



MILLAT TRACTORS LIMITED

Quarterly Accounts (Un-Audited)
for the 2nd quarter and half year
ended December 31, 2012

HARVESTING DREAMS

1 2



Corporate

Information

BOARD OF DIRECTORS

Chairman

MR. SIKANDAR MUSTAFA KHAN

Chief Executive

SYED MUHAMMAD IRFAN AQUEEL

MR. LATIF KHALID HASHMI

MR. SOHAIL BASHIR RANA

MR. LAEEQ UDDIN ANSARI

MIAN MUHAMMAD SALEEM

MR. MANZOOR AHMED (NIT NOMINEE)

MR. SAAD IABAL

Company Secretary

MIAN MUHAMMAD SALEEM

Chief Financial Officer

MR. JAVED MUNIR

Auditors

M/S. Ernst & Young Ford Rhodes

Sidat Haider,

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.

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

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 is my pleasure to present to you on behalf of Board of Directors the un-audited Financial Statements of Millat Tractors Limited for the half year ended December 31, 2012 duly reviewed by auditors of the company as required by the Companies Ordinance, 1984.

The company achieved a sales volume of 16,032 tractors in this period as against 9,005 tractors for the corresponding period of the last year, showing an increase of 78%. Sales revenue increased to Rs. 11,147 million as against Rs. 6,032 million during corresponding period of last year. Pre-tax profit for the period amounted to Rs. 1,580 million as compared to Rs. 814 million of the corresponding period, showing an increase of 94%.

The results in the current period are better than the corresponding one due to market boost caused by the launch of Green tractor scheme of the Punjab Provincial Government. Despite several constraints, we were able to achieve 56% share of the scheme due to aggressive marketing strategy and effective supply chain management ensuring timely production.

Effective January 01, 2013, Sales tax on tractors will be charged at 10%, as notified by the Federal Government. Being an indirect tax, it will burden the farming community particularly the small farmers. On the other hand, provincial governments provide subsidy through various tractor schemes, which are also expected in the 2nd half of this financial year. The management is focusing on further improvement through supply chain and quality management alongwith upgradation of our products for satisfaction of our customers. Keeping in view above mentioned factors, we are confident that our company will surpass previous performances during the current year.

We take this opportunity to thank our valued customers, 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;
January 31, 2013

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 31 December 2012 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 together with the notes forming part thereof, for the six-month period 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 corresponding figures presented are based on the financial statements of the company for the half year ended 31 December 2011 and year ended 30 June 2012, which were reviewed / audited by another firm of auditors, whose reports dated 17 February 2012 and 17 August 2012, respectively, expressed an unqualified opinion thereon.

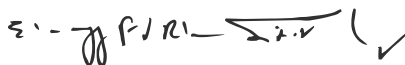
Scope of Review

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

Lahore:
January 31, 2013



Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

condensed interim

Balance Sheet

as at December 31, 2012 (unaudited)

EQUITY AND LIABILITIES

(Rupees in thousand)

	Note	December 31, 2012	June 30, 2012
SHARE CAPITAL AND RESERVES			
Authorized capital 50,000,000 (30 June 2012: 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		3,306,590	3,368,710
Unappropriated profit		1,098,652	1,402,096
Fair value reserve		32,754	25,057
		4,804,051	5,161,918
NON-CURRENT LIABILITIES			
Security deposits		10,885	10,485
Deferred taxation		18,045	18,045
		28,930	28,530
CURRENT LIABILITIES			
Accumulating compensated absences		55,461	55,461
Trade and other payables	5	3,795,814	5,041,886
Mark-up accrued on short term borrowings		33,340	1,425
		3,884,615	5,098,772
		8,717,596	10,289,220
CONTINGENCIES AND COMMITMENT			
	6	-	-

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.



