



RESILIENT IN TESTING TIMES

3rd Quarter Report
for nine months and Quarter ended
March 31, 2021



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman

Mr. Sikandar Mustafa Khan

Chief Executive

Syed Muhammad Irfan Aqueel

Directors

Mr. Sohail Bashir Rana

Mr. Laeeq Uddin Ansari

Mian Muhammad Saleem

Mr. Saad Iqbal

Mrs. Ambreen Waheed

Mr. Ahsan Imran Shaikh

Company Secretary

Mr. Muhammad Faisal Azeem

Chief Financial Officer

Mr. Sohail A. Nisar

Auditors

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

Chartered Accountants

Legal Advisors

Riaa Barker Gillete

Akhtar Ali & Associates

Ch. Law Associates Inn

Company Share Registrars

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

Tel: 042-37235081-82

Fax: 042-37358817

E-mail: shares@hmaconsultants.com

Bankers

Bank Alfalah Ltd.

Habib Bank Ltd.

MCB Bank Ltd.

Standard Chartered Bank (Pakistan) Ltd.

United Bank Ltd.

Allied Bank Ltd.

Meezan Bank Ltd.

REGISTERED OFFICE AND PLANT

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

Islamabad

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

Tel: 051-2271470

UAN: 111-200-786

Fax: 051-2270693

Multan Cantt.

Garden Town, (Daulatabad), Shershah Road,

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

I am pleased to present the interim financial information of the Company for the nine months ended March 31, 2021 along with consolidated interim financial information of Millat Group of Companies.

Despite COVID-19 challenge, your Company has managed to achieve sales of 25,915 units during the period as compared to 14,612 units in the comparative period. Sales revenue has increased to Rs. 31.37 billion from Rs. 15.83 billion, representing an increase of 98%. Despite the prevailing pandemic, your Company has achieved an export sale of 1,573 tractors resulting in export revenue of over Rs 2.2 Billion, which depicts your Company's resolve to thrive and set up its foot print globally.

Vaccination drive against COVID-19 is in full swing in the whole world. Oil Prices in international market are increasing and have crossed USD 65 per barrel on the hopes of recovery and growth in world economies and in anticipation of positive impact of 2.2 Trillion USD stimulus package announced by the new regime in USA. Moreover, adaptation to pandemic life has enabled the global economy to do well despite subdued overall mobility, leading to a stronger-than-anticipated rebound, on average, across regions as projected by IMF in its World Economic Outlook (WEO) 2021 report.

Pakistan economy is now back on recovery trajectory as large scale manufacturing has grown by 7.45% in the first eight months of current fiscal year 2020-2021 and is expected to grow further in remaining period of the current year on account of different incentives announced by the Government to revive the construction and its allied industries. Moreover, Rupee has made significant gain against US Dollar because of healthy growth in workers remittance and higher exports. However, the ongoing third wave of COVID-19, high inflation and unemployment may hamper 3% GDP growth target of Government. IMF in its World Economic Outlook (WEO) 2021 report has forecasted GDP growth rate of 1.5% for Pakistan for fiscal year 2020-2021.

The outlook for tractor industry remains positive since all major Kharif crops except cotton have surpassed production levels in FY20 and targets for FY21, and indicators of input conditions such as fertilizer usage, water availability, and weather suggest strong prospects, especially for wheat. Moreover, with the significant increase in support price of agricultural commodities such as wheat and sugarcane, we expect demand for agricultural tractors and related products is expected to grow for the remaining fiscal year.

The Company has taken all precautions by following proper SOPs for employees to ensure safety of our staff. May Allah keep us safe from the ongoing COVID-19 pandemic and give us strength to overcome it.

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



Sikandar Mustafa Khan

Chairman
April 27, 2021
Lahore.

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

As at March 31, 2021

	Note	(Un-audited) March 31, 2021 (Rupees in thousand)	(Audited) June 30, 2020
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
75,000,000 (June 30, 2020: 50,000,000)			
ordinary shares of Rs 10 each		750,000	500,000
Issued, subscribed and paid up capital		560,578	498,292
Reserves		3,867,653	3,573,784
		4,428,231	4,072,076
Non-current liabilities			
Long term deposits		12,633	12,643
Deferred tax liabilities - net		84,175	77,664
Employees' defined benefit plan		143,241	123,029
Lease liabilities against right-of-use assets		8,199	9,881
Long term finance- secured		182,083	101,991
Deferred grant		4,544	6,558
		434,875	331,766
Current liabilities			
Accumulating compensated absences		110,924	104,924
Trade and other payables		4,794,130	2,848,238
Contract liabilities		6,001,029	3,120,601
Current portion of lease liabilities against right-of-use assets		2,665	3,706
Current portion of long term finance- secured		156,004	26,944
Current portion of deferred grant		16,147	9,240
Taxation - net		112,356	-
Unclaimed dividend		277,959	277,113
Unpaid dividend		76,154	10,004
		11,547,368	6,400,770
CONTINGENCIES AND COMMITMENTS			
	5	16,410,474	10,804,612

