





60 Years of Excellence & Service to the Nation

for the 1st Quarter
ended September 30,

2024



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 Millat Tractors Limited Official  Millat Tractors Ltd

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Corporate Information

BOARD OF DIRECTORS

Chairman

Mr. Sikandar Mustafa Khan

Chief Executive

Mr. Raheel Asghar

Directors

Mr. Sohail Bashir Rana

Mr. Laeeq Uddin Ansari

Mr. Qaiser Saleem

Mr. Saad Iqbal

Mr. Nasar Us Samad Qureshi

Mr. Muhammad Javed Rashid

Mrs. Ambreen Waheed

Company Secretary

Mr. Muhammad Faisal Azeem

Chief Financial Officer

Mr. Sohail A. Nisar

Auditors

A.F. Ferguson & Co.
Chartered Accountants

Legal Advisors

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

Company Share Registrar

Karachi

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

Tel: Customer Support Services (Toll Free)
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Website: www.cdcsrcsl.com

Lahore

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Khayaban-E-Aiwan-E-Iqbal,
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Tel: (92-42)- 36362061-66

Islamabad

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

Bankers

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

REGISTERED OFFICE AND PLANT

9 - km 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, Karachi.
Tel: 021-34553752
UAN: 111-200-786
Fax: 021-34556321

Islamabad

H. No. 22, St. No. 41, Sector F-6/1, Islamabad.
Tel: 051-2271470
UAN: 111-200-786
Fax: 051-2270693

Multan Cantt.

Garden Town, (Daulatabad), Shershah Road,
Multan Cantt.
Tel: 061-6537371
Fax: 061-6539271

Sukkur

House No B/106, Akuwat Nagar Society,
Near Gol Masjid, Airport Road, Sukkur.
Tel: 071-5815041
Fax: 071-5815042

Directors’ Review

On behalf of the Board of Directors of MTL, I am pleased to present the interim financial information of the Company for the quarter ended September 30, 2024 along with consolidated interim financial information of the Millat Group of Companies.

Pakistan’s economy is indicating positive developments during the first quarter of the fiscal year 2025. Inflation has dropped to single digit, industrial output has increased, and large exporting sectors have witnessed growth, reflecting an optimistic outlook for exports. Agriculture sector is adapting modernization and innovation in farming practices and increase in yield is expected. The current account deficit has contracted, while the financial sector remained resilient. Policy rate is gradually decreasing while Pakistan Stock Market continues to trend upwards. This trajectory is expected to continue in the coming months.

Despite the overall improvements, your Company encountered a challenging environment due to change in sales taxation regime of the tractor industry, as enacted through Finance Act 2024. The inconsistencies in the sales taxation legislation and rules led to multiple ambiguities for the Company, seriously deterring the sales of the company. Consequently, your Company only managed to achieve sales of 2,566 tractors during the quarter ended September 30, 2024, as compared to 7,187 tractors sold during the corresponding period last year. This represents a 64.3% slump in sales volume. Sales in value terms reduced from Rs. 20.76 billion to Rs. 7.83 billion, i.e., a decrease of 62.13%. The earnings per share for the period were Rs. 2.97 as compared to Rs. 11.95 for the same period last year.

Withheld sales tax refunds of the tractor industry is another area which has resulted in severe liquidity issues. For your Company, sales tax refunds have ballooned up to Rs. 7.86 billion, which has induced additional financial costs to fund the borrowing needed to sustain operations. Further, unfortunately government taxation policies created severe disruptions in sale of our products and the industry. We request the government to review the policies in order to have a business-friendly environment.

Despite these circumstances, your Company has managed to perform reasonably well. Export sales of your Company have reached 671 units against 277 units in the corresponding period last year, which reflects a massive 142.2% increase. We are looking for more avenues for export and our principals have assured us their support on the same. We are optimistic that economic situation of Pakistan which has started its march towards recovery and growth will result in better performance of the Company.

It is for information of the members that, the Scheme for merger of Millat Tractors Limited with Millat Equipment Limited (MEL) is pending before the Lahore High Court, Lahore (LHC) for approval.

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

For and on behalf of the Board



Sikandar Mustafa Khan

Chairman

October 25, 2024

Lahore

Unconsolidated Condensed Interim Statement of Financial Position

As at September 30, 2024 (Unaudited)

	Note	(Un-audited) September 30, 2024 (Rupees in thousand)	(Audited) June 30, 2024
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
400,000,000 (June 30, 2024: 400,000,000)			
		4,000,000	4,000,000
ordinary shares of Rs. 10 each			
		1,917,983	1,917,983
Issued, subscribed and paid up capital			
		8,381,768	7,844,063
Reserves			
		10,299,751	9,762,046
Non-current liabilities			
Long term finances- secured	9	563,141	660,632
Deferred grant		7,930	8,578
Lease liabilities		871	2,334
Long-term deposits		16,433	15,433
Deferred tax liabilities - net		1,198,015	1,198,014
		1,786,390	1,884,991
Current liabilities			
Trade and other payables	10	9,349,651	8,890,463
Contract liabilities		262,664	954,874
Taxation- net		876,909	1,086,918
Short term borrowings	11	11,730,726	6,871,015
Current portion of non-current liabilities		371,920	365,536
Unclaimed dividend		324,886	327,150
Unpaid dividend		39,317	40,734
Accumulating compensated absences		176,277	176,277
		23,132,350	18,712,967
CONTINGENCIES AND COMMITMENTS			
	12	35,218,491	30,360,004

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



Chief Financial Officer



Chief Executive Officer

	Note	(Un-audited) September 30, 2024 (Rupees in thousand)	(Audited) June 30, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	13	991,835	977,803
Right-of-use assets		5,408	6,730
Investment property		255,708	255,708
Intangible assets		22,815	23,580
Long term investments	14	6,251,051	6,282,557
Employees' defined benefit plan		288,081	288,081
Long term loans and advances		7,756	7,554
		7,822,654	7,842,013
Current assets			
Stores, spare parts and loose tools		240,645	234,855
Stock-in-trade		16,708,591	13,827,561
Trade debts		749,001	375,537
Loans and advances		154,608	40,271
Trade deposits and short term prepayments		132,838	114,143
Other receivables		242,615	273,606
Balances with statutory authorities		7,862,316	6,283,650
Cash and bank balances	15	1,305,223	1,368,368
		27,395,837	22,517,991
		35,218,491	30,360,004



Chairman

Unconsolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income

For the quarter ended September 30, 2024 (unaudited)

