

CORPORATE

information

BOARD OF DIRECTORS

Chairman

MR. SIKANDAR MUSTAFA KHAN

Chief Executive

SYED MUHAMMAD IRFAN AQUEEL

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

It gives me pleasure to present to you on behalf of the Board of Directors, the un-audited accounts of Millat Tractors Limited for the half year ended December 31, 2011 duly reviewed by the auditors of the Company as required under the Companies Ordinance 1984.

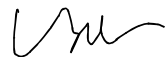
The imposition of 16% sales tax on tractor sales in March 2011 adversely impacted sales volume with a severe knock on effect on the entire tractor and allied industry. The total industry sale dropped to 12,786 tractors from 33,184 tractors during this half year. Coupled to the sales tax effect was the drop in crop prices and an increase in input costs like fertilizer and pesticides.

The company achieved a sales volume of 9,005 Tractors during the half year under review against 20,512 tractors for the corresponding period of last year, showing a decrease of 56 %. Pre-tax profit for the half year amounted to Rs. 814 million as compared to Rs. 1,729 million for the corresponding period of previous year showing a decrease of Rs 915 million. Profit after tax decreased by 48% to Rs. 617 million from 1,189 million compared to the corresponding period of last year.

Taking cognizance of the massive downturn in tractor output and its negative impact on agricultural output the Government has announced reduction in sales tax on tractors from 16% to 5%. This will give a positive impetus not only to the tractor industry but will also benefit more than 250 vendors and suppliers of tractor parts, not to mention the increased agricultural output.

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 17, 2012

AUDITORS' REPORT TO THE

members on review of interim financial informaton

Introduction

We have reviewed the accompanying condensed interim balance sheet of Millat Tractors Limited as at December 31, 2011, 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 statements"). 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, 2011 and 2010 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2011.

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, 2011 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Lahore:
February 17, 2012




A. F. Ferguson & Co.
Chartered Accountants

condensed interim
BALANCE SHEET
 as at december 31, 2011 (unaudited)

EQUITY AND LIABILITIES

		(Rupees in thousand)	
	Note	December 31, 2011	June 30, 2011
SHARE CAPITAL AND RESERVES			
Authorised Capital 50,000,000 (June 30, 2011: 50,000,000) ordinary shares of Rs. 10 each		500,000	500,000
Issued, subscribed and paid up capital		366,055	366,055
General reserves		3,666,678	2,766,678
Unappropriated profit		658,726	1,490,726
Fair value reserve		21,362	28,777
		4,712,821	4,652,236
NON-CURRENT LIABILITIES			
Security deposits		10,485	10,485
Deferred taxation		16,588	25,606
		27,073	36,091
CURRENT LIABILITIES			
Accumulating compensated absences		48,607	44,965
Trade and other payables		2,392,132	3,850,702
Mark-up accrued on short term borrowings		1,855	990
		2,442,594	3,896,657
CONTINGENCIES AND COMMITMENTS			
	7	7,182,488	8,584,984

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	December 31, 2011	June 30, 2011
NON-CURRENT ASSETS			
Property, plant and equipment	8	419,976	435,516
Capital work-in-progress	9	153,314	155,137
Intangible assets		11,743	17,614
Investment property		255,708	255,708
Long term investments	10	284,492	291,907
Long term loans - considered good		2,955	2,860
		1,128,188	1,158,742
CURRENT ASSETS			
Stores and spares		129,615	131,559
Stock-in-trade		3,364,452	2,580,293
Trade debts		250,253	176,430
Loans and advances		214,628	215,293
Trade deposits and prepayments		24,022	19,132
Other receivables		852,081	801,351
Taxation - net		230,777	137,386
Short term investments	11	802,400	2,971,296
Cash and bank balances		186,072	393,502
		6,054,300	7,426,242
		7,182,488	8,584,984



Syed Muhammad Irfan Aqueel
Chief Executive

condensed interim
PROFIT & LOSS ACCOUNT
 for the half year ended december 31, 2011 (unaudited)

