



# 60 *Years of Excellence* & Service to the Nation

for the 2<sup>nd</sup> Quarter and  
Half Year ended December 31,

# 2024



 [www.millat.com.pk](http://www.millat.com.pk)

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# Corporate Information

## BOARD OF DIRECTORS

### Chairman

Mr. Sikandar Mustafa Khan

### Chief Executive

Mr. Raheel Asghar

### Directors

Mr. Sohail Bashir Rana

Mr. Laeeq Uddin Ansari

Mr. Qaiser Saleem

Mr. Saad Iqbal

Mr. Nasar Us Samad Qureshi

Mr. Muhammad Javed Rashid

Mr. Muhammad Mustafa Khan

Mr. Muhammad Mustafa Sohail

Mr. Murad uddin Ansari

Ms. Zara Salman Bandial

### Company Secretary

Mr. Muhammad Faisal Azeem

### Chief Financial Officer

Mr. Sohail A. Nisar

### Auditors

A.F. Ferguson & Co.  
Chartered Accountants

### Legal Advisors

Riaa Barker Gillete  
Akhtar Ali & Associates  
Ch. Law Associates Inn

### Company Share Registrar

#### Karachi

CDC Share Registrar Services Limited.  
CDC House, 99 - B, Block 'B',  
S.M.C.H.S., Main Shahra-e-Faisal,  
Karachi-74400.

Tel: Customer Support Services (Toll Free)  
0800-CDCPL (23275)

Fax: (92-21) 34326053

Email: info@cdcsrcsl.com

Website: www.cdcsrcsl.com

#### Lahore

Mezzanine Floor, South Tower, LSE Plaza,  
Khayaban-E-Aiwan-E-Iqbal,  
Lahore.

Tel: (92-42)- 36362061-66

#### Islamabad

Room # 410,  
4th Floor, ISE Towers, 55-B, Jinnah Avenue,  
Blue Area,  
Islamabad.  
Tel. (92-51) 2895456-9

#### Bankers

Bank Alfalah Limited  
Habib Bank Limited  
MCB Bank Limited  
Allied Bank Limited  
Meezan Bank Limited  
Bank of Punjab Limited

## 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

### Millat Precision Engineering

10 - km Raiwind Road, Lahore.

## 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 Millat Tractors Limited, I am pleased to present the interim financial information of the Company for the six month ended December 31, 2024 along with consolidated interim financial information of the Millat Group of Companies.

I am pleased to convey that consequent to recent decision of Honorable Lahore High Court approving the merger of Millat Equipment Limited into and with Millat Tractors Limited, these financial statements are merged.

Pakistan's economy is indicating positive developments during the first six month period of the fiscal year 2025. Inflation has dropped to single digit, industrial output has increased, and large exporting sectors have witnessed growth, reflecting an optimistic outlook for exports. The current account remained in surplus in December 2024. Policy rate is gradually decreasing while Pakistan Stock Market continues to trend upward. This trajectory is expected to continue in the coming months. Global oil prices have exhibited heightened volatility over the past few weeks. And lastly, the global economic policy environment has become more uncertain, prompting central banks to adopt a cautious approach.

Despite the overall positive factors, your Company encountered a challenging environment due to change in sales tax regime as enacted through Finance Act 2024 for the tractor manufacturing industry. This led to multiple ambiguities for tractor manufacturing industry, seriously deterring the sales of the company in the first quarter. However, after a rigorous follow-up Federal Board of Revenue (FBR) removed the issues by revising the sales tax rate. Meanwhile, the Government of Punjab implemented the Green Tractor Scheme for farmers through balloting. These two steps facilitated and provided a boost to the sales in the second quarter. Consequently, your Company managed to achieve sales of 10,041 tractors during the six month ended December 31, 2024, as compared to 15,099 tractors sold during the corresponding period last year. This represents a 33.5% slump in sales volume. Sales in value terms reduced from Rs. 44.7 billion to Rs. 27.5 billion, i.e., a decrease of 38.5%. The earnings per share for the period were Rs. 19.01 as compared to Rs. 27.36 for the same period last year.

Sales tax refunds of the tractor industry are still outstanding and have resulted in severe liquidity issues. The sales tax refunds have now ballooned up to Rs. 7.44 billion, which has induced additional financial costs owing to bank borrowing needed to sustain operations.

Despite these circumstances, your Company has managed to perform reasonably well. Export sales of your Company have reached 1,567 units against 1,363 units in the corresponding period last year. The global economic factors are showing that the Company will achieve better export volumes. The Company's marketing department has now been asked to focus on exports of tractors being the most competitively priced tractor globally.

I extend my gratitude towards Board of Directors, shareholders, vendors, dealers and employees of MTL and acknowledge their hard work.

For and on behalf of the Board



**Sikandar Mustafa Khan**

Chairman

February 19, 2025

Lahore

# INDEPENDENT AUDITOR'S

## Review Report

### TO THE MEMBERS OF MILLAT TRACTORS LIMITED REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

#### Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Millat Tractors Limited as at December 31, 2024 and the related unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated financial statements for the six month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss and other comprehensive income for the three month period ended December 31, 2024 and December 31, 2023 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended December 31, 2024.

#### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, 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 statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

#### Other matter

The comparative information as at June 30, 2024 included in the unconsolidated condensed interim statement of financial position and related explanatory notes has not been audited.

The engagement partner on the audit resulting in this independent auditor's report is Amer Raza Mir.



A. F. Ferguson & Co.  
Chartered Accountants

Lahore: February 26, 2025  
UDIN: RR2024101187L3mFdQwo

Unconsolidated Condensed Interim Financial Statements

# MILLAT TRACTORS LIMITED

For the quarter and six months ended December 31, 2024

# Unconsolidated Condensed Interim Statement of Financial Position (Unaudited)

As at December 31, 2024

	Note	December 31, 2024 (Rupees in thousand)	(Restated) June 30, 2024
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized share capital		530,000,000	
(June 30, 2024: 530,000,000)			
ordinary shares of Rs. 10 each		5,300,000	5,300,000
Issued, subscribed and paid up capital		1,917,983	1,917,983
Reserves		12,440,798	9,035,169
		14,358,781	10,953,152
<b>Non-current liabilities</b>			
Long term finances - secured	8	675,873	894,649
Deferred grant		8,817	10,527
Lease liabilities		-	2,334
Long-term deposits and advances		39,451	38,217
Deferred tax liabilities - net		1,140,452	1,238,038
		1,864,593	2,183,765
<b>Current liabilities</b>			
Trade and other payables	9	8,527,758	8,625,248
Contract liabilities		2,804,853	960,805
Taxation - net		-	1,013,021
Short term borrowings	10	13,945,397	8,093,310
Current portion of non-current liabilities		434,990	428,614
Unclaimed dividend		375,930	344,541
Unpaid dividend		-	43,714
Accumulating compensated absences		278,010	227,258
		26,366,938	19,736,511
<b>CONTINGENCIES AND COMMITMENTS</b>			
	11	42,590,312	32,873,428

The annexed notes from 1 to 26 form an integral part of these unconsolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



	Note	December 31, 2024 (Rupees in thousand)	(Restated) June 30, 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	1,629,014	1,624,366
Right-of-use assets		4,087	6,730
Investment property		294,569	294,569
Intangible assets		19,650	23,580
Long term investments	13	5,772,634	6,165,557
Employees' defined benefit plan		293,919	288,081
Long term loans, advances and deposits		10,858	11,072
		8,024,731	8,413,955
<b>Current assets</b>			
Stores, spare parts and loose tools		707,393	681,778
Stock-in-trade		15,760,449	14,882,738
Trade debts		4,859,007	376,792
Loans and advances	14	669,183	417,086
Trade deposits and short term prepayments		123,127	124,140
Other receivables		598,556	283,705
Balances with statutory authorities		7,439,616	6,294,755
Taxation - net		438,853	-
Short term investments		3,008,162	-
Cash and bank balances	15	961,235	1,398,479
		34,565,581	24,459,473
		42,590,312	32,873,428



Chairman

# Unconsolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Unaudited)

For the six month and three month period ended December 31, 2024

	Note	Six month period ended		Three month period ended	
		Restated		Restated	
		December 31 2024	December 31 2023	December 31 2024	December 31 2023
<b>(Rupees in thousand)</b>					
Revenue from contracts with customers	16	27,493,580	44,693,798	19,497,476	23,932,970
Cost of sales		(20,197,014)	(34,217,448)	(14,526,513)	(18,255,820)
<b>Gross profit</b>		7,296,566	10,476,350	4,970,963	5,677,150
Distribution and marketing expenses		(919,626)	(955,173)	(562,132)	(455,752)
Administrative expenses		(860,897)	(535,773)	(468,277)	(304,022)
Other operating expenses		(657,932)	(648,143)	(585,179)	(337,417)
		(2,438,455)	(2,139,089)	(1,615,588)	(1,097,191)
Other income	17	266,351	691,052	164,227	541,175
<b>Operating profit</b>		5,124,462	9,028,313	3,519,602	5,121,134
Finance cost		(1,173,351)	(316,810)	(545,293)	(121,428)
<b>Profit before income taxes and levies</b>		3,951,111	8,711,503	2,974,309	4,999,706
Levy - final taxes		(7,505)	(73,738)	(6,928)	(65,315)
<b>Profit before income tax</b>		3,943,606	8,637,765	2,967,381	4,934,391
Taxation - income taxes		(298,293)	(3,391,028)	73,854	(1,979,329)
<b>Profit after tax for the period</b>		3,645,313	5,246,737	3,041,235	2,955,062
Other comprehensive income:					
Items not to be reclassified to profit or loss in subsequent periods:					
Unrealized loss on revaluation of investments measured at fair value through other comprehensive income - net of taxation		(239,684)	(352,844)	(208,178)	(463,168)
Remeasurement loss on employees' defined benefit plan		-	(47,846)	-	(47,846)
		(239,684)	(400,690)	(208,178)	(511,014)
Total comprehensive income for the period		3,405,629	4,846,047	2,833,057	2,444,048
<b>Earnings per share - basic and diluted (Rupees)</b>		19.01	27.36	15.86	15.41

The annexed notes from 1 to 26 form an integral part of these unconsolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

# Unconsolidated Condensed Interim Statement of Changes in Equity (Unaudited)

For the six month period ended December 31, 2024

	Issued, subscribed and paid up capital	Capital reserves			Revenue Reserves		Total
		Fair value reserve	Share issuance reserve	Amalgamation reserve	General reserves	Unappropriated profit	
(Rupees in thousand)							
<b>Balance as on July 1,</b>							
<b>2023 (audited)</b>	1,917,983	1,902,905	-	-	2,278,935	1,617,829	7,717,652
Transactions with owners							
in their capacity as owners:							
Final dividend for the year ended							
June 30, 2023 @ Rs. 15 per share	-	-	-	-	-	(2,876,973)	(2,876,973)
Profit after taxation for the period	-	-	-	-	-	5,246,737	5,246,737
Other comprehensive loss - net of taxation	-	(352,844)	-	-	-	(47,846)	(400,690)
Total comprehensive income for the period	-	(352,844)	-	-	-	5,198,891	4,846,047
<b>Balance as on December 31,</b>							
<b>2023 (unaudited)</b>	1,917,983	1,550,061	-	-	2,278,935	3,939,747	9,686,726
Balance as on July 1, 2024 as reported earlier (audited)	1,917,983	1,754,348	-	-	2,278,935	3,810,780	9,762,046
Effect of changes due to							
amalgamation - note 1.2	-	-	77,177	104,823	-	1,009,106	1,191,106
<b>Balance as at July 1, 2024 - restated (unaudited)</b>	1,917,983	1,754,348	77,177	104,823	2,278,935	4,819,886	10,953,152
Profit after taxation for							
the period	-	-	-	-	-	3,645,313	3,645,313
Other comprehensive loss - net of taxation	-	(239,684)	-	-	-	-	(239,684)
Total comprehensive income for the period	-	(239,684)	-	-	-	3,645,313	3,405,629
<b>Balance as on December 31, 2024 (unaudited)</b>	1,917,983	1,514,664	77,177	104,823	2,278,935	8,465,199	14,358,781

