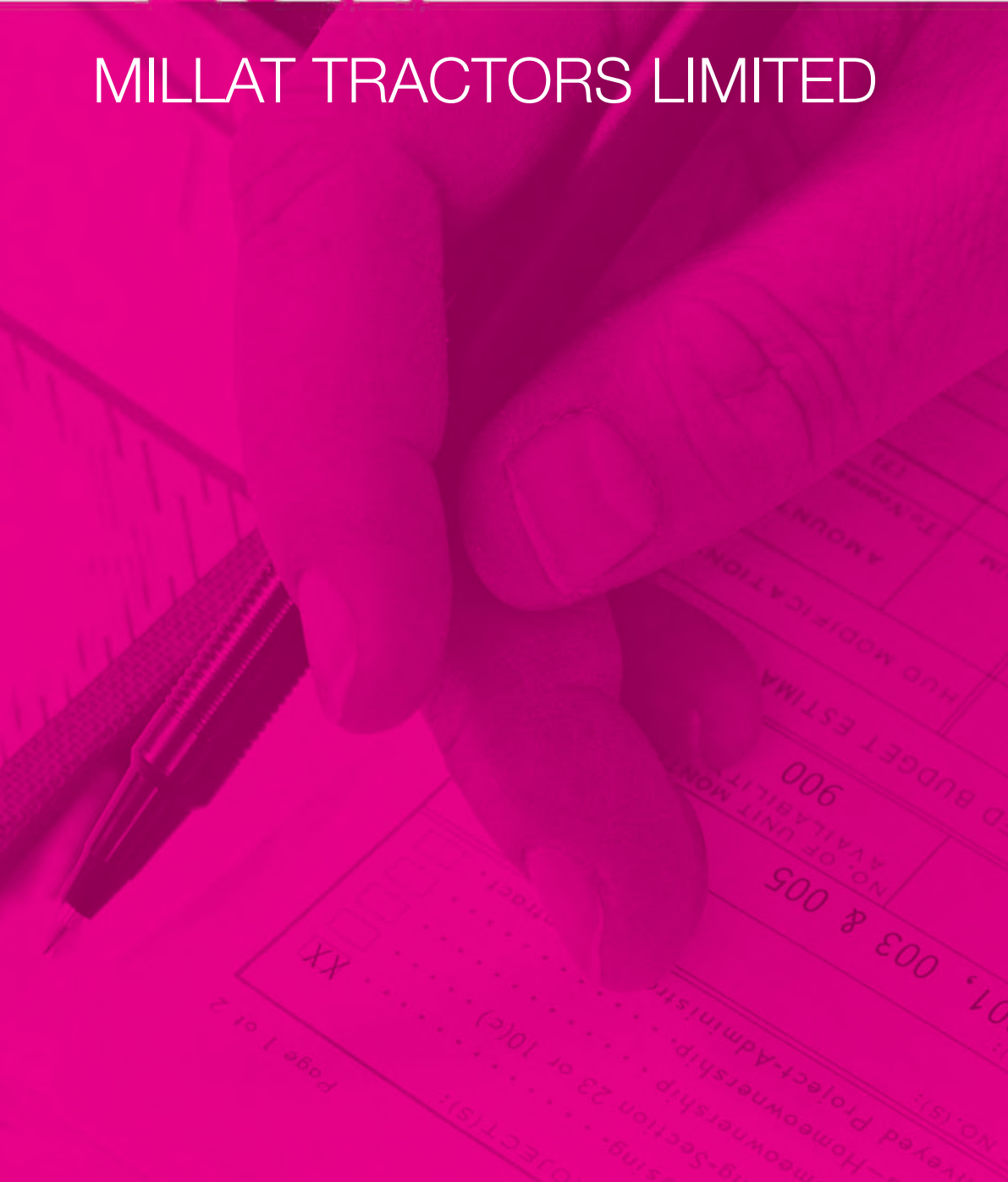


Sikandar Mustafa Khan  
Chairman

Lahore:  
October 25, 2011

# FINANCIAL STATEMENTS 2011

MILLAT TRACTORS LIMITED



condensed interim  
**BALANCE SHEET**  
 as at september 30, 2011 (unaudited)

