

FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2013

A LEGACY UNMATCHED



MILLAT TRACTORS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman

Mr. Sikandar Mustafa Khan

Chief Executive

Syed Muhammad Irfan Aqueel

Mr. Latif Khalid Hashmi

Mr. Sohail Bashir Rana

Mr. Laeeq Uddin Ansari

Mian Muhammad Saleem

Mr. Manzoor Ahmed (NIT Nominee)

Mr. Saad Iqbal

Company Secretary

Mian Muhammad Saleem

Chief Financial Officer

Mr. Javed Munir

Auditors

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

Legal Advisors

Walker Martineau Saleem

Advocates & Legal Consultants

Akhtar Ali & Associates

Ch. Law Associates Inn

Company Share Registrars

M/s. Hameed Majeed Associates (Pvt) Ltd.,

1st Floor, H.M. House, 7-Bank Square, Lahore.

Tel: 042-37235081-82

Fax: 042-37358817

shares@hmaconsultants.com

Bankers

Bank Alfalah Ltd.

Barclays Bank PLC.

Habib Bank Ltd.

MCB Bank Ltd.

Standard Chartered Bank

United Bank Ltd.

Allied Bank Ltd.

Meezan Bank Ltd.

Registered Office and Plant

Sheikhupura Road, Distt. Sheikhupura.

Tel: 042-37911021-25, UAN: 111-200-786

Fax: 042-37924166, 37925835

Website: www.millat.com.pk

E-mail: info@millat.com.pk

REGIONAL OFFICES

Karachi

3-A, Faiyaz Centre, Sindhi Muslim

Co-operative Housing Society,

Tel: 021-34553752, UAN: 111-200-786

Fax: 021-34556321

Multan Cantt.

Garden Town, (Daulatabad), Shershah Road,

Tel: 061-6537371, Fax: 061-6539271

Islamabad

H. No. 22, St. No. 41, Sector F-6/1,

Tel: 051-2271470, UAN: 111-200-786

Fax: 051-2270693

Sukkur

A-3, Professor Housing Society,

Shikarpur Road,

Tel: 071-5633042, Fax: 071-5633187

DIRECTORS' REVIEW

It is a pleasure for me to present the un-audited financials of Millat Tractors Limited, on behalf of the Board of Directors, for the quarter ended September 30, 2013.

Your company achieved a sales volume of 3,282 tractors compared to 4,779 tractors for the corresponding period of last year, a decrease of 31%. The revenue stream dropped from last year's Rs. 3.5 billion to Rs. 2.6 billion, a decrease of 25%. Profit after taxation amounted to Rs. 247.5 million compared to a profit of Rs. 354.5 million in the corresponding period of last year, a decrease of 30%.

During the first quarter of financial year 2013-14, the overall economic condition in the country worsened in view of increase in inflation and depreciation of Pak Rupee against other currencies. Likewise the local tractor industry followed a similar trend with sales volume of 4,914 units against 8,262 units of corresponding period of last year, a drop of 41%. Moreover, recent rains and flood in the country has damaged the cultivated crops. All these factors have severely hampered the purchasing power of the farming community stunting overall demand in the industry. Restricted loaning from ZTBL and other financial institutions has also contributed towards the decrease in tractor industry sales.

We are hopeful that the sales will improve in the second quarter of the financial year due to start of Rabi crops season and improvement in the overall economy as a result of recent World Bank loan.

We take this opportunity to thank our valued customers and shareholders who have shown great support and confidence in our products and operations. We would also like to acknowledge the cooperation extended by our principals, dealers and vendors as well as devotion of our employees who have supported the Company in providing quality products and services.

For and on behalf of the Board



Sikandar Mustafa Khan
Chairman

Lahore:
October 30, 2013

CONDENSED INTERIM FINANCIAL STATEMENTS

MILLAT TRACTORS LIMITED

For the Quarter ended September 30, 2013

CONDENSED INTERIM BALANCE SHEET

as at September 30, 2013 (unaudited)

	Note	September 30, 2013	June 30, 2013
(Rupees in thousand)			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
50,000,000 (June 30, 2013: 50,000,000) ordinary			
shares of Rs 10 each		500,000	500,000
Issued, subscribed and paid up capital		442,926	402,660
General reserves		3,263,551	3,306,590
Unappropriated profit		247,502	1,003,876
Fair value reserve		54,639	50,714
		4,008,618	4,763,840
Non-current liabilities			
Security deposits		10,895	10,895
Deferred taxation		19,253	19,253
		30,148	30,148
Current liabilities			
Accumulating compensated absences		61,335	61,335
Trade and other payables		3,401,082	5,267,679
Short term borrowings		1,121,269	-
Mark-up accrued on short term borrowings		16,500	2,400
		4,600,186	5,331,414
Contingencies and commitments	5	-	-
		8,638,952	10,125,402

