

Corporate

Information

BOARD OF DIRECTORS

Chairman

MR. SIKANDAR MUSTAFA KHAN

Chief Executive

SYED MUHAMMAD IRFAN AQUEEL

MR. LATIF KHALID HASHMI

MR. SOHAIL BASHIR RANA

MR. LAEEQ UDDIN ANSARI

MIAN MUHAMMAD SALEEM

RANA MUHAMMAD SIDDIQUE

MR. MANZOOR AHMED (NIT NOMINEE)

MR. S.M. TANVIR (M.C.B. NOMINEE)

Company Secretary

MIAN MUHAMMAD SALEEM

Chief Financial Officer

MR. JAVED MUNIR

Auditors

M/S. Ernst & Young Ford Rhodes

Sidat Haider & Co.

CHARTERED ACCOUNTANTS

Legal Advisors

WALKER MARTINEAU SALEEM

ADVOCATES & LEGAL CONSULTANTS

ALTAF AND ALTAF ADVOCATES

Company Share Registrars

M/S HAMEED MAJEED ASSOCIATES
(PVT) LTD.

1ST FLOOR, H.M. HOUSE,

7 - BANK SQUARE, LAHORE

TEL: 042-37235081-82

FAX: 042-37358817

shares@hmaconsultants.com

Bankers

BANK ALFALAH LTD.

BARCLAYS BANK PLC.

HABIB BANK LTD.

MCB BANK LTD.

MEEZAN BANK LTD.

STANDARD CHARTERED BANK

UNITED BANK LTD.

Registered Office and Plant

SHEIKHUPURA ROAD,

DISTT. SHEIKHUPURA

TEL: 042-37911021-25

UAN: 111-200-786

FAX: 042-37924166, 37925835

WEBSITE: www.millat.com.pk

E-MAIL: info@millat.com.pk

REGIONAL OFFICES

Karachi

3-A, FAIYAZ CENTRE, SINDHI MUSLIM

CO-OPERATIVE HOUSING SOCIETY

TEL: 021-34553752

UAN: 111-200-786

FAX: 021-34556321

Multan Cantt

GARDEN TOWN, (DAULATABAD),

SHERSHAH ROAD

TEL: 061-6537371

FAX: 061-6539271

Islamabad

H. NO. 22, ST. NO. 41, SECTOR F-6/1

TEL: 051-2271470

UAN: 111-200-786

FAX: 051-2270693

Sukkur

A-3, PROFESSOR HOUSING SOCIETY,

SHIKARPUR ROAD

TEL: 071-5633042

FAX: 071-5633187

Directors' Review

It is my pleasure to present to you on behalf of Board of Directors the un-audited Financial Statements of Millat Tractors Limited for the first quarter ended September 30, 2012.

The company achieved a sales volume of 4,779 Tractors in the first quarter as against 3,265 tractors for the corresponding quarter of the last year, showing an increase of 46%. Sales revenue increased to Rs.3,481 million as against Rs.2,341 million during corresponding period of last year. Pre-tax profit for the quarter amounted to Rs.481 million as compared to Rs.318 million of the corresponding period, showing an increase of 51%.

Although a substantial increase of 51% in sales revenue was witnessed during the first quarter, the anticipated target could not be achieved.:

Normally beginning of the financial year slows down the orders, coupled with slowing down due to Ramazan & Eid. The Flood situation in Sindh and lower Punjab also resulted in impeding the business activity during the quarter. Similarly the Governments of Punjab and Sindh announced tractors subsidy schemes which resulted in delay of orders as farmers wait to try their luck in the schemes

The ballot for Green Tractor Scheme for 10,000 Tractors by Govt. of Punjab took place on 1st Oct. 2012. The company expects to receive over 6000 orders under the scheme in addition to normal booking during the month of Oct.. This would be followed by the Sindh Tractor scheme for 11,000 Tractor in two phases out of which we expect a substantial market share. The scheme has already been advertised to invite applications for 3,000 Tractors in the initial phase.

The seasonal activity starts in October which stretches up to April/May. Heavy bookings will commence shortly which surely will help in achieving budgetary targets.