Sikandar Mustafa Khan
Chairman

ASSETS

(Rupees in thousand)

	Note	December 31, 2012	June 30, 2012
NON-CURRENT ASSETS			
Property, plant and equipment	7	443,185	415,926
Capital work-in-progress	8	210,490	168,260
Intangible assets		-	5,871
Investment property		255,708	255,708
Long term investments	9	335,904	288,187
Long term loans - considered good		2,881	2,702
		1,248,168	1,136,654
CURRENT ASSETS			
Stores and spares		72,850	68,419
Stock-in-trade		3,100,472	2,986,120
Trade debts		185,974	411,326
Loans and advances		252,646	181,535
Trade deposits and prepayments		31,288	25,103
Other receivables	10	2,634,426	1,860,958
Taxation - net		525,884	502,439
Short term investments	11	100,000	2,461,860
Cash and bank balances		565,888	654,806
		7,469,428	9,152,566
		8,717,596	10,289,220



Syed Muhammad Irfan Aqueel
Chief Executive

condensed interim

Profit & Loss Account

for the half year ended December 31, 2012 (unaudited)

	(Rupees in thousand)		(Rupees in thousand)	
	Half year ended		Quarter ended	
	December 31,		December 31,	
	2012	2011	2012	2011
Sales - net	11,146,798	6,032,128	7,665,679	3,691,115
Cost of sales	9,213,659	5,009,951	6,267,207	3,047,742
Gross profit	1,933,139	1,022,177	1,398,472	643,373
Distribution and marketing expenses	232,528	198,464	129,116	116,776
Administrative expenses	173,090	152,166	82,352	74,223
	405,618	350,630	211,468	190,999
Operating profit	1,527,521	671,547	1,187,004	452,374
Other operating income	219,616	224,074	36,104	78,303
	1,747,137	895,621	1,223,108	530,677
Other operating expenses	124,118	77,463	88,699	32,828
Finance cost	42,945	4,102	34,891	2,168
	167,063	81,565	123,590	34,996
Profit before taxation	1,580,074	814,056	1,099,518	495,681
Taxation	481,422	196,975	355,337	123,007
Profit for the period	1,098,652	617,081	744,181	372,674
Earnings per share - basic and diluted (Rupees)	30.01	16.86	20.33	10.18

Appropriations have been reflected in the statement of changes in equity.

The annexed notes from 1 to 15 form an integral part of this 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, 2012 (unaudited)

	(Rupees in thousand)		(Rupees in thousand)	
	Half year ended		Quarter ended	
	December 31,		December 31,	
	2012	2011	2012	2011
Profit for the period	1,098,652	617,081	744,181	372,674
Other comprehensive income:				
Unrealized gain/(loss) on revaluation of investments	7,697	(7,415)	6,081	(4,978)
Total comprehensive income for the period	1,106,349	609,666	750,262	367,696

The annexed notes from 1 to 15 form an integral part of this 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, 2012 (unaudited)

(Rupees in thousand)