The annexed notes from 1 to 26 form an integral part of these unconsolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

# Unconsolidated Condensed Interim Statement of Cash Flows (Unaudited)

For the six month period ended December 31, 2024

Note	Six month period ended	
	December 31,	(Restated) December 31,
	2024	2023
(Rupees in thousand)		
<b>Cash flows from operating activities</b>		
Profit before income tax	3,943,606	8,637,765
Adjustment for:		
Depreciation on property, plant and equipment	97,867	54,143
Adjustments in property, plant and equipment	-	1,708
Depreciation on right-of-use assets	2,643	3,314
Amortization of intangible assets	3,930	1,912
Revaluation gain on short-term investments	(8,161)	-
Gain on sale of short-term investments	-	(29,941)
Provision for gratuity	1,217	297
Credited to employees' defined benefit plan	(1,024)	(19,960)
Provision for legal settlement	365,000	-
Provision for accumulating compensated absences	50,752	59,747
Provision for obsolete stock-in-trade	-	12,438
Amortization of deferred grant	(1,863)	(1,567)
Unwinding of long-term loan	812	2,227
Final tax - levy	7,505	73,738
Provision for Workers' Profit Participation Fund	212,197	467,857
Provision for Workers' Welfare Fund	80,635	177,786
Finance cost	1,173,681	312,800
Finance cost on lease liability	721	810
Profit on bank deposits	(64,410)	(150,411)
Unrealized exchange loss	-	1,888
Dividend income from short-term investments	-	(47,465)
Dividend income from long-term investments	(50,035)	(240,577)
	1,871,467	680,744
Cash flow from operating activities before working capital changes	5,815,073	9,318,509
<b>Effect on cash flow due to working capital changes</b>		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(25,615)	(18,708)
Stock-in-trade	(877,711)	(3,290,696)
Trade debts	(4,482,215)	(135,331)
Loans and advances	(252,097)	53,773
Trade deposits and short term prepayments	1,013	182,275
Balances with statutory authorities	(1,144,861)	(116,197)
Other receivables	(408,753)	(166,671)
	(7,190,239)	(3,491,555)
Increase / (decrease) in current liabilities:		
Trade and other payables	(280,704)	4,524,158
Contract liabilities	1,844,048	1,291,917
Cash (used in) / generated from operations	(5,626,895)	2,324,520
Income taxes paid	(1,750,167)	(2,642,599)
Levy - final taxes paid	(7,505)	(73,738)
Receipts / (payments) against long-term loans to employees - net	214	(412)
Workers' Profit Participation Fund received	83,913	-
Workers' Welfare Fund paid	(353,958)	(102,756)
Employee benefits - net	6,031	(5,404)
Long term security deposits received	1,234	800
Finance cost paid	(1,230,773)	(721,120)
	(3,251,011)	(3,545,229)
<b>Net cash (used in) / generated from operating activities</b>	<b>(3,062,833)</b>	<b>8,097,800</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(137,449)	(142,129)
Short term investments made	(3,000,001)	(3,000,000)
Short term investments redeemed	-	3,029,941
Proceeds from disposal of property, plant and equipment	34,934	13,961
Dividend income from short-term investment	-	47,465
Dividend received	50,035	240,577
Profit on bank deposits received	54,421	143,200
<b>Net cash (used in) / generated from investing activities</b>	<b>(2,998,060)</b>	<b>333,015</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(12,325)	(2,883,422)
Principal payment against lease liabilities	(3,458)	(2,384)
Long term financing repaid	(212,655)	(182,580)
<b>Net cash used in financing activities</b>	<b>(228,438)</b>	<b>(3,068,386)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(6,289,331)</b>	<b>5,362,429</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>(6,694,831)</b>	<b>(6,346,536)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>18</b>	<b>(984,107)</b>

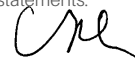
The annexed notes from 1 to 26 form an integral part of these unconsolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

# Notes to the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the six month period ended December 31, 2024

## 1 Legal Status and Nature of Business

**1.1** 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. The Company is also involved in the sale, implementation and support of Industrial and Financial Systems (IFS) applications in Pakistan and abroad.

**1.2** Millat Equipment Limited ('MEL'), was incorporated as a private limited company under the repealed Companies Ordinance 1984 (now the Companies Act, 2017), and was converted into an unlisted public limited company on April 20, 2004. MEL was a subsidiary of the Company which held 45% of the MEL's equity. MEL was engaged in the business of manufacturing parts and components of automotive, agricultural and industrial vehicles. The registered office of MEL was situated at Sheikhpura Road, Lahore and the manufacturing facility at 10 Km Raiwind Road, Lahore.

The Board of Directors of the Company and MEL, in their meetings held on May 6, 2024, considered and approved the Scheme of Compromises, Arrangements and Reconstruction ('the Scheme') drafted under provisions of sections 279 to 282 of the Companies Act, 2017 by amalgamating the Company's operations with the subsidiary company, MEL, with effect from January 1, 2024 ('effective date').

A petition was submitted in the Lahore High Court ('LHC') for obtaining sanction of this Scheme wherein under the supervision of the LHC, the above Scheme had been duly approved by the shareholders of the Company and MEL in their Extra Ordinary General Meetings held on June 15, 2024. The Scheme was sanctioned by the LHC through its order dated January 21, 2025. Consequently, the assets, liabilities and reserves (excluding dividend amount distributed to the shareholders of MEL on March 7, 2024) of MEL shall be vested with the Company and MEL shall stand dissolved from the effective date without winding up.

The consideration transferred is 7,717,718 fully paid ordinary shares of Rs. 10 each issued to the shareholders of MEL (other than the Company) in accordance with the approved swap ratio (i.e. 1 share of the Company to be issued for 2.13 shares of MEL).

The amalgamation of MEL into the Company has been identified as a 'Common Control Transaction' in light of the guidance provided in the financial reporting standard 'Accounting for Common Control Transactions' as developed by the Institute of Chartered Accountants of Pakistan and notified by the Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O. 53(I)/2022 dated January 12, 2022. In accordance with the said standard, MEL's assets, liabilities and reserves as of January 1, 2024 i.e. the effective date of merger / amalgamation have been amalgamated on a line-by-line basis in the Company's financial statements at their respective carrying amounts and the difference in the value of net assets acquired and the consideration transferred to the shareholders of MEL (other than the Company) has been recognized as an "Amalgamation Reserve" directly within equity in the financial statements of the Company.



Accordingly, the comparative financial statements of the Company were restated as at June 30, 2024 to reflect the impacts of the amalgamation, eliminations thereon and the transactions for the six month period from January 01, 2024 to June 30, 2024. However, third balance sheet is not presented due to the fact that this transaction does not carry any retrospective implications prior to its effective date. Moreover, unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows for the current period are not comparable with the prior period as they include the impact of operations of MEL in current period.

Subsequent to period end, the Board of Directors of the Company in their meeting held on February 11, 2025 have declared and approved issuance of 7,717,718 ordinary shares of Rs. 10 each in accordance with the scheme approved by LHC. The same have been issued on February 17, 2025.

**Carrying amount as  
on effective date  
(Rupees in thousand)**

### 1.2.1 Consideration transferred

Fully paid up ordinary shares of the Company	
having par value of Rs. 10 per share to be issued to	
MEL shareholders other than the Company (No.)	7,717,718
Nominal value (Rs. per share)	10
Total nominal value of consideration transferred	
(Rupees in thousands)	77,177

### 1.2.2 MEL's assets acquired and liabilities assumed

The details of MEL's balances, based on audited financial statements as of December 31, 2023 which have been merged / amalgamated into the Company, are as follows:

#### ASSETS

##### Non-current assets

Property, plant and equipment	668,468
Intangible assets	9,452
Investment property	38,861
Long-term deposits	3,518
	720,299

##### Current assets

Stores, spares and loose tools	365,128
Stock in trade	1,071,872
Trade receivables	1,465,167
Advances and short-term prepayments	303,388
Balances with statutory authorities	11,000
Cash and bank balances	22,636
	3,239,191
<b>Total assets</b>	<b>3,959,490</b>

	Note	Carrying amount as on effective date (Rupees in thousand)
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Long-term loans		(22,144)
Deferred grant		(2,382)
Long-term advances		(23,232)
Deferred tax liability		(52,109)
		(99,867)
<b>Current liabilities</b>		
Current portion of long-term loans		(8,297)
Current portion of deferred grant		(866)
Accumulating compensated absences		(50,527)
Trade and other payables	1.2.2.1	(1,494,046)
Mark-up accrued on borrowings		(42,952)
Short-term borrowings		(1,211,505)
Provision for income tax		(22,771)
Contract liabilities		(13,194)
Unclaimed dividend		(15,629)
		(2,859,787)
<b>Total liabilities</b>		<b>(2,959,654)</b>
<b>Carrying amount of MEL's net assets at amalgamation date</b>		<b>999,836</b>

**1.2.2.1** This additionally includes Rs. 448,500 thousand representing dividends out of accumulated profits of MEL distributed to MEL's shareholders on March 7, 2024. These were not considered part of undertaking of MEL as at effective date of merger. Accordingly, the carrying amount of net assets of MEL have been adjusted as per scheme of merger approved by LHC.

