

## 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's Share Registrars**

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

### **Bankers**

Bank Alfalah Ltd.  
Barclays Bank PLC, Pakistan  
Habib Bank Ltd.  
MCB Bank Ltd.  
Meezan Bank Ltd.  
RBS (formerly ABN Amro Bank)  
Standard Chartered Bank  
United Bank Ltd.

### **Registered Office and Plant**

Sheikhupura Road, Distt. Sheikhupura  
Tel: 042-37911021-25, 111-200-786  
Fax: 042-37924166,37925835  
Web Site: [www.millat.com.pk](http://www.millat.com.pk)  
E-mail: [info@millat.com.pk](mailto: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 half year ended December 31, 2009 duly reviewed by the statutory auditors of the Company as required by the Companies Ordinance 1984.

The Company achieved a sales volume of 19,109 Tractors in this half year as against 12,251 tractors for the corresponding period of the last year, showing an increase of 56%. During the half year 19,333 Tractors were produced as compared to 12,619 tractors during half year ended on Dec 31, 2008 showing an increase of 6,714 tractors i.e. 53%.

Pre-tax profit for the half year amounts to Rs. 1,514 million as compared to Rs. 475 million of the corresponding period of previous year, thus showing an increase of Rs 1,039 millions.

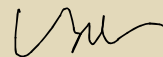
During this period of six months we achieved all time highest production level in any half year. This was possible owing to the Blessings of Almighty Allah, Teamwork of Millat employees, its associates and efficient planning in supply chain which played a key role in achieving this new height.

Booking and delivery has shown significant increase of 78% and 56% respectively over the same period last year, reflecting high level of confidence and trust of our customers in our tractors. We would like to take this opportunity to thank our valued customers reposing their confidence in our products.

We now endeavor to adopt various measure to meet the growing demand which will enable the company to further improve the tractor supply position in the coming period. This would not only support the farming community in getting prompt tractor deliveries but will also fetch more business for the company.

We would 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



Sikandar Mustafa Khan  
Chairman

Lahore:  
February 16, 2010

# AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

## Introduction

We have reviewed the accompanying condensed interim balance sheet of Millat Tractors Limited as at December 31, 2009, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2009 and 2008 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2009.


## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended December 31, 2009 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Lahore:  
February 16, 2010

  
A. F. Ferguson & Co.  
Chartered Accountants

# CONDENSED INTERIM BALANCE SHEET

	December 31, 2009	June 30, 2009
Note	(Rupees in thousand)	
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
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	292,843	234,275
General reserves	2,467,776	2,220,776
Unappropriated profit	1,036,484	892,018
Fair value reserve	25,057	23,774
	3,822,160	3,370,843
<b>NON-CURRENT LIABILITIES</b>		
Security deposits	9,485	9,485
Deferred revenue	7,133	33,069
Deferred taxation	5,781	8,883
Accumulating compensated absences	33,618	31,618
	56,017	83,055
<b>CURRENT LIABILITIES</b>		
Current portion of deferred revenue	70,804	202,079
Trade and other payables	4,918,345	3,123,525
Mark-up accrued on short term borrowings	2,967	3,298
Taxation - net	87,181	-
	5,079,297	3,328,902
	8,957,474	6,782,800


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

## AS AT DECEMBER 31, 2009 (UN-AUDITED)

	Note	December 31, 2009 (Rupees in thousand)	June 30, 2009
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	409,358	405,618
Capital work-in-progress	9	167,729	104,335
Intangible assets		30,456	30,208
Investment property		273,203	273,203
Long term investments	10	288,187	286,904
Long term loans - considered good		3,113	3,375
		1,172,046	1,103,643
<b>CURRENT ASSETS</b>			
Stores and spares		82,603	77,244
Stock-in-trade		2,561,345	2,077,022
Trade debts		109,977	127,209
Loans and advances		392,351	101,790
Trade deposits and prepayments		33,541	15,879
Other receivables		1,338,155	1,107,934
Taxation - net		-	3,267
Short term investments	11	2,190,724	1,173,439
Cash and bank balances		1,076,732	995,373
		7,785,428	5,679,157
		<u>8,957,474</u>	<u>6,782,800</u>



Sikandar Mustafa Khan  
Chairman



Laeeq Uddin Ansari  
Chief Executive

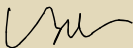
# CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE HALF YEAR ENDED DECEMBER 31, 2009 (UN-AUDITED)