	Note	(Rupees in thousand)		(Rupees in thousand)	
		Quarter ended		Half year ended	
		December 31,		December 31,	
		2011	2010	2011	2010
Sales - net		3,691,115	6,753,143	6,032,128	11,831,399
Cost of sales		3,047,742	5,653,827	5,009,951	9,840,553
Gross profit		643,373	1,099,316	1,022,177	1,990,846
Distribution and marketing expenses		116,776	170,747	198,464	297,123
Administrative expenses		74,223	73,129	152,166	146,272
		190,999	243,876	350,630	443,395
Operating profit		452,374	855,440	671,547	1,547,451
Other operating income		78,303	139,395	224,074	316,066
		530,677	994,835	895,621	1,863,517
Other operating expenses		32,828	67,752	77,463	127,424
Finance cost		2,168	2,984	4,102	7,079
		34,996	70,736	81,565	134,503
Profit before taxation		495,681	924,099	814,056	1,729,014
Taxation		123,007	295,065	196,975	540,285
Profit for the period		372,674	629,034	617,081	1,188,729
Earnings per share - basic and diluted (Rupees)		10.18	17.18	16.86	32.47

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



Syed Muhammad Irfan Aqueel
Chief Executive

condensed interim statement of
COMPREHENSIVE INCOME
 for the half year ended december 31, 2011 (unaudited)

	(Rupees in thousand)		(Rupees in thousand)	
	Quarter ended		Half year ended	
	December 31,		December 31,	
	2011	2010	2011	2010
Profit for the period	372,674	629,034	617,081	1,188,729
Other comprehensive income:				
Unrealized (loss) / gain on revaluation of investments	(4,978)	4,977	(7,415)	6,183
Total other comprehensive income	(4,978)	4,977	(7,415)	6,183
Total comprehensive income for the period	367,696	634,011	609,666	1,194,912

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



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

condensed interim
CASH FLOW STATEMENT
 for the half year ended december 31, 2011 (unaudited)

		(Rupees in thousand)	
		Half year ended	
		December 31,	
	Note	2011	2010
Cash flows from operating activities			
Cash used in operations	12	(1,690,759)	(203,950)
Interest and mark-up paid		(3,237)	(6,181)
Net (increase) / decrease in long term loans to employees		(95)	652
Income tax paid		(299,384)	(665,035)
Net cash used in operating activities		(1,993,475)	(874,514)
Cash flows from investing activities			
Purchase of property, plant and equipment		(12,148)	(77,066)
Purchase of short term investments		(1,200,360)	(2,361,653)
Proceeds from sale of short term investments		3,435,226	4,085,306
Proceeds from sale of property, plant and equipment		4,216	9,993
Proceeds from sale of investment property		-	17,200
Profit on bank deposits		4,447	10,832
Dividend received		103,290	71,068
Net cash generated from investing activities		2,334,671	1,755,680
Cash flows from financing activities			
Dividend paid		(548,626)	(1,003,774)
Net cash used in financing activities		(548,626)	(1,003,774)
Net increase/(decrease) in cash and cash equivalents		(207,430)	(122,608)
Cash and cash equivalents at the beginning of the period		393,502	1,109,055
Cash and cash equivalents at the end of the period	12.2	186,072	986,447

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



Sikandar Mustafa Khan
 Chairman



Syed Muhammad Irfan Aqueel
 Chief Executive

condensed interim statement of
CHANGES IN EQUITY
for the half year ended december 31, 2011 (unaudited)

(Rupees in thousand)

	Share Capital	Revenue Reserves		Fair Value Reserve	Total
		General Reserves	Unappropriated Profit		
Balance as on July 1, 2010	292,844	2,467,776	1,406,730	25,057	4,192,407
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)	-	-
Total comprehensive income for the half year ended December 31, 2010	-	-	1,188,729	6,183	1,194,912
Balance as on December 31, 2010	366,055	2,767,776	1,197,297	31,240	4,362,368
Interim dividend @ Rs. 32.5 per share	-	(1,098)	(1,188,578)	-	(1,189,676)
Total comprehensive income for the half year ended June 30, 2011	-	-	1,482,007	(2,463)	1,479,544
Balance as on June 30, 2011	366,055	2,766,678	1,490,726	28,777	4,652,236
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	-	-	617,081	(7,415)	609,666
Balance as on December 31, 2011	366,055	3,666,678	658,726	21,362	4,712,821

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



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

selected notes to the condensed interim FINANCIAL INFORMATION

for the half year ended december 31, 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.

