

3rd Quarterly Report

nine months ended March 31, 2016

Pride of Pakistan



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 Ahmed Nisar

Auditors

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

Legal Advisors

Mujtaba Jamal Law Associates (MJLA)
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
E-mail: shares@hmaconsultants.com

Bankers

Bank Alfalah Ltd.
Habib Bank Ltd.
MCB Bank Ltd.
Standard Chartered Bank
United Bank Ltd.
Allied Bank Ltd.
Meezan Bank Ltd.

Registered Office and Plant

Sheikhupura Road, Distt. Sheikhupura.
Tel: 042-37911021-25, UAN: 111-200-786
Fax: 042-37924166, 37925835
Website: www.millat.com.pk
E-mail: info@millat.com.pk

REGIONAL OFFICES

Karachi

3-A, Faiyaz Centre, Sindhi Muslim
Co-operative Housing Society,
Tel: 021-34553752, UAN: 111-200-786
Fax: 021-34556321

Multan Cantt.

Garden Town, (Daulatabad), Shershah
Road,
Tel: 061-6537371, Fax: 061-6539271

Islamabad

H. No. 22, St. No. 41, Sector F-6/1,
Tel: 051-2271470, UAN: 111-200-786
Fax: 051-2270693

Sukkur

A-3, Professor Housing Society,
Shikarpur Road,
Tel: 071-5633042, Fax: 071-5633187

Directors' Review

On behalf of Board of Directors of Millat Tractors Limited, I am pleased to present the unaudited condensed interim financial statements for the quarter and nine months ended March 31, 2016 and review of operations.

During the nine months ended March 31, 2016, the Company managed to achieve a sales volume of 13,482 tractors as compared to 19,967 tractors in the corresponding period of last financial year registering a decrease of 33%. The net sales value for the nine months was Rs. 11,081 million against Rs. 15,909 million in the same period last year showing decrease of 30%. Net profit Rs. 1,054 million after tax was earned during the nine months translating into EPS of 23.79 compared to EPS of 40.31 for the corresponding period for last financial year resulting in decrease of 42 %.

The agriculture sector is passing through depression which has also affected the tractor industry resulting in lowest sales in last five years. In order to improve the profitability various measures have been adopted for reduction of costs which also included the step of moving from double to single shift. The delay in payment of pending due refunds and imposition of additional taxes on import and inputs by FBR are also affecting the tractor industry which is now left to struggle for its survival on its own. Farmers need to be supported and for the difficult years Sales tax may be reduced instead of subsidy for a few.