Note	Quarter ended December 31		Half year ended December 31	
	2009 (Rupees in thousand)	2008	2009 (Rupees in thousand)	2008
Sales - net	6,611,090	3,220,761	10,409,133	6,093,366
Cost of sales	5,438,815	2,751,094	8,539,918	5,350,569
Gross profit	1,172,275	469,667	1,869,215	742,797
Distribution and marketing expenses	193,505	78,675	310,094	172,804
Administrative expenses	76,064	50,826	130,721	102,241
	269,569	129,501	440,815	275,045
Operating profit	902,706	340,166	1,428,400	467,752
Other operating income	145,673	(19,414)	202,422	62,869
	1,048,379	320,752	1,630,822	530,621
Other operating expenses	83,131	17,583	112,202	35,487
Finance cost	3,687	14,995	4,713	19,839
	86,818	32,578	116,915	55,326
Profit before taxation	961,561	288,174	1,513,907	475,295
Taxation	294,323	106,145	478,186	151,969
Profit for the period	667,238	182,029	1,035,721	323,326
Earnings per share - basic and diluted (Rupees)	22.78	6.22	35.37	11.04

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 HALF YEAR ENDED DECEMBER 31, 2009 (UN-AUDITED)

	Quarter ended December 31		Half year ended December 31	
	2009	2008	2009	2008
	(Rupees in thousand)		(Rupees in thousand)	
Profit for the half year ended December 31, 2009	667,238	182,029	1,035,721	323,326
Unrealized gain / (loss) on revaluation of investments	2,104	(5,452)	1,283	(5,452)
<b>Total comprehensive income for the period</b>	<u>669,342</u>	<u>176,577</u>	<u>1,037,004</u>	<u>317,874</u>

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 HALF YEAR ENDED DECEMBER 31, 2009 (UN-AUDITED)

	Note	Six months to December 31, 2009 (Rupees in thousand)	Six months to December 31, 2008
<b>Cash flows from operating activities</b>			
Cash generated from/(used in) operations	12	2,133,974	(900,003)
Interest and mark-up paid		(5,044)	(12,892)
Net (increase)/decrease in long term loans to employees		262	297
Income tax paid		(390,840)	(217,698)
Net decrease in deferred revenue		(157,211)	(28,600)
Net cash generated from/(used in) operating activities		1,581,141	(1,158,896)
<b>Cash flows from investing activities</b>			
Purchase of property, plant & equipment		(98,133)	(52,449)
Purchase of intangible assets		(248)	(6,787)
Purchase of short term investments		(3,850,000)	(1,453,883)
Proceeds from sale of property, plant and equipment		6,621	3,385
Profit on bank deposits		16,622	3,905
Proceeds from sale of short term investments		2,969,240	2,959,172
Dividend received		31,174	19,154
Net cash generated from/(used in) investing activities		(924,724)	1,472,497
<b>Cash flows from financing activities</b>			
Dividend paid		(575,058)	(369,984)
Net cash used in financing activities		(575,058)	(369,984)
Net increase/(decrease) in cash and cash equivalents		81,359	(56,383)
Cash and cash equivalents at the beginning of the period		995,373	249,358
<b>Cash and cash equivalents at the end of the period</b>	12.2	<u>1,076,732</u>	<u>192,975</u>

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 HALF YEAR ENDED DECEMBER 31, 2009 (UN-AUDITED)

	Share capital	<u>Revenue Reserves</u>		Fair value reserve	Total
		General reserves	Unappropriated profit		
(Rupees in thousand)					
<b>Balance as on July 01, 2008</b>	187,420	2,211,000	576,917	63,542	3,038,879
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)	-	-
Thrsferred from profit and loss account	-	155,000	(155,000)	-	-
Total comprehensive income for the half year ended December 31, 2008	-	-	323,326	(5,452)	317,874
<b>Balance as on December 31, 2008</b>	234,275	2,366,000	323,549	58,090	2,981,914
Interim dividend @ Rs 20 per share	-	(145,224)	(323,325)	-	(468,549)
Total comprehensive income for the half year ended June 30, 2009	-	-	891,794	(34,316)	857,478
<b>Balance as on June 30, 2009</b>	234,275	2,220,776	892,018	23,774	3,370,843
Final dividend for the year ended June 30, 2009 @ Rs 25 per share	-	-	(585,687)	-	(585,687)
Issue of ordinary shares of Rs. 10 each as fully paid bonus shares	58,568	-	(58,568)	-	-
Thrsferred from profit and loss account	-	247,000	(247,000)	-	-
Total comprehensive income for the half year ended December 31, 2009	-	-	1,035,721	1,283	1,037,004
<b>Balance as on December 31, 2009</b>	292,843	2,467,776	1,036,484	25,057	3,822,160

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.

