

CORPORATE INFORMATION

Board of Directors

Mr. Sikandar Mustafa Khan
Chairman

Mr. Muhammad Shoaib Pasha
Chief Executive

Mr. Sohail Bashir Rana

Mr. Latif Khalid Hashmi

Mr. Laeeq Uddin Ansari

Mian Muhammad Saleem

Mr. Manzoor Ahmed

Rana Muhammad Siddique

Mr. S.M. Tanvir
M.C.B. Nominee

Company Secretary

Mian Muhammad Saleem

Chief Financial Officer

Mr. Javed Munir

Auditors

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

Legal Advisors

Walker Martineau Saleem
Advocates & Legal Consultants

Altaf and Altaf
Advocates

Company Registrars

M/s. Hameed Majeed Associates
(Pvt) Ltd.
1st Floor, H.M. House,
7-Bank Square, Lahore

Bankers

Bank Alfalah Ltd.

Habib Bank Ltd.

MCB Bank Ltd.

Meezan Bank Ltd.

Royal Bank of Scotland

Standard Chartered Bank

United Bank Ltd.

Registered Office and Plant

Sheikhupura Road, Distt. Sheikhupura

Tel: 042-7911021-25, 111-200-786

Fax: 042-7924166, 7925835

Web Site: www.millat.com.pk

E-mail: info@millat.com.pk

Regional Offices

Karachi

3-A, Faiyaz Centre, Sindhi Muslim

Co-operative Housing Society

Tel: 021-4553752, 111-200-786

Fax: 021-4556321

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, 111-200-786

Fax: 051-2270693

Sukkur

A-3, Professor Housing Society,

Shikarpur Road

Tel: 071-5633042

Fax: 071-5633187

DIRECTORS' REVIEW

I feel pleasure in presenting on behalf of the Board of Directors, the un-audited accounts of Millat Tractors Limited for the quarter ended March 31, 2009.

Your Company during the third quarter achieved a sales volume of 8,081 tractors as against 6,707 tractors for the corresponding quarter of last year, showing an increase of 20.5%. Furthermore during the nine months ended March 31, 2009, 20,332 tractors were sold as compared to 18,748 tractors during the corresponding period last year showing an increase of 1,584 tractors i.e. 8.4%.

Pre-tax profit for the nine months amounts to Rs. 904.22 million as compared to Rs. 608.92 million of the corresponding period of the previous year, thus showing an increase of 48.5%.


This period witnessed some recovery in economic conditions, as the financial market regained liquidity, inflationary trends started to settle down and energy crisis remained within limits. These factors in financial arena resulted in your company's Net Profit ratio to rise from 7.8% for the half year ended Dec. 31, 2008 to 8.8% in the nine months ended March 31, 2009.

During this period we launched new model MF-375 which has been received well by the market and we expect it to be a shining star in our product range. We wish to thank the valued customers for their confidence in our products. Despite the hard times witnessed by the Company we have remained committed to our efforts for reduction of delivery period.

We also thank our vendors, dealers and financial institutions for their extended co-operation in all seasons. We also acknowledge the co-operation extended to us by our valued principals and convey our gratitude to employees of the Company for their loyalty, devotion and hard work.

For and on behalf of the Board

Lahore:
April 29, 2009


Sikandar Mustafa Khan
Chairman

The image features a stack of several coins, likely silver or nickel, resting on a white rectangular box. The box has the word "Accounts" printed on it in a large, light-colored font. The entire scene is set against a warm, reddish-orange background. The lighting is soft, creating a slight shadow under the coins and highlighting the texture of the box and the metallic sheen of the coins.

Accounts

Millat Tractors Limited

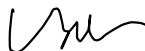
CONDENSED INTERIM BALANCE SHEET

	March 31, 2009	June 30, 2008
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital 30,000,000 (June 30, 2008: 20,000,000) ordinary shares of Rs. 10/- each	300,000	200,000
Issued, subscribed and paid up capital	234,275	187,420
General reserve	2,220,776	2,211,000
Unappropriated profit	303,148	576,917
Unrealized gain on revaluation of investments	22,492	63,542
	2,780,691	3,038,879
NON-CURRENT LIABILITIES		
Security deposits	9,485	9,485
Deferred revenue	31,064	32,729
Deferred taxation	34,833	12,355
Accumulating compensated absences	29,529	28,344
	104,911	82,913
CURRENT LIABILITIES		
Current portion of deferred revenue	216,662	218,127
Trade and other payables	3,214,670	3,925,019
Mark-up accrued on short term borrowings	9,203	2,858
	3,440,535	4,146,004
	6,326,137	7,267,796