	Carrying amount as on effective date (Rupees in thousand)
<b>1.2.3 Amalgamation reserve</b>	
Amalgamation reserve arising from the transaction has been recognized directly within the equity as follows:	
Total nominal value of consideration transferred	(77,177)
Company's existing stake / investment in MEL prior to amalgamation - at cost	(117,000)
	(194,177)
Carrying amount of MEL's net assets as on acquisition date	999,836
Retained earnings of MEL recognized by the Company	(700,836)
Amalgamation reserve	104,823

**Carrying amount as  
on effective date  
(Rupees in thousand)**

**1.2.3.1** The following is the reconciliation of amounts recognized in unappropriated profits of the Company as at June 30, 2024:

Unappropriated profits of MEL recognized at effective date of merger	700,836
Profit for the period ended of MEL from January 1, 2024 to June 30, 2024	308,270
	1,009,106

Following is the impact of above restatement on the statement of financial position of the Company:

	<b>June 30, 2024</b>		
	<b>As previously reported</b>	<b>Restatement</b>	<b>Restated</b>
	<b>(Rupees in thousand)</b>		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	977,803	646,563	1,624,366
Right-of-use assets	6,730	-	6,730
Investment property	255,708	38,861	294,569
Intangible assets	23,580	-	23,580
Long-term investments	6,282,557	(117,000)	6,165,557
Employees' defined benefit plan	288,081	-	288,081
Long-term loans, advances and deposits	7,554	3,518	11,072
	7,842,013	571,942	8,413,955
<b>Current assets</b>			
Stores, spare parts and loose tools	234,855	446,923	681,778
Stock-in-trade	13,827,561	1,055,177	14,882,738
Trade debts	375,537	1,255	376,792
Loans and advances	40,271	376,815	417,086
Trade deposits and short-term prepayments	114,143	9,997	124,140
Balances with statutory authorities	6,283,650	11,105	6,294,755
Other receivables	273,606	10,099	283,705
Cash and bank balances	1,368,368	30,111	1,398,479
	22,517,991	1,941,482	24,459,473
<b>Total assets</b>	30,360,004	2,513,424	32,873,428

June 30, 2024

	As previously reported	Restatement	Restated
(Rupees in thousand)			
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Issued, subscribed and paid up capital	1,917,983	-	1,917,983
Reserves	7,844,063	1,191,106	9,035,169
	9,762,046	1,191,106	10,953,152
<b>Non-current liabilities</b>			
Long-term finances - secured	660,632	234,017	894,649
Deferred grant	8,578	1,949	10,527
Lease liabilities	2,334	-	2,334
Long-term deposits and advances	15,433	22,784	38,217
Deferred tax liabilities - net	1,198,014	40,024	1,238,038
	1,884,991	298,774	2,183,765
<b>Current liabilities</b>			
Trade and other payables	8,890,463	(265,215)	8,625,248
Contract liabilities	954,874	5,931	960,805
Taxation - net	1,086,918	(73,897)	1,013,021
Short-term borrowings	6,871,015	1,222,295	8,093,310
Current portion of non-current liabilities	365,536	63,078	428,614
Unclaimed dividend	327,150	17,391	344,541
Unpaid dividend	40,734	2,980	43,714
Accumulating compensated absences	176,277	50,981	227,258
	18,712,967	1,023,544	19,736,511
<b>Total equity and liabilities</b>	<b>30,360,004</b>	<b>2,513,424</b>	<b>32,873,428</b>

## 2 Statement of Compliance

**2.1** These unconsolidated condensed interim financial statements of the Company for the six month period ended December 31, 2024 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- Provisions of and directives issued under the Act.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of or directives issued under the Companies Act 2017 have been followed.

These are unconsolidated separate financial statements of the Company; consolidated financial statements have been presented separately.

### **3 Basis of Preparation**

**3.1** The restated comparative unconsolidated condensed interim statement of financial position presented in these unconsolidated condensed interim financial statements has been extracted from annual audited financial statements prior to approval of merger as of June 30, 2024 of the Company and MEL, whereas comparative unconsolidated condensed interim statement of profit or loss and comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows have been extracted from the unconsolidated condensed interim financial statements of the Company for the half year ended December 31, 2023.

The figures of the six month period ended December 31, 2024 are being submitted to the shareholders, and have been subjected to limited scope review by the statutory auditors in accordance with Section 237 of the Companies Act, 2017.

**3.2** These unconsolidated condensed interim financial statements do not include all information and disclosures required in the unconsolidated annual audited financial statements and therefore should be read in conjunction with the unconsolidated annual audited financial statements for the year ended June 30, 2024.

### **4 Basis of Measurement**

These financial statements have been prepared under the historical cost convention except certain financial instruments, government grant and plan assets of defined benefit plan which have been measured at fair value. In addition, obligations in respect of staff retirement benefits and lease liabilities which have been carried at present value and right of use assets which are initially measured at an amount equal to the corresponding lease liability and depreciated over the respective lease terms.

### **5 Functional and Presentation Currency**

The financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

### **6 Material Accounting Policies**

The accounting policies and methods of computation adopted in the preparation of this unconsolidated condensed interim financial statements are the same as those applied in the preparation of preceding annual audited financial statements of the Company for the year ended June 30, 2024, except for the adoption of amendments to approved accounting and reporting standards as applicable in Pakistan which became effective for the current period as disclosed in note 6.1 and application of Accounting for Common Control Transaction Standard as disclosed in notes 1.2 and 6.4.

**6.1** Standards, amendments to published standards and interpretations that are effective in the current period



Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 1, 2024, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

In the prior year, the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" vide its circular No.07/2024 dated May 15, 2024. The said guidance requires certain amounts of tax paid under minimum and final tax regime to be shown separately as a levy in accordance with IFRIC 21 'Levies' and IAS 37 'Provision, Contingent Liabilities and Contingent Assets' instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the statement of financial position and earning per share as a result of this change.

## **6.2** Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 1, 2025, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

## **6.3** **Taxation**

Income tax expense is recognized in each interim period based on best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

## **6.4** **Accounting of common control transactions – Predecessor method**

The Company has adopted 'Predecessor Method' under 'Accounting for Common Control Transactions' (Accounting Standard) as developed by the Institute of Chartered Accountants of Pakistan (ICAP) and notified by the Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O. 53(I)/2022 dated January 12, 2022, as disclosed below:

### **a) Recognition principle**

As at the date of common control transaction, the Company recognises the assets transferred and liabilities assumed of the transferred entity; or received from the transferring entity. The Company recognises, as part of applying the predecessor method, only the consideration transferred for the transferred entity and the assets acquired and liabilities assumed in the exchange for the transferred entity. Other transactions have been accounted for separately in accordance with the relevant International Financial Reporting Standards as notified under the Companies Act, 2017.

**b) Measurement principle**

The Company measures the assets and liabilities received from the transferred / transferring entity at their carrying amounts as reflected in the financial statements of the transferred / transferring entity, at the date of common control transaction. No fair value adjustments to the assets and liabilities of the transferred / transferring entity or recognition of new assets or liabilities for the transferred / transferring entity are recorded in the financial statements.

The Company recognises within its 'equity' the difference between consideration transferred, measured in accordance with this Accounting Standard and net of carrying amount of the assets and liabilities received from the transferred /transferring entity, measured in accordance with this accounting Standard. There is no recognition of new goodwill while accounting for the common control transaction, under the predecessor method.

**7 Critical Accounting Estimates and Judgments**

The preparation of these unconsolidated condensed 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 Company's accounting policies and the key sources of estimation are the same as those that applied to the unconsolidated annual audited financial statements for the year ended June 30, 2024.

	Note	(Un-audited) December 31, 2024 (Rupees in thousand)	(Restated) (Un-audited) June 30, 2024
<b>8 Long Term Finances – Secured</b>			
Long-term loan		1,101,919	1,313,762
Current portion shown under current liabilities		(426,046)	(419,113)
	8.1	675,873	894,649
<b>8.1 The reconciliation of the carrying amount is as follows:</b>			
Opening balance	8.2 – 8.5	1,313,762	1,377,687
MEL liabilities assumed during the period / year		-	30,441
Loan received during the period / year		-	269,570
Repayments during the period / year		(212,655)	(367,618)
Unwinding of discount on liability		812	3,682
		1,101,919	1,313,762
Less: Current portion shown under current liabilities		(426,046)	(419,113)
Closing balance	8.2 – 8.5	675,873	894,649

- 8.2** This includes amount of loan against facility of Rs.100,000 thousand (June 30, 2024: Rs.100,000 thousand) obtained under renewable energy finance scheme announced by the State Bank of Pakistan (SBP) to promote renewable energy use in Pakistan. It carries standard markup of 2.5% per annum, which is payable on quarterly basis. The loan was previously repayable in 40 equal quarterly instalments starting from September 30, 2021, however in the year ended June 30, 2022, the loan facility was modified by the Bank with equal 36 payments payable starting from April 28, 2022. The modification was considered to be non-substantial, with the resulting impact recognized in these financial statements accordingly. The discount rate used is 11.47% per annum (June 30, 2024: 11.47% per annum). The difference between cash received and present value of cash outflows upon initial recognition and subsequent modification has been recognized as deferred grant. The carrying amount of loan as of year end is Rs. 33,401 thousand (June 30, 2024: Rs. 36,055 thousand). This facility is secured by specific and exclusive charge on the purchased machinery and ranking charge over current assets of the Company.
- 8.3** This includes amount of loan against facility of Rs. 1,500,000 thousand (June 30, 2024: Rs. 1,500,000 thousand) to maintain the Company's ownership stake of 15.86% in Hyundai Nishat Motors (Private) Limited. The loan is repayable in 16 equal quarterly instalments commencing from April 1, 2023 and carries markup at the rate of base rate plus 0.40% per annum, which is payable quarterly. Base rate is defined as the 'average of 3-month offer rate of KIBOR'. The base rate will be set for the first time at the date of initial disbursement and subsequently reset on the first working day of each calendar quarter, using the rate prevailing on last working day of preceding calendar quarter. The carrying amount of loan as of period end is Rs. 803,028 thousand (June 30, 2024: Rs. 981,479 thousand). This facility is secured by first exclusive mortgage charge over land of the factory situated at 9 KM, Sheikhpura Road, Lahore, amounting to Rs. 2,000,000 thousand (including 25% margin).
- 8.4** This includes loan of Rs. 49,555 thousand (June 30, 2024: Rs. 49,555 thousand) obtained from Habib Bank Limited under renewable energy finance scheme announced by State Bank of Pakistan (SBP) to promote renewable energy use in Pakistan. The facility has an aggregate sanctioned limit of Rs. 60,000 thousand. Currently, the loan carries a fixed markup of 2.5% per annum. The carrying amount of loan as of period end is Rs. 14,580 thousand (June 30, 2024: Rs. 18,362 thousand). This loan is secured against first charge over current assets of the Company amounting to Rs. 267,000 thousand with 25% margin. The loan is repayable in twenty four quarterly instalments with first instalment commencing on January 01, 2022. The difference between cash received and present value of cash outflows upon initial recognition and subsequent modification has been recognized as deferred grant.
- 8.5** This includes Term Finance (TF) loan facility amounting to Rs. 269,570 thousand (June 30, 2024: 269,570 thousand) availed from The Bank of Punjab in April 2024 to finance capital expenditure. The facility has a sanctioned limit of Rs. 500,000 thousand. The loan carries markup at the rate of 1 month KIBOR plus 0.95%. The carrying amount of loan as of period end is Rs. 242,613 thousand (June 30, 2024: Rs. 269,570 thousand). The loan is secured against 1st Pari Passu charge over present and future fixed assets of the company amounting to Rs. 666,667 thousand with 25% margin. The loan is repayable in 20 equal quarterly instalments.

	(Un-audited) December 31, 2024	(Restated) (Un-audited) June 30, 2024
	(Rupees in thousand)	
<b>9 Trade and Other Payables</b>		
Trade creditors	5,795,331	4,468,794
Accrued liabilities	260,846	338,881
Bills payable	485,937	1,242,850
Security deposits	581,453	676,247
Trademark fee payable	259,018	730,919
Workers' Profit Participation Fund	212,197	-
Workers' Welfare Fund	74,531	347,854
Accrued markup on long-term finances	34,334	56,427
Accrued markup on running finance	503,149	540,011
Payable against sale tax withheld	86,410	79,045
Others	234,552	144,220
	8,527,758	8,625,248

**9.1** These include balances due to related parties amounting Rs. 160,777 thousand (June 30, 2024: Rs. 16,839 thousand).

## **10 Short Term Borrowings**

The effective rates of mark-up on short-term running finance facility ranges from three month KIBOR minus 3.5% to KIBOR plus 0.40% (June 30, 2024: KIBOR + 0.04% to KIBOR + 0.40%) per annum. The facilities for running finance available from various commercial banks are for the purpose of meeting working capital requirements. The total limit of short term running financing facilities available from banks aggregates to 23,950,000 thousand (June 30, 2024: Rs. 14,500,000 thousand) out of these facilities Rs. 10,004,602 thousand (June 30, 2024: 5,184,395 thousand) remained unutilized as of reporting date. Out of the above mentioned authorized limit Rs. 9,000,000 thousand (June 30, 2024: Rs. 3,000,000 thousand) has been obtained under Islamic mode of financing. These facilities are secured by pari passu hypothecation charge over current and future assets and book debts of the Company, lien over import documents and counter guarantees of the Company.

