



for the 1st Quarter ended
September 30, 2021

Driving
GROWTH,
Enhancing
PERFORMANCE

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman

Mr. Sikandar Mustafa Khan

Chief Executive

Syed Muhammad Irfan Aqueel

Directors

Mr. Sohail Bashir Rana
Mr. Laeeq Uddin Ansari
Mian Muhammad Saleem
Mr. Saad Iqbal
Mrs. Ambreen Waheed
Mr. Ahsan Imran Sheikh

Company Secretary

Mr. Muhammad Faisal Azeem

Chief Financial Officer

Mr. Sohail A. Nisar

Auditors

M/s. A. F. Ferguson & Co.
Chartered Accountants

Legal Advisors

Riaa Barker Gillete
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 (Pakistan) Ltd.
United Bank Ltd.
Allied Bank Ltd.
Meezan Bank Ltd.

REGISTERED OFFICE AND PLANT

9-KM Sheikhpura Road, Distt. Sheikhpura.
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, Karachi
Tel: 021-34553752
UAN: 111-200-786
Fax: 021-34556321

Islamabad

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

Multan Cantt.

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

Sukkur

House No B/106 Akuwat Nagar Society,
Near Gol Masjid, Airport Road, Sukkur
Tel: 071-5815041
Fax: 071-5815042

DIRECTORS' REVIEW

On behalf of the Board of Directors of MTL, I would like to present the interim financial information of the Company for the quarter ended September 30, 2021 along with consolidated interim financial information of the Millat Group of Companies.

The global recovery continues but the momentum has weakened, hobbled by the pandemic. Pandemic outbreaks in critical links of global supply chains have resulted in longer-than-expected supply disruptions and rising freight and raw material costs, further feeding inflation in many countries. Pakistan has managed to show resilience to the spread of Delta variant with rigorous vaccination campaign. However, on economic front, rising import bill and current account deficit has led to devaluation of PKR against all major currencies. This has led to increase in raw material cost, soaring energy prices and high inflation which have impacted the overall business environment. This highlights the need for a comprehensive policy to achieve the momentous task of managing of current account deficit with sustainable growth.

Despite these challenges, your Company has managed to maintain its sales and has sold 7,197 units as compared to 7,225 units sold in previous period. Revenues increased from PKR 8,518 million to PKR 9,938 million. However, the continuous delay in releasing of sales tax refunds has deeply impacted the liquidity position of the Company as the pending sales tax refunds have accumulated up-to Rs. 5,929 Million despite decision in our favour by Federal Tax Ombudsman. The Company is managing the constraints in cash flows without disturbing the other stakeholders but an early release of funds is essential for the smooth operations of the Company.

Looking ahead, the agri-economy has shown good growth with bumper crops in previous year and with the higher output targets for this year we expect that agricultural output will be at record high. The purchasing power of farmers will further improve with the increase in minimum support prices and expected growth in output of the major crops. Consequently, we expect that demand will gain momentum in the next quarter and your Company is gearing up to meet the increase in demand.

Exports have been affected due to adverse situation on western borders and African Markets but we hope the situation will gradually improve.

Last but not least, I would like to extend my gratitude towards the Board, employees, vendors / suppliers and customers for continuing to put their trust in the company and delivering their best.

For and on behalf of the Board



Sikandar Mustafa Khan

Chairman

October 27, 2021

Lahore

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at September 30, 2021 (unaudited)

	Note	(Un-audited) September 30, 2021 (Rupees in thousand)	(Audited) June 30, 2021
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
75,000,000 (June 30, 2021: 75,000,000)			
ordinary shares of Rs. 10 each		750,000	750,000
Issued, subscribed and paid up capital		560,578	560,578
General reserves		2,278,935	2,278,935
Unappropriated profit		4,134,768	2,817,370
Fair value reserve		3,433,026	3,435,887
		10,407,307	9,092,770
Non-current liabilities			
Long term deposits		13,833	13,433
Deferred tax liabilities - net		962,984	962,984
Employees' defined benefit plan		56,383	50,256
Lease liabilities against right-of-use assets		301	1,442
Long term finance- secured		84,412	128,815
Deferred grant		11,422	13,485
		1,129,335	1,170,415
Current liabilities			
Accumulating compensated absences		112,170	110,670
Trade and other payables		2,977,598	3,661,499
Contract liabilities		9,239,720	9,919,342
Current portion of lease liabilities against right-of-use assets		2,915	4,386
Current portion of long term finance- secured		166,688	162,797
Current portion of deferred grant		13,272	15,602
Taxation- net		433,982	322,770
Unclaimed dividend		275,490	271,595
Unpaid dividend		22,479	74,403
		13,244,314	14,543,064
CONTINGENCIES AND COMMITMENTS			
	5	24,780,956	24,806,249