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

AS AT MARCH 31, 2009 (UN AUDITED)

		March 31, 2009	June 30, 2008
	Note	(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	410,475	298,219
Capital work-in-progress	9	90,330	179,955
Intangible assets		29,376	17,028
Investment property		273,203	273,203
Long term investments	10	285,621	315,425
Long term loans - considered good		3,848	4,385
		1,092,853	1,088,215
CURRENT ASSETS			
Stores and spares		77,358	78,292
Stock-in-trade		2,625,467	1,636,153
Trade debts		95,663	102,660
Loans and advances		123,359	98,082
Trade deposits and prepayments		17,445	7,782
Other receivables		1,264,233	1,167,286
Taxation - net		76,358	8,198
Short - term Investments	11	898,368	2,831,770
Cash and bank balances		55,033	249,358
		5,233,284	6,179,581
		6,326,137	7,267,796



Sikandar Mustafa Khan
Chairman



Muhammad Shoab Pasha
Chief Executive

**CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT**
for the nine months ended March 31, 2009 (Un-audited)

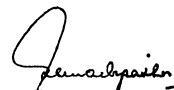
	Note	Nine months ended		Quarter ended	
		March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
(Rupees in thousand)					
Sales - net		10,273,589	7,412,444	4,180,223	2,686,773
Cost of sales		8,949,363	6,580,307	3,598,794	2,444,136
Gross profit		1,324,226	832,137	581,429	242,637
Distribution and marketing expenses		279,167	263,862	106,363	95,239
Administrative expenses		183,337	145,998	81,096	46,949
		462,504	409,860	187,459	142,188
Operating profit		861,722	422,277	393,970	100,449
Other operating income		149,332	241,325	86,463	107,046
		1,011,054	663,602	480,433	207,495
Other operating expenses		73,262	36,925	37,775	10,238
Finance cost		33,574	17,759	13,735	2,317
		106,836	54,684	51,510	12,555
Profit before taxation		904,218	608,918	428,923	194,940
Taxation		277,968	148,179	125,999	46,000
Profit for the period		626,250	460,739	302,924	148,940
Earnings per share - basic and diluted (Rupees)		26.73	19.67	12.93	6.36

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

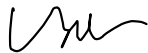



Muhammad Shoaib Pasha
Chief Executive

**CONDENSED INTERIM
CASH FLOW STATEMENT**
for the nine months ended March 31, 2009 (Un-audited)

	Note	Nine months to Mar. 31, 2009	Nine months to Mar. 31, 2008
(Rupees in thousand)			
Cash flows from operating activities			
Cash generated from operations	12	577,522	689,523
Interest and mark-up paid		(27,229)	(21,535)
Net decrease/(increase) in long term loans to employees		537	82
Income tax paid		(323,650)	(263,787)
Increase in long term security deposits		-	200
Net decrease in deferred revenue		(3,130)	(15,343)
Net cash (used in)/generated from operating activities		224,050	389,140
Cash flows from investing activities			
Purchase of property, plant & equipment		(64,786)	(155,152)
Purchase of intangible assets		(12,348)	-
Proceeds from sale of property, plant and equipment		4,991	8,082
Profit on bank deposits		16,965	4,770
Purchase of Investment in associated company		(11,246)	-
Dividend received		19,154	7,677
Net cash (used in) investing activities		(47,270)	(134,623)
Cash flows from financing activities			
Dividend paid		(371,104)	(221,755)
Net cash (used in) financing activities		(371,104)	(221,755)
Net (decrease)/increase in cash and cash equivalents		(194,324)	32,762
Cash and cash equivalents at the beginning of the period		249,358	(1,262)
Cash and cash equivalents at the end of the period		55,033	31,500

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


Sikandar Mustafa Khan
Chairman

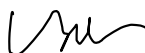

Muhammad Shoab Pasha
Chief Executive

**CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY**
for the nine months ended March 31, 2009 (Un-audited)

(Rupees in thousand)