The following amendments to standards are mandatory for the first time for the financial year beginning July 1, 2011

- IAS 1 (amendment), 'Presentation of financial statements', is effective for annual periods beginning on or after January 1, 2011. The amendment clarifies that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The amendment is not expected to have a material impact on the company's financial statements.
- IAS 24 (Revised), 'Related Party Disclosures', is effective for annual periods beginning on or after January 1, 2011. The definition of a related party has been clarified to simplify the identification of related party relationships, particularly in relation to significant influence and joint control. This is not expected to have a material impact on the company's financial statements.
- IAS 34 (amendment), 'Interim financial reporting', is effective for annual periods beginning on or after January 1, 2011. The amendment provides guidance to illustrate how to apply disclosure principles in IAS 34 and add disclosure requirements around the circumstances likely to affect fair values of financial instruments and their classification, transfers of financial instruments between different levels of the fair value hierarchy, changes in classification of financial assets and changes in contingent liabilities and assets. This amendment is not expected to have a material impact on the company's financial statements.
- IFRIC 14 (amendment), 'Prepayments of a minimum funding requirement', is effective for annual periods beginning on or after January 1, 2011. IFRIC 14 provides further guidance on assessing the recoverable amount of a net pension asset. The amendment permits an entity to treat the prepayment of a minimum funding requirement as an asset. This amendment is not expected to have a material impact on the company's financial statements.
- IFRS 7 (amendment), 'Financial instruments: Disclosures', is effective for annual periods beginning on

or after January 1, 2011. The amendment emphasises the interaction between quantitative and qualitative disclosures and the nature and extent of risks associated with financial instruments. The amendment is not expected to have a material impact on the company's financial statements.

- IFRS 7 (amendment), 'Financial instruments: Disclosures', is effective for annual periods beginning on or after July 1, 2011. The amendment requires additional quantitative and qualitative disclosures relating to transfers of financial assets, where financial assets are derecognised in their entirety, but where the entity has a continuing involvement in them (e.g., options or guarantees on the transferred assets) or where financial assets are not derecognised in their entirety. This amendment is not expected to have any impact on the company's financial statements.

Standards or Interpretation

Effective date (accounting periods beginning on or after)

- | | | |
|----|---|-----------------|
| - | IFRS 1 (amendments), 'First-time adoption of International Financial Reporting Standards' | January 1, 2011 |
| - | IFRIC 13 (amendment), 'Customer loyalty programmes' | January 1, 2011 |
| - | IFRS 1 Reporting Standards — Severe hyperinflation and removal of fixed dates for first-time adopters', | July 1, 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 are Rs. 452,000 thousand (June 30, 2011 : Rs 977,000 thousand).

8. PROPERTY, PLANT AND EQUIPMENT

		(Rupees in thousand)	
	Note	December 31, 2011	June 30, 2011
Opening book value		435,516	411,759
Add: Additions during the period	8.1	13,971	95,159
		449,487	506,918
Less: Disposals / write offs during the period (at book value)		(3,549)	(14,635)
Depreciation charged during the period		(25,962)	(56,767)
		(29,511)	(71,402)
Closing book value		419,976	435,516

8.1 Additions during the period

		(Rupees in thousand)	
	Note	December 31, 2011	June 30, 2011
- Plant and machinery		5,478	37,128
- Tools and equipments		350	3,744
- Furniture, fixture and office equipment		1,086	2,462
- Vehicles		6,801	50,481
- Computers		256	1,344
		13,971	95,159

9. CAPITAL WORK-IN-PROGRESS

		(Rupees in thousand)	
	Note	December 31, 2011	June 30, 2011
Advance for purchase of office space		151,830	151,830
Others		1,484	3,307
		153,314	155,137

10. LONG TERM INVESTMENTS - EQUITIES

		(Rupees in thousand)	
	Note	December 31, 2011	June 30, 2011
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		21,362	28,777
		33,507	40,922
		284,492	291,907