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



Chief Financial Officer



Chief Executive Officer

	Note	(Un-audited) March 31, 2021 (Rupees in thousand)	(Audited) June 30, 2020
ASSETS			
Non-current assets			
Property, plant and equipment			
Operating fixed assets	6	686,669	667,980
Capital work in progress	7	94,107	2,945
Right-of-use assets		9,938	12,931
Intangible assets		39,948	41,405
Investment property		255,708	255,708
Long term investments	8	2,200,063	2,039,726
Long term loans		3,602	2,252
		3,290,035	3,022,947
Current assets			
Stores and spares		144,864	157,399
Stock-in-trade		5,687,922	3,857,166
Trade debts		141,204	102,044
Loans and advances		119,415	51,869
Trade deposits and prepayments		61,591	43,382
Balances with statutory authority		3,737,275	1,032,656
Other receivables		98,532	38,710
Tax refunds due from the Government		–	778,977
Short term investments		1,440,340	–
Cash and bank balances		1,689,296	1,719,462
		13,120,439	7,781,665
		16,410,474	10,804,612



Chairman

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)

For the nine months ended March 31, 2021

	Nine months ended March 31		Quarter ended March 31	
	2021	2020	2021	2020
	(Rupees in thousand)			
Revenue from contracts with customers	31,374,612	15,835,709	12,578,348	5,941,553
Cost of sales	24,561,506	13,092,124	9,986,470	4,845,276
Gross profit	6,813,106	2,743,585	2,591,878	1,096,277
Distribution and marketing expenses	662,501	467,504	311,742	188,257
Administrative expenses	412,146	344,238	155,679	107,906
Other operating expenses	442,519	135,411	168,590	50,981
	1,517,166	947,153	636,011	347,144
Other income	537,026	245,646	268,672	80,084
Operating profit	5,832,966	2,042,078	2,224,539	829,217
Finance cost	8,082	204,965	1,582	76,972
Profit before taxation	5,824,884	1,837,113	2,222,957	752,245
Taxation	1,523,853	476,272	559,889	199,671
Profit after taxation for the period	4,301,031	1,360,841	1,663,068	552,574
Other comprehensive income / (loss)				
Items that may not be reclassified to profit or loss in subsequent periods:				
Unrealized gain/ (loss) on revaluation of investments measured at fair value through other comprehensive income	41,453	(7,620)	(14,111)	(13,662)
Total comprehensive income for the period	4,342,484	1,353,221	1,648,957	538,912
		restated		restated
Earnings per share - basic and diluted (Rupees)	76.72	24.28	29.67	9.86

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



Chief Financial Officer



Chief Executive Officer



Chairman

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the nine months ended March 31, 2021

	Share capital	Revenue reserves		Capital reserves	Total
		General reserves	Unappropriated profit	Fair value reserves	
(Rupees in thousand)					
Balance as on 01 July 2019	442,926	2,278,935	2,044,557	66,749	4,833,167
Final dividend for the year ended					
30 June 2019 @ Rs. 40/- per share	-	-	(1,771,702)	-	(1,771,702)
Bonus shares issued for the year ended					
June 30, 2019 @ 12.5% per share	55,366	-	(55,366)	-	-
Interim dividend for the year ended					
June 30, 2020 @ Rs. 20 per share	-	-	(996,582)	-	(996,582)
Total comprehensive income					
for the nine months ended 31 March 2020	-	-	1,360,841	(7,620)	1,353,221
Balance as on 31 March 2020	498,292	2,278,935	581,748	59,129	3,418,104
Balance as on 01 July 2020	498,292	2,278,935	997,460	297,389	4,072,076
Final dividend for the year ended					
June 30, 2020 @ Rs. 30 per share	-	-	(1,494,873)	-	(1,494,873)
Interim dividend for the year ended					
30 June 2021 @ Rs. 50/- per share	-	-	(2,491,456)	-	(2,491,456)
Bonus shares issued for the year ended					
June 30, 2021 @ 12.5% per share	62,286	-	(62,286)	-	-
Total comprehensive income					
for the nine months ended 31 March 2021	-	-	4,301,031	41,453	4,342,484
Balance as on 31 March 2021	560,578	2,278,935	1,249,876	338,842	4,428,231

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



Chief Financial Officer



Chief Executive Officer



Chairman

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the nine months ended March 31, 2021