	Note	Quarter ended	
		September 30,	
		2024	2023 Restated
(Rupees in thousand)			
Revenue from contracts with customers	16	7,825,425	20,760,828
Cost of sales		(5,643,335)	(15,961,628)
Gross profit		2,182,090	4,799,200
Distribution and marketing expenses		(354,972)	(499,421)
Administrative expenses		(311,671)	(231,751)
Other operating expenses		(71,322)	(310,726)
		(737,965)	(1,041,898)
Other income	17	58,366	149,877
Operating profit		1,502,491	3,907,179
Finance cost		(544,822)	(195,382)
Profit before income taxes and levies		957,669	3,711,797
Levy - final taxes		(577)	(8,423)
Profit before income tax		957,092	3,703,374
Taxation		(387,881)	(1,411,699)
Profit after tax for the period		569,211	2,291,675
Other comprehensive (loss) / income:			
Items not to be reclassified to profit or loss in subsequent periods:			
Unrealized (loss) / gain on revaluation of investments at fair value through other comprehensive income ('OCI')		(31,506)	110,324
Total comprehensive income for the period		537,705	2,401,999
		Restated	
Earnings per share – basic and diluted (Rupees)		2.97	11.95

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

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



Chief Financial Officer



Chief Executive Officer



Chairman

Unconsolidated Condensed Interim Statement of Changes in Equity

For the quarter ended September 30, 2024 (unaudited)

	Share capital	Capital reserve	Revenue reserves		Total
		Fair value reserves	General reserves	Unappropriated profit	
(Rupees in thousand)					
Balance as on July 1, 2023	1,917,983	1,902,905	2,278,935	1,617,829	7,717,652
Net profit for the period	-	-	-	2,291,675	2,291,675
Other comprehensive income for the period	-	110,324	-	-	110,324
Balance as on September 30, 2023	1,917,983	2,013,229	2,278,935	3,909,504	10,119,651
Balance as on July 1, 2024	1,917,983	1,754,348	2,278,935	3,810,780	9,762,046
Net profit for the period	-	-	-	569,211	569,211
Other comprehensive loss for the period	-	(31,506)	-	-	(31,506)
Balance as on September 30, 2024	1,917,983	1,722,842	2,278,935	4,379,991	10,299,751

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



Chief Financial Officer



Chief Executive Officer



Chairman

Unconsolidated Condensed Interim Statement of Cash Flows

For the quarter ended September 30, 2024 (unaudited)

	Note	Quarter ended	
		September 30,	
		2024	2023 Restated
(Rupees in thousand)			
Cash flows from operating activities			
Profit before taxation		957,669	3,711,797
Adjustment for:			
Depreciation on property, plant and equipment		28,186	25,711
Depreciation on right-of-use assets		1,322	1,350
Amortization of intangible assets		765	956
Revaluation gain on short-term investments		-	(13,257)
Amortization of deferred grant		(724)	(792)
Unwinding of long-term loan		400	792
Finance cost		545,146	195,382
Profit on bank deposits		(21,320)	(78,839)
		553,775	131,303
Cash flow from operating activities before working capital changes		1,511,444	3,843,100
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		(5,790)	7,255
Stock-in-trade		(2,881,030)	490,838
Trade debts		(373,464)	(87,851)
Loans and advances		(114,337)	(74,930)
Trade deposits and short term prepayments		(18,695)	184,377
Balances with statutory authorities		(1,578,666)	39,286
Other receivables		30,991	53,188
		(4,940,991)	612,163
Increase / (decrease) in current liabilities:			
Trade and other payables		435,754	3,074,826
Contract liabilities		(692,210)	6,354,099
Cash (used in) / generated from operations		(5,197,447)	10,041,088
Income taxes paid - net		(598,467)	(1,267,450)
Increase in long term loans to employees		(202)	(526)
Increase in long term security deposits		1,000	600
Markup paid		(521,712)	(195,382)
		(1,119,381)	(1,462,758)
Net cash (used in) / generated from operating activities		(4,805,384)	12,421,430
Cash flows from investing activities			
Purchase of property, plant and equipment		(45,437)	(71,593)
Short term investments made - net		-	(2,509,661)
Proceeds from disposal of property, plant and equipment		3,219	9,874
Profit on bank deposits received		21,320	78,839
Net cash used in investing activities		(20,898)	(2,492,541)
Cash flows from financing activities			
Dividend paid		(3,681)	(25,237)
Principal payment against lease liabilities		(1,935)	(571)
Long term financing repaid		(90,958)	(179,849)
Net cash used in financing activities		(96,574)	(205,657)
Net (decrease) / increase in cash and cash equivalents		(4,922,856)	9,723,232
Cash and cash equivalents at the beginning of the period		(5,502,647)	(6,346,536)
Cash and cash equivalents at the end of the period	18	(10,425,503)	3,376,696

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



Chief Financial Officer



Chief Executive Officer



Chairman

Notes to the Unconsolidated Condensed Interim Financial Statements

For the quarter ended September 30, 2024 (unaudited)

1 Legal Status and Nature of Business

Millat Tractors Limited (the Company) is a public limited company and was incorporated in Pakistan in 1964 under the Companies Act, 1913 (now the Companies Act, 2017), and is listed on the Pakistan Stock Exchange Limited. The registered office and factory of the Company is situated at 9 km, Sheikhpura Road, District Sheikhpura. The Company also has regional offices located in Karachi, Multan, Sukkur and Islamabad.

The Company is principally engaged in assembling and manufacturing of agricultural tractors, implements and multi-application products. The Company is also involved in the sale, implementation and support of Industrial and Financial Systems (IFS) applications in Pakistan and abroad.

2 Statement of Compliance

2.1 These unconsolidated condensed interim financial statements of the Company for the three months ended September 30, 2024 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable for interim financial reporting comprise of :

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

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

3 Basis of Preparation

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

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

3.3 The Company is required to issue consolidated condensed interim financial statements along with its condensed interim separate financial statements in accordance with the requirements of accounting and reporting standards as applicable in Pakistan. Consolidated condensed interim financial statements are prepared separately.

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

4 Basis of Measurement

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

5 Functional and Presentation Currency

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

6 Significant Accounting Policies

6.1 The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of preceding annual audited financial statements of the Company for the year ended June 30, 2024, except for the estimation of income tax (see note 8) and adoption of new and amended standards as set out in note 6.2.

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

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

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 1, 2024, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

7 Critical 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 2024, with the exception of change in estimate that is required in determining the provision for income taxes as referred to in note 8.

