MILLAT TRACTORS LIMITED



Charting a Path to

Sustainable Growth

For the 1st Quarter ended September 30,

2026

Contents

02	Corporate Information
03	Directors' Review

COMPANY'S UNCONSOLIDATED FINANCIAL STATEMENTS

04	Unconsolidated Condensed Interim Statement of Financial Position
06	Unconsolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income
07	Unconsolidated Condensed Interim Statement of Changes in Equity
08	Unconsolidated Condensed Interim Statement of Cash Flows
09	Notes to the Unconsolidated Condensed Interim Financial Statements

GROUP'S CONSOLIDATED FINANCIAL STATEMENTS

24	Consolidated Condensed Interim Statement of Financial Position
26	Consolidated Condensed Interim Statement of Profit or Loss and other Comprehensive Income
27	Consolidated Condensed Interim Statement of Changes in Equity
28	Consolidated Condensed Interim Statement of Cash Flows
29	Notes to the Consolidated Condensed Interim Financial Statements

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. Muhammad Mustafa Khan
Mr. Muhammad Mustafa Sohail
Mr. Murad Naseer uddin Ansari
Mr. Nasar Us Samad Qureshi
Mr. Muhammad Javed Rashid
Mr. Manzoor Ahmed
Mrs. Zara Salman Bandial

Company Secretary

Mr. Mudassar Siddique

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 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) 0800-CDCPL (23275)
Fax: (92-21) 34326053
Email: info@cdcsrsl.com
Website: www.cdcsrsl.com

Lahore

Mezzanine Floor, South Tower, LSE Plaza,
Khayaban-E-Aiwan-E-Iqbal,
Lahore.
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
Bank of Punjab Limited
Allied Bank Limited
Meezan Bank 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

Millat Precision Engineering

10 - km Raiwind Road, Lahore.

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 Millat Tractors Limited, I am pleased to present the condensed interim financial information of the Company for the three-month period ended September 30, 2026, along with the consolidated condensed interim financial information of the Millat Group of Companies.

During the three-month period ended September 30, 2026, the Company sold 3,013 tractors, compared to 2,177 units in the same period last year, reflecting an increase of 38.4% in sales volume. In value terms, net sales rose from Rs. 7.55 billion to Rs. 10.92 billion, an increase of 44.7%. Earnings per share (EPS) for the period stood at Rs. 2.46 per share, against Rs. 1.29 per share in the corresponding period of the previous year.

Tractor industry sales for the quarter were 4,109 units, 38% higher than in the same period last year. Demand gained momentum in September, when industry sales of 1,815 units were more than double those of September 2025. During the month, the Government of Punjab launched Phase IV of the Green Tractor Scheme, under which 10,000 tractors of 50 to 65 horsepower are being provided to farmers with a subsidy of Rs. 750,000 each. Applications have also been invited for Phase V, covering 9,500 tractors of 75 to 125 horsepower with a subsidy of Rs. 1 million each.

On the economic front, Pakistan reached a staff-level agreement with the IMF in October 2026 on the fourth review of the Extended Fund Facility and the third review of the Resilience and Sustainability Facility, which will release about USD 1.2 billion once approved by the IMF Executive Board. Foreign exchange reserves rose to about USD 21.5 billion by the end of September, and headline inflation eased to around 10.3% after peaking in May. The State Bank of Pakistan's policy rate stands at 11.5%. However, the conflict in the Middle East has kept international energy prices high and volatile, which remains a risk to input costs and inflation.

Sales tax refunds of the tractor industry remain outstanding and continue to put pressure on liquidity. The Company's sales tax refunds / receivables stood at Rs. 7.971 billion as at September 30, 2026, resulting in additional finance costs on the bank borrowing needed to sustain operations.

Looking ahead, the remaining phases of the Green Tractor Scheme and the upcoming Rabi season are expected to support tractor demand in the coming months, and the Company remains focused on meeting this demand. In September 2026, the Company also signed a distribution agreement with Weichai Lovol Intelligent Agricultural Technology Co. Ltd., China's largest agricultural machinery manufacturer, to distribute Lovol's high-tech agricultural machinery in Pakistan. The agreement will broaden the Company's product portfolio, strengthen its position in the farm machinery market and support the Government's drive for modern farm mechanization and food security. The Board expects it to open new avenues of growth for the Company in the periods ahead.

On behalf of the Board, I thank our shareholders, customers, dealers, vendors and employees for their continued support and hard work.

For and on behalf of the Board



Sikandar Mustafa Khan

Chairman
Lahore

Unconsolidated Condensed Interim Statement of Financial Position

As at September 30, 2026 (Unaudited)

	Note	(Un-audited) September 30, 2026	(Audited) June 30, 2026
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
1,060,000,000 (June 30, 2026: 1,060,000,000)			
ordinary shares of Rs. 5 each		5,300,000	5,300,000
Issued, subscribed and paid up capital		1,995,160	1,995,160
Reserves		8,472,787	7,492,169
		10,467,947	9,487,329
Non-current liabilities			
Long term finances- secured	9	1,238,202	1,332,916
Deferred grant		3,142	3,677
Lease liabilities		7,114	10,917
Long-term deposits		109,864	121,764
Deferred tax liabilities - net		1,270,632	1,270,632
		2,628,954	2,739,906
Current liabilities			
Trade and other payables	10	7,087,246	6,857,784
Contract liabilities		440,501	1,409,982
Taxation- net		-	131,312
Short term borrowings	11	12,740,077	10,605,295
Current portion of non-current liabilities		297,660	202,006
Unclaimed dividend		412,565	413,890
Unpaid dividend		31,744	31,979
Accumulating compensated absences		335,160	335,160
		21,344,953	19,987,408
CONTINGENCIES AND COMMITMENTS	12		
		34,441,854	32,214,643

The annexed notes 1 to 27 form an integral part of the condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer

	Note	(Un-audited) September 30, 2026	(Audited) June 30, 2026
		(Rupees in thousand)	
ASSETS			
Non–current assets			
Property, plant and equipment	13	2,656,958	2,647,041
Right-of-use assets		13,140	15,243
Investment property		38,861	38,861
Intangible assets		7,370	7,860
Long term investments	14	6,489,069	6,489,069
Employees' defined benefit plan		139,491	139,491
Long term loans and advances		10,987	4,196
		9,355,876	9,341,761
Currenturrent assets			
Stores, spare parts and loose tools		605,272	669,224
Stock-in-trade		13,776,855	10,993,310
Trade debts		772,323	1,101,024
Loans and advances		235,244	211,737
Trade deposits and short term prepayments		187,622	183,220
Other receivables		202,793	215,109
Balances with statutory authorities		7,970,725	7,410,946
Taxation- net		19,881	-
Cash and bank balances	15	1,315,263	2,088,312
		25,085,978	22,872,882
		34,441,854	32,214,643