	Share capital	Revenue reserves		Fair Value Reserve	Total
		General reserves	Unappropriated profit		
Balance as on July 01, 2007	187,420	1,986,000	450,638	72,522	2,696,580
Final dividend for the year ended June 30, 2007 @ Rs 12 per share	-	-	(224,904)	-	(224,904)
Transferred from profit and loss account	-	225,000	(225,000)	-	-
Profit for the nine months ended March 31, 2008	-	-	460,739	-	460,739
Interim dividend @ Rs 12.5 per share	-	-	(234,274)	-	(234,274)
Unrealized gain on revaluation of investments	-	-	-	25,656	25,656
Balance as on March 31, 2008	187,420	2,211,000	227,199	98,178	2,723,797
Profit for the three months ended June 30, 2008	-	-	349,718	-	349,718
Unrealized loss on revaluation of investments	-	-	-	(34,636)	(34,636)
Balance as on June 30, 2008	187,420	2,211,000	576,917	63,542	3,038,879
Final dividend for the year ended June 30, 2008 @ Rs 20 per share	-	-	(374,839)	-	(374,839)
Issue of ordinary shares of Rs. 10 each as fully paid bonus shares	46,855	-	(46,855)	-	-
Transferred from profit and loss account	-	155,000	(155,000)	-	-
Interim dividend @ Rs 12.5 per share	-	(145,224)	(323,325)	-	(468,549)
Profit for the nine months ended March 31, 2009	-	-	626,250	-	626,250
Unrealised loss on revaluation of investments	-	-	-	(41,050)	(41,050)
Balance as on March 31, 2009	234,275	2,220,776	303,148	22,492	2,780,691

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



Sikandar Mustafa Khan
Chairman



Muhammad Shoaib Pasha
Chief Executive

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

1. The Company is 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, 2008.
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, 2008.
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 969,058 thousand (June 30, 2008 : Rs 447,199 thousand).

	March 31, 2009	June 30, 2008
	(Rupees in thousand)	
8. Property, plant and equipment		
Opening book value	298,219	230,474
Add: Additions during the period - note 8.1	154,411	127,776
	452,630	358,250
Less: Disposals during the period (at book value)	(4,991)	(8,413)
Transferred to investment property	-	(17,495)
Depreciation charged during the period	(37,164)	(34,123)
	(42,155)	(60,031)
Closing book value	410,475	298,219

	March 31, 2009	June 30, 2008
	(Rupees in thousand)	
8.1 Additions during the period		
- Land	-	44,633
- Building on freehold land	1,821	4,124
- Plant and machinery	123,136	10,463
- Tools and equipments	2,299	16,099
- Furniture, fixture and office equipment	3,414	9,695
- Vehicles	23,655	37,021
- Computers	86	5,741
	154,411	127,776
9. Capital work-in-progress		
Plant & Machinery	13,535	111,145
Advance for purchase of office space	72,675	64,064
Others	4,120	4,746
	90,330	179,955
10. Long term investments-equities		
Related parties		
Investment at cost		
- Subsidiary - unquoted	57,375	57,375
- Associates - quoted	76,610	65,364
- Associates - unquoted	117,000	117,000
	250,985	239,739
Others		
Available for sale - quoted		
Cost	12,145	12,145
Surplus on revaluation of investment	22,491	63,541
	34,636	75,686
	285,621	315,425
11. Short term investments		
Financial assets at fair value through profit and loss - Mutual Fund units at cost	861,149	2,507,379
Surplus on revaluation of investments	37,219	324,391
	898,368	2,831,770

	Nine months ended March 31	
	2009	2008
	(Rupees in thousand)	
12. Cash (used in)/generated from operations		
Profit before taxation	904,218	608,918
Adjustment for:		
- Depreciation on property, plant and equipment	37,164	28,732
- Bad debts written off	7,467	-
- Provision for accumulating compensated absences	1,185	2,610
- Gain on disposal of fixed assets	-	(601)
- Profit on bank deposits	(16,832)	(994)
- Dividend income	(19,154)	(7,677)
- Finance cost	33,574	17,759
- Working capital changes - note 12.1	(370,100)	40,776
	577,522	689,523
12.1 Working capital changes		
(Increase)/decrease in current assets		
- Stores and spares	934	(39,194)
- Stock in trade	(989,314)	218,122
- Trade debts	(470)	42,407
- Loan and advances	(25,277)	2,964
- Trade deposits and prepayments	(9,663)	(448,684)
- Other receivables	(97,079)	73,150
- Short term investment	1,933,402	(562,441)
Increase/(decrease) in current liabilities		
- Trade and other payables	(1,182,633)	754,452
	(370,100)	40,776
13. Transactions with related parties		
Purchases from related parties	1,750,960	1,063,205
Dividend Income	19,154	7,677
Payable to related parties	157,003	39,540
Receivable from related parties	262	-
Payments to funds:		
- Pension	7,324	6,843
- Gratuity	7,331	7,178
- Benevolent	168	177

14. Events after balance sheet date

The Board of Directors have declared an interim dividend of Rs. Nil per share (June 30, 2008: Rs 20 per share) while appropriation to general reserve made after the balance sheet date amounts to Rs. Nil thousand (2008: Rs. 155,000 thousand).