8 Taxation

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

	Note	(Un-audited) September 30, 2024 (Rupees in thousand)	(Audited) June 30, 2024
9 Long Term Finances - Secured			
Long-term loan			
Current portion shown under current liabilities		926,976	1,017,534
		(363,835)	(356,902)
		563,141	660,632
9.1 The reconciliation of the carrying amount is as follows:			
Opening balance	9.2 and 9.3	1,017,534	1,377,687
Repayments during the period / year		(90,958)	(363,835)
Unwinding of discount on liability		400	3,682
		926,976	1,017,534
Less: Current portion shown under current liabilities		(363,835)	(356,902)
Closing balance	9.2 and 9.3	563,141	660,632

9.2 This includes amount of loan against facility of Rs 100,000 thousand (30 June 2024: Rs 100,000) obtained under renewable energy finance scheme announced by State Bank of Pakistan (SBP) to promote renewable energy use in Pakistan. It carries standard markup of 2.5% per annum which is payable on quarterly basis. The loan was previously repayable in 40 equal quarterly installments starting from September 30, 2021, however during the last year, the loan facility was modified by the Bank with equal 36 payments payable starting from April 28, 2022. The modification was considered to be non-substantial, with the resulting impact recognized in these financial statements accordingly. The discount rate used is 11.47% per annum (30 June 2024: 11.47% per annum). The difference between cash received and present value of cash outflows upon initial recognition and subsequent

modification has been recognized as deferred grant. The carrying amount of loan as of period end is Rs. 34,722 thousand (June 30, 2024: Rs. 36,055 thousand). This facility is secured by specific and exclusive charge on the purchased machinery and ranking charge over current assets of the Company.

9.3 This includes amount of loan against facility of Rs. 1,500,000 thousand (30 June 2024: Rs 1,500,000 thousand) to maintain the Company's ownership stake of 15.86% in Hyundai Nishat Motors (Private) Limited. The loan is repayable in 16 equal quarterly installments commencing from April 1, 2023 and carries markup at the rate of base rate plus 0.4% per annum which is payable quarterly. Base rate is defined as the 'average of 3-month offer rate of KIBOR'. The base rate will be set for the first time at the date of initial disbursement and subsequently will be reset on the first working day of each calendar quarter, using the rate prevailing on last working day of preceding calendar quarter. The carrying amount of loan as of period end is Rs. 892,254 thousand (June 30, 2024: Rs. 981,479 thousand). This facility is secured by first exclusive mortgage charge over land of the factory situated at 9 km, Sheikhpura Road, Lahore, amounting Rs. 2,000,000 thousand (30 June 2024: Rs. 2,000,000 thousand) (including 25% margin).

	(Un-audited) September 30, 2024	(Audited) June 30, 2024
	(Rupees in thousand)	
10 Trade and Other Payables		
Trade creditors	6,008,962	4,851,078
Accrued liabilities	63,466	326,133
Bills payable	510,825	1,242,850
Security deposits	749,783	676,247
Trademark fee payable	834,370	730,919
Workers' Profit Participation Fund	51,449	-
Workers' Welfare Fund	334,416	314,544
Accrued markup on long-term finances	51,861	56,427
Accrued markup on running finance	497,000	469,000
Payable against sale tax withheld	102,840	79,045
Others	144,679	144,220
	9,349,651	8,890,463

11 Short Term Borrowings

The Company has obtained short-term borrowing facilities from various banks to meet its working capital requirements. The effective rate of mark-up on short-term running finance facilities is from KIBOR plus 0.04% to KIBOR plus 0.25% (30 June 2024: KIBOR plus 0.04% to KIBOR plus 0.25%) per annum. The facilities for running finance available from various commercial banks are for the purpose of meeting working capital requirements. The total limit of short term running financing facilities available from banks aggregated to Rs. 13,500,000 thousand (30 June 2024: Rs. 13,000,000 thousand) out of which Rs. 1,769,274 thousand (30 June 2024: 6,128,985 thousand) remained unutilised as of reporting date. Out of the above mentioned authorized limit, an amount of Rs. 3,500,000 thousand

(June 30, 2024:Rs. 2,500,000 thousand) has been obtained under Islamic mode of financing. These facilities are secured by pari passu hypothecation charge over current and future assets and book debts of the Company, lien over import documents and counter guarantees of the Company.

12 Contingencies and Commitments

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

(ii) Commitments in respect of outstanding letters of credit are Rs. 2,564,314 thousand (June 30, 2024: Rs 2,587,714 thousand).

	Note	(Un-audited) September 30, 2024 (Rupees in thousand)	(Audited) June 30, 2024
13 Property Plant and Equipment			
Operating fixed assets	13.1	891,047	890,583
Capital work in progress	13.2	100,788	87,220
		991,835	977,803
13.1 Operating fixed assets			
Opening book value		890,583	827,326
Add: Additions during the period / year	13.1.1	31,869	220,638
		922,452	1,047,964
Less:			
Disposals / write offs during the period / year (at book value)		(3,219)	(42,416)
Depreciation charged during the period / year		(28,186)	(114,965)
		(31,405)	(157,381)
Closing book value		891,047	890,583
13.1.1 Additions during the period			
- Buildings		972	1,158
- Plant and machinery		12,065	8,494
- Tools and equipments		1,235	46,134
- Furniture, fixture and office equipment		15,896	9,044
- Vehicles		-	145,914
- Computers		1,701	9,894
		31,869	220,638

	Note	(Un-audited) September 30, 2024 (Rupees in thousand)	(Audited) June 30, 2024
13.2 Capital Work in Progress			
Plant and machinery		100,788	87,220
14 Long Term Investments			
- Investment in related parties			
In subsidiary undertakings - at cost:			
- Millat Industrial Products Limited - unquoted		57,375	57,375
- Tipeg Intertrade DMCC - unquoted		40,020	40,020
- Bolan Castings Limited - quoted		76,610	76,610
- Millat Equipment Limited - unquoted		117,000	117,000
		291,005	291,005
- Other investments at fair value through OCI:			
- Hyundai Nishat Motors (Private) Limited - unquoted		3,103,029	3,103,029
Surplus on fair valuation of investment		2,721,356	2,721,356
		5,824,385	5,824,385
- Arabian Sea Country Club Limited - unquoted		5,000	5,000
Loss on fair valuation of investment		(5,000)	(5,000)
		-	-
- TCC Management Services (Private) Limited - unquoted		400	400
- Baluchistan Wheels Limited- quoted		12,145	12,145
Surplus on revaluation of investment		123,116	154,622
		135,261	166,767
		6,251,051	6,282,557
15 Cash and Bank Balances			
In hand			
- Cash		1,441	1,990
- Cheques		12,829	247,020
		14,270	249,010
Cash at bank			
- Current accounts		774,866	686,701
- Deposits accounts	15.1	516,087	432,657
		1,290,953	1,119,358
		1,305,223	1,368,368

15.1 These deposits are made under conventional arrangements and carry mark-up at the rates ranging from 19% to 20.50% (30 June 2024: 19% to 20.50%) per annum.