11. SHORT TERM INVESTMENTS

		(Rupees in thousand)	
	Note	December 31, 2011	June 30, 2011
Financial assets at fair value through profit and loss - Mutual fund units		802,400	2,971,296

12. CASH GENERATED FROM OPERATIONS

		(Rupees in thousand)	
		Half yearly ended	
		December 31,	
	Note	2011	2010
Profit before taxation		814,056	1,729,014
Adjustment for:			
- Depreciation on property, plant and equipment		25,962	27,576
- Amortization of intangibles		5,872	5,872
- Provision for accumulating compensated absences		3,642	2,000
- Deferred revenue amortised		-	(25,935)
- Gain on investment at fair value through profit and loss		(65,971)	(184,183)
- Gain on sale of investment property		-	(13,502)
- Loss / (Gain) on sale of property, plant and equipment		(667)	133
- Profit on bank deposits		(3,337)	(10,832)
- Dividend		(103,290)	(71,068)
- Finance cost		4,102	7,079
- Working capital changes	12.1	(2,371,128)	(1,670,104)
		(1,690,759)	(203,950)

12.1 Working capital changes

		(Rupees in thousand)	
		Half yearly ended	
		December 31,	
	Note	2011	2010
(Increase)/decrease in current assets		1,944	(9,316)
- Stores and spares		(784,159)	(162,727)
- Stock-in-trade		(73,823)	(107,320)
- Trade debts		665	(14,302)
- Loan and advances		(4,890)	(5,955)
- Trade deposits and prepayments		(51,840)	411,538
- Other receivables			
Increase/(decrease) in current liabilities		(1,459,025)	(1,782,022)
- Trade and other payables		(2,371,128)	(1,670,104)

12.2 Cash and cash equivalents

Cash and bank balances	186,072	986,447
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13. TRANSACTIONS WITH RELATED PARTIES

Purchases from related parties	1,019,622	2,049,955
Dividend income	103,290	71,068
Payable to related parties	2,427	347,986
Receivable from related party	1,912	21,503
Payment to funds:		
- Pension	5,513	4,883
- Gratuity	6,903	4,179
- Benevolent	269	140

14. EVENTS AFTER BALANCE SHEET DATE

The Board of Directors have declared an interim dividend of Rs. 25 (June 30, 2011: Rs. 15 per share) at their meeting held on February 17, 2012.

15. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 17, 2012 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.



