

HERALDING A GLOBAL VISION EXPORTS THE NEW FOCUS

3rd Quarterly Report
For the quarter &
Nine Months ended
March 31, 2017



MILLAT TRACTORS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN

Mr. Sikandar Mustafa Khan

CHIEF EXECUTIVE

Syed Muhammad Irfan Aqueel

DIRECTORS

Mr. Latif Khalid Hashmi

Mr. Sohail Bashir Rana

Mr. Laeeq Uddin Ansari

Mian Muhammad Saleem

Syed Zubair Ahmed Shah (NIT Nominee)

Mr. Saad Iqbal

COMPANY SECRETARY

Mian Muhammad Saleem

CHIEF FINANCIAL OFFICER

Mr. Sohail Ahmed Nisar - FCA

AUDITORS

EY Ford Rhodes

Chartered Accountants

LEGAL ADVISORS

Asjad Saeed and Associates

Akhtar Ali & Associates

Ch. Law Associates Inn

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.

Habib Bank Ltd.

MCB Bank Ltd.

Standard Chartered Bank.

United Bank Ltd.

Allied Bank Ltd.

Meezan 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

CHAIRMANS' REVIEW

I am delighted to present the interim financial performance of the Company for the quarter and nine months ended March 31, 2017 along with consolidated interim financial information of the Millat Group of Companies.

During the period, the Company's sales volume has increased from 13,482 tractors to 24,159 tractors, generating revenue of Rs. 21,038 million against Rs. 11,081 million in the corresponding nine month period showing an increase of 90%.

Profit after tax for the nine months ended March 31, 2017 is Rs. 3,040 million compared to Rs. 1,054 million of the comparative period translating into an EPS of Rs. 68.63 and Rs. 23.79 respectively.

Pakistan's economy has maintained its steady trajectory. Lower oil prices coupled with stable foreign exchange parity and government focus on infrastructure, power sector and CPEC related developments have contributed to strengthening of the economy. Higher spending in infrastructure projects has resulted in achieving targeted growth during the fiscal year 2016-17. The completion of early harvest energy projects under CPEC is expected to provide an additional boost to industrial growth. However, the rising trade and current account deficits will have serious impact on the economy in the absence of mitigatory measures.

Punjab government has recently started a three year project to enhance crop and water productivity using modern irrigation and agricultural development technologies, under Kissan Package. The growth in agricultural sector is expected to rebound on account of higher production of cotton, sugarcane, maize and increased prospects for wheat harvest close to last year after rains in early February 2017. It is expected that increased wheat procurement by PASCO from small farmers should result in higher income thereby increasing their buying power. China Pakistan Economic Corridor development activity is also progressing at a fast pace having a significant impact on tractor demand.

The recent launch of export tractor models and emission compliant engines underscores the Company's commitment and concern towards preserving the environment and has sent positive signals in local as well as foreign markets.

On behalf of the Board, I would like to acknowledge the devotion and hard work of our workforce, our supply chain associates, banking institutions and all other stakeholders for their contribution and belief in MTL.

For and on behalf of the Board



Sikandar Mustafa Khan
Chairman

Lahore:
April 26, 2017

Condensed Interim Financial Statements
MILLAT TRACTORS LIMITED
For the nine months ended March 31, 2017



CONDENSED INTERIM BALANCE SHEET

as at March 31, 2017 (Unaudited)

	Note	March 31, 2017 (Rupees in thousand)	June 30, 2016
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital 50,000,000 (June 30, 2016: 50,000,000) ordinary shares of Rs 10 each		500,000	500,000
Issued, subscribed and paid up capital		442,926	442,926
General reserves		2,278,935	2,985,519
Unappropriated profit		1,489,602	622,192
Fair value reserve		135,573	91,123
		4,347,036	4,141,760
Non-current liabilities			
Security deposits		11,905	11,505
Employees' defined benefit plan		103,452	88,558
Deferred taxation		14,518	2,108
		129,875	102,171
Current liabilities			
Accumulating compensated absences		99,282	96,282
Trade and other payables		10,575,391	5,310,799
Mark-up accrued on short term borrowings		-	310
		10,674,673	5,407,391
CONTINGENCIES AND COMMITMENTS	5	15,151,584	9,651,322

The annexed notes 1 to 13 form an integral part of the condensed interim financial information.