## **11 Contingencies and Commitments**

### **11.1 Contingencies**

There has been no significant change in the contingencies since the date of preceding published unconsolidated annual financial statements for the year ended June 30, 2024 except for the cases disclosed in note 11.1.1 and note 11.1.2 and a contingency pertaining to Millat Equipment Limited, which has now been assumed by the Company as disclosed in note 11.1.3.

**11.1.1** The Federal Board of Revenue (FBR) has conducted a sales tax audit for the year 2021-22 and issued a show cause notice amounting to Rs. 13,286,998 thousand and imposed penalty of Rs. 5,414,611 thousand. The demand has primarily arisen on account of retrospective application of

SRO-563(I)/2022 dated April 29, 2022 and inadmissible claim of input tax. The Appellate Tribunal Inland Revenue (ATIR) and the Honourable Lahore High Court (LHC) have already nullified the retrospective applicability of SRO 563 in a separate appeal filed by the company, challenging SRO 563 on the grounds that it was issued without lawful authority. The Company submitted a reply to the show cause notice dated July 2, 2024.

Subsequent to the period end, the Deputy Commissioner Inland Revenue (DCIR) has completed the proceedings and finalized the demand for sales tax amounting to Rs. 11,046,595 thousand and penalty of Rs. 7,168,386 thousand through an order dated January 22, 2025. The Company is in the process of finalizing appeal against the said order before the ATIR. The management, in consultation with the tax advisor, is confident that the tax matter will eventually be decided in favor of the company; therefore, no provision has been made in these unconsolidated condensed interim financial statements.

**11.1.2** The Company challenged the vires of section 4C of Income Tax Ordinance, 2001 (ITO, 2001) inserted vide Finance Act, 2022 vide writ petition in LHC for tax year 2022. LHC vide its interim order dated December 29, 2022 directed the FBR to allow the Company to file its return excluding the tax under section 4C of ITO, 2001 subject to deposit of postdated cheques of the differential amount liable to be deposited under section 4C. Accordingly, Company assessed its 4C liability and deposited the postdated cheque for the balance amount. On February 16, 2023 LHC modified its interim order asking the petitioners to deposit under protest 50% of their due liability i.e. Rs. 854,906 thousand. On February 17, 2023 the DCIR issued the notice for deposit of 50% amount in the light of above directions. Accordingly, balance amount was deposited and due compliance was made of the notice. LHC in its recent judgement dated June 4, 2024 removed retrospective application of super tax for the tax year 2022. The Company has accordingly reversed the provision for super tax u/s 4C of ITO in the current period. As the matter is currently pending adjudication before Honourable Supreme Court of Pakistan, potential exposure of same shall remain, considering a reversal of decision, if any.

**11.1.3** Federal Board of Revenue (FBR) contested the income tax treatments by the Company for the tax year 2016, 2017, 2018, 2019 and 2021 related to allowances claimed by the Company amounting to Rs. 2,629,520 thousand and created an income tax demand of Rs. 1,009,430 thousand. The allowances contested by FBR significantly pertained to salaries and wages, import and domestic purchases. The Company, aggrieved from the order, appealed to the Commissioner Inland Revenue (Appeals) who partially granted relief by allowing previously disallowed deductions amounting to Rs. 1,008,170 thousand. The Company is presently pursuing these tax matters at the Appellate Tribunal level, with pending decisions. The management, in consultation with their tax advisor, is confident that since the Company had already received partial relief from Commissioner Inland Revenue (Appeals), all the tax matters are highly probable to be decided in the favor of the Company therefore, no provision has been made in these unconsolidated condensed interim financial statements.

## **11.2 Commitments**

Commitments in respect of outstanding letters of credit are Rs. 1,309,236 thousand (June 30, 2024: Rs 2,587,714 thousand).



		(Un-audited) December 31, 2024 (Rupees in thousand)	(Restated) (Un-audited) June 30, 2024
	Note		
<b>12</b>	<b>Property Plant and Equipment</b>		
	Operating fixed assets	1,520,291	1,537,146
	Capital work in progress	108,723	87,220
		<u>1,629,014</u>	<u>1,624,366</u>
<b>12.1</b>	<b>Operating fixed assets</b>		
	Opening book value	1,537,146	827,326
	Add: Additions during the period / year	115,946	246,461
	MEL assets acquired during the period / year	-	668,468
		<u>1,653,092</u>	<u>1,742,255</u>
	Less: Disposals during the period / year (at book value)	(34,934)	(39,672)
	Adjustments during the period / year	-	(4,004)
	Depreciation charged during the period / year	(97,867)	(161,433)
		<u>(132,801)</u>	<u>(205,109)</u>
	Closing book value	<u>1,520,291</u>	<u>1,537,146</u>
<b>12.1.1</b>	<b>Additions during the period / year</b>		
	- Buildings	2,335	2,828
	- Plant and machinery	50,624	11,575
	- Tools and equipment	3,012	47,071
	- Furniture, fixture and office equipment	24,339	16,806
	- Vehicles	33,278	158,287
	- Computers	2,358	9,894
		<u>115,946</u>	<u>246,461</u>
<b>12.2</b>	<b>Capital work in progress</b>		
	Plant and machinery	108,723	87,220
<b>12.2.1</b>	<b>Movement in capital work in progress is as follows:</b>		
	Opening	87,220	22,613
	Additions during the period / year	88,358	100,687
	Capitalized during the period / year	(66,855)	(36,080)
	Closing	<u>108,723</u>	<u>87,220</u>

	(Un-audited) December 31, 2024	(Restated) (Un-audited) June 30, 2024
	(Rupees in thousand)	
<b>13 Long Term Investments</b>		
- Investment in related parties		
In subsidiary undertakings - at cost:		
<b>Unquoted</b>		
Millat Industrial Products Limited	57,375	57,375
Tipeg Intertrade DMCC	40,020	40,020
<b>Quoted</b>		
Bolan Castings Limited	76,610	76,610
<b>- Other investments - at fair value through other comprehensive income:</b>		
<b>Unquoted</b>		
Arabian Sea Country Club Limited	-	-
Hyundai Nishat Motors (Private) Limited - cost	3,103,029	3,103,029
Surplus on fair valuation of investment	2,311,756	2,721,356
	5,414,785	5,824,385
<b>- Investments other than related parties - at fair value through other comprehensive income:</b>		
<b>Quoted</b>		
Baluchistan Wheels Limited - cost	12,145	12,145
Surplus on fair valuation of investment	171,299	154,622
	183,444	166,767
<b>Unquoted</b>		
TCC Management Services (Private) Limited - cost	400	400
	5,772,634	6,165,557
<b>14 Loans and Advances</b>		
Advances to employees - considered good	36,393	9,860
Advances to suppliers - considered good	632,759	407,195
Letter of credit opening charges	31	31
	669,183	417,086

			(Un-audited) December 31, 2024 (Rupees in thousand)	(Restated) (Un-audited) June 30, 2024
		Note		
<b>15</b>	<b>Cash and Bank Balances</b>			
	In hand			
	- Cash		1,902	2,045
	- Cheques		13,476	247,020
			15,378	249,065
	Cash at bank			
	- Current accounts		510,538	690,276
	- Deposits accounts		435,319	459,138
			945,857	1,149,414
			961,235	1,398,479
			(Un-audited) December 31, 2024 (Rupees in thousand)	(Un-audited) December 31, 2023
<b>16</b>	<b>Revenue From Contracts with Customers</b>			
	<b>Disaggregation of revenue</b>	<b>Timing of revenue recognition</b>		
	<b>Local:</b>			
	Tractors	Point-in-time	26,777,036	41,400,733
	Implements	Point-in-time	49,711	130,202
	Multi-application products	Point-in-time	99,134	338,154
	Trading goods	Point-in-time	1,381,731	1,160,497
	IFS services	Point-in-time / Over time	2,025	4,998
			28,309,637	43,034,584
	<b>Less:</b>			
	- Trade discount		(134,649)	(111,212)
	- Delayed delivery charges		(21)	(655)
	- Sales tax and special excise duty		(3,548,084)	(241,157)
	- Provincial sales tax on services		(735)	(1,281)
			(3,683,489)	(354,305)
	<b>Export:</b>			
	Tractors	Point-in-time	3,052,422	2,528,146
	Trading goods	Point-in-time	55,117	75,924
	Implements	Point-in-time	62,666	-
	IFS services	Point-in-time / Over time	-	6,105
			3,170,205	2,610,175
	<b>Less: Commission</b>		(302,773)	(596,656)
			27,493,580	44,693,798

		(Un-audited) December 31, 2024	(Un-audited) December 31, 2023
		(Rupees in thousand)	
<b>17</b>	<b>Other income</b>		
	<b>Income from financial assets</b>		
	Dividend income from long term investment	50,035	240,577
	Dividend income from short-term investments at fair value through profit or loss	-	47,465
	Revaluation gain / gain on sale of short-term investments	8,161	29,941
	Mark-up on bank deposits	64,410	150,411
	Mark-up on early payments	7,924	73,547
		130,530	541,941
	Income from assets other than financial assets	135,821	149,111
		266,351	691,052
<b>18</b>	<b>Cash and cash equivalents</b>		
	Cash and bank balances	15	961,235
	Short term borrowings	10	(13,945,397)
		(12,984,162)	(984,107)

### 19 Transactions with Related Parties

Related parties include subsidiaries, associates, entities under common control, entities with common directors, group companies, major shareholders, post employment benefit plans and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that Company. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables. Significant related party transactions have been disclosed in respective notes to these unconsolidated condensed interim financial statements other than the following:

Relation with undertaking	Nature of transaction	(Un-audited)	(Un-audited)
		December 31, 2024 (Rupees in thousand)	December 31, 2023
Subsidiaries	Purchase of components	1,385,342	8,198,446
	Dividend income	46,187	233,522
	Sale of goods	460,460	199,028
	Payment of compensation to staff	-	15,892
Associates	Sale of services	1,575	330
	Purchase of components	3,023	-
	Purchase of fixed assets	-	13,347
	Advance for purchase of vehicle	12,917	4,057
Key Management Personnel	Remuneration	177,182	132,441
	Dividend paid - net	-	361,133
	Disposal of fixed assets	-	1,722
Retirement benefit plans	Contribution to staff retirement benefit plans	25,379	21,336

**19.1** The outstanding balances of such parties are as under:

Relation with undertaking	Nature of transaction	Note	(Un-audited)	(Restated)
			December 31, 2024 (Rupees in thousand)	(Audited) June 30, 2024
Subsidiaries	Payable to related parties	9	160,777	190,526
	Receivable from related parties		450,051	-
	Advances from related parties		-	47,395
Associates	Receivable from related parties		15,668	2,073
	Advance against Purchases		12,917	4,057
	Payable against Purchases		1,391	-

**19.2** Raw materials held with related party, Bolan Castings Limited, amount to Rs. 102,635 thousand (2023: Nil).

## 20 Operating Segments

- 20.1** These unconsolidated condensed interim financial statements have been prepared on the basis of a single reportable segment.
- 20.2** Revenue from sale of tractors represents 96% (December 31, 2023: 97%) of the net sales of the Company.
- 20.3** 89% (December 31, 2023: 96%) sales of the Company relate to customers in Pakistan.
- 20.4** All non-current assets of the Company as at December 31, 2024 and June 30, 2024 are located in Pakistan.