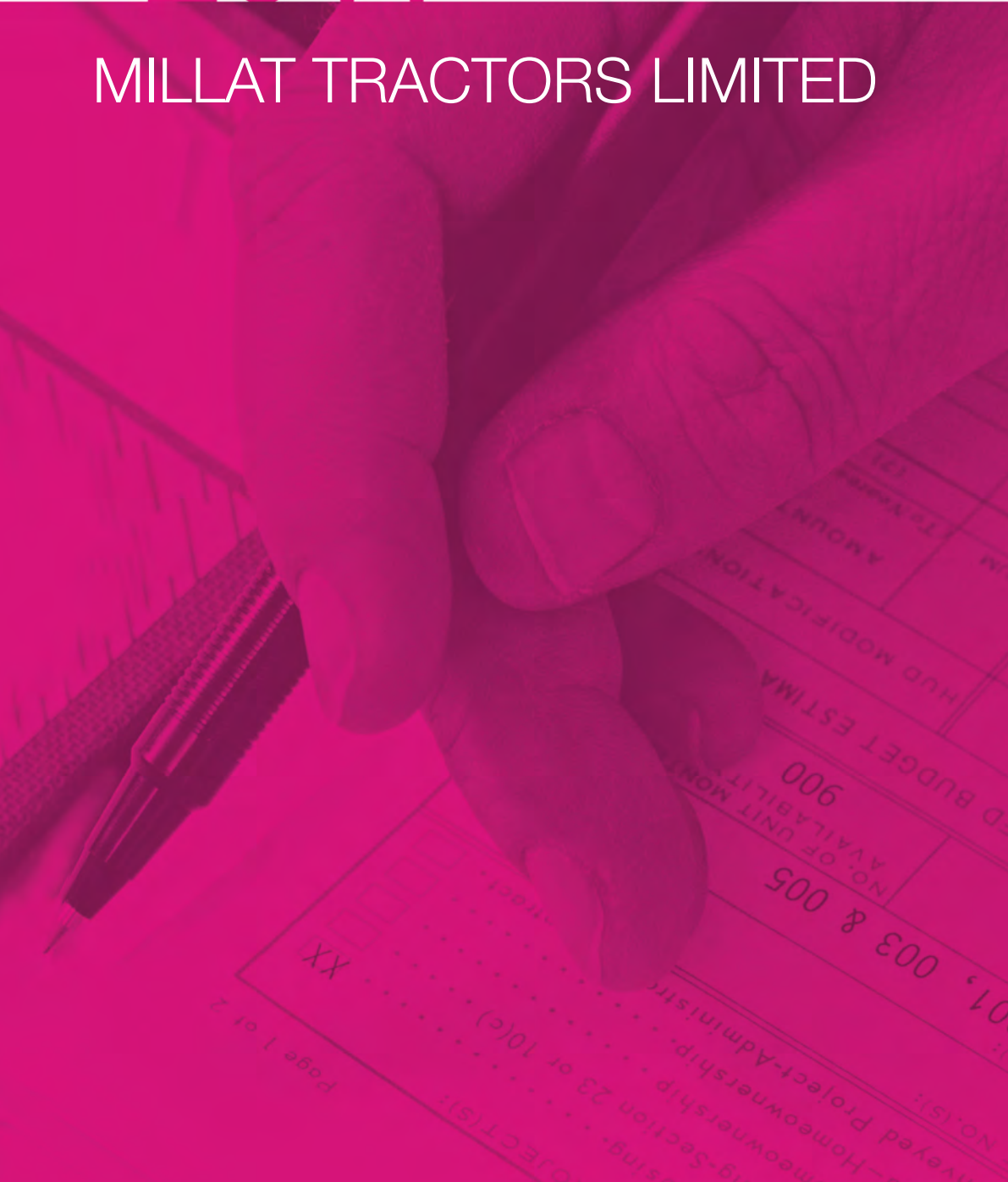
Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

consolidated
FINANCIAL STATEMENTS
2011

MILLAT TRACTORS LIMITED



consolidated condensed interim
BALANCE SHEET
 as at december 31, 2011 (unaudited)

EQUITY AND LIABILITIES

		(Rupees in thousand)	
	Note	December 31, 2011	June 30, 2011
SHARE CAPITAL AND RESERVES			
Authorised capital 50,000,000 (June 30, 2011: 50,000,000) ordinary shares of Rs 10 each		500,000	500,000
Issued, subscribed and paid up capital		366,055	366,055
General reserves		3,666,678	2,766,678
Unappropriated profit		1,049,010	1,977,424
Fair value reserve		8,025	15,440
Equity attributable to equity holders of the parent		5,089,768	5,125,597
Non-controlling interest		70,133	68,361
		5,159,901	5,193,958
NON-CURRENT LIABILITIES			
Security deposits		10,485	10,485
Deferred taxation		20,246	29,264
		30,731	39,749
CURRENT LIABILITIES			
Accumulating compensated absences		48,607	44,965
Trade and other payables		2,430,920	3,851,727
Mark-up accrued on short term borrowings		3,160	1,503
		2,482,687	3,898,195
		7,673,319	9,131,902

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	December 31, 2011	June 30, 2011
NON-CURRENT ASSETS			
Property, plant and equipment	8	470,473	484,578
Capital work-in-progress	9	153,586	155,201
Intangible assets		11,743	17,614
Investment property		255,708	255,708
Long term investments	10	529,373	636,364
Long term loans - considered good		2,955	2,860
		1,423,838	1,552,325
CURRENT ASSETS			
Stores and spares		135,701	136,104
Stock-in-trade		3,486,066	2,663,197
Trade debts		308,219	208,138
Loans and advances		221,133	229,251
Trade deposits and prepayments		25,274	20,907
Other receivables		854,003	803,273
Taxation - net		238,415	142,195
Short term investments	11	802,400	2,971,296
Cash and bank balances		178,270	405,216
		6,249,481	7,579,577
		7,673,319	9,131,902