	Half year ended	
	December 31,	
	2012	2011
Cash flows from operating activities		
Profit before taxation	1,580,074	814,056
Adjustment for:		
Depreciation on property, plant and equipment	25,570	25,962
Amortization of intangibles	5,872	5,872
Provision for accumulating compensated absences	-	3,642
Gain on disposal of property, plant and equipment	(181)	(667)
Gain on disposal of short term investment	(25,665)	(65,971)
Profit on bank deposits	(4,880)	(3,337)
Dividend income	(137,179)	(103,290)
Finance cost	42,945	4,102
	(93,518)	(133,687)
Cash flows from operating activities before working capital changes	1,486,556	680,369
Effect on cash flow due to working capital changes (Increase)/decrease in current assets:		
Stores and spares	(4,431)	1,944
Stock-in-trade	(114,353)	(784,159)
Trade debts	225,352	(73,823)
Loan and advances	(71,111)	665
Trade deposits and prepayments	(6,185)	(4,890)
Other receivables	(774,753)	(51,840)
Decrease in current liabilities:		
Trade and other payables	(1,280,055)	(1,459,025)
	(2,025,536)	(2,371,128)
Cash used in operations	(538,980)	(1,690,759)
Mark-up paid	(11,030)	(3,237)
Net increase in long term loans to employees	(179)	(95)
Income tax paid	(504,867)	(299,384)
Increase in security deposits	400	-
Net cash used in operating activities	(1,054,656)	(1,993,475)
Cash flows from investing activities		
Purchase of property, plant and equipment	(97,565)	(12,148)
Purchase of short term investments	(275,000)	(1,200,360)
Purchase of long term investments	(40,020)	-
Proceeds from disposal of short term investments	2,662,525	3,435,226
Proceeds from disposal of property, plant and equipment	2,687	4,216
Profit on bank deposits	6,165	4,447
Dividend received	137,179	103,290
Net cash generated from investing activities	2,395,971	2,334,671
Cash flows from financing activities		
Dividend paid	(1,430,233)	(548,626)
Net cash used in financing activities	(1,430,233)	(548,626)
Net decrease in cash and cash equivalents	(88,918)	(207,430)
Cash and cash equivalents at the beginning of the period	654,806	393,502
Cash and cash equivalents at the end of the period	565,888	186,072

The annexed notes from 1 to 15 form an integral part of this 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, 2012 (unaudited)

(Rupees in thousand)

	Share capital	Revenue Reserves			Total
		General reserves	Unappropriated profit	Fair value reserve	
Balance as on 01 July 2011	366,055	2,766,678	1,490,726	28,777	4,652,236
Final dividend for the year ended 30 June 2011 @ Rs. 15 per share	-	-	(549,081)	-	(549,081)
Transferred from profit and loss account	-	900,000	(900,000)	-	-
Total comprehensive income for the half year ended 31 December 2011	-	-	617,081	(7,415)	609,666
Balance as on 31 December 2011	366,055	3,666,678	658,726	21,362	4,712,821
Balance as on 01 July 2012	366,055	3,368,710	1,402,096	25,057	5,161,918
Final dividend for the year ended 30 June 2012 @ Rs. 40 per share	-	(62,120)	(1,402,096)	-	(1,464,216)
Total comprehensive income for the half year ended 31 December 2012	-	-	1,098,652	7,697	1,106,349
Balance as on 31 December 2012	366,055	3,306,590	1,098,652	32,754	4,804,051

The annexed notes from 1 to 15 form an integral part of this 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, 2012 (unaudited)

1. THE COMPANY AND ITS ACTIVITIES

The company is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984, and is listed on Karachi, Islamabad and Lahore Stock Exchanges. The registered office of the company is situated at Sheikhpura Road, District Sheikhpura. It is engaged in assembly and manufacture of agricultural tractors, implements and equipments.

2. STATEMENT OF COMPLIANCE

- 2.1 This interim financial information of the Company for the six months period ended 31 December 2012 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.
- 2.2 This interim financial information is un-audited and is being submitted to shareholders, as required by section 245 of the Companies Ordinance, 1984.

3. BASIS OF PREPARATION

- 3.1 This interim financial information does not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 30 June 2012.
- 3.2 The accounting policies adopted for the preparation of this interim financial information are the same as those applied in the preparation of the preceding annual published financial statements of the Company for the year ended 30 June 2012 except for as disclosed in note 3.3 below.
- 3.3 The Company has adopted the following amended IFRS and IFRIC interpretation which became effective during the period:

IAS 1- Presentation of Financial Statements- Presentation of items of other comprehensive income (Amendment)

IAS 12 - Income Taxes - Recovery of Underlying Assets (Amendment)

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

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, incomes and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation are the same as those that applied to the financial statements for the year ended 30 June 2012.

