

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

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.

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

The Directors are pleased to present to you the unaudited accounts of the Company for the 3rd quarter and nine months ended March 31, 2012.

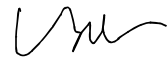
In the 3rd quarter 9,500 tractors were sold as against 9,206 units during corresponding quarter last year. Net sales value increased by 4.6% to Rs. 5,810 million as against Rs. 5,556 million in the corresponding quarter of last year. Net profit after taxation amounted to Rs. 581 million against a profit of Rs. 618 million in the corresponding quarter last year.

Total sales value for the nine months amounted to Rs. 11,842 million as against Rs. 17,388 million of corresponding months. Net profit after tax amounted to Rs. 1,198 million as against Rs. 1,807 million for the corresponding period of last year.

Due to reduction in sales tax on tractors, results of operations have shown significant improvement in this quarter. ZTBL has once again started to extend loaning facility to farming community. Moreover, during the current quarter the company has managed to book record number of tractors. The management is endeavoring to improve the supply chain to reduce the pending backlog of booking. Keeping in view all these contributing factors, we are hopeful that your company will perform better in the last quarter.

We would like to thank our customers and shareholders for their trust and confidence in the Company. We also like to convey our appreciation to all the employees of the Company and vending associates for their continued dedication and hard work.

For and on behalf of the Board

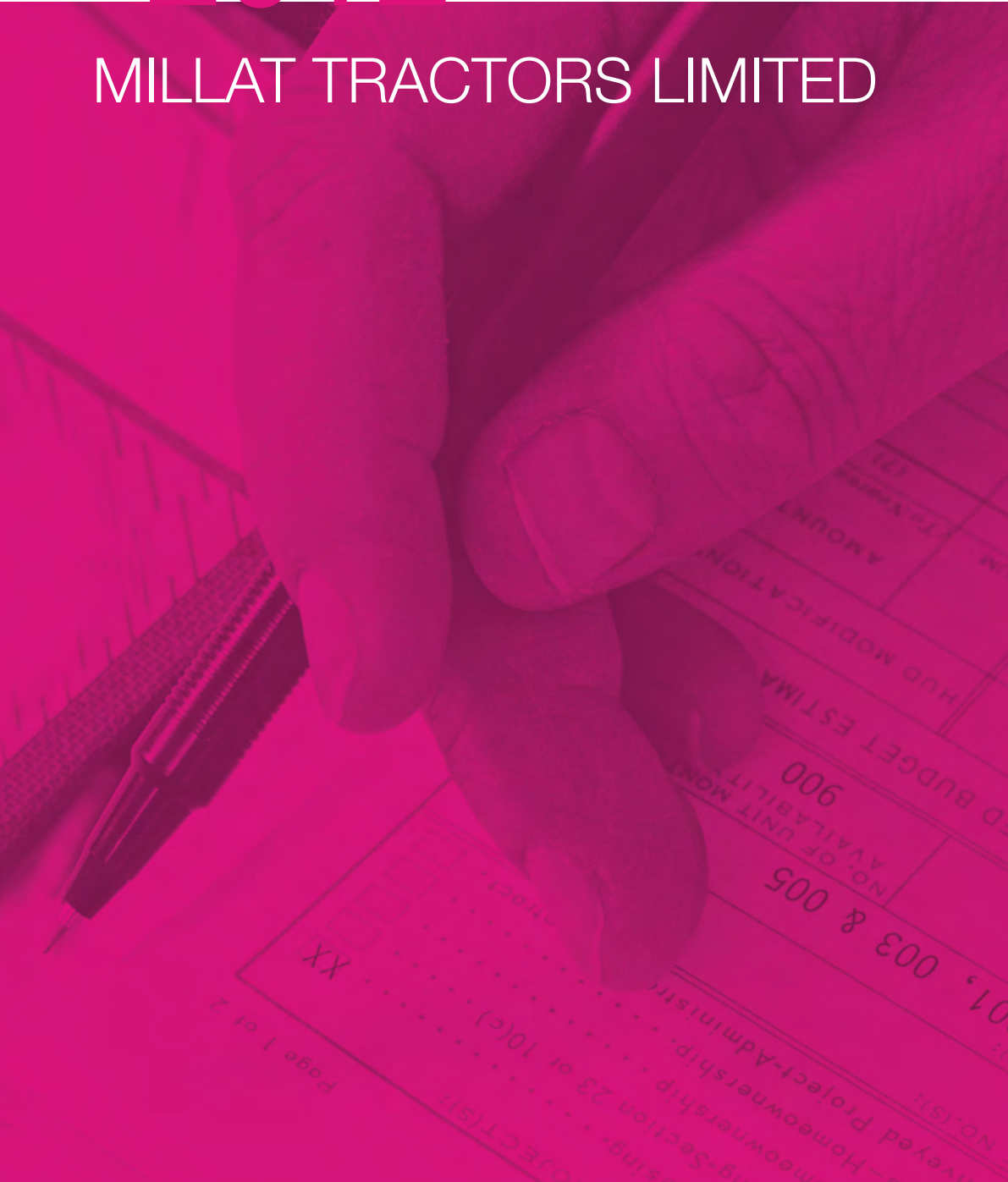


Sikandar Mustafa Khan
Chairman

Lahore:
April 26, 2012

FINANCIAL STATEMENTS 2012

MILLAT TRACTORS LIMITED

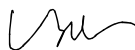


condensed interim
BALANCE SHEET
 as at march 31, 2012 (unaudited)

EQUITY AND LIABILITIES

		(Rupees in thousand)	
	Note	March 31, 2012	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		3,368,710	2,766,678
Unappropriated profit		622,338	1,490,726
Fair value reserve		23,440	28,777