Syed Muhammad Irfan Aqueel
Chief Executive

consolidated condensed interim
PROFIT & LOSS ACCOUNT
 for the half year ended december 31, 2011 (unaudited)

	(Rupees in thousand)		(Rupees in thousand)	
	Quarter ended		Half year ended	
	December 31,		December 31,	
	2011	2010	2011	2010
Sales - net	3,794,418	6,830,418	6,242,924	11,977,781
Cost of sales	3,128,788	5,700,254	5,176,966	9,932,276
Gross profit	665,630	1,130,164	1,065,958	2,045,505
Distribution and marketing expenses	121,417	176,824	207,667	304,430
Administrative expenses	80,152	78,504	164,735	156,963
	201,569	255,328	372,402	461,393
Operating profit	464,061	874,836	693,556	1,584,112
Other operating income	65,551	70,115	123,575	247,300
	529,612	944,951	817,131	1,831,412
Other operating expenses	33,349	69,063	78,638	129,868
Finance cost	3,664	3,218	6,225	7,688
	37,013	72,281	84,863	137,556
Share of profit / (loss) of associated companies	19,755	500,220	(10,385)	548,436
Profit before taxation	512,354	1,372,890	721,883	2,242,292
Taxation				
Group	125,647	298,488	202,024	549,272
Associated companies	(9,651)	383,737	(5,795)	402,163
	115,996	682,225	196,229	951,435
Profit for the period	396,358	690,665	525,654	1,290,857
Attributable to:				
Equity holders of the parent	393,754	685,412	520,667	1,281,763
Non-controlling interest	2,604	5,253	4,987	9,094
	396,358	690,665	525,654	1,290,857
Earnings per share - basic and diluted (Rupees)	10.76	18.72	14.22	35.02

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



Syed Muhammad Irfan Aqueel
Chief Executive

consolidated condensed interim statement of
COMPREHENSIVE INCOME
 for the half year ended december 31, 2011 (unaudited)

	(Rupees in thousand)		(Rupees in thousand)	
	Quarter ended		Half year ended	
	December 31,		December 31,	
	2011	2010	2011	2010
Profit for the period	396,358	620,488	525,654	1,290,857
Unrealized (loss) / gain on revaluation of investments	(4,977)	4,977	(7,415)	6,183
Total comprehensive income for the period	391,381	625,465	518,239	1,297,040
Non-controlling interest	(2,604)	(5,253)	(4,987)	(9,094)
Equity holders of the parent	388,777	620,212	513,252	1,287,946

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



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

consolidated condensed interim
CASH FLOW STATEMENT
 for the half year ended december 31, 2011 (unaudited)

		(Rupees in thousand)	
		Half year ended	
		December 31,	
	Note	2011	2010
Cash flows from operating activities			
Cash generated from operations	12	(1,696,547)	(203,921)
Interest and mark-up paid		(4,568)	(6,771)
Net (increase) / decrease in long term loans to employees		(95)	652
Income tax paid		(307,262)	(677,222)
Net cash used in operating activities		(2,008,472)	(887,262)
Cash flows from investing activities			
Purchase of property, plant and equipment		(16,714)	(90,639)
Purchase of short term investments		(1,200,360)	(2,361,651)
Proceeds from sale of short term investments		3,435,226	4,085,305
Proceeds from sale of property, plant and equipment		4,263	10,176
Proceeds from sale of investment property		-	17,200
Profit on bank deposits		4,447	10,832
Dividend income		103,290	71,068
Net cash generated from investing activities		2,330,152	1,742,291
Cash flows from financing activities			
Dividend paid		(548,626)	(1,003,774)
Net cash used in financing activities		(548,626)	(1,003,774)
Net decrease in cash and cash equivalents		(226,946)	(148,745)
Cash and cash equivalents at the beginning of the period		405,216	1,143,880
Cash and cash equivalents at the end of the period	12.2	178,270	995,135

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



Sikandar Mustafa Khan
 Chairman



Syed Muhammad Irfan Aqueel
 Chief Executive

condensed interim statement of
CHANGES IN EQUITY
 for the half year ended december 31, 2011 (unaudited)

(Rupees in thousand)