5. TRADE AND OTHER PAYABLES

(Rupees in thousand)

	Note	December 31, 2012	June 30, 2012
Trade creditors		1,800,688	1,900,193
Accrued liabilities		57,310	124,758
Bills payable		72,000	221,593
Advances from customers		1,097,582	2,469,431
Security deposits		5,529	5,104
Trademark fee payable		74,903	85,572
Income tax deducted at source		17,929	12,366
Workers' Profit Participation Fund		84,660	(5,017)
Workers' Welfare Fund		89,163	60,706
Unclaimed dividends		146,854	112,871
Others		349,196	54,309
		3,795,814	5,041,886

6. CONTINGENCIES AND COMMITMENT

Contingencies

- There is no significant change in the contingencies since the date of the preceding published annual financial statements.

Commitments

- Commitments in respect of outstanding letters of credit are Rs. 452,000 thousand (30 June 2012: Rs. 977,000 thousand).

7. PROPERTY, PLANT AND EQUIPMENT

(Rupees in thousand)

	Note	December 31, 2012	June 30, 2012
Opening book value		415,926	435,516
Add: Additions during the period / year - cost	(7.1)	55,335	39,070
		471,261	474,586
Less: Deletions during the period / year		(2,506)	(5,790)
Depreciation during the period / year		(25,570)	(52,870)
		(28,076)	(58,660)
Book value at the end of the period / year		443,185	415,926
7.1 Additions during the period / year - cost			
Plant and machinery		20,013	9,274
Tools and equipments		8,023	1,869
Furniture, fixture and office equipment		2,795	5,720
Vehicles		24,262	21,285
Computers		242	922
		55,335	39,070

8. CAPITAL WORK-IN-PROGRESS

(Rupees in thousand)

	December 31, 2012	June 30, 2012
Advance for purchase of office space	177,186	151,830
Others	33,304	16,430
	<u>210,490</u>	<u>168,260</u>

9. LONG TERM INVESTMENTS - EQUITIES

(Rupees in thousand)

	Note	December 31, 2012	June 30, 2012
Related parties			
Investment at cost:			
Millat Industrial Products Limited - unquoted		57,375	57,375
Tipej Intertrade Jlt - unquoted	(9.1)	40,020	-
Bolan Castings Limited - quoted		76,610	76,610
Millat Equipment Limited - unquoted		117,000	117,000
		<u>291,005</u>	<u>250,985</u>
Other investment - available for sale:			
Baluchistan Wheels Limited - quoted		12,145	12,145
Cost		32,754	25,057
Surplus on revaluation of investment			
		<u>44,899</u>	<u>37,202</u>
		<u>335,904</u>	<u>288,187</u>

9.1 During the period, the Company has subscribed for the 75% shares of a newly incorporated company.

10. OTHER RECEIVABLES

(Rupees in thousand)

	December 31, 2012	June 30, 2012
Sales tax recoverable	2,214,939	1,417,986
Less: Provision for doubtful claims	(34,147)	(34,147)
	<u>2,180,792</u>	<u>1,383,839</u>
Special excise duty receivable	265,394	265,293
Claims receivable from foreign suppliers	72,874	95,130
Others	115,366	116,696
	<u>2,634,426</u>	<u>1,860,958</u>

11. SHORT TERM INVESTMENTS

(Rupees in thousand)

	December 31, 2012	June 30, 2012
Financial assets at fair value through profit and loss - Mutual fund units	-	2,461,860
Term deposit receipt	100,000	-
	100,000	2,461,860

12. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, companies in which directors are interested, staff retirement funds, directors and key management personnel. Significant transactions with related parties and associated undertakings are as under:

(Rupees in thousand)

		Un-audited	
		December 31,	
		2012	2011
Relationship with the Company	Nature of transaction		
Associated companies	Purchase of goods and services	964,001	2,049,955
	Dividend received	137,179	71,068
Payments to funds	Pension	-	4,883
	Gratuity	6,903	4,179
	Benevolent	269	140

The outstanding balances of such parties are as under:

(Rupees in thousand)