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



Sikandar Mustafa Khan
Chairman

	Note	September 30, 2013	June 30, 2013
(Rupees in thousand)			
ASSETS			
Non-current assets			
Property, plant and equipment			
Operating fixed assets	6	440,633	448,375
Capital work-in-progress	7	208,629	204,112
Intangible assets		761	841
Investment property		255,708	255,708
Long term investments	8	358,044	354,119
Long term loans - considered good		2,706	2,065
Employee benefits		128,026	128,026
		1,394,507	1,393,246
Current assets			
Stores and spares		141,453	133,485
Stock-in-trade		3,769,731	2,601,698
Trade debts		587,103	974,158
Loans and advances		136,664	71,498
Trade deposits and prepayments		24,674	27,384
Balance with statutory authority		1,460,767	1,904,916
Other receivables		227,398	86,483
Taxation - net		498,922	293,083
Short term investments	9	-	551,871
Cash and bank balances		397,733	2,087,580
		7,244,445	8,732,156
		8,638,952	10,125,402



Syed Muhammad Irfan Aqueel
Chief Executive

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

For the quarter ended September 30, 2013 (unaudited)

	Quarter ended September 30,	
	2013	2012
	(Rupees in thousand)	
Sales - net	2,626,660	3,481,119
Cost of sales	2,235,093	2,946,452
Gross profit	391,567	534,667
Distribution and marketing expenses	93,007	103,412
Administrative expenses	93,146	90,738
	186,153	194,150
Operating profit	205,414	340,517
Other operating income	159,695	183,512
	365,109	524,029
Other operating expenses	21,436	35,419
Finance cost	15,970	8,054
	37,406	43,473
Profit before taxation	327,703	480,556
Taxation	80,201	126,085
Profit for the period	247,502	354,471
Earnings per share - basic and diluted (Rupees)	5.59	8.00

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

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



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME
 For the quarter ended September 30, 2013 (unaudited)

	Quarter ended September 30,	
	2013	2012
	(Rupees in thousand)	
Profit for the period	247,502	354,471
Other comprehensive income:		
Unrealized gain on revaluation of investments	3,925	1,616
Total other comprehensive income	3,925	1,616
Total comprehensive income for the period	251,427	356,087

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



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

CONDENSED INTERIM CASH FLOW STATEMENT

For the quarter ended September 30, 2013 (unaudited)

Quarter ended
September 30,

2013 2012
(Rupees in thousand)

Cash flows from operating activities

Profit before taxation	327,703	480,556
Adjustment for:		
Depreciation on property, plant & equipment	15,258	12,294
Amortization of intangible assets	80	2,936
Gain on disposal of short term investments	(3,813)	(25,200)
Gain on disposal of property, plant & equipment	-	(182)
Finance cost	15,970	8,054
Profit on bank deposits	(6,109)	(1,728)
Dividend income	(128,475)	(135,255)
	(107,089)	(139,082)
Cash flow from operating activities before working capital changes	220,614	341,474

Effect on cash flow due to working capital changes

(Increase)/decrease in current assets:

Stores and spares	(7,968)	(4,101)
Stock in trade	(1,168,033)	(1,738,282)
Trade debts	387,055	263,477
Loans and advances	(65,166)	(64,396)
Trade deposits and prepayments	2,710	(9,252)
Other receivables	429,949	(428,899)
	(421,453)	(1,981,453)

Decrease in current liabilities:

Trade and other payables	(2,871,987)	(1,608,103)
	(3,293,440)	(3,589,556)

Cash used in operations

Income tax paid	(286,040)	(188,009)
Increase in long term loans to employees	(641)	(490)
Increase in long term security deposits	-	200
Mark-up paid	(1,870)	(1,639)
	(288,551)	(189,938)
Net cash used in operating activities	(3,361,377)	(3,438,020)



Sikandar Mustafa Khan
Chairman

Quarter ended
September 30,
2013 2012
(Rupees in thousand)

Cash flows from investing activities

Purchase of property, plant and equipment	(12,168)	(24,876)
Proceeds from sale of short term investments	555,684	2,487,060
Proceeds from sale of property, plant and equipment	135	531
Profit on bank deposits	7,869	3,517
Net cash generated from investing activities	551,520	2,466,232