The following amendments to standards are mandatory for the first time for the financial year beginning July 1, 2009.

- IAS 1 (Revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is, non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' are required to be shown in performance statement. Companies can choose whether to present one performance statement (the statement of comprehensive income) or two statements (profit and loss account and statement of comprehensive income).

The company has preferred to present two statements; a profit and loss account and a statement of comprehensive income. The condensed interim financial information has been prepared under revised disclosure requirements.

- In addition to above IAS 23 'Borrowing Costs' are mandatory for the first time for the financial year beginning July 1, 2009 however, its adoption did not have any significant impact on the financial information of the company.
4. This condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim financial reporting" and have been reviewed by the auditors of the company under the Code of Corporate Governance.
  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. 1,400,000 thousand (June 30, 2009: Rs 837,800 thousand).

	<b>December 31, 2009</b>	<b>June 30, 2009</b>
	<b>(Rupees in thousand)</b>	
<b>8. Property, plant and equipment</b>		
Opening book value	405,618	298,219
Add: Additions during the period	-note 8.1 <u>34,739</u>	<u>168,938</u>
	440,357	467,157
Less: Disposals during the period (at book value)	<u>(6,621)</u>	<u>(11,095)</u>
Depreciation charged during the period	<u>(24,378)</u>	<u>(50,444)</u>
	<u>(30,999)</u>	<u>(61,539)</u>
Closing book value	<u><u>409,358</u></u>	<u><u>405,618</u></u>
<b>8.1 Additions during the period</b>		
- Building on freehold land	-	2,421
- Plant and machinery	773	131,543
- Tools and equipments	371	3,120
- Furniture, fixture and office equipment	1,133	4,407
- Vehicles	30,160	27,361
- Computers	2,302	86
	<u>34,739</u>	<u>168,938</u>
<b>9. Capital work-in-progress</b>		
Plant and machinery	18,534	14,938
Advance for purchase of office space	142,830	83,230
Advance for purchase of office furniture	85	85
Others	6,280	6,082
	<u>167,729</u>	<u>104,335</u>
<b>10. Long term investments - Equities</b>		
<b>Related parties</b>		
<b>Investment at cost</b>		
- Subsidiary - unquoted	<u>57,375</u>	<u>57,375</u>
- Associates - quoted	76,610	76,610
- Associates- unquoted	117,000	117,000
	250,985	250,985
<b>Others</b>		
<b>Available for sale - quoted</b>		
Cost	<u>12,145</u>	<u>12,145</u>
Surplus on revaluation of investment	<u>25,057</u>	<u>23,774</u>
	<u>37,202</u>	<u>35,919</u>
	<u>288,187</u>	<u>286,904</u>
<b>11. Short term investments</b>		
Financial assets at fair value through profit and loss - Mutual fund units at cost	<u>2,123,882</u>	<u>1,153,999</u>
Surplus on revaluation of investments	<u>66,842</u>	<u>19,440</u>
	<u>2,190,724</u>	<u>1,173,439</u>

**Half year ended**  
**December 31**  
**2009            2008**  
**(Rupees in thousand)**

**12. Cash (used in)/generated from operations**

Profit before taxation	1,513,907	475,295
Adjustment for:		
- Depreciation on property, plant and equipment	24,378	24,335
- Bad debts written off	-	2,221
- Provision for accumulating compensated absences	2,000	1,185
- Gain on investment at fair value through profit and loss	(136,525)	(11,964)
- Profit on bank deposits	(11,568)	(9,577)
- Dividend	(31,174)	(19,154)
- Finance cost	4,713	19,839
- Working capital changes	note 12.1    768,243	(1,382,183)
	2,133,974	(900,003)

**12.1 Working capital changes**

**(Increase)/decrease in current assets**

- Stores and spares	(5,359)	(332)
- Stock-in-trade	(484,323)	(738,902)
- Trade debts	17,232	(180,936)
- Loan and advances	(290,561)	(172,372)
- Trade deposits and prepayments	(17,662)	(13,043)
- Other receivables	(235,275)	150,484