Chairman

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

For the quarter ended September 30, 2026 (Unaudited)

	Note	Quarter ended September 30, 2026	2025
		(Rupees in thousand)	
Revenue from contracts with customers	16	10,922,508	7,545,654
Cost of sales		(7,961,853)	(5,492,622)
Gross profit		2,960,655	2,053,032
Distribution and marketing expenses		(395,637)	(344,439)
Administrative expenses		(605,350)	(406,370)
Other operating expenses		(117,845)	(73,113)
		(1,118,832)	(823,922)
Other income	17	116,896	31,948
Operating profit		1,958,719	1,261,058
Finance cost		(413,031)	(471,386)
Profit before income taxes and levies		1,545,688	789,672
Levy – final taxes		(12,744)	–
Profit before income tax		1,532,944	789,672
Taxation		(552,326)	(276,083)
Profit after tax for the period		980,618	513,589
Other comprehensive 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')		–	32,008
Total comprehensive income for the period		980,618	545,597
			Restated
Earnings per share – basic and diluted (Rupees)		2.46	1.29

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

The annexed notes 1 to 27 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, 2026 (Unaudited)

	Share capital	Capital reserves		Revenue reserves		Total
		Fair value reserve	Amalgamation reserve	General reserve	Unappropriated profit	
	(Rupees in thousand)					
Balance as on July 1, 2025 – Audited	1,995,160	1,657,863	104,823	2,278,935	2,039,519	8,076,300
Net profit for the period	–	–	–	–	513,589	513,589
Other comprehensive (loss) / income for the period	–	32,008	–	–	–	32,008
Transfer of fair value reserve of Balochistan Wheels Limited investment to unappropriated profits	–	(89,164)	–	–	89,164	–
Balance as on September 30, 2025	1,995,160	1,600,707	104,823	2,278,935	2,642,272	8,621,897
Balance as on July 1, 2026 – Audited	1,995,160	2,109,916	104,823	2,278,935	2,998,495	9,487,329
Net profit for the period	–	–	–	–	980,618	980,618
Other comprehensive loss for the period	–	–	–	–	–	–
Balance as on September 30, 2026	1,995,160	2,109,916	104,823	2,278,935	3,979,113	10,467,947

The annexed notes 1 to 27 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, 2026 (Unaudited)

	Note	Quarter ended September 30, 2026	2025
		(Rupees in thousand)	
Cash flows from operating activities			
Profit before taxation		1,532,944	789,672
Adjustment for:			
Depreciation on property, plant and equipment		61,732	50,017
Depreciation on right-of-use assets		2,103	1,321
Amortization of intangible assets		490	612
Amortization of defered grant		(564)	(989)
Unwinding of long-term loan		769	1,341
Finance cost		412,826	471,034
Finance cost on lease liability		109	-
(Gain) / loss on sale of fixed assets		(5,498)	-
Provision for employee benefits		-	(19,000)
Final tax - levy		12,744	-
Profit on bank deposits		(1,280)	(1,397)
Dividend income		(84,957)	-
		398,474	502,939
Cash flow from operating activities before working capital changes		1,931,418	1,292,611
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		68,080	75,578
Stock-in-trade		(2,787,673)	(2,524,811)
Trade debts		328,701	258,986
Loans and advances		(23,507)	(110,602)
Trade deposits and short term prepayments		(4,402)	(40,731)
Balances with statutory authorities		(559,778)	(1,016,588)
Other receivables		12,316	99,260
		(2,966,263)	(3,258,908)
Increase / (decrease) in current liabilities:			
Trade and other payables		166,817	1,511,918
Contract liabilities		(969,481)	(1,707,132)
Cash used in operations		(3,768,927)	(3,454,122)
Income taxes paid - net		(703,520)	(653,091)
Levy - final taxes paid		(12,744)	-
Long term loans to employees - net		(6,791)	(370)
Long term security deposits - net		(11,900)	400
Markup paid		(350,181)	(585,110)
		(1,085,136)	(1,238,171)
Net cash used in operating activities		(2,922,645)	(3,399,682)
Cash flows from investing activities			
Purchase of property, plant and equipment		(89,507)	(83,523)
Proceeds from sale of long term investments		-	189,961
Dividend received		84,957	-
Proceeds from disposal of property, plant and equipment		23,356	5,472
Profit on bank deposits received		1,280	1,397
Net cash generated from investing activities		20,086	113,307
Cash flows from financing activities			
Dividend paid		(1,560)	(30,814)
Principal payment against lease liabilities		(1,979)	(1,137)
Long term financing repaid		(1,733)	(106,510)
Net cash used in financing activities		(5,272)	(138,461)
Net decrease in cash and cash equivalents		(2,907,831)	(3,424,836)
Cash and cash equivalents at the beginning of the period		(8,516,983)	(12,470,751)
Cash and cash equivalents at the end of the period	18	(11,424,814)	(15,895,587)

The annexed notes 1 to 27 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, 2026 (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, Sheikhupura Road, District Sheikhupura. 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, 2026 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, 2026. 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, unconsolidated condensed interim statement of 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.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the quarter ended September 30, 2026 (Unaudited)

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 this 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, 2026, except for the estimation of income tax (see note 8) and adoption of new and amended standards as set out in note 4.