## 21 Fair Value of Financial Assets and Liabilities

- 21.1** Fair value of financial assets measured at fair value through other comprehensive income is derived from quoted market prices in active markets, if available.
- 21.2** The carrying values of other financial assets and financial liabilities reflected in these unconsolidated condensed interim financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at end of each reporting period.
- 21.3** Long term investment in the unquoted shares of Hyundai Nishat Motors (Private) Limited (HNMPPL) are currently classified as a Level 3 financial asset and measured at fair value on the reporting dates. Due to change in underlying factors, there has been an unrealized loss of Rs. 409,600 thousand (December 31, 2023: Rs. 698,181 thousand) recognized during the period.

## 22 Financial Risk Management

The Company's financial risk management objective and policies are consistent with those disclosed in the unconsolidated annual audited financial statements for the year ended June 30, 2024.

## 23 Subsequent Events

- 23.1** The Board of Directors has declared Rs. 45 per share cash dividend (June 30, 2024: Nil) and Nil bonus shares (June 30, 2024: Nil) in their meeting held on February 19, 2025.
- 23.2** There were no other reportable events after the reporting date other than those disclosed elsewhere in the unconsolidated condensed interim financial statements.

**24 Date of Authorisation for Issue**

These unconsolidated condensed interim financial statements were authorized for issue by the Board of Directors of the Company on February 19, 2025.

**25 Corresponding Figures**

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

**26 General**

**26.1** Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.



Chief Financial Officer



Chief Executive Officer



Chairman



Consolidated Condensed Interim Financial Statements

# MILLAT TRACTORS LIMITED

For the six month and three month period ended December 31, 2024

# Consolidated Condensed Interim Statement of Financial Position (Unaudited)

As at December 31, 2024

	Note	December 31, 2024 (Rupees in thousand)	(Restated) June 30, 2024
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized share capital			
530,000,000 (30 June 2024: 530,000,000)			
ordinary shares of Rs. 10/- each		5,300,000	5,300,000
Issued, subscribed and paid up capital		1,917,983	1,917,983
Reserves		13,121,985	9,711,000
		15,039,968	11,628,983
<b>Non-controlling interest</b>			
		536,631	590,218
Total equity		15,576,599	12,219,201
<b>Non-current liabilities</b>			
Long term finance- secured	7	710,873	959,651
Deferred grant	8	8,817	10,527
Lease liabilities against right-of-use assets		2,976	2,334
Employees' defined benefit plan		22,982	21,867
Long term deposits		41,525	40,277
Deferred taxation net		1,141,914	1,202,362
		1,929,087	2,237,018
<b>Current liabilities</b>			
Trade and other payables	9	8,363,616	9,349,033
Contract liabilities		2,835,280	1,095,641
Taxation - net		-	1,086,918
Short term borrowings	10	14,029,307	8,189,336
Current portion of non-current liabilities		492,238	488,747
Unclaimed dividend		381,554	350,269
Unpaid dividend		46,689	87,472
Accumulating compensated absences		295,597	243,309
		26,444,281	20,890,725
<b>CONTINGENCIES AND COMMITMENTS</b>			
	1	43,949,967	35,346,944

The annexed notes 1 to 26 form an integral part of the consolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer

	Note	December 31, 2024 (Rupees in thousand)	(Restated) June 30, 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	1,944,211	1,961,223
Right-of-use assets		4,087	6,730
Intangible asset		19,369	24,550
Goodwill		18,572	18,572
Investment property		294,569	294,569
Long term investments	13	5,639,742	6,028,927
Long term loans and advances		7,507	8,144
Long term deposits		12,927	12,927
Employees' defined benefit plan obligation		312,256	305,262
		8,253,240	8,660,904
<b>Current assets</b>			
Stores and spares		887,595	860,319
Stock in trade		16,655,619	15,911,416
Trade debts		4,962,166	805,680
Loans and advances	14	454,821	430,932
Trade deposits and short term prepayments		144,553	146,279
Balances with statutory authorities		7,442,055	6,316,129
Other receivables		253,132	251,012
Tax refunds due from the Government		459,287	85,603
Short term investments		3,008,162	3,856
Cash and bank balances	15	1,429,337	1,874,814
		35,696,727	26,686,040
		43,949,967	35,346,944



Chairman

# Consolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Unaudited)

For the six month and three month period ended December 31, 2024

	Note	Six month period ended		Three month period ended	
		Restated		Restated	
		December 31 2024	December 31 2023	December 31 2024	December 31 2023
<b>(Rupees in thousand)</b>					
Revenue from contracts with customers	16	28,296,877	46,267,420	19,504,707	23,647,233
Cost of sales		(20,654,709)	(34,290,264)	(14,253,225)	(16,969,935)
<b>Gross profit</b>		7,642,168	11,977,156	5,251,482	6,677,298
Distribution and marketing expenses		(980,389)	(1,039,046)	(590,132)	(503,286)
Administrative expenses		(1,015,046)	(855,557)	(543,864)	(465,671)
Other operating expenses		(657,932)	(740,688)	(582,287)	(401,650)
		(2,653,367)	(2,635,291)	(1,716,283)	(1,370,607)
Other income	17	197,790	549,179	89,071	356,601
<b>Operating profit</b>		5,186,591	9,891,044	3,624,270	5,663,292
Finance cost		(1,197,851)	(475,139)	(556,039)	(193,914)
<b>Profit before income taxes and levies</b>		3,988,740	9,415,905	3,068,231	5,469,378
Levy - final taxes		(7,505)	(73,738)	(6,928)	(65,315)
<b>Profit before income tax</b>		3,981,235	9,342,167	3,061,303	5,404,063
Taxation		(362,138)	(3,702,696)	97,989	(2,218,709)
<b>Profit after tax for the period</b>		3,619,097	5,639,471	3,159,292	3,185,354
Other comprehensive income / (loss):					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations		130	112,659	364	(10,314)
Unrealized loss on revaluation of investments at fair value through other comprehensive income		(235,946)	(315,616)	(197,379)	(452,031)
Remeasurements of employee benefits		-	(52,384)	-	(52,384)
		(235,816)	(255,341)	(197,015)	(514,729)
<b>Total comprehensive income for the year</b>		3,383,281	5,384,130	2,962,277	2,670,625
Attributable to:					
- Equity holders of the holding Company					
Profit after tax		3,648,843	5,215,068	3,183,150	2,890,367
Total comprehensive income / (loss) for the period		(237,858)	(301,074)	(202,911)	(515,698)
- Non-controlling interests					
Profit after tax		(29,746)	424,403	(23,858)	294,987
Total comprehensive income / (loss) for the period		2,042	45,733	5,896	969
		3,383,281	5,384,130	2,962,277	2,670,625
			<b>Restated</b>		<b>Restated</b>
<b>Earnings per share - basic and diluted (Rupees)</b>		18.87	29.40	16.47	16.61

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

The annexed notes 1 to 26 form an integral part of the consolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

# Consolidated Condensed Interim Statement of Changes in Equity (Unaudited)

For the six month period ended December 31, 2024

	Issued, subscribed and paid up capital	Revenue reserves			Capital reserves				Non-controlling interests	Total
		General reserves	Other reserves	Unappropriated profit	Exchange translation reserve	Amalgamation reserve	Share issuance reserve	Fair value reserve		
<b>(Rupees in thousand)</b>										
<b>Balance as on 01 July</b>										
2023 (audited)	1,917,983	2,475,309	208,929	1,951,614	101,134	-	-	1,947,260	1,126,518	9,728,747
Final dividend for the year ended										
June 30, 2023 @ Rs. 15 per share	-	-	-	(2,876,973)	-	-	-	-	-	(2,876,973)
Dividend payment to NCI	-	-	-	-	-	-	-	-	(219,914)	(219,914)
Net profit for the period	-	-	-	5,215,068	-	-	-	-	424,403	5,639,471
Other comprehensive income for the period	-	-	-	(49,945)	84,494	-	-	(335,623)	45,733	(255,341)
	-	-	-	2,288,150	84,494	-	-	(335,623)	250,222	2,287,243
<b>Balance as on 31 December</b>										
2023 (un-audited)	1,917,983	2,475,309	208,929	4,239,764	185,628	-	-	1,611,637	1,376,740	12,015,990
Balance as on July 1, 2024 as reported earlier (audited)										
	1,917,983	2,475,309	208,929	4,358,908	142,652	-	-	1,769,093	1,346,327	12,219,201
Effect of changes due to										
amalgamation - note 1.2	-	-	-	574,109	-	104,823	77,177	-	(756,109)	-
<b>Balance as at July 1, 2024 - restated (un-audited)</b>										
	1,917,983	2,475,309	208,929	4,933,017	142,652	104,823	77,177	1,769,093	590,218	12,219,201
Dividend payment to NCI	-	-	-	-	-	-	-	-	(25,883)	(25,883)
Net profit for the period	-	-	-	3,648,843	-	-	-	-	(29,746)	3,619,097
Other comprehensive income for the period	-	-	-	-	98	-	-	(237,956)	2,042	(235,816)
	-	-	-	3,648,843	98	-	-	(237,956)	(53,587)	3,357,398
<b>Balance as on 31 December</b>										
2024 (un-audited)	1,917,983	2,475,309	208,929	8,581,860	142,750	104,823	77,177	1,531,137	536,631	15,576,599

The annexed notes 1 to 26 form an integral part of the consolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