Cash flows from financing activities

Dividend paid	(1,259)	(105)
Net cash used in financing activities	(1,259)	(105)
Net decrease in cash and cash equivalents	(2,811,116)	(971,893)
Cash and cash equivalents at the beginning of the period	2,087,580	654,806
Cash and cash equivalents at the end of the period	(723,536)	(317,087)

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



Syed Muhammad Irfan Aqueel
Chief Executive

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the quarter ended September 30, 2013 (unaudited)

	Share capital	Revenue Reserves		Fair value reserve	Total
		General reserves	Unappropriated profit		
(Rupees in thousand)					
Balance as on July 1, 2012	366,055	3,368,710	1,402,096	25,057	5,161,918
Final dividend for the year ended June 30, 2012 @ Rs. 40/- per share	-	(62,120)	(1,402,096)	-	(1,464,216)
Total comprehensive income for the quarter ended September 30, 2012	-	-	354,471	1,616	356,087
Balance as on September 30, 2012	366,055	3,306,590	354,471	26,673	4,053,789
Interim dividend @ Rs. 30/- per share	-	-	(1,098,165)	-	(1,098,165)
Issue of ordinary shares of Rs.10/- each as fully paid bonus shares	36,605	-	(36,605)	-	-
Total comprehensive income for the nine months ended June 30, 2013	-	-	1,784,175	24,041	1,808,216
Balance as on July 1, 2013	402,660	3,306,590	1,003,876	50,714	4,763,840
Final dividend for the year ended June 30, 2013 @ Rs. 25/- per share	-	(43,039)	(963,610)	-	(1,006,649)
Issue of ordinary shares of Rs.10/- each as fully paid bonus shares	40,266	-	(40,266)	-	-
Total comprehensive income for the quarter ended September 30, 2013	-	-	247,502	3,925	251,427
Balance as on September 30, 2013	442,926	3,263,551	247,502	54,639	4,008,618

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



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the quarter ended September 30, 2013 (unaudited)

1. THE COMPANY AND ITS ACTIVITIES

The company is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984, and is listed on Karachi, Islamabad and Lahore Stock Exchanges. The registered office of the company is situated at Sheikhpura Road, District Sheikhpura. It is engaged in assembly and manufacture of agricultural tractors, implements and equipments.

2. STATEMENT OF COMPLIANCE

2.1 This interim financial information of the Company for the quarter ended September 30, 2013 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

2.2 This interim financial information is un-audited and is being submitted to shareholders, as required by section 245 of the Companies Ordinance, 1984.

3. BASIS OF PREPARATION

3.1 This interim financial information does not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual financial statements as at June 30, 2013.

3.2 The accounting policies adopted for the preparation of this interim financial information are same as those applied in the preparation of the preceding annual published financial statements of the Company for the year ended June 30, 2013 except for as disclosed in note 3.3 below.

3.3 The Company has adopted the following amended IFRS and IFRIC interpretation which became effective during the period:

IFRS 7 - Financial Instruments : Disclosures – (Amendments)

Amendments enhancing disclosures about offsetting of financial assets and financial liabilities.

IAS 19 - Employee Benefits – (Amendment)

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

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, incomes and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation are the same as those that applied to the financial statements for the year ended June 30, 2013.

5. CONTINGENCIES AND COMMITMENTS

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

Commitments in respect of outstanding letters of credit are Rs. 559,000 thousand (June 30, 2013 : Rs 577,000 thousand).

	Note	September 30, 2013	June 30, 2013
(Rupees in thousand)			
6. Property, plant and equipment			
Opening book value		448,375	415,926
Add: Additions during the period	6.1	7,651	96,998
		456,026	512,924
Less: Disposals / write offs during the period (at book value)		(135)	(9,092)
Depreciation charged during the period		(15,258)	(55,457)
		(15,393)	(64,549)
Closing book value		440,633	448,375

	September 30, 2013	June 30, 2013
	(Rupees in thousand)	
6.1 Additions during the period		
- Buildings on freehold land	-	196
- Plant and machinery	1,210	29,998
- Tools and equipments	363	9,762
- Furniture, fixture and office equipment	15	6,278
- Vehicles	6,063	50,512
- Computers	-	252
	7,651	96,998
7. Capital work-in-progress		
Advance for purchase of office space	187,139	187,139
Others	21,490	16,973
	208,629	204,112
8. Long term investments - Equities		
Related parties		
Investment at cost		
- Subsidiary - unquoted	57,375	57,375
- Subsidiary - unquoted	40,275	40,275
- Associates - quoted	76,610	76,610
- Associates- unquoted	117,000	117,000
	291,260	291,260
Others		
Available for sale - quoted		
Cost	12,145	12,145
Surplus on revaluation of investment	54,639	50,714
	66,784	62,859
	358,044	354,119