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, 2026, 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, 2026, 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 2026, 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, 2026	(Audited) June 30, 2026
			(Rupees in thousand)	
9	**Long Term Finances – Secured**			
	Long-term loan			
	Current portion shown under current liabilities		1,526,385	1,527,349
			(288,183)	(194,433)
			1,238,202	1,332,916
9.1	**The reconciliation of the carrying amount is as follows:**			
	Opening balance	9.2 & 9.5	1,527,349	886,736
	Loan received during the period / year		–	1,500,000
	Repayments during the period / year	9.2 & 9.4	(1,733)	(867,909)
	Unwinding of discount on liability		769	8,522
			1,526,385	1,527,349
	Less: Current portion shown under current liabilities		(288,183)	(194,433)
	Closing balance	9.2 & 9.5	1,238,202	1,332,916

9.2 This represents amount against a loan facility of Rs. 100,000 thousand (June 30, 2026: Rs.160,000 thousand) obtained under renewable energy finance scheme announced by the 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 instalments starting from September 30, 2021, however in the year ended June 30, 2022, 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 (June 30, 2026:

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 year end is Rs. 26,385 thousand (June 30, 2026: Rs. 27,349 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 included amount of loan against facility of Rs. 1,500,000 thousand (June 30, 2026: Rs. 1,500,000 thousand) to maintain the Company's ownership stake of 15.86% in Hyundai Nishat Motors (Private) Limited. The loan was repayable in 16 equal quarterly instalments commencing from April 1, 2023 and carried markup at the rate of base rate plus 0.40% per annum, which was payable quarterly. Base rate was defined as the 'average of 3-month offer rate of KIBOR'. The base rate was set for the first time at the date of initial disbursement and subsequently reset on the first working day of each calendar quarter, using the rate prevailing on last working day of preceding calendar quarter. This facility was secured by first exclusive mortgage charge over land of the factory situated at 9 KM, Sheikhupura Road, Lahore, amounting to Rs. 2,000,000 thousand (including 25% margin). Last year, all outstanding principal, mark-up and associated costs were settled in full.

9.4 This included Term Finance (TF) loan facility amounting to Rs. 269,570 thousand (June 30, 2026: 269,570 thousand) availed from The Bank of Punjab in April 2024 to finance capital expenditure. The facility had a sanctioned limit of Rs. 500,000 thousand. The loan was repayable in 20 equal quarterly instalments and carried markup at the rate of 1 month KIBOR plus 0.95%. The loan was secured against 1st Pari Passu charge over present and future fixed assets of the company amounting to Rs. 666,667 thousand with 25% margin. Last year, all outstanding principal, mark-up and associated costs were settled in full.

9.5 This includes amount of loan against new facility of Rs. 1,500,000 thousand obtained from Meezan Bank Limited to meet the Company's long-term requirements including re-profiling of balance sheet. The loan carries a grace period of one year, and is repayable in 16 equal quarterly instalments commencing from February 19, 2027. The loan carries markup at the rate of 3-month KIBOR plus 0.30% per annum, which is payable quarterly, commencing from the date of initial disbursement. The markup rate will be set for the first time at the date of initial disbursement and subsequently reset on the first working day of each calendar quarter, using the rate prevailing on last working day of preceding calendar quarter. This facility is secured against joint Pari Passu charge over all present and future fixed assets of the company with 25% margin.

		(Un-audited) September 30, 2026	(Audited) June 30, 2026
		(Rupees in thousand)	
10	**Trade and other Payables**		
	Trade creditors	3,939,884	4,022,359
	Accrued liabilities	138,366	723,289
	Bills payable	422,504	148,865
	Security deposits	785,671	461,034
	Trademark fee payable	730,682	615,210
	Workers' Profit Participation Fund	83,012	-
	Workers' Welfare Fund	320,010	288,465
	Accrued markup on long-term finances	21,893	21,808
	Accrued markup on running finance	326,060	263,500
	Payable against sale tax withheld	110,216	148,518
	Others	208,948	164,736
		7,087,246	6,857,784

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 0.03% to KIBOR plus 0.10% (30 June 2026: KIBOR plus 0.03% to KIBOR plus 0.40%) 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. 23,600,000 thousand (30 June 2026: Rs. 23,900,000 thousand) out of which Rs. 14,681,771 thousand (30 June 2026: 14,294,705 thousand) remained unutilised as of reporting date. Out of the above mentioned authorized limit, an amount of Rs. 9,500,000 thousand (June 30, 2026: Rs.9,500,000 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.

The Company has also obtained money market loan to meet its working capital requirements against sanctioned limit of Rs. 2,000,000 thousand (30 June 2026: Rs. 1,700,000 thousand) out of which nil (30 June 2026: Rs. 700,000 thousand) remained unutilized as at the reporting date. The rate of mark up on money market loan is 3 Month KIBOR + 0.03% (30 June 2026: 1 Month KIBOR).

Notes to the Unconsolidated Condensed Interim Financial Statements

For the quarter ended September 30, 2026 (Unaudited)

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. 2,567,010 thousand (June 30, 2026: Rs 1,833,923 thousand).

		Note	(Un–audited) September 30, 2026	(Audited) June 30, 2026
			(Rupees in thousand)	
13	**Property Plant and Equipment**			
	Operating fixed assets	13.1	2,540,710	2,530,482
	Capital work in progress	13.2	116,248	116,559
			2,656,958	2,647,041
13.1	**Operating fixed assets**			
	Opening book value		2,530,482	1,672,939
	Add: Additions during the period / year	13.1.1	89,818	1,136,093
			2,620,300	2,809,032
	Less:			
	Disposals / write offs during the period / year (at book value)		(17,858)	(45,599)
	Depreciation charged during the period / year		(61,732)	(232,951)
			(79,590)	(278,550)
	Closing book value		2,540,710	2,530,482
13.1.1	**Additions during the period**			
	– Land		–	624,862
	– Buildings		1,510	7,019
	– Plant and machinery		23,740	157,083
	– Tools and equipments		7,715	7,456
	– Furniture, fixture and office equipment		12,750	18,179
	– Vehicles		40,255	309,505
	– Computers		3,848	11,989
			89,818	1,136,093
13.2	**Capital Work in Progress**			
	Plant and machinery		116,248	116,559

		Note	(Un-audited) September 30, 2026	(Audited) June 30, 2026
			(Rupees in thousand)	
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
			174,005	174,005
	- Other invesments at fair value through OCI:			
	- Hyundai Nishat Motors (Private) Limited - unquoted		3,103,029	3,103,029
	Surplus on fair valuation of investment		3,211,635	3,211,635
			6,314,664	6,314,664
	- 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
			6,489,069	6,489,069
15	**Cash and Bank Balances**			
	In hand			
	- Cash		4,055	1,097
	- Cheques		179,403	182,121
			183,458	183,218
	Cash at bank			
	- Current accounts		602,785	1,271,182
	- Deposits accounts	15.1	529,020	633,912
			1,131,805	1,905,094
			1,315,263	2,088,312

15.1 These deposits are made under conventional arrangements and carry mark-up at the rates ranging from 9% to 10% (30 June 2026: 9% to 10%) per annum.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the quarter ended September 30, 2026 (Unaudited)