		Note	(Un-audited) September 30, 2024 (Rupees in thousand)	(Un-audited) September 30, 2023
16	Revenue from Contracts with Customers			
	Disaggregation of revenue	Timing of revenue recognition		
	Local:			
	Tractors	Point-in-time	5,867,591	19,647,752
	Implements	Point-in-time	13,916	78,587
	Multi-application products	Point-in-time	50,981	165,202
	Trading goods	Point-in-time	395,955	460,599
	IFS services	Point-in-time / Over time	450	5,294
			6,328,893	20,357,434
	Export:			
	Tractors	Point-in-time	1,471,711	621,703
	Trading goods	Point-in-time	49,675	43,802
	Implements	Point-in-time	29,439	-
			1,550,825	665,505
	Less: Commission		(54,293)	(262,111)
			7,825,425	20,760,828
17	Other income			
	Income from financial assets			
	Dividend income from long term investment		3,848	-
	Revaluation gain on short-term investments		-	24,625
	Profit on bank deposits		21,320	78,839
	Mark-up on early payments		838	34,069
			26,006	137,533
	Income from assets other than financial assets		32,360	12,344
			58,366	149,877
18	Cash and cash equivalents			
	Cash and bank balances	15	1,305,223	3,376,696
	Short term borrowings	11	(11,730,726)	-
			(10,425,503)	3,376,696

19 Transactions with Related Parties

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

Relation with undertaking	Nature of transaction	(Un-audited)	(Un-audited)
		September 30, 2024	September 30, 2023
		(Rupees in thousand)	
Subsidiaries	Purchase of components	1,811,820	2,916,238
	Sale of goods	427,201	198,187
Key Management Personnel	Remuneration	79,655	55,397
Retirement benefit plans	Contribution to staff retirement		
	benefit plans	10,313	10,630

19.1 The outstanding balances of such parties are as under:

Relation with undertaking	Nature of transaction	Note	(Un-audited)	(Audited)
			September 30, 2024	June 30, 2024
		(Rupees in thousand)		
Subsidiaries	Payable to related parties	10	1,612,978	930,850
	Receivable from related parties		416,785	-
	Advances from related parties		-	3,772
Associates	Receivable from related parties		44,094	44,094

19.2 The Company intends to take the approval of the transactions with related parties from the shareholders in General Meeting.

19.3 Transactions with related parties are carried out on mutually agreed terms and conditions.

19.4 The names of related parties with whom the Company has entered into transactions or had agreements / arrangements in place during the period, are as follows:

Name of the related party	Basis of relationship	Country of Incorporation	Percentage of shareholding %
Millat Equipment Limited	Subsidiary	Pakistan	45.00
Millat Industrial Products Limited	Subsidiary	Pakistan	64.09
Bolan Castings Limited	Subsidiary	Pakistan	46.26
TIPEG Intertrade DMCC	Subsidiary	United Arab Emirates	75.00
Arabian Sea Country Club Limited	Common Directorship	Pakistan	6.45
Hyundai Nishat Motors (Private) Limited	Common Directorship	Pakistan	15.86

20 Operating Segments

20.1 These financial statements have been prepared on the basis of a single reportable segment.

20.2 Revenue from sale of tractors represents 75% (September 30, 2023: 95%) of the net sales of the Company.

20.3 81% (September 30, 2023: 98%) sales of the Company relate to customers in Pakistan.

20.4 All non-current assets of the Company as at September 30, 2024 and June 30, 2024 are located in Pakistan.

21 Fair Value of Financial Assets and Liabilities

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

21.2 The carrying values of other financial assets and financial liabilities reflected in these unconsolidated condensed interim financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at end of each reporting period.

21.3 Long term investment in the unquoted shares of Hyundai Nishat Motors (Private) Limited (HNMPL) are currently classified as a Level 3 financial asset and measured at fair value on the reporting dates. Due to change in underlying factors, there has been an unrealized gain of Nil recognised during the period.

22 Financial Risk Management

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

23 Events After the Reporting Date

The Board of Directors have declared Rs. Nil cash dividend (June 30, 2024: Nil) and Nil bonus shares (June 30, 2024: Nil) in their meeting held on October 25, 2024.

24 Date of Authorisation For Issue

This unconsolidated condensed interim financial statements was authorised for issue on October 25, 2024 by the Board of Directors of the Company.

25 Corresponding Figures

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

26 General

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



Chief Financial Officer



Chief Executive Officer



Chairman

Consolidated Condensed Interim Financial Statements

MILLAT TRACTORS LIMITED

For the quarter ended September 30, 2024 (unaudited)

Consolidated Condensed Interim Statement of Financial Position

As at September 30, 2024 (Unaudited)

	Note	(Un-audited) September 30, 2024 (Rupees in thousand)	(Audited) June 30, 2024
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 400,000,000 (June 30, 2024: 400,000,000) ordinary shares of Rs. 10/- each		4,000,000	4,000,000
Issued, subscribed and paid up capital		1,917,983	1,917,983
Reserves		9,384,956	8,954,891
Attributable to owners of the Holding Company		11,302,939	10,872,874
Non-controlling interest		1,337,266	1,346,327
Total equity		12,640,205	12,219,201
Non-current liabilities			
Long term finances - secured	8	831,790	959,651
Deferred grant		9,662	10,527
Lease liabilities		871	2,334
Employees' defined benefit plan		22,942	21,867
Long term advances and deposits		41,135	40,277
Deferred tax liabilities - net		1,237,317	1,202,362
		2,143,717	2,237,018
Current liabilities			
Trade and other payables	9	10,022,079	9,349,033
Contract liabilities		309,717	1,095,641
Taxation - net		884,779	1,086,918
Short term borrowings	10	13,269,452	8,189,336
Current portion of non-current liabilities		494,997	488,747
Unclaimed dividend		397,547	350,269
Unpaid dividend		39,317	87,472
Accumulating compensated absences		243,843	243,309
		25,661,731	20,890,725
CONTINGENCIES AND COMMITMENTS			
	11	40,445,653	35,346,944

The annexed notes 1 to 25 form an integral part of the condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer

Consolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income

For the quarter ended September 30, 2024 (unaudited)