	September 30, 2013	June 30, 2013
	(Rupees in thousand)	
9. Short term investments		
Financial assets at fair value through profit and loss - Mutual fund units	-	551,871

	Quarter ended September 30,	
	2013	2012
	(Rupees in thousand)	
10. Transactions with related parties		
Purchases from related parties	537,872	787,839
Dividend income	128,475	135,255
Payable to related parties	135,200	212,337
Receivable from related party	172,213	29,100
Payments to funds:		
- Pension	2,817	2,736
- Gratuity	12,847	6,005
- Benevolent	68	68

11. Events after balance sheet date

The Board of Directors have declared a cash dividend of Rs. Nil (June 30, 2013: Rs. 25 per share) and bonus shares of Nil (June 30, 2013: 10%) in their meeting held on October 30, 2013.

12. Date of authorisation for issue

This condensed interim financial information was authorised for issue on October 30, 2013 by the Board of Directors of the company.

13. Corresponding figures

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



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

MILLAT TRACTORS LIMITED

For the Quarter ended September 30, 2013

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

as at September 30, 2013 (unaudited)

	Note	September 30, 2013	June 30, 2013
(Rupees in thousand)			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
50,000,000 (June 30, 2013: 50,000,000) ordinary			
shares of Rs 10 each		500,000	500,000
Issued, subscribed and paid up capital		442,926	402,660
General reserves		3,263,551	3,306,590
Unappropriated profit		742,831	1,640,485
Exchange translation reserve		(63)	(63)
Fair value reserve		41,302	37,377
		4,490,547	5,387,049
Non controlling interest		107,847	106,045
Non-current liabilities			
Security deposits		10,895	10,895
Deferred taxation		23,149	23,149
		34,044	34,044
Current liabilities			
Accumulating compensated absences		61,336	61,336
Trade and other payables		3,442,614	5,266,567
Short term borrowings		1,121,835	-
Mark-up accrued on short term borrowings		16,500	2,401
		4,642,285	5,330,304
Contingencies and commitments	5	-	-
		9,274,723	10,857,442

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



Sikandar Mustafa Khan
Chairman

	Note	September 30, 2013	June 30, 2013
(Rupees in thousand)			
ASSETS			
Non-current assets			
Property, plant and equipment			
Operating fixed assets	6	490,837	498,858
Capital work-in-progress	7	210,081	205,131
Intangible assets		761	841
Investment property		255,708	255,708
Long term investments	8	624,373	768,344
Long term loans - considered good		2,706	2,065
Employee benefits		128,026	128,026
		1,712,492	1,858,973
Current assets			
Stores and spares		151,779	141,504
Stock-in-trade		3,897,219	2,697,794
Trade debts		633,790	1,010,625
Loans and advances		153,450	83,977
Trade deposits and prepayments		27,064	30,378
Balance with statutory authority		1,462,689	1,896,021
Other receivables		227,398	83,405
Taxation - net		506,610	289,370
Short term investments	9	-	551,871
Cash and bank balances		502,232	2,213,524
		7,562,231	8,998,469
		9,274,723	10,857,442



Syed Muhammad Irfan Aqueel
Chief Executive

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

For the quarter ended September 30, 2013 (unaudited)

	Quarter ended September 30,	
	2013	2012
(Rupees in thousand)		
Sales - net	2,963,422	3,622,718
Cost of sales	2,542,657	3,057,147
Gross profit	420,765	565,571
Distribution and marketing expenses	94,482	109,142
Administrative expenses	103,185	99,058
	197,667	208,200
Operating profit	223,098	357,371
Other operating income	45,075	57,175
	268,173	414,546
Other operating expenses	23,302	36,574
Finance cost	17,168	8,148
	40,470	44,722
	227,703	369,824
Share of (loss) / profit of associates	(18,942)	7,103
Profit before taxation	208,761	376,927
Taxation		
- Group	88,783	131,491
- Associates	11,954	2,796
	100,737	134,287
Profit after taxation	108,024	242,640
Attributable to:		
- Equity holders of the holding Company	106,222	238,865
- Non-controlling interest	1,802	3,775
	108,024	242,640
Earnings per share - basic and diluted (Rupees)	2.44	5.48