	Share Capital	Revenue Reserves		Fair Value Reserve	Total	Non-Controlling Interest	Total Equity
		General Reserves	Unappropriated Profit				
Balance as on July 01, 2010	292,844	2,467,776	1,747,571	11,720	4,519,911	46,683	4,566,594
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 as bonus shares	73,211	-	(73,211)	-	-	-	-
Transferred from profit and loss account	-	300,000	(300,000)	-	-	-	-
Total comprehensive income for the half year ended December 31, 2010	-	-	1,281,763	6,183	1,287,946	9,094	1,297,040
Balance as on December 31, 2010	366,055	2,767,776	1,631,172	17,903	4,782,906	55,777	4,838,683
Interim dividend @ Rs. 32.5 per share	-	(1,098)	(1,188,578)	-	(1,189,676)	-	(1,189,676)
Total comprehensive income for the half year ended June 30, 2011	-	-	1,534,830	(2,463)	1,532,367	12,584	1,544,951
Balance as on June 30, 2011	366,055	2,766,678	1,977,424	15,440	5,125,597	68,361	5,193,958
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)	-	-	-	-
Dividend income to NCI	-	-	-	-	-	(3,215)	(3,215)
Total comprehensive income for the half year ended December 31, 2011	-	-	520,667	(7,415)	513,252	4,987	518,239
Balance as on December 31, 2011	366,055	3,666,678	1,049,010	8,025	5,089,768	70,133	5,159,901

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



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

selected notes to the condensed interim FINANCIAL INFORMATION

for the half year ended december 31, 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.

The following amendments to standards are mandatory for the first time for the financial year beginning July 1, 2011.

- IAS 1 (amendment), 'Presentation of financial statements', is effective for annual periods beginning on or after January 1, 2011. The amendment clarifies that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The amendment is not expected to have a material impact on the group's financial statements.
- IAS 24 (Revised), 'Related Party Disclosures ', is effective for annual periods beginning on or after January 1, 2011. The definition of a related party has been clarified to simplify the identification of related party relationships, particularly in relation to significant influence and joint control. This is not expected to have a material impact on the group's financial statements.
- IAS 34 (amendment), 'Interim financial reporting', is effective for annual periods beginning on or after January 1, 2011. The amendment provides guidance to illustrate how to apply disclosure principles in IAS 34 and add disclosure requirements around the circumstances likely to affect fair values of financial instruments and their classification, transfers of financial instruments between different levels of the fair value hierarchy, changes in classification of financial assets and changes in contingent liabilities and assets. This amendment is not expected to have a material impact on the group's financial statements.
- IFRIC 14 (amendment), 'Prepayments of a minimum funding requirement', is effective for annual periods beginning on or after January 1, 2011. IFRIC 14 provides further guidance on assessing the recoverable amount of a net pension asset. The amendment permits an entity to treat the prepayment of a minimum funding requirement as an asset. This amendment is not expected to have a material impact on the group's financial statements.

- IFRS 7 (amendment), 'Financial instruments: Disclosures', is effective for annual periods beginning on or after January 1, 2011. The amendment emphasises the interaction between quantitative and qualitative disclosures and the nature and extent of risks associated with financial instruments. The amendment is not expected to have a material impact on the group's financial statements.
- IFRS 7 (amendment), 'Financial instruments: Disclosures', is effective for annual periods beginning on or after July 1, 2011. The amendment requires additional quantitative and qualitative disclosures relating to transfers of financial assets, where financial assets are derecognised in their entirety, but where the entity has a continuing involvement in them (e.g., options or guarantees on the transferred assets) or where financial assets are not derecognised in their entirety. This amendment is not expected to have any impact on the group's financial statements.

Standards or Interpretation

Effective date (accounting periods beginning on or after)

- | | |
|--|-----------------|
| - IFRS 1 (amendments), 'First-time adoption of International Financial Reporting Standards' | January 1, 2011 |
| - IFRIC 13 (amendment), 'Customer loyalty programmes' | January 1, 2011 |
| - IFRS 1 (amendment), 'First-time adoption of International Financial Reporting Standards — Severe hyperinflation and removal of fixed dates for first-time adopters', | July 1, 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. 452,000 thousand (June 30, 2011 : Rs 993,601 thousand).