		December 31, 2012	June 30, 2012
Relationship with the Company	Nature of balance		
Associated companies	Creditors	2,427	347,986
	Trade debts	1,912	21,503

13. EVENTS AFTER BALANCE SHEET DATE

The Board of Directors have declared an interim dividend of Rs. 30 per share (30 June 2012: Rs. 40 per share) at their meeting held on January 31, 2013, while appropriation to general reserve and issuance of bonus shares made after the balance sheet date amount to Rs. nil and Rs. 36,606 thousand (June 30, 2012: Rs. 900,000 thousand and Rs. Nil respectively).

14. DATE OF AUTHORISATION FOR ISSUE

This interim financial information was authorized for issue by the Board of Directors of the Company on January 31, 2013.

15. GENERAL

15.1 The figures of condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 31 December 2012 and 2011 were not subject to limited scope review by the auditors as scope of review covered only the cumulative figures.

15.2 Figures have been rounded off to the nearest thousand rupees.



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

Condensed Interim
Consolidated
Financial Statements
for the half year ended December 31, 2012

consolidated condensed interim
Balance Sheet
as at December 31, 2012 (unaudited)

EQUITY AND LIABILITIES

(Rupees in thousand)

	Note	December 31, 2012	June 30, 2012
SHARE CAPITAL AND RESERVES			
Authorized capital 50,000,000 (30 June 2012: 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		3,306,590	3,368,710
Unappropriated profit		1,582,320	1,974,692
Fair value reserve		19,417	11,720
Equity attributable to equity holders of parent		5,274,382	5,721,177
Non controlling interest		94,771	77,649
		5,369,153	5,798,826
NON-CURRENT LIABILITIES			
Security deposits		10,885	10,485
Deferred taxation		21,937	21,937
		32,822	32,422
CURRENT LIABILITIES			
Accumulating compensated absences		55,461	55,461
Trade and other payables	5	3,804,616	5,067,207
Mark-up accrued on short term borrowings		33,461	1,736
		3,893,538	5,124,404
		9,295,513	10,955,652
CONTINGENCIES AND COMMITMENT			
	6	-	-

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.



Sikandar Mustafa Khan
Chairman

ASSETS

(Rupees in thousand)

	Note	December 31, 2012	June 30, 2012
NON-CURRENT ASSETS			
Property, plant and equipment	7	494,641	465,893
Capital work-in-progress	8	210,490	168,260
Intangible assets		-	5,871
Investment property		255,708	255,708
Long term investments	9	613,968	701,962
Long term loans - considered good		2,881	2,702
		1,577,688	1,600,396
CURRENT ASSETS			
Stores and spares		81,492	74,884
Stock-in-trade		3,206,303	3,064,117
Trade debts		241,015	470,198
Loans and advances		267,595	197,477
Trade deposits and prepayments		32,577	27,310
Other receivables	10	2,636,348	1,862,953
Taxation - net		529,014	512,466
Short term investments	11	100,000	2,461,860
Cash and bank balances		623,481	683,991
		7,717,825	9,355,256
		9,295,513	10,955,652



Syed Muhammad Irfan Aqueel
Chief Executive

consolidated condensed interim
Profit & Loss Account
for the half year ended December 31, 2012 (unaudited)