			Note	(Un-audited) September 30, 2026	(Audited) September 30, 2025
				(Rupees in thousand)	
16	**Revenue from Contracts with Customers**				
	Disaggregation of revenue	**Timing of revenue recognition**			
	Local:				
	Tractors	Point-in-time		8,405,107	4,789,625
	Implements	Point-in-time		114,659	24,907
	Multi-application products	Point-in-time		79,935	80,292
	Trading goods	Point-in-time		553,968	439,871
	IFS services	Point-in-time / Over time		–	–
				9,153,669	5,334,695
	Export:				
	Tractors	Point-in-time		1,641,223	2,247,777
	Trading goods	Point-in-time		161,082	33,531
	Implements	Point-in-time		82,905	19,153
	IFS services	Point-in-time / Over time		28	2,404
				1,885,238	2,302,865
	Less: Commission			(116,399)	(91,906)
				10,922,508	7,545,654
17	**Other income**				
	Income from financial assets				
	Dividend income from long term investment			84,957	–
	Profit on bank deposits			1,280	1,397
	Mark-up on early payments			7,415	6,333
				93,652	7,730
	Income from assets other than financial assets			23,244	24,218
				116,896	31,948
18	**Cash and cash equivalents**				
	Cash and bank balances		15	1,315,263	1,368,593
	Short term borrowings		11	(12,740,077)	(17,264,180)
				(11,424,814)	(15,895,587)

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:

		(Un–audited) September 30, 2026	(Un-audited) September 30, 2025
		(Rupees in thousand)	
Relation with undertaking	**Nature of transaction**		
Subsidiaries	Purchase of components	689,440	407,776
	Sale of goods	1,810,245	1,737,417
	Sale of fixed assets	5,591	–
	Dividend income	84,957	–
Associates	Purchase of components	18,375	2,311
	Purchase of fixed assets	4,089	–
Key Management Personnel	Remuneration	124,392	101,961
Retirement benefit plans	Contribution to staff retirement benefit plans	17,133	19,283

19.1 The outstanding balances of such parties are as under:

		Note	(Un–audited) September 30, 2026	(Audited) June 30, 2026
			(Rupees in thousand)	
Relation with undertaking	**Nature of transaction**			
Subsidiaries	Payable to related parties	10	118,147	140,083
	Receivable from related parties		596,540	633,101
	Advances from related parties		–	156,248
	Advances to related parties		127,304	–
Associates	Receivable from related parties		7,533	7,533
	Payable to related parties		17,095	21,749

Notes to the Unconsolidated Condensed Interim Financial Statements

For the quarter ended September 30, 2026 (Unaudited)

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 year, are as follows:

Name of the related party	Basis of relationship	Country of Incorporation	Percentage of shareholding %
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 92% (September 30, 2025: 93%) of the net sales of the Company.

20.3 84% (September 30, 2025: 71%) sales of the Company relate to customers in Pakistan.

20.4 All non-current assets of the Company as at September 30, 2026 and June 30, 2026 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 Disclosure requirements for Companies not engaged in Shariah non-permissible business activities

Following information has been disclosed as required under Part 1 Clause VII of the Fourth Schedule to the Companies Act, 2017 as amended via S.R.O.1278(I)/2024 dated August 15, 2024:

Description		Note	(Un-audited) September 30, 2026	(Audited) June 30, 2026
			(Rupees in thousand)	
Unconsolidated statement of financial position				
Financing obtained as per Islamic mode	Shariah		5,847,180	6,930,862
Long-term and short-term Shariah compliant Investments	Shariah	14	6,412,459	6,412,459
Bank balances - Shariah compliant	Shariah	15	-	256

		Note	(Un-audited) September 30, 2026	(Audited) September 30, 2025
			(Rupees in thousand)	
Unconsolidated statement of profit or loss				
Revenue earned from a shariah-compliant business segment	Shariah	16	10,922,508	7,545,654
Late payments or liquidated damages- charges	Non-Shariah	16	(2,937)	(64)
Source and detailed break up of other income				
Other income earned from shariah compliant:				
Rental Income	Shariah	17	12,621	11,669
Gain on disposal of operating fixed assets	Shariah	17	5,498	-
Sale of scrap	Shariah	17	3,971	4,995
Miscellaneous	Shariah	17	8,569	13,887
Dividend income	Shariah	17	84,957	-
Other income earned from non - shariah compliant				
Income on bank deposits	Non-Shariah	17	1,280	1,397

Notes to the Unconsolidated Condensed Interim Financial Statements

For the quarter ended September 30, 2026 (Unaudited)

Relationship with shariah compliant banks

Name	Relationship
Meezan Bank Limited	Funded / Non-funded facility & Bank Balances
Dubai Islamic Bank Limited	Funded / Non-funded facility & Bank Balances
MCB Islamic Bank Limited	Bank Balances

23 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, 2026.

24 Events After the Reporting Date

The Board of Directors have declared Rs. Nil cash dividend (June 30, 2026: Rs. 11 per share) and Nil bonus shares (June 30, 2026: Nil) in their meeting held on October 22, 2026.

25 Date of Authorisation For Issue

This unconsolidated condensed interim financial statements was authorised for issue on October 22, 2026 by the Board of Directors of the Company.

26 Corresponding Figures

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

27 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, 2026 (unaudited)

Consolidated Condensed Interim Statement of Financial Position

As at September 30, 2026 (Unaudited)

	Note	(Un-audited) September 30, 2026	(Audited) June 30, 2026
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 1,060,000,000			
(June 30, 2026: 1,060,000,000) ordinary			
shares of Rs. 5/- each		5,300,000	5,300,000
Issued, subscribed and paid up capital		1,995,160	1,995,160
Reserves		9,207,786	8,261,361
Attributable to owners of the Holding Company		11,202,946	10,256,521
Non-controlling interest		588,841	624,529
Total equity		11,791,787	10,881,050
Non-current liabilities			
Long term finance- secured	8	1,238,202	1,332,916
Deferred grant		3,142	3,677
Lease liabilities		7,114	10,917
Employees' defined benefit plan		22,329	21,762
Long term advances and deposits		112,320	130,424
Deferred tax liabilities - net		1,256,974	1,249,992
		2,640,081	2,749,688
Current liabilities			
Trade and other payables	9	7,568,703	6,582,195
Contract liabilities		939,908	2,223,589
Taxation - net		-	31,311
Short term borrowings	10	12,981,497	10,665,295
Current portion of non-current liabilities		297,979	202,312
Unclaimed dividend		417,345	418,670
Unpaid dividend		31,744	31,979
Accumulating compensated absences		349,851	349,558
		22,587,027	20,504,909
CONTINGENCIES AND COMMITMENTS	11		
		37,018,895	34,135,647