**Increase/(decrease) in current liabilities**

- Trade and other payables	1,784,191	(427,082)
	768,243	(1,382,183)

**12.2 Cash and cash equivalents**

Cash and bank balances	1,076,732	555,628
Short term running finance	-	(362,653)
	1,076,732	192,975

**13. Transactions with related parties**

Purchases from related parties	606,778	1,030,180
Dividened Income	29,250	19,154
Payable to related parties	279,332	148,597
Receivable from related parties	757	63,058
Payments to fund:		
- Pension	4,863	4,767
- Gratuity	4,173	4,353
- Benevolent	139	267

#### **14. Events after balance sheet date**

The board of directors have declared an interim dividend of Rs. 30 per share (June 30, 2009: Rs. 25 per share) at their meeting held on February 16, 2010, while appropriation to general reserve and issuance of bonus shares made after the balance sheet date amounts to Rs. nil (2009: Rs. 247,000 thousand and Rs. 58,569 thousand respectively). This condensed interim financial information does not include the effect of the above interim dividend which will be accounted for in the period in which it is declared.

#### **15. Date of authorisation for issue**

This condensed interim financial information was authorised for issue on February 16, 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.

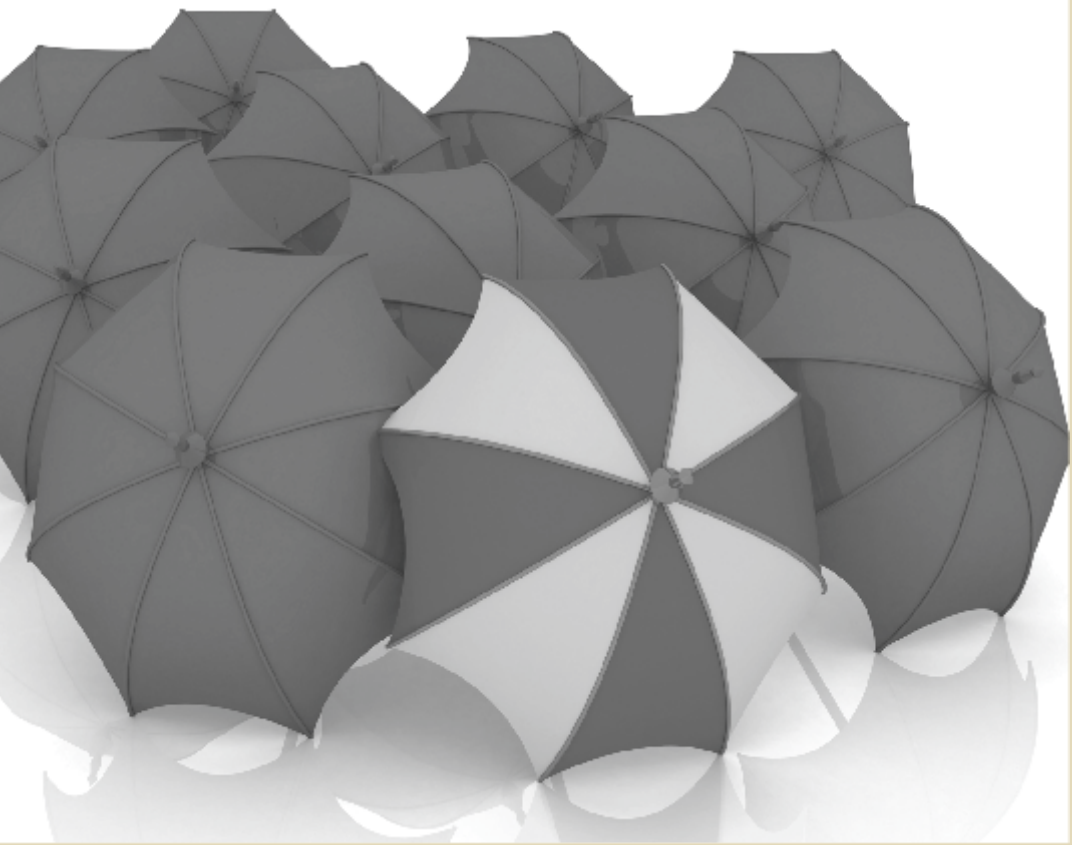


Sikandar Mustafa Khan  
Chairman



Laeeq Uddin Ansari  
Chief Executive





MILLAT TRACTORS GROUP

CONSOLIDATED

FINANCIAL STATEMENTS

# CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

	December 31, 2009	June 30, 2009
Note	(Rupees in thousand)	
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
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	292,843	234,275
General reserves	2,467,776	2,220,776
Unappropriated profit	1,240,127	1,062,420
Unrealized gain on revaluation of investments	11,720	10,437
Equity attributable to equity holders of the parent	4,012,466	3,527,908
Non-controlling interest	37,492	31,038
	4,049,958	3,558,946
<b>NON-CURRENT LIABILITIES</b>		
Security deposits	9,485	9,485
Deferred revenue	7,133	33,069
Deferred taxation	6,294	9,396
Accumulating compensated absences	33,618	31,618
	56,530	83,568
<b>CURRENT LIABILITIES</b>		
Current portion of deferred revenue	70,804	202,079
Trade and other payables	4,928,367	3,141,848
Mark-up accrued on short term borrowings	3,027	3,691
Provision for taxation	93,002	695
	5,095,200	3,348,313
	9,201,688	6,990,827

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