	Note	Nine months ended March 31,	
		2021 (Rupees in thousand)	2020
Cash flows from operating activities			
Profit before taxation		5,824,884	1,837,113
Adjustment for:			
Depreciation on property, plant & equipment		58,010	61,097
Amortization of intangible assets		1,457	1,457
Loss / (gain) on foreign currency retranslation		6,390	(4,275)
Net gain from short term investments		(67,250)	(1,178)
Provision / (reversal) for employee benefits		32,745	(4,103)
Finance cost		8,082	204,965
Property, plant and equipment written off		3,033	-
Profit on bank deposits		(37,203)	(14,632)
Dividend income		(334,011)	(156,965)
		(328,747)	86,366
Cash flow from operating activities before working capital changes		5,496,137	1,923,479
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets:			
Stores and spares		12,535	(3,811)
Stock in trade		(1,830,756)	(843,441)
Trade debts		(39,160)	(41,586)
Loans and advances		(67,546)	12,658
Trade deposits and prepayments		(18,209)	12,918
Other receivables		(58,974)	23,872
		(2,002,110)	(839,390)
Increase / (Decrease) in current liabilities:			
Trade and other payables		1,945,892	(218,879)
Contract liabilities		2,880,428	490,922
Cash generated from operations		8,320,347	1,356,132
Taxes paid - net		(3,336,349)	(427,828)
(Increase) / decrease in long term loans to employees		(1,350)	280
long term security deposits repaid		(10)	-
Employee benefits paid		(6,533)	-
Finance cost paid		(6,821)	(128,765)
		(3,351,063)	(556,313)
Net cash generated from operating activities		4,969,284	799,819
Cash flows from investing activities			
Purchase of property, plant and equipment		(188,111)	(81,396)
Long term investments made		(119,553)	(355,500)
(Purchase) / disposal of short term investments - net		(1,373,090)	1,178
Proceeds from sale of property, plant and equipment		17,217	18,333
Dividend received		334,011	122,277
Profit on bank deposits		37,203	14,632
Net cash used in investing activities		(1,292,323)	(280,476)
Cash flows from financing activities			
Dividend paid		(3,919,333)	(2,807,119)
Principal payment against lease liabilities		(1,839)	-
Long term financing received		214,045	-
Net cash used in financing activities		(3,707,127)	(2,807,119)
Net decrease in cash and cash equivalents		(30,166)	(2,287,776)
Cash and cash equivalents at the beginning of the period		1,719,462	851,988
Cash and cash equivalents at the end of the period	9	1,689,296	(1,435,788)

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



Chief Financial Officer



Chief Executive Officer



Chairman

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

For the nine months ended March 31, 2021

1. The Company and Its Activities

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.

1.2 Impact of COVID-19 on the unconsolidated condensed interim financial statements

The pandemic of COVID-19 rapidly spread all across the world, which not only costed many human lives but also adversely impacted the global economy in last Financial Year. However, during the current period, as a result of relaxation of lockdown in the country, the Company henceforth resumed its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business in order to improve business performance despite slow economic activity. The company has implemented all the necessary Standard Operating Procedures (SOPs) to ensure health and safety of the staff, labour and customers i.e screening of any visitor at the time of entrance, guiding the staff to wear masks and maintain social distancing etc.

Further, the Company believes that it's current liquidity position provides them with sufficient financial resources to meet their anticipated working capital requirements and obligations. Potential valuation adjustments to asset / liability base, as a result of the possible impact of COVID-19 on our future profitability and cash flow generation, were assessed and no significant adjustments were required.

According to management's assessment, there is no material accounting impact of the effects of COVID-19 in these unconsolidated condensed interim financial statements.

2 Statement of Compliance

2.1 This interim financial information of the Company for the nine months ended March 31, 2021 has 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; and
- Provisions of and directives issued under the Companies Act, 2017.

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.

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

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

For the nine months ended March 31, 2021

3 Basis of Preparation

3.1 This condensed 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 30 June 2020.

3.2 The accounting policies and methods of computation adopted for the preparation of these unconsolidated condensed interim financial statements are same as those applied in the preparation of the preceding unconsolidated annual audited financial statements of the Company for the year ended June 30, 2020, except for certain new standards, amendments to the approved accounting standards and new interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). The amendments and Interpretations which became effective during the current period are considered not to be relevant / or material to the Company's operations and therefore are not detailed in these unconsolidated condensed interim financial statements.

4 Accounting Estimates and Judgments

The preparation of 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 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 30 June 2020.

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. 934,780 thousand (June 30, 2020: Rs 604,243 thousand).

Commitments in respect of outstanding capital expenditure are Rs. 14,198 thousand as at March 31, 2021 (June 30, 2020: Rs. Nil).