8. PROPERTY, PLANT AND EQUIPMENT

		(Rupees in thousand)	
	Note	December 31, 2011	June 30, 2011
Opening book value		484,578	446,997
Add: Additions during the period	8.1	18,329	114,873
		502,907	561,870
Less: Disposals / write offs during the period (at book value)		(3,596)	(15,094)
Depreciation charged during the period		(28,838)	(62,198)
		(32,433)	(77,292)
Closing book value		470,473	484,578

8.1 Additions during the period

		(Rupees in thousand)	
	Note	December 31, 2011	June 30, 2011
- Building on freehold land		50	7,671
- Plant and machinery		6,853	43,520
- Tools and equipments		2,163	4,924
- Furniture, fixture and office equipment		2,206	2,912
- Vehicles		6,801	54,339
- Computers		256	1,507
		18,329	114,873

9. CAPITAL WORK-IN-PROGRESS

		(Rupees in thousand)	
	Note	December 31, 2011	June 30, 2011
Advance for purchase of office space		151,830	151,830
Others		1,756	3,371
		153,586	155,201

10. LONG TERM INVESTMENTS - EQUITIES

		(Rupees in thousand)	
	Note	December 31, 2011	June 30, 2011
Related parties			
- Associates - quoted		229,510	236,745
- Associates - unquoted		286,557	358,697
		516,067	595,442
Others			
Available for sale - quoted			
Cost		25,481	25,481
Surplus on revaluation of investment		8,025	15,441
		33,506	40,922
		549,573	636,364

11. SHORT TERM INVESTMENTS

		(Rupees in thousand)	
	Note	December 31, 2011	June 30, 2011
Financial assets at fair value through profit and loss - Mutual fund units		802,400	2,971,296

12. CASH GENERATED FROM OPERATIONS

		(Rupees in thousand)	
		Half yearly ended	
		December 31,	
	Note	2011	2010
Profit before taxation		721,883	2,242,292
Adjustment for:			
- Depreciation on property, plant and equipment		28,838	29,435
- Amortization of intangibles		5,872	5,872
- Provision for accumulating compensated absences		3,642	2,000
- Deferred revenue amortized		-	(25,935)
- Gain on investment at fair value through profit and loss		(65,971)	(184,183)
- Gain on sale of investment property		-	(13,502)
- Loss / (Gain) on sale of property, plant and equipment		(667)	133
- Profit on bank deposits		(3,337)	(10,832)
- Dividend income		(11,519)	(1,603)
- Finance cost		6,225	7,688
- Share of (profit)/loss of associates		10,385	(548,436)
- Working capital changes	12.1	(2,391,898)	(1,706,850)
		(1,696,547)	(203,921)

12.1 Working capital changes

		(Rupees in thousand)	
		Half yearly ended	
		December 31,	
	Note	2011	2010
(Increase)/decrease in current assets			
- Stores and spares		403	(11,049)
- Stock-in-trade		(822,869)	(183,532)
- Trade debts		(100,081)	(108,161)
- Loan and advances		8,118	(9,098)
- Trade deposits and prepayments		(4,367)	(8,198)
- Other receivables		(51,840)	411,681
Increase/(decrease) in current liabilities			
- Trade and other payables		(1,421,262)	(1,798,493)
		(2,391,898)	(1,706,850)

12.2 Cash and cash equivalents

Cash and bank balances	178,270	995,135
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13. TRANSACTIONS WITH RELATED PARTIES

Purchases from related parties	966,477	2,008,866
Dividend income	103,290	71,068
Payable to related parties	1,353	347,986
Receivable from related party	1,912	21,503
Payment to funds:		
- Pension	5,513	4,883
- Gratuity	6,903	4,179
- Benevolent	269	140

14. EVENTS AFTER BALANCE SHEET DATE

Interim dividend declared by the MTL after the balance sheet date Rs. 25 per share (June 30, 2011: Rs. 15 per share) at their meeting held on February 17, 2012.

15. DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial information was authorised for issue on February 17, 2012 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



Syed Muhammad Irfan Aqueel
Chief Executive