

50 YEARS
OF DELIVERING DYNAMIC CHANGE
WITH INTEGRITY AND TRANSPARENCY

GOLDEN JUBILEE
CELEBRATIONS



FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED
MARCH 31, 2015

YEARS



MILLAT TRACTORS LIMITED

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

Syed Zubair Ahmed Shah (NIT Nominee)

Mr. Saad Iqbal

Company Secretary

Mian Muhammad Saleem

Chief Financial Officer

Mr. Sohail A. Nisar

Auditors

M/s. Ernst & Young Ford Rhodes Sidat Hyder,

Chartered Accountants

Legal Advisors

MJLA LEGAL

(Mujtaba Jamal Law 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.

Barclays Bank PLC.

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

Directors' Review

On behalf of the BOD of MTL, I am pleased to present the unaudited condensed interim financial statements for the quarter and nine months ended March 31, 2015.

During the nine months ended March 31, 2015, the Company managed to achieve a sales volume of 19,967 tractors as compared to 14,857 tractors in the corresponding period of last financial year registering an increase of 34.4%. The net sales value for the nine months was Rs. 15,909 million against Rs. 11,643 million in the same period last year showing an increase of 36.6%. After Tax Profit of Rs. 1,786 million was earned during nine months translating into EPS of 40.31 compared to EPS of Rs. 23.26 for the corresponding period of last financial year resulting in increase of 73.4%.

The reduction of Sales Tax on tractors from 16% to 10% coupled with disbursement of loans to farming community had a positive impact on tractor sales. The recent reduction in discount rate by the State Bank of Pakistan also had a positive impact on the entire industry. However, we foresee low prices of cash crops, power shortage and lack of Government support to the agricultural sector as basic reasons for a moderate increase in the sale of tractors by June 30, 2015. Your Company has been able to improve financial performance despite non revision of selling price since January, 2014.

While exploring new avenues of growth MTL is still in negotiation with the Principals for access to export market to avail potential demand of Millat Brand Tractors.

We would like to express our gratitude to our customer, dealers, vending associates and all other stakeholders for their trust and cooperation extended to us and the employees of their continued dedicated, untiring efforts and hard work.

For and on behalf of the Board



Sikandar Mustafa Khan
Chairman

Lahore:
April 22, 2015

Condensed Interim

Financial Statements

For the Nine months ended March 31, 2015

GOLDEN JUBILEE
CELEBRATIONS

50 YEARS

Nine months ended March 31, 2015

Condensed Interim Balance Sheet

as at March 31, 2015

	Note	Un-audited March 31 2015	Audited June 30 2014
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
50,000,000 (June 30, 2014: 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			
		3,116,706	3,263,551
Unappropriated profit			
		678,337	739,006
Fair value reserve			
		48,789	42,375
		4,286,758	4,487,858
Non-current liabilities			
Security deposits			
		10,585	10,515
Deferred taxation			
		16,073	18,922
		26,658	29,437
Current liabilities			
Accumulating compensated absences			
		85,808	77,650
Trade and other payables			
		4,197,232	2,419,555
Mark-up accrued on short term borrowings			
		2,350	3,600
		4,285,390	2,500,805
CONTINGENCIES AND COMMITMENTS			
	5	8,598,806	7,018,100

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



Sikandar Mustafa Khan
Chairman

	Note	Un-audited March 31 2015 (Rupees in thousand)	Audited June 30 2014
ASSETS			
Non-current assets			
Property, plant and equipment			
Operating fixed assets	6	493,002	481,293
Capital work in progress	7	192,268	212,431
Intangible assets		4,465	5,888
Investment property		255,708	255,708
Long term investments	8	352,164	345,750
Long term loans		2,189	1,941
Net employee defined benefits asset		307,060	293,800
		1,606,856	1,596,811
Current assets			
Stores and spares		121,589	120,951
Stock-in-trade		3,576,860	2,433,690
Trade debts		176,314	121,731
Loans and advances		106,295	122,047
Trade deposits and short term prepayments		37,177	24,198
Balances with statutory authorities		628,343	317,853
Other receivables		147,838	119,679
Tax refunds due from the Government		851,701	942,966
Short term investments	9	-	100,000
Cash and bank balances		1,345,833	1,118,174
		6,991,950	5,421,289
		8,598,806	7,018,100