		4,380,543	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		7,918,322	3,850,702
Mark-up accrued on short term borrowings		926	990
		7,967,855	3,896,657
CONTINGENCIES AND COMMITMENTS			
	7	12,375,471	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	March 31, 2012	June 30, 2011
NON-CURRENT ASSETS			
Property, plant and equipment	8	412,299	435,516
Capital work-in-progress	9	153,602	155,137
Intangible assets		8,807	17,614
Investment property		255,708	255,708
Long term investments	10	286,570	291,907
Long term loans - considered good		2,917	2,860
		1,119,903	1,158,742
CURRENT ASSETS			
Stores and spares		57,050	131,559
Stock-in-trade		3,460,504	2,580,293
Trade debts		110,439	176,430
Loans and advances		221,684	215,293
Trade deposits and prepayments		19,162	19,132
Other receivables		1,237,803	801,351
Taxation - net		565,297	137,386
Short term investments	11	4,766,339	2,971,296
Cash and bank balances		817,290	393,502
		11,255,568	7,426,242
		12,375,471	8,584,984



Syed Muhammad Irfan Aqueel
Chief Executive

condensed interim
PROFIT & LOSS ACCOUNT
 for the nine months ended march 31, 2012 (unaudited)

	Note	(Rupees in thousand)		(Rupees in thousand)	
		Quarter ended		Nine months ended	
		March 31,		March 31,	
		2012	2011	2012	2011
Sales - net		5,810,139	5,556,741	11,842,267	17,388,140
Cost of sales		4,760,260	4,559,731	9,770,211	14,400,284
Gross profit		1,049,879	997,010	2,072,056	2,987,856
Distribution and marketing expenses		115,559	134,078	314,023	431,201
Administrative expenses		72,154	88,763	224,320	235,035
		187,713	222,841	538,343	666,236
Operating profit		862,166	774,169	1,533,713	2,321,620
Other operating income		103,643	165,698	327,717	481,764
		965,809	939,867	1,861,430	2,803,384
Other operating expenses		72,492	73,546	149,955	200,970
Finance cost		958	1,278	5,060	8,357
		73,450	74,824	155,015	209,327
Profit before taxation		892,359	865,043	1,706,415	2,594,057
Taxation		311,580	246,574	508,555	786,859
		580,779	618,469	1,197,860	1,807,198
Profit for the period		580,779	618,469	1,197,860	1,807,198
Earnings per share - basic and diluted (Rupees)		15.87	16.90	32.72	49.37

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 nine months ended march 31, 2012 (unaudited)

