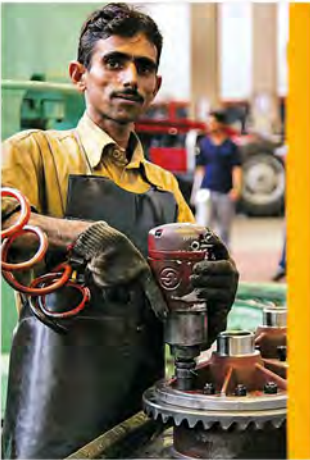




MILLAT TRACTORS LIMITED

Quarterly Accounts (Un-Audited)
for the 3rd quarter ended
March 31, 2013

HARVESTING DREAMS



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 IQBAL

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 gives me pleasure to present to you on behalf of the Board of Directors, the unaudited accounts of Millat Tractors Limited for the nine months ended March 31, 2013.


The company achieved a sales volume of 21,634 tractors compared to 18,505 units for the corresponding period of last year showing an increase of 17%. Net sales value increased by 28% to Rs. 15,169 million as against Rs. 11,842 million in the corresponding period of previous year. Profit after taxation amounted to Rs. 1,428 million as compared to a profit of Rs. 1,198 million in the corresponding period of last year showing an increase of 19%.

The current increase in sales over corresponding period is mainly attributable to reduced sales tax rate as compared to corresponding period and subsidy schemes of Government of Punjab and Sindh this year. However, for the current quarter the tractor demand has decreased due to reduction in purchasing power of the farmers on account of higher input costs and lower crop prices, reduced lending by ZTBL, non-availability of cheaper WAPDA power leading to increased reliance on high priced alternate sources and increase in sales tax by 5%. However, we envisage that due to the ongoing Sindh Tractor scheme, launch of improved tractor models and increased production of high horse power tractors, the performance of the company would improve in the forthcoming period.

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

Lahore;
April 23, 2013


Syed Muhammad Irfan Aqueel
Chief Executive

Condensed Interim
Financial Statements
for the nine months ended March 31, 2013

condensed interim
Balance Sheet
as at March 31, 2013 (unaudited)

EQUITY AND LIABILITIES

(Rupees in thousand)

	Note	March 31, 2013	June 30, 2012
SHARE CAPITAL AND RESERVES			
Authorised capital 50,000,000 (June 30, 2012: 50,000,000) ordinary shares of Rs 10 each		500,000	500,000
Issued, subscribed and paid up capital		402,660	366,055
General reserves		3,306,590	3,368,710
Unappropriated profit		293,360	1,402,096
Fair value reserve		22,389	25,057
		4,024,999	5,161,918
NON-CURRENT LIABILITIES			
Security deposits		10,885	10,485
Deferred taxation		18,044	18,045
		28,929	28,530
CURRENT LIABILITIES			
Accumulating compensated absences		55,461	55,461
Trade and other payables		3,699,307	5,041,886
Short Term Borrowing		981,750	-
Mark-up accrued on short term borrowings		16,300	1,425
		4,752,818	5,098,772
CONTINGENCIES AND COMMITMENTS			
	5	-	-
		8,806,746	10,289,220

The annexed notes 1 to 14 form an integral part of the condensed interim financial information.



Latif Khalid Hashmi
Director

ASSETS

(Rupees in thousand)

	Note	March 31, 2013	June 30, 2012
NON-CURRENT ASSETS			
Property, plant and equipment	6	446,833	415,926
Capital work-in-progress	7	155,895	168,260
Intangible assets		978	5,871
Investment property		255,708	255,708
Long term investments	8	325,539	288,187
Long term loans - considered good		4,691	2,702
		1,189,644	1,136,654
CURRENT ASSETS			
Stores and spares		80,096	68,419
Stock-in-trade		3,446,183	2,986,120
Trade debts		1,038,347	411,326
Loans and advances		143,870	181,535
Trade deposits and prepayments		39,210	25,103
Other receivables		2,411,399	1,860,958
Taxation - net		383,549	502,439
Short term investments	9	-	2,461,860
Cash and bank balances		74,448	654,806
		7,617,102	9,152,566
		8,806,746	10,289,220



Syed Muhammad Irfan Aqueel
Chief Executive

condensed interim

Profit & Loss Account

for the nine months ended March 31, 2013 (unaudited)