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



Chief Financial Officer



Chief Executive Officer

	Note	(Un-audited) September 30, 2021 (Rupees in thousand)	(Audited) June 30, 2021
ASSETS			
Non-current assets			
Property, plant and equipment			
Operating fixed assets	6	784,740	777,638
Capital work in progress	7	39,618	45,166
Right-of-use assets		3,969	4,896
Intangible assets		39,300	39,462
Investment property		255,708	255,708
Long term investments	8	6,201,802	6,199,458
Long term loans		3,201	2,482
		7,328,338	7,324,810
Current assets			
Stores, spare parts and loose tools		156,289	161,329
Stock-in-trade		6,553,767	5,372,584
Trade debts		149,374	141,234
Loans and advances		47,362	56,359
Trade deposits and short term prepayments		66,963	65,273
Balances with statutory authorities		5,929,136	4,592,169
Other receivables		72,469	108,253
Short term investments	9	3,647,085	6,134,636
Cash and bank balances		830,173	849,602
		17,452,618	17,481,439
		24,780,956	24,806,249



Chairman

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the quarter ended September 30, 2021 (unaudited)

	Quarter ended September 30, 2021 2020 (Rupees in thousand)	
Revenue from contracts with customers	9,938,047	8,517,827
Cost of sales	7,867,819	6,643,116
Gross profit	2,070,228	1,874,711
Distribution and marketing expenses	228,883	201,803
Administrative expenses	164,398	131,192
Other operating expenses	132,944	112,782
	526,225	445,777
Other operating income	248,334	69,699
Operating profit	1,792,337	1,498,633
Finance cost	239	810
Profit before tax	1,792,098	1,497,823
Taxation	474,700	362,868
Profit after tax for the period	1,317,398	1,134,955
Other comprehensive income:		
Items not to be reclassified to profit or loss in subsequent periods:		
Unrealized (loss) / gain on revaluation of investments at fair value through OCI	(2,861)	24,720
Total comprehensive income for the year	1,314,537	1,159,675
Earnings per share - basic and diluted (Rupees)	23.50	restated 20.25

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

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



Chief Financial Officer



Chief Executive Officer



Chairman

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the quarter ended September 30, 2021 (unaudited)

	Share capital	Revenue reserves		Capital reserves	Total
		General reserves	Unappropriated profit	Fair value reserves	
(Rupees in thousand)					
Balance as on July 1, 2020	498,292	2,278,935	997,460	297,389	4,072,076
Net profit for the period	-	-	1,134,955	-	1,134,955
Other comprehensive income for the period	-	-	-	24,720	24,720
Balance as on September 30, 2020	498,292	2,278,935	2,132,415	322,109	5,231,751
Balance as on July 1, 2021	560,578	2,278,935	2,817,370	3,435,887	9,092,770
Net profit for the period	-	-	1,317,398	-	1,317,398
Other comprehensive income for the period	-	-	-	(2,861)	(2,861)
Balance as on September 30, 2021	560,578	2,278,935	4,134,768	3,433,026	10,407,307

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



Chief Financial Officer



Chief Executive Officer



Chairman

CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the quarter ended September 30, 2021 (unaudited)