S M Irfan Aqueel
Chief Executive

	Note	March 31, 2017 (Rupees in thousand)	June 30, 2016
ASSETS			
Non-current assets			
Property, plant and equipment			
Operating fixed assets	6	469,661	448,130
Capital work in progress	7	251,664	225,134
Intangible assets		1,123	3,295
Investment property		255,708	255,708
Long term investments	8	441,377	396,928
Long term loans		2,991	1,483
		<u>1,422,524</u>	<u>1,330,678</u>
Current assets			
Stores and spares		129,024	111,913
Stock-in-trade		3,326,566	2,545,484
Trade debts		233,378	286,194
Loans and advances		80,110	72,071
Trade deposits and prepayments		27,754	24,366
Balances with statutory authority		1,832,218	1,184,143
Other receivables		124,744	104,756
Tax refunds due from the Government		337,958	629,148
Short term investments	9	5,303,950	800,317
Cash and bank balances		2,333,358	2,562,252
		<u>13,729,060</u>	<u>8,320,644</u>
		<u>15,151,584</u>	<u>9,651,322</u>



Sikandar Mustafa Khan
Director / Chairman

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT


for the nine months ended March 31, 2017 (Unaudited)

	Nine months ended		Quarter ended	
	31 March		31 March	
	2017	2016	2017	2016
	(Rupees in thousand)		(Rupees in thousand)	
Sales - net	21,037,890	11,080,742	9,494,571	4,610,301
Cost of sales	16,149,413	9,094,690	7,226,859	3,654,583
Gross profit	4,888,477	1,986,052	2,267,712	955,718
Distribution and marketing expenses	449,665	254,929	166,981	119,025
Administrative expenses	347,995	313,468	131,623	99,773
	797,660	568,397	298,604	218,798
Operating profit	4,090,817	1,417,655	1,969,108	736,920
Other income	497,828	201,362	232,241	30,956
	4,588,645	1,619,017	2,201,349	767,876
Other operating expenses	324,168	115,650	163,842	56,888
Finance cost	660	11,510	382	2,678
	324,828	127,160	164,224	59,566
Profit before taxation	4,263,817	1,491,857	2,037,125	708,310
Taxation	1,223,976	438,066	576,982	226,287
Profit for the period	3,039,841	1,053,791	1,460,143	482,023
Earnings per share - basic and diluted (Rupees)	68.63	23.79	32.97	10.88

The annexed notes 1 to 13 form an integral part of the condensed interim financial information.



S M Irfan Aqueel
Chief Executive



Sikandar Mustafa Khan
Director / Chairman



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the nine months ended March 31, 2017 (Unaudited)

	Nine months ended		Quarter ended	
	31 March		31 March	
	2017	2016	2017	2016
	------(Rupees in thousand)-----			
Profit for the period	3,039,841	1,053,791	1,460,143	482,023
Other comprehensive income:				
Items to be reclassified to profit or loss in subsequent periods:				
Unrealized gain/(loss) on revaluation of investments	44,450	25,528	(19,268)	24,065
Items not to be reclassified to profit or loss in subsequent periods	-	-	-	-
Total other comprehensive income for the year	44,450	25,528	(19,268)	24,065
Total comprehensive income for the period	3,084,291	1,079,319	1,440,875	506,088

The annexed notes 1 to 13 form an integral part of the condensed interim financial information.