	Note	(Un-audited) March 31, 2021 (Rupees in thousand)	(Audited) June 30, 2020
6			
Operating Fixed Assets			
Opening book value		667,980	718,559
Add: Additions during the period/ year	6.1	96,996	55,308
		764,976	773,867
Less:			
Deletions during the period / year		(20,250)	(23,981)
Adjustments made during the period / year		(47)	(490)
Depreciation charge for the period / year		(58,010)	(81,416)
		(78,307)	(105,887)
Closing book value		686,669	667,980
6.1			
Additions during the period			
- Plant and machinery		995	12,108
- Tools and equipment		4,848	7,973
- Furniture, fixture and office equipment		2,845	2,280
- Vehicles		86,463	25,825
- Computers		1,845	7,122
		96,996	55,308
7			
Capital Work In Progress			
Plant and machinery		11,004	1,332
Advance for tools and equipments		1,613	1,613
Solar power project		73,025	-
Advance for Vehicles		8,465	-
		94,107	2,945

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

For the nine months ended March 31, 2021

	(Un-audited) March 31, 2021 (Rupees in thousand)	(Audited) June 30, 2020
8 Long Term Investments		
Related parties:		
In subsidiary undertakings - At cost		
- Millat Industrial Products Limited - unquoted	57,375	57,375
- Tipeg Intertrade DMCC - unquoted	62,535	68,925
- Bolan Castings Limited - quoted	76,610	76,610
- Millat Equipment Limited - unquoted	117,000	117,000
	313,520	319,910
Other investment - At fair value through other comprehensive income		
- Hyundai Nishat Motors (Pvt.) Limited- unquoted		
Cost	1,345,500	1,345,500
Surplus on fair valuation of investment	322,312	296,010
Advance against share subscription	119,553	-
	1,787,365	1,641,510
	2,100,885	1,961,420
Investment other than related parties		
At fair value through other comprehensive income		
Quoted		
Cost	12,145	12,145
Surplus on revaluation of investment	86,633	65,761
	98,778	77,906
Unquoted		
Cost	400	400
	2,200,063	2,039,726
	(Un-audited) March 31, 2021 (Rupees in thousand)	(Un-Audited) March 31, 2020
9 Cash and Cash Equivalents		
Cash and bank balances	1,689,296	186,095
Short term borrowings	-	(1,621,883)
	1,689,296	(1,435,788)

	(Un-audited) March 31, 2021 (Rupees in thousand)	(Un-Audited) March 31, 2020
10 Transactions with Related Parties		
Purchase of components	5,841,632	2,777,079
Sale of goods and services	1,377,056	498,796
Dividend income	314,302	151,688
Cost of Investments made	119,553	355,500
Contribution to staff retirement benefit plans	21,266	21,824
Disposal of assets to key management personnel	39	5,789

The Outstanding balances of such parties are as under:

	March 31, 2021 (Rupees in thousand)	June 30, 2020
Payable to related parties	554,381	490,006
Receivable from related parties	1,032	13,468

11 Events After Balance Sheet Date

The Board of Directors has declared Rs. Nil cash dividend (June 30, 2020: Rs. 50 per share) and Nil bonus shares (June 30, 2020: Nil) in their meeting held on April 27, 2021.

12 Date of Authorisation

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

13 Corresponding Figures

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



Chief Financial Officer



Chief Executive Officer



Chairman



Consolidated Condensed Interim Financial Statements
MILLAT TRACTORS LIMITED
For The Nine Months Ended
March 31, 2021 (Unaudited)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

As at March 31, 2021

	Note	(Un-audited) March 31, 2021 (Rupees in thousand)	(Audited) June 30, 2020
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
75,000,000 (2020: 50,000,000) ordinary shares of Rs. 10/- each		750,000	500,000
Issued, subscribed and paid up capital		560,578	498,292
Reserves		4,645,836	4,286,481
		5,206,414	4,784,773
Non-controlling interests		937,933	851,210
Non-current liabilities			
Long term deposits		24,766	26,465
Deferred taxation		63,430	56,876
Employees' defined benefit plan		237,951	212,988
Lease liabilities against right-of-use assets		8,199	9,881
Long term finance- secured		294,572	162,283
Deferred grant		14,795	14,281
		643,713	482,774
Current liabilities			
Accumulating compensated absences		135,105	141,791
Trade and other payables		5,119,124	2,978,371
Contract liabilities		6,049,799	3,179,725
Current portion of lease liabilities against right-of-use assets		2,665	3,706
Current portion of long term finance- secured		280,370	61,151
Current portion of deferred grant		23,748	13,263
Current portion of long term deposits		859	806
Short term borrowings		840,900	899,181
Unclaimed dividend		288,613	287,923
Unpaid dividend		76,154	10,004
		12,817,337	7,575,921
CONTINGENCIES AND COMMITMENTS	5	19,605,397	13,694,678