	Quarter ended	
	September 30, 2021	2020
	(Rupees in thousand)	
Cash flows from operating activities		
Profit before taxation	1,792,098	1,497,823
Adjustment for:		
Depreciation on property, plant & equipment	24,007	17,679
Amortization of intangible assets	162	486
Gain on sale of short term investments - at FVPL	(22,467)	-
Finance cost	239	810
(Gain) / loss on translation of foreign investment	(5,205)	1,200
Provision for employee benefits	7,627	8,738
Profit on bank deposits	(5,875)	(13,504)
	(1,512)	15,409
Cash flow from operating activities before working capital changes	1,790,586	1,513,232
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets:		
Stores and spares	5,040	10,525
Stock in trade	(1,181,183)	3,359
Trade debts	(8,140)	(46,359)
Loans and advances	8,997	(65,690)
Trade deposits and prepayments	(1,690)	(10,233)
Other receivables	35,784	(47,102)
	(1,141,192)	(155,500)
Increase / (decrease) in current liabilities:		
Trade and other payables	(683,901)	191,426
Contract liabilities	(679,622)	1,636,690
	(2,504,715)	1,672,616
Cash used in operations		
Taxes paid- net	(1,700,455)	(610,622)
Increase in long term loans to employees	(719)	(975)
Increase in long term security deposits	400	-
Mark-up paid	(239)	(11,810)
	(1,701,013)	(623,407)
Net cash (used in) / generated from operating activities	(2,415,142)	2,562,441
Cash flows from investing activities		
Purchase of property, plant and equipment	(28,868)	(65,462)
Short term investments redeemed / (made) - net	2,510,018	(2,570,119)
Proceeds from disposal of property, plant and equipment	3,307	4,139
Profit on bank deposits received	5,875	13,523
Net cash generated from / (used) in investing activities	2,490,332	(2,617,919)
Cash flows from financing activities		
Dividend paid	(48,029)	(4,587)
Principal payment against lease liabilities	(1,685)	(1,532)
Long term financing (repaid) / received	(44,905)	199,569
Net cash (used in) / generated from financing activities	(94,619)	193,450
Net (decrease) / increase in cash and cash equivalents	(19,429)	137,972
Cash and cash equivalents at the beginning of the period	849,602	1,719,462
Cash and cash equivalents at the end of the period	830,173	1,857,434

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



Chief Financial Officer



Chief Executive Officer



Chairman

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the quarter ended September 30, 2021 (unaudited)

1. The Company and Its Activities

Millat Tractors Limited (the Company) is a public limited company and was incorporated in Pakistan in 1964 under the Companies Act, 1913 (now the Companies Act, 2017), and is listed on the Pakistan Stock Exchange Limited. The registered office and factory of the Company is situated at 9 km Sheikhpura Road, District Sheikhpura. The Company also has regional offices located in Karachi, Multan, Sukkur and Islamabad. The Company is principally engaged in assembling and manufacturing of agricultural tractors, implements and multi-application products.

2. Statement of Compliance

2.1 This interim financial information of the Company for the quarter ended September 30, 2021 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 Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act 2017 have been followed.

2.2 This interim financial information is un-audited and is being submitted to shareholders, as required by section 237 of the Companies Act, 2017.

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, 2021.

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, 2021 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 9 – Financial Instruments¹, Amendments regarding replacement issues in the context of the IBOR reform (Amendment)

IFRS 7 – Amendments regarding replacement issues in the context of the IBOR reform (Amendment)

IFRS 16 – Leases¹, Amendment to extend the exemption from assessing whether a COVID-19-related rent concession is a lease modification

The adoption of the above amendments did not have any effect on the interim financial information.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the quarter ended September 30, 2021 (unaudited)

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, 2021.

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. 1,949,750 thousand (June 30, 2021: Rs 1,831,565 thousand).

	Note	September 30, 2021 (Rupees in thousand)	June 30, 2021
6. Operating Fixed Assets			
Opening book value		777,638	667,980
Add: Additions during the period / year	6.1	34,416	216,657
		812,054	884,637
Less:			
Disposals / write offs during the period / year (at book value)		(3,307)	(26,596)
Depreciation charged during the period / year		(24,007)	(80,403)
		(27,314)	(106,999)
Closing book value		784,740	777,638
6.1 Additions during the period			
- Buildings		–	851
- Plant and machinery		–	83,537
- Tools and equipments		721	5,324
- Furniture, fixture and office equipment		838	3,077
- Vehicles		32,653	120,460
- Computers		204	3,408
		34,416	216,657
7. Capital Work in Progress			
Plant and machinery		30,026	21,146
Office equipment		–	154
Advance for tools and equipment		1,613	1,613
Advance for vehicles		7,979	22,253
		39,618	45,166