# Consolidated Condensed Interim Statement of Cash Flows (Unaudited)

For the six month period ended December 31, 2024

	Note	Six month period ended	
		December 31,	December 31,
		2024	2023 Restated
		(Rupees in thousand)	
<b>Cash flows from operating activities</b>			
Profit before taxation		3,981,235	9,342,167
Adjustment for:			
Depreciation on property, plant & equipment	12	123,078	127,985
Depreciation charge for the right-of-use assets		2,643	3,314
Amortization of intangible assets		11,514	3,780
Provision for obsolete stock		-	12,438
Provision for electricity		14,929	-
Provision for warranty expense		2,309	-
Provision for accumulated compensated absences		50,752	46,630
Profit on bank deposits	17	(70,211)	(160,775)
Dividend income	17	(4,711)	(8,636)
Provision for pension obligation		(1,024)	(19,006)
(Gain) / Loss on sale of short term investments	17	-	(29,941)
(Gain) / Loss on revaluation of short term investments	17	(8,161)	-
Dividend income from short-term investments	17	-	(47,465)
Finance cost		1,197,130	475,139
Finance cost on lease liability		721	-
Final tax - levy		7,505	73,738
Workers' Profit Participation Fund		220,706	533,798
Workers' Welfare Fund		84,042	204,155
		1,631,222	1,215,154
Cash flow from operating activities before working capital changes		5,612,457	10,557,321
<b>Effect on cash flow due to working capital changes</b>			
Decrease / (Increase) in current assets:			
Stores, spare parts and loose tools		(27,276)	(64,832)
Stock in trade		(744,203)	(3,135,069)
Trade debts		(4,156,486)	(616,231)
Loans and advances	14	(23,889)	(171,331)
Trade deposits and prepayments		1,726	166,281
Balances with statutory authorities		(1,125,926)	3,328
Other receivables		(35,259)	(224,347)
		(6,111,313)	(4,042,201)
Increase / (decrease) in current liabilities:			
Trade and other payables	9	(881,013)	4,667,551
Contract liabilities		1,739,639	1,383,268
		(5,252,687)	2,008,618
Cash used in operations			
Taxes paid - net		(1,727,156)	(2,987,045)
Levy - final taxes paid		(7,505)	(73,738)
Net increase in long term loans to employees		637	(450)
Workers' Profit Participation Fund - net		-	-
Workers' Welfare Fund paid - net		(363,671)	(120,374)
Employee benefit obligation - net		(3,319)	77,978
Increase in long term security deposits		1,338	(19,434)
Mark-up paid		(1,226,466)	(906,893)
		(3,326,142)	(4,029,956)
<b>Net cash generated from / (used in) operating activities</b>		<b>(2,966,372)</b>	<b>8,535,983</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment - net	12	(141,373)	(218,518)
Short term investments (made) / redeemed - net		(3,000,001)	29,941
Dividend income from short-term investments		-	47,465
Long term investments made		-	-
Proceeds from sale of property, plant and equipment	12	35,307	14,340
Dividend received		4,711	8,636
Profit on bank deposits received		60,222	160,775
<b>Net cash used in investing activities</b>		<b>(3,041,134)</b>	<b>42,639</b>
<b>Cash flows from financing activities</b>			
Dividend paid to controlling interests		(9,498)	(2,876,973)
Dividend paid to non-controlling interests		(25,883)	(219,914)
Principal payment against lease liabilities		(3,458)	(2,384)
Long term financing (paid) / received	7	(243,089)	22,400
<b>Net cash used in financing activities</b>		<b>(281,928)</b>	<b>(3,076,871)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(6,289,434)</b>	<b>5,501,751</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>1,878,670</b>	<b>1,286,283</b>
Short term borrowings at the beginning of the period		(8,189,336)	(8,643,357)
Foreign exchange difference		130	112,659
<b>Cash and cash equivalents at the end of the period</b>	18	<b>(12,599,970)</b>	<b>(1,742,664)</b>

The annexed notes 1 to 26 form an integral part of the consolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

# Notes to the Consolidated Condensed Interim Financial Statements (Unaudited)

For the six month period ended December 31, 2024

## 1 THE GROUP AND ITS ACTIVITIES

### 1.1 Holding company:

Millat Tractors Limited (the Holding Company) is a public limited Company incorporated in Pakistan in 1964 under the Companies Act 2017 (repealed Companies Ordinance, 1984), and is listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 9 KM Sheikhpura Road, District Sheikhpura. The Company is principally engaged in assembling and manufacturing of agricultural tractors, implements and multi-application products. The Company is also involved in the sale, implementation and support of Industrial and Financial Systems (IFS) applications in Pakistan and abroad.

1.2 The Board of Directors of the Holding Company and Millat Equipment Limited (MEL), in their meetings held on May 6, 2024, considered and approved the Scheme of Compromises, Arrangements and Reconstruction ('the Scheme') drafted under provisions of sections 279 to 282 of the Companies Act, 2017 by amalgamating the Holding Company's operations with the subsidiary company, MEL, with effect from January 1, 2024 ('effective date').

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

A petition was submitted in the Lahore High Court ('LHC') for obtaining sanction of this Scheme wherein under the supervision of the LHC, the above Scheme had been duly approved by the shareholders of the Company and MEL in their Extra Ordinary General Meetings held on June 15, 2024. The Scheme was sanctioned by the LHC through its order dated January 21, 2025. Consequently, the assets, liabilities and reserves (excluding dividend amount distributed to the shareholders of MEL on March 7, 2024) of MEL shall be vested with the Holding Company and MEL shall stand dissolved from the effective date without winding up.

The consideration is 7,717,718 fully paid ordinary shares of Rs. 10 each issued to the shareholders of MEL (other than the Holding Company) in accordance with the approved swap ratio (i.e. 1 share of the Holding Company to be issued for 2.13 shares of MEL).

The amalgamation of MEL into the Holding Company has been identified as a 'Common Control Transaction' in light of the guidance provided in the financial reporting standard 'Accounting for Common Control Transactions' as developed by the Institute of Chartered Accountants of Pakistan and notified by the Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O. 53(I)/2022 dated January 12, 2022. In accordance with the said standard, MEL's assets, liabilities and reserves as of January 1, 2024 i.e. the effective date of merger / amalgamation have been amalgamated on a line-by-line basis in the Company's financial statements at their respective carrying amounts and the difference in the value of net assets acquired and the consideration transferred to the shareholders of MEL (other than the Company) has been recognized as an "Amalgamation Reserve" directly within equity in the financial statements of the Holding Company.



Accordingly, the comparative financial statements of the Holding Company were restated as at June 30, 2024 to reflect the impacts of the amalgamation, eliminations thereon and the transactions for the six month period from January 01, 2024 to June 30, 2024. However, third balance sheet is not presented due to the fact that this transaction does not carry any retrospective implications prior to its effective date.

Subsequent to period end, the Board of Directors of the Company in their meeting held on February 11, 2025 have declared and approved issuance of 7,717,718 ordinary shares of Rs. 10 each in accordance with the scheme approved by LHC. The same have been issued on February 17, 2025.

**Carrying amount as  
on effective date**

### 1.2.1 Consideration transferred

Fully paid up ordinary shares of the Holding Company having par value of Rs. 10 per share to be issued to MEL shareholders other than the Holding Company (No.)	7,717,718
Nominal value (Rs. per share)	10
Total nominal value of consideration transferred (Rupees in thousands)	<u>77,177</u>

**Carrying amount as  
on effective date  
(Rupees in thousand)**

### 1.2.2 MEL's assets acquired and liabilities assumed

The details of MEL's balances, based on audited financial statements as of December 31, 2023 which have been merged / amalgamated into the Holding Company, are as follows:

#### ASSETS

##### Non-current assets

Property, plant and equipment	668,468
Intangible assets	9,452
Investment property	38,861
Long-term deposits	3,518
	<u>720,299</u>

##### Current assets

Stores, spares and loose tools	365,128
Stock in trade	1,071,872
Trade receivables	1,465,167
Advances and short-term prepayments	303,388
Balances with statutory authorities	11,000
Cash and bank balances	22,636
	<u>3,239,191</u>

#### Total assets

3,959,490

	Note	Carrying amount as on effective date (Rupees in thousand)
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Long-term loans		(22,144)
Deferred grant		(2,382)
Long-term advances		(23,232)
Deferred tax liability		(52,109)
		(99,867)
<b>Current liabilities</b>		
Current portion of long-term loans		(8,297)
Current portion of deferred grant		(866)
Accumulating compensated absences		(50,527)
Trade and other payables	1.2.2.1	(1,494,046)
Mark-up accrued on borrowings		(42,952)
Short-term borrowings		(1,211,505)
Provision for income tax		(22,771)
Contract liabilities		(13,194)
Unclaimed dividend		(15,629)
		(2,859,787)
<b>Total liabilities</b>		<b>(2,959,654)</b>
<b>Carrying amount of MEL's net assets at amalgamation date</b>		<b>999,836</b>

**1.2.2.1** This additionally includes Rs. 448,500 thousand representing dividends out of accumulated profits of MEL distributed to its shareholders on March 7, 2024. These were not considered part of undertaking of MEL as at effective date of merger. Accordingly, the carrying amount of net assets of MEL have been adjusted as per scheme of merger approved by LHC.

	Carrying amount as on effective date (Rupees in thousand)
<b>1.2.3 Amalgamation reserve</b>	
Amalgamation reserve arising from the transaction has been recognized directly within the equity as follows:	
Carrying amount of non-controlling interest as at December 31, 2024	796,585
Total nominal value of consideration (issue of shares) to non-controlling interest	(77,177)
Dividend payable to non-controlling interest as at December 31, 2024 as per the Scheme	(246,675)
Unappropriated profits of MEL attributed to non-controlling interest	(367,910)
Amalgamation reserve	104,823

Carrying amount as  
on effective date  
(Rupees in thousand)

<b>1.2.3.1</b>	The following is the reconciliation of amounts recognized in unappropriated profits of the Holding Company as at June 30, 2024:	
	Unappropriated profits of MEL attributed to non-controlling interest as at December 31, 2024	367,910
	Profit for the period ended of MEL from January 1, 2024 to June 30, 2024 attributed to non-controlling interest	206,199
		574,109

Following is the impact of above restatement on the statement of financial position of the Company:

	June 30, 2024		
	As previously reported	Restatement	Restated
(Rupees in thousand)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1,961,223	-	1,961,223
Right-of-use assets	6,730	-	6,730
Investment property	294,569	-	294,569
Intangible assets	24,550	-	24,550
Goodwill	18,572	-	18,572
Long-term investments	6,028,927	-	6,028,927
Employees' defined benefit plan	305,262	-	305,262
Long-term loans, advances and deposits	21,071	-	21,071
	8,660,904	-	8,660,904
<b>Current assets</b>			
Stores, spare parts and loose tools	860,319	-	860,319
Stock-in-trade	15,911,416	-	15,911,416
Trade debts	805,680	-	805,680
Loans and advances	430,932	-	430,932
Trade deposits and short-term prepayments	146,279	-	146,279
Balances with statutory authorities	6,316,129	-	6,316,129
Other receivables	251,012	-	251,012
Tax refunds due from Government	85,603	-	85,603
Short term investments	3,856	-	3,856
Cash and bank balances	1,874,814	-	1,874,814
	26,686,040	-	26,686,040
<b>Total assets</b>	35,346,944	-	35,346,944

June 30, 2024

	As previously reported	Restatement	Restated
(Rupees in thousand)			
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Issued, subscribed and paid up capital	1,917,983	-	1,917,983
Reserves	8,954,891	756,109	9,711,000
	10,872,874	756,109	11,628,983
Non-controlling interest	1,346,327	(756,109)	590,218
Total equity	12,219,201	-	12,219,201
<b>Non-current liabilities</b>			
Long-term finances - secured	959,651	-	959,651
Deferred grant	10,527	-	10,527
Lease liabilities	2,334	-	2,334
Employees' defined benefit plan	21,867	-	21,867
Long-term deposits and advances	40,277	-	40,277
Deferred tax liabilities - net	1,202,362	-	1,202,362
	2,237,018	-	2,237,018
<b>Current liabilities</b>			
Trade and other payables	9,349,033	-	9,349,033
Contract liabilities	1,095,641	-	1,095,641
Taxation - net	1,086,918	-	1,086,918
Short-term borrowings	8,189,336	-	8,189,336
Current portion of non-current liabilities	488,747	-	488,747
Unclaimed dividend	350,269	-	350,269
Unpaid dividend	87,472	-	87,472
Accumulating compensated absences	243,309	-	243,309
	20,890,725	-	20,890,725
<b>Total equity and liabilities</b>	<b>35,346,944</b>	<b>-</b>	<b>35,346,944</b>

### 1.3 Subsidiary companies:

#### a) Millat Industrial Products Limited (MIPL)

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 MIPL's equity. MIPL is engaged in the business of manufacturing of industrial, domestic and vehicular batteries, cells and components. The geographical location and address of the MIPL's business units, including mills/plant is as under:

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

**b) TIPEG Intertrade DMCC**

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 TIPEG Intertrade DMCC's equity. The principal place of business of the TIPEG Intertrade DMCC is located at Jumeirah Lake Towers, Dubai-UAE. TIPEG Intertrade DMCC is formed for trading of machinery and heavy equipment and its registered office is situated at Unit No.705, Fortune Executive Tower, Jumeirah Lake Towers, Dubai, United Arab Emirates.