S M Irfan Aqueel
Chief Executive

Sikandar Mustafa Khan
Director / Chairman

CONDENSED INTERIM CASH FLOW STATEMENT

for the nine months ended March 31, 2017 (Unaudited)

	Nine months ended March 31	
	2017	2016
	(Rupees in thousand)	
Cash flows from operating activities		
Profit before taxation	4,263,817	1,491,857
Adjustment for:		
Depreciation on property, plant & equipment	50,745	50,009
Amortization of intangible assets	2,172	2,229
Gain on disposal of property, plant and equipment	(990)	-
Gain on disposal of short term investments	(170,472)	(13,130)
Provision for accumulating compensated absences	3,000	6,331
Finance cost	660	11,510
Profit on bank deposits	(10,167)	(8,732)
Dividend income	(281,065)	(136,750)
	(406,117)	(88,533)
Cash flow from operating activities before working capital changes	3,857,700	1,403,324
Effect on cash flow due to working capital changes		
Decrease in current assets:		
Stores and spares	(17,111)	(10,691)
Stock in trade	(781,082)	60,162
Trade debts	52,816	107,165
Loans and advances	(8,039)	3,507
Trade deposits and prepayments	(3,388)	(8,891)
Other receivables	(639,561)	(161,116)
	(1,396,365)	(9,864)
Increase in current liabilities:		
Trade and other payables	5,121,201	366,246
	3,724,836	356,382

Nine months ended
March 31

2017 2016
(Rupees in thousand)

Cash used in operations		
Tax paid	(920,376)	(334,744)
Increase in long term loans to employees	(1,508)	95
Increase in long term security deposits	400	910
Mark-up paid	(970)	(12,985)
	(922,454)	(346,724)
Net cash generated from operating activities	6,660,082	1,412,982
Cash flows from investing activities		
Purchase of property, plant and equipment	(112,168)	(35,760)
Purchase of intangible assets	-	(2,380)
Purchase of short term investments	(6,384,673)	(1,449,728)
Proceeds from sale of short term investments	2,051,512	1,354,495
Proceeds from sale of property, plant and equipment	14,352	17,046
Dividend received	268,221	136,750
Profit on bank deposits	9,404	11,907
Net cash (used in) / generated from investing activities	(4,153,352)	32,330
Cash flows from financing activities		
Dividend paid	(2,735,624)	(1,997,604)
Net cash used in financing activities	(2,735,624)	(1,997,604)
Net decrease in cash and cash equivalents	(228,894)	(552,292)
Cash and cash equivalents at the beginning of the period	2,562,252	1,082,170
Cash and cash equivalents at the end of the period	2,333,358	529,878

The annexed notes 1 to 13 form an integral part of the condensed interim financial information.



S M Irfan Aqueel
Chief Executive



Sikandar Mustafa Khan
Director / Chairman

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

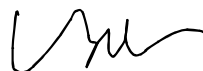
for the nine months ended March 31, 2017 (Unaudited)

	Share capital	Revenue Reserves			Total
		General reserves	Unappropriated profit	Fair value reserves	
	(Rupees in thousand)				
Balance as on 01 July 2015	442,926	3,116,706	1,086,858	64,953	4,711,443
Final dividend for the year ended 30 June 2015 @ Rs. 27.5/- per share	-	(131,187)	(1,086,858)	-	(1,218,045)
Interim dividend @ Rs. 20 per share	-	-	(885,851)	-	(885,851)
Total comprehensive income for the nine months ended 31 March 2016	-	-	1,053,791	25,528	1,079,319
Balance as on 31 March 2016	442,926	2,985,519	167,940	90,481	3,686,866
Balance as on 01 July 2016	442,926	2,985,519	622,192	91,123	4,141,760
Final dividend for the year ended 30 June 2016 @ Rs. 30/- per share	-	(706,584)	(622,192)	-	(1,328,776)
Interim dividend @ Rs. 35 per share	-	-	(1,550,239)	-	(1,550,239)
Total comprehensive income for the nine months ended 31 March 2017	-	-	3,039,841	44,450	3,084,291
Balance as on 31 March 2017	442,926	2,278,935	1,489,602	135,573	4,347,036

The annexed notes 1 to 13 form an integral part of the condensed interim financial information.