	September 30, 2021	June 30, 2021
	(Rupees in thousand)	
8. Long Term Investments		
Investment at cost		
Subsidiaries		
- Millat Industrial Products Limited - unquoted	57,375	57,375
- Tipeg Intertrade DMCC - unquoted	70,110	64,905
- Bolan Castings Limited - quoted	76,610	76,610
- Millat Equipment Limited - unquoted	117,000	117,000
	321,095	315,890
Others Investment at fair value through OCI		
Un quoted		
- Hyundai Nishat Motors (Private) Limited	1,504,903	1,504,903
Surplus on fair valuation of investment	4,276,934	4,276,935
	5,781,837	5,781,838
- TCC Management Services (Private) Limited	400	400
Quoted		
- Baluchistan Wheels Limited- Cost	12,145	12,145
Surplus on revaluation of investment	86,325	89,185
	98,470	101,330
	6,201,802	6,199,458

9. Short Term Investments		
Mutual funds - at FVPL	3,647,085	5,784,636
Term Deposit Receipt	-	350,000
	3,647,085	6,134,636

	September 30, 2021	June 30, 2021
	(Rupees in thousand)	
10. Transactions With Related Parties		
Payable to related parties	254,104	596,738
Receivable from related parties	748	23,602

	Quarter ended September 30, 2021	
	2021	
	(Rupees in thousand)	
Purchases from related parties	2,199,433	1,449,475
Sale to related parties	123,230	175,404
Retirement benefit plans	7,490	7,168

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the quarter ended September 30, 2021 (unaudited)

11. Subsequent Events

The Board of Directors have declared Rs Nil cash dividend (June 30, 2021: Rs. 50 per share) and Nil bonus shares (June 30, 2021: 20%) in their meeting held on October 27, 2021.

12. Date Of Authorisation For Issue

This condensed interim financial statements was authorised for issue on October 27, 2021 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.



Chief Financial Officer



Chief Executive Officer



Chairman

Consolidated Condensed Interim Financial Statements
MILLAT TRACTORS LIMITED
For the quarter ended September 30, 2021 (unaudited)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at September 30, 2021 (unaudited)

	Note	(Un-audited) September 30, 2021 (Rupees in thousand)	(Audited) June 30, 2021
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
75,000,000 (2021: 75,000,000) ordinary shares of Rs. 10/- each		750,000	750,000
Issued, subscribed and paid up capital		560,578	560,578
General reserves		2,475,309	2,475,309
Unappropriated profit		4,782,949	3,458,902
Exchange translation reserve		67,210	54,833
Fair value reserve		3,478,812	3,481,970
		11,364,858	10,031,592
Non-controlling interests		1,137,865	1,049,532
Non-current liabilities			
Long term deposits		30,667	30,025
Deferred taxation		939,897	938,586
Employees' defined benefit plan		92,472	85,072
Lease liabilities against right-of-use assets		301	1,442
Long term finance- secured		158,346	227,511
Deferred grant		17,035	21,085
		1,238,718	1,303,721
Current liabilities			
Accumulating compensated absences		137,357	146,256
Trade and other payables		3,726,160	4,064,135
Contract liabilities		9,180,744	9,920,662
Current portion of lease liabilities against right-of-use assets		2,915	4,386
Current portion of long term finance- secured		284,902	280,925
Current portion of deferred grant		21,211	26,424
Current portion of long term deposits		1,605	1,572
Short term borrowings		945,261	530,655
Taxation - net		486,932	372,038
Unclaimed dividend		298,557	284,291
Unpaid dividend		22,479	78,297
		15,108,123	15,709,641
CONTINGENCIES AND COMMITMENTS			
	5	28,849,564	28,094,486