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

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



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the quarter ended September 30, 2013 (unaudited)

	Quarter ended September 30,	
	2013	2012
	(Rupees in thousand)	
Profit for the period	108,024	242,640
Other comprehensive income:		
Unrealized gain on revaluation of investments	3,925	1,616
Total comprehensive income for the period	111,949	244,256
Non controlling interest	(1,802)	(3,775)
Equity holders of the holding Company	110,147	240,481

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



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT

For the quarter ended September 30, 2013 (unaudited)

Quarter ended
September 30,

2013 2012
(Rupees in thousand)

Cash flows from operating activities

Profit before taxation	208,761	376,927
Adjustment for:		
Depreciation on property, plant & equipment	16,785	13,815
Amortization of intangible assets	80	2,935
Gain on disposal of short term investments	(3,813)	(25,200)
Gain on disposal of property, plant & equipment	-	(182)
Finance cost	17,168	8,148
Share of loss / (profit) of associates	18,942	(7,103)
Profit on bank deposits	(6,836)	(1,728)
Dividend income	-	-
	42,326	(9,315)
Cash flow from operating activities before working capital changes	251,087	367,612

Effect on cash flow due to working capital changes

(Increase)/decrease in current assets:

Stores and spares	(10,275)	(4,742)
Stock in trade	(1,199,425)	(1,739,997)
Trade debts	376,835	258,243
Loans and advances	(69,473)	(64,488)
Trade deposits and prepayments	3,314	(8,939)
Other receivables	404,443	(437,432)
	(494,581)	(1,997,355)

Decrease in current liabilities:

Trade and other payables	(2,829,207)	(1,618,525)
	(3,323,788)	(3,615,880)

Cash used in operations

Income tax paid	(306,023)	(189,439)
Increase in long term loans to employees	(641)	(490)
Increase in long term security deposits	-	200
Mark-up paid	(3,069)	(2,044)
	(309,733)	(191,773)
Net cash used in operating activities	(3,382,434)	(3,440,041)



Sikandar Mustafa Khan
Chairman

Quarter ended
September 30,
2013 2012
(Rupees in thousand)

Cash flows from investing activities

Purchase of property, plant and equipment	(13,849)	(27,668)
Proceeds from sale of short term investments	555,684	2,487,060
Proceeds from sale of property, plant and equipment	135	531
Profit on bank deposits	8,596	3,517
Net cash generated from investing activities	550,566	2,463,440

Cash flows from financing activities

Dividend paid	(1,259)	(105)
Net cash used in financing activities	(1,259)	(105)
Net decrease in cash and cash equivalents	(2,833,127)	(976,706)
Cash and cash equivalents at the beginning of the period	2,213,524	683,991
Cash and cash equivalents at the end of the period	(619,603)	(292,715)

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



Syed Muhammad Irfan Aqueel
Chief Executive

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the quarter ended September 30, 2013

	Share capital	Exchange translation reserve	Revenue Reserves		Fair value reserve	Non - controlling interest	Total
			General reserves	Unappropriated profit			
(Rupees in thousand)							
Balance as on July 1, 2012	366,055	-	3,368,710	1,974,692	11,720	77,649	5,798,826
Final dividend for the year ended June 30, 2012 @ Rs. 40/- per share	-	-	(62,120)	(1,402,096)	-	-	(1,464,216)
Total comprehensive income for the quarter ended September 30, 2012	-	-	-	238,865	1,616	3,775	244,256
Balance as on September 30, 2012	366,055	-	3,306,590	811,461	13,336	81,424	4,578,866
Interim dividend @ Rs. 30/- per share	-	-	-	(1,098,165)	-	-	(1,098,165)
Dividend payment to non-controlling interest	-	-	-	-	-	(4,823)	(4,823)
Investment in subsidiary	-	-	-	-	-	13,425	13,425
Issue of ordinary shares of Rs.10/- each as fully paid bonus shares	36,605	-	-	(36,605)	-	-	-
Exchange differences on translation of foreign operations	-	(63)	-	-	-	-	(63)
Total comprehensive income for the nine months ended June 30, 2013	-	-	-	1,963,794	24,041	16,019	2,003,854
Balance as on July 1, 2013	402,660	(63)	3,306,590	1,640,485	37,377	106,045	5,493,094
Final dividend for the year ended June 30, 2013 @ Rs. 25/- per share	-	-	(43,039)	(963,610)	-	-	(1,006,649)
Issue of ordinary shares of Rs.10/- each as fully paid bonus shares	40,266	-	-	(40,266)	-	-	-
Total comprehensive income for the quarter ended September 30, 2013	-	-	-	106,222	3,925	1,802	111,949
Balance as on September 30, 2013	442,926	(63)	3,263,551	742,831	41,302	107,847	4,598,394