Anticipating brisk activity, the company has made available over 2500 Tractors ready for delivery, besides sufficient inventory of components to have uninterrupted production flow during the coming months. The future out look is good and we are confident that the company will surpass previous performances.

We take this opportunity to thank our valued customers who have shown great confidence in our products and make a resolve to provide them the best value for their money by supplying quality products. We also acknowledge the co-operation extended to us by our valued principals, dealers, vendors and convey our gratitude to employees of the Company for their loyalty, devotion and hard work.

For and on behalf of the Board



Sikandar Mustafa Khan
Chairman

Lahore;
October 24, 2012

Condensed Interim Financial Statements

1st quarter ended September 30, 2012

condensed interim

Balance Sheet

as at september 30, 2012 (unaudited)

EQUITY AND LIABILITIES

(Rupees in thousand)

	Note	September 30, 2012	June 30, 2012
SHARE CAPITAL AND RESERVES			
Authorised capital 50,000,000 (June 30, 2012: 50,000,000) ordinary shares of Rs 10 each		500,000	500,000
Issued, subscribed and paid up capital		366,055	366,055
General reserves		3,368,710	3,368,710
Unappropriated profit		1,756,567	1,402,096
Fair value reserve		26,673	25,057
		5,518,005	5,161,918
NON-CURRENT LIABILITIES			
Security deposits		10,685	10,485
Deferred taxation		18,045	18,045
		28,730	28,530
CURRENT LIABILITIES			
Accumulating compensated absences		55,461	55,461
Trade and other payables		3,433,678	5,041,886
Mark-up accrued on short term borrowings		7,840	1,425
Short term borrowings		555,513	-
		4,052,492	5,098,772
CONTINGENCIES AND COMMITMENTS			
	7	9,599,227	10,289,220

The annexed notes 1 to 16 form an integral part of the condensed interim financial information.



Sikandar Mustafa Khan
Chairman

ASSETS

(Rupees in thousand)

	Note	September 30, 2012	June 30, 2012
NON-CURRENT ASSETS			
Property, plant and equipment	8	418,453	415,926
Capital work-in-progress	9	177,966	168,260
Intangible asset		2,936	5,871
Investment property		255,708	255,708
Long term investments	10	289,803	288,187
Long term loans - considered good		3,192	2,702
		1,148,058	1,136,654
CURRENT ASSETS			
Stores and spares		72,520	68,419
Stock-in-trade		4,724,402	2,986,120
Trade debts		147,849	411,326
Loans and advances		245,931	181,535
Trade deposits and prepayments		34,355	25,103
Other receivables		2,423,323	1,860,958
Taxation - net		564,363	502,439
Short term investments	11	-	2,461,860
Cash and bank balances		238,426	654,806
		8,451,169	9,152,566
		9,599,227	10,289,220



Laeeq Uddin Ansari
Director

condensed interim

Profit & Loss Account

for the 1st quarter ended september 30, 2012 (unaudited)

		(Rupees in thousand)	
		Ist quarter ended	
		September 30,	
	Note	2012	2011
Sales - net		3,481,119	2,341,013
Cost of sales		2,946,452	1,962,209
Gross profit		534,667	378,804
Distribution and marketing expenses		103,412	81,688
Administrative expenses		90,738	77,943
		194,150	159,631
Operating profit		340,517	219,173
Other operating income		183,512	145,771
		524,029	364,944
Other operating expenses		35,419	44,635
Finance cost		8,054	1,934
		43,473	46,569
Profit before taxation		480,556	318,375
Taxation		126,085	73,968
Profit for the period		354,471	244,407
Earnings per share - basic and diluted (Rupees)		9.68	6.68

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

The annexed notes 1 to 16 form an integral part of the condensed interim financial information.



Sikandar Mustafa Khan
Chairman



Laeeq Uddin Ansari
Director

condensed interim

Statement of Comprehensive Income

for the 1st quarter ended september 30, 2012 (unaudited)

(Rupees in thousand)

		Ist quarter ended	
		September 30,	
	Note	2012	2011
Profit for the period		354,471	244,407
Other comprehensive income:			
Unrealized gain / (loss) on revaluation of investments		1,616	(2,437)
Total other comprehensive income		1,616	(2,437)
Total comprehensive income for the period		356,087	241,970

The annexed notes 1 to 16 form an integral part of the condensed interim financial information.