	Note	(Unaudited) Quarter ended	
		September 30,	
		2024	2023
(Rupees in thousand)			
Revenue from contracts with customers	15	8,792,170	22,620,187
Cost of sales		(6,401,484)	(17,320,329)
Gross profit		2,390,686	5,299,858
Distribution and marketing expenses		(390,257)	(535,760)
Administrative expenses		(471,182)	(389,886)
Other operating expenses		(75,645)	(339,038)
		(937,084)	(1,264,684)
Other income	16	108,719	192,578
		1,562,321	4,227,752
Finance cost		(641,812)	(281,225)
Profit before income taxes and levies		920,509	3,946,527
Levy - final taxes		(577)	(8,423)
		919,932	3,938,104
Taxation		(460,127)	(1,483,987)
Profit after tax for the period		459,805	2,454,117
Other comprehensive income / (loss):			
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(234)	122,973
Items not to be reclassified to profit or loss in subsequent periods:			
Unrealized (loss) / gain on revaluation of investments at fair value through other comprehensive income		(38,567)	136,415
Total comprehensive income for the period		421,004	2,713,505
Attributable to:			
- Equity holders of the Holding Company			
Profit after tax		465,012	2,324,701
Total comprehensive (loss) / income for the period		(34,947)	214,624
		430,065	2,539,325
- Non-controlling interests			
Profit after tax		(5,207)	129,416
Total comprehensive (loss) / income for the period		(3,854)	44,764
		(9,061)	174,180
		421,004	2,713,505
Earnings per share - basic and diluted (Rupees)		2.40	12.80

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

The annexed notes 1 to 25 form an integral part of the condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

Consolidated Condensed Interim Statement of Changes in Equity

For the quarter ended September 30, 2024 (unaudited)

	Share capital	Capital reserves			Revenue reserves		Non-controlling interests	Total
		Fair value reserve	Other reserve	Exchange translation reserve	General reserves	Unappropriated profit		
(Rupees in thousand)								
Balance as on 01 July 2023	1,917,983	1,947,260	208,929	101,134	2,475,309	1,951,614	1,126,518	9,728,747
Net profit for the period	-	-	-	-	-	2,324,701	129,416	2,454,117
Other comprehensive income for the period	-	92,230	-	122,394	-	-	44,764	259,388
	-	122,394	-	92,230	-	2,324,701	174,180	2,713,505
Balance as on 30 September 2023	1,917,983	2,069,654	208,929	193,364	2,475,309	4,276,315	1,300,698	12,442,252
Balance as on 01 July 2024	1,917,983	1,769,093	208,929	142,652	2,475,309	4,358,908	1,346,327	12,219,201
Net profit / (loss) for the period	-	-	-	-	-	465,012	(5,207)	459,805
Other comprehensive loss for the period	-	(34,771)	-	(176)	-	-	(3,854)	(38,801)
	-	(34,771)	-	(176)	-	465,012	(9,061)	421,004
Balance as on 30 September 2024	1,917,983	1,734,322	208,929	142,476	2,475,309	4,823,920	1,337,266	12,640,205

The annexed notes 1 to 25 form an integral part of the condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

Consolidated Condensed Interim Statement of Cash Flows

For the quarter ended September 30, 2024 (unaudited)

	Note	(Unaudited) Quarter ended	
		September 30,	
		2024	2023
		(Rupees in thousand)	
Cash flows from operating activities			
Profit before taxation		920,509	3,946,527
Adjustment for:			
Depreciation on property, plant and equipment		61,504	59,524
Depreciation on right-of-use assets		1,322	1,350
Amortization of intangible assets		1,391	1,638
Revaluation gain on short-term investments		-	(24,625)
Provision for employee benefits		1,031	9,245
Unwinding of discount on loan		617	-
Amortization of deferred grant		(941)	-
Finance cost		641,736	281,225
Profit on bank deposits		(23,615)	(82,729)
		683,045	245,628
Cash flow from operating activities before working capital changes		1,603,554	4,192,155
Effect on cash flow due to working capital changes			
(Increase) / Decrease in current assets:			
Stores, spare parts and loose tools		(66,175)	1,740
Stock in trade		(2,864,310)	733,956
Trade debts		(161,345)	(389,475)
Loans and advances		(107,455)	(431,136)
Trade deposits and short term prepayments		(9,053)	5,984,703
Balances with statutory authorities		(1,556,014)	(5,850,004)
Other receivables		(20,581)	239,865
		(4,784,933)	289,649
Increase / (Decrease) in current liabilities:			
Trade and other payables		614,724	3,264,262
Contract liabilities		(785,924)	6,345,176
Cash (used in) / generated from operations		(3,352,579)	14,091,242
Income tax paid- net		(659,223)	(1,435,686)
Decrease / (increase) in long term loans to employees		22	(285)
Increase in long term security deposits		724	1,644
Mark-up paid		(582,264)	(281,225)
		(1,240,741)	(1,715,552)
Net cash (used in) / generated from operating activities		(4,593,320)	12,375,690
Cash flows from investing activities			
Purchase of property, plant and equipment		(84,449)	(80,655)
Purchase of intangible assets		-	253
Short term investments made- net		-	(2,638,295)
Proceeds from sale of property, plant and equipment		4,450	11,411
Profit on bank deposits		22,465	82,729
Net cash used in investing activities		(57,534)	(2,624,557)
Cash flows from financing activities			
Dividend paid to equity holders of the Holding Company		(877)	(23,969)
Principal payment against lease liabilities		(1,936)	(571)
Long term financing obtained		-	165,000
Long term financing repaid		(121,545)	(181,957)
Net cash used in financing activities		(124,358)	(41,497)
Net (decrease) / increase in cash and cash equivalents		(4,775,212)	9,709,636
Cash and cash equivalents at the beginning of the period		(6,314,522)	(7,360,930)
Foreign exchange difference		(234)	122,973
Cash and cash equivalents at the end of the period	17	(11,089,968)	2,471,679

The annexed notes 1 to 25 form an integral part of the condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

Notes to the Consolidated Condensed Interim Financial Statements

For the quarter ended September 30, 2024 (unaudited)

1 The Group and Its Activities

Holding company:

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

Subsidiary companies:

a) Millat Industrial Products Limited (MIPL)

Millat Industrial Products Limited (MIPL), an unlisted public company registered under the Companies Ordinance 1984 (now the Companies Act, 2017), is a subsidiary of Millat Tractors Limited which holds 64.09% of the MIPL's equity. MIPL is engaged in the business of manufacturing of industrial, domestical and vehicular batteries, cells and components. The geographical location and address of the MIPL's business units, including mills/plant is as under:

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

b) TIPEG Intertrade DMCC

TIPEG Intertrade DMCC, a limited liability company registered with Dubai Multi Commodities Centre (DMCC) Authority, is a subsidiary of Millat Tractors Limited which holds 75% of the TIPEG Intertrade DMCC's equity. The principal place of business of the TIPEG Intertrade DMCC is located at Jumeirah Lake Towers, Dubai-UAE. TIPEG Intertrade DMCC is formed for trading of machinery and heavy equipment and its registered office is situated at Unit No.705, Fortune Executive Tower, Jumeirah Lake Towers, Dubai, United Arab Emirates.

c) Millat Equipment Limited (MEL)

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

d) Bolan Castings Limited (BCL)

Bolan Castings Limited (BCL), a public limited company incorporated in Pakistan under the repealed Companies Ordinance 1984 (now the Companies Act), and listed on the Pakistan Stock Exchange, is a subsidiary of Millat Tractors Limited which holds 46.26% of the BCL's equity. BCL is engaged in the business of manufacturing of castings for tractors and automotive parts thereof. The geographical location and address of BCL's business unit, including plant is RCD Highway, Hub Chowki, District Lasbela, Balochistan, Pakistan.