Syed Muhammad Irfan Aqueel
Chief Executive

Condensed Interim Profit and Loss Account for the nine months ended March 31, 2015

	Nine months ended March 31		Quarter ended March 31	
	2015	2014	2015	2014
	(Rupees in thousand)		(Rupees in thousand)	
Sales - net	15,909,488	11,643,045	5,742,158	2,566,704
Cost of sales	12,855,143	9,593,143	4,644,601	2,186,874
Gross profit	3,054,345	2,049,902	1,097,557	379,830
Distribution and marketing expenses	373,573	335,653	116,905	92,781
Administrative expenses	294,106	270,307	105,181	87,587
	667,679	605,960	222,086	180,368
Operating profit	2,386,666	1,443,942	875,471	199,462
Other income	366,356	238,870	92,464	24,233
	2,753,022	1,682,812	967,935	223,695
Other operating expenses	199,086	108,223	78,543	10,850
Finance cost	7,034	71,107	2,675	10,237
	206,120	179,330	81,218	21,087
Profit before taxation	2,546,902	1,503,482	886,717	202,608
Taxation	761,251	473,408	278,579	61,365
Profit for the period	1,785,651	1,030,074	608,138	141,243
Earnings per share - basic and diluted (Rupees)	40.31	23.26	13.73	3.19

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



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

Condensed Interim Statement of Comprehensive Income

for the nine months ended March 31, 2015

	Nine months ended March 31		Quarter ended March 31	
	2015	2014	2015	2014
	(Rupees in thousand)		(Rupees in thousand)	
Profit for the period	1,785,651	1,030,074	1,785,651	141,243
Other comprehensive income:				
Items to be reclassified to profit				
or loss in subsequent periods:				
Unrealized gain/(loss) on revaluation				
of investments	6,414	(10,263)	(12,418)	(14,676)
Items not to be reclassified to				
profit or loss in subsequent periods	-	-	-	-
Total other comprehensive income	6,414	(10,263)	(12,418)	(14,676)
Total comprehensive income				
for the period	1,792,065	1,019,811	1,773,233	126,567

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



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

Condensed Interim Cash Flow Statement for the nine months ended March 31, 2015

Nine months ended
March 31
2015 2014
(Rupees in thousand)

	2015	2014
Cash flows from operating activities		
Profit before taxation	2,546,902	1,503,482
Adjustment for:		
Depreciation on property, plant and equipment	51,095	43,515
Amortization of intangible assets	1,785	381
Gain on disposal of property, plant and equipment	(553)	(2,452)
Gain on disposal of short term investments	(68,312)	(3,813)
Provision for accumulating compensated absences	8,158	-
Finance cost	7,034	71,107
Profit on bank deposits	(18,895)	(25,105)
Dividend income	(195,599)	(130,399)
	(215,287)	(46,766)
Cash flows from operating activities before working capital changes	2,331,615	1,456,716
Effect on cash flow due to working capital changes (Decrease) / increase in current assets:		
Stores and spares	(638)	5,864
Stock in trade	(1,143,170)	(387,943)
Trade debts	(54,583)	785,490
Loans and advances	15,752	(257,784)
Trade deposits and short term prepayments	(12,979)	(3,051)
Other receivables	(356,602)	1,445,618
Decrease / (increase) in current liabilities:		
Trade and other payables	774,418	(2,624,749)
	(777,802)	(1,036,555)