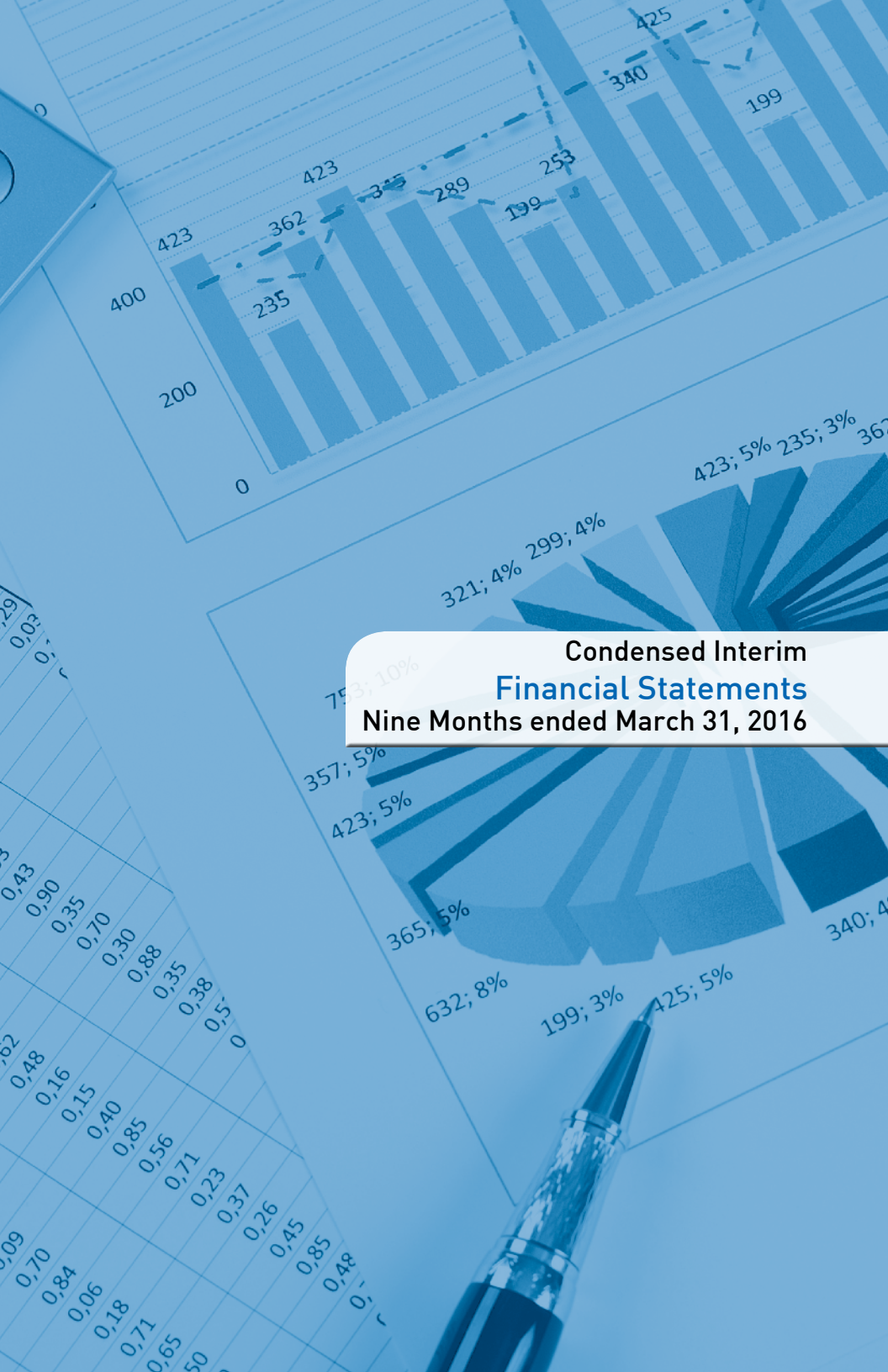
Looking ahead, with the severe drop in sales and increased cost, we are eyeing the global market for our products. I am glad to inform that Millat Products with "Made in Pakistan" tag have been launched under MF-300 series from the platform of our principal-AGCO which materialized our long term export desire.

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

For and on behalf of the Board



Sikandar Mustafa Khan
Chairman
April 27, 2016



**Condensed Interim
Financial Statements
Nine Months ended March 31, 2016**

Condensed Interim Balance Sheet

as at March 31, 2016 (Unaudited)

	Note	March 31, 2016	June 30, 2015
(Rupees in thousand)			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
50,000,000 (June 30, 2015: 50,000,000) ordinary			
shares of Rs 10 each		500,000	500,000
Issued, subscribed and paid up capital		442,926	442,926
General reserves		2,985,519	3,116,706
Unappropriated profit		167,940	1,086,858
Fair value reserve		90,481	64,953
		<u>3,686,866</u>	<u>4,711,443</u>
Non-current liabilities			
Security deposits		11,505	10,595
Deferred taxation		5,498	10,214
		<u>17,003</u>	<u>20,809</u>
Current liabilities			
Accumulating compensated absences		96,642	90,311
Trade and other payables		3,357,400	2,884,862
Mark-up accrued on short term borrowings		325	1,800
		<u>3,454,367</u>	<u>2,976,973</u>
CONTINGENCIES AND COMMITMENTS	5		
		<u>7,158,236</u>	<u>7,709,225</u>

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



Sikandar Mustafa Khan
Chairman

	Note	March 31, 2016	June 30, 2015
(Rupees in thousand)			
ASSETS			
Non-current assets			
Property, plant and equipment			
Operating fixed assets	6	460,899	485,721
Capital work in progress	7	203,187	209,660
Intangible assets		4,018	3,867
Investment property		255,708	255,708
Long term investments	8	395,071	369,543
Long term loans		1,816	1,911
Employee benefits		143,512	143,512
		1,464,211	1,469,922
Current assets			
Stores and spares		117,832	107,141
Stock-in-trade		2,369,820	2,429,982
Trade debts		77,212	184,377
Loans and advances		65,176	68,683
Trade deposits and prepayments		31,639	22,748
Balances with statutory authority		863,300	767,295
Other receivables		123,442	61,506
Tax refunds due from the Government		707,160	815,198
Short term investments	9	808,566	700,203
Cash and bank balances		529,878	1,082,170
		5,694,025	6,239,303
		7,158,236	7,709,225