	(Rupees in thousand)		(Rupees in thousand)	
	Half year ended		Quarter ended	
	December 31,		December 31,	
	2012	2011	2012	2011
Sales - net	11,482,124	6,242,924	7,859,406	3,794,418
Cost of sales	9,485,198	5,176,966	6,428,051	3,128,788
Gross profit	1,996,926	1,065,958	1,431,355	665,630
Distribution and marketing expenses	243,257	207,667	134,115	121,417
Administrative expenses	188,591	164,735	89,533	80,152
	431,848	372,402	223,648	201,569
Operating profit	1,565,078	693,556	1,207,707	464,061
Other operating income	86,442	123,575	29,267	65,551
	1,651,520	817,131	1,236,974	529,612
Other operating expenses	126,771	78,638	90,197	33,349
Finance cost	43,264	6,225	35,116	3,664
	170,035	84,863	125,313	37,013
Share of Profit /(loss) of associated Companies	79,910	(10,385)	72,807	19,755
Profit before taxation	1,561,395	721,883	1,184,468	512,354
Taxation				
Group	494,115	202,024	362,624	125,647
Associated Companies	48,951	(5,795)	46,155	(9,651)
	543,066	196,229	408,779	115,996
Profit for the period	1,018,329	525,654	775,689	396,358
Attributable to;				
Equity holders of the Parent	1,009,724	520,667	770,859	393,754
Non Controlling interest	8,605	4,987	4,830	2,604
Profit for the period	1,018,329	525,654	775,689	396,358
Earnings per share - basic and diluted (Rupees)	27.58	14.22	21.06	10.76

Appropriations have been reflected in the statement of changes in equity.

The annexed notes from 1 to 15 form an integral part of this 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, 2012 (unaudited)

	(Rupees in thousand)		(Rupees in thousand)	
	Half year ended		Quarter ended	
	December 31,		December 31,	
	2012	2011	2012	2011
Profit for the period	1,018,329	525,654	775,689	396,358
Other comprehensive income:				
Unrealized gain/(loss) on revaluation of investments	7,697	(7,415)	6,081	(4,977)
Total comprehensive income for the period	1,026,026	518,239	781,770	391,381
Non Controlling Interest	(8,605)	(4,987)	(5,230)	(2,604)
Equity holders of the parent	1,017,421	513,252	776,540	388,777

The annexed notes from 1 to 15 form an integral part of this 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, 2012 (unaudited)

(Rupees in thousand)

	Half year ended	
	December 31,	
	2012	2011
Cash flows from operating activities		
Profit before taxation	1,561,395	721,883
Adjustment for:		
Depreciation on property, plant and equipment	28,730	28,838
Amortization of intangibles	5,872	5,872
Provision for accumulating compensated absences	-	3,642
Gain on disposal of property, plant and equipment	(484)	(667)
Share of profit of associates	(79,910)	10,385
Gain on disposal of short term investment	(25,665)	(65,971)
Profit on bank deposits	(5,228)	(3,337)
Dividend income	(1,924)	(11,519)
Finance cost	43,264	6,225
	(35,345)	(26,532)
Cash flows from operating activities before working capital changes	1,526,050	695,351
Effect on cash flow due to working capital changes		
(Increase)/decrease in current assets:		
Stores and spares	(6,608)	403
Stock-in-trade	(142,187)	(822,869)
Trade debts	229,183	(100,081)
Loan and advances	(70,118)	8,118
Trade deposits and prepayments	(5,267)	(4,367)
Other receivables	(774,752)	(51,840)
Decrease in current liabilities:		
Trade and other payables	(1,296,573)	(1,421,262)
	(2,066,322)	(2,391,898)
Cash used in operations	(540,272)	(1,696,547)
mark-up paid	(11,539)	(4,568)
Net increase in long term loans to employees	(179)	(95)
Income tax paid	(510,663)	(307,262)
Increase in security deposits	400	-
Net cash used in operating activities	(1,062,253)	(2,008,472)
Cash flows from investing activities		
Purchase of property, plant and equipment	(102,751)	(16,714)
Purchase of short term investments	(275,000)	(1,200,360)
Proceeds from disposal of short term investments	2,662,525	3,435,226
Investment by NCI	13,340	-
Dividend paid to NCI	(4,823)	-
Proceeds from disposal of property, plant and equipment	3,527	4,263
Profit on bank deposits	6,586	4,447
Dividend received	128,573	103,290
Net cash generated from investing activities	2,431,977	2,330,152
Cash flows from financing activities		
Dividend paid	(1,430,234)	(548,626)
Net cash used in financing activities	(1,430,234)	(548,626)
Net decrease in cash and cash equivalents	(60,510)	(226,946)
Cash and cash equivalents at the beginning of the period	683,991	405,216
Cash and cash equivalents at the end of the period	623,481	178,270