	Nine months ended March 31	
	2015	2014
	(Rupees in thousand)	
Cash used in operations		
Taxes paid	(672,835)	(926,715)
Increase in long term loans to employees	(248)	(36)
Increase in long term security deposits	70	(250)
Mark-up paid	(8,284)	(65,207)
	(681,297)	(992,208)
Net cash from / (used in) operating activities	872,516	(572,047)
Cash flows from investing activities		
Purchase of property, plant and equipment	(53,244)	(90,174)
Purchase of intangible assets	-	(6,034)
Purchase of short term investments	(2,400,000)	(100,000)
Proceeds from sale of short term investments	2,568,312	555,684
Proceeds from disposal of property, plant and equipment	10,794	11,026
Dividend received	195,599	130,399
Profit on bank deposits received	23,588	26,705
Net cash from investing activities	345,049	527,606
Cash flows from financing activities		
Dividend paid	(989,906)	(1,064,741)
Net cash used in financing activities	(989,906)	(1,064,741)
Net increase / (decrease) in cash and cash equivalents	227,659	(1,109,182)
Cash and cash equivalents at the beginning of the period	1,118,174	2,087,580
Cash and cash equivalents at the end of the period	1,345,833	978,398

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



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

Condensed Interim Statement of Changes in Equity

for the nine months ended March 31, 2015

	Share capital	Revenue reserves			Total
		General reserves	Unappropriated profit	Fair value reserve	
..... (Rupees in thousand)					
Balance as on July 1, 2013	402,660	3,306,590	1,115,255	50,714	4,875,219
Final dividend for the year ended June 30, 2013					
@ Rs. 25/- per share	-	(43,039)	(963,610)	-	(1,006,649)
Interim dividend					
@ Rs. 20 per share	-	-	(885,851)	-	(885,851)
Issue of ordinary shares of Rs.10/- each as fully paid bonus shares	40,266	-	(40,266)	-	-
Total comprehensive income for the nine months ended					
March 31, 2014	-	-	1,030,074	(10,263)	1,019,811
Balance as on					
March 31, 2014	442,926	3,263,551	255,602	40,451	4,002,530
Balance as on					
July 01, 2014	442,926	3,263,551	739,006	42,375	4,487,858
Final dividend for the year ended June 30, 2014					
@ Rs. 20/- per share	-	(146,845)	(739,006)	-	(885,851)
Interim dividend					
@ Rs. 25 per share	-	-	(1,107,314)	-	(1,107,314)
Total comprehensive income for the nine months ended					
March 31, 2015	-	-	1,785,651	6,414	1,792,065
Balance as on					
March 31, 2015	442,926	3,116,706	678,337	48,789	4,286,758

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



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

Selected Notes to the Condensed Interim Financial Information for the nine months ended March 31, 2015

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 condensed interim financial information of the Company for the nine months period ended March 31, 2015 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.

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 June 30, 2014.
- 3.2 The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual published financial statements of the Company for the year ended 30 June 2014 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 19 – Employee Benefits – (Amendment) - Defined Benefit Plans: Employee Contributions

IAS 32 – Financial Instruments : Presentation – (Amendment) - offsetting Financial Assets and Financial Liabilities

IAS 36 – Impairment of Assets – (Amendment) Recoverable Amount Disclosures for Non-Financial Assets

IAS 39 – Financial Instruments: Recognition and Measurement – (Amendment) - Novation of derivatives and continuation of hedge

IFRIC 21 – Levies

The adoption of the above amendments did not have any effect on the 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 2014.

5. CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

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

5.2 Commitments

Commitments in respect of outstanding letters of credit are Rs. 1,153,000 thousand (June 30, 2014: Rs. 290,000 thousand).

	Note	Un-audited March 31 2015	Audited June 30 2014
(Rupees in thousand)			
6. OPERATING FIXED ASSETS			
Opening book value		481,293	448,375
Add: Additions during the period /year	6.1	73,044	103,626
		554,337	552,001
Less:			
Deletions during the period/year		(10,241)	(10,338)
Depreciation during the period/year		(51,095)	(60,370)
		(61,336)	(70,708)
Book value at the end of the period/year		493,002	481,293