## AS AT DECEMBER 31, 2009 (UN-AUDITED)

	Note	December 31, 2009 (Rupees in thousand)	June 30, 2009 (Rupees in thousand)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	443,608	439,208
Capital work-in-progress	9	167,729	104,335
Intangible assets		30,456	30,208
Investment property		273,203	273,203
Long term investments	10	404,672	381,662
Long term loans - considered good		3,113	3,375
		1,322,781	1,231,991
<b>CURRENT ASSETS</b>			
Stores and spares		85,264	78,844
Stock-in-trade		2,607,960	2,110,211
Trade debts		135,710	148,677
Loans and advances		397,349	107,222
Trade deposits and prepayments		34,231	16,631
Other receivables		1,340,077	1,107,934
Taxation - net		-	5,189
Short term investments	11	2,198,224	1,173,439
Cash and bank balances		1,080,092	1,010,689
		7,878,907	5,758,836
		9,201,688	6,990,827



Sikandar Mustafa Khan  
Chairman



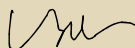
Laeeq Uddin Ansari  
Chief Executive

**CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2009 (UN-AUDITED)

	Quarter ended December 31		Half year ended December 31	
	2009	2008	2009	2008
Note	(Rupees in thousand)		(Rupees in thousand)	
Sales - net	6,660,565	3,263,941	10,508,161	6,171,813
Cost of sales	<u>5,469,440</u>	<u>2,781,789</u>	<u>8,598,120</u>	<u>5,407,403</u>
Gross profit	1,191,125	482,152	1,910,041	764,410
Distribution and marketing expenses	196,205	80,505	315,645	176,452
Administrative expenses	79,773	54,213	138,074	109,147
	<u>275,978</u>	<u>134,718</u>	<u>453,719</u>	<u>285,599</u>
Operating profit	915,147	347,434	1,456,322	478,811
Other operating income	116,450	(19,374)	173,200	62,917
	<u>1,031,597</u>	<u>328,060</u>	<u>1,629,522</u>	<u>541,728</u>
Other operating expenses	83,877	10,959	114,043	20,230
Finance cost	3,828	28,647	4,999	38,766
	<u>87,705</u>	<u>39,606</u>	<u>119,042</u>	<u>58,996</u>
Share of profit and loss of associated companies	49,836	(4,432)	78,385	4,960
Profit before taxation	993,728	284,022	1,588,865	487,692
Taxation				
Group	296,544	110,669	486,040	151,969
Associated companies	17,417	(1,552)	27,409	2,090
	<u>313,961</u>	<u>109,117</u>	<u>513,449</u>	<u>154,059</u>
Profit for the period	679,767	174,905	1,075,416	333,633
Attributable to:				
Equity holders of the parent	676,405	172,960	1,068,962	330,962
Non-controlling interest	3,362	1,945	6,454	2,671
	<u>679,767</u>	<u>174,905</u>	<u>1,075,416</u>	<u>333,633</u>
Earnings per share - basic and diluted (Rupees)	<u>23.10</u>	<u>5.91</u>	<u>36.50</u>	<u>11.30</u>