**d) Bolan Castings Limited (BCL)**

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 BCL's equity. BCL is engaged in the business of manufacturing of castings for tractors and automotive parts thereof. The geographical location and address of BCL's business unit, including plant is RCD Highway, Hub Chowki, District Lasbela, Balochistan, Pakistan.

**2 Basis of Preparation**

**Statement of compliance**

These consolidated condensed interim financial statements of the Group for the six month period ended December 31, 2024 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable for interim financial reporting comprise of :

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- Provisions of and directives issued under the Act.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of or directives issued under the Companies Act 2017 have been followed.

These consolidated condensed interim financial statements are un-audited and do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended June 30, 2024. Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Group's financial position and performance since the last annual financial statements.

In order to comply with the requirements of the IAS 34, the consolidated condensed interim statement of financial position has been compared with the balances of annual financial statements of the immediately preceding financial year, whereas, the consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cashflows have been compared with the balances of comparable period of the immediately preceding financial year.

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

### **3 Basis of Measurement**

These consolidated condensed interim financial statements have been prepared under the historical cost convention except certain financial instruments, government grant and plan assets of defined benefit plan which have been measured at fair value. In addition, obligations in respect of staff retirement benefits and lease liabilities which have been carried at present value and right of use assets which are initially measured at an amount equal to the corresponding lease liability and depreciated over the respective lease terms.

### **4 Functional and Presentation Currency**

The consolidated condensed interim financial statements are presented in Pak Rupees which is the Group's functional and presentation currency.

### **5 Material Accounting Policies**

The accounting policies and methods of computation adopted in the preparation of this consolidated condensed interim financial statements are the same as those applied in the preparation of preceding annual audited financial statements of the Group for the year ended June 30, 2024, except for the adoption of new and amended standards as set out.

#### **5.1** Standards, amendments to published standards and interpretations that are effective in the current period

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 01, 2024, but are considered not to be relevant or to have any significant effect on the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these consolidated condensed interim financial statements.

In the prior year, the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" vide its circular No.07/2024 dated May 15, 2024. The said guidance requires certain amounts of tax paid under minimum and final tax regime to be shown separately as a levy in accordance with IFRIC 21 'Levies' and IAS 37 'Provision, Contingent Liabilities and Contingent Assets' instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the statement of financial position and earning per share as a result of this change.

#### **5.2** Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Group's accounting periods beginning on or after July 1, 2025, but are considered not to be relevant or to have any significant effect on the Group's operations and are, therefore, not detailed in these consolidated condensed interim financial statements.

## 6 Critical Accounting Estimates and Judgments

The preparation of consolidated 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 June 30, 2024.

	Note	December 31, 2024 (Rupees in thousand)	June 30, 2024
<b>7 Long Term Finance- Secured</b>			
Long term loan		1,196,919	1,438,764
Current portion shown under current liabilities		(486,046)	(479,113)
	7.1	710,873	959,651
<b>7.1 The reconciliation of the carrying amount is as follows:</b>			
Opening balance	5.2 & 5.6	1,438,763	1,411,910
Loan received during the period / year	5.4 & 5.5	-	434,571
Repayments during the period / year		(243,089)	(412,131)
Unwinding of discount on liability		1,245	4,414
		1,196,919	1,438,764
Less: Current portion shown under current liabilities		(486,046)	(479,113)
Closing balance	5.2 to 5.6	710,873	959,651

**7.2** This represents amount of loan against facility of Rs 160,000 thousand (June 30, 2024: Rs 160,000 thousand) obtained under renewable energy finance scheme announced by State Bank of Pakistan (SBP) to promote renewable energy use in Pakistan. The average discount rate used is 11.47% per annum (2023: 11.47%). The amount is repayable in 20 to 40 equal quarterly installments starting from September 30, 2021 and carries markup of 2.5% per annum which is payable quarterly. The difference between cash received and present value of cash outflows upon initial recognition and subsequent modification has been recognized as deferred grant. This facility is secured by specific and exclusive charge on the purchased machinery in case of Millat Tractors Limited, and first charge over the current assets of Millat Equipment Limited.

In case of Millat Tractors Limited the loan facility was modified by the Bank with equal 36 payments payable starting from April 28, 2022.



- 7.3** This represents a long term finance facility obtained from a commercial bank during the period. It carries mark-up at the of 1 month KIBOR plus 1.6% per annum. Principal is to be repaid in 33 equal monthly installments starting from November 2023. The loan is secured by way of hypothecation (First Pari Passu charge) on plant and Machinery amounting to Rs. 200,000 thousand and current assets amounting to Rs. 66,670 thousand of BCL.
- 7.4** This represents long-term financing arrangements obtained by the Company through the restructuring of its short-term running finance facility with Bank Alfalah Limited. Facility is payable in equal monthly installments over a period of 36 months which include a grace period of 3 months. This facility carries a mark-up at one month KIBOR plus 1.6% per annum and is secured by way of hypothecation charge over plant and machinery and current asset of the Company amounting to Rs. 266,670 thousand.
- 7.5** This includes Term Finance (TF) loan facility amounting to Rs. 242,613 thousand (June 30, 2024: 269,570 thousand) availed from The Bank of Punjab in April 2024 to finance capital expenditure. The facility has a sanctioned limit of Rs 500,000 thousand. The loan carries markup at the rate of 1 month KIBOR plus 0.95%. The loan is secured against 1st Pari Passu charge over present and future fixed assets of the company amounting to Rs 666,670 thousand with 25% margin. The loan is repayable in 20 equal quarterly installments.
- 7.6** This includes amount of loan against facility of Rs. 1,500,000 thousand (June 30, 2024: Rs 1,500,000 thousand) to maintain the Group's ownership stake of 15.86% in Hyundai Nishat Motors (Private) Limited. The loan is repayable in 16 equal quarterly installments commencing from April 1, 2023 and carries markup at the rate of Base rate plus 0.4% per annum which is payable quarterly. Base Rate is defined as the 'average of 3-month offer rate of KIBOR'. The base rate will be set for the first time at the date of initial disbursement and subsequently will be reset on the first working day of each calendar quarter, using the rate prevailing on last working day of preceding calendar quarter. This facility is secured by 1st Exclusive Mortgage charge over land of the Millat Tractor Limited factory situated at 8.8 KM Sheikhpura Road Lahore amounting Rs. 2,000,000 thousand (30 June 2023: Rs. 2,000,000 thousand) (including 25% margin).

	December 31, 2024	June 30, 2024
	(Rupees in thousand)	
<b>8</b>		
<b>Deferred Grant</b>		
Opening balance	14,177	18,109
Transferred to profit or loss during the period / year	(1,863)	(3,932)
Closing balance	12,314	14,177
Represented by:		
Non-current portion	8,817	10,527
Current portion	3,497	3,650
	12,314	14,177

- 8.1** Government grants have been recognized against loans obtained under SBP refinance scheme for renewable energy in lieu of below market-interest rate payable on this loan. There are no unfulfilled conditions or contingencies attached to this grant effecting its recognition at the reporting date.

		December 31, 2024	June 30, 2024
		(Rupees in thousand)	
<b>9</b>	<b>Trade and Other Payables</b>		
	Trade creditors	5,540,747	5,056,465
	Bills payable	485,937	424,419
	Accrued liabilities	330,517	1,242,850
	Trademark fee payable	259,018	730,919
	Workers' Profit Participation Fund	219,047	-
	Workers' Welfare Fund	88,378	368,007
	Security deposits	582,853	677,647
	Others	857,119	848,726
		8,363,616	9,349,033

## **10 Short Term Borrowing**

- 10.1** The effective rates of mark-up on short-term running finance facility ranges from three month KIBOR minus 3.5% to KIBOR plus 0.40% (June 30, 2024: KIBOR + 0.04% to KIBOR + 0.40%) per annum. The facilities for running finance available from various commercial banks are for the purpose of meeting working capital requirements. The total limit of short term running financing facilities available from banks aggregates to 23,950,000 thousand (June 30, 2024: Rs. 14,500,000 thousand) out of these facilities Rs. 10,004,602 thousand (30 June 2024: 5,184,395 thousand) remained unutilized as of reporting date. Out of the above mentioned authorized limit Rs. 9,000,000 thousand (June 30, 2024:Rs. 3,000,000 thousand) has been obtained under Islamic mode of financing. These facilities are secured by pari passu hypothecation charge over current and future assets and book debts of the Company, lien over import documents and counter guarantees of the Company.

- 10.2** The Company has obtained finances under Istisna cum Wakala arrangement from a commercial bank amounting to Rs. 75,000 thousand (June 30, 2024: Rs. 75,000 thousand) and Istisna / Musawammah arrangement from another commercial bank amounting to Rs. 100,000 thousand (June 30, 2024: Rs. 100,000 thousand). The profit rate on these facilities are 6 months KIBOR plus 2% (June 30, 2024: 6 months KIBOR plus 2%) and 6 months KIBOR plus 1% (June 30, 2024: 6 months KIBOR plus 1%) per annum respectively. They are secured by way of hypothecation charge over fixed assets and current assets of the Company amounting to Rs. 333,330 thousand and hypothecation charge over all customer's present and future stocks and book debts with 25% margin respectively. Amount utilised as at December 31, 2024 are Rs. 75,000 thousand (June 30, 2024: Rs. 75,000 thousand) and Rs. 8,910 thousand (June 30, 2024: Rs. 21,030 thousand) respectively.

## 11 Contingencies and Commitments

### 11.1 Contingencies

There has been no significant change in the contingencies since the date of preceding published unconsolidated annual financial statements for the year ended June 30, 2024 except for the cases disclosed in note 9.1.1 and note 9.1.2.

**11.1.1** The Federal Board of Revenue (FBR) has conducted a sales tax audit for the year 2021-22 and issued a show cause notice amounting to Rs. 13,286,998 thousand and imposed penalty of Rs. 5,414,611 thousand. The demand has primarily arisen on account of retrospective application of SRO-563(I)/2022 dated April 29, 2022 and inadmissible claim of input tax. The Appellate Tribunal Inland Revenue (ATIR) and the Honourable Lahore High Court (LHC) have already nullified the retrospective applicability of SRO 563 in a separate appeal filed by the company, challenging SRO 563 on the grounds that it was issued without lawful authority. The Company submitted a reply to the show cause notice dated July 2, 2024.

Subsequent to the period end, the Deputy Commissioner Inland Revenue (DCIR) has completed the proceedings and finalized the demand for sales tax amounting to Rs. 11,046,595 thousand and penalty of Rs. 7,168,386 thousand through an order dated January 22, 2025. The Company is in the process of finalizing appeal against the said order before the ATIR. The management, in consultation with the tax advisor, is confident that the tax matter will eventually be decided in favor of the company; therefore, no provision has been made in these unconsolidated condensed interim financial statements.

**11.1.2** The Company challenged the vires of section 4C of Income Tax Ordinance, 2001 (ITO, 2001) inserted vide Finance Act, 2022 vide writ petition in LHC for tax year 2022. LHC vide its interim order dated December 29, 2022 directed the FBR to allow the Company to file its return excluding the tax under section 4C of ITO, 2001 subject to deposit of postdated cheques of the differential amount liable to be deposited under section 4C. Accordingly, Company assessed its 4C liability and deposited the postdated cheque for the balance amount. On February 16, 2023 LHC modified its interim order asking the petitioners to deposit under protest 50% of their due liability i.e. Rs. 854,906 thousand. On February 17, 2023 the DCIR issued the notice for deposit of 50% amount in the light of above directions. Accordingly, balance amount was deposited and due compliance was made of the notice. LHC in its recent judgement dated June 4, 2024 removed retrospective application of super tax for the tax year 2022. The Company has accordingly reversed the provision for super tax u/s 4C of ITO in the current period. As the matter is currently pending adjudication before Honourable Supreme Court of Pakistan, potential exposure of same shall remain, considering a reversal of decision, if any.