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

consolidated condensed interim
Statement of Changes in Equity
for the half year ended December 31, 2012 (unaudited)

(Rupees in thousand)

	Share capital	Revenue Reserves			Total	Non-controlling interest	Total equity
		General reserves	Unappropriated profit	Fair value reserve			
Balance as on 01 July 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 30 June 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 31 December 2011	-	-	520,667	(7,415)	513,252	4,987	518,239
Balance as on 31 December 2011	366,055	3,666,678	1,049,010	8,025	5,089,768	70,133	5,159,901
Balance as on 01 July 2012	366,055	3,368,710	1,974,692	11,720	5,721,177	77,649	5,798,826
Final dividend for the year ended 30 June 2012 @ Rs. 40 per share	-	(62,120)	(1,402,096)	-	(1,464,216)	-	(1,464,216)
Dividend Income to NCI	-	-	-	-	-	(4,823)	(4,823)
Investment in subsidiary	-	-	-	-	-	13,340	13,340
Total comprehensive income for the half year ended 31 December 2012	-	-	1,009,724	7,697	1,017,421	8,605	1,026,026
Balance as on 31 December 2012	366,055	3,306,590	1,582,320	19,417	5,274,382	94,771	5,369,153

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

selected notes to the consolidated condensed interim Financial Information for the half year ended December 31, 2012 (unaudited)

1. THE COMPANY AND ITS ACTIVITIES

Millat Tractors Limited, the company is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984, and is listed on Karachi, Islamabad and Lahore Stock Exchanges. The registered office of the company is situated at Sheikhpura Road, District Sheikhpura. It is engaged in assembly and manufacture of agricultural tractors, implements and equipments. Millat Industrial Products Limited (MIPL) is a subsidiary of Millat Tractors Limited and is engaged in business of manufacturing vehicles, industrial and domestic batteries, cells and components thereof. Tipeg Intertade JLT is a subsidiary of Millat tractors Limited and is engaged in trading business of machinery and heavy equipment.

2. STATEMENT OF COMPLIANCE

- 2.1 This interim financial information of the Company for the six months period ended 31 December 2012 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.
- 2.2 This interim financial information is un-audited and is being submitted to shareholders, as required by section 245 of the Companies Ordinance, 1984.

3. BASIS OF PREPARATION

- 3.1 This interim financial information does not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 30 June 2012.
- 3.2 The accounting policies adopted for the preparation of this interim financial information are the same as those applied in the preparation of the preceding annual published financial statements of the Company for the year ended 30 June 2012 except for as disclosed in note 3.3 below.
- 3.3 The Company has adopted the following amended IFRS and IFRIC interpretation which became effective during the period:

IAS 1- Presentation of Financial Statements- Presentation of items of other comprehensive income (Amendment)

IAS 12 - Income Taxes - Recovery of Underlying Assets (Amendment)

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

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, incomes and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation are the same as those that applied to the financial statements for the year ended 30 June 2012.

5. TRADE AND OTHER PAYABLES

(Rupees in thousand)

	Note	December 31, 2012	June 30, 2012
Trade creditors		1,789,998	1,897,313
Accrued liabilities		59,706	129,717
Bills payable		72,000	221,593
Advances from customers		1,101,597	2,477,471
Security deposits		5,529	5,104
Trademark fee payable		74,903	85,572
Income tax deducted at source		18,814	12,382
Workers' Profit Participation Fund		86,626	(2,254)
Workers' Welfare Fund		90,785	61,640
Unclaimed dividends		146,883	112,901
Others		357,775	65,768
		3,804,616	5,067,207

6. CONTINGENCIES AND COMMITMENT

Contingencies

- There is no significant change in the contingencies since the date of the preceding published annual financial statements.