Sikandar Mustafa Khan
Chairman



Laeeq Uddin Ansari
Director

condensed interim

Cash Flow Statement

for the 1st quarter ended september 30, 2012 (unaudited)

		(Rupees in thousand)	
		Ist quarter ended	
		September 30,	
	Note	2012	2011
Cash flows from operating activities			
Cash generated from operations	12	(3,248,082)	(2,182,659)
Interest and mark-up paid		(1,639)	(984)
Net increase in long term loans to employees		(490)	(1,070)
Income tax paid		(188,009)	(314,666)
Increase in long term security deposits		200	-
Net cash used in operating activities		(3,438,020)	(2,499,379)
Cash flows from investing activities			
Purchase of property, plant and equipment		(24,876)	(6,569)
Purchase of short term investments		-	(100,000)
Proceeds from sale of short term investments		2,487,060	2,669,759
Proceeds from sale of property, plant and equipment		531	1,829
Profit on bank deposits		3,517	2,092
Net cash generated from investing activities		2,466,232	2,567,111
Cash flows from financing activities			
Dividend paid		(105)	(9,149)
Net cash used in financing activities		(105)	(9,149)
Net (decrease) / increase in cash and cash equivalents		(971,893)	58,583
Cash and cash equivalents at the beginning of the period		654,806	393,502
Cash and cash equivalents at the end of the period	12.2	(317,087)	452,085

The annexed notes 1 to 16 form an integral part of the condensed interim financial information.



Sikandar Mustafa Khan
Chairman



Laeeq Uddin Ansari
Director

condensed interim

Statement of Changes in Equity

for the 1st quarter ended september 30, 2012 (unaudited)

(Rupees in thousand)

	Share capital	Revenue Reserves			Total
		General reserves	Unappropriated profit	Fair value reserve	
Balance as on July 1, 2011	366,055	2,766,678	1,490,726	28,777	4,652,236
Final dividend for the year ended June 30, 2011 @ Rs 15 per share	-	-	(549,081)	-	(549,081)
Transferred from profit and loss account	-	900,000	(900,000)	-	-
Total comprehensive income for the 1st quarter ended September 30, 2011	-	-	244,407	(2,437)	241,970
Balance as on September 30, 2011	366,055	3,666,678	286,052	26,340	4,345,125
Interim dividend @ Rs. 25 per share	-	(297,968)	(617,167)	-	(915,135)
Total comprehensive income for nine months ended June 30, 2012	-	-	1,733,211	(1,283)	1,731,928
Balance as on June 30, 2012	366,055	3,368,710	1,402,096	25,057	5,161,918
Total comprehensive income for the 1st quarter ended September 30, 2012	-	-	354,471	1,616	356,087
Balance as on September 30, 2012	366,055	3,368,710	1,756,567	26,673	5,518,005

The annexed notes 1 to 16 form an integral part of the condensed interim financial information.



Sikandar Mustafa Khan
Chairman



Laeeq Uddin Ansari
Director

selected notes to the condensed interim

Financial Information

for the 1st quarter ended september 30, 2012 (unaudited)

1. The company is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984, and is listed on Karachi, Islamabad and Lahore Stock Exchanges. The registered office of the company is situated at Sheikhpura Road, District Sheikhpura. It is engaged in assembly and manufacture of agricultural tractors, implements and equipments.
2. This condensed interim financial information is un-audited and is being submitted to shareholders, as required by section 245 of the Companies Ordinance, 1984.
3. The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the company for the year ended June 30, 2012.
4. This condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim financial reporting".
5. Judgments and estimates made by the management in the preparation of the condensed interim financial information are the same as those applied in preparation of preceding annual published financial statements of the company for the year ended June 30, 2012.
6. Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

7. CONTINGENCIES AND COMMITMENTS

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

Commitments in respect of outstanding letters of credit are Rs. 676,000 thousand (June 30, 2012: Rs. 1,340,000 thousand).