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



Chief Financial Officer



Chief Executive Officer

	Note	(Un-audited) March 31, 2021 (Rupees in thousand)	(Audited) June 30, 2020
ASSETS			
Non-current assets			
Property, plant and equipment			
Operating fixed assets	6	1,630,416	1,645,923
Capital work in progress	7	142,039	34,425
Intangible asset		66,619	62,897
Right-of-use assets		9,938	12,931
Goodwill		18,572	18,572
Investment property		255,708	255,708
Long term investments	8	1,908,681	1,794,719
Long term loans		8,193	3,081
Long term deposits		7,605	11,232
Employees' defined benefit plan		25,863	25,301
		4,073,634	3,864,789
Current assets			
Stores and spares		533,668	494,972
Stock in trade		6,677,890	4,589,238
Trade debts		522,154	221,150
Loans and advances		185,729	110,503
Trade deposits and short term prepayments		69,098	49,972
Other receivables		100,402	36,767
Balances with statutory authorities		3,726,511	1,048,254
Tax refunds due from the Government		12,268	1,178,960
Short term investments		1,590,340	143,855
Cash and bank balances		2,113,703	1,955,126
		15,531,763	9,828,797
Non-current assets classified as held for sale		-	1,092
		19,605,397	13,694,678



Chairman

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)

For the nine months ended March 31, 2021

	Nine months ended March 31		Quarter ended March 31	
	2021	2020	2021	2020
	(Rupees in thousand)			
Revenue from contracts with customers	32,903,694	16,852,721	13,436,952	6,378,506
Cost of sales	24,525,821	13,641,269	10,157,457	5,203,813
Gross profit	8,377,873	3,211,452	3,279,495	1,174,693
Distribution and marketing expenses	748,768	530,508	344,881	208,011
Administrative expenses	737,612	566,520	301,520	188,421
Other operating expenses	518,491	159,784	203,210	48,781
	2,004,871	1,256,812	849,611	445,213
Other income	289,290	116,107	101,514	53,439
Operating profit	6,662,292	2,070,747	2,531,398	782,919
Finance cost	64,990	316,386	20,287	117,156
Profit before taxation	6,597,302	1,754,361	2,511,111	665,763
Taxation	1,817,550	552,085	674,205	211,578
Profit after tax for the period	4,779,752	1,202,276	1,836,906	454,185
Other comprehensive income / (loss):				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations	(15,632)	(2,582)	(10,736)	(4,925)
Unrealized gain / (loss) on revaluation of investments measured at fair value through other comprehensive income	46,131	(9,227)	(22,994)	(16,724)
	30,499	(11,809)	(33,730)	(21,649)
Total comprehensive income for the period	4,810,251	1,190,467	1,803,176	432,536
Attributable to:				
- Equity holders of the holding Company				
Profit after tax	4,377,471	1,221,268	1,645,832	492,697
Other comprehensive income / (loss) for the period	27,985	(10,945)	(33,255)	(19,417)
	4,405,456	1,210,323	1,612,577	473,280
- Non-controlling interests				
Profit / (loss) after tax	402,281	(18,992)	191,074	(38,512)
Other comprehensive income / (loss) for the period	2,514	(864)	(475)	(2,232)
	404,795	(19,856)	190,599	(40,744)
	4,810,251	1,190,467	1,803,176	432,536
		restated		restated
Earnings per share - basic and diluted (Rupees)	85.26	21.45	32.77	8.10

The annexed notes 1 to 14 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 (UN-AUDITED)

