



