

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, Dist. 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





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Directors' Review

On behalf of Board of Directors of Millat Tractors Limited, we are pleased to present the review of Company operations for the half year ended December 31, 2015 and interim financial statements for the half year ended December 31, 2015 along with review report of the auditors thereon.

During the first half of 2015-16, the Company managed to achieve sales volume of 7,796 as against 12,810 tractors sold in the corresponding period last year showing decrease of 39 %. The net sales for the half year remained at Rs. 6,470 million against Rs. 10,167 million in the same period last year indicating decrease of 36.36 %.

The net profit after tax for the current period is Rs.572 million as compared to Rs. 1,178 million for the same period last year which translates into EPS of Rs.12.91 as compared to EPS of Rs. 26.58% for the corresponding period of last financial year showing a decrease of 51.43%.

The decrease in Agri produce prices internationally as well as locally has severely impacted the purchasing power of farming community. This has been compounded by reduced cotton output due to rains. The pending execution of tractor subsidy schemes announced in the provincial budgets have kept prospective buyers on hold. The aforesaid factors negatively impacted tractor sales. On the other hand decrease in Rupee value against Dollar and levy of additional taxes at import stage has impacted input cost adversely.

Contrary to the agriculture sector, the overall economy continued its progress and showed improvement due to low prices of oil & related commodities. It is expected that upcoming investment of Pak China economic corridor and investment in power sector will strengthen Pakistan economy further.

Looking ahead, we expect an increase in sales as the harvesting and later sowing seasons create the necessary demand for tractors. This coupled with the emerging opportunity of exporting MF brand tractors globally through our principals - AGCO Corp. will help in improving sales. It had been our long time desire to export Pakistan made products globally. This will improve the image of country as well as confidence to deliver quality products internationally.

We take this opportunity to thank our customers, dealers, vending associates and all the stakeholders for having their trust and confidence in the Company. I congratulate the employees for their dedication, commitment, loyalty and hard work.



Sikandar Mustafa Khan

Chairman

February 12, 2016

Independent Auditor's Report of the Members on

Review of interim financial information

Introduction

We have reviewed the accompanying condensed interim balance sheet of Millat Tractors Limited as at 31 December 2015, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six month period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, (Review of Interim Financial Information Performed by Independent Auditor of the Entity). A review of interim financial information consists of making inquires, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with international Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



Chartered Accountants,
Engagement Partner: Naseem Akbar
Lahore: 12 February 2016



**Condensed Interim
Financial Statements
Half Year ended December 31, 2015**

Condensed Interim Balance Sheet

as at December 31, 2015 (Unaudited)

Note	Un-audited	Audited	
	December 31, 2015	June 30, 2015	
(Rupees in thousand)			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
50,000,000 (30 June 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			
	571,768	1,086,858	
Fair value reserve			
	66,416	64,953	
	4,066,629	4,711,443	
Non-current liabilities			
	11,395	10,595	
Long term deposits			
	5,498	10,214	
Deferred taxation			
	16,893	20,809	
Current liabilities			
Accumulating compensated absences			
	96,642	90,311	
Trade and other payables			
5	1,988,783	2,884,862	
Short term borrowings			
6	550,905	-	
Mark-up accrued on short term borrowings			
	4,500	1,800	
	2,640,830	2,976,973	
CONTINGENCIES AND COMMITMENTS			
7	6,724,352	7,709,225	

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.



Sikandar Mustafa Khan
Chairman

	Note	Un-audited	Audited
		December 31, 2015	June 30, 2015
(Rupees in thousand)			
ASSETS			
Non-current assets			
Property, plant and equipment			
Operating fixed assets	8	475,914	485,721
Capital work in progress		201,377	209,660
Intangible assets		4,770	3,867
Investment property		255,708	255,708
Long term investments	9	371,006	369,543
Long term loans		1,831	1,911
Employee defined benefit plan		142,807	143,512
		1,453,413	1,469,922
Current assets			
Stores and spares		121,660	107,141
Stock-in-trade		2,706,629	2,429,982
Trade debts		168,620	184,377
Loans and advances	10	74,918	68,683
Trade deposits and short term prepayments		43,275	22,748
Balances with statutory authorities		832,273	767,295
Other receivables		96,372	61,506
Tax refunds due from the Government		911,250	815,198
Short term investments	11	-	700,203
Cash and bank balances		315,942	1,082,170
		5,270,939	6,239,303
		6,724,352	7,709,225



Syed Muhammad Irfan Aqueel
Chief Executive

Condensed Interim Profit and Loss Account

for the half year ended December 31, 2015 (Unaudited)

	Half year ended		Quarter ended	
	31 December		31 December	
	2015	2014	2015	2014
	(Rupees in thousand)			
Sales - net	6,470,441	10,167,330	2,929,556	5,401,338
Cost of sales	5,440,107	8,210,542	2,479,795	4,362,496
Gross profit	1,030,334	1,956,788	449,761	1,038,842
Distribution and marketing expenses	135,904	256,668	63,788	141,644
Administrative expenses	213,695	188,925	86,296	94,082
	349,599	445,593	150,084	235,726
Operating profit	680,735	1,511,195	299,677	803,116
Other income	170,406	273,892	152,203	214,165
	851,141	1,785,087	451,880	1,017,281
Finance cost	8,832	4,359	6,511	2,274
Other operating expenses	58,762	120,543	30,976	69,256
	67,594	124,902	37,487	71,530
Profit before taxation	783,547	1,660,185	414,393	945,751
Taxation	211,779	482,672	94,839	256,742
Profit after taxation	571,768	1,177,513	319,554	689,009
Earnings per share - basic and diluted (Rupees)	12.91	26.58	7.21	15.56

The annexed notes from 1 to 15 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 half year ended December 31, 2015 (Unaudited)

	Half year ended		Quarter ended	
	31 December		31 December	
	2015	2014	2015	2014
	(Rupees in thousand)			
Profit for the period	571,768	1,177,513	319,554	689,009
Other comprehensive income:				
Items to be reclassified to profit or loss in subsequent periods:				
Unrealized gain/ (loss) on revaluation of investments	1,463	18,832	(8,633)	7,928
Total other comprehensive income/ (loss)	1,463	18,832	(8,633)	7,928
Total comprehensive income for the period	573,231	1,196,345	310,921	696,937

The annexed notes from 1 to 15 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 half year ended December 31, 2015 (Unaudited)

	Half year ended	
	December 31, 2015	December 31, 2014
	(Rupees in thousand)	
Cash flows from operating activities		
Profit before taxation	783,547	1,660,185
Adjustment for:		
Depreciation on property, plant and equipment	32,896	32,698
WPPF	41,915	88,933
WWF	12,847	28,793
Amortization of intangible assets	1,478	1,167
Gain on disposal of property, plant and equipment	-	(553)
Gain on disposal of short term investments	(4,564)	(65,275)
Provision for accumulating compensated absences	6,331	8,158
Finance cost	8,832	4,359
Profit on bank deposits	(7,377)	(16,893)
Dividend income	(136,750)	(137,099)
	(44,392)	(55,712)
Cash flows from operating activities before working capital changes	739,155	1,604,473
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets:		
Stores and spares	(14,519)	(4,045)
Stock in trade	(276,647)	(679,683)
Trade debts	15,757	45,627
Loans and advances	(6,235)	7,562
Trade deposits and short term prepayments	(20,527)	(23,014)
Other receivables	(100,654)	(457,595)
(Decrease) / increase in current liabilities:		
Trade and other payables	(974,927)	1,403,256
	(1,377,752)	292,108
Cash (used in) / generated from operations		
Taxes paid	(312,547)	(551,174)
Increase in long term loans to employees	80	(323)
Increase in long term security deposits	800	60
Interest and mark-up paid	(6,132)	(5,459)
	(317,799)	(556,896)
Net cash (used in) / from operating activities	(956,396)	1,339,685

Half year ended
December 31, December 31,
2015 2014
(Rupees in thousand)

Cash Flows from investing activities

Capital expenditure incurred	(22,417)	(37,332)
Purchase of intangible assets	(2,381)	-
Short term investments made	-	(2,400,000)
Proceeds from sale of short term investments	704,767	2,158,221
Proceeds from disposal of property, plant and equipment	7,611	7,023
Dividend received	136,750	137,099
Profit on bank deposits received	8,892	17,847
Net cash from / (used in) investing activities	833,222	(117,142)

Cash flows from financing activities

Dividend paid	(1,193,959)	(874,484)
Increase in short term borrowings - net	550,905	-
Net cash flow used in financing activities	(643,054)	(874,484)
Net (decrease) / increase in cash and cash equivalents	(766,228)	348,059
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	315,942	1,466,233

The annexed notes from 1 to 15 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 half year ended December 31, 2015 (Unaudited)

	Share capital	Revenue Reserves			Total
		General reserves	Unappropriated profit	Fair value reserve	
(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)
Total comprehensive income					
for the half year ended 31 December 2014			1,177,513	18,832	1,196,345
Balance as on 31 December 2014 (unaudited)	442,926	3,116,706	1,177,513	61,207	4,798,352
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)
Total comprehensive income					
	-	-	571,768	1,463	573,231
Balance as on 31 December 2015 (unaudited)	442,926	2,985,519	571,768	66,416	4,066,629

The annexed notes from 1 to 15 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 half year ended December 31, 2015 (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 Pakistan Stock Exchange. 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 equipment.

2. STATEMENT OF COMPLIANCE

2.1 This condensed interim financial information of the Company for the half year ended 31 December 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 30 June 2015.

3.2 The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are same as those applied in the preparation of the preceding annual published financial statements of the Company for the year ended 30 June 2015 except for as disclosed in note 3.3 below.

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

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

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

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, incomes and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation are the same as those that applied to the financial statements for the year ended 30 June 2015.

Selected Notes to the Condensed Interim Financial Information for the half year ended December 31, 2015 (Unaudited)

Note	Un-audited	Audited
	December 31, 2015	June 30, 2015
(Rupees in thousand)		
5. TRADE AND OTHER PAYABLES		
Trade creditors	700,124	1,037,575
Accrued liabilities	113,497	122,270
Bills payable	15,621	31,913
Advances from customers	537,148	1,109,037
Security deposits	6,974	6,524
Trademark fee payable	113,071	97,356
Workers' Profit Participation Fund	42,035	17,659
Workers' Welfare Fund	138,704	125,857
Unclaimed dividends	269,605	245,519
Others	52,004	91,152
	1,988,783	2,884,862

6. SHORT TERM BOROWINGS

- 6.1 Short term borrowings are availed from various banks against aggregate sanctioned limit of Rs. 4,000,000 thousand (30 June 2015: Rs. 3,914,000 thousand). The rates of mark up range between KIBOR plus 0.1% to KIBOR plus 0.4% (30 June 2015: KIBOR plus 0.25% to KIBOR plus 0.4%) per annum.

The Company has facilities for opening of letters of credit and guarantees aggregating to Rs. 3,400,000 thousand (30 June 2015: Rs. 3,400,000 thousand) out of which Rs. 2,940,600 thousand (30 June 2015: Rs. 3,400,000 thousand) remained unutilized at the end of the year.

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

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

7.2 Commitments

Commitments in respect of outstanding letters of credit are Rs. 323,000 thousand (30 June 2015: Rs. 287,944 thousand).

Note	Un-audited	Audited
	December 31, 2015	June 30, 2015
(Rupees in thousand)		
8. OPERATING FIXED ASSETS		
Opening book value	485,721	481,293
Add: Additions during the period / year	(8.1) 30,700	86,043
	516,421	567,336
Less:		
Deletions during the period / year	[7,611]	[11,034]
Depreciation for the period / year	[32,896]	[70,581]
	[40,507]	[81,615]
Book value at the end of the period / year	475,914	485,721

	Un-audited December 31, 2015	Audited June 30, 2015
Note	(Rupees in thousand)	
8.1 Additions during the period / year		
Buildings on freehold land	-	2,090
Plant and machinery	1,927	9,563
Tools and equipments	1,219	758
Computers	3,287	19,212
Furniture, fixture and office equipment	4,457	3,940
Vehicles	19,810	50,480
	<u>30,700</u>	<u>86,043</u>

9. 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	66,416	64,953
	<u>78,561</u>	<u>77,098</u>
	<u>371,006</u>	<u>369,543</u>

10. LOANS AND ADVANCES

Current portion of long term loans to employees	1,754	1,735
Advances to employees - considered good	2,760	1,790
Advances to suppliers - considered good	48,775	61,459
	<u>53,289</u>	<u>64,984</u>
Advances to suppliers - considered doubtful	2,485	2,485
Less: Provision for doubtful advances	(2,485)	(2,485)
	<u>-</u>	<u>-</u>
Letter of credit opening charges	21,629	3,699
	<u>74,918</u>	<u>68,683</u>

11. SHORT TERM INVESTMENTS

Financial assets at fair value through profit and loss - Mutual fund units		
	-	700,203
Term deposit certificates		
	-	-
	<u>-</u>	<u>700,203</u>

12. 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:

Selected Notes to the Condensed Interim Financial Information

for the half year ended December 31, 2015 (Unaudited)

Relationship with the Company	Nature of transaction	Un-audited	
		December 31, 2015	December 31, 2014
(Rupees in thousand)			
Associated companies	Purchase of goods and services	1,369,072	2,091,720
	Dividend received	132,901	134,212
Retirement benefit plans	Contribution to staff retirement benefit plans	7,655	5,635
Key management personnel	Remuneration	44,193	43,986
	Disposal of vehicles	1,710	1,094
	Disposal of computers	–	203

The outstanding balances of such parties are as under:

Relationship with the Company	Nature of transaction	Un-audited	Audited
		December 31, 2015	June 30, 2015
(Rupees in thousand)			
Associated companies	Creditors	144,475	232,893
	Trade debts	37,024	27,540

13. EVENTS AFTER BALANCE SHEET DATE

The Board of Directors has declared Rs. 20/- cash dividend (30 June 2015: Rs. 27.50 per share) and Nil bonus shares (30 June 2015: Nil) in their meeting held on 12 February 2016.

14. DATE OF AUTHORIZATION

This condensed interim financial information was authorized for issuance by the Board of Directors of the Company on 12 February 2016.

15. GENERAL

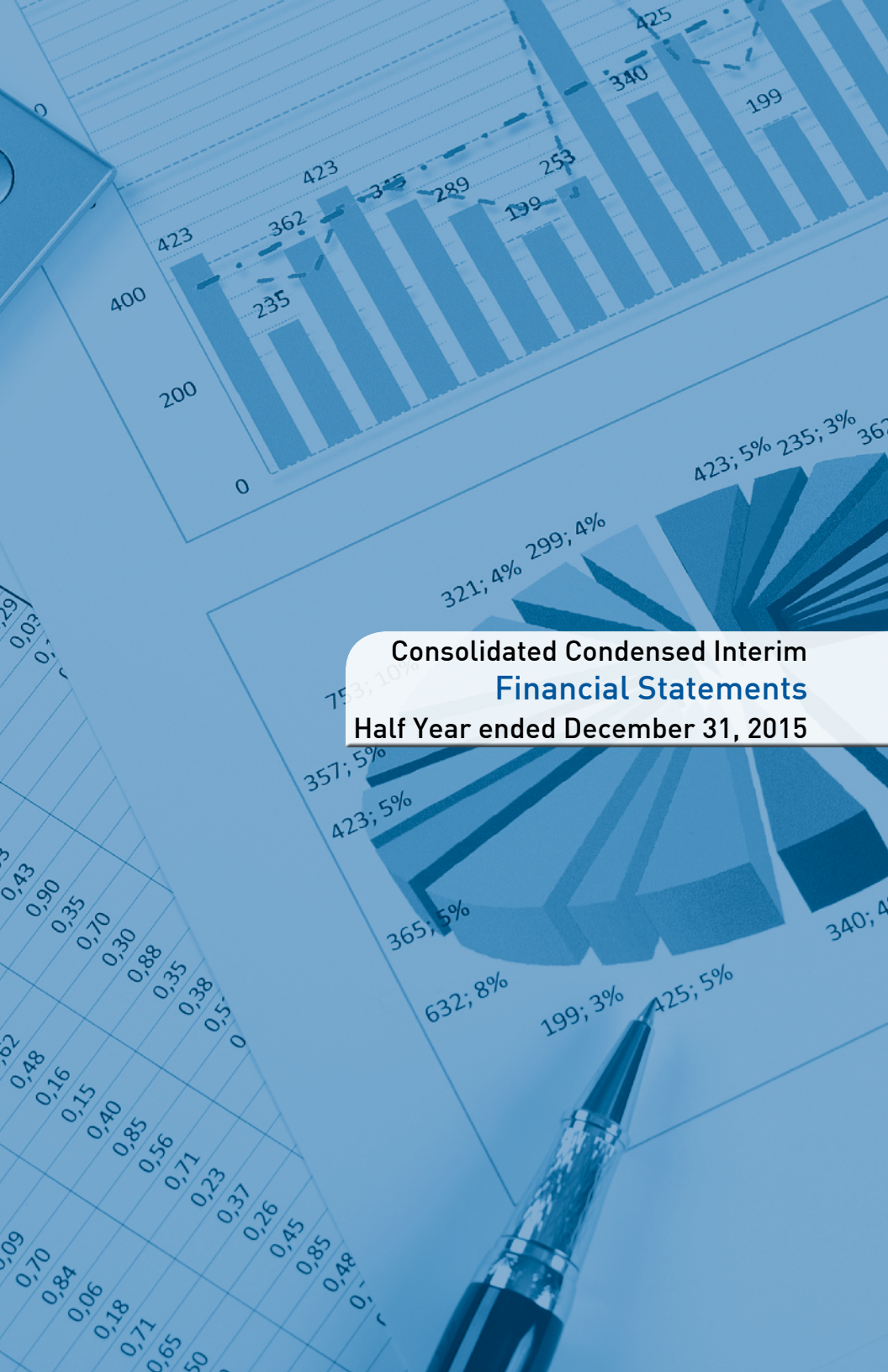
- 15.1 Provisions in respect of Worker's Welfare Fund, Worker's Profit Participation Fund, defined benefit plan and taxation are estimated and these are subject to final adjustment in the annual financial statements.
- 15.2 The figures of condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 31 December 2015 and 2014 were not subject to limited scope review by the auditors as scope of review covered only the cumulative figures.
- 15.3 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive



**Consolidated Condensed Interim
Financial Statements
Half Year ended December 31, 2015**

Consolidated Condensed Interim Balance Sheet

as at December 31, 2015 (Unaudited)

Note	Un-audited	Audited	
	December 31, 2015	June 30, 2015	
(Rupees in thousand)			
EQUITY AND LIABILITIES			
Authorized capital			
50,000,000 (30 June 2014: 50,000,000)			
	ordinary shares of Rs 10 each	500,000	500,000
Issued, subscribed and paid up share capital			
		442,926	442,926
General reserves			
		2,985,519	3,116,706
Unappropriated profit			
		1,175,179	1,761,505
Exchange translation reserve			
		3,645	145
Fair value reserve			
		53,079	51,616
		4,660,348	5,372,898
Non-controlling interest			
		157,669	156,657
Non-current liabilities			
Long term deposits			
		11,395	10,595
Deferred taxation			
		11,340	15,553
		22,735	26,148
Current liabilities			
Accumulating compensated absences			
		96,642	90,311
Trade and other payables			
	5	2,051,139	2,953,948
Short term borrowings			
		550,905	-
Mark-up accrued on short term borrowings			
		4,513	1,800
		2,703,199	3,046,059
CONTINGENCIES AND COMMITMENTS			
	7	7,543,951	8,601,762

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.



Sikandar Mustafa Khan
Chairman

		Un-audited December 31, 2015	Audited June 30, 2015
	Note	(Rupees in thousand)	
ASSETS			
Non-current assets			
Property, plant and equipment			
Operating fixed assets	8	546,668	556,497
Capital work in progress		220,452	209,660
Intangible assets		4,770	3,867
Investment property		255,708	255,708
Long term investments	9	642,720	719,336
Long term loans		1,831	1,911
Net employee defined benefit asset		142,807	143,512
		1,814,956	1,890,491
Current assets			
Stores and spares		134,478	118,573
Stock-in-trade		2,939,118	2,566,614
Trade debts		241,420	247,990
Loans and advances	10	87,977	83,279
Trade deposits and short term prepayments		47,643	26,493
Balances with statutory authorities		832,273	767,295
Other receivables		96,188	64,171
Tax refunds due from the Government		920,394	834,983
Short term investments	11	10,000	845,203
Cash and bank balances		419,504	1,156,670
		5,728,995	6,711,271
		7,543,951	8,601,762



Syed Muhammad Irfan Aqueel
Chief Executive

Consolidated Condensed Interim Profit and Loss Account

for the half year ended December 31, 2015 (Unaudited)

	Half year ended		Quarter ended	
	31 December		31 December	
	2015	2014	2015	2014
	(Rupees in thousand)			
Sales - net	6,863,423	10,725,807	3,050,296	5,759,117
Cost of sales	5,714,032	8,673,177	2,538,527	4,664,338
Gross profit	1,149,391	2,052,630	511,769	1,094,779
Distribution and marketing expenses	147,315	272,757	68,873	153,023
Administrative expenses	242,158	215,831	96,066	110,786
	389,473	488,588	164,939	263,809
Operating profit	759,918	1,564,042	346,830	830,970
Other income	50,602	141,250	30,658	80,850
	810,520	1,705,292	377,488	911,820
Finance cost	9,516	5,219	6,737	3,058
Other operating expenses	63,392	124,163	33,548	71,383
	72,908	129,382	40,285	74,441
Share of profit/(loss) of associated companies	26,666	139,523	(11,349)	86,141
Profit before taxation	764,278	1,715,433	325,854	923,520
Taxation:				
Group	235,514	498,614	108,994	266,103
Associated companies	11,145	44,816	(711)	19,123
	246,659	543,430	108,283	285,226
Profit for the period	517,619	1,172,003	217,571	638,294
Attributable to:				
Equity holders of the parent	500,532	1,156,454	207,899	627,355
Non-cotrolling interest	17,087	15,549	9,672	10,939
	517,619	1,172,003	217,571	638,294
Earnings per share - basic and diluted (Rupees)	11.69	26.46	4.91	14.41

The annexed notes from 1 to 15 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 half year ended December 31, 2015 (Unaudited)

	Half year ended		Quarter ended	
	31 December		31 December	
	2015	2014	2015	2014
	(Rupees in thousand)			
Profit for the period	517,619	1,172,003	217,571	638,294
Other comprehensive income:				
Items to be reclassified to profit or loss in subsequent periods:				
Unrealized gain on revaluation of investments	1,463	18,832	(8,633)	7,928
Items not to be reclassified to profit or loss in subsequent periods	-	-	-	-
Total other comprehensive income	1,463	18,832	(8,633)	7,928
Non-controlling interest	(17,087)	(15,549)	(9,672)	(10,939)
Total comprehensive income for the period	501,995	1,175,286	199,266	635,283

The annexed notes from 1 to 15 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 half year ended December 31, 2015 (Unaudited)

	Half year ended	
	December 31, 2015	December 31, 2014
	(Rupees in thousand)	
Cash flows from operating activities		
Profit before taxation	764,278	1,715,433
Adjustment for:		
Depreciation on property, plant and equipment	37,040	32,698
WPPF	45,247	91,552
WWF	14,145	29,794
Amortization of intangible assets	1,478	1,167
Gain on disposal of property, plant and equipment	-	(553)
Gain on disposal of short term investments	(4,564)	(65,275)
Share of profit of associates	(26,666)	(139,523)
Provision for accumulating compensated absences	6,331	8,158
Finance cost	9,516	5,219
Profit on bank deposits	(9,803)	(16,893)
Dividend income	(14,461)	(2,886)
	58,263	(56,542)
Cash flows from operating activities before working capital changes	822,541	1,658,891
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets:		
Stores and spares	(15,905)	(8,046)
Stock in trade	(372,504)	(757,065)
Trade debts	6,570	(59,529)
Loans and advances	(4,698)	11,942
Trade deposits and short term prepayments	(21,150)	(23,014)
Other receivables	(122,994)	(478,431)
(Decrease) / increase in current liabilities:		
Trade and other payables	(986,284)	1,506,686
	(1,516,965)	192,543
Cash (used in) / generated from operations		
Taxes paid	(325,138)	(571,449)
Decrease / (increase) in long term loans to employees	80	(323)
Increase in long term security deposits	800	60
Interest and mark-up paid	(6,803)	(6,271)
	(331,061)	(577,983)
Net cash (used in) / from operating activities	(1,025,485)	1,273,451