8. PROPERTY, PLANT AND EQUIPMENT

(Rupees in thousand)

	Note	September 30, 2012	June 30, 2012
Opening book value	8.1	415,926	435,516
Add: Additions during the period		15,170	39,070
		431,096	474,586
Less: Disposals / write offs during the period (at book value)		(349)	(5,790)
Depreciation charged during the period		(12,294)	(52,870)
		(12,643)	(58,660)
Closing book value		418,453	415,926

8.1 Additions during the period

(Rupees in thousand)

	September 30, 2012	June 30, 2012
- Plant and machinery	1,742	9,274
- Tools and equipments	168	1,869
- Furniture, fixture and office equipment	2,235	5,720
- Vehicles	11,025	21,285
- Computers	-	922
	15,170	39,070

9. CAPITAL WORK-IN-PROGRESS

(Rupees in thousand)

	September 30, 2012	June 30, 2012
Plant & machinery	12,688	11,853
Advance for purchase of office space	165,128	151,830
Others	150	4,577
	177,966	168,260

10. LONG TERM INVESTMENTS - EQUITIES

(Rupees in thousand)

	September 30, 2012	June 30, 2012
Related parties Investment at cost		
- Subsidiary - unquoted	57,375	57,375
- Associates - quoted	76,610	76,610
- Associates- unquoted	117,000	117,000
	250,985	250,985
Others Available for sale - quoted		
Cost	12,145	12,145
Surplus on revaluation of investment	26,673	25,057
	38,818	37,202
	289,803	288,187

11. SHORT TERM INVESTMENTS

(Rupees in thousand)

	September 30, 2012	June 30, 2012
Financial assets at fair value through profit and loss - Mutual fund units	-	2,461,860

12. CASH GENERATED FROM OPERATIONS

(Rupees in thousand)

		Ist quarter ended	
		September 30,	
	Note	2012	2011
Profit before taxation		480,556	318,375
Adjustment for:			
- Depreciation on property, plant and equipment		12,294	12,703
- Amortization of intangibles		2,936	2,936
- Gain on investment at fair value through profit and loss		(25,200)	(36,432)
- Gain on sale of property, plant and equipment		(182)	(666)
- Profit on bank deposits		(1,728)	(2,146)
- Dividend		(135,255)	(87,750)
- Finance cost		8,054	1,934
- Working capital changes	12.1	(3,589,556)	(2,391,613)
		(3,248,082)	(2,182,659)

12.1 Working capital changes

	(Rupees in thousand)	
	Ist quarter ended	
	September 30,	
	2012	2011
(Increase)/decrease in current assets		
- Stores and spares	(4,101)	(6,103)
- Stock-in-trade	(1,738,282)	(575,810)
- Trade debts	263,477	(53,055)
- Loan and advances	(64,396)	(143,935)
- Trade deposits and prepayments	(9,252)	(7,634)
- Other receivables	(428,899)	(19,480)
Increase/(decrease) in current liabilities		
- Trade and other payables	(1,608,103)	(1,585,596)
	(3,589,556)	(2,391,613)

12.2 Cash and cash equivalents

	(Rupees in thousand)	
	Ist quarter ended	
	September 30,	
	2012	2011
Cash and bank balances	238,426	452,085
Short term borrowings	(555,513)	-
	(317,087)	452,085

13. TRANSACTIONS WITH RELATED PARTIES

	(Rupees in thousand)	
	Ist quarter ended	
	September 30,	
	2012	2011
Purchases from related parties	787,839	374,952
Dividend income	135,255	87,750
Payable to related parties	212,337	15,535
Receivable from related party	29,100	795
Payments to funds:		
- Pension	2,736	2,702
- Gratuity	6,005	6,573
- Benevolent	68	67

14. EVENTS AFTER BALANCE SHEET DATE

The Board of Directors have declared an interim dividend of Rs. Nil (June 30, 2012: Rs. 40 per share) at their meeting held on October 24, 2012.

15. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 24, 2012 by the Board of Directors of the company.