S M Irfan Aqueel
Chief Executive



Sikandar Mustafa Khan
Director / Chairman

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION for the nine months ended March 31, 2017 (Unaudited)

1. THE COMPANY AND ITS ACTIVITIES

The Company is a public limited Company incorporated in Pakistan in 1964 under the Companies Ordinance 1984, and is listed on Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange in which Lahore and Islamabad stock exchanges have merged). The registered office of the Company is situated at Sheikhpura Road, District Sheikhpura. It is principally engaged in assembling and manufacturing of agricultural tractors, implements and multi-application products.

2. STATEMENT OF COMPLIANCE

2.1 This condensed interim financial information of the Company for the nine months ended March 31, 2017 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 condensed interim financial information is un-audited and is being submitted to shareholders, as required by section 245 of the Companies Ordinance, 1984 and Listing Regulations of Pakistan Stock Exchange Limited.

3. BASIS OF PREPARATION

3.1 This condensed 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 2016.

3.2 The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are same as those applied in the preparation of the preceding annual published financial statements of the Company for the year ended 30 June 2016 except for as disclosed in note 3.3 below.

3.3 The Company has adopted the following amendments and interpretation of IFRSs which became effective during the current period:

IFRS 10 – Consolidated Financial Statements

IFRS 12 Disclosure of Interests in Other Entities

IAS 27 Separate Financial Statements – Investment Entities: Applying the Consolidation Exception (Amendment)

IFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)

IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)

IAS 16 Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)

IAS 16 Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)

IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)

Improvements to Accounting Standards Issued by the IASB in September 2014:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal

IFRS 7 Financial Instruments: Disclosures - Servicing contracts

IFRS 7 Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements

IAS 19 Employee Benefits - Discount rate: regional market issue

IAS 34 Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report'

The adoption of the above amendments, interpretation and improvements did not have any significant impact on this condensed interim financial information.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed 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 2016.

5. 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. 1,060,521 thousand (June 30, 2016: Rs 270,910 thousand).

	Note	March 31, 2017	June 30, 2016
(Rupees in thousand)			
6. OPERATING FIXED ASSETS			
Opening book value		448,130	485,721
Add: Additions during the period	6.1	85,620	53,591
		533,750	539,312
Less: Disposals / write offs during the period (at book value)		(13,344)	(24,520)
Depreciation charged during the period		(50,745)	(66,662)
		(64,089)	(91,182)
Closing book value		469,661	448,130

	March 31, 2017	June 30, 2016
	(Rupees in thousand)	
6.1 Additions during the period		
- Plant and machinery	7,644	4,276
- Tools and equipments	301	1,545
- Furniture, fixture and office equipment	1,302	4,811
- Vehicles	72,608	39,479
- Computers	3,765	3,480
	85,620	53,591
7. CAPITAL WORK IN PROGRESS		
Advance for purchase of office space	247,151	220,125
Others	4,513	5,009
	251,664	225,134
8. LONG TERM INVESTMENTS		
Related parties:		
Investment at cost		
- Subsidiaries - unquoted	217,050	217,050
- Subsidiary - quoted	76,610	76,610
	293,660	293,660
Others		
Available for sale - quoted		
Cost	12,145	12,145
Surplus on revaluation of investment	135,572	91,123
	147,717	103,268
	441,377	396,928

	March 31, 2017	June 30, 2016
	(Rupees in thousand)	
9. SHORT TERM INVESTMENTS		
Financial assets at fair value through profit and loss - Mutual fund units	5,303,950	800,317

	March 31, 2017	2016
	(Rupees in thousand)	
10. TRANSACTIONS WITH RELATED PARTIES		
Purchase of components	3,888,669	2,197,172
Dividend income	261,807	132,902
Contribution to staff retirement benefit plans	21,457	20,343
Disposal of vehicles to key management personnel	3,965	1,710

The Outstanding balances of such parties are as under:

	March 31, 2017	June 30, 2016
	(Rupees in thousand)	
Payable to related parties	86,711	176,511
Receivable from related parties	32,793	27,918

11. EVENTS AFTER BALANCE SHEET DATE

The Board of Directors has declared Nil cash dividend (June 30, 2016: Rs. 30 per share) in their meeting held on April 26, 2017.

12. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 26, 2017 by the Board of Directors of the company.

13. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison.



S M Irfan Aqueel
Chief Executive



Sikandar Mustafa Khan
Director / Chairman

Consolidated Condensed Interim Financial Statements

MILLAT TRACTORS LIMITED

For the nine months ended March 31, 2017



CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

as at March 31, 2017 (Unaudited)

	Note	March 31, 2017 (Rupees in thousand)	June 30, 2016
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
50,000,000 (2016: 50,000,000) ordinary shares of Rs. 10/- each		500,000	500,000
Issued, subscribed and paid up capital		442,926	442,926
General reserves		2,475,309	3,181,893
Unappropriated profit		2,035,214	1,105,960
Exchange translation reserve		1,231	1,029
Fair value reserve		200,718	146,450
		5,155,398	4,878,258
Non-controlling interests		1,164,193	1,118,359
Non-current liabilities			
Long term deposits		26,073	21,343
Deferred taxation		72,103	21,660
Employees' defined benefit plan		192,429	168,513
		290,605	211,516
Current liabilities			
Accumulating compensated absences		116,359	121,202
Trade and other payables		11,050,462	5,461,736
Current portion of long term deposits		608	899
Short term borrowings		30,065	274,159
Accrued mark-up on short term borrowings		1,325	5,111
		11,198,819	5,863,107
CONTINGENCIES AND COMMITMENTS	5	17,809,015	12,071,240

The annexed notes 1 to 13 form an integral part of the condensed interim financial information.



S M Irfan Aqueel
Chief Executive



	Note	March 31, 2017 (Rupees in thousand)	June 30, 2016
ASSETS			
Non-current assets			
Property, plant and equipment			
	6	1,333,763	1,238,495
	7	263,795	270,631
		1,350	3,597
		18,572	18,572
		255,708	255,708
	8	180,823	126,555
		3,968	2,264
		7,411	7,411
		<u>2,065,390</u>	<u>1,923,233</u>
Current assets			
		359,429	342,749
		4,123,631	3,149,366
		398,621	433,764
		178,554	135,257
		37,824	36,940
		126,079	105,305
		1,833,971	1,193,953
		463,741	821,906
	9	5,646,169	1,194,315
		2,575,606	2,734,452
		<u>15,743,625</u>	<u>10,148,007</u>
		<u>17,809,015</u>	<u>12,071,240</u>

Sikandar Mustafa Khan
Director / Chairman

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT


for the nine months ended March 31, 2017 (Unaudited)

	Nine months ended		Quarter ended	
	31 March		31 March	
	2017	2016	2017	2016
	(Rupees in thousand)		(Rupees in thousand)	
		Restated		Restated
Sales - net	22,158,809	12,150,455	9,947,311	3,879,970
Cost of sales	16,070,471	9,669,551	7,123,686	2,686,965
Gross profit	6,088,338	2,480,904	2,823,625	1,193,005
Distribution and marketing expenses	511,540	300,035	185,823	135,787
Administrative expenses	489,994	428,550	190,739	140,460
	1,001,534	728,585	376,562	276,247
Operating profit	5,086,804	1,752,319	2,447,063	916,758
Other income	259,093	89,265	142,231	34,486
	5,345,897	1,841,584	2,589,294	951,244
Other operating expenses	391,729	138,226	195,677	68,180
Finance cost	12,295	40,929	1,858	11,940
	404,024	179,155	197,535	80,120
Profit before taxation	4,941,873	1,662,429	2,391,759	871,124
Taxation	1,500,699	543,498	713,069	266,712
Profit for the period	3,441,174	1,118,931	1,678,690	604,412
Attributable to:				
- Equity holders of the holding Company	3,101,685	1,032,107	1,512,858	556,286
- Non-controlling interests	339,489	86,824	165,832	48,126
	3,441,174	1,118,931	1,678,690	604,412
Earnings per share - basic and diluted (Rupees)	77.69	25.26	37.90	13.64

The annexed notes 1 to 13 form an integral part of the condensed interim financial information.