For the nine months ended March 31, 2021

	Share capital	Revenue reserves		Capital reserves		Non-controlling interests	Total
		General reserves	Unappropriated profit	Exchange translation reserve	Fair value reserve		
(Rupees in thousand)							
Balance as on 30 June 2019	442,926	2,475,309	2,619,150	45,158	110,459	1,038,347	6,731,349
Final dividend for the year ended							
30 June 2019 @ Rs. 40 per share	-	-	(1,771,702)	-	-	-	(1,771,702)
Bonus shares issued for the year ended							
June 30, 2019 @ 12.5% per share	55,366	-	(55,366)	-	-	-	-
Dividend payment to NCI	-	-	-	-	-	(144,548)	(144,548)
Interim dividend for the year ended							
30 June 2020 @ Rs. 20/- per share	-	-	(996,582)	-	-	-	(996,582)
Total comprehensive income							
for the nine months ended 31 March 2020	-	-	1,221,268	(2,582)	(9,227)	(18,992)	1,190,467
Balance as on 31 March 2020	498,292	2,475,309	1,016,768	42,576	101,232	874,807	5,008,984
Balance as on 30 June 2020	498,292	2,475,309	1,409,344	60,785	341,043	851,210	5,635,983
Final dividend for the year ended							
June 30, 2020 @ Rs. 30 per share	-	-	(1,494,873)	-	-	-	(1,494,873)
Dividend payment to NCI	-	-	-	-	-	(315,558)	(315,558)
Interim dividend for the year ended							
30 June 2021 @ Rs. 50/- per share	-	-	(2,491,456)	-	-	-	(2,491,456)
Bonus shares issued for the year ended							
June 30, 2021 @ 12.5% per share	62,286	-	(62,286)	-	-	-	-
Total comprehensive income / (loss)							
for the nine months ended 31 March 2021	-	-	4,377,471	(15,632)	46,131	402,281	4,810,251
Balance as on 31 March 2021	560,578	2,475,309	1,738,200	45,153	387,174	937,933	6,144,347

The annexed notes 1 to 14 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 (UN-AUDITED)

For the nine months ended March 31, 2021

	Note	Nine months ended March 31,	
		2021 (Rupees in thousand)	2020
Cash flows from operating activities			
Profit before taxation		6,597,302	1,754,361
Adjustment for:			
Depreciation on property, plant & equipment		128,743	150,166
Amortization of intangible assets		2,895	1,479
(Gain) / loss on disposal of short term investments		(67,250)	(1,207)
Provision / (Reversal) for employee benefits		17,715	(13,367)
Finance cost		64,990	316,386
Property, plant and equipment written off		3,033	-
Profit on bank deposits		(37,311)	(15,188)
Dividend income		(19,709)	(5,277)
		93,106	432,992
Cash flow from operating activities before working capital changes		6,690,408	2,187,353
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets:			
Stores and spares		(38,696)	26,414
Stock in trade		(2,088,652)	(878,674)
Trade debts		(301,004)	(273,418)
Loans and advances		(75,226)	(4,063)
Trade deposits and prepayments		(19,126)	12,955
Other receivables		(62,787)	(13,170)
		(2,585,491)	(1,129,956)
(Decrease) / Increase in current liabilities:			
Trade and other payables		2,159,281	192,611
Contract liabilities		2,870,074	502,409
Cash generated from operations		9,134,272	1,752,417
Taxes paid		(3,328,282)	(560,202)
Increase in long term loans to employees		(5,112)	(3,484)
Decrease in long term security deposits		1,981	18,087
Mark-up paid		(82,257)	(248,102)
		(3,413,670)	(793,701)
Net cash generated from operating activities		5,720,602	958,716
Cash flows from investing activities			
Purchase of property, plant and equipment		(222,791)	(107,055)
Purchase of intangible assets		(6,617)	-
Short term investments (made) / redeemed - net		(1,379,235)	5,389
Long term investment made- net		(62,110)	(412,265)
Dividend received		19,709	5,277
Profit on bank deposits		37,311	15,188
Net cash used in investing activities		(1,613,733)	(493,466)
Cash flows from financing activities			
Dividend paid to equity holders		(3,919,489)	(2,807,708)
Dividend paid to non-controlling interests		(315,558)	(144,548)
Principal payment against lease liabilities		(1,839)	-
Long term financing received		362,507	-
Net cash used in financing activities		(3,874,379)	(2,952,256)
Net increase / (decrease) in cash and cash equivalents		232,490	(2,487,006)
Cash and cash equivalents at the beginning of the period			
Foreign exchange difference		1,055,945	152,520
		(15,632)	(2,582)
Cash and cash equivalents at the end of the period	9	1,272,803	(2,337,068)

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



Chief Financial Officer



Chief Executive Officer



Chairman

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

For the nine months ended March 31, 2021

1. THE GROUP AND ITS ACTIVITIES

1.1 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 Sheikhpura Road, District Sheikhpura. The Company is principally engaged in assembling and manufacturing of agricultural tractors, implements and multi-application products.

Millat Industrial Products Limited (MIPL), an unlisted public company registered under the Companies Act 2017 (repealed Companies Ordinance, 1984), is a subsidiary of Millat Tractors Limited which holds 64.09% equity. MIPL is engaged in the business of manufacturing of industrial, domestical and vehicular batteries, cells and components.

Tipeg Intertrade DMCC, Dubai, a limited liability company registered with Dubai Multi Commodities Centre Authority, is a subsidiary of Millat Tractors Limited which holds 75% equity. The principal place of business of the company is located at Jumeirah Lake Towers, Dubai-UAE. The company is formed for trading of machinery and heavy equipment.