	Un-audited March 31 2015	Audited June 30 2014
	(Rupees in thousand)	
6.1 Additions during the period/year		
- Buildings on freehold land	2,026	3,155
- Plant and machinery	6,856	17,480
- Tools and equipments	518	1,762
- Furniture, fixture and office equipment	1,068	5,758
- Vehicles	44,204	67,954
- Computers	18,372	7,517
	<u>73,044</u>	<u>103,626</u>
7. CAPITAL WORK IN PROGRESS		
Advance for purchase of office space	187,320	187,320
Others	4,948	25,111
	<u>192,268</u>	<u>212,431</u>
8. LONG TERM INVESTMENTS - EQUITIES		
Related parties		
Investment at cost		
- Subsidiary - unquoted	57,375	57,375
- Subsidiary - unquoted	40,245	40,245
- Associates - quoted	76,610	76,610
- Associates - unquoted	117,000	117,000
	<u>291,230</u>	<u>291,230</u>
Others		
Available for sale - quoted		
Cost	12,145	12,145
Surplus on revaluation of investment	48,789	42,375
	<u>60,934</u>	<u>54,520</u>
	<u>352,164</u>	<u>345,750</u>

	Un-audited March 31 2015 (Rupees in thousand)	Audited June 30 2014
9. SHORT TERM INVESTMENTS		
Financial assets at fair value through profit and loss - Mutual fund units	-	100,000

10. 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:

		March 31 2015	Un-audited March 31 2014 (Rupees in thousand)
Relationship with the Company	Nature of transaction		
Associated companies	Purchase of goods and services	3,341,513	2,008,632
	Dividend received	192,713	130,399
Retirement benefit plans	Contribution to staff retirement benefit plans	18,537	17,938
Key management personnel	Remuneration	65,990	56,539
	Disposal of vehicles	1,094	1,487
	Disposal of computers	247	-
		Un-audited March 31 2015	Audited June 30 2014
The outstanding balances of such parties are as under:		(Rupees in thousand)	
Relationship with the Company	Nature of balance		
Associated companies	Creditors	189,135	152,625
	Receivables	25,484	38,810

11. EVENTS AFTER BALANCE SHEET DATE

The Board of Directors have declared an interim dividend of Nil per share (June 30, 2014: Rs. 20 per share) in their meeting held on April 22, 2015.

12. DATE OF AUTHORISATION

This condensed interim financial information was authorized for issue by the Board of Directors of the Company on April 22, 2015.

13. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for better and fair presentation.

14. GENERAL

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



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

Condensed Interim
Consolidated
Financial Statements
For the Nine months ended March 31, 2015

GOLDEN JUBILEE
CELEBRATIONS

50 YEARS
Nine months ended March 31, 2015

Consolidated Condensed Interim Balance Sheet

as at March 31, 2015

	Note	Un-audited March 31 2015	Audited June 30 2014
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
50,000,000 (June 30, 2014: 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		3,116,706	3,263,551
Unappropriated profit		1,256,334	1,313,338
Exchange translation reserve		1,611	231
Fair value reserve		35,452	29,038
		4,853,029	5,049,084
Non-controlling interest		140,063	118,823
Non-current liabilities			
Security deposits		10,585	10,515
Deferred taxation		20,659	23,722
		31,244	34,237
Current liabilities			
Accumulating compensated absences		85,808	77,650
Trade and other payables		4,271,076	2,425,347
Mark-up accrued on short term borrowings		2,350	3,814
		4,359,234	2,506,811
CONTINGENCIES AND COMMITMENTS	5		
		9,383,570	7,708,955

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



Sikandar Mustafa Khan
Chairman

	Note	Un-audited March 31 2015 (Rupees in thousand)	Audited June 30 2014
ASSETS			
Non-current assets			
Property, plant and equipment			
Operating fixed assets	6	537,815	544,867
Capital work in progress	7	192,268	212,431
Intangible assets		4,465	5,888
Investment property		255,708	255,708
Long term investments	8	636,569	674,873
Long term loans		2,189	1,941
Net employee defined benefits asset		307,060	293,800
		1,956,074	1,989,508
Current assets			
Stores and spares		134,382	129,639
Stock-in-trade		3,752,317	2,543,726
Trade debts		236,100	157,743
Loans and advances		137,556	135,502
Trade deposits and short term prepayments		54,757	27,438
Balances with statutory authorities		628,343	111,792
Other receivables		140,072	302,081
Tax refunds due from the Government		859,734	954,097
Short term investments	9	-	100,000
Cash and bank balances		1,484,235	1,257,429
		7,427,496	5,719,447
		9,383,570	7,708,955