S M Irfan Aqueel
Chief Executive



Sikandar Mustafa Khan
Director / Chairman



CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the nine months ended March 31, 2017 (Unaudited)

	Nine months ended		Quarter ended	
	31 March		31 March	
	2017	2016	2017	2016
	(Rupees in thousand)		(Rupees in thousand)	
		Restated		Restated
Profit for the period	3,441,174	1,118,931	1,678,690	604,412
Other comprehensive income:				
Other comprehensive income to be reclassified to profit or loss in subsequent periods				
Unrealized gain / (loss) on revaluation of available for sale investments	54,268	31,810	(23,586)	29,463
Total other comprehensive income, net of tax	54,268	31,810	(23,586)	29,463
Total comprehensive income for the period	3,495,442	1,150,741	1,655,104	633,875
Attributable to:				
- Equity holders of the holding Company	3,155,953	1,063,917	1,489,272	585,749
- Non-controlling interest	339,489	86,824	165,832	48,126
	3,495,442	1,150,741	1,655,104	633,875

The annexed notes 1 to 13 form an integral part of the condensed interim financial information.

S M Irfan Aqueel
Chief Executive

Sikandar Mustafa Khan
Director / Chairman

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT

for the nine months ended March 31, 2017 (Unaudited)


	Nine months ended	
	March 31 2017	March 31 2016 Restated
(Rupees in thousand)		
Cash flows from operating activities		
Profit before taxation	4,941,873	1,662,429
Adjustment for:		
Depreciation on property, plant & equipment	101,487	102,747
Amortization of intangible assets	2,247	2,341
Gain on disposal of short term investments	(184,081)	(13,362)
Provision for accumulated compensated absences	4,554	6,331
Provision for pension obligation	24,197	3,234
Finance cost	12,295	40,585
Profit on bank deposits	(15,926)	(8,732)
Dividend income	(6,418)	(4,663)
	(61,645)	128,481
Cash flow from operating activities before working capital changes	4,880,228	1,790,910
Effect on cash flow due to working capital changes (Increase) / decrease in current assets:		
Stores and spares	(16,680)	(6,785)
Stock in trade	(974,265)	(124,904)
Trade debts	35,143	(1,534)
Loans and advances	(43,297)	31,008
Trade deposits and prepayments	(884)	11,162
Other receivables	(20,774)	(116,690)
	(1,020,757)	(207,743)
Increase in current liabilities:		
Trade and other payables	5,588,726	403,218
	4,567,969	195,475

	Nine months ended	
	March 31 2017	March 31 2016 Restated
(Rupees in thousand)		
Cash used in operations		
Taxes paid	(1,732,109)	(528,792)
(Increase) / decrease in long term loans to employees	(1,704)	11
Employee benefits paid	(9,678)	(40,824)
Increase / (decrease) in long term security deposits	4,439	(9,244)
Mark-up paid	(16,081)	(52,617)
	(1,755,133)	(631,466)
Net cash generated from operating activities	7,693,064	1,354,919
Cash flows from investing activities		
Purchase of property, plant and equipment	(189,919)	(107,872)
Purchase of intangible assets	-	(2,199)
(Purchase) / redemption of short term investments - net	(4,267,773)	193,193
Dividend received	6,418	4,663
Profit on bank deposits	15,926	8,732
Net cash used in investing activities	(4,435,348)	96,517
Cash flows from financing activities		
Short term borrowings repaid - net	(244,094)	(592,400)
Dividend paid to equity holders	(2,879,015)	(1,217,870)
Dividend paid to non-controlling interests	(293,655)	(130,075)
Net cash used in financing activities	(3,416,764)	(1,940,345)
Net increase in cash and cash equivalents	(159,048)	(488,909)
Cash and cash equivalents at the beginning of the period	2,734,452	1,195,761
Foreign exchange difference	202	2,816
Cash and cash equivalents at the end of the period	2,575,606	709,668

The annexed notes 1 to 13 form an integral part of the condensed interim financial information.