Syed Muhammad Irfan Aqueel
Chief Executive

Condensed Interim Profit and Loss Account

For the nine months ended March 31, 2016 (Unaudited)

	Nine months ended		Quarter ended	
	March 30, 2016	March 30, 2015	March 30, 2016	March 30, 2015
(Rupees in thousand)				
Sales - net	11,080,742	15,909,488	4,610,301	5,742,158
Cost of sales	9,094,690	12,855,143	3,654,583	4,644,601
Gross profit	1,986,052	3,054,345	955,718	1,097,557
Distribution and marketing expenses	254,929	373,573	119,025	116,905
Administrative expenses	313,468	294,106	99,773	105,181
	568,397	667,679	218,798	222,086
Operating profit	1,417,655	2,386,666	736,920	875,471
Other income	201,362	366,356	30,956	92,464
	1,619,017	2,753,022	767,876	967,935
Other operating expenses	115,650	199,086	56,888	78,543
Finance cost	11,510	7,034	2,678	2,675
	127,160	206,120	59,566	81,218
Profit before taxation	1,491,857	2,546,902	708,310	886,717
Taxation	438,066	761,251	226,287	278,579
Profit for the period	1,053,791	1,785,651	482,023	608,138
Earnings per share - basic and diluted (Rupees)	23.79	40.31	10.88	13.73

The annexed notes 1 to 13 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, 2016 (Unaudited)

	Nine months ended		Quarter ended	
	March 30, 2016	March 30, 2015	March 30, 2016	March 30, 2015
Profit for the period	1,053,791	1,785,651	482,023	608,138
Other comprehensive income:				
Items to be reclassified to profit or loss in subsequent periods:				
Unrealized gain/(loss) on revaluation of investments	25,528	6,414	24,065	(12,418)
Items not to be reclassified to profit or loss in subsequent periods	-	-	-	-
Total other comprehensive income for the year	25,528	6,414	24,065	(12,418)
Total comprehensive income for the period	1,079,319	1,792,065	506,088	595,720

The annexed notes 1 to 13 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, 2016 (Unaudited)

	Nine months ended	
	March 31, 2016	March 31, 2015
	(Rupees in thousand)	
Cash flows from operating activities		
Profit before taxation	1,491,857	2,546,902
Adjustment for:		
Depreciation on property, plant & equipment	50,009	51,095
Amortization of intangible assets	2,229	1,785
Gain on disposal of property, plant and equipment	-	(553)
Gain on disposal of short term investments	(13,130)	(68,312)
Provision for accumulating compensated absences	6,331	8,158
Finance cost	11,510	7,034
Profit on bank deposits	(8,732)	(18,895)
Dividend income	(136,750)	(195,599)
	(88,533)	(215,287)
Cash flow from operating activities before working capital changes	1,403,324	2,331,615
Effect on cash flow due to working capital changes		
Increase in current assets:		
Stores and spares	(10,691)	(638)
Stock in trade	60,162	(1,143,170)
Trade debts	107,165	(54,583)
Loans and advances	3,507	15,752
Trade deposits and prepayments	(8,891)	(12,979)
Other receivables	(161,116)	(356,602)
	(9,864)	(1,552,220)
Increase in current liabilities:		
Trade and other payables	366,246	774,418
	356,382	(777,802)
Cash used in operations		
Tax paid	(334,744)	(672,835)
Increase in long term loans to employees	95	(248)
Increase in long term security deposits	910	70
Mark-up paid	(12,985)	(8,284)
	(346,724)	(681,297)
Net cash generated from operating activities	1,412,982	872,516

Nine months ended

March 31, 2016	March 31, 2015
-------------------	-------------------

(Rupees in thousand)

Cash flows from investing activities

Purchase of property, plant and equipment	(35,760)	(53,244)
Purchase of intangible assets	(2,380)	-
Purchase of short term investments	(1,449,728)	(2,400,000)
Proceeds from sale of short term investments	1,354,495	2,568,312
Proceeds from sale of property, plant and equipment	17,046	10,794
Dividend received	136,750	195,599
Profit on bank deposits	11,907	23,588
Net cash generated from investing activities	32,330	345,049