2 Statement of Compliance

2.1 These consolidated condensed interim financial statements of the Group for the three months ended September 30, 2024 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable for interim financial reporting comprise of :

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

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

2.2 The Board of Directors of the holding company and Millat Equipment Limited, in their meetings held on May 6, 2024, have considered, and approved the Scheme of Compromises, Arrangements and Reconstruction (the Scheme) drafted under the relevant provisions of the Companies Act, 2017 by amalgamating the holding company's operations with Millat Equipment Limited with effect from January 1, 2024.

A petition has been submitted in the Lahore High Court ('LHC') for obtaining sanction of this Scheme wherein under the supervision of the LHC, the above Scheme has been duly approved by the members/ shareholders of the holding company and Millat Equipment Limited in their extraordinary general meetings held on June 15, 2024. The Scheme is currently pending approval through an order by the LHC subject to the receipt of necessary approvals, sanctions, consents, observations, no objection certificates from the creditors of the holding company and Millat Equipment Limited, Securities and Exchange Commission of Pakistan or such other competent authority as may be applicable.

These consolidated financial statements have been prepared to comply with the statutory requirements under the Companies Act, 2017. Furthermore, the separate financial statements of the Millat Equipment Limited have been prepared on the going concern basis of accounting since Millat Equipment Limited's business activities, assets and liabilities will continue unaffected by the proposed merger transaction.

3 Basis of Preparation

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

3.2 In order to comply with the requirements of the IAS 34, the consolidated condensed interim statement of financial position has been compared with the balances of annual financial statements of the immediately preceding financial year, whereas, the consolidated condensed interim statement of profit or loss and other comprehensive income, consolidated condensed interim statement of

changes in equity and consolidated condensed interim statement of cashflows have been compared with the balances of comparable period of the immediately preceding financial year.

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

4 Basis of Measurement

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

5 Functional and Presentation Currency

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

6 Significant Accounting Policies

6.1 The accounting policies and methods of computation adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of preceding annual audited financial statements of the Group for the year ended June 30, 2024, except for the adoption of new and amended standards as set out in note 6.2.

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

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

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Group's accounting periods beginning on or after July 1, 2024, but are considered not to be relevant or to have any significant effect on the Group's operations and are, therefore, not detailed in these consolidated condensed interim financial statements.

7 Critical Accounting Estimates and Judgments

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

policies and the key sources of estimation are the same as those that applied to the financial statements for the year ended June 30, 2024.

	Note	(Un-audited) September 30, 2024 (Rupees in thousand)	(Audited) June 30, 2024
8	Long Term Finances – Secured		
	Long-term loan	1,317,836	1,438,764
	Current portion shown under current liabilities	(486,046)	(479,113)
	8.1	831,790	959,651
8.1	The reconciliation of the carrying amount is as follows:		
	Opening balance	1,438,764	1,411,910
	Loan received during the period / year	-	434,571
	Repayments during the period / year	(121,545)	(412,131)
	Unwinding of discount on loan	617	4,414
		1,317,836	1,438,764
	Less: Current portion shown under current liabilities	(486,046)	(479,113)
	Closing balance	831,790	959,651
	8.2 to 8.6		

8.2 This includes amount of loan against facility of Rs 100,000 thousand (30 June 2024: Rs 100,000) obtained under renewable energy finance scheme announced by State Bank of Pakistan (SBP) to promote renewable energy use in Pakistan. It carries standard markup of 2.5% per annum which is payable on quarterly basis. The loan was previously repayable in 40 equal quarterly installments starting from September 30, 2021, however, the loan facility was modified by the Bank with equal 36 payments payable starting from April 28, 2022. The modification was considered to be non-substantial, with the resulting impact recognized in these financial statements accordingly. The discount rate used is 11.47% per annum (30 June 2024: 11.47% per annum). The difference between cash received and present value of cash outflows upon initial recognition and subsequent modification has been recognized as deferred grant. The carrying amount of loan as of period end is Rs. 34,722 thousand (June 30, 2024: Rs. 36,055 thousand). This facility is secured by specific and exclusive charge on the purchased machinery and ranking charge over current assets of the Group.

8.3 This includes loan of Rs. 49,560 thousand (June 30, 2024: Rs. 49,560 thousand) obtained from a commercial bank under renewable energy finance scheme announced by State Bank of Pakistan (SBP) to promote renewable energy use in Pakistan. The facility has an aggregate sanctioned limit of Rs. 60,000 thousand. Currently, the loan carries a fixed markup of 2.5%. This loan is secured against first charge over current assets of the Group amounting to Rs. 267,000 thousand with 25% margin. The loan is repayable in twenty four quarterly installments with first installment commencing on January 01, 2022. The difference between cash received and present value of cash outflows upon initial recognition has been recognized as deferred grant in accordance with IAS 20 'Government Grants'.

- 8.4** This includes amount of loan against facility of Rs. 1,500,000 thousand (30 June 2024: Rs 1,500,000 thousand) to maintain the Company's ownership stake of 15.86% in Hyundai Nishat Motors (Private) Limited. The loan is repayable in 16 equal quarterly installments commencing from April 1, 2023 and carries markup at the rate of base rate plus 0.4% per annum which is payable quarterly. Base rate is defined as the 'average of 3-month offer rate of KIBOR'. The base rate will be set for the first time at the date of initial disbursement and subsequently will be reset on the first working day of each calendar quarter, using the rate prevailing on last working day of preceding calendar quarter. The carrying amount of loan as of period end is Rs. 892,254 thousand (June 30, 2024: Rs. 981,479 thousand). This facility is secured by first exclusive mortgage charge over land of the factory situated at 9 km, Sheikhpura Road, Lahore, amounting Rs. 2,000,000 thousand (30 June 2024: Rs. 2,000,000 thousand) (including 25% margin).
- 8.5** This includes long term financing arrangements obtained by the Group through restructuring of its short term running finance facility with a commercial bank. Facility is payable in equal monthly installments over a period of 36 months which include a grace period of 3 months. This facility carries mark-up at the rate of one month KIBOR plus 1.6% per annum and it is secured by way of hypothecation charge over plant and machinery and current assets of the Group amounting to Rs. 266,670 thousand.
- 8.6** This includes term finance loan facility amounting to Rs. 269,570 thousand (June 30, 2024: 269,570 thousand) availed from a commercial bank. The facility has a sanctioned limit of Rs 500,000 thousand. The loan carries markup at the rate of 1 month KIBOR plus 0.95%. The loan is secured against 1st Pari Passu charge over present and future fixed assets of the Group amounting to Rs 666,670 thousand with 25% margin. The loan is repayable in 20 equal quarterly installments.