15. Date of authorisation for issue

These financial statements were authorized for issue on April 29, 2009 by the Board of Directors of the Comapny.

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



Muhammad Shoaib Pasha
Chief Executive

The image features a large, semi-transparent red umbrella on the left side, with its handle visible. To the right of the umbrella, there are several stacks of gold coins of varying heights. The background is a light, warm gradient. The text is overlaid on the umbrella's canopy.

Millat Tractors Group

CONSOLIDATED

Financial Statements

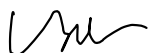
CONSOLIDATED CONDENSED INTERIM BALANCE SHEET


	March 31, 2009	June 30, 2008
Note		
	(Rupees in thousand)	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital 30,000,000 (June 30, 2008: 20,000,000) ordinary shares of Rs. 10/- each	300,000	200,000
Issued, subscribed and paid up capital	234,275	187,420
General reserve	2,220,776	2,211,000
Unappropriated profit	409,078	682,216
Unrealized gain on revaluation of investments	9,155	50,205
Equity attributable to equity holders of the parent	2,873,284	3,130,841
Minority Interest	24,504	17,211
	2,897,788	3,148,052
NON-CURRENT LIABILITIES		
Security deposits	9,485	9,485
Deferred revenue	31,064	32,729
Deferred taxation	34,833	12,355
Accumulating compensated absences	29,529	28,344
	104,911	82,913
CURRENT LIABILITIES		
Current portion of deferred revenue	216,662	218,127
Trade and other payables	3,222,647	3,936,330
Mark-up accrued on short term borrowings	10,328	4,504
Short term borrowings	24,602	56,203
	3,474,239	4,215,164
	6,476,938	7,446,129

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

AS AT MARCH 31, 2009 (UN AUDITED)

		March 31, 2009	June 30, 2008
	Note		
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	442,407	329,151
Capital work in progress	9	90,330	179,955
Intangible assets		29,376	17,028
Investment property		273,203	273,203
Long term investments	10	327,566	369,753
Long term loans-considered good		3,848	4,385
Deferred cost		258	1,032
		1,166,988	1,174,507
CURRENT ASSETS			
Stores and spares		78,868	79,334
Stock in trade		2,668,161	1,670,618
Trade debts		117,911	118,809
Loans and advances		127,223	100,185
Trade deposits and prepayments		18,962	9,543
Other receivables		1,264,233	1,168,935
Taxation - net		78,846	8,198
Short - term Investments	11	898,368	2,831,770
Cash and bank balances		57,378	284,230
		5,309,950	6,271,622
		6,476,938	7,446,129


Sikandar Mustafa Khan
Chairman

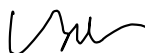

Muhammad Shoaib Pasha
Chief Executive

**CONSOLIDATED CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT**
for the nine months ended March 31, 2009 (Un-audited)

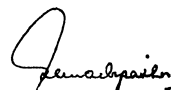
	Nine months ended		Quarter ended	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
	(Rupees in thousand)			
Sales - net	10,391,781	7,500,554	4,219,968	2,712,354
Cost of sales	9,024,810	6,647,544	3,617,407	2,463,155
Gross profit	<u>1,366,971</u>	<u>853,010</u>	<u>602,561</u>	<u>249,199</u>
Distribution and marketing expenses	285,380	271,078	108,928	98,596
Administrative expenses	194,135	153,980	84,988	49,836
	<u>479,515</u>	<u>425,058</u>	<u>193,916</u>	<u>148,432</u>
Operating profit	887,456	427,952	408,645	100,767
Other operating income	131,903	241,328	68,986	107,047
	<u>1,019,359</u>	<u>669,280</u>	<u>477,631</u>	<u>207,814</u>
Other operating expenses	74,331	36,925	54,101	10,238
Finance cost	38,053	22,391	(713)	3,843
	112,384	59,316	53,388	14,081
Share of profit and loss of associated companies	7,262	(17,943)	2,302	(4,616)
Profit before taxation	<u>914,237</u>	<u>592,021</u>	<u>426,545</u>	<u>189,117</u>
Taxation				
Group	277,968	148,620	125,999	45,653
Associated companies	2,095	(1,596)	5	1,018
	<u>280,063</u>	<u>147,024</u>	<u>126,004</u>	<u>46,671</u>
Profit for the period	<u>634,174</u>	<u>444,997</u>	<u>300,541</u>	<u>142,446</u>
Attributable to:				
Equity holders of the parent	626,881	444,713	295,919	142,817
Minority interest	7,293	284	4,622	(371)
	<u>634,174</u>	<u>444,997</u>	<u>300,541</u>	<u>142,446</u>
Earnings per share - basic and diluted (Rupees)	<u>26.76</u>	<u>18.98</u>	<u>12.63</u>	<u>6.10</u>