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



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the quarter ended September 30, 2013 (unaudited)

1. THE COMPANY AND ITS ACTIVITIES

Millat Tractors Limited, the company is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984, and is listed on Karachi, Islamabad and Lahore Stock Exchanges. The registered office of the company is situated at Sheikhpura Road, District Sheikhpura. It is engaged in assembly and manufacture of agricultural tractors, implements and equipments. Millat Industrial Products Limited (MIPL) is a subsidiary of Millat Tractors Limited and is engaged in business of manufacturing vehicles, industrial and domestic batteries, cells and components thereof. Tipeg Intertade JLT is a subsidiary of Millat tractors Limited and is engaged in trading business of machinery and heavy equipment.

2. STATEMENT OF COMPLIANCE

- 2.1 This interim financial information of the Group for the quarter ended September 30, 2013 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.
- 2.2 This interim financial information is un-audited and is being submitted to shareholders, as required by section 245 of the Companies Ordinance, 1984.

3. BASIS OF PREPARATION

- 3.1 This interim financial information does not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Group's annual financial statements as at June 30, 2013.
- 3.2 The accounting policies adopted for the preparation of this interim financial information are same as those applied in the preparation of the preceding annual published financial statements of the Group for the year ended June 30, 2013 except for as disclosed in note 3.3 below.
- 3.3 The Group has adopted the following amended IFRS and IFRIC interpretation which became effective during the period:

IFRS 7 - Financial Instruments : Disclosures – (Amendments)

Amendments enhancing disclosures about offsetting of financial assets and financial liabilities.

IAS 19 - Employee Benefits – (Amendment)

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

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, incomes and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the 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, 2013.

5. CONTINGENCIES AND COMMITMENTS

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

Commitments in respect of outstanding letters of credit are Rs. 559,000 thousand (June 30, 2013 : Rs 582,135 thousand).

	Note	September 30, 2013	June 30, 2013
(Rupees in thousand)			
6. Property, plant and equipment			
Opening book value		498,858	465,893
Add: Additions during the period	6.1	8,899	104,467
		507,757	570,360
Less: Disposals / write offs during the period (at book value)		(135)	(9,624)
Depreciation charged during the period		(16,785)	(61,878)
		(16,920)	(71,502)
Closing book value		490,837	498,858

	September 30, 2013	June 30, 2013
	(Rupees in thousand)	
6.1 Additions during the period		
- Buildings on freehold land	-	446
- Plant and machinery	1,210	30,172
- Tools and equipments	1,524	12,176
- Furniture, fixture and office equipment	34	6,634
- Vehicles	6,131	54,705
- Computers	-	334
	8,899	104,467
7. Capital work-in-progress		
Advance for purchase of office space	188,591	188,158
Others	21,490	16,973
	210,081	205,131
8. Long term investments - Equities		
Related parties		
- Associates - quoted	213,640	252,006
- Associates- unquoted	343,950	453,480
	557,590	705,486
Others		
Available for sale - quoted		
Cost	25,481	25,481
Surplus on revaluation of investment	41,302	37,377
	66,783	62,858
	624,373	768,344

	September 30, 2013	June 30, 2013
	(Rupees in thousand)	
9. Short term investments		
Financial assets at fair value through profit and loss - Mutual fund units	-	551,871

	Quarter ended September 30, 2013	2012
	(Rupees in thousand)	
10. Transactions with related parties		
Purchases from related parties	509,967	756,478
Dividend income	117,000	126,649
Payable to related parties	115,133	193,866
Receivable from related party	157,157	29,100
Payments to funds:		
- Pension	2,817	2,736
- Gratuity	12,847	6,005
- Benevolent	68	68

11. Events after balance sheet date

The Board of Directors have declared a cash dividend of Rs. Nil (June 30, 2013: Rs. 25 per share) and bonus shares of Nil (June 30, 2013: 10%) in their meeting held on October 30, 2013.

12. Date of authorisation for issue

This condensed interim financial information was authorised for issue on October 30, 2013 by the Board of Directors of the company.

13. Corresponding figures

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



Sikandar Mustafa Khan
Chairman



Syed Muhammad Irfan Aqueel
Chief Executive

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