Cash flows from financing activities

Dividend paid	(1,997,604)	(989,906)
Net cash used in financing activities	(1,997,604)	(989,906)
Net (decrease)/increase in cash and cash equivalents	(552,292)	227,659
Cash and cash equivalents at the beginning of the period	1,082,170	1,118,174
Cash and cash equivalents at the end of the period	529,878	1,345,833

The annexed notes 1 to 13 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, 2016 (Unaudited)

Share capital	Revenue Reserves		Fair value reserve	Total
	General reserves	Unappropriated profit		

(Rupees in thousand)

Balance as on 01 July 2014	442,926	3,263,551	739,006	42,375	4,487,858
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)
Total comprehensive income					
for the nine months ended 31 March 2015	-	-	1,785,651	6,414	1,792,065
Balance as on 31 March 2015	442,926	3,116,706	678,337	48,789	4,286,758
Balance as on 01 July 2015	442,926	3,116,706	1,086,858	64,953	4,711,443
Final dividend for the year ended					
30 June 2015 @ Rs. 27.5/- per share	-	(131,187)	(1,086,858)	-	(1,218,045)
Interim dividend @ Rs. 20 per share					
	-	-	(885,851)	-	(885,851)
Total comprehensive income					
for the nine months ended 31 March 2016	-	-	1,053,791	25,528	1,079,319
Balance as on 31 March 2016	442,926	2,985,519	167,940	90,481	3,686,866

The annexed notes 1 to 13 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, 2016 (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 ended March 31, 2016 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, 2015.

3.2 The accounting policies adopted for the preparation of this interim financial information are same as those applied in the preparation of the preceding annual published financial statements of the Company for the year ended June 30, 2015 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:

- IFRS 10 - Consolidated Financial Statements
- IFRS 11 - Joint Arrangements
- IFRS 12 - Disclosure of Interests in Other Entities
- IFRS 13 - Fair Value Measurement

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, 2015.

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. 397,000 thousand (June 30, 2015: Rs 287,944 thousand).

	Note	March 31, 2016	June 30, 2015
(Rupees in thousand)			
6. OPERATING FIXED ASSETS			
Opening book value		485,721	481,293
Add: Additions during the period	6.1	42,233	86,043
		527,954	567,336
Less:			
Disposals / write offs during the period (at book value)		(17,046)	(11,034)
Depreciation charged during the period		(50,009)	(70,581)
		(67,055)	(81,615)
Closing book value		460,899	485,721
6.1 Additions during the period			
- Buildings on freehold land		-	2,090
- Plant and machinery		2,358	9,563
- Tools and equipments		1,219	758
- Furniture, fixture and office equipment		4,820	3,940
- Vehicles		30,444	50,480
- Computers		3,392	19,212
		42,233	86,043

	Note	March 31, 2016	June 30, 2015
[Rupees in thousand]			
7. CAPITAL WORK IN PROGRESS			
Advance for purchase of office space		199,342	198,295
Others		3,845	11,365
		<u>203,187</u>	<u>209,660</u>
8. LONG TERM INVESTMENTS			
Related parties			
Investment at cost			
- Subsidiary - unquoted		57,375	57,375
- Subsidiary - unquoted		41,460	41,460
- Associates - quoted		76,610	76,610
- Associates - unquoted		117,000	117,000
		<u>292,445</u>	<u>292,445</u>
Others			
Available for sale - quoted			
Cost		12,145	12,145
Surplus on revaluation of investment		90,481	64,953
		<u>102,626</u>	<u>77,098</u>
		<u>395,071</u>	<u>369,543</u>
9. SHORT TERM INVESTMENTS			
Financial assets at fair value through			
profit and loss - Mutual fund units		<u>808,566</u>	<u>700,203</u>

		March, 31	
		2016	2015
[Rupees in thousand]			
10. TRANSACTIONS WITH RELATED PARTIES			
Purchases from related parties		2,197,172	3,341,513
Dividend income		132,902	192,713
Payable to related parties		239,949	189,135
Receivable from related parties		18,804	25,484
Contribution to staff retirement benefit plans		20,343	18,537
Disposal of vehicles to key management personnel		1,710	1,094
Disposal of computers to key management personnel		-	247

11. EVENTS AFTER BALANCE SHEET DATE

The Board of Directors have declared Nil cash dividend (June 30, 2015: Rs. 27.5 per share) in their meeting held on April 27, 2016.

12. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 27, 2016 by the Board of Directors of the company.

13. CORRESPONDING FIGURES

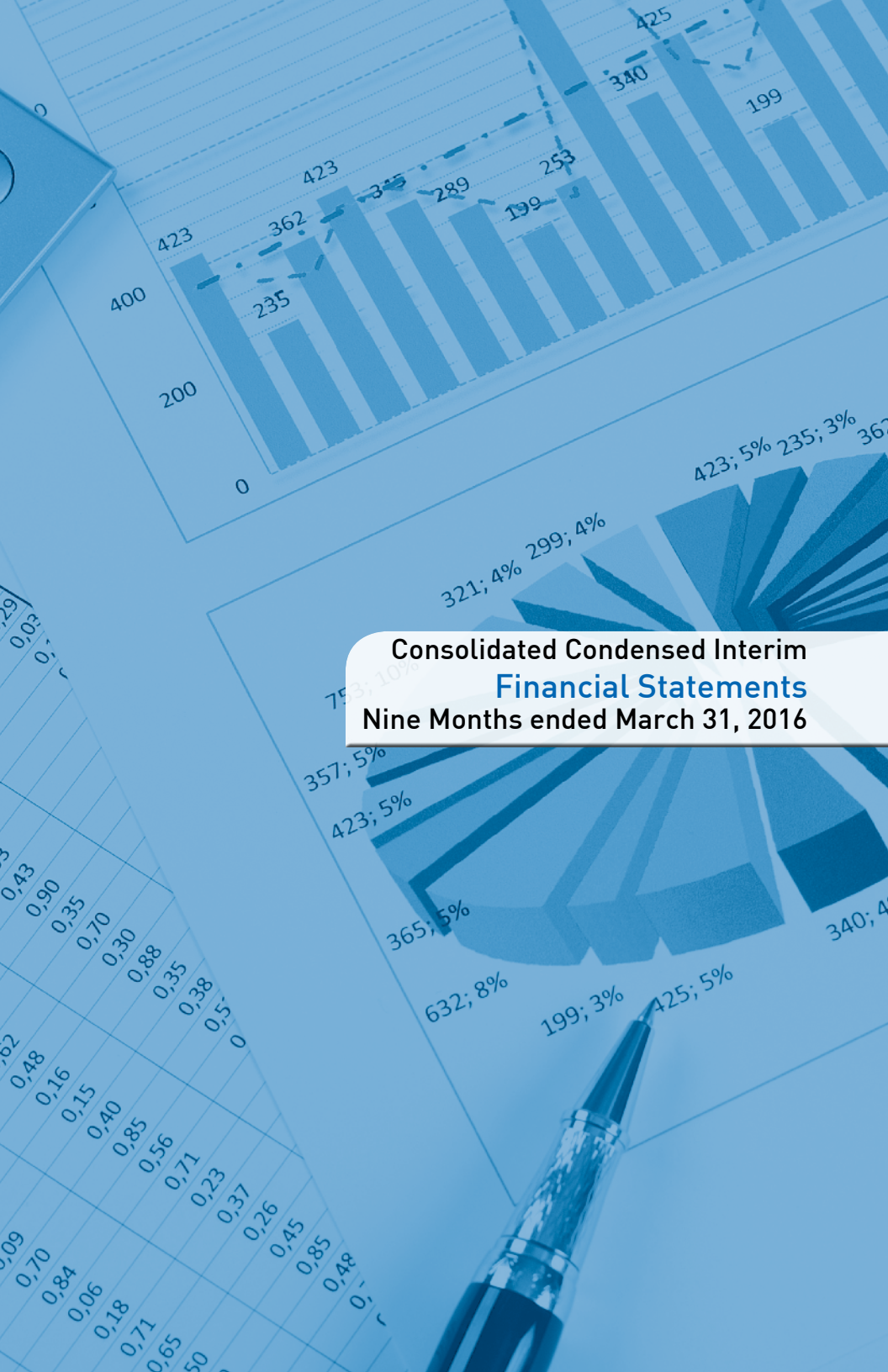
Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive



**Consolidated Condensed Interim
Financial Statements
Nine Months ended March 31, 2016**

Consolidated Condensed Interim Balance Sheet

as at March 31, 2016 (Unaudited)

	Note	March 31, 2016	June 30, 2015
(Rupees in thousand)			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
50,000,000 (June 30, 2015: 50,000,000) ordinary shares of Rs 10 each		500,000	500,000
Issued, subscribed and paid up capital		442,926	442,926
General reserves		2,985,519	3,116,706
Unappropriated profit		814,085	1,761,505
Exchange translation reserve		1,907	145
Fair value reserve		77,144	51,616
		4,321,581	5,372,898
Non-controlling interests		177,742	156,657
Non-current liabilities			
Security deposits		11,505	10,595
Deferred taxation		11,282	15,553
		22,787	26,148
Current liabilities			
Accumulating compensated absences		96,642	90,311
Trade and other payables		3,347,686	2,953,948
Taxation		2,694	-
Mark-up accrued on short term borrowings		350	1,800
		3,447,372	3,046,059
CONTINGENCIES AND COMMITMENTS	5		
		7,969,482	8,601,762

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



Sikandar Mustafa Khan
Chairman

	Note	March 31, 2016	June 30, 2015
(Rupees in thousand)			
ASSETS			
Non-current assets			
Property, plant and equipment			
Operating fixed assets	6	530,173	556,497
Capital work in progress	7	233,681	209,660
Intangible assets		4,018	3,867
Investment property		255,708	255,708
Long term investments	8	680,206	719,336
Long term loans		1,816	1,911
Employee benefits		143,512	143,512
		1,849,114	1,890,491
Current assets			
Stores and spares		132,039	118,573
Stock-in-trade		2,571,957	2,566,614
Trade debts		141,679	247,990
Loans and advances		88,888	83,279
Trade deposits and prepayments		35,240	26,493
Balances with statutory authority		863,300	767,295
Other receivables		68,022	64,171
Tax refunds due from the Government		707,160	834,983
Short term investments	9	858,566	845,203
Cash and bank balances		653,517	1,156,670
		6,120,368	6,711,271
		7,969,482	8,601,762



Syed Muhammad Irfan Aqueel
Chief Executive

Consolidated Condensed Interim Profit and Loss Account for the nine months ended March 31, 2016 (Unaudited)

	Nine months ended		Quarter ended	
	March 30, 2016	March 30, 2015	March 30, 2016	March 30, 2015
(Rupees in thousand)				
Sales - net	11,972,663	16,692,975	5,109,240	5,967,168
Cost of sales	9,771,332	13,448,037	4,057,300	4,774,860
Gross profit	2,201,331	3,244,938	1,051,940	1,192,308
Distribution and marketing expenses	274,436	390,076	127,121	117,319
Administrative expenses	354,016	330,865	111,858	115,034
	628,452	720,941	238,979	232,353
Operating profit	1,572,879	2,523,997	812,961	959,955
Other operating income	70,978	175,230	20,376	33,980
	1,643,857	2,699,227	833,337	993,935
Other operating expenses	124,742	206,464	61,350	82,301
Finance cost	13,307	8,979	3,791	3,760
	138,049	215,443	65,141	86,061
Profit before taxation	1,505,808	2,483,784	768,196	907,874
Share of profit/(loss) of associates	66,844	194,055	40,178	54,532
	1,572,652	2,677,839	808,374	962,406
Taxation				
- Group	482,915	794,364	247,401	295,750
- Associates	27,288	63,273	16,143	18,457
	510,203	857,637	263,544	314,207
Profit for the period	1,062,449	1,820,202	544,830	648,199
Attributable to:				
- Equity holders of the holding Company	1,025,289	1,789,316	524,757	632,862
- Non-controlling interests	37,160	30,886	20,073	15,337
	1,062,449	1,820,202	544,830	648,199
Earnings per share - basic and diluted (Rupees)	23.99	41.09	12.30	14.63

The annexed notes 1 to 13 form an integral part of the 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, 2016 (Unaudited)