		(Un-audited) September 30, 2024	(Audited) June 30, 2024
		(Rupees in thousand)	
9	Trade and Other Payables		
	Trade creditors	6,317,440	5,056,465
	Accrued liabilities	175,669	424,419
	Bills payable	510,825	1,242,850
	Security deposits	751,183	677,647
	Trademark fee payable	834,370	730,919
	Income tax deducted at source	629	691
	Workers' Profit Participation Fund - net	95,368	-
	Workers' Welfare Fund	389,070	368,007
	Accrued markup on running finance	664,475	606,152
	Payable against sale tax withheld	134,161	79,045
	Others	148,889	162,838
		10,022,079	9,349,033

10 Short Term Borrowings

10.1 The Group has obtained short term borrowings and running finance facilities from various banks having an aggregate sanctioned limit of Rs. 15,800,000 thousand (June 30, 2024: Rs. 15,300,000 thousand) out of which Rs. 2,500,000 thousand (June 30, 2024: Rs.2,500,000 thousand) represent facilities obtained under Islamic mode of financing. The rates of mark up range from KIBOR minus 0.04% to KIBOR plus 0.40% (2023: KIBOR minus 0.04% to KIBOR plus 2%) per annum. At period end, the unutilized facility aggregated to Rs. 2,530,548 thousand (June 30, 2024: Rs. 7,390,049 thousand). These facilities are secured by pari passu hypothecation charge over current assets and book debts of the Group, lien over import documents and counter guarantees.

10.2 Another facility has been obtained by the Group from a commercial bank for the purpose of discounting invoices to facilitate in managing cash flows of the Group. Total sanctioned limit under the facility is Rs. 300,000 thousand (June 30, 2024: Rs. 300,000 thousand) out of which, Rs. 165,022 thousand (June 30, 2024: Rs. 183,359 thousand) was utilized as at the reporting date. The rates of mark-up on this facility range from 22.39% to 22.67% (June 30, 2024: 22.39% to 22.67%) per annum on the discounted invoice amount.

10.3 This also includes finance under Istisna cum Wakala arrangement from a commercial bank amounting to Rs. 75,000 thousand (June 30, 2024: Rs. 75,000 thousand) and istisna/musawammah arrangement from another Commercial bank, amounting to Rs. 100,000 thousand (June 30, 2024: 100,000 thousand). The profit rates on these facilities are 6 months KIBOR plus 2% (June 30, 2024: 6 months KIBOR plus 2%) and 6 month KIBOR plus 1% (June 30, 2024: 6 month KIBOR plus 1%) per annum respectively. They are secured by way of hypothecation charge over fixed assets and current assets of the Group amounting to Rs. 333,000 thousand and hypothecation charge over all its present and future stocks and book debts with 25% margin respectively. Amount utilised as at September 30, 2024 is Rs. 75,000 thousand (June 30, 2024: Rs. 75,000 thousand) and Rs. 29,936 thousand (June 30, 2024: 21,026 thousand) respectively.

11 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. 2,669,644 thousand (June 30, 2024: Rs 3,164,154 thousand).

	Note	(Un-audited) September 30, 2024 (Rupees in thousand)	(Audited) June 30, 2024
12	Property Plant Equipment		
	Operating fixed assets	1,877,826	1,873,144
	Capital work in progress	101,892	88,079
		1,979,718	1,961,223
12.1	Operating fixed assets		
	Opening book value	1,873,144	1,890,312
	Add: Additions during the period / year	70,636	328,331
		1,943,780	2,218,643
	Less:		
	Disposals / write offs during the period / year (at book value)	(4,450)	(48,659)
	Transfer to investment property	-	(38,861)
	Depreciation charged during the period / year	(61,504)	(257,979)
		(65,954)	(345,499)
	Closing book value	1,877,826	1,873,144
12.1.1	Additions during the period / year		
	- Buildings on freehold land	972	4,660
	- Plant and machinery	49,541	34,868
	- Tools and equipment	1,686	56,858
	- Furniture, fixture and office equipment	15,896	14,288
	- Vehicles	474	207,263
	- Computers	2,067	10,394
		70,636	328,331
12.2	Capital work in progress		
	Plant and machinery	100,788	87,220
	Factory building	1,104	859
		101,892	88,079

	(Un-audited) September 30, 2024	(Audited) June 30, 2024
	(Rupees in thousand)	
13 Long Term Investments		
Investment in related parties – at FVOCI		
Unquoted		
Arabian Sea Country Club Limited	5,000	5,000
Loss on fair valuation of investment	(5,000)	(5,000)
	-	-
At fair value through other comprehensive income		
Unquoted		
Hyundai Nishat Motors (Private) Limited	3,103,029	3,103,029
Surplus on fair valuation of investment	2,721,356	2,721,356
	5,824,385	5,824,385
Quoted		
Baluchistan Wheels Limited	24,364	24,364
Surplus on fair valuation of investment	141,211	179,778
	165,575	204,142
At cost		
TCC Management Services (Private) Limited	400	400
	5,990,360	6,028,927
14 Cash and Bank Balances		
In hand		
- Cash	3,788	4,049
- Cheques	12,829	247,020
Cash at bank		
- Current accounts	1,537,321	1,127,154
- Deposits accounts	625,546	496,591
	2,179,484	1,874,814

14.1 These deposits are made under conventional arrangements and carry mark-up at the rates ranging from 10% to 21% (30 June 2024: 10% to 21%) per annum.