Syed Muhammad Irfan Aqueel
Chief Executive

Consolidated Condensed Interim Profit and Loss Account for the nine months ended March 31, 2015

	Nine months ended March 31		Quarter ended March 31	
	2015	2014	2015	2014
	(Rupees in thousand)		(Rupees in thousand)	
Sales - net	16,692,975	12,133,159	5,967,168	2,735,593
Cost of sales	13,448,037	10,002,955	4,774,860	2,318,712
Gross profit	3,244,938	2,130,205	1,192,308	416,882
Distribution and marketing expenses	390,076	352,005	117,319	98,272
Administrative expenses	330,865	296,370	115,034	97,153
	720,941	648,376	232,353	195,424
Operating profit	2,523,997	1,481,829	959,955	221,458
Other income	175,230	111,237	33,980	25,894
	2,699,227	1,593,066	993,935	247,352
Other operating expenses	206,464	110,994	82,301	16,833
Finance cost	8,979	72,618	3,760	11,214
	215,443	183,611	86,061	28,047
Share of profit/(loss) of associated companies	194,055	19,405	54,532	(52,032)
Profit before taxation	2,677,839	1,428,860	962,406	167,273
Taxation:				
Group	794,364	486,145	295,750	68,760
Associated companies	63,273	53,775	18,457	21,627
	857,637	539,920	314,207	90,387
Profit for the period	1,820,202	888,940	648,199	76,886
Attributable to:				
Equity holders of the parent	1,789,316	880,059	632,862	72,196
Non-controlling interest	30,886	8,881	15,337	4,690
	1,820,202	888,940	648,199	76,886
Earnings per share - basic and diluted (Rupees)	41.09	20.07	14.63	1.74

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



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

Consolidated Condensed Interim Statement of Comprehensive Income for the nine months ended March 31, 2015

	Nine months ended March 31		Quarter ended March 31	
	2015	2014	2015	2014
	(Rupees in thousand)		(Rupees in thousand)	
Profit for the period	1,820,202	888,940	648,199	76,886
Other comprehensive income:				
Items to be reclassified to profit or loss in subsequent periods:				
Unrealized gain/(loss) on revaluation of investments	6,414	(10,263)	(12,418)	(14,676)
Items not to be reclassified to profit or loss in subsequent periods	-	-	-	-
Total other comprehensive income	6,414	(10,263)	(12,418)	(14,676)
Non-controlling interest	(30,886)	(8,881)	(15,337)	(4,690)
Total comprehensive income for the period	1,795,730	869,796	620,444	57,520

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



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

Consolidated Condensed Interim Cash Flow Statement

for the nine months ended March 31, 2015

	Nine months ended March 31	
	2015	2014
	(Rupees in thousand)	
Cash flows from operating activities		
Profit before taxation	2,677,839	1,428,860
Adjustment for:		
Depreciation on property, plant and equipment	56,533	47,987
Amortization of intangible assets	1,785	381
Gain on disposal of property, plant and equipment	(553)	(2,452)
Gain on disposal of short term investments	(68,312)	(3,813)
Provision for accumulating compensated absences	8,158	-
Finance cost	8,979	72,618
Profit on bank deposits	(20,466)	(23,597)
Share of profit of associates	(194,055)	(19,405)
Dividend income	(2,886)	(1,924)
	(210,817)	69,795
Cash flows from operating activities before working capital changes	2,467,022	1,498,654
Effect on cash flow due to working capital changes		
(Decrease) / increase in current assets:		
Stores and spares	(4,743)	3,694
Stock in trade	(1,208,591)	(491,532)
Trade debts	(78,357)	769,813
Loans and advances	(2,054)	(257,318)
Trade deposits and short term prepayments	(27,319)	(4,163)
Other receivables	(372,495)	1,418,413
Decrease / (increase) in current liabilities:		
Trade and other payables	842,471	(2,558,427)
	(851,088)	(1,119,520)