**EQUITY AND LIABILITIES**

		(Rupees in thousand)	
	Note	September 30, 2011	June 30, 2011
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised Capital 50,000,000 (June 30, 2011: 50,000,000) ordinary shares of Rs. 10 each		<b>500,000</b>	<b>500,000</b>
Issued, subscribed and paid up capital		366,055	366,055
General reserve		3,666,678	2,766,678
Unappropriated profit		286,052	1,490,726
Fair value reserve		26,340	28,777
		<b>4,345,125</b>	<b>4,652,236</b>
<b>NON-CURRENT LIABILITIES</b>			
Security deposits		10,485	10,485
Deferred taxation		25,606	25,606
		<b>36,091</b>	<b>36,091</b>
<b>CURRENT LIABILITIES</b>			
Accumulating compensated absences		44,965	44,965
Trade and other payables		2,805,038	3,850,702
Mark-up accrued on short term borrowings		1,940	990
		<b>2,851,943</b>	<b>3,896,657</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	<b>7,233,159</b>	<b>8,584,984</b>

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



Sikandar Mustafa Khan  
 Chairman

## ASSETS

		(Rupees in thousand)	
	Note	September 30, 2011	June 30, 2011
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	430,443	435,516
Capital work-in-progress	9	152,913	155,137
Intangible asset		14,678	17,614
Investment property		255,708	255,708
Long term investments	10	289,470	291,907
Long term loans - considered good		3,930	2,860
		<b>1,147,142</b>	<b>1,158,742</b>
<b>CURRENT ASSETS</b>			
Stores and spares		137,662	131,559
Stock-in-trade		3,156,103	2,580,293
Trade debts		229,485	176,430
Loans and advances		359,228	215,293
Trade deposits and prepayments		26,766	19,132
Other receivables		908,635	801,351
Taxation - net		378,084	137,386
Short term investments	11	437,969	2,971,296
Cash and bank balances		452,085	393,502
		<b>6,086,017</b>	<b>7,426,242</b>
		<b>7,233,159</b>	<b>8,584,984</b>



Laeeq Uddin Ansari  
Chief Executive

condensed interim  
**PROFIT & LOSS ACCOUNT**  
 for the 1st quarter ended september 30, 2011 (unaudited)

		(Rupees in thousand)	
		1st quarter ended	
		September 30,	
	Note	2011	2010
Sales - net		2,341,013	5,078,256
Cost of sales		1,962,209	4,186,726
<b>Gross profit</b>		<b>378,804</b>	<b>891,530</b>
Distribution and marketing expenses		81,688	126,376
Administrative expenses		77,943	73,143
		159,631	199,519
<b>Operating profit</b>		<b>219,173</b>	<b>692,011</b>
Other operating income		145,771	176,671
		364,944	868,682
Other operating expenses		44,635	59,672
Finance cost		1,934	4,095
		<b>46,569</b>	<b>63,767</b>
<b>Profit before taxation</b>		<b>318,375</b>	<b>804,915</b>
Taxation		73,968	245,220
		<b>244,407</b>	<b>559,695</b>
<b>Earnings per share - basic and diluted (Rupees)</b>		<b>6.68</b>	<b>15.29</b>

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, 2011 (unaudited)

	(Rupees in thousand)	
	1st quarter ended	
	September 30,	
	2011	2010
Profit for the period	244,407	559,695
<b>Other comprehensive income:</b>		
Unrealized (loss) / gain on revaluation of investments	(2,437)	1,206
<b>Total other comprehensive income</b>	<b>(2,437)</b>	<b>1,206</b>
<b>Total comprehensive income for the period</b>	<b>241,970</b>	<b>560,901</b>

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, 2011 (unaudited)

		(Rupees in thousand)	
		1st quarter ended	
		September 30,	
	Note	2011	2010
<b>Cash flows from operating activities</b>			
Cash used in operations	12	(2,270,409)	(2,072,376)
Mark-up paid		(984)	(2,941)
Net increase in long term loans to employees		(1,070)	(1,110)
Income tax paid		(314,666)	(347,487)
<b>Net cash used in operating activities</b>		<b>(2,587,129)</b>	<b>(2,423,914)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(6,569)	(43,505)
Purchase of short term investments		(100,000)	(1,411,872)
Proceeds from sale of short term investments		2,669,759	2,785,305
Proceeds from sale of property, plant and equipment		1,829	7,024
Profit on bank deposits		2,092	4,623
Dividend received		87,750	58,500
<b>Net cash generated from investing activities</b>		<b>2,654,860</b>	<b>1,400,075</b>
<b>Cash flows from financing activities</b>			
Dividend paid		(9,149)	(1,185)
<b>Net cash used in financing activities</b>		<b>(9,149)</b>	<b>(1,185)</b>
Net increase/(decrease) in cash and cash equivalents		58,583	(1,025,024)
Cash and cash equivalents at the beginning of the period		393,502	1,109,055
<b>Cash and cash equivalents at the end of the period</b>	12.2	<b>452,085</b>	<b>84,031</b>

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, 2011 (unaudited)

(Rupees in thousand)

	Share Capital	Revenue Reserves		Fair Value Reserves	Total
		General Reserve	Unappropriated Profit		
<b>Balance as on July 1, 2010</b>	<b>292,844</b>	<b>2,467,776</b>	<b>1,406,730</b>	<b>25,057</b>	<b>4,192,407</b>
Total comprehensive income for the 1st quarter ended September 30, 2010	-	-	559,695	1,206	560,901
<b>Balance as on September 30, 2010</b>	<b>292,844</b>	<b>2,467,776</b>	<b>1,966,425</b>	<b>26,263</b>	<b>4,753,308</b>
Final dividend for the year ended June 30, 2010 @ Rs 35 per share	-	-	(1,024,951)	-	(1,024,951)
Issue of ordinary shares of Rs. 10 each as fully paid bonus shares	73,211	-	(73,211)	-	-
Transferred from profit and loss account	-	300,000	(300,000)	-	-
Interim dividend @ Rs. 32.5 per share	-	(1,098)	(1,188,578)	-	(1,189,676)
Total comprehensive income for the nine months ended June 30, 2011	-	-	2,111,041	2,514	2,113,555
<b>Balance as on June 30, 2011</b>	<b>366,055</b>	<b>2,766,678</b>	<b>1,490,726</b>	<b>28,777</b>	<b>4,652,236</b>
Final dividend for the year ended June 30, 2011 @ Rs 15 per share	-	-	(549,081)	-	(549,081)
Transferred from profit and loss account	-	900,000	(900,000)	-	-
Total comprehensive income for the 1st quarter ended September 30, 2011	-	-	244,407	(2,437)	241,970
<b>Balance as on September 30, 2011</b>	<b>366,055</b>	<b>3,666,678</b>	<b>286,052</b>	<b>26,340</b>	<b>4,345,125</b>

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**  
for the 1st quarter ended september 30, 2011 (unaudited)

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, 2011.
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, 2011.
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 were Rs. 712,000 thousand (June 30, 2011 : Rs 977,000 thousand).

## 8. PROPERTY, PLANT AND EQUIPMENT

		(Rupees in thousand)	
	Note	September 30, 2011	June 30, 2011
Opening book value		435,516	411,759
Add: Additions during the period	8.1	8,793	95,159
		<b>444,309</b>	<b>506,918</b>
Less: Disposals / write offs during the period (at book value)		(1,163)	(14,635)
Depreciation charged during the period		(12,703)	(56,767)
		(13,866)	(71,402)
Closing book value		<b>430,443</b>	<b>435,516</b>

### 8.1 Additions during the period

		(Rupees in thousand)	
	Note	September 30, 2011	June 30, 2011
- Plant and machinery		3,425	37,128
- Tools and equipments		350	3,744
- Furniture, fixture and office equipment		643	2,462
- Vehicles		4,208	50,481
- Computers		167	1,344
		<b>8,793</b>	<b>95,159</b>

## 9. CAPITAL WORK-IN-PROGRESS

		(Rupees in thousand)	
	Note	September 30, 2011	June 30, 2011
Advance for purchase of office space		151,830	151,830
Others		1,083	3,307
		<b>152,913</b>	<b>155,137</b>

## 10. LONG TERM INVESTMENTS - EQUITIES

		(Rupees in thousand)	
	Note	September 30, 2011	June 30, 2011
<b>Related parties</b>			
<b>Investment at cost</b>			
- Subsidiary - unquoted		57,375	57,375
- Associate - quoted		76,610	76,610
- Associate - unquoted		117,000	117,000
		<b>250,985</b>	<b>250,985</b>
<b>Others</b>			
<b>Available for sale - quoted</b>			
Cost		12,145	12,145
Surplus on revaluation of investment		26,340	28,777
		<b>38,485</b>	<b>40,922</b>
		<b>289,470</b>	<b>291,907</b>

## 11. SHORT TERM INVESTMENTS

		(Rupees in thousand)	
	Note	September 30, 2011	June 30, 2011
Financial assets at fair value through profit and loss - Mutual fund units		<b>437,969</b>	<b>2,971,296</b>

## 12. CASH GENERATED FROM OPERATIONS

		(Rupees in thousand)	
		1st quarter ended	
		September 30,	
	Note	2011	2010
Profit before taxation		318,375	804,915
Adjustment for:			
- Depreciation on property, plant and equipment		12,703	12,792
- Amortization of intangibles		2,936	2,936
- Deferred revenue amortised		-	(14,796)
- Gain on investment at fair value through profit and loss		(36,432)	(99,490)
- Gain on sale of property, plant and equipment		(666)	-
- Profit on bank deposits		(2,146)	(4,623)
- Dividend income		(87,750)	(58,500)
- Finance cost		1,934	4,095
- Working capital changes	12.1	(2,479,363)	(2,719,705)
		<b>(2,270,409)</b>	<b>(2,072,376)</b>

## 12.1 Working capital changes

		(Rupees in thousand)	
		1st quarter ended	
		September 30,	
	Note	2011	2010
(Increase)/decrease in current assets		(6,103)	(13,207)
- Stores and spares		(575,810)	(305,133)
- Stock-in-trade		(53,055)	361,358
- Trade debts		(143,935)	(387,218)
- Loan and advances		(7,634)	(7,867)
- Trade deposits and prepayments		(107,230)	(353,627)
- Other receivables			
Increase/(decrease) in current liabilities		(1,585,596)	(2,014,011)
- Trade and other payables		<b>(2,479,363)</b>	<b>(2,719,705)</b>

## 12.2 Cash and cash equivalents

		(Rupees in thousand)	
		1st quarter ended	
		September 30,	
	Note	2011	2010
Cash and bank balances		<b>452,085</b>	<b>84,031</b>

## 13. TRANSACTIONS WITH RELATED PARTIES

		(Rupees in thousand)	
		1st quarter ended	
		September 30,	
	Note	2011	2010
Purchases from related parties		374,952	945,128
Dividend income		87,750	58,500
Payable to related parties		15,535	214,910
Receivable from related party		795	-
Payment to funds:			
- Pension		2,702	2,483
- Gratuity		6,573	6,552
- Benevolent		67	71

## 14. EVENTS AFTER BALANCE SHEET DATE

The Board of Directors' have declared an interim dividend of Rs. nil (June 30, 2011: Rs. 15 per share) at their meeting held on October 25, 2011, while appropriation to general reserve amounted to Rs. nil (June 30, 2011: Rs. 900,000 thousand).

## 15. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 25, 2011 by the Board of Directors' of the company.

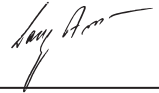
## 16. CORRESPONDING FIGURES

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

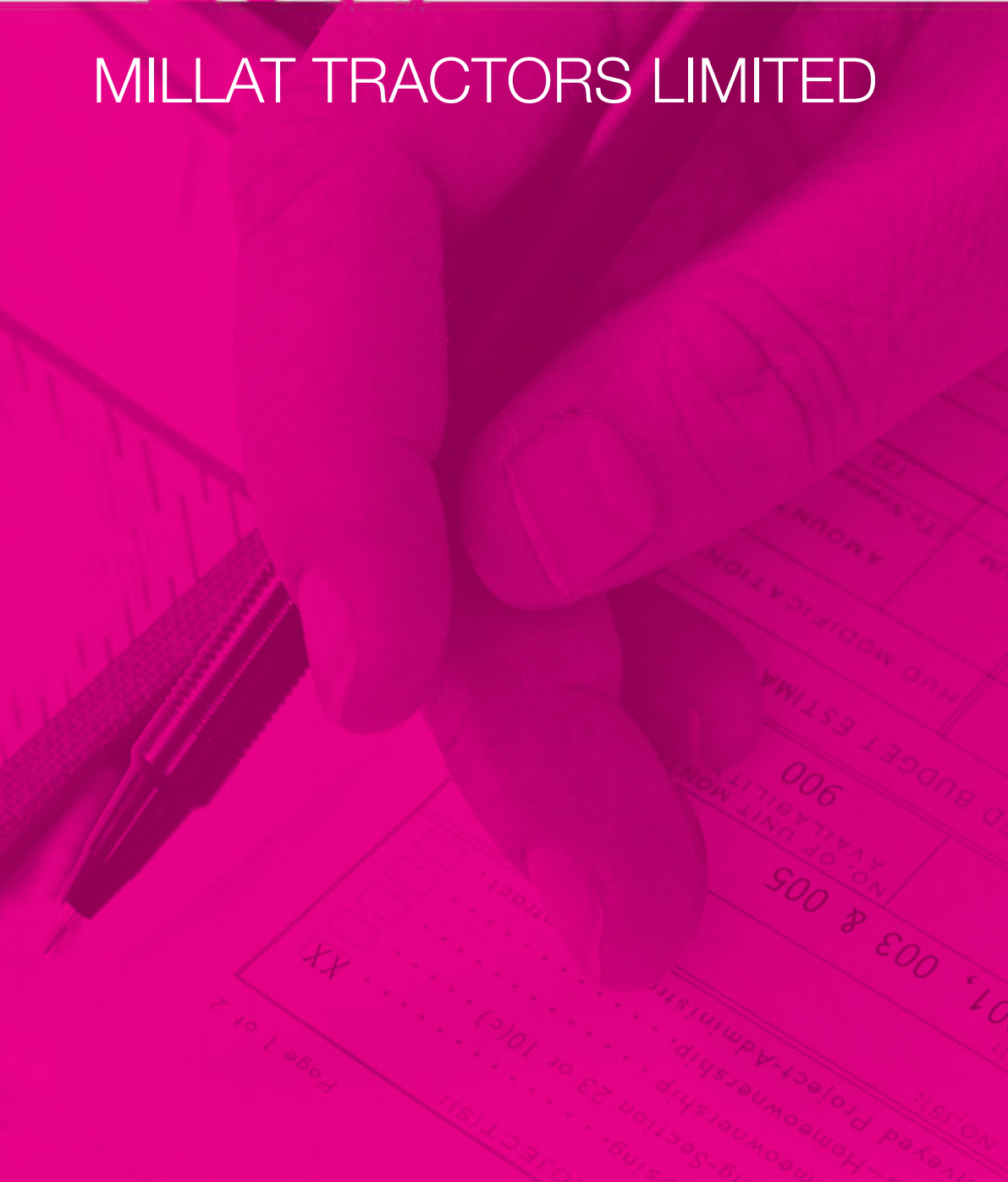


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Laeeq Uddin Ansari  
Chief Executive

consolidated  
**FINANCIAL STATEMENTS**  
**2011**

**MILLAT TRACTORS LIMITED**



consolidated condensed interim  
**BALANCE SHEET**  
 as at september 30, 2011 (unaudited)

**EQUITY AND LIABILITIES**

		(Rupees in thousand)	
	Note	September 30, 2011	June 30, 2011
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital 50,000,000 (June 30, 2011: 50,000,000) ordinary shares of Rs 10 each		<b>500,000</b>	<b>500,000</b>
Issued, subscribed and paid up capital		366,055	366,055
General reserve		3,666,678	2,766,678
Unappropriated profit		655,256	1,977,424
Fair value reserve		13,003	15,440
Equity attributable to equity holders of the parent		<b>4,700,992</b>	<b>5,125,597</b>
Non-controlling interest		70,744	68,361
		<b>4,771,736</b>	<b>5,193,958</b>
<b>NON-CURRENT LIABILITIES</b>			
Security deposits		10,485	10,485
Deferred taxation		29,264	29,264
		<b>39,749</b>	<b>39,749</b>
<b>CURRENT LIABILITIES</b>			
Accumulating compensated absences		44,965	44,965
Trade and other payables		2,836,356	3,851,727
Mark-up accrued on short term borrowings		2,437	1,503
		<b>2,883,758</b>	<b>3,898,195</b>
		<b>7,695,243</b>	<b>9,131,902</b>

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



Sikandar Mustafa Khan  
 Chairman



## ASSETS

		(Rupees in thousand)	
	Note	September 30, 2011	June 30, 2011
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	479,786	484,578
Capital work-in-progress	9	153,088	155,201
Intangible asset		14,678	17,614
Investment property		255,708	255,708
Long term investments	10	512,181	636,364
Long term loans - considered good		3,930	2,860
		<b>1,419,371</b>	<b>1,552,325</b>
<b>CURRENT ASSETS</b>			
Stores and spares		142,557	136,104
Stock-in-trade		3,279,799	2,663,197
Trade debts		278,658	208,138
Loans and advances		378,975	229,251
Trade deposits and prepayments		28,353	20,907
Other receivables		910,557	803,273
Taxation - net		384,128	142,195
Short term investments	11	437,969	2,971,296
Cash and bank balances		434,876	405,216
		<b>6,275,872</b>	<b>7,579,577</b>
		<b>7,695,243</b>	<b>9,131,902</b>



Laeeq Uddin Ansari  
Chief Executive

consolidated condensed interim  
**PROFIT & LOSS ACCOUNT**  
 for the 1st quarter ended september 30, 2011 (unaudited)

		(Rupees in thousand)	
		1st quarter ended	
		September 30,	
	Note	2011	2010
Sales - net		2,448,506	5,147,363
Cost of sales		2,048,178	4,232,022
<b>Gross profit</b>		<b>400,328</b>	<b>915,341</b>
Distribution and marketing expenses		86,250	127,606
Administrative expenses		84,583	78,459
		170,833	206,065
<b>Operating profit</b>		<b>229,495</b>	<b>709,276</b>
Other operating income		58,024	177,185
		<b>287,519</b>	<b>886,461</b>
Other operating expenses		45,289	60,805
Finance cost		2,561	4,470
		47,850	65,275
Share of profit/(loss) of associated companies		(30,140)	48,216
<b>Profit before taxation</b>		<b>209,529</b>	<b>869,402</b>
Taxation			
Group		76,377	250,784
Associated companies		3,856	18,426
		<b>80,233</b>	<b>269,210</b>
<b>Profit for the period</b>		<b>129,296</b>	<b>600,192</b>
Attributable to:			
Equity holders of the parent		126,913	596,351
Non-controlling interest		2,383	3,841
		<b>129,296</b>	<b>600,192</b>
<b>Earnings per share - basic and diluted (Rupees)</b>		<b>3.47</b>	<b>16.29</b>

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, 2011 (unaudited)

	(Rupees in thousand)	
	1st quarter ended	
	September 30,	
	2011	2010
Profit for the period	129,296	600,192
Unrealized (loss) / gain on revaluation of investments	(2,437)	1,206
<b>Total comprehensive income for the period</b>	<b>126,859</b>	<b>601,398</b>
Non-controlling interest	(2,383)	(3,841)
Equity holders of the parent	<b>124,476</b>	<b>597,557</b>

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, 2011 (unaudited)

		(Rupees in thousand)	
		1st quarter ended	
		September 30,	
	Note	2011	2010
<b>Cash flows from operating activities</b>			
Cash used in operations	12	(2,205,413)	(2,028,264)
Interest and mark-up paid		(1,627)	(3,026)
Net increase in long term loans to employees		(1,070)	(1,110)
Income tax paid		(318,310)	(353,237)
<b>Net cash used in operating activities</b>		<b>(2,526,420)</b>	<b>(2,385,637)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(8,424)	(51,407)
Purchase of short term investments		(100,000)	(1,411,872)
Proceeds from sale of short term investments		2,669,759	2,785,305
Proceeds from sale of property, plant and equipment		1,828	7,024
Profit on bank deposits		2,066	4,623
<b>Net cash generated from investing activities</b>		<b>2,565,229</b>	<b>1,333,673</b>
<b>Cash flows from financing activities</b>			
Dividend paid		(9,149)	(1,185)
<b>Net cash used in financing activities</b>		<b>(9,149)</b>	<b>(1,185)</b>
Net increase/(decrease) in cash and cash equivalents		29,660	(1,053,149)
Cash and cash equivalents at the beginning of the period		405,216	1,143,880
<b>Cash and cash equivalents at the end of the period</b>	12.2	<b>434,876</b>	<b>90,731</b>

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

condensed interim statement of  
**CHANGES IN EQUITY**  
for the 1st quarter ended september 30, 2011 (unaudited)

(Rupees in thousand)

	Share Capital	Revenue Reserves		Fair Value Reserve	Total	Non-Controlling Interest	Total Equity
		General Reserve	Unappropriated Profit				
<b>Balance as on July 1, 2010</b>	<b>292,844</b>	<b>2,467,776</b>	<b>1,747,571</b>	<b>11,720</b>	<b>4,519,911</b>	<b>46,683</b>	<b>4,566,594</b>
Total comprehensive income for the 1st quarter ended September 30, 2010	-	-	596,351	1,206	597,557	3,841	601,398
<b>Balance as on September 30, 2010</b>	<b>292,844</b>	<b>2,467,776</b>	<b>2,343,922</b>	<b>12,926</b>	<b>5,117,468</b>	<b>50,524</b>	<b>5,167,992</b>
Final dividend for the year ended June 30, 2010 @ Rs 35 per share	-	-	(1,024,951)	-	(1,024,951)	-	(1,024,951)
Issue of ordinary shares of Rs. 10 each as fully paid bonus shares	73,211	-	(73,211)	-	-	-	-
Transferred from profit and loss account	-	300,000	(300,000)	-	-	-	-
Interim dividend @ Rs. 32.5 per share	-	(1,098)	(1,188,578)	-	(1,189,676)	-	(1,189,676)
Total comprehensive income for the nine months ended June 30, 2011	-	-	2,220,242	2,514	2,222,756	17,837	2,240,593
<b>Balance as on June 30, 2011</b>	<b>366,055</b>	<b>2,766,678</b>	<b>1,977,424</b>	<b>15,440</b>	<b>5,125,597</b>	<b>68,361</b>	<b>5,193,958</b>
Final dividend for the year ended June 30, 2011 @ Rs 15 per share	-	-	(549,081)	-	(549,081)	-	(549,081)
Transferred from profit and loss account	-	900,000	(900,000)	-	-	-	-
Total comprehensive income for the 1st quarter ended September 30, 2011	-	-	126,913	(2,437)	124,476	2,383	126,859
<b>Balance as on September 30, 2011</b>	<b>366,055</b>	<b>3,666,678</b>	<b>655,256</b>	<b>13,003</b>	<b>4,700,992</b>	<b>70,744</b>	<b>4,771,736</b>

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 condensed interim  
**FINANCIAL INFORMATION**  
 for the 1st quarter ended september 30, 2011 (unaudited)

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, 2011.
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, 2011.
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. 712,000 thousand (June 30, 2011 : Rs 993,601 thousand).

## 8. PROPERTY, PLANT AND EQUIPMENT

		(Rupees in thousand)	
	Note	September 30, 2011	June 30, 2011
Opening book value		484,578	446,997
Add: Additions during the period	8.1	10,537	114,873
		<b>495,115</b>	<b>561,870</b>
Less: Disposals / write offs during the period (at book value)		(1,163)	(15,094)
Depreciation charged during the period		(14,167)	(62,198)
		(15,330)	(77,292)
Closing book value		<b>479,786</b>	<b>484,578</b>

## 8.1 Additions during the period

		(Rupees in thousand)	
	Note	September 30, 2011	June 30, 2011
- Building on freehold land		-	7,671
- Plant and machinery		3,425	43,520
- Tools and equipments		2,094	4,924
- Furniture, fixture and office equipment		643	2,912
- Vehicles		4,208	54,339
- Computers		167	1,507
		<b>10,537</b>	<b>114,873</b>

## 9. CAPITAL WORK-IN-PROGRESS

		(Rupees in thousand)	
	Note	September 30, 2011	June 30, 2011
Advance for purchase of office space		151,830	151,830
Others		1,258	3,371
		<b>153,088</b>	<b>155,201</b>

## 10. LONG TERM INVESTMENTS - EQUITIES

		(Rupees in thousand)	
	Note	September 30, 2011	June 30, 2011
<b>Related parties</b>			
- Associate-quoted		198,632	236,745
- Associate-unquoted		275,315	358,697
		<b>473,947</b>	<b>595,442</b>
<b>Others</b>			
<b>Available for sale - quoted</b>			
Cost		25,481	25,481
Surplus on revaluation of investment		13,003	15,441
		<b>38,484</b>	<b>40,922</b>
		<b>512,431</b>	<b>636,364</b>

## 11. SHORT TERM INVESTMENTS

		(Rupees in thousand)	
	Note	September 30, 2011	June 30, 2011
Financial assets at fair value through profit and loss - Mutual fund units		<b>437,969</b>	<b>2,971,296</b>

## 12. CASH GENERATED FROM OPERATIONS

		(Rupees in thousand)	
		1st quarter ended	
		September 30,	
	Note	2011	2010
Profit before taxation		209,529	869,402
Adjustment for:			
- Depreciation on property, plant and equipment		14,167	13,789
- Amortization of intangibles		2,936	2,936
- Amortization of deferred revenue		-	(14,796)
- Gain on investment at fair value through profit and loss		(36,432)	(99,490)
- Gain on sale of property, plant and equipment		(666)	-
- Profit on bank deposits		(2,146)	(4,623)
- Finance cost		2,561	4,470
- Share of loss / (profit) of associates		30,140	(48,216)
- Working capital changes	12.1	(2,425,502)	(2,751,736)
		<b>(2,205,413)</b>	<b>(2,028,264)</b>



## 12.1 Working capital changes

		(Rupees in thousand)	
		1st quarter ended	
		September 30,	
	Note	2011	2010
<b>(Increase)/decrease in current assets</b>			
- Stores and spares		(6,453)	(15,010)
- Stock-in-trade		(616,602)	(316,645)
- Trade debts		(70,520)	359,393
- Loan and advances		(149,724)	(389,585)
- Trade deposits and prepayments		(7,446)	(7,891)
- Other receivables		(19,454)	(353,486)
<b>Increase/(decrease) in current liabilities</b>			
- Trade and other payables		(1,555,303)	(2,028,512)
		<b>(2,425,502)</b>	<b>(2,751,736)</b>

## 12.2 Cash and cash equivalents

		(Rupees in thousand)	
		1st quarter ended	
		September 30,	
	Note	2011	2010
Cash and bank balances		<b>434,876</b>	<b>90,731</b>

## 13. TRANSACTIONS WITH RELATED PARTIES

		(Rupees in thousand)	
		1st quarter ended	
		September 30,	
	Note	2011	2010
Purchases from associated undertakings		354,191	925,804
Payable to related parties		15,535	208,857
Payment to funds:			
- Pension		2,702	2,483
- Gratuity		6,573	6,552
- Benevolent		67	71

## 14. EVENTS AFTER BALANCE SHEET DATE

Interim dividend declared by the Millat Tractors Limited after the balance sheet date Rs.nil per share (June 30, 2011: Rs. 15 per share) while appropriations to general reserve made after the balance sheet date amount to Rs. nil (June 30, 2011: 900,000 thousand).

## 15. DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial information was authorised for issue on October 25, 2011 by the Board of Directors'.

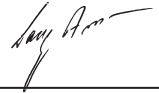
## 16. CORRESPONDING FIGURES

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



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Sikandar Mustafa Khan  
Chairman



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Laeq Uddin Ansari  
Chief Executive