	(Rupees in thousand)		(Rupees in thousand)	
	Quarter ended		Nine months ended	
	March 31,		March 31,	
	2012	2011	2012	2011
Profit for the period	580,779	618,469	1,197,860	1,807,198
Other comprehensive income:				
Unrealized (loss) / gain on revaluation of investments	(2,900)	3,438	(5,337)	9,621
Total other comprehensive income	(2,900)	3,438	(5,337)	9,621
Total comprehensive income for the period	577,879	621,907	1,192,523	1,816,819

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 nine months ended march 31, 2012 (unaudited)

		(Rupees in thousand)	
		Nine months ended	
		March 31,	
	Note	2012	2011
Cash flows from operating activities			
Cash generated from operations	12	3,852,708	2,732,925
Interest and mark-up paid		(5,124)	(8,965)
Net increase in long term loans to employees		(57)	(545)
Income tax paid		(945,484)	(1,078,581)
Net cash generated from operating activities		2,902,043	1,644,834
Cash flows from investing activities			
Purchase of property, plant and equipment		(18,712)	(81,150)
Purchase of short term investments		(7,045,360)	(7,716,984)
Proceeds from sale of short term investments		5,389,484	7,595,809
Proceeds from sale of property, plant and equipment		4,927	10,272
Proceeds from sale of investment property		-	17,200
Profit on bank deposits		6,266	16,744
Dividend received		103,290	71,068
Net cash used in investing activities		(1,560,104)	(87,041)
Cash flows from financing activities			
Dividend paid		(918,151)	(2,156,728)
Net cash used in financing activities		(918,151)	(2,156,728)
Net increase/(decrease) in cash and cash equivalents		423,788	(598,935)
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	817,290	510,120

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 nine months ended march 31, 2012 (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)	-	-
Interim dividend @ Rs. 32.5 per share	-	(1,098)	(1,188,578)	-	(1,189,676)
Total comprehensive income for the nine months ended March 31, 2011	-	-	1,807,198	9,621	1,816,819
Balance as on December 31, 2010	366,055	2,766,678	627,188	34,678	3,794,599
Total comprehensive income for three months ended June 30, 2011	-	-	863,538	(5,901)	857,637
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)	-	-
Interim dividend @ Rs. 25 per share	-	(297,968)	(617,167)	-	(915,135)
Total comprehensive income for the nine months ended March 31, 2012	-	-	1,197,860	(5,337)	1,192,523
Balance as on March 31, 2012	366,055	3,368,710	622,338	23,440	4,380,543

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 nine months ended march 31, 2012 (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. 897,000 thousand (June 30, 2011 : Rs 977,000 thousand).

8. PROPERTY, PLANT AND EQUIPMENT

		(Rupees in thousand)	
	Note	March 31, 2012	June 30, 2011
Opening book value		435,516	411,759
Add: Additions during the period	8.1	20,247	95,159
		455,763	506,918
Less: Disposals / write offs during the period (at book value)		(4,260)	(14,635)
Depreciation charged during the period		(39,204)	(56,767)
		(43,464)	(71,402)
Closing book value		412,299	435,516

8.1 Additions during the period

		(Rupees in thousand)	
	Note	March 31, 2012	June 30, 2011
- Plant and machinery		7,333	37,128
- Tools and equipments		697	3,744
- Furniture, fixture and office equipment		1,409	2,462
- Vehicles		10,033	50,481
- Computers		775	1,344
		20,247	95,159

9. CAPITAL WORK-IN-PROGRESS

		(Rupees in thousand)	
	Note	March 31, 2012	June 30, 2011
Advance for purchase of office space		151,830	151,830
Others		1,772	3,307
		153,602	155,137

10. LONG TERM INVESTMENTS - EQUITIES

		(Rupees in thousand)	
	Note	March 31, 2012	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		23,440	28,777
		35,585	40,922
		286,570	291,907

11. SHORT TERM INVESTMENTS

		(Rupees in thousand)	
	Note	March 31, 2012	June 30, 2011
Financial assets at fair value through profit and loss - Mutual fund units		4,766,339	2,971,296