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, 2026	(Audited) June 30, 2026
		(Rupees in thousand)	
ASSETS			
Non-current assets			
Property, plant and equipment	12	2,967,586	2,910,509
Right-of-use assets		13,140	15,243
Intangible asset		7,370	7,860
Goodwill		18,572	18,572
Investment property		38,861	38,861
Long term investments	13	6,315,064	6,315,064
Long term loans		10,987	4,196
Long term deposits		11,333	11,333
Employees' defined benefit plan		139,491	139,491
		9,522,404	9,461,129
Current assets			
Stores, spare parts and loose tools		761,930	824,985
Stock-in-trade		14,314,532	11,596,802
Trade debts		1,582,918	1,319,754
Loans and advances		441,892	231,757
Other receivables		211,825	218,375
Trade deposits and short term prepayments		210,202	195,708
Balances with statutory authorities		7,977,503	7,415,295
Tax refunds due from the Government		125,955	-
Short term investments		3,856	58,856
Cash and bank balances	14	1,865,878	2,812,986
		27,496,491	24,674,518
		37,018,895	34,135,647

Chairman

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

For the quarter ended September 30, 2026 (Unaudited)

	Note	(Unaudited) Quarter ended September 30, 2026	2025
		(Rupees in thousand)	
Revenue from contracts with customers	15	11,109,409	7,784,326
Cost of sales		(7,984,910)	(5,592,411)
Gross profit		3,124,499	2,191,915
Distribution and marketing expenses		(417,046)	(363,971)
Administrative expenses		(713,158)	(481,120)
Other operating expenses		(119,088)	(74,200)
		(1,249,292)	(919,291)
Other income	16	34,928	84,262
		1,910,135	1,356,886
Finance cost		(416,456)	(476,847)
Profit before income taxes and levies		1,493,679	880,039
Levy – final taxes		(12,744)	–
		1,480,935	880,039
Taxation		(540,297)	(266,584)
Profit after tax for the period		940,638	613,455
Other comprehensive income / (loss):			
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		37,433	(3,591)
Items not to be reclassified to profit or loss in subsequent periods:			
Unrealized loss on revaluation of investments at fair value through other comprehensive income		–	(3,363)
Total comprehensive income for the period		978,071	606,501
Attributable to:			
– Equity holders of the Holding Company			
Profit after tax		912,491	582,017
Total comprehensive (loss) / income for the period		33,934	24,103
		946,425	606,120
– Non-controlling interests			
Profit after tax		28,147	31,438
Total comprehensive (loss) / income for the period		3,499	(31,057)
		31,646	381
		978,071	606,501
			Restated
Earnings per share – basic and diluted (Rupees)		2.36	1.54

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

Consolidated Condensed Interim Statement of Changes in Equity

For the quarter ended September 30, 2026 (Unaudited)

	Share capital	Capital reserves				Revenue reserves		Non-controlling interests	Total
		Fair value reserve	Other reserve	Merger reserve	Exchange translation reserve	General reserve	Unappropriated profit		
	(Rupees in thousand)								
Balance as on 01 July 2025	1,995,160	1,674,225	208,929	104,823	147,015	2,475,309	2,138,384	534,643	9,278,488
Net profit for the period	-	-	-	-	-	-	582,017	31,438	613,455
Other comprehensive income for the period	-	104,811	-	-	3,166	-	(83,874)	(31,057)	(6,954)
	-	104,811	-	-	3,166	-	498,143	381	606,501
Transfer of fair value reserve of Balochistan Wheels									
Limited investment to unappropriated profits	-	(89,165)	-	-	-	-	89,165	-	-
Balance as on 30 September 2025 – unaudited	1,995,160	1,689,871	208,929	104,823	150,181	2,475,309	2,725,692	535,024	9,884,989
Balance as on 01 July 2026	1,995,160	2,109,915	208,929	104,823	141,404	2,475,309	3,220,981	624,529	10,881,050
Dividend payment to non controlling interest	-	-	-	-	-	-	-	(67,334)	(67,334)
Net profit for the period	-	-	-	-	-	-	912,491	28,147	940,638
Other comprehensive loss for the period	-	-	-	-	33,934	-	-	3,499	37,433
	-	-	-	-	33,934	-	912,491	31,646	978,071
Balance as on 30 September 2026 – unaudited	1,995,160	2,109,915	208,929	104,823	175,338	2,475,309	4,133,472	588,841	11,791,787

The annexed notes 1 to 26 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, 2026 (Unaudited)

	Note	(Unaudited) Quarter ended September 30, 2026	2025
		(Rupees in thousand)	
Cash flows from operating activities			
Profit before taxation		1,480,935	880,039
Adjustment for:			
Depreciation on property, plant and equipment		69,852	61,662
Depreciation on right-of-use assets		2,103	1,321
Amortization of intangible assets		490	612
Gain on sale of fixed assets		(5,498)	–
Provision for employee benefits		1,665	(18,842)
Unwinding of discount on loan		769	1,341
Amortization of deferred grant		(564)	(988)
Gain on sale of long term investment		–	(48,837)
Finance cost on lease liability		109	–
Finance cost		416,142	476,094
Final tax - levy		12,744	–
Profit on bank deposits		(1,706)	(2,034)
		496,106	470,329
Cash flow from operating activities before working capital changes		1,977,041	1,350,368
Effect on cash flow due to working capital changes			
(Increase) / Decrease in current assets:			
Stores, spare parts and loose tools		63,055	84,769
Stock in trade		(2,717,730)	(2,442,908)
Trade debts		(263,164)	202,916
Loans and advances		(210,135)	(768,030)
Trade deposits and short term prepayments		(14,494)	(48,758)
Balances with statutory authorities		(562,208)	(1,002,202)
Other receivables		6,550	94,558
		(3,698,126)	(3,879,655)
Increase / (Decrease) in current liabilities:			
Trade and other payables		924,721	1,762,261
Contract liabilities		(1,283,681)	(1,464,501)
Cash used in operations		(2,080,045)	(2,231,527)
Income tax paid- net		(726,386)	(638,977)
Final tax - levy paid		(12,744)	–
Long term loans to employees - net		(6,791)	(332)
Long term security deposits - net		(18,091)	520
Mark-up paid		(354,355)	(592,538)
		(1,118,367)	(1,231,327)
Net cash used in operating activities		(3,198,412)	(3,462,854)
Cash flows from investing activities			
Purchase of property, plant and equipment		(145,348)	(84,003)
Short term investments redeemed		55,000	23,856
Proceeds from sale of long term investment		–	227,197
Proceeds from sale of property, plant and equipment		23,917	6,233
Profit on bank deposits		1,706	2,807
Net cash (used in) / generated from investing activities		(64,725)	176,090
Cash flows from financing activities			
Dividend paid to equity holders of the holding Company		(1,560)	(32,067)
Dividend paid to non controlling interests		(67,334)	–
Short term borrowing obtained		35,000	–
Principal payment against lease liabilities		(1,979)	(1,139)
Long term financing repaid		(1,733)	(121,510)
Net cash used in financing activities		(37,606)	(154,716)
Net decrease in cash and cash equivalents		(3,300,743)	(3,441,480)
Cash and cash equivalents at the beginning of the period		(7,852,309)	(12,290,244)
Foreign exchange difference		37,433	(3,591)
Cash and cash equivalents at the end of the period	17	(11,115,619)	(15,735,315