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

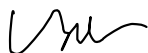


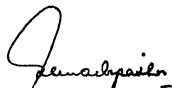
Muhammad Shoaib Pasha
Chief Executive

**CONSOLIDATED CONDENSED INTERIM
CASH FLOW STATEMENT**
for the nine months ended March 31, 2009 (Un-audited)

	Note	Nine months to March 31, 2009 (Rupees in thousand)	Nine months to March 31, 2008
Cash flows from operating activities			
Cash generated from operations	12	589,354	567,696
Interest and markup paid		(32,229)	(25,777)
Net decrease/(increase) in long term loans to employees		537	82
Income tax paid		(326,138)	(261,432)
Increase in long term security deposits		-	200
Net decrease in deferred revenue		(3,130)	(15,343)
Net cash (used in)/generated from operating activities		228,393	265,426
Cash flows from investing activities			
Purchase of property, plant & equipment		(68,879)	(157,543)
Purchase of intangible assets		(12,348)	-
Proceeds from sale of property, plant and equipment		5,418	8,082
Profit on bank deposits		16,965	4,770
Purchase of investment in associated company		(11,246)	-
Dividend received		17,550	7,677
Net cash (used in) investing activities		(52,540)	(137,014)
Cash flows from financing activities			
Dividend paid		(371,104)	(221,755)
Net cash (used in) financing activities		(371,104)	(221,755)
Net decrease in cash and cash equivalents		(195,251)	(93,343)
Cash and cash equivalents at the beginning of the period		228,027	73,340
Cash and cash equivalents at the end of the period	12.2	32,776	(20,003)

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


Sikandar Mustafa Khan
Chairman


Muhammad Shoaib Pasha
Chief Executive

**CONSOLIDATED CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY**
for the nine months ended March 31, 2009 (Un-audited)

(Rupees in thousand)

	Share capital	Revenue reserves		Fair Value Reserve	Minority Interest	Total
		General reserves	Unappropriated profit			
Balance as on July 01, 2007	187,420	1,986,000	558,007	59,185	11,579	2,802,191
Final dividend for the year ended June 30, 2007 @ Rs 12 each	-	-	(224,904)	-	-	(224,904)
Transferred from profit and loss account	-	225,000	(225,000)	-	-	-
Profit for the nine months ended March 31, 2008	-	-	444,713	-	284	444,997
Interim dividend Rs 12.50 per share	-	-	(234,274)	-	-	(234,274)
Unrealised gain on revaluation of investments	-	-	-	25,656	-	25,656
Balance as on March 31, 2008	187,420	2,211,000	318,542	84,841	11,863	2,813,666
Profit for the three months ended June 30, 2008	-	-	363,674	-	2,070	365,744
Right issue to the minority share holders	-	-	-	-	3,278	3,278
Unrealized loss on revaluation of investments	-	-	-	(34,636)	-	(34,636)
Balance as on June 30, 2008	187,420	2,211,000	682,216	50,205	17,211	3,148,052
Final dividend for the year ended June 30, 2008 @ Rs 20 each	-	-	(374,839)	-	-	(374,839)
Issue of ordinary shares of Rs. 10 each as fully paid bonus shares	46,855	-	(46,855)	-	-	-
Transferred from profit and loss account	-	155,000	(155,000)	-	-	-
Interim dividend @ Rs 20 per share	-	(145,224)	(323,325)	-	-	(468,549)
Profit for the nine months ended March 31, 2009	-	-	626,881	-	7,293	634,174
Unrealized loss on revaluation of investments	-	-	-	(41,050)	-	(41,050)
Balance as on March 31, 2009	234,275	2,220,776	409,078	9,155	24,504	2,897,788

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

SELECTED NOTES TO THE CONOSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

1. The Company is 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 of 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, 2008.
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, 2008.
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. 970,762 thousand (June 30, 2008 : Rs. 438,620 thousand).