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

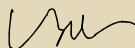


Laeeq Uddin Ansari  
Chief Executive

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED DECEMBER 31, 2009 (UN-AUDITED)

	Quarter ended December 31		Half year ended December 31	
	2009	2008	2009	2008
	(Rupees in thousand)		(Rupees in thousand)	
Profit for the half year ended December 31, 2009	679,767	174,905	1,075,416	333,633
Unrealized gain / (loss) on revaluation of investments	2,104	(5,452)	1,283	(5,452)
<b>Total comprehensive income for the period</b>	<u>681,871</u>	<u>169,453</u>	<u>1,076,699</u>	<u>328,181</u>
Non-controlling interest	<u>(3,362)</u>	<u>(1,945)</u>	<u>(6,454)</u>	<u>(2,671)</u>
Equity holders of the parent	<u>678,509</u>	<u>167,508</u>	<u>1,070,245</u>	<u>330,962</u>

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 HALF YEAR ENDED DECEMBER 31, 2009 (UN-AUDITED)

	Note	Six months to December 31, 2009 (Rupees in thousand)	Six months to December 31, 2008
<b>Cash flows from operating activities</b>			
Cash generated from operations	12	2,133,472	(884,952)
Interest and mark-up paid		(5,664)	(32,006)
Net decrease/(increase) in long term loans to employees		262	297
Income tax paid		(391,646)	(218,373)
Net decrease in deferred revenue		(157,211)	(28,600)
Net cash (used in)/generated from operating activities		1,579,213	(1,163,634)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(100,711)	(54,037)
Purchase of intangible assets		(248)	(6,787)
Purchase of short term investments		(3,857,500)	(1,453,883)
Proceeds from sale of property, plant and equipment		6,621	3,814
Profit on bank deposits		16,672	3,905
Proceeds from sale of short term investments		2,969,240	2,959,172
Dividend income		31,174	19,154
(Net cash used) in investing activities		(934,752)	1,471,338
<b>Cash flows from financing activities</b>			
Dividend paid		(575,058)	(369,984)
(Net cash used) in financing activities		(575,058)	(369,984)
Net decrease in cash and cash equivalents		69,403	(62,280)
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	1,080,092	165,747

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 HALF YEAR ENDED DECEMBER 31, 2009 (UN-AUDITED)**

	<u>Revenue Reserves</u>					Total
	Share capital	General reserves	Unappropriated profit	Fair value reserve	Non-controlling interest	
(Rupees in thousand)						
Balance as on July 01, 2008	187,420	2,211,000	682,216	50,205	17,211	3,148,052
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)	-	-	-
Transferred from profit and loss account	-	155,000	(155,000)	-	-	-
Total comprehensive income for the hlf year ended December 31, 2008	-	-	330,962	(5,452)	2,671	328,181
Balance as on December 31, 2008	234,275	2,366,000	436,484	44,753	19,882	3,101,394
Interim dividend @ Rs. 20 per share	-	(145,224)	(323,325)	-	-	(468,549)
Total comprehensive income the half year ended June 30, 2009	-	-	949,261	(34,316)	11,156	926,101
Balance as on June 30, 2009	234,275	2,220,776	1,062,420	10,437	31,038	3,558,946
Final dividend for the year ended June 30, 2009 @ Rs. 25 per share	-	-	(585,687)	-	-	(585,687)
Issue of ordinary shares of Rs. 10 each as fully paid bonus shares	58,568	-	(58,568)	-	-	-
Transferred from profit and loss account	-	247,000	(247,000)	-	-	-
Total Comprehensive income the half year ended December 31, 2009	-	-	1,068,962	1,283	6,454	1,076,699
Balance as on December 31, 2009	292,843	2,467,776	1,240,127	11,720	37,492	4,049,958

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)

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. 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, 2009.

The following amendments to standards are mandatory for the first time for the financial year beginning July 1, 2009.

- IAS 1 (Revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is, non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in performance statement. Companies can choose whether to present one performance statement (the statement of comprehensive income) or two statements (profit and loss account and statement of comprehensive income).

The group has preferred to present two statements; a profit and loss account and a statement of comprehensive income. The condensed interim financial information has been prepared under revised disclosure requirements.

- In addition to above IAS 23 'Borrowing Costs' are mandatory for the first time for the financial year beginning July 1, 2009 however, its adoption did not have any significant impact on the financial information of the group.
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, 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. 1,400,000 thousand (June 30, 2009: Rs 843,286 thousand).