	(Rupees in thousand)		(Rupees in thousand)	
	Quarter ended		Nine months ended	
	March 31,		March 31,	
	2013	2012	2013	2012
Sales - net	4,022,021	5,810,139	15,168,819	11,842,267
Cost of sales	3,297,976	4,760,260	12,511,635	9,770,211
Gross profit	724,045	1,049,879	2,657,184	2,072,056
Distribution and marketing expenses	134,335	115,559	366,863	314,023
Administrative expenses	93,869	72,154	266,959	224,320
	228,204	187,713	633,822	538,343
Operating profit	495,841	862,166	2,023,362	1,533,713
Other operating income	47,954	103,643	267,570	327,717
	543,795	965,809	2,290,932	1,861,430
Other operating expenses	29,662	72,492	153,780	149,955
Finance cost	9,636	958	52,581	5,060
	39,298	73,450	206,361	155,015
Profit before taxation	504,497	892,359	2,084,571	1,706,415
Taxation	175,019	311,580	656,441	508,555
Profit for the period	329,478	580,779	1,428,130	1,197,860
Earnings per share - basic and diluted (Rupees)	8.18	14.42	35.47	29.75

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

The annexed notes 1 to 14 form an integral part of the condensed interim financial information.



Latif Khalid Hashmi
Director



Syed Muhammad Irfan Aqueel
Chief Executive

condensed interim

Statement of Comprehensive Income

for the nine months ended March 31, 2013 (unaudited)

	(Rupees in thousand)		(Rupees in thousand)	
	Quarter ended		Nine months ended	
	March 31,		March 31,	
	2013	2012	2013	2012
Profit for the period	329,478	580,779	1,428,130	1,197,860
Other comprehensive income:				
Unrealized loss on revaluation of investments	(10,365)	(2,900)	(2,668)	(5,337)
Total other comprehensive income	(10,365)	(2,900)	(2,668)	(5,337)
Total comprehensive income for the period	319,113	577,879	1,425,462	1,192,523

The annexed notes 1 to 14 form an integral part of the condensed interim financial information.



Latif Khalid Hashmi
Director



Syed Muhammad Irfan Aqueel
Chief Executive

condensed interim

Cash Flow Statement

for the nine months ended March 31, 2013 (unaudited)

(Rupees in thousand)

	Note	Nine months ended	
		March 31,	
		2013	2012
Cash flows from operating activities			
Cash (used in)/generated from operations	10	(1,042,825)	3,852,708
Interest and mark-up paid		(37,706)	(5,124)
Net increase in long term loans to employees		(1,989)	(57)
Income tax paid		(537,552)	(945,484)
Increase in long term security deposits		400	-
Net cash (used in)/generated from operating activities		(1,619,672)	2,902,043
Cash flows from investing activities			
Purchase of property, plant and equipment		(65,597)	(18,712)
Purchase of intangible asset		(978)	-
Purchase of long term investment		(40,020)	
Purchase of short term investments		(275,000)	(7,045,360)
Proceeds from sale of short term investments		2,763,724	5,389,485
Proceeds from sale of property, plant and equipment		6,793	4,927
Profit on bank deposits		8,252	6,266
Dividend received		137,179	103,290
Net cash generated from/(used in) investing activities		2,534,353	(1,560,104)
Cash flows from financing activities			
Dividend paid		(2,476,789)	(918,151)
Net cash used in financing activities		(2,476,789)	(918,151)
Net (decrease)/increase in cash and cash equivalents		(1,562,108)	423,788
Cash and cash equivalents at the beginning of the period		654,806	393,502
Cash and cash equivalents at the end of the period	10.2	(907,302)	817,290

The annexed notes 1 to 14 form an integral part of the condensed interim financial information.



Latif Khalid Hashmi
Director



Syed Muhammad Irfan Aqueel
Chief Executive

condensed interim

Statement of Changes in Equity

for the nine months ended March 31, 2013 (unaudited)

(Rupees in thousand)

	Share capital	Revenue Reserves			Total
		General reserves	Unappropriated profit	Fair value reserve	
Balance as on July 1, 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
Balance as on July 01, 2012	366,055	3,368,710	1,402,096	25,057	5,161,918
Final dividend for the year ended June 30, 2012 @ Rs 40 per share	-	(62,120)	(1,402,096)	-	(1,464,216)
Interim dividend @ Rs. 30 per share	-	-	(1,098,165)	-	(1,098,165)
issue of ordinary shares of Rs. 10 each as fully paid bonus shares	36,605	-	(36,605)	-	-
Total comprehensive income for the nine months ended March 31, 2013	-	-	1,428,130	(2,668)	1,425,462
Balance as on March 31, 2013	402,660	3,306,590	293,360	22,389	4,024,999

The annexed notes 1 to 14 form an integral part of the condensed interim financial information.