Millat Equipment Limited (MEL), an unlisted public company registered under the Companies Act 2017 (repealed Companies Ordinance, 1984), is a subsidiary of Millat Tractors Limited which holds 45% equity. MEL is engaged in the business of manufacturing of automotive, agricultural and industrial vehicles parts and components thereof.

Bolan Castings Limited (BCL), a public limited company incorporated in Pakistan under the Companies Act 2017 (repealed Companies Ordinance, 1984), and is listed on Pakistan Stock Exchange, is a subsidiary of Millat Tractors Limited which holds 46.26% equity. BCL is engaged in the business of manufacturing of castings for tractors and automotive parts thereof.

1.2 Impact of COVID-19 on the consolidated condensed interim financial statements

The pandemic of COVID-19 rapidly spread all across the world, which not only costed many human lives but also adversely impacted the global economy in last Financial Year. However, during the current period, as a result of relaxation of lockdown in the country, the Group henceforth resumed its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business in order to improve business performance despite slow economic activity. The Group has implemented all the necessary Standard Operating Procedures (SOPs) to ensure health and safety of the staff, labour and customers i.e screening of any visitor at the time of entrance, guiding the staff to wear masks and maintain social distancing etc.

Further, the Group believes that it's current liquidity position provides them with sufficient financial resources to meet their anticipated working capital requirements and obligations. Potential valuation adjustments to asset / liability base, as a result of the possible impact of COVID-19 on our future profitability and cash flow generation, were assessed and no significant adjustments were required.

According to management's assessment, there is no material accounting impact of the effects of COVID-19 in these consolidated condensed interim financial statements.

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

For the nine months ended March 31, 2021

2 STATEMENT OF COMPLIANCE

2.1 This interim financial information of the Group for the nine months ended March 31, 2021 has 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; and
- Provisions of and directives issued under the Companies Act, 2017.

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.

2.2 This interim financial information is un-audited and is being submitted to shareholders, as required by section 228 of the Companies Act, 2017.

3 BASIS OF PREPARATION

3.1 This condensed interim financial statements do 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 30 June 2021.

3.2 The accounting policies and methods of computation adopted for the preparation of this condensed consolidated 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 30 June 2020 except for certain new standards, amendments to the approved accounting standards and new interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). The amendments and Interpretations which became effective during the current period are considered not to be relevant / or material to the Group's operations and therefore are not detailed in these consolidated condensed interim financial statements.

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of 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 30 June 2020.

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.934,780 thousand (June 30, 2020: Rs 709,571 thousand).

Commitments in respect of outstanding capital expenditure are Rs. 14,198 thousand as at March 31, 2021 (June 30, 2020: Rs. Nil).

	Note	(Un-audited) March 31, 2021 (Rupees in thousand)	(Audited) June 30, 2020
6			
Operating Fixed Assets			
Opening book value		1,645,923	1,788,432
Stores, spares & loose tools		–	
Add: Additions during the period / year	6.1	142,989	103,701
		1,788,912	1,892,133
Less: Disposals / write offs during the period / year (at book value)		(29,753)	(45,877)
Depreciation charged during the period/ year		(128,743)	(200,333)
		(158,496)	(246,210)
Closing book value		1,630,416	1,645,923
6.1			
Additions during the period / year			
- Buildings on freehold land		2,303	–
- Plant and machinery		12,846	32,989
- Tools and equipments		6,000	24,249
- Furniture, fixture and office equipment		3,545	5,161
- Vehicles		115,631	34,044
- Computers		2,664	7,258
		142,989	103,701

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

For the nine months ended March 31, 2021

	(Un-audited) March 31, 2021 (Rupees in thousand)	(Audited) June 30, 2020
7 Capital Work In Progress		
Solar energy project	82,227	-
Plant and machinery	11,004	1,332
Advance for tools and equipment	1,613	1,613
Advance for vehicles	17,215	1,500
Advance for factory building improvements	29,980	29,980
	<u>142,039</u>	<u>34,425</u>
8 Long Term Investments		
Investment at fair value through other comprehensive income- unquoted		
Cost	1,345,900	1,403,343
Surplus on revaluation of investment	322,312	296,010
Advance against share subscription	119,553	-
	<u>1,787,765</u>	<u>1,699,353</u>
Investment at fair value through other comprehensive income- quoted		
Cost	24,364	24,364
Surplus on revaluation of investment	96,552	71,002
	<u>120,916</u>	<u>95,366</u>
	<u>1,908,681</u>	<u>1,794,719</u>
	(Un-audited) March 31, 2021 (Rupees in thousand)	(Un-Audited) March 31, 2020
9 Cash And Cash Equivalents		
Cash and bank balances	2,113,703	365,446
Short term borrowings	(840,900)	(2,702,514)
	<u>1,272,803</u>	<u>(2,337,068)</u>