	Nine months ended		Quarter ended	
	March 30, 2016	March 30, 2015	March 30, 2016	March 30, 2015
Profit for the period	1,062,449	1,820,202	544,830	648,199
Other comprehensive income:				
Unrealized gain/(loss) on revaluation of investments	25,528	6,414	24,065	(12,418)
Total comprehensive income for the period	1,087,977	1,826,616	568,895	635,781
Attributable to:				
- Equity holders of the holding Company	1,050,817	1,795,730	548,822	620,444
- Non-controlling interest	37,160	30,886	20,073	15,337
	1,087,977	1,826,616	568,895	635,781

The annexed notes 1 to 13 form an integral part of the 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, 2016 (Unaudited)

	Nine months ended	
	March 31, 2016	March 31, 2015
	(Rupees in thousand)	
Cash flows from operating activities		
Profit before taxation	1,572,652	2,677,839
Adjustment for:		
Depreciation on property, plant & equipment	56,082	56,533
Amortization of intangible assets	2,229	1,785
Gain on disposal of Property, Plant and Equipment	-	(553)
Gain on disposal of Short term Investment	(13,130)	(68,312)
Provision for accumulating compensated absences	6,331	8,158
Dividend Income`	(4,663)	(2,886)
Share of profit of associates	(66,844)	(194,055)
Finance cost	13,307	8,979
Profit on bank deposits	(11,168)	(20,466)
	(17,856)	(210,817)
Cash flow from operating activities before working capital changes	1,554,796	2,467,022
Effect on cash flow due to working capital changes		
Increase in current assets:		
Stores and spares	(13,466)	(4,743)
Stock in trade	(5,343)	(1,208,591)
Trade debts	106,311	(78,357)
Loans and advances	(5,609)	(2,054)
Trade deposits and prepayments	(8,747)	(27,319)
Other receivables	(128,210)	(372,495)
	(55,064)	(1,693,559)
Increase in current liabilities:		
Trade and other payables	287,449	842,471
	232,385	(851,088)
Cash used in operations		
Income tax paid	(359,363)	(703,064)
Increase in long term loans to employees	95	(248)
Increase in long term security deposits	910	70
Mark-up paid	(14,757)	(10,443)
	(373,115)	(713,685)
Net cash generated from operating activities	1,414,066	902,249

Nine months ended

March 31, 2016	March 31, 2015
-------------------	-------------------

(Rupees in thousand)

Cash flows from investing activities

Purchase of property, plant and equipment	(70,825)	(59,921)
Purchase of intangible assets	(2,380)	-
Purchase of short term investments	(1,354,728)	(2,400,000)
Proceeds from sale of short term investments	1,354,495	2,568,312
Proceeds from sale of property, plant and equipment	17,046	10,794
Dividend received	136,750	178,386
Profit on bank deposits	14,343	25,159
Net cash generated from investing activities	94,701	322,730

Cash flows from financing activities

Dividend paid	(1,997,607)	(989,907)
Dividend paid to NCI	(16,075)	(9,646)
Net cash used in financing activities	(2,013,682)	(999,553)
Net (decrease)/increase in cash and cash equivalents	(504,915)	225,426
Cash and cash equivalents at the beginning of the period	1,156,670	1,257,429
Foreign Exchange Difference	1,762	1,380
Cash and cash equivalents at the end of the period	653,517	1,484,235

The annexed notes 1 to 13 form an integral part of the 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, 2016 (Unaudited)

Share capital	Revenue Reserves		Exchange translation reserve	Fair value reserve	Non-controlling interest	Total
	General reserves	Unappropriated profit				

(Rupees in thousand)

Balance as on 01 July 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 for the year ended 30 June 2015 @ Rs. 25/- per share	-	-	(1,107,314)	-	-	-	(1,107,314)
Dividend payment to NCI	-	-	-	-	-	(9,646)	(9,646)
Exchange difference on translation of Foreign Operation	-	-	-	1,380	-	-	1,380
Total comprehensive income for nine month ended 31 March 2015	-	-	1,789,316	-	6,414	30,886	1,826,616
Balance as on 31 March 2015	442,926	3,116,706	1,256,334	1,611	35,452	140,063	4,993,092
Balance as on 01 July 2015	442,926	3,116,706	1,761,505	145	51,616	156,657	5,529,555
Final dividend for the year ended 30 June 2015 @ Rs. 27.5/- per share	-	(131,187)	(1,086,858)	-	-	-	(1,218,045)
Dividend payment to NCI	-	-	-	-	-	(16,075)	(16,075)
Interim dividend for the year ended 30 June 2016 @ Rs. 20/- per share	-	-	(885,851)	-	-	-	(885,851)
Exchange difference on translation of Foreign Operation	-	-	-	1,762	-	-	1,762
Total comprehensive income for nine month ended 31 March 2016	-	-	1,025,289	-	25,528	37,160	1,087,977
Balance as on 31 March 2016	442,926	2,985,519	814,085	1,907	77,144	177,742	4,493,323