Latif Khalid Hashmi
Director



Syed Muhammad Irfan Aqueel
Chief Executive

selected notes to the condensed interim

Financial Information

for the nine months ended March 31, 2013 (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 nine months period ended March 31, 2013 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 June 30, 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 June 30, 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 June 30, 2012.

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. 657,000 thousand (June 30, 2012: Rs 1,340,000 thousand).

6. PROPERTY, PLANT AND EQUIPMENT

(Rupees in thousand)

	Note	March 31, 2013	June 30, 2012
Opening book value		415,926	435,516
Add: Additions during the period	6.1	77,962	39,070
		493,888	474,586
Less: Disposals / write offs during the period (at book value)		(6,611)	(5,790)
Depreciation charged during the period		(40,444)	(52,870)
		(47,055)	(58,660)
Closing book value		446,833	415,926
6.1 Additions during the period			
- Plant and machinery		24,521	9,274
- Tools and equipments		9,318	1,869
- Furniture, fixture and office equipment		4,150	5,720
- Vehicles		39,731	21,285
- Computers		242	922
		77,962	39,070
7. CAPITAL WORK-IN-PROGRESS			
Advance for purchase of office space		151,830	151,830
Others		4,065	16,430
		155,895	168,260
8. LONG TERM INVESTMENTS - EQUITIES			
Related parties			
Investment at cost			
- Subsidiary - unquoted		57,375	57,375
- Subsidiary - unquoted		40,020	-
- Associates - quoted		76,610	76,610
- Associates- unquoted		117,000	117,000
		291,005	250,985
Others			
Available for sale - quoted			
Cost		12,145	12,145
Surplus on revaluation of investment		22,389	25,057
		34,534	37,202
		325,539	288,187

9. SHORT TERM INVESTMENTS

(Rupees in thousand)

	March 31, 2013	June 30, 2012
Financial assets at fair value through profit and loss - Mutual fund units	-	2,461,860

10. CASH (USED IN)/GENERATED FROM OPERATIONS

(Rupees in thousand)

	Nine months ended	
	March 31,	
	2013	2012
Profit before taxation	2,084,571	1,706,415
Adjustment for:		
- Depreciation on property, plant and equipment	40,444	39,204
- Amortization of intangibles	5,872	8,807
- Provision for accumulating compensated absences	-	3,642
- Gain on investment at fair value through profit and loss	(26,865)	(139,167)
- Gain on sale of property, plant and equipment	(182)	(667)
- Profit on bank deposits	(6,752)	(6,370)
- Dividend	(172,279)	(103,290)
- Finance cost	52,581	5,060
- Working capital changes - note 10.1	(3,020,215)	2,339,074
	(1,042,825)	3,852,708

	(Rupees in thousand)	
	Nine months ended	
	March 31,	
	2013	2012
10.1 Working capital changes		
(Increase)/decrease in current assets		
- Stores and spares	(11,677)	74,509
- Stock-in-trade	(460,063)	(880,211)
- Trade debts	(627,021)	65,991
- Loan and advances	37,665	(6,391)
- Trade deposits and prepayments	(14,107)	(30)
- Other receivables	(516,841)	(436,348)
(Decrease)/increase in current liabilities		
- Trade and other payables	(1,428,171)	3,521,554
	(3,020,215)	2,339,074

	(Rupees in thousand)	
	Nine months ended	
	March 31,	
	2013	2012
10.2 Cash and cash equivalents		
Cash and bank balances	74,448	817,290
Short Term Borrowings	(981,750)	-
	(907,302)	817,290

	(Rupees in thousand)	
	Nine months ended	
	March 31,	
	2013	2012
11. TRANSACTIONS WITH RELATED PARTIES		
Purchases from related parties	2,817,694	2,127,717
Dividend income	172,279	100,724
Payable to related parties	235,484	63,009
Receivable from related party	35,100	21,486
Payments to funds:		
- Pension	8,424	7,689
- Gratuity	66,026	5,010
- Benevolent	242	199

12. EVENTS AFTER BALANCE SHEET DATE

The Board of Directors have declared an interim dividend of Rs. Nil (June 30, 2012: Rs. 40 per share) at their meeting held on April 23, 2013, while appropriation to general reserve made after the balance sheet date amount to Rs. Nil (June 30, 2012: Rs. 900,000 thousand).

13. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 23, 2013 by the Board of Directors of the company.

14. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.



Latif Khalid Hashmi
Director



Syed Muhammad Irfan Aqueel
Chief Executive

Condensed Interim
Consolidated
Financial Statements
for the nine months ended March 31, 2013

consolidated condensed interim
Balance Sheet
as at March 31, 2013 (unaudited)

EQUITY AND LIABILITIES

(Rupees in thousand)

	Note	March 31, 2013	June 30, 2012
SHARE CAPITAL AND RESERVES			
Authorized capital 50,000,000 (June 30, 2012: 50,000,000) ordinary shares of Rs 10 each		500,000	500,000
Issued, subscribed and paid up capital		402,660	366,055
General reserves		3,306,590	3,368,710
Unappropriated profit		818,980	1,974,692
Fair value reserve		9,052	11,720
Equity attributable to equity holders of parent		4,537,282	5,721,177
Non controlling interest		99,725	77,649
		4,637,007	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		3,709,187	5,067,207
Short term borrowings		981,750	-
Mark-up accrued on short term borrowings		16,300	1,736
		4,762,698	5,124,404
CONTINGENCIES AND COMMITMENT	5	-	-
		9,432,527	10,955,652

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.



Latif Khalid Hashmi
Director

ASSETS

(Rupees in thousand)

	Note	March 31, 2013	June 30, 2012
NON-CURRENT ASSETS			
Property, plant and equipment	6	497,684	465,893
Capital work-in-progress	7	156,484	168,260
Intangible assets		978	5,871
Investment property		255,708	255,708
Long term investments	8	636,725	701,962
Long term loans - considered good		4,691	2,702
		1,552,270	1,600,396
CURRENT ASSETS			
Stores and spares		89,878	74,884
Stock-in-trade		3,554,705	3,064,117
Trade debts		1,072,635	470,198
Loans and advances		162,769	197,477
Trade deposits and prepayments		40,248	27,310
Other receivables		2,413,321	1,862,953
Taxation - net		384,195	512,466
Short term investments	9	-	2,461,860
Cash and bank balances		162,506	683,991
		7,880,257	9,355,256
		9,432,527	10,955,652



Syed Muhammad Irfan Aqueel
Chief Executive

consolidated condensed interim
Profit & Loss Account
 for the nine months ended March 31, 2013 (unaudited)

	(Rupees in thousand)		(Rupees in thousand)	
	Quarter ended		Nine months ended	
	March 31,		March 31,	
	2013	2012	2013	2012
Sales - net	4,232,155	4,860,922	15,714,279	11,103,846
Cost of sales	3,470,588	3,788,438	12,955,786	8,965,404
Gross profit	761,567	1,072,484	2,758,493	2,138,442
Distribution and marketing expenses	140,932	121,281	384,189	328,948
Administrative expenses	102,049	78,495	290,640	243,230
	242,981	199,776	674,829	572,178
Operating profit	518,586	872,708	2,083,664	1,566,264
Other operating income	13,118	103,645	99,560	227,220
	531,704	976,353	2,183,224	1,793,484
Other operating expenses	31,260	73,286	158,031	151,924
Finance cost	9,799	2,242	53,063	8,467
	41,059	75,528	211,094	160,391
Share of Profit of associated Companies	72,628	107,773	152,538	97,388
Profit before taxation	563,273	1,008,598	2,124,668	1,730,481
Taxation Group	182,481	314,738	676,596	516,762
Associated Companies	4,408	32,787	53,359	26,992
	186,889	347,525	729,955	543,754
Profit for the period	376,384	661,073	1,394,713	1,186,727
Attributable to;				
Equity holders of the Parent	371,430	659,166	1,381,154	1,179,833
Non Controlling interest	4,954	1,907	13,559	6,894
Profit for the period	376,384	661,073	1,394,713	1,186,727
Earnings per share - basic and diluted (Rupees)	9.35	16.42	34.64	29.47

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

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.