S M Irfan Aqueel
Chief Executive



Sikandar Mustafa Khan
Director / Chairman

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

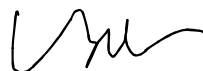
for the nine months ended March 31, 2017 (Unaudited)

	Share capital	Revenue reserves		Exchange translation reserve	Fair value reserve	Non-controlling interests	Total
		General reserves	Unappropriated profit				
----- (Rupees in thousand) -----							
Balance as on 30 June 2015 - restated	442,926	3,313,080	1,496,683	145	117,241	1,081,632	6,451,707
Final dividend for the year ended 30 June 2015 @ Rs. 27.5/- per share	-	(131,187)	(1,086,858)	-	-	-	(1,218,045)
Dividend payment to NCI	-	-	-	-	-	(147,081)	(147,081)
Interim dividend for the year ended 30 June 2016 @ Rs. 20/- per share	-	-	(885,851)	-	-	-	(885,851)
Exchange difference on translation of foreign operations	-	-	-	1,762	-	-	1,762
Total comprehensive income for the nine months ended 31 March 2016	-	-	1,032,107	-	31,810	86,824	1,150,741
Balance as on 31 March 2016 - restated	442,926	3,181,893	556,081	1,907	149,051	1,021,375	5,353,233
Balance as on 30 June 2016	442,926	3,181,893	1,105,960	1,029	146,450	1,118,359	5,996,617
Final dividend for the year ended 30 June 2016 @ Rs. 30/- per share	-	(706,584)	(622,192)	-	-	-	(1,328,776)
Dividend payment to NCI	-	-	-	-	-	(293,655)	(293,655)
Interim dividend for the year ended 30 June 2017 @ Rs. 35/- per share	-	-	(1,550,239)	-	-	-	(1,550,239)
Exchange difference on translation of foreign operations	-	-	-	202	-	-	202
Total comprehensive income for the nine months ended 31 March 2017	-	-	3,101,685	-	54,268	339,489	3,495,442
Balance as on 31 March 2017	442,926	2,475,309	2,035,214	1,231	200,718	1,164,193	6,319,591

The annexed notes 1 to 13 form an integral part of the condensed interim financial information.



S M Irfan Aqueel
Chief Executive



Sikandar Mustafa Khan
Director / Chairman



SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION for the nine months ended March 31, 2017 (Unaudited)

1. THE GROUP AND ITS ACTIVITIES

Millat Tractors Limited - The Holding Company is a public limited Company incorporated in Pakistan in 1964 under the Companies Ordinance 1984, and is listed on Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange in which Lahore and Islamabad stock exchanges have merged). The registered office of the Company is situated at Sheikhpura Road, District Sheikhpura. It is principally engaged in assembling and manufacturing of agricultural tractors, implements and multi-application products.

Millat Industrial Products Limited (MIPL), an unlisted public company registered under the Companies Ordinance 1984, is a subsidiary of Millat Tractors Limited which holds 64.09% equity. MIPL is engaged in the business of manufacturing of industrial, domestic and vehicular batteries, cells and components.

Tipeg Intertrade DMCC, Dubai, a limited liability company registered with Dubai Multi Commodities Centre Authority, is a subsidiary of Millat Tractors Limited which holds 75% equity. The principal place of business of the company is located at Jumeirah Lake Towers, Dubai-UAE. The company is formed for trading of machinery and heavy equipment and company has recently started its operations.

Millat Equipment Limited (MEL), an unlisted public company registered under the Companies Ordinance 1984, is a subsidiary of Millat Tractors Limited which holds 45% equity. MEL is engaged in the business of manufacturing of automotive, agricultural and industrial vehicles parts and components thereof.

Bolan Castings Limited (BCL), a public limited company incorporated in Pakistan under the Companies Ordinance 1984, and is listed on Pakistan Stock Exchange (formerly Karachi Stock Exchange in which Lahore and Islamabad stock exchanges have merged), is a subsidiary of Millat Tractors Limited which holds 46.26% equity. BCL is engaged in the business of manufacturing of castings for tractors and automotive parts thereof.