12. CASH GENERATED FROM OPERATIONS

		(Rupees in thousand)	
		Nine months ended	
		March 31,	
	Note	2012	2011
Profit before taxation		1,706,415	2,594,057
Adjustment for:			
- Depreciation on property, plant and equipment		39,204	42,021
- Amortization of intangibles		8,807	8,807
- Provision for accumulating compensated absences		3,642	2,000
- Deferred revenue amortised		-	(32,318)
- Gain on investment at fair value through profit and loss		(139,167)	(317,576)
- Gain on sale of investment property		-	(13,502)
- Loss / (Gain) on sale of property, plant and equipment		(667)	133
- Profit on bank deposits		(6,370)	(16,745)
- Dividend		(103,290)	(71,068)
- Finance cost		5,060	8,357
- Working capital changes	12.1	2,339,074	528,759
		3,852,708	2,732,925

12.1 Working capital changes

		(Rupees in thousand)	
		Nine months ended	
		March 31,	
	Note	2012	2011
(Increase)/decrease in current assets		74,509	(16,137)
- Stores and spares		(880,211)	(1,213,890)
- Stock-in-trade		65,991	40,039
- Trade debts		(6,391)	(106,805)
- Loan and advances		(30)	165
- Trade deposits and prepayments		(436,348)	251,072
- Other receivables			
Increase/(decrease) in current liabilities		3,521,554	1,574,315
- Trade and other payables		2,339,074	528,759

12.2 Cash and cash equivalents

Cash and bank balances	817,290	510,120
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13. TRANSACTIONS WITH RELATED PARTIES

Purchases from related parties	2,127,717	3,290,239
Dividend income	100,724	71,068
Payable to related parties	63,009	189,409
Receivable from related party	21,486	245
Payment to funds:		
- Pension	7,689	7,434
- Gratuity	5,010	6,345
- Benevolent	199	207

14. EVENTS AFTER BALANCE SHEET DATE

The Board of Directors have declared an interim dividend of Rs. Nil (June30, 2011: Rs. 15 per share) at their meeting held on April 26, 2012.

15. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 26, 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.



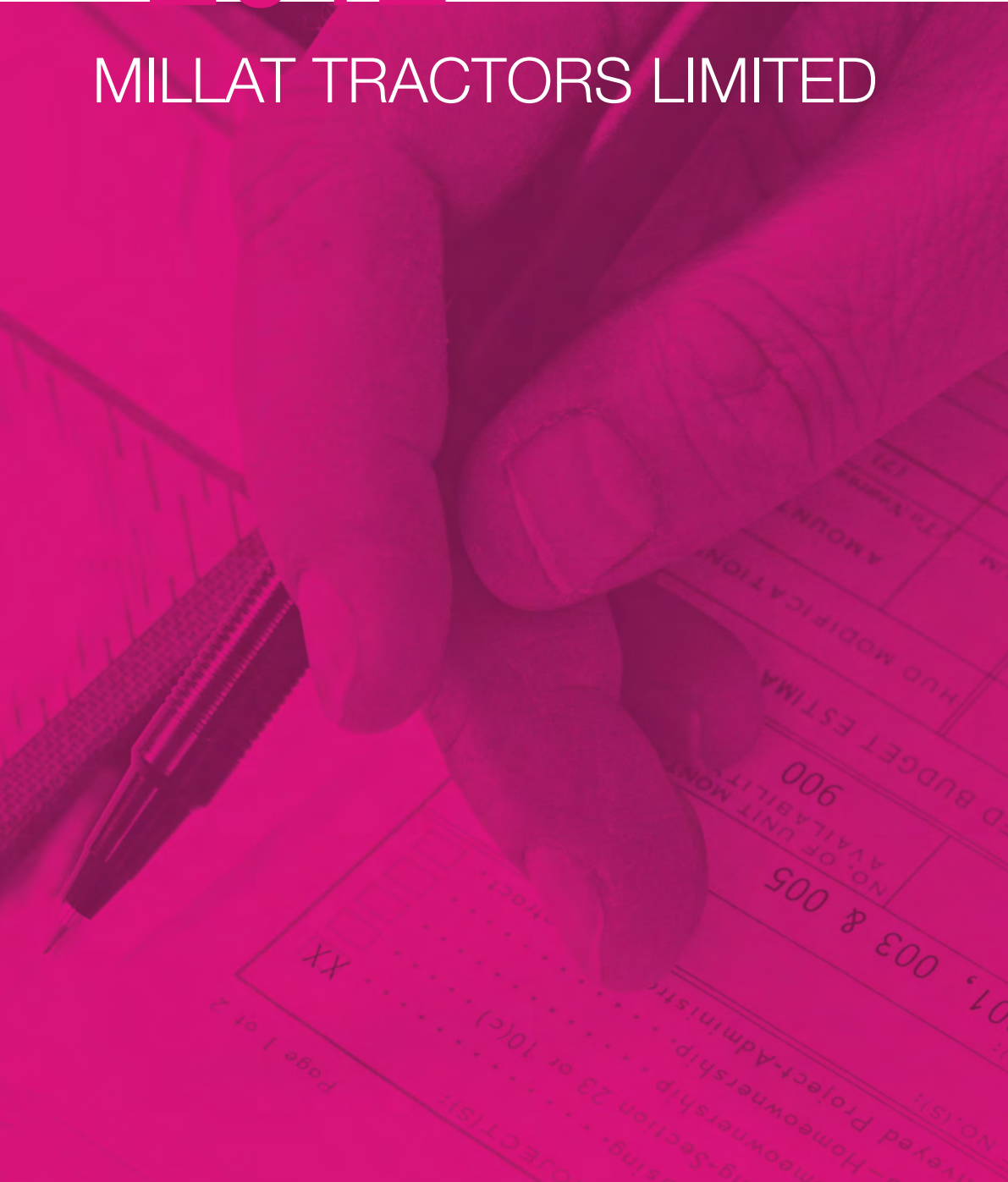
Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