The annexed notes from 1 to 13 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, 2016 (Unaudited)

1. THE GROUP AND ITS ACTIVITIES

Millat Tractors Limited, the holding 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 interim financial information of the Group for the nine months period ended March 31, 2016 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 Group's annual financial statements as at June 30, 2015.
- 3.2 The accounting policies adopted for the preparation of this interim financial information are same as those applied in the preparation of the preceding annual published financial statements of the Group for the year ended June 30, 2015 except for as disclosed in note 3.3 below.
- 3.3 The Group has adopted the following amended IFRS and IFRIC interpretation which became effective during the period:

IFRS 10	-	Consolidated Financial Statements
IFRS 11	-	Joint Arrangements
IFRS 12	-	Disclosure of Interests in Other Entities
IFRS 13	-	Fair Value Measurement

IFRS 10 requires management to establish significant judgement to determine which entities are controlled and therefore, required to be consolidated by a parent, compared with the requirement in IAS 27. The management is in the process of estimating the impact of IFRS 10 on the currently held investments in associates of the Group and resultantly on the consolidated financial statements of the Group."

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 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 June 30, 2015.

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. 397,000 thousand (June 30, 2015: Rs 293,405/- thousand).

	Note	March 31, 2016	June 30, 2015
[Rupees in thousand]			
6. OPERATING FIXED ASSETS			
Opening book value		556,497	544,867
Add: Additions during the period	6.1	46,804	101,977
		603,301	646,844
Less: Disposals / write offs during the period (at book value)		(17,046)	(11,859)
Depreciation charged during the period		(56,082)	(78,488)
		(73,128)	(90,347)
Closing book value		530,173	556,497
6.1 Additions during the period			
- Buildings on freehold land		237	6,206
- Plant and machinery		2,358	13,753
- Tools and equipments		2,679	6,135
- Furniture, fixture and office equipment		4,928	4,282
- Vehicles		33,064	52,245
- Computers		3,538	19,356
		46,804	101,977

	March 31, 2016	June 30, 2015
	(Rupees in thousand)	
7. CAPITAL WORK IN PROGRESS		
Advance for purchase of office space	199,342	198,295
Others	34,339	11,365
	<u>233,681</u>	<u>209,660</u>
8. LONG TERM INVESTMENTS		
Related parties		
- Associates - quoted	169,161	187,127
- Associates - unquoted	408,419	455,111
	577,580	642,238
Others		
Available for sale - quoted		
Cost	12,145	12,145
Surplus on revaluation of investment	90,481	64,953
	102,626	77,098
	<u>680,206</u>	<u>719,336</u>
9. SHORT TERM INVESTMENTS		
Financial assets at fair value through profit and loss - Mutual fund units	858,566	845,203

	March, 31	
	2016	2015
	(Rupees in thousand)	
10. TRANSACTIONS WITH RELATED PARTIES		
Purchases from related parties	2,015,252	2,987,212
Dividend income	132,902	175,500
Payable to related parties	224,798	175,510
Receivable from related parties	7,191	12,239
Contribution to staff retirement benefit plans	20,343	18,537
Disposal of vehicles to key management personnel	1,710	1,094
Disposal of computers to key management personnel	-	247

11. EVENTS AFTER BALANCE SHEET DATE

The Board of Directors have declared Nil cash dividend (June 30, 2015: Rs. 27.5 per share) in their meeting held on April 27, 2016.

12. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 27, 2016 by the Board of Directors of the company.

13. 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















www.jamapunji.pk

 **Jama
Punji**
سرمایہ کاری سمجھداری کے ساتھ



**Be aware, Be alert,
Be safe**
Learn about investing at
www.jamapunji.pk

Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered
-  Stock trading simulator (based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

 jamapunji.pk  [@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices