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



Chief Financial Officer



Chief Executive Officer

	Note	(Un-audited) September 30, 2021 (Rupees in thousand)	(Audited) June 30, 2021
ASSETS			
Non-current assets			
Property, plant and equipment			
Operating fixed assets	6	1,816,784	1,793,993
Capital work in progress	7	54,367	49,828
Right-of-use assets		3,969	4,896
Intangible asset		61,119	63,838
Goodwill		18,572	18,572
Investment property		255,708	255,708
Long term investments	8	5,902,776	5,906,278
Long term loans		4,862	3,347
Long term deposits		52,573	49,644
Employees' defined benefit plan		13,769	13,384
		8,184,499	8,159,488
Current assets			
Stores and spares		568,739	585,931
Stock in trade		7,872,793	6,489,318
Trade debts		374,087	307,921
Loans and advances		739,801	198,623
Other receivables		86,390	89,378
Trade deposits and short term prepayments		82,255	77,120
Balances with statutory authorities		6,069,013	4,612,098
Tax refunds due from the Government		62,348	73,299
Short term investments		3,767,085	6,368,491
Cash and bank balances		1,042,554	1,132,819
		20,665,065	19,934,998
		28,849,564	28,094,486



Chairman

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the quarter ended September 30, 2021 (unaudited)

	Quarter ended	
	September 30,	
	2021	2020
	(Rupees in thousand)	
Revenue from contracts with customers	10,390,466	9,000,451
Cost of sales	7,846,239	6,768,944
Gross profit	2,544,227	2,231,507
Distribution and marketing expenses	261,048	224,504
Administrative expenses	263,766	220,320
Other operating expenses	157,059	129,150
	681,873	573,974
Other income	180,605	91,852
	2,042,959	1,749,385
Finance cost	20,593	17,631
Profit before taxation	2,022,366	1,731,754
Taxation	573,024	439,919
Profit after tax for the period	1,449,342	1,291,835
Other comprehensive income:		
Items that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	12,377	–
Items not to be reclassified to profit or loss in subsequent periods:		
Unrealized (loss) / gain on revaluation of investments at fair value through OCI	(3,502)	30,260
Total comprehensive income for the period	1,458,217	1,322,095
Attributable to:		
- Equity holders of the holding Company		
Profit after tax	1,324,047	1,213,247
Total comprehensive income for the period	9,219	27,283
	1,333,266	1,240,530
- Non-controlling interests		
Profit after tax	125,295	78,588
Total comprehensive (loss) / income for the period	(344)	2,977
	124,951	81,565
	1,458,217	1,322,095
		restated
Earnings per share - basic and diluted (Rupees)	25.85	23.04

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

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



Chief Financial Officer



Chief Executive Officer



Chairman

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the quarter ended September 30, 2021 (unaudited)

	Share capital	Revenue reserves		Capital reserves		Non-controlling interests	Total
		General reserves	Unappropriated profit	Exchange translation reserve	Fair value reserve		
(Rupees in thousand)							
Balance as on 30 June 2020	498,292	2,475,309	1,409,344	60,785	341,043	851,210	5,635,983
Net profit for the period	-	-	1,213,247	-	-	78,588	1,291,835
Other comprehensive income for the period	-	-	-	-	27,283	2,977	30,260
	-	-	1,213,247	-	27,283	81,565	1,322,095
Balance as on 30 September 2020	498,292	2,475,309	2,622,591	60,785	368,326	932,775	6,958,078
Balance as on 30 June 2021	560,578	2,475,309	3,458,902	54,833	3,481,970	1,049,532	11,081,124
Dividend payment to non controlling interest	-	-	-	-	-	(36,618)	(36,618)
Net profit for the period	-	-	1,324,047	-	-	125,295	1,449,342
Other comprehensive income / (loss) for the period	-	-	-	12,377	(3,158)	(344)	8,875
	-	-	1,324,047	12,377	(3,158)	124,951	1,458,217
Balance as on 30 September 2021	560,578	2,475,309	4,782,949	67,210	3,478,812	1,137,865	12,502,723

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



Chief Financial Officer



Chief Executive Officer



Chairman

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

As at September 30, 2021 (unaudited)

	Note	Quarter ended	
		September 30, 2021	2020
(Rupees in thousand)			
Cash flows from operating activities			
Profit before taxation		2,022,366	1,731,754
Adjustment for:			
Depreciation on property, plant & equipment		54,141	43,804
Amortization of intangible assets		2,719	491
Provision for employee benefits		(1,884)	(5,973)
Finance cost		20,593	17,631
Profit on bank deposits		(9,157)	(16,590)
		66,412	39,363
Cash flow from operating activities before working capital changes		2,088,778	1,771,117
Effect on cash flow due to working capital changes			
(Increase) / Decrease in current assets:			
Stores and spares		17,192	32,032
Stock in trade		(1,383,475)	11,387
Trade debts		(66,166)	(269,653)
Loans and advances		(541,178)	(91,765)
Trade deposits and prepayments		(5,135)	(20,075)
Other receivables		2,988	(36,256)
		(1,975,774)	(374,330)
Increase / (Decrease) in current liabilities:			
Trade and other payables		(337,975)	455,830
Contract liabilities		(739,918)	1,585,835
		(964,889)	3,438,452
Cash used in operations			
Taxes paid- net		(1,902,783)	(544,506)
Increase in long term loans to employees		(1,515)	(750)
Increase in long term security deposits		(2,254)	683
Mark-up paid		(20,593)	(17,631)
		(1,927,145)	(562,204)
Net cash (used in) / generated from operating activities		(2,892,034)	2,876,248
Cash flows from investing activities			
Purchase of property, plant and equipment		(84,928)	(68,740)
Short term investments- net		2,601,406	(2,656,264)
Proceeds from sale of property, plant and equipment		3,457	4,502
Profit on bank deposits		9,157	16,590
Net cash generated from / (used in) investing activities		2,529,092	(2,703,912)
Cash flows from financing activities			
Dividend paid to equity holders of the holding Company		(41,552)	(4,588)
Dividend paid to non controlling interests		(36,618)	-
Principal payment against lease liabilities		(1,685)	(1,532)
Long term financing (repaid) / received		(74,451)	235,503
Net cash (used in) / generated from financing activities		(154,306)	229,383
Net (decrease) / increase in cash and cash equivalents		(517,248)	401,719
Cash and cash equivalents at the beginning of the period		602,164	1,055,945
Foreign exchange difference		12,377	-
Cash and cash equivalents at the end of the period	9	97,293	1,457,664

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



Chief Financial Officer



Chief Executive Officer



Chairman

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

As at September 30, 2021 (unaudited)

1. The Group and Its Activities

Holding company:

Millat Tractors Limited (the Company) is a public limited company and was incorporated in Pakistan in 1964 under the Companies Act, 1913 (now the Companies Act, 2017), and is listed on the Pakistan Stock Exchange Limited. The registered office and factory of the Company is situated at 9 km Sheikhpura Road, District Sheikhpura. The Company also has regional offices located in Karachi, Multan, Sukkur and Islamabad. The Company is principally engaged in assembling and manufacturing of agricultural tractors, implements and multi-application products.

Subsidiary companies:

Millat Industrial Products Limited (MIPL), an unlisted public company registered under the Companies Ordinance 1984 (now the Companies Act, 2017), is a subsidiary of Millat Tractors Limited which holds 64.09% of the company's equity. MIPL is engaged in the business of manufacturing of industrial, domestical and vehicular batteries, cells and components. The geographical location and address of the Company's business units, including mills/plant is as under:

- The registered office of the company is situated at 8.8 km, Lahore- Sheikhpura Road, Shahdara, Lahore
- The manufacturing facility of the company is located at 49 km., off Multan Road, Bhai Pheru, Distt. Kasur.

Tipeg Intertrade DMCC, a limited liability company registered with Dubai Multi Commodities Centre (DMCC) Authority, is a subsidiary of Millat Tractors Limited which holds 75% of the company's equity. The principal place of business of the company is located at Jumeirah Lake Towers, Dubai-UAE. The company is formed for trading of machinery and heavy equipment and registered office of the company is situated at Unit No.705, Fortune Executive Tower, Jumeirah lake Towers, Dubai, United Arab Emirates.

Millat Equipment Limited, was incorporated as a private limited company under the repealed Companies Ordinance 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017), and was converted into an unlisted public limited company on April 20, 2004 is a subsidiary of Millat Tractors Limited which holds 45% of the company's equity. The Company is engaged in the business of manufacturing of automotive, agricultural and industrial vehicles, parts and components thereof. The registered office of the Company is situated at Sheikhpura Road, Lahore and the manufacturing facility of is situated at 10 km Raiwind Road, Lahore.

Bolan Castings Limited (BCL), a public limited company incorporated in Pakistan under the repealed Companies Ordinance 1984 (now the Companies Act), and listed on the Pakistan Stock Exchange, is a subsidiary of Millat Tractors Limited which holds 46.26% of the company's equity. BCL is engaged in the business of manufacturing of castings for tractors and automotive parts thereof. The geographical location and address of the Company's business unit, including plant is RCD Highway, Hub Chowki, District Lasbela, Balochistan, Pakistan.

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

As at September 30, 2021 (unaudited)

2. Statement of Compliance

- 2.1 This interim financial statements of the Group for the quarter ended September 30, 2021 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 Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.
- 2.2 This interim financial statements is un-audited and is being submitted to shareholders, as required by section 228 of the Companies Act, 2017.

3. Basis of Preparation

- 3.1 This interim financial statements 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, 2021.
- 3.2 The accounting policies adopted for the preparation of this interim financial statements are same as those applied in the preparation of the preceding annual published financial statements of the Group for the year ended June 30, 2021 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 16 – Leases', Amendment to extend the exemption from assessing whether a COVID-19-related rent concession is a lease modification
 - IFRS 9 – Financial Instruments', Amendments regarding replacement issues in the context of the IBOR reform (Amendment)
 - IFRS 7 – Amendments regarding replacement issues in the context of the IBOR reform (Amendment)

The adoption of the above amendments did not have any effect on the interim financial statements.

4. Accounting Estimates and Judgments

The preparation of interim financial statements 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, 2021.

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. 1,949,750 thousand (June 30, 2021: Rs 2,374,237 thousand).

	Note	September 30, 2021	June 30, 2021
(Rupees in thousand)			
6. Operating Fixed Assets			
Opening book value		1,793,993	1,645,923
Add: Additions during the period / year	6.1	80,389	374,957
		1,874,382	2,020,880
Less:			
Disposals / write offs during the period / year (at book value)		(3,457)	(38,599)
Depreciation charged during the period / year		(54,141)	(188,288)
		(57,598)	(226,887)
Closing book value		1,816,784	1,793,993
6.1 Additions during the period / year			
- Buildings on freehold land		-	4,423
- Plant and machinery		22,704	110,561
- Tools and equipment		2,228	84,970
- Furniture, fixture and office equipment		884	5,764
- Vehicles		54,350	164,988
- Computers		223	4,251
		80,389	374,957
7. Capital Work In Progress			
Plant and machinery		44,775	22,678
Office equipment		-	154
Advance for tools and equipment		1,613	1,613
Advance for vehicles		7,979	25,383
		54,367	49,828

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

As at September 30, 2021 (unaudited)

	September 30, 2021	June 30, 2021
	(Rupees in thousand)	
8. Long Term Investments		
Other investment - at FVOCI		
Unquoted		
Hyundai Nishat Motors (Private) Limited	1,504,903	1,504,903
Surplus on revaluation of investment	4,276,934	4,276,935
	5,781,837	5,781,838
TCC Management Services (Private) Limited	400	400
Quoted		
Baluchistan Wheels Limited	24,364	24,364
Surplus on revaluation of investment	96,175	99,676
	120,539	124,040
	5,902,776	5,906,278

	September 30, 2021	2020
	(Rupees in thousand)	
9.. Cash and cash equivalents		
Cash and bank balances	1,042,554	2,084,540
Short term borrowings	(945,261)	(626,876)
	97,293	1,457,664
10. Transactions With Related Parties		
significant transactions with related parties are as follows:		
Contribution to retirement benefit plans	10,366	9,772

11. Operating Segment Information

Business segments

For management purposes, the Group is organized into business units based on their nature of business and has three reportable operating segments as follows:

Tractors

Tractor components

Castings

No other operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its operating segments separately for the purpose of performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

	Tractors		Tractor components		Castings		Other segments		Inter segment eliminations		Total	
	September 2021	September 2020	September 2021	September 2020	September 2021	September 2020	September 2021	September 2020	September 2021	September 2020	September 2021	September 2020
Rupees in thousands												
Sales	9,939,047	8,517,827	1,302,382	921,956	621,190	463,886	858,381	724,147	(2,329,534)	(1,627,375)	10,390,466	9,000,451
Cost of sales	7,967,819	6,643,116	1,001,086	702,950	557,805	402,605	749,063	647,748	(2,329,534)	(1,627,375)	7,846,239	6,768,944
Gross profit	2,070,228	1,874,711	301,296	219,106	63,385	61,291	109,318	76,399	-	-	2,544,227	2,231,507
Distribution cost	228,883	201,803	1,131	597	14,125	10,678	16,909	11,426	-	-	261,048	224,504
Administrative expenses	164,398	131,192	47,908	35,068	17,862	25,132	33,598	28,928	-	-	263,766	220,320
Other operating expenses	132,944	112,782	19,607	13,765	1,801	1,291	2,707	1,312	-	-	157,059	129,150
Other income	526,225	445,777	68,646	49,430	33,788	37,101	53,214	41,666	-	-	681,873	573,974
Operating profit	2,48,334	69,689	41,435	16,185	3,049	2,834	6,097	3,134	(118,310)	-	180,605	91,852
Finance costs	1,792,337	1,498,633	274,085	185,961	32,646	27,024	62,201	37,867	(118,310)	-	2,042,959	1,749,985
Profit / (loss) before taxation	239	810	10,297	6,140	9,487	10,130	570	551	-	-	20,593	17,631
Taxation	474,700	362,868	76,499	52,119	9,318	16,542	12,507	8,390	(118,310)	-	2,022,366	1,731,754
Profit / (loss) for the period	1,317,398	1,134,955	187,289	127,602	13,841	352	49,124	28,926	(118,310)	-	1,449,342	1,291,835

11.1 Inter segment sales and purchases have been eliminated.

11.2 Allocation of assets and liabilities

	Tractors		Tractor components		Castings		Other segments		Inter segment eliminations		Total	
	September 2021	June 2021	September 2021	June 2021	September 2021	June 2021	September 2021	June 2021	September 2021	June 2021	September 2021	June 2021
Rupees in thousands												
Segment operating assets												
Non-Current assets	7,328,338	7,324,810	771,188	754,365	342,143	343,273	160,587	147,948	(436,329)	(429,480)	8,165,927	8,140,916
Goodwill	-	-	-	-	-	-	-	-	18,572	18,572	18,572	18,572
Current Assets	17,452,618	17,481,439	2,054,678	1,424,027	722,483	688,320	1,025,570	989,214	(590,294)	(628,002)	20,665,065	19,934,998
Total Assets	24,780,956	24,806,249	2,825,866	2,178,392	1,064,626	1,011,593	1,186,157	1,137,162	(1,008,041)	(1,038,910)	28,849,564	28,094,486
Segment operating liabilities												
Non-current liabilities	1,129,335	1,170,415	141,113	158,209	55,849	63,988	7,946	6,634	(95,525)	(95,525)	1,238,718	1,303,721
Current liabilities	13,244,314	14,543,064	1,256,179	778,898	788,052	740,080	409,862	274,853	(590,294)	(627,254)	15,108,123	15,709,641
Total operating liabilities	14,373,649	15,713,479	1,397,292	937,107	843,901	804,068	417,808	281,487	(685,809)	(722,779)	16,346,841	17,013,362

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

As at September 30, 2021 (unaudited)

12. Subsequent Events

The Board of Directors have declared Rs Nil cash dividend (June 30, 2021: Rs. 50 per share) and Nil bonus shares (June 30, 2021: 20%) in their meeting held on October 27, 2021.

13. Date Of Authorisation For Issue

This condensed interim financial information was authorised for issue on October 27, 2021 by the Board of Directors of the Group.

14. Corresponding Figures

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



Chief Financial Officer



Chief Executive Officer



Chairman



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VANTAGE