### 11.2 Commitments

Commitments in respect of outstanding letters of credit are Rs. 1,411,156 thousand (June 30, 2024: Rs 3,164,154 thousand).

	Note	December 31, 2024 (Rupees in thousand)	June 30, 2024	
<b>12</b>	<b>Property, Plant And Equipment</b>			
	Operating fixed assets	12.1	1,834,027	1,873,144
	Capital work in progress	12.2	110,184	88,079
			1,944,211	1,961,223
<b>12.1</b>	<b>Operating fixed assets</b>			
	Opening book value		1,873,144	1,890,312
	Add: Additions during the period / year	12.1.1	119,268	328,331
			1,992,412	2,218,643
	Less: Disposals / write offs during the period (at book value)		(35,307)	(48,659)
	Transfer to investment property		-	(38,861)
	Depreciation charged during the period / year		(123,078)	(257,979)
			(158,385)	(345,499)
	Closing book value		1,834,027	1,873,144
<b>12.1.1</b>	<b>Additions during the period</b>			
	- Buildings on freehold land		2,335	4,660
	- Plant and machinery		51,021	34,868
	- Tools and equipments		3,230	56,858
	- Furniture, fixture and office equipment		25,875	14,288
	- Vehicles		33,752	207,263
	- Computers		3,055	10,394
			119,268	328,331
<b>12.2</b>	<b>Capital work in progress</b>			
	Plant and machinery		110,184	87,220
	Others		-	859
			110,184	88,079

		December 31, 2024	June 30, 2024
		(Rupees in thousand)	
<b>13</b>	<b>Long Term Investments</b>		
	<b>Investment at fair value through other comprehensive income- unquoted</b>		
	Arabian Sea Country Club Limited	5,000	5,000
	Loss on fair value of investment	(5,000)	(5,000)
		-	-
	Hyundai Nishat Motors (Private) Limited 310,302,936 (30 June 2024: 310,302,936) fully paid ordinary shares of Rs. 10/- each equity held 15.86% (30 June 2024: 15.86%)	3,103,029	3,103,029
	Surplus on revaluation of investment	2,311,756	2,721,356
		5,414,785	5,824,385
	<b>Investment at fair value through other comprehensive income- quoted</b>		
	Baluchistan Wheels Limited 1,570,325 (30 June 2024: 1,570,325) fully paid ordinary shares of Rs. 10/- each	24,364	24,364
	Surplus on revaluation of investment	200,193	179,778
		224,557	204,142
	TCC Management Services (Private) Limited	400	400
		5,639,742	6,028,927
<b>14</b>	<b>Loans and Advances</b>		
	Current portion of long term loans to employees	843	918
	Advances to employees - considered good	37,243	10,777
	Advances to suppliers - considered good	416,704	419,047
		454,790	430,742
	Letter of credit opening charges	31	190
		454,821	430,932
<b>15</b>	<b>Cash and Bank Balances</b>		
	In hand - Cash	2,252	4,049
	In hand - Cheques	16,392	247,020
	Cash at bank - current accounts	849,490	1,127,154
	Cash at bank - deposits accounts	561,203	496,591
		1,429,337	1,874,814

**Six month period ended**  
**December 31,      December 31,**  
**2024                      2023**  
**(Rupees in thousand)**

<b>16 Revenue From Contracts With Customers</b>			
Disaggregation of revenue	Timing of revenue recognition		
<b>Local:</b>			
Tractors	Point-in-time	26,291,828	41,104,351
Implements and tractor components	Point-in-time	668,647	217,972
Multi-application products	Point-in-time	99,134	286,535
Trading goods	Point-in-time	1,300,787	989,639
Batteries	Point-in-time	1,262,204	1,084,805
Castings	Point-in-time	69,076	36,142
IFS services	Point-in-time / Over time	2,025	4,898
		<b>29,693,701</b>	<b>43,724,342</b>
Less:			
- Trade discount		(327,802)	(111,212)
- Delayed delivery charges		31,609	(655)
- Sales tax and special excise duty		(4,437,411)	(241,157)
- Provincial sales tax on services		(735)	(1,281)
		<b>(4,734,339)</b>	<b>(354,305)</b>
<b>Export:</b>			
Tractors	Point-in-time	3,459,754	2,758,980
Trading goods and tractor components	Point-in-time	55,116	76,027
Implements	Point-in-time	62,666	-
IFS services	Point-in-time / Over time	-	6,105
Batteries	Point-in-time	62,752	299,491
		<b>3,640,288</b>	<b>3,140,602</b>
Less: Commission		(302,773)	(597,524)
		<b>28,296,877</b>	<b>46,267,420</b>
<b>17 Other Income</b>			
<b>Income from financial assets:</b>			
Dividend Income		4,711	8,636
Profit on bank deposits		70,211	160,775
Mark-up on early payments		7,924	73,547
Dividend income from short-term investment		-	47,465
Revaluation gain on short term investments		8,161	-
Gain on disposal of short term investments		-	29,941
		<b>91,007</b>	<b>320,364</b>
Income from assets other than financial assets		106,783	228,815
		<b>197,790</b>	<b>549,179</b>

		Six month period ended	
		December 31, 2024	December 31, 2023
		(Rupees in thousand)	
<b>18</b>	<b>Cash and Cash Equivalents</b>		
	Cash and bank balances	15	1,429,337
	Short term borrowings	10	(14,029,307)
			(12,599,970)
			2,151,709
			(3,894,373)
			(1,742,664)

## 19 Transactions With Related Parties

The related parties comprise subsidiary 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:

		Six month period ended	
		December 31, 2024	December 31, 2023
		(Rupees in thousand)	
	Retirement benefit plans		
	Contribution to staff retirement benefit plans	28,219	39,919
	Associated companies		
	Sale of services	1,575	330
	Purchase of components	3,023	-
	Purchase of fixed assets	-	13,347
	Advance for purchase of vehicle	12,917	4,057
	Key management personnel		
	Remuneration	205,482	225,929
	Dividend paid-net	-	361,133
	Disposal of fixed assets	-	1,722

## 20 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	
	December 2024	December 2023	December 2024	December 2023	December 2024	December 2023	December 2024	December 2023	December 2024	December 2023	December 2024	December 2023
	Rupees in thousands											
Revenue from contracts with customers	27,456,613	44,693,798	2,961,726	4,779,642	1,658,047	1,762,784	2,583,689	(4,739,222)	(7,447,736)	28,296,877	46,267,420	
Cost of sales	20,480,325	34,217,448	2,585,163	3,568,823	800,902	1,629,593	2,254,813	(4,841,274)	(7,107,844)	20,654,709	34,290,264	
Gross profit	6,976,288	10,476,350	376,563	1,210,819	540,74	301,023	328,866	102,052	(339,892)	7,642,168	11,977,156	
Distribution cost	915,954	955,173	3,672	4,363	23,285	37,931	37,478	41,579	-	980,389	1,039,046	
Administrative expenses	646,518	535,773	215,630	167,805	39,962	46,657	112,836	105,322	-	1,015,046	855,557	
Other operating expenses	652,060	648,143	5,786	69,987	-	13,300	-	9,258	86	657,932	740,888	
	2,214,532	2,139,089	225,088	242,155	63,247	97,888	150,414	156,159	86	2,653,367	2,635,291	
Other income	160,029	691,052	74,692	75,631	6,044	7,821	3,212	8,297	(48,187)	(233,522)	197,790	
Operating profit	4,921,785	9,028,313	226,167	1,044,195	(3,129)	210,956	(14,011)	180,994	58,779	5,186,591	9,891,044	
Finance costs	1,024,982	316,810	148,369	116,627	23,199	39,611	1,301	2,091	-	1,197,851	475,139	
Profit/ (loss) before taxation	3,896,803	8,711,503	77,798	927,568	(26,328)	171,345	(15,312)	178,903	55,779	(673,414)	9,415,905	
Taxation	258,187	3,464,766	23,409	349,753	9,091	55,553	14,821	38,920	66,135	(132,558)	3,776,434	
Profit/ (loss) for the period	3,640,616	5,246,737	54,389	577,815	(35,419)	115,792	(30,133)	139,983	(10,356)	3,619,097	5,639,471	

20.1 Inter segment sales and purchases have been eliminated.

## 20.2 Allocation of assets and liabilities

	Tractors		Tractor components		Castings		Other segments		Inter segment eliminations		Total	
	December 2024	June 2024	December 2024	June 2024	December 2024	June 2024	December 2024	June 2024	December 2024	June 2024	December 2024	June 2024
	Rupees in thousands											
Segment operating assets	7,451,671	7,842,013	696,394	686,529	217,361	219,551	180,742	193,448	(311,500)	(309,209)	8,234,668	8,642,332
Goodwill	-	-	-	-	-	-	-	-	18,572	18,572	18,572	18,572
Current Assets	32,070,228	22,517,991	3,380,205	2,964,348	65,4856	768,383	1,354,189	1,551,159	(1,762,751)	(1,135,851)	35,696,727	26,696,040
Total Assets	39,521,899	30,360,004	4,076,599	3,680,877	87,2217	987,944	1,534,831	1,744,607	(2,055,679)	(1,425,488)	43,949,967	35,346,944
Segment operating liabilities	1,585,963	1,884,991	294,508	325,312	60,056	88,927	3,936	4,436	(15,376)	(66,648)	1,929,087	2,257,018
Non-current liabilities	24,772,958	18,712,967	2,370,510	1,998,371	506,293	563,469	474,465	581,230	(1,681,945)	(965,312)	26,444,281	20,860,725
Total operating liabilities	26,358,921	20,597,958	2,665,018	2,323,683	566,349	652,396	478,401	585,666	(1,697,321)	(1,031,960)	28,373,368	23,127,743

## 21 Fair Value of Financial Assets And Liabilities

21.1 Fair value of financial assets measured at fair value through other comprehensive income is derived from quoted market prices in active markets, if available.

21.2 The carrying values of other financial assets and financial liabilities reflected in financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at end of each financial year. Due to change in underlying factors, there has been an unrealized loss of Rs. 409,600 (31 December 2023: Rs. 698,181 thousand) recognised during the period.

21.3 Long term investment in the unquoted shares of Hyundai Nishat Motors (Private) Limited (HNMPL) are currently classified as a Level 3 financial asset and measured at fair value on the reporting dates.

## 22 Financial Risk Management

The Group's financial risk management objective and policies are consistent with that disclosed in the consolidated annual audited financial statements for the year ended June 30, 2024.

## 23 Events After Balance Sheet Date

The Board of Directors has declared Rs. 45 per share cash dividend (June 30, 2024: Nil) and Nil bonus shares (June 30, 2024: Nil) in their meeting held on February 19, 2025.

There were no other reportable events after the reporting date other than those disclosed elsewhere in the consolidated condensed interim financial statements.

## 24 Date of Authorisation For Issue

This consolidated condensed interim financial statements were authorized for issue by the Board of Directors of the Holding Company on February 19, 2025.

## 25 Corresponding Figures

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

## 26 General

Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.



Chief Financial Officer



Chief Executive Officer



Chairman







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