consolidated
FINANCIAL STATEMENTS
2012

MILLAT TRACTORS LIMITED




consolidated condensed interim
BALANCE SHEET
 as at march 31, 2012 (unaudited)

EQUITY AND LIABILITIES

		(Rupees in thousand)	
	Note	March 31, 2012	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		3,368,710	2,766,678
Unappropriated profit		1,091,009	1,977,424
Fair value reserve		10,104	15,440
Equity attributable to equity holders of the parent		4,835,878	5,125,597
Non-controlling interest		72,040	68,361
		4,907,918	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		7,954,845	3,851,727
Mark-up accrued on short term borrowings		2,117	1,503
		8,005,569	3,898,195
		12,944,218	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	March 31, 2012	June 30, 2011
NON-CURRENT ASSETS			
Property, plant and equipment	8	461,625	484,578
Capital work-in-progress	9	153,874	155,201
Intangible assets		8,807	17,614
Investment property		255,708	255,708
Long term investments	10	606,437	636,364
Long term loans - considered good		2,917	2,860
		1,489,368	1,552,325
CURRENT ASSETS			
Stores and spares		64,613	136,104
Stock-in-trade		3,567,561	2,663,197
Trade debts		182,702	208,138
Loans and advances		233,256	229,251
Trade deposits and prepayments		20,080	20,907
Other receivables		1,239,725	803,273
Taxation - net		575,330	142,195
Short term investments	11	4,766,339	2,971,296
Cash and bank balances		805,244	405,216
		11,454,850	7,579,577
		12,944,218	9,131,902



Syed Muhammad Irfan Aqueel
Chief Executive

consolidated condensed interim
PROFIT & LOSS ACCOUNT
 for the nine months ended march 31, 2012 (unaudited)