(Unaudited)
Quarter ended

September 30, 2024 **September 30, 2023**

(Rupees in thousand)

15	Revenue From Contracts With Customers – Net			
	Disaggregation of revenue			
	Local:			
	Tractors	Point-in-time	3,628,572	17,567,070
	Implements and tractor components	Point-in-time	1,446,503	1,968,472
	Multi-application products	Point-in-time	50,981	165,202
	Trading goods	Point-in-time	395,955	460,599
	Batteries	Point-in-time	729,103	690,761
	Castings	Point-in-time	414,054	652,464
	IFS services	Point-in-time / Over time	450	5,294
			6,665,618	21,509,862
	Export:			
	Tractors	Point-in-time	2,056,368	1,192,513
	Trading goods and tractor components	Point-in-time	49,675	43,905
	Implements	Point-in-time	29,439	-
	Batteries	Point-in-time	45,363	155,150
			2,180,845	1,391,568
	Less: Commission		(54,293)	(281,243)
			8,792,170	22,620,187
16	Other Income			
	Income from financial assets			
	Dividend income on long term investment		3,848	-
	Fair valuation gain on short-term investments		-	24,625
	Profit on bank deposits		23,615	82,729
	Mark up on early payments		838	-
			28,301	107,354
	Income from assets other than financial assets		80,418	85,224
			108,719	192,578

		(Unaudited) Quarter ended	
		September 30, 2024	September 30, 2023
		(Rupees in thousand)	
17	Cash And Cash Equivalents		
	Cash and bank balances	2,179,484	3,889,830
	Short term borrowings	(13,269,452)	(1,418,151)
		(11,089,968)	2,471,679

18 Transactions with Related Parties

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

		(Unaudited) Quarter ended	
		September 30, 2024	September 30, 2023
		(Rupees in thousand)	
Key Management Personnel	Remuneration paid	95,198	108,558
Retirement benefit plans	Contribution to staff retirement benefit plans	11,754	11,959

18.1 The Group intends to take the approval of the transactions with related parties from the shareholders in General Meeting.

18.2 Transactions with related parties are carried out on mutually agreed terms and conditions.

18.3 The names of related parties with whom the Group has entered into transactions or had agreements / arrangements in place during the period, are as follows:

Name of the related party	Basis of relationship	Country of Incorporation	Percentage of shareholding %
- Arabian Sea Country Club Limited	Common Directorship	Pakistan	6.45
- Hyundai Nishat Motors (Private) Limited	Common Directorship	Pakistan	15.86

19 Operating Segment Information

Business segments

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

Tractors
Tractor components
Castings

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

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

	Tractors		Tractor components		Castings		Other segments		Inter segment eliminations		Total	
	September 2024	September 2023	September 2024	September 2023	September 2024	September 2023	September 2024	September 2023	September 2024	September 2023	September 2024	September 2023
Rupees in thousands												
Revenue from contracts with customers	7,825,425	20,760,828	1,432,687	1,870,866	41,404	652,484	1,369,123	1,416,721	(2,239,019)	(2,080,682)	8,792,170	22,620,187
Cost of sales	5,643,335	15,961,628	1,289,074	1,450,261	40,838	575,094	1,216,777	1,244,797	(2,156,520)	(1,911,451)	6,401,484	17,320,329
Gross profit	2,182,090	4,799,200	1,43,513	420,595	5,236	77,370	142,346	171,924	(82,499)	(169,231)	2,390,686	5,299,858
Distribution and marketing expenses	354,972	498,421	2,522	1,398	11,562	13,933	21,211	21,008	-	-	390,257	535,760
Administrative expenses	311,671	231,751	80,949	84,853	20,496	22,805	68,066	50,477	-	-	471,182	388,886
Other operating expenses	71,322	310,726	1,419	21,234	-	1,561	2,904	5,517	-	-	75,645	338,038
Other income	737,965	1,041,888	84,890	107,465	32,048	38,289	82,181	77,002	-	-	937,084	1,264,884
Operating profit	58,366	149,877	43,758	35,606	4,380	3,246	2,215	3,869	-	-	108,719	192,578
Finance costs	1,502,491	3,907,179	102,381	348,706	(22,432)	42,317	62,380	98,781	(82,499)	(169,231)	1,562,321	4,227,752
Profit / (loss) before taxation	544,822	195,382	832,36	62,208	12,700	21,800	1,064	1,835	-	-	641,812	281,225
Taxation	957,669	3,711,797	19,145	266,498	(35,132)	20,517	61,326	96,946	(82,499)	(169,231)	920,509	3,946,527
Profit / (loss) after taxation for the period	388,458	1,420,122	17,907	106,005	3,508	8,307	13,173	23,976	37,668	(66,000)	460,704	1,492,410
	568,211	2,291,675	1,238	180,483	(38,640)	122,10	48,153	72,970	(120,157)	(103,231)	459,805	2,454,117

19.1 Inter segment sales and purchases have been eliminated.

19.2 Allocation of assets and liabilities

	Tractors		Tractor components		Castings		Other segments		Inter segment eliminations		Total	
	September 2024	June 2024	September 2024	June 2024	September 2024	June 2024	September 2024	June 2024	September 2024	June 2024	September 2024	June 2024
Rupees in thousands												
Non-current assets	7,822,654	7,842,013	711,828	686,529	210,664	2,19,551	1,86,518	193,448	(311,561)	(309,209)	8,620,103	8,642,332
Goodwill	-	-	-	-	-	-	-	-	18,572	18,572	18,572	18,572
Current assets	27,395,836	22,517,991	3,737,654	2,964,348	77,42,919	7,68,383	2,003,015	1,551,159	(2,103,747)	(1,135,851)	31,806,978	26,696,040
Total Assets	35,219,490	30,360,004	4,449,482	3,680,877	98,48,883	9,87,944	2,189,533	1,744,607	(2,396,736)	(1,425,488)	40,445,663	35,346,944
Segment operating liabilities												
Non-current liabilities	1,785,390	1,884,991	309,464	325,312	75,121	88,927	4,098	4,436	(31,356)	(66,648)	2,143,717	2,297,018
Current liabilities	23,132,350	18,172,967	2,781,687	1,968,371	6,19,915	5,63,469	978,572	581,230	(1,850,693)	(965,312)	25,661,731	20,860,725
Total operating liabilities	24,918,740	20,057,958	3,091,051	2,323,683	6,95,036	6,52,396	982,670	585,666	(1,882,049)	(1,031,960)	27,805,448	23,127,743

20 Fair Value Of Financial Assets And Liabilities

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

20.2 The carrying values of other financial assets and financial liabilities reflected in financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at end of each financial year. Due to change in underlying factors, there has been an unrealized gain of Nil recognised during the period.

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

21 Financial Risk Management

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

22 Subsequent Events

The Board of Directors of the Holding Company have declared Nil cash dividend (June 30, 2024: Nil) and Nil bonus shares (June 30, 2024: Nil) in their meeting held on October 25, 2024.

23 Date of authorisation for issue

These condensed interim financial statements were authorised for issue on October 25, 2024 by the Board of Directors of the Holding Company.

24 Corresponding Figures

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

25 General

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



Chief Financial Officer



Chief Executive Officer



Chairman



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