Commitments

- Commitments in respect of outstanding letters of credit are Rs. 452,000 thousand (30 June 2012: Rs. 1,356,601 thousand).

7. PROPERTY, PLANT AND EQUIPMENT

(Rupees in thousand)

	Note	December 31, 2012	June 30, 2012
Opening book value		465,893	484,578
Add: Additions during the period / year - cost	(7.1)	60,521	46,367
		526,414	530,945
Less: Deletions during the period / year		(3,043)	(5,972)
Depreciation during the period / year		(28,730)	(59,080)
		(31,773)	(65,052)
Book value at the end of the period / year		494,641	465,893
7.1 Additions during the period / year - cost			
Plant and machinery		20,187	12,244
Building		250	323
Tools and equipments		9,424	4,230
Furniture, fixture and office equipment		2,893	7,033
Vehicles		27,525	21,419
Computers		242	1,118
		60,521	46,367

8. CAPITAL WORK-IN-PROGRESS

(Rupees in thousand)

	December 31, 2012	June 30, 2012
Advance for purchase of office space	177,186	151,830
Others	33,304	16,430
	210,490	168,260

9. LONG TERM INVESTMENTS

(Rupees in thousand)

	Note	December 31, 2012	June 30, 2012
Related parties Investment at cost:			
Bolan Castings Limited - quoted		199,606	251,069
Millat Equipment Limited - unquoted		369,464	413,691
		569,070	664,760
Other investment - available for sale:			
Baluchistan Wheels Limited - quoted		25,481	25,481
Cost		19,417	11,720
Surplus on revaluation of investment			
		44,898	37,201
		613,968	701,961

10. OTHER RECEIVABLES

(Rupees in thousand)

	December 31, 2012	June 30, 2012
Sales tax recoverable	2,216,861	1,419,908
Less: Provision for doubtful claims	(34,147)	(34,147)
	2,182,714	1,385,761
Special excise duty receivable	265,394	265,293
Claims receivable from foreign suppliers	72,874	95,130
Others	115,366	116,769
	2,636,348	1,862,953

11. SHORT TERM INVESTMENTS

(Rupees in thousand)

	December 31, 2012	June 30, 2012
Financial assets at fair value through profit and loss - Mutual fund units	-	2,461,860
Term Deposit receipt	100,000	-
	100,000	2,461,860

12. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, companies in which directors are interested, staff retirement funds, directors and key management personnel. Significant transactions with related parties and associated undertakings are as under:

(Rupees in thousand)

		Un-audited	
		December 31,	
		2012	2011
Relationship with the Company	Nature of transaction		
Associated companies	Purchase of goods and services	953,767	2,049,955
	Dividend received	137,179	71,068
Payments to funds	Pension	-	4,883
	Gratuity	6,903	4,179
	Benevolent	269	140

The outstanding balances of such parties are as under:

(Rupees in thousand)

		December 31, 2012	June 30, 2012
Relationship with the Company	Nature of balance		
Associated companies	Creditors	2,427	347,986
	Trade debts	1,912	21,503

13. EVENTS AFTER BALANCE SHEET DATE

The Board of Directors of MTL have declared an interim dividend of Rs. 30 per share (30 June 2012: Rs. 40 per share) at their meeting held on January 31, 2013, while appropriation to general reserve and issuance of bonus shares made after the balance sheet date amount to Rs. nil and Rs. 36,606 thousand (June 30, 2012: Rs. 900,000 thousand and Rs. Nil respectively).

14. DATE OF AUTHORISATION FOR ISSUE

This consolidated interim financial information was authorized for issue by the Board of Directors of the Company on January 31, 2013.

15. GENERAL

15.1 Figures have been rounded off to the nearest thousand rupees.



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive



MILLAT TRACTORS LIMITED

REGISTERED OFFICE

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