Half year ended	
December 31, 2015	December 31, 2014
(Rupees in thousand)	

Cash flows from investing activities

Capital expenditure incurred	(46,521)	(43,337)
Purchase of intangible assets	(2,381)	-
Short term investments made	-	(2,400,000)
Proceeds from sale of short term investments	839,767	2,158,221
Proceeds from disposal of property, plant and equipment	8,518	10,667
Dividend paid to NCI	(16,075)	(9,646)
Dividend received	136,750	137,099
Profit on bank deposits received	11,318	17,847
Net cash from / (used in) investing activities	931,376	(129,149)

Cash flows from financing activities

Dividend paid	(1,193,962)	(874,485)
Increase in short term borrowings - net	550,905	-
Net cash flow used in financing activities	(643,057)	(874,485)
Net (decrease) / increase in cash and cash equivalents	(737,166)	269,817
Cash and cash equivalents at the beginning of the period	1,156,670	1,257,429
Cash and cash equivalents at the end of the period	419,504	1,527,246

The annexed notes from 1 to 15 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 half year ended December 31, 2015 (Unaudited)

	Revenue Reserves						Total
	Share capital	General reserves	Unappropriated profit	Exchange translation reserve	Fair value reserve	Non-controlling interest	
(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)
Dividend payment to NCI							
	-	-	-	-	-	(9,646)	(9,646)
Total comprehensive income							
for the half year ended 31 December 2014	-	-	1,172,003	1,080	18,832	15,549	1,207,464
Balance as on 31 December 2014	442,926	3,116,706	1,746,335	1,311	47,870	124,726	5,479,874
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)
Total comprehensive income							
for the half year ended 31 December 2015	-	-	500,532	3,500	1,463	17,087	522,582
Balance as on 31 December 2015	442,926	2,985,519	1,175,179	3,645	53,079	157,669	4,818,017

The annexed notes from 1 to 15 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 half year ended December 31, 2015 (Unaudited)

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 half year ended 31 December 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 2015.
- 3.2 The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are same as those applied in the preparation of the preceding annual published financial statements of the Group for the year ended 30 June 2015 except for as disclosed in note 3.3 below.
- 3.3 The Group has adopted the following amendments and interpretation of IFRSs which became effective during the current 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 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 2015.

Selected Notes to the Consolidated Condensed Interim Financial Information for the half year ended December 31, 2015 (Unaudited)

Note	Un-audited	Audited
	December 31, 2015	June 30, 2015
(Rupees in thousand)		
5. TRADE AND OTHER PAYABLES		
Trade creditors	731,140	1,060,909
Accrued liabilities	127,958	140,713
Bills payable	15,621	31,913
Advances from customers	543,746	1,118,656
Security deposits	6,974	6,524
Trademark fee payable	113,071	97,356
Workers' Profit Participation Fund	45,835	26,321
Workers' Welfare Fund	140,030	130,856
Unclaimed dividends	269,811	245,728
Others	56,953	94,972
	2,051,139	2,953,948

6. SHORT TERM BORROWINGS

- 6.1 Short term borrowings are available from various banks against aggregate sanctioned limit of Rs. 4,014,000 thousand (30 June 2015: Rs. 4,014,000 thousand). The rates of mark up range between KIBOR plus 0.1% to KIBOR plus 0.4% (30 June 2015: KIBOR plus 0.25% to KIBOR plus 0.4%) per annum.

The Group has facilities for opening of letters of credit and guarantees aggregating to Rs. 3,400,000 thousand (30 June 2015: Rs. 3,400,000 thousand) out of which Rs. 2,940,600 thousand (30 June 2015: Rs. 3,400,000 thousand) remained unutilized at the end of the year.