		(Un-audited) March 31, 2021 (Rupees in thousand)	(Un-Audited) March 31, 2020
10	Transactions With Related Parties		
	Relation with undertaking	Nature of transaction	
	Retirement benefit plans	Contribution to staff retirement benefit plans	30,769
	Associated undertaking	Cost of Investments made	355,500
	Key management personnel	Disposal of vehicles	5,789

11 OPERATING SEGMENT INFORMATION

Business segments

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

Tractors

Tractor components

Castings

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

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

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

For the nine months ended March 31, 2021

	Tractors		Tractor components		Castings		Other segments		Inter segment eliminations		Total	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Rupees in thousands												
Revenue from contract												
with customers	31,374,612	15,835,709	3,616,133	1,695,247	1,822,832	1,082,477	3,308,805	1,545,705	(7,218,698)	(3,276,417)	32,903,684	16,852,721
Cost of sales	24,561,506	13,092,124	2,624,227	1,383,321	1,583,585	1,075,162	2,975,191	1,367,079	(7,218,698)	(3,276,417)	24,525,821	13,641,269
Gross profit	6,813,106	2,743,585	991,906	311,926	239,247	(22,685)	333,614	178,626	-	-	8,377,873	3,211,452
Distribution cost	662,501	467,504	2,415	1,357	43,736	30,819	40,116	30,828	-	-	748,768	530,508
Administrative expenses	412,146	344,238	104,004	91,196	65,745	49,625	155,717	81,461	-	-	737,612	566,520
Other operating expenses	442,519	135,411	63,572	24,373	8,364	-	4,036	-	-	-	518,491	159,784
Other income	1,517,166	947,153	169,891	116,926	117,845	80,444	199,869	112,289	-	-	2,004,871	1,256,812
Operating profit	5,032,966	2,042,078	855,452	209,181	144,559	(95,214)	143,618	66,300	(314,303)	(151,688)	6,662,292	2,070,747
Finance costs	8,082	204,965	19,399	44,105	35,443	60,170	2,066	7,146	-	-	64,990	316,386
Profit before taxation	5,824,884	1,837,113	836,053	165,076	109,116	(155,384)	141,552	59,244	(314,303)	(151,688)	6,597,302	1,754,361
Taxation	1,523,853	476,272	243,928	47,872	31,753	16,433	18,016	11,508	-	-	1,817,550	552,085
Profit for the period	4,301,031	1,360,841	592,125	117,204	77,363	(171,817)	123,536	47,736	(314,303)	(151,688)	4,779,752	1,202,276

11.1 Inter segment sales and purchases have been eliminated.

11.2 Allocation of assets and liabilities

	Tractors		Tractor components		Castings		Other segments		Elimination of inter-segment transactions		Total	
	31 March 2021	30 June 2020	31 March 2021	30 June 2020	31 March 2021	30 June 2020	31 March 2021	30 June 2020	31 March 2021	30 June 2020	31 March 2021	30 June 2020
Rupees in thousands												
Segment operating assets												
Non-Current assets	3,280,035	3,022,947	663,559	668,234	364,525	372,096	145,988	216,437	(409,045)	(414,928)	4,055,062	3,864,786
Goodwill	-	-	-	-	-	-	-	-	18,572	18,572	18,572	18,572
Current Assets	13,120,439	7,781,666	1,454,420	1,240,776	640,471	561,021	997,996	816,310	(881,563)	(588,453)	15,531,763	9,811,320
Total Assets	16,410,474	10,804,613	2,117,979	1,909,010	1,004,996	933,117	1,143,984	1,032,747	(1,072,036)	(984,809)	19,605,397	13,694,678
Segment operating liabilities												
Non-current liabilities	434,875	331,766	146,265	122,544	149,840	115,775	8,258	8,215	(95,525)	(95,526)	643,713	482,774
Current liabilities	11,547,368	6,400,770	925,340	760,216	678,722	722,949	347,470	254,900	(881,563)	(562,914)	12,817,337	7,575,921
Total operating liabilities	11,982,243	6,732,536	1,071,605	882,760	828,562	838,724	355,728	263,115	(777,088)	(658,440)	13,461,050	8,058,695

12 Events After Balance Sheet Date

The Board of Directors has declared Rs. Nil cash dividend (June 30, 2020: Rs. 50 per share) and Nil bonus shares (June 30, 2020: Nil) in their meeting held on April 27, 2021.

13 Date of Authorisation

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

14 Corresponding Figures

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



Chief Financial Officer



Chief Executive Officer



Chairman



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