	March 31, 2009	June 30, 2008
	(Rupees in thousand)	
8. Property, plant and equipment		
Opening book value	329,151	261,513
Add: Additions during the period - note 8.1	158,504	131,079
	487,655	392,592
Less: Disposals during the period (at book value)	(5,418)	(8,413)
Transferred to investment property	-	(17,495)
Depreciation charged during the period	(39,830)	(37,533)
	(45,248)	(63,441)
Closing book value	442,407	329,151

March 31,
2009 June 30,
2008
(Rupees in thousand)

8.1 Additions during the period

- Land	-	44,633
- Building on freehold land	1,948	4,863
- Plant and machinery	124,636	10,532
- Tools and equipments	4,451	18,376
- Furniture, fixture and office equipment	3,608	9,859
- Vehicles	23,655	37,021
- Computers	206	5,795
	<u>158,504</u>	<u>131,079</u>
9. Capital work-in-progress		
Plant & Machinery	13,535	111,145
Advance for purchase of office space	72,675	64,064
Others	4,120	4,746
	<u>90,330</u>	<u>179,955</u>
10. Long term investments - equities		
Related parties		
Investment at cost		
Related parties		
- Associates - quoted	135,820	146,540
- Associates - unquoted	157,110	147,527
	<u>292,930</u>	<u>294,067</u>
Others		
Available for sale - quoted		
Cost	25,481	25,481
Surplus on revaluation of investment	9,155	50,205
	<u>34,636</u>	<u>75,686</u>
	<u>327,566</u>	<u>369,753</u>
11. Short term investments		
Financial assets at fair value through profit and loss - Mutual Fund units at cost	861,149	2,507,379
Surplus on revaluation of investments	37,219	324,391
	<u>898,368</u>	<u>2,831,770</u>

Nine months ended
March 31
2009 2008
(Rupees in thousand)

12. Cash (used in)/generated from operations

Profit before taxation	914,237	592,021
Adjustment for:		
- Depreciation on property, plant and equipment	39,830	31,241
- Bad debts written off	7,467	-
- Amortization of pre-operating expenses	774	773
- Provision for accumulating compensated absences	1,185	2,610
- Gain on disposal of fixed assets	-	(601)
- Profit on bank deposits	(16,832)	(994)
- Dividend	-	(7,677)
- Finance cost	38,053	22,391
- Share of loss/(profit) of associates	(7,262)	17,943
- Working capital changes - note 12.1	(388,098)	(90,011)
	589,354	567,696

12.1 Working capital changes

(Increase)/decrease in current assets

- Stores and spares	466	(39,868)
- Stock in trade	(997,543)	205,764
- Trade debts	(6,569)	42,610
- Loan and advances	(27,038)	(8,639)
- Trade deposits and prepayments	(9,419)	(447,398)
- Other receivables	(95,430)	(29,694)
- Short term investments	1,933,402	(562,441)

Increase/(decrease) in current liabilities

- Trade and other payables	(1,185,967)	749,655
	(388,098)	(90,011)

12.2 Cash and cash equivalents

Cash and bank balances	57,378	36,461
Short term running finance	(24,602)	(56,464)
	32,776	(20,003)

13. Transactions with related parties

Purchases from related parties	1,750,960	1,063,205
Dividend Income	19,154	7,677
Payable to related parties	157,003	39,540
Receivable from related parties	262	2,533
Sale to related parties	-	22,189
Payments to funds:		
- Pension	7,324	6,843
- Gratuity	7,331	7,178
- Benevolent	168	177

14. Events after balance sheet date

The Board of Directors have declared an interim dividend of Rs. Nil per share (June 30, 2008: Rs 20 per share) while appropriation to general reserve made after the balance sheet date amounts to Rs. Nil thousand (2008: Rs. 155,000 thousand).

15. Date of authorisation for issue

These financial statements were authorized for issue on April 29, 2009 by the Board of Directors of the Comapny.

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



Muhammad Shoaib Pasha
Chief Executive