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

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

7.2 Commitments

Commitments in respect of outstanding letters of credit are Rs. 323,000 thousand (30 June 2015: Rs. 293,405 thousand).

Note	Un-audited	Audited
	December 31, 2015	June 30, 2015
(Rupees in thousand)		
8. OPERATING FIXED ASSETS		
Opening book value	556,497	544,867
Add: Additions during the period / year	(8.1) 35,729	101,977
	592,226	646,844
Less:		
Deletions during the period / year	(8,518)	(11,859)
Depreciation for the period / year	(37,040)	(78,488)
	(45,558)	(90,347)
Book value at the end of the period / year	546,668	556,497

	Un-audited December 31, 2015	Audited June 30, 2015
Note	(Rupees in thousand)	
8.1 Additions during the period / year		
Buildings on freehold land	120	6,206
Plant and machinery	1,927	13,753
Tools and equipments	2,221	6,135
Computers	3,401	19,356
Furniture, fixture and office equipment	4,565	4,282
Vehicles	23,495	52,245
	<u>35,729</u>	<u>101,977</u>
9. LONG TERM INVESTMENTS		
Related parties		
Investment at cost		
Associates - quoted	176,405	187,127
Associates - unquoted	387,754	455,111
	<u>564,159</u>	<u>642,238</u>
Others		
Available for sale - quoted		
Cost	12,145	12,145
Surplus on revaluation of investment	66,416	64,953
	<u>78,561</u>	<u>77,098</u>
	<u>642,720</u>	<u>719,336</u>
10. LOANS AND ADVANCES		
Current portion of long term loans to employees	1,754	1,735
Advances to employees - considered good	2,760	1,790
Advances to suppliers - considered good	58,966	70,558
	<u>63,480</u>	<u>74,083</u>
Advances to suppliers - considered doubtful	2,485	2,485
Less: Provision for doubtful advances	(2,485)	(2,485)
	-	-
Letter of credit opening charges	24,497	9,196
	<u>87,977</u>	<u>83,279</u>
11. SHORT TERM INVESTMENTS		
Financial assets at fair value through profit and loss - Mutual fund units	-	700,203
Term deposit certificates	10,000	145,000
	<u>10,000</u>	<u>845,203</u>
12. 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:

Selected Notes to the Consolidated Condensed Interim Financial Information for the half year ended December 31, 2015 (Unaudited)

Relationship with the Company	Nature of transaction	Un-audited	
		December 31, 2015	December 31, 2014
		(Rupees in thousand)	
Associated companies	Purchase of goods and services	1,369,072	2,091,720
	Dividend received	132,901	134,212
Retirement benefit plans	Contribution to staff retirement benefit plans	7,655	5,635
Key management personnel	Remuneration	44,193	43,986
	Disposal of vehicles	1,710	1,094
	Disposal of computers	-	203

The outstanding balances of such parties are as under:

Relationship with the Company	Nature of transaction	Un-audited	Audited
		December 31, 2015	June 30, 2015
		(Rupees in thousand)	
Associated companies	Creditors	132,661	232,893
	Trade debts	10,284	27,540

13. EVENTS AFTER BALANCE SHEET DATE

The Board of Directors has declared Rs. 20/- cash dividend per share (30 June 2015: Rs. 27.50 per share) and Nil bonus shares (30 June 2015: Nil) in their meeting held on 12 February 2016.

14. DATE OF AUTHORIZATION

This condensed interim financial information was authorized for issue by the Board of Directors of the Group on 12 February 2016.

15. GENERAL

- 15.1 Provisions in respect of Worker's Welfare Fund, Worker's Profit Participation Fund, defined benefit plan and taxation are estimated and these are subject to final adjustment in the annual financial statements.
- 15.2 The figures of condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 31 December 2015 and 2014 were not subject to limited scope review by the auditors as scope of review covered only the cumulative figures.
- 15.3 Figures have been rounded off to the nearest thousand rupees.



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

www.millat.com.pk



Sheikhupura Road, Lahore - Pakistan
Tel: +92 42 37911021-25
UAN: 111 200 786

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