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 Consolidated Condensed Interim Financial Statements

For the quarter ended September 30, 2026 (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 Sheikhupura Road, District Sheikhupura. 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 – Sheikhupura Road, Shahdara, Lahore
- The manufacturing facility of MIPL is located at 49 km., off Multan Road, Bhai Pheru, Distt. Kasur.

b) TIPEG Intertrade FZE

TIPEG Intertrade FZE, a limited liability company registered with Free Zone Establishment Authority of Dubai-UAE, is a subsidiary of Millat Tractors Limited which holds 75% of the TIPEG Intertrade FZE's equity. The principal place of business of the TIPEG Intertrade FZE is located at Jumeirah Lake Towers, Dubai-UAE. TIPEG Intertrade FZE 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) 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, 2026 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.

Notes to the Consolidated Condensed Interim Financial Statements

For the quarter ended September 30, 2026 (Unaudited)

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 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, 2026. 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, consolidated condensed interim statement of 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 Company's functional and presentation currency.

6 Significant Accounting Policies

6.1 The accounting policies and methods of computation adopted in the preparation of this 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, 2026, except for the adoption of new and amended standards as set out in note 4.

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, 2026, 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, 2026, 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, 2026.

		Note	(Un-audited) September 30, 2026	(Audited) June 30, 2026
			(Rupees in thousand)	
8	**Long Term Finances – Secured**			
	Long-term loan		1,526,385	1,527,349
	Current portion shown under current liabilities		(288,183)	(194,433)
		8.1	1,238,202	1,332,916
8.1	**The reconciliation of the carrying amount is as follows:**			
	Opening balance	8.2 to 8.6	1,527,349	951,736
	Loan received during the period / year		–	1,500,000
	Repayments during the period / year	8.2 to 8.5	(1,733)	(932,909)
	Unwinding of discount on loan		769	8,522
			1,526,385	1,527,349
	Less: Current portion shown under current liabilities		(288,183)	(194,433)
	Closing balance	8.2 and 8.6	1,238,202	1,332,916

8.2 This includes amount of loan against facility of Rs.100,000 thousand (June 30, 2026: Rs.160,000 thousand) obtained under renewable energy finance scheme announced by the 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 instalments starting from September 30, 2021, however in the year ended June 30, 2022, 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 (June 30, 2026: 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 year end is Rs. 26,385 thousand (June 30, 2026: Rs. 27,349 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 amount of loan against facility of Rs. 1,500,000 thousand (June 30, 2026: Rs. 1,500,000 thousand) to maintain the Group's ownership stake of 15.86% in Hyundai Nishat Motors (Private) Limited. The loan is repayable in 16 equal quarterly instalments commencing from April 1, 2023 and carries markup at the rate of base rate plus 0.40% 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 reset on the first working day of each calendar quarter, using the rate prevailing on last working day of preceding calendar quarter. This facility is secured by first exclusive mortgage charge over land of the factory situated at 9 KM, Sheikhupura Road, Lahore, amounting to Rs. 2,000,000 thousand (including 25% margin). Last year, all outstanding principal, mark-up and associated costs were settled in full.

8.4 This represents long-term financing arrangements obtained by the Group through restructuring of its short-term running finance facility with Bank Alfalah Limited. Facility is payable in equal monthly installments over a period of 36 months which include a grace period of 3 months and has to be repaid by July 2026. 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. Last year, all outstanding principal, mark-up and associated costs were settled in full.

8.5 This includes Term Finance (TF) loan facility amounting to Rs. 269,570 thousand (June 30, 2026: 269,570 thousand) availed from The Bank of Punjab in April 2024 to finance capital expenditure. 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 carrying amount of loan as of period end is Rs. 202,178 thousand (June 30, 2026: Rs. 215,656 thousand). The loan is secured against 1st Pari Passu charge over present and future fixed assets of the Group amounting to Rs. 666,667 thousand with 25% margin. The loan is repayable in 20 equal quarterly instalments. Last year, all outstanding principal, mark-up and associated costs were settled in full.

8.6 This includes amount of loan against new facility of Rs. 1,500,000 thousand obtained from Meezan Bank Limited to meet the Group's long-term requirements including re-profiling of balance sheet. The loan carries a grace period of one year, and is repayable in 16 equal quarterly instalments commencing from February 19, 2027. The loan carries markup at the rate of 3-month KIBOR plus 0.30% per annum, which is payable quarterly, commencing from the date of initial disbursement. The markup rate will be set for the first time at the date of initial disbursement and subsequently reset on the first working day of each calendar quarter, using the rate prevailing on last working day of preceding calendar quarter. This facility is secured against joint Pari Passu charge over all present and future fixed assets of the company with 25% margin.

		(Un–audited) September 30, 2026	(Audited) June 30, 2026
		(Rupees in thousand)	
9	**Trade and Other Payables**		
	Trade creditors	4,334,642	3,658,209
	Accrued liabilities	203,902	794,317
	Bills payable	422,504	148,865
	Security deposits	787,071	462,434
	Trademark fee payable	730,682	615,210
	Income tax deducted at source	759	1,432
	Workers' Profit Participation Fund – net	89,070	–
	Workers' Welfare Fund	324,650	294,906
	Accrued markup on running finance	348,250	286,463
	Payable against sale tax withheld	115,416	148,518
	Others	211,757	171,841
		7,568,703	6,582,195

10 Short Term Borrowings

10.1 The Group has obtained short-term borrowing facilities from various banks to meet its working capital requirements against aggregate sanctioned limit of Rs. 23,900,000 thousand (June 30, 2026: Rs. 23,900,000 thousand) out of which Rs. 14,681,771 thousand (June 30, 2026: Rs. 14,294,705 thousand) remained unutilized as at the reporting date. The rates of mark up range from KIBOR plus 0.03% to KIBOR plus 0.10% (June 30, 2026: KIBOR 0.03% to KIBOR + 0.40%) per annum. Out of the above mentioned authorized limit, an amount of Rs. 9,500,000 thousand (2026: Rs. 9,500,000 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 Group, lien over import documents and counter guarantees of the Group.

The Group has obtained money market loan to meet its working capital requirements against sanctioned limit of Rs. 2,000,000 thousand (June 30, 2026: Rs. 1,700,000 thousand) out of which nil (June 30, 2026: Rs. 700,000 thousand) remained unutilized as at the reporting date. The rate of mark up on money market loan is 3 Month KIBOR plus 0.03% (June 30, 2026: 1 Month KIBOR).

10.2 The Group has also obtained finance under Istisna-cum-Wakala arrangement from a commercial bank amounting to Rs. 60,000 thousand (June 30, 2026: Rs. 60,000 thousand) and Istisna / Musawammah arrangement from another commercial bank amounting to Rs. 100,000 thousand (June 30, 2026: 100,000 thousand). The profit rates on these facilities are 6 months KIBOR plus 2.25% (June 30, 2026: 6 months KIBOR plus 2%) and 6 month KIBOR plus 1% (June 30, 2026: 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. 233,330 thousand and hypothecation charge over present and future stocks and book debts with 25% margin respectively. Amount utilised is Rs. 60,000 thousand (June 30, 2026: Rs. 60,000 thousand) and Nil (June 30, 2026: Nil) respectively.

10.3 The Group has also obtained a running finance facility from MCB Bank Limited to meet its working capital requirements, particularly those arising from the import of electric vehicles. The facility carries a markup rate of 1-month KIBOR plus 0.40% per annum and is subject to commission charges in

accordance with the Bank's Schedule of Charges. The facility is secured by a first exclusive charge of Rs. 667,000 thousand over all present and future current assets of the Group, together with a corporate guarantee provided by the Group. The facility is valid until 31 August 2027.

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. 2,657,010 thousand (June 30, 2026: Rs. 1,975,107 thousand).

		Note	(Un–audited) September 30, 2026	(Audited) June 30, 2026
			(Rupees in thousand)	
12	**Property Plant and Equipment**			
	Operating fixed assets	11.1	2,791,388	2,788,975
	Capital work in progress	11.2	176,198	121,534
			2,967,586	2,910,509
12.1	**Operating fixed assets**			
	Opening book value		2,788,975	1,975,157
	Add: Additions during the period / year	11.1.1	90,684	1,137,105
			2,879,659	3,112,262
	Less:			
	Disposals / write offs during the period / year (at book value)		(18,419)	(47,978)
	Depreciation charged during the period / year		(69,852)	(275,309)
			(88,271)	(323,287)
	Closing book value		2,791,388	2,788,975
12.1.1	**Additions during the period / year**			
	– Freehold land		–	624,862
	– Buildings on freehold land		1,510	7,019
	– Plant and machinery		23,740	157,615
	– Tools and equipment		8,181	7,456
	– Furniture, fixture and office equipment		12,895	18,179
	– Vehicles		40,255	309,985
	– Computers		4,103	11,989
			90,684	1,137,105
12.2	**Capital work in progress**			
	Plant and machinery		176,198	121,534

		(Un–audited) September 30, 2026	(Audited) June 30, 2026
		(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	3,211,635	3,211,635
		6,314,664	6,314,664
	Quoted		
	Baluchistan Wheels Limited	–	–
	Surplus on fair valuation of investment	–	–
		–	–
	At cost		
	TCC Management Services (Private) Limited	400	400
		6,315,064	6,315,064
14	**Cash and Bank Balances**		
	In hand		
	– Cash	5,331	2,133
	– Cheques	179,403	182,121
	Cash at bank		
	– Current accounts	1,106,409	1,889,979
	– Deposits accounts	570,486	734,504
	– Deposit accounts – Islamic	4,249	4,249
		1,865,878	2,812,986

14.1 These deposits are made under conventional arrangements and carry mark-up at the rates ranging from 5.0% to 10.47% (June 30, 2026: 5.0% to 10.47%) per annum.

Notes to the Consolidated Condensed Interim Financial Statements

For the quarter ended September 30, 2026 (Unaudited)

			(Unaudited) Quarter ended	
			September 30,	
			2026	2025
			(Rupees in thousand)	
15	**Revenue From Contracts with Customers – Net**			
	Disaggregation of revenue			
	Local:			
	Tractors	Point-in-time	7,715,667	2,644,433
	Implements and tractor components	Point-in-time	114,659	24,907
	Multi-application products	Point-in-time	79,935	80,292
	Trading goods	Point-in-time	553,968	439,871
	Batteries	Point-in-time	99,274	156,606
	Castings	Point-in-time	385,126	292,872
	IFS services	Point-in-time / Over time	–	–
			8,948,629	3,638,981
	Export:			
	Tractors	Point-in-time	2,033,164	4,182,163
	Trading goods and tractor components	Point-in-time	161,082	33,531
	Implements	Point-in-time	82,905	19,153
	IFS services	Point-in-time / Over time	28	2,404
	Batteries	Point-in-time	–	–
			2,277,179	4,237,251
	Less: Commission		(116,399)	(91,906)
			11,109,409	7,784,326
16	**OTHER INCOME**			
	Income from financial assets			
	Profit on bank deposits		1,706	2,034
	Mark up on early payments		7,415	6,333
			9,121	8,367
	Income from assets other than financial assets		25,807	75,895
			34,928	84,262

		(Unaudited) Quarter ended	
		September 30, 2026	2025
		(Rupees in thousand)	
17	**CASH AND CASH EQUIVALENTS**		
	Cash and bank balances	1,865,878	1,603,865
	Short term borrowings	(12,981,497)	(17,339,180)
		(11,115,619)	(15,735,315)

18 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 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, 2026	2025
			(Rupees in thousand)	
	Key Management Personnel	Remuneration paid	143,162	117,504
	Retirement benefit plans	Contribution to staff retirement benefit plans	18,447	20,724

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 year, 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		Castings		Other segments		Inter segment eliminations		Total	
	September 2026	September 2025	September 2026	September 2025	September 2026	September 2025	September 2026	September 2025	September 2026	September 2025
	Rupees in thousands									
Revenue from contracts with customers	10,922,508	7,545,654	385,125	292,872	2,307,051	2,090,992	(2,505,275)	(2,145,192)	11,109,409	7,784,326
Cost of sales	7,961,854	5,492,622	327,564	289,365	2,123,223	1,922,421	(2,427,731)	(2,111,997)	7,984,910	5,592,411
Gross profit	2,960,654	2,053,032	57,561	3,507	183,828	168,571	(77,544)	(33,195)	3,124,499	2,191,915
Distribution and marketing expenses	395,637	344,439	16,370	13,812	5,039	5,720	-	-	417,046	363,971
Administrative expenses	605,350	406,370	24,609	21,116	83,199	53,634	-	-	713,158	481,120
Other operating expenses	117,845	73,113	1,243	1,087	-	-	-	-	119,088	74,200
	1,118,832	823,922	42,222	36,015	88,238	59,354	-	-	1,249,292	919,291
Other income	116,896	31,948	2,419	51,677	570	637	(84,957)	-	34,928	84,262
Operating profit	1,958,718	1,261,058	17,758	19,169	96,160	109,854	(162,501)	(33,195)	1,910,135	1,356,886
Finance costs	413,031	471,386	1,887	4,505	1,538	956	-	-	416,456	476,847
Profit / (loss) before taxation	1,545,687	789,672	15,871	14,664	94,622	108,898	(162,501)	(33,195)	1,493,679	880,039
Taxation	565,070	276,083	6,061	3,753	786	1,459	(18,876)	(14,711)	553,041	266,584
Profit / (loss) after taxation for the period	980,617	513,589	9,810	10,911	93,836	107,439	(143,625)	(18,484)	940,638	613,455

18.1 Inter segment sales and purchases have been eliminated.

18.2 Allocation of assets and liabilities

	Tractors		Castings		Other segments		Inter segment eliminations		Total	
	September 2026	June 2026	September 2026	June 2026	September 2026	June 2026	September 2026	June 2026	September 2026	June 2026
	Rupees in thousands									
Segment operating assets										
Non- current assets	9,355,876	9,341,761	128,128	131,543	205,273	154,706	(185,445)	(185,454)	9,503,832	9,442,556
Goodwill	-	-	-	-	-	-	18,572	18,572	18,572	18,572
Current assets	25,085,977	22,872,882	612,543	650,125	2,438,259	2,064,626	(640,288)	(913,114)	27,496,491	24,674,519
Total Assets	34,441,853	32,214,643	740,671	781,668	2,643,532	2,219,332	(807,161)	(1,079,996)	37,018,895	34,135,647
Segment operating liabilities										
Non-current liabilities	2,628,954	2,739,906	28,218	27,771	5,228	5,689	(22,319)	(29,975)	2,640,081	2,743,391
Current liabilities	21,344,953	19,987,408	304,876	356,129	1,513,488	1,067,805	(576,290)	(900,136)	22,587,027	20,511,206
Total operating liabilities	23,973,907	22,727,314	333,094	383,900	1,518,716	1,073,494	(598,609)	(930,111)	25,227,108	23,254,597

Notes to the Consolidated Condensed Interim Financial Statements

For the quarter ended September 30, 2026 (Unaudited)

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 Disclosure requirements for Group not engaged in Shariah non-permissible business activities

'Following information has been disclosed as required under Part 1 Clause VII of the Fourth Schedule to the Companies Act, 2017 as amended via S.R.O.1278(I)/2024 dated August 15, 2024:

		(Un-audited) September 30, 2026 (Rupees in thousand)	(Audited) June 30, 2026 (Rupees in thousand)
Description			
Unconsolidated statement of financial position			
Financing obtained as per Islamic mode	Shariah	5,847,180	6,990,862
Long-term and short-term Shariah compliant Investments	Shariah	6,315,064	6,315,064
Bank balances - Shariah compliant	Shariah	4,344	14,635

		(Un-audited) September 30, 2026 (Rupees in thousand)	(Audited) June 30, 2026 (Rupees in thousand)
Unconsolidated statement of profit or loss			
Revenue earned from a shariah-compliant business segment	Shariah	11,109,409	7,784,326
Late payments or liquidated damages - charges	Non-Shariah	(2,937)	(64)
Source and detailed break up of other income			

		(Un–audited) September 30, 2026	(Audited) September 30, 2025
		(Rupees in thousand)	
Other income earned from			
shariah compliant:			
Rental Income	Shariah	12,621	11,669
Gain on disposal of operating			
fixed assets	Shariah	5,498	–
Sale of scrap	Shariah	3,971	4,995
Miscellaneous	Shariah	8,569	13,887
Dividend income	Shariah	84,957	–
Other income earned from			
non – shariah compliant			
Income on bank deposits	Non-Shariah	1,706	2,034
Relationship with shariah			
compliant banks			

Relationship with shariah compliant banks

Name	Relationship
Meezan Bank Limited	Funded / Non-funded facility & Bank Balances
Dubai Islamic Bank Limited	Funded / Non-funded facility & Bank Balances
Faysal Bank Limited	Funded / Non-funded facility & Bank Balances
MCB Islamic Bank Limited	Bank Balance

22 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, 2026.

23 Subsequent Events

The Board of Directors have declared Rs. Nil cash dividend (June 30, 2026: Rs. 11 per share) and Nil bonus shares (June 30, 2026: Nil) in their meeting held on October 22, 2026.

24 Date of Authorisation for Issue

This condensed interim financial information was authorised for issue on October 22, 2026 by the Board of Directors of the Holding Company.

Notes to the Consolidated Condensed Interim Financial Statements

For the quarter ended September 30, 2026 (Unaudited)

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

Notes

Notes

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