16. CORRESPONDING FIGURES

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



Sikandar Mustafa Khan
Chairman



Laeeq Uddin Ansari
Director

Condensed Interim
Consolidated
Financial Statements
1st quarter ended September 30, 2012

consolidated condensed interim

Balance Sheet

as at september 30, 2012 (unaudited)

EQUITY AND LIABILITIES

(Rupees in thousand)

	Note	September 30, 2012	June 30, 2012
SHARE CAPITAL AND RESERVES			
Authorised capital 50,000,000 (June 30, 2012: 50,000,000) ordinary shares of Rs 10 each		500,000	500,000
Issued, subscribed and paid up capital		366,055	366,055
General reserves		3,368,710	3,368,710
Unappropriated profit		2,213,557	1,974,692
Fair value reserve		13,336	11,720
Equity attributable to equity holders of the parent		5,961,658	5,721,177
Non-controlling interest		81,424	77,649
		6,043,082	5,798,826
NON-CURRENT LIABILITIES			
Security deposits		10,685	10,485
Deferred taxation		21,937	21,937
		32,622	32,422
CURRENT LIABILITIES			
Accumulating compensated absences		55,461	55,461
Trade and other payables		3,448,577	5,067,207
Mark-up accrued on short term borrowings		7,840	1,736
Short term borrowings		555,513	-
		4,067,391	5,124,404
CONTINGENCIES AND COMMITMENTS			
	7		
		10,143,095	10,955,652

The annexed notes 1 to 16 form an integral part of the consolidated condensed interim financial information.



Sikandar Mustafa Khan
Chairman

ASSETS

(Rupees in thousand)

	Note	September 30, 2012	June 30, 2012
NON-CURRENT ASSETS			
Property, plant and equipment	8	469,691	465,893
Capital work-in-progress	9	177,966	168,260
Intangible asset		2,936	5,871
Investment property		255,708	255,708
Long term investments	10	581,236	701,962
Long term loans - considered good		3,192	2,702
		1,490,729	1,600,396
CURRENT ASSETS			
Stores and spares		79,626	74,884
Stock-in-trade		4,804,114	3,064,117
Trade debts		211,955	470,198
Loans and advances		261,965	197,477
Trade deposits and prepayments		36,249	27,310
Other receivables		2,425,245	1,862,953
Taxation - net		570,414	512,466
Short term investments	11	-	2,461,860
Cash and bank balances		262,798	683,991
		8,652,366	9,355,256
		10,143,095	10,955,652



Laeeq Uddin Ansari
Director

consolidated condensed interim
Profit & Loss Account
for the 1st quarter ended september 30, 2012 (unaudited)

		(Rupees in thousand)	
		Ist quarter ended	
		September 30,	
	Note	2012	2011
Sales - net		3,622,718	2,448,506
Cost of sales		3,057,147	2,048,178
Gross profit		565,571	400,328
Distribution and marketing expenses		109,142	86,250
Administrative expenses		99,058	84,583
		208,199	170,833
Operating profit		357,371	229,495
Other operating income		57,175	58,024
		414,547	287,519
Other operating expenses		36,574	45,289
Finance cost		8,148	2,561
		44,722	47,850
Share of profit / (loss) of associated companies		7,103	(30,140)
Profit before taxation		376,928	209,529
Taxation			
Group		131,491	76,377
Associated companies		2,796	3,856
		134,287	80,233
Profit for the period		242,640	129,296
Attributable to:			
Equity holders of the parent		238,865	126,913
Non-controlling interest		3,775	2,383
		242,640	129,296
Earnings per share - basic and diluted (Rupees)		6.53	3.47

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

The annexed notes 1 to 16 form an integral part of the consolidated condensed interim financial information.



Sikandar Mustafa Khan
Chairman



Laeeq Uddin Ansari
Director

consolidated condensed interim
Statement of Comprehensive Income
 for the 1st quarter ended september 30, 2012 (unaudited)

(Rupees in thousand)

		Ist quarter ended	
		September 30,	
	Note	2012	2011
Profit for the period		242,640	129,296
Unrealized gain / (loss) on revaluation of investments		1,616	(2,437)
Total comprehensive income for the period		244,256	126,859
Non-controlling interest		(3,775)	(2,383)
Equity holders of the parent		240,481	124,476

The annexed notes 1 to 16 form an integral part of the consolidated condensed interim financial information.