	(Rupees in thousand)		(Rupees in thousand)	
	Quarter ended		Nine months ended	
	March 31,		March 31,	
	2012	2011	2012	2011
Sales - net	4,860,922	5,633,057	11,103,846	17,610,838
Cost of sales	3,788,438	4,608,751	8,965,404	14,541,027
Gross profit	1,072,484	1,024,306	2,138,442	3,069,811
Distribution and marketing expenses	121,281	138,070	328,948	442,500
Administrative expenses	78,495	94,578	243,230	251,541
	199,776	232,648	572,178	694,041
Operating profit	872,708	791,658	1,566,264	2,375,770
Other operating income	103,645	165,849	227,220	413,149
	976,353	957,507	1,793,484	2,788,919
Other operating expenses	73,286	74,714	151,924	204,582
Finance cost	2,242	1,614	8,467	9,302
	75,528	76,328	160,391	213,884
Share of profit of associated companies	107,773	98,408	97,388	234,297
Profit before taxation	1,008,598	979,587	1,730,481	2,809,332
Taxation				
Group	314,738	252,203	516,762	801,475
Associated companies	32,787	38,593	26,992	84,937
	347,525	290,796	543,754	886,412
Profit for the period	661,073	688,791	1,186,727	1,922,920
Attributable to:				
Equity holders of the parent	659,166	685,018	1,179,833	1,910,053
Non-controlling interest	1,907	3,773	6,894	12,867
	661,073	688,791	1,186,727	1,922,920
Earnings per share - basic and diluted (Rupees)	18.01	18.71	32.23	52.18

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

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



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

consolidated condensed interim statement of
COMPREHENSIVE INCOME
 for the nine months ended march 31, 2012 (unaudited)

	(Rupees in thousand)		(Rupees in thousand)	
	Quarter ended		Nine months ended	
	March 31,		March 31,	
	2012	2011	2012	2011
Profit for the period	661,073	688,791	1,186,727	1,922,920
Unrealized (loss) / gain on revaluation of investments	(2,899)	3,438	(5,336)	9,621
Total comprehensive income for the period	658,174	692,229	1,181,391	1,932,541
Non-controlling interest	(1,907)	(3,773)	(6,894)	(12,867)
Equity holders of the parent	656,267	688,456	1,174,497	1,919,674

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

consolidated condensed interim
CASH FLOW STATEMENT
 for the nine months ended march 31, 2012 (unaudited)

		(Rupees in thousand)	
		Nine months ended	
		March 31,	
	Note	2012	2011
Cash flows from operating activities			
Cash generated from operations	12	3,848,981	2,738,662
Interest and mark-up paid		(7,853)	(9,735)
Net increase in long term loans to employees		(57)	(545)
Income tax paid		(958,915)	(1,096,397)
Net cash generated from operating activities		2,882,156	1,631,985
Cash flows from investing activities			
Purchase of property, plant and equipment		(23,692)	(98,082)
Purchase of short term investments		(7,045,360)	(7,716,984)
Proceeds from sale of short term investments		5,389,485	7,595,809
Proceeds from sale of property, plant and equipment		4,974	10,859
Proceeds from sale of investment property		-	17,200
Profit on bank deposits		7,327	16,745
Dividend income		103,290	71,068
Net cash used in investing activities		(1,563,976)	(103,385)
Cash flows from financing activities			
Dividend paid		(918,151)	(2,156,727)
Net cash used in financing activities		(918,151)	(2,156,727)
Net decrease in cash and cash equivalents		400,028	(628,127)
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	805,244	515,753

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

consolidated condensed interim statement of
CHANGES IN EQUITY
for the nine months ended march 31, 2012 (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)	-	-	-	-
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 December 31, 2010	-	-	1,910,053	9,621	1,919,674	12,867	1,932,541
Balance as on March 31, 2011	366,055	2,766,678	1,070,884	21,341	4,224,958	59,550	4,284,508
Total comprehensive income for the three months ended June 30, 2011	-	-	906,540	(5,901)	900,639	8,811	909,450
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)	-	-	-	-
Interim dividend @ Rs. 25 per share	-	(297,968)	(617,167)	-	(915,135)	-	(915,135)
Dividend income to NCI	-	-	-	-	-	(3,215)	(3,215)
Total comprehensive income for the nine months ended March 31, 2012	-	-	1,179,833	(5,336)	1,174,497	6,894	1,181,391
Balance as on March 31, 2012	366,055	3,368,710	1,091,009	10,104	4,835,878	72,040	4,907,918

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 consolidated condensed interim
FINANCIAL INFORMATION
for the nine months ended march 31, 2012 (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. 897,000 thousand (June 30, 2011 : Rs 993,601 thousand).