2. STATEMENT OF COMPLIANCE

- 2.1 This condensed interim financial information of the Group for the nine months ended March 31, 2017 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 condensed interim financial information is un-audited and is being submitted to shareholders, as required by section 245 of the Companies Ordinance, 1984 and Listing Regulations of Pakistan Stock Exchange Limited.

3. BASIS OF PREPARATION

- 3.1 This condensed 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 2016.
- 3.2 The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are same as those applied in the preparation of the preceding annual published financial statements of the Company for the year ended 30 June 2016 except for as disclosed in note 3.3 below.

3.3 The Company has adopted the following amendments and interpretation of IFRSs which became effective during the current period:

- IFRS 10 – Consolidated Financial Statements
- IFRS 12 Disclosure of Interests in Other Entities
- IAS 27 Separate Financial Statements – Investment Entities: Applying the Consolidation Exception (Amendment)
- IFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)
- IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)
- IAS 16 Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)
- IAS 16 Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)
- IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)

Improvements to Accounting Standards Issued by the IASB in September 2014

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal
- IFRS 7 Financial Instruments: Disclosures - Servicing contracts
- IFRS 7 Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements
- IAS 19 Employee Benefits - Discount rate: regional market issue
- IAS 34 Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report'

The adoption of the above amendments, interpretation and improvements did not have any significant impact on this condensed interim financial information except as follows:

As a result of adoption of International Financial Reporting Standard (IFRS)-10, the "Consolidated Financial Statements" by Securities and Exchange Commission of Pakistan (SECP), the Company reassessed control mechanism of its investment in Bolan Castings Limited (BCL) and Millat Equipment Limited (MEL) that although the Company has less than 50% voting rights both in BCL and MEL, the Company has the ability to exercise control over both these companies. Henceforth these companies are concluded to be subsidiaries of the Company. The comparative information has been restated accordingly

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed 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 Group'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 2016.

5. 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. 1,060,521 thousand (June 30, 2016: Rs 403,826 thousand).

	Note	March 31, 2017 (Rupees in thousand)	June 30, 2016
6. OPERATING FIXED ASSETS			
Opening book value		1,237,431	1,263,416
Stores, spares & loose tools		1,064	1,064
Add: Additions during the period	6.1	226,190	152,471
		1,464,685	1,416,951
Less: Disposals / write offs during the period (at book value)		(16,412)	(33,066)
Depreciation charged during the period		(114,510)	(145,390)
		(130,922)	(178,456)
Closing book value		1,333,763	1,238,495
6.1 Additions during the period			
- Buildings on freehold land		49,486	32,573
- Plant and machinery		59,471	27,824
- Tools and equipments		7,623	19,078
- Furniture, fixture and office equipment		2,630	8,041
- Vehicles		101,580	60,855
- Computers		5,400	4,100
		226,190	152,471
7. CAPITAL WORK IN PROGRESS			
Advance for purchase of office space		247,151	220,125
Others		16,644	50,506
		263,795	270,631
8. LONG TERM INVESTMENTS			
Available for sale - quoted			
- Baluchistan Wheels Limited		24,364	24,364
Surplus on revaluation of investment		156,459	102,191
		180,823	126,555

	March 31, 2017	June 30, 2016
(Rupees in thousand)		
9. SHORT TERM INVESTMENTS		
Financial assets at fair value through profit and loss - Mutual fund units	5,646,169	1,194,315

	March 31, 2017	March 31, 2016
(Rupees in thousand)		
10. TRANSACTIONS WITH RELATED PARTIES		
Retirement benefit plans	21,457	20,343

11. EVENTS AFTER BALANCE SHEET DATE

The Board of Directors has declared Nil cash dividend (June 30, 2016: Rs. 30 per share) in their meeting held on April 26, 2017.

12. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 26, 2017 by the Board of Directors of the Group.

13. CORRESPONDING FIGURES

Corresponding figures have been re-arranged / restated, wherever necessary, for the purpose of comparison. However, no significant re-arrangements / restatements have been made except as disclosed in Note 3.3



S M Irfan Aqueel
Chief Executive

















Sikandar Mustafa Khan
Director / Chairman



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