 Sikandar Mustafa Khan
 Chairman



 Laeeq Uddin Ansari
 Director

consolidated condensed interim
Cash Flow Statement
for the 1st quarter ended september 30, 2012 (unaudited)

		(Rupees in thousand)	
		Ist quarter ended	
		September 30,	
	Note	2012	2011
Cash flows from operating activities			
Cash generated from operations	12	(3,248,267)	(2,205,413)
Interest and mark-up paid		(2,044)	(1,627)
Net increase in long term loans to employees		(490)	(1,070)
Income tax paid		(189,439)	(318,310)
Increase in long term security deposits		200	-
Net cash used in operating activities		(3,440,041)	(2,526,420)
Cash flows from investing activities			
Purchase of property, plant and equipment		(27,668)	(8,424)
Purchase of short term investments		-	(100,000)
Proceeds from sale of short term investments		2,487,060	2,669,759
Proceeds from sale of property, plant and equipment		531	1,828
Profit on bank deposits		3,517	2,066
Net cash generated from investing activities		2,463,440	2,565,229
Cash flows from financing activities			
Dividend paid		(105)	(9,149)
Net cash used in financing activities		(105)	(9,149)
Net (decrease) / increase in cash and cash equivalents		(976,706)	29,660
Cash and cash equivalents at the beginning of the period		683,991	405,216
Cash and cash equivalents at the end of the period	12.2	(292,715)	434,876

The annexed notes 1 to 16 form an integral part of the consolidated condensed interim financial information.


Sikandar Mustafa Khan
Chairman


Laeeq Uddin Ansari
Director

consolidated condensed interim
Statement of Changes in Equity
for the 1st quarter ended september 30, 2012 (unaudited)

(Rupees in thousand)

	Share capital	Revenue Reserves		Fair value reserve	Total	Non-controlling interest	Total equity
		General reserves	Unappropriated profit				
Balance as on July 01, 2011	366,055	2,766,678	1,977,424	15,440	5,125,597	68,361	5,193,958
Final dividend for the year ended June 30, 2011 Rs. 15 per share	-	-	(549,081)	-	(549,081)	-	(549,081)
Transferred from profit and loss account	-	900,000	(900,000)	-	-	-	-
Total comprehensive income for 1st quarter ended September 30, 2011	-	-	126,913	(2,437)	124,476	2,383	126,859
Balance as on September 30, 2011	366,055	3,666,678	655,256	13,003	4,700,992	70,744	4,771,736
Interim dividend @ Rs. 25 per share	-	(297,968)	(617,167)	-	(915,135)	-	(915,135)
Dividend payment to NCI	-	-	-	-	-	(3,216)	(3,216)
Total comprehensive income for the nine months ended June 30, 2012	-	-	1,936,603	(1,283)	1,935,320	10,121	1,945,441
Balance as on June 30, 2012	366,055	3,368,710	1,974,692	11,720	5,721,177	77,649	5,798,826
Total comprehensive income for the 1st quarter ended September 30, 2012	-	-	238,865	1,616	240,481	3,775	244,256
Balance as on September 30, 2012	366,055	3,368,710	2,213,557	13,336	5,961,658	81,424	6,043,082

The annexed notes 1 to 16 form an integral part of the consolidated condensed interim financial information.


Sikandar Mustafa Khan
Chairman


Laeeq Uddin Ansari
Director

selected notes to the consolidated condensed interim
Financial Information
for the 1st quarter ended september 30, 2012 (unaudited)

1. Millat Tractors Limited, the company is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984, and is listed on Karachi, Islamabad and Lahore Stock Exchanges. The registered office of the company is situated at Sheikhpura Road, District Sheikhpura. It is engaged in assembly and manufacture of agricultural tractors, implements and equipments. Millat Industrial Products Limited (MIPL) is a subsidiary of Millat Tractors Limited and is engaged in business of manufacturing vehicles, industrial and domestic batteries, cells and components thereof.
2. This consolidated condensed interim financial information is un-audited and is being submitted to shareholders, as required by section 245 of the Companies Ordinance, 1984.
3. The accounting policies adopted for the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the group for the year ended June 30, 2012.
4. This consolidated condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim financial reporting".
5. Judgments and estimates made by the management in the preparation of the consolidated condensed interim financial information are the same as those applied in preparation of preceding annual published financial statements of the group for the year ended June 30, 2012.
6. Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

7. CONTINGENCIES AND COMMITMENTS

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

Commitments in respect of outstanding letters of credit are Rs. 677,068 thousand (June 30, 2012 : Rs. 1,356,601 thousand).

8. PROPERTY, PLANT AND EQUIPMENT

(Rupees in thousand)

	Note	September 30, 2012	June 30, 2012
Opening book value		465,893	484,578
Add: Additions during the period	8.1	17,962	46,367
		483,855	530,945
Less: Disposals / write offs during the period (at book value)		(349)	(5,972)
Depreciation charged during the period		(13,815)	(59,080)
		(14,164)	(65,052)
Closing book value		469,691	465,893

8.1 Additions during the period

(Rupees in thousand)

	September 30, 2012	June 30, 2012
- Building on freehold land	47	323
- Plant and machinery	1,796	12,244
- Tools and equipments	168	4,230
- Furniture, fixture and office equipment	2,332	7,033
- Vehicles	13,620	21,419
- Computers	-	1,118
	17,962	46,367

9. CAPITAL WORK-IN-PROGRESS

(Rupees in thousand)

	September 30, 2012	June 30, 2012
Plant & machinery	12,688	11,853
Advance for purchase of office space	165,128	151,830
Others	150	4,577
	177,966	168,260

10. LONG TERM INVESTMENTS - EQUITIES

(Rupees in thousand)

	September 30, 2012	June 30, 2012
Related parties		
- Associates -quoted	221,401	251,069
- Associates-unquoted	321,018	413,691
	542,419	664,760
Others		
Available for sale - quoted		
Cost	25,481	25,481
Surplus on revaluation of investment	13,336	11,721
	38,817	37,202
	581,236	701,962

11. SHORT TERM INVESTMENTS

(Rupees in thousand)

	September 30, 2012	June 30, 2012
Financial assets at fair value through profit and loss - Mutual fund units	-	2,461,860

12. CASH GENERATED FROM OPERATIONS

(Rupees in thousand)

	Note	Ist quarter ended	
		September 30,	
		2012	2011
Profit before taxation		376,928	209,529
Adjustment for:			
- Depreciation on property, plant and equipment		13,815	14,167
- Amortization of intangibles		2,935	2,936
- Gain on investment at fair value through profit and loss		(25,200)	(36,432)
- Gain on sale of property, plant and equipment		(182)	(666)
- Profit on bank deposits		(1,728)	(2,146)
- Finance cost		8,148	2,561
- Share of (profit) / loss of associates		(7,103)	30,140
- Working capital changes	12.1	(3,615,880)	(2,425,502)
		(3,248,267)	(2,205,413)

12.1 Working capital changes

	(Rupees in thousand)	
	Ist quarter ended	
	September 30,	
	2012	2011
(Increase)/decrease in current assets		
- Stores and spares	(4,742)	(6,453)
- Stock-in-trade	(1,739,997)	(616,602)
- Trade debts	258,243	(70,520)
- Loan and advances	(64,488)	(149,724)
- Trade deposits and prepayments	(8,939)	(7,446)
- Other receivables	(437,432)	(19,454)
Increase/(decrease) in current liabilities		
- Trade and other payables	(1,618,525)	(1,555,303)
	(3,615,880)	(2,425,502)

12.2 Cash and cash equivalents

	(Rupees in thousand)	
	Ist quarter ended	
	September 30,	
	2012	2011
Cash and bank balances	262,798	434,876
Short term borrowings	(555,513)	-
	(292,715)	434,876

13. TRANSACTIONS WITH RELATED PARTIES

	(Rupees in thousand)	
	Ist quarter ended	
	September 30,	
	2012	2011
Purchases from associated undertakings	756,478	354,191
Dividend income	126,649	-
Payable to related parties	193,866	15,535
Receivable from related party	29,100	-
Payments to fund:		
- Pension	2,736	2,702
- Gratuity	6,005	6,573
- Benevolent	68	67

14. EVENTS AFTER BALANCE SHEET DATE

Interim dividend declared by the MTL after the balance sheet date Rs. Nil per share (June 30, 2012: Rs. 40 per share) at their meeting held on October 24, 2012.

15. DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial information was authorised for issue on October 24, 2012 by the Board of Directors.

16. CORRESPONDING FIGURES

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



Sikandar Mustafa Khan
Chairman



Laeq Uddin Ansari
Director