Latif Khalid Hashmi
 Director



Syed Muhammad Irfan Aqueel
 Chief Executive

consolidated condensed interim
Statement of Comprehensive Income
 for the nine months ended March 31, 2013 (unaudited)

	(Rupees in thousand)		(Rupees in thousand)	
	Quarter ended		Nine months ended	
	March 31,		March 31,	
	2013	2012	2013	2012
Profit for the period	376,384	661,073	1,394,713	1,186,727
Other comprehensive income:				
Unrealized loss on revaluation of investments	(10,365)	(2,899)	(2,668)	(5,336)
Total comprehensive income for the period	366,019	658,174	1,392,045	1,181,391
Non Controlling Interest	(4,954)	(1,907)	(13,559)	(6,894)
Equity holders of the parent	361,065	656,267	1,378,486	1,174,497

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.



Latif Khalid Hashmi
 Director



Syed Muhammad Irfan Aqueel
 Chief Executive

consolidated condensed interim

Cash Flow Statement

for the nine months ended March 31, 2013 (unaudited)

(Rupees in thousand)

	Note	Nine months ended	
		March 31,	
		2013	2012
Cash flows from operating activities			
Cash (used in)/generated from operations	10	(1,072,550)	3,848,980
Interest and mark-up paid		(38,499)	(7,853)
Net increase in long term loans to employees		(1,989)	(57)
Income tax paid		(548,325)	(958,915)
Increase in long term security deposits		400	-
Net cash generated from operating activities		(1,660,963)	2,882,155
Cash flows from investing activities			
Purchase of property, plant and equipment		(72,451)	(23,692)
Purchase of intangible asset		(978)	-
Purchase of short term investments		(275,000)	(7,045,360)
Proceeds from sale of short term investments		2,763,725	5,389,485
Proceeds from sale of property, plant and equipment		38,357	4,974
Investment by non controlling interest		13,340	-
Dividend paid to non controlling interest		(4,823)	-
Profit on bank deposits		8,673	7,327
Dividend received		163,674	103,290
Net cash generated from/(used in) investing activities		2,634,517	(1,563,976)
Cash flows from financing activities			
Dividend paid		(2,476,789)	(918,151)
Net cash used in financing activities		(2,476,789)	(918,151)
Net (decrease)/increase in cash and cash equivalents		(1,503,235)	400,028
Cash and cash equivalents at the beginning of the period		683,991	405,216
Cash and cash equivalents at the end of the period	10.2	(819,244)	805,244

The annexed notes 1 to 14 form an integral part of the condensed interim financial information.



Latif Khalid Hashmi
Director



Syed Muhammad Irfan Aqueel
Chief Executive

consolidated condensed interim

Statement of Changes in Equity

for the nine months ended March 31, 2013 (unaudited)

(Rupees in thousand)

	Share capital	Revenue Reserves			Total	Non-controlling interest	Total equity
		General reserves	Unappropriated profit	Fair value reserve			
Balance as on July 01, 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
Balance as on July 01, 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 June 30, 2012 @ Rs. 40 per share	-	(62,120)	(1,402,096)	-	(1,464,216)	-	(1,464,216)
Interim dividend @ Rs. 30 per share	-	-	(1,098,165)	-	(1,098,165)	-	(1,098,165)
issue of ordinary shares of Rs.10 each as fully paid bonus shares	36,605	-	(36,605)	-	-	-	-
Dividend Income to NCI	-	-	-	-	-	(4,823)	(4,823)
Investment in subsidiary	-	-	-	-	-	13,340	13,340
Total comprehensive income for the nine months ended March 31, 2013	-	-	1,381,154	(2,668)	1,378,486	13,559	1,392,045
Balance as on March 31, 2013	402,660	3,306,590	818,980	9,052	4,537,282	99,725	4,637,007

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.



Latif Khalid Hashmi
Director



Syed Muhammad Irfan Aqueel
Chief Executive

selected notes to the consolidated condensed interim Financial Information for the nine months ended March 31, 2013 (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 nine months period ended March 31, 2013 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 June 30, 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 June 30, 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 June 30, 2012.

5. CONTINGENCIES AND COMMITMENT

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

Commitments in respect of outstanding letters of credit are Rs. 657,000 thousand (June 30, 2012: Rs. 1,340,000 thousand).

6. PROPERTY, PLANT AND EQUIPMENT

(Rupees in thousand)

	Note	March 31, 2013	June 30, 2012
Opening book value		465,893	484,578
Add: Additions during the period	6.1	84,227	46,367
		550,120	530,945
Less: Disposals / write offs during the period (at book value)		(7,148)	(5,972)
Depreciation during the period		(45,288)	(59,080)
		(52,436)	(65,052)
Book value at the end of the period		497,684	465,893
6.1 Additions during the period			
- Plant and machinery		24,695	12,244
- Building		250	323
- Tools and equipments		11,533	4,230
- Furniture, fixture and office equipment		4,440	7,033
- Vehicles		42,994	21,419
- Computers		315	1,118
		84,227	46,367

7. CAPITAL WORK-IN-PROGRESS

(Rupees in thousand)

	March 31, 2013	June 30, 2012
Advance for purchase of office space	151,830	151,830
Others	4,654	16,430
	156,484	168,260

8. LONG TERM INVESTMENTS - EQUITIES

(Rupees in thousand)

	Note	March 31, 2013	June 30, 2012
Related parties			
Investment at cost:			
Bolan Castings Limited - quoted		236,337	251,069
Millat Equipment Limited - unquoted		365,855	413,691
		602,192	664,760
Other investment - available for sale:			
Baluchistan Wheels Limited - quoted		25,481	25,481
Cost		9,052	11,720
Surplus on revaluation of investment			
		34,533	37,201
		636,725	701,961

9. SHORT TERM INVESTMENTS

(Rupees in thousand)

	March 31, 2013	June 30, 2012
Financial assets at fair value through profit and loss - Mutual fund units	-	2,461,860

10. CASH (USED IN)/GENERATED FROM OPERATIONS

	(Rupees in thousand)	
	Nine months ended	
	March 31,	
	2013	2012
Profit before taxation	2,124,668	1,730,481
Adjustment for:		
- Depreciation on property, plant and equipment	45,288	43,664
- Amortization of intangibles	5,871	8,807
- Provision for accumulating compensated absences	-	3,642
- Gain on investment at fair value through profit and loss	(26,865)	(139,167)
- Gain on sale of property, plant and equipment	(31,209)	(667)
- Profit on bank deposits	(7,100)	(6,217)
- Dividend	(1,924)	(11,518)
- Finance cost	53,063	8,467
- Share of profit of associates	(152,538)	(97,388)
- Working capital changes - note 10.1	(3,081,804)	2,308,876
	(1,072,550)	3,848,980

	(Rupees in thousand)	
	Nine months ended	
	March 31,	
	2013	2012
10.1 Working capital changes		
(Increase)/decrease in current assets		
- Stores and spares	(14,994)	71,491
- Stock-in-trade	(490,588)	(904,364)
- Trade debts	(602,437)	25,436
- Loan and advances	34,708	(4,005)
- Trade deposits and prepayments	(12,938)	827
- Other receivables	(551,940)	(437,562)
(Decrease)/increase in current liabilities		
- Trade and other payables	(1,443,615)	3,557,053
	(3,081,804)	2,308,876

	(Rupees in thousand)	
	Nine months ended	
	March 31,	
	2013	2012
10.2 Cash and cash equivalents		
Cash and bank balances	162,506	805,244
Short Term Borrowings	(981,750)	-
	(819,244)	805,244

11. 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:

Purchases from related parties	2,695,441	2,028,463
Dividend income	163,673	100,724
Payable to related parties	223,157	55,667
Receivable from related party	21,486	21,486
Payments to funds:		
- Pension	8,424	7,689
- Gratuity	66,026	5,010
- Benevolent	242	199

12. EVENTS AFTER BALANCE SHEET DATE

The Board of Directors of MTL have declared an interim dividend of Rs. Nil (June 30, 2012: Rs. 40 per share) at their meeting held on April 23, 2013, while appropriation to general reserve made after the balance sheet date amount to Rs. Nil (June 30, 2012: Rs. 900,000 thousand).

13. DATE OF AUTHORISATION FOR ISSUE

This consolidated interim financial information was authorized for issue on April 23, 2013 by the Board of Directors.

14. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.



Latif Khalid Hashmi
Director



Syed Muhammad Irfan Aqueel
Chief Executive



MILLAT TRACTORS LIMITED

REGISTERED OFFICE

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