	Nine months ended March 31	
	2015	2014
	(Rupees in thousand)	
Cash used in operations		
Taxes paid	(703,064)	(955,045)
Increase in long term loans to employees	(248)	(36)
Increase in long term security deposits	70	(250)
Mark-up paid	(10,443)	(65,839)
	(713,685)	(1,021,170)
Net cash from / (used in) operating activities	902,249	(642,035)
Cash flows from investing activities		
Purchase of property, plant and equipment	(59,921)	(104,120)
Purchase of intangible assets	-	(6,034)
Purchase of short term investments	(2,400,000)	(100,000)
Proceeds from sale of short term investments	2,568,312	555,684
Proceeds from disposal of property, plant and equipment	10,794	11,026
Dividend received	178,386	130,399
Profit on bank deposits received	25,159	25,197
Net cash from investing activities	322,730	512,152
Cash flows from financing activities		
Dividend paid	(989,907)	(1,064,743)
Dividend paid to NCI	(9,646)	(6,431)
Net cash used in financing activities	(999,553)	(1,071,174)
Net increase / (decrease) in cash and cash equivalents	225,426	(1,201,058)
Cash and cash equivalents at the beginning of the period	1,257,429	2,213,524
Foreign exchange difference	1,380	3,641
Cash and cash equivalents at the end of the period	1,484,235	1,016,107

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



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

Consolidated Condensed Interim Statement of Changes in Equity for the nine months ended March 31, 2015

	Share capital	Revenue reserves				Non-Controlling interest	Total
		General reserves	Unappropriated profit	Exchange translation reserve	Fair value reserve		
..... (Rupees in thousand)							
Balance as on							
July 01, 2013	402,660	3,306,590	1,749,244	(47)	37,377	106,029	5,601,853
Final dividend for the year ended June 30, 2013							
@ Rs. 25/- per share	-	(43,039)	(963,610)	-	-	-	(1,006,649)
Interim dividend							
@ Rs. 20 per share	-	-	(885,851)	-	-	-	(885,851)
Dividend payment to NCI	-	-	-	-	-	(6,431)	(6,431)
Issue of ordinary shares of Rs.10/- each as fully paid bonus shares	40,266	-	(40,266)	-	-	-	-
Exchange differences on translation of foreign operations	-	-	-	3,641	-	-	3,641
Total comprehensive income for the nine months ended March 31, 2014	-	-	880,059	-	(10,263)	8,881	878,677
Balance as on							
March 31, 2014	442,926	3,263,551	739,576	3,594	27,114	108,479	4,585,240
Balance as on							
July 01, 2014	442,926	3,263,551	1,313,338	231	29,038	118,823	5,167,907
Final dividend for the year ended							
30 June 2014 @ Rs. 20/- per share	-	(146,845)	(739,006)	-	-	-	(885,851)
Interim dividend							
@ Rs. 25 per share	-	-	(1,107,314)	-	-	-	(1,107,314)
Dividend payment to NCI	-	-	-	-	-	(9,646)	(9,646)
Exchange differences on translation of foreign operations	-	-	-	1,380	-	-	1,380
Total comprehensive income for the nine months ended							
March 31, 2015	-	-	1,789,316	-	6,414	30,886	1,826,616
Balance as on							
March 31, 2015	442,926	3,116,706	1,256,334	1,611	35,452	140,063	4,993,092

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



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

Selected Notes to the Consolidated Condensed Interim Financial Information for the nine months ended March 31, 2015

1. THE GROUP 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 DMCC 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 condensed interim financial information of the Group for the nine months period ended 31 March 2015 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.