8. PROPERTY, PLANT AND EQUIPMENT

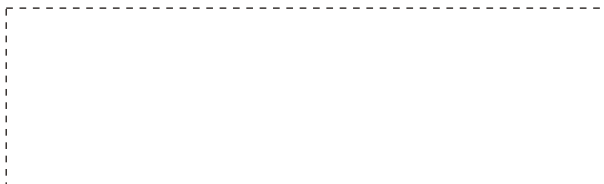
		(Rupees in thousand)	
	Note	March 31, 2012	June 30, 2011
Opening book value		484,578	446,997
Add: Additions during the period	8.1	25,019	114,873
		509,597	561,870
Less: Disposals / write offs during the period (at book value)		(4,307)	(15,094)
Depreciation charged during the period		(43,664)	(62,198)
		(47,972)	(77,292)
Closing book value		461,625	484,578

8.1 Additions during the period

		(Rupees in thousand)	
	Note	March 31, 2012	June 30, 2011
- Building on freehold land		-	7,671
- Plant and machinery		8,708	43,520
- Tools and equipments		2,886	4,924
- Furniture, fixture and office equipment		2,557	2,912
- Vehicles		10,033	54,339
- Computers		835	1,507
		25,019	114,873

9. CAPITAL WORK-IN-PROGRESS

		(Rupees in thousand)	
	Note	March 31, 2012	June 30, 2011
Advance for purchase of office space		151,830	151,830
Others		1,772	3,371
		153,602	155,201



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10. LONG TERM INVESTMENTS - EQUITIES

		(Rupees in thousand)	
	Note	March 31, 2012	June 30, 2011
Related parties			
- Associates - quoted		234,357	236,745
- Associates - unquoted		336,495	358,697
		570,852	595,442
Others			
Available for sale - quoted			
Cost		25,481	25,481
Surplus on revaluation of investment		10,104	15,441
		35,585	40,922
		606,437	636,364

11. SHORT TERM INVESTMENTS

		(Rupees in thousand)	
	Note	March 31, 2012	June 30, 2011
Financial assets at fair value through profit and loss - Mutual fund units		4,766,339	2,971,296

12. CASH GENERATED FROM OPERATIONS

		(Rupees in thousand)	
		Nine months ended	
		March 31,	
	Note	2012	2011
Profit before taxation		1,730,481	2,809,332
Adjustment for:			
- Depreciation on property, plant and equipment		43,664	45,025
- Amortization of intangibles		8,807	8,807
- Provision for accumulating compensated absences		3,642	2,000
- Deferred revenue amortized		-	(32,318)
- Gain on investment at fair value through profit and loss		(139,167)	(317,576)
- Gain on sale of investment property		-	(13,502)
- Loss / (Gain) on sale of property, plant and equipment		(667)	133
- Profit on bank deposits		(6,217)	(16,745)
- Dividend income		(11,518)	(1,603)
- Finance cost		8,467	9,302
- Share of (profit)/loss of associates		(97,388)	(234,297)
- Working capital changes	12.1	2,308,876	480,104
		3,848,981	2,738,662

12.1 Working capital changes

		(Rupees in thousand)	
		Nine months ended	
		March 31,	
	Note	2012	2011
(Increase)/decrease in current assets			
- Stores and spares		71,491	(18,262)
- Stock-in-trade		(904,364)	(1,236,907)
- Trade debts		25,436	27,478
- Loan and advances		(4,005)	(109,118)
- Trade deposits and prepayments		827	(6,744)
- Other receivables		(437,562)	251,212
Increase/(decrease) in current liabilities			
- Trade and other payables		3,557,053	1,572,445
		2,308,876	480,104

12.2 Cash and cash equivalents

Cash and bank balances		805,244	515,753
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13. TRANSACTIONS WITH RELATED PARTIES

Purchases from associated undertakings	2,028,463	3,186,256
Dividend income	100,724	69,465
Payable to related parties	55,667	178,633
Receivable from related party	21,486	245
Payment to funds:		
- Pension	7,689	7,434
- Gratuity	5,010	6,345
- Benevolent	199	207

14. EVENTS AFTER BALANCE SHEET DATE

Interim dividend declared by the MTL after the balance sheet date Rs. Nil per share (June 30, 2011: Rs. 15 per share) at their meeting held on April 26, 2012.

15. DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial information was authorised for issue on April 26, 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