	December 31, 2009	June 30, 2009
	(Rupees in thousand)	
<b>8. Property, plant and equipment</b>		
Opening book value	439,208	329,151
Add: Additions during the period	-note 8.1 37,317	175,576
	476,525	504,727
Less: Disposals during the period (at book value)	(6,621)	(48,604)
Depreciation charged during the period	(26,296)	(16,915)
	(32,917)	(65,519)
Closing book value	443,608	439,208
<b>8.1 Additions during the period</b>		
- Building on freehold land	103	2,657
- Plant and machinery	1,986	133,067
- Tools and equipments	820	5,820
- Furniture, fixture and office equipment	1,252	4,753
- Vehicles	30,739	29,073
- Computers	2,418	206
	37,317	175,576
<b>9. Capital work-in-progress</b>		
Plant and machinery	18,534	14,938
Advance for purchase of office space	142,830	83,230
Advance for purchase of office furniture	85	85
Others	6,280	6,082
	167,729	104,335
<b>10. Long term investments - Equities</b>		
<b>Related parties</b>		
<b>Investment at cost</b>		
Related parties		
- Associates -quoted	179,517	173,526
- Associates-unquoted	187,954	172,217
	367,471	345,743
<b>Others</b>		
<b>Available for sale - quoted</b>		
Cost	25,481	25,481
Surplus on revaluation of investment	11,720	10,438
	37,201	35,919
	404,672	381,662
<b>11. Short term investments</b>		
Financial assets at fair value through profit and loss - Mutual fund units at cost	2,131,383	1,153,999
Surplus on revaluation of investments	66,841	19,440
	2,198,224	1,173,439

	<b>Half year ended</b>	
	<b>December 31</b>	
	<b>2009</b>	<b>2008</b>
	<b>(Rupees in thousand)</b>	
<b>12. Cash (used in)/generated from operations</b>		
Profit before taxation	1,588,865	487,692
Adjustment for:		
- Depreciation on property, plant and equipment	26,296	25,873
- Bad debts written off	-	7,467
- Amortization of pre-operating expenses	-	516
- Provision for accumulating compensated absences	2,000	1,500
Unrealized (gain) on investment at fair value through profit and loss	(136,525)	(11,964)
- Profit on bank deposits	(11,568)	(9,577)
Dividend income	(1,924)	(19,154)
- Finance cost	4,999	38,766
- Share of loss / (profit) of associates	(78,385)	(4,960)
- Working capital changes	note 12.1 739,714	(1,401,111)
	<u>2,133,472</u>	<u>(884,952)</u>
<b>12.1 Working capital changes</b>		
(Increase)/decrease in current assets		
- Stores and spares	(6,420)	(754)
- Stock-in-trade	(497,749)	(551,945)
- Trade debts	12,967	(189,183)
- Loan and advances	(290,127)	(359,782)
- Trade deposits and prepayments	(17,600)	(12,516)
- Other receivables	(237,247)	152,133
<b>Increase/(decrease) in current liabilities</b>		
- Trade and other payables	1,775,890	(439,064)
	<u>739,714</u>	<u>(1,401,111)</u>
<b>12.2 Cash and cash equivalents</b>		
Cash and bank balances	1,080,092	558,171
Short term running finance	-	(392,424)
	<u>1,080,092</u>	<u>165,747</u>
<b>13. Transactions with related parties</b>		
Purchases from related parties	596,928	1,030,180
Dividened Income	29,250	19,154
Payable to related parties	255,682	148,597
Receivable from related parties	1,878	63,058
Payments to fund:		
- Pension	4,863	4,767
- Gratuity	4,173	4,353
- Benevolent	139	267



#### **14. Events after balance sheet date**

Interim dividend declared by the MTL after the balance sheet date Rs. 30 per share (June 30, 2009: Rs. 25 per share) at their meeting held on February 16, 2010, while appropriations to general reserve and issuance of bonus shares made after the balance sheet date amounts to Rs. nil (June 30, 2009: Rs. 247,000 thousand and 58,569 thousand respectively). This consolidated condensed interim financial information does not include the effect of the above interim dividend which will be accounted for in the period in which it is declared.

#### **15. Date of authorisation for issue**

This consolidated condensed interim financial information was authorised for issue on February 16, 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