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 Group's annual financial statements as at 30 June 2014.
- 3.2 The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual published financial statements of the Group for the year ended 30 June 2014 except for as disclosed in note 3.3 below.
- 3.3 The Group has adopted the following amended International Financial Reporting Standards (IFRSs) which became effective during the period:

IAS 19 – Employee Benefits – (Amendment) - Defined Benefit Plans: Employee Contributions

IAS 32 – Financial Instruments : Presentation – (Amendment) - offsetting Financial Assets and Financial Liabilities

IAS 36 – Impairment of Assets – (Amendment) Recoverable Amount Disclosures for Non-Financial Assets

IAS 39 – Financial Instruments: Recognition and Measurement – (Amendment) - Novation of derivatives and continuation of hedge

IFRIC 21 – Levies

The adoption of the above amendments did not have any effect on the 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 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 2014.

5. CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

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

5.2 Commitments

Commitments in respect of outstanding letters of credit are Rs. 1,153,000 thousand (June 30, 2014: Rs. 296,596 thousand).

	Note	Un-audited March 31 2015	Audited June 30 2014
(Rupees in thousand)			
6. OPERATING FIXED ASSETS			
Opening book value		544,867	498,858
Add: Additions during the period /year	6.1	79,721	123,051
		624,588	621,909
Less:			
Deletions during the period/year		(10,241)	(10,395)
Depreciation during the period/year		(56,533)	(66,647)
		(66,774)	(77,042)
Book value at the end of the period/year		557,815	544,867

	Un-audited March 31 2015	Audited June 30 2014
	(Rupees in thousand)	
6.1 Additions during the period/year		
- Buildings on freehold land	6,009	17,507
- Plant and machinery	6,856	19,091
- Tools and equipments	2,834	3,308
- Furniture, fixture and office equipment	1,246	6,202
- Vehicles	44,283	69,304
- Computers	18,493	7,639
	<u>79,721</u>	<u>123,051</u>
7. CAPITAL WORK IN PROGRESS		
Advance for purchase of office space	187,320	187,320
Others	4,948	25,111
	<u>192,268</u>	<u>212,431</u>
8. LONG TERM INVESTMENTS - EQUITIES		
Related parties		
- Associates - quoted	177,405	165,424
- Associates - unquoted	398,230	454,929
	<u>575,635</u>	<u>620,353</u>
Others		
Available for sale - quoted		
Cost	12,145	12,145
Surplus on revaluation of investment	48,789	42,375
	<u>60,934</u>	<u>54,520</u>
	<u>636,569</u>	<u>674,873</u>

	Un-audited March 31 2015 (Rupees in thousand)	Audited June 30 2014
9. SHORT TERM INVESTMENTS		
Financial assets at fair value through profit and loss - Mutual fund units	-	100,000

10. 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:

Relationship with the Company	Nature of transaction	March 31 2015	Un-audited March 31 2014 (Rupees in thousand)
Associated companies	Purchase of goods and services	2,987,212	1,918,148
	Dividend received	175,500	117,000
Retirement benefit plans	Contribution to staff retirement benefit plans	18,537	17,938
Key management personnel	Remuneration	65,990	56,539
	Disposal of vehicles	1,094	1,487
	Disposal of computers	247	-
The outstanding balances of such parties are as under:		Un-audited March 31 2015	Audited June 30 2014
Relationship with the Company	Nature of balance	(Rupees in thousand)	
Associated companies	Creditors	175,510	136,363
	Receivables	12,239	38,810

11. EVENTS AFTER BALANCE SHEET DATE

The Board of Directors have declared an interim dividend of Nil per share (June 30, 2014: Rs. 20 per share) in their meeting held on April 22, 2015.

12. DATE OF AUTHORISATION

This condensed interim financial information was authorized for issue by the Board of Directors of the Group on April 22, 2015.

13. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for better and fair presentation.

14. GENERAL

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



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

GOLDEN JUBILEE
CELEBRATIONS

50 YEARS

www.millat.com.pk



Sheikhupura Road, Lahore - Pakistan

Tel: +92 42 37911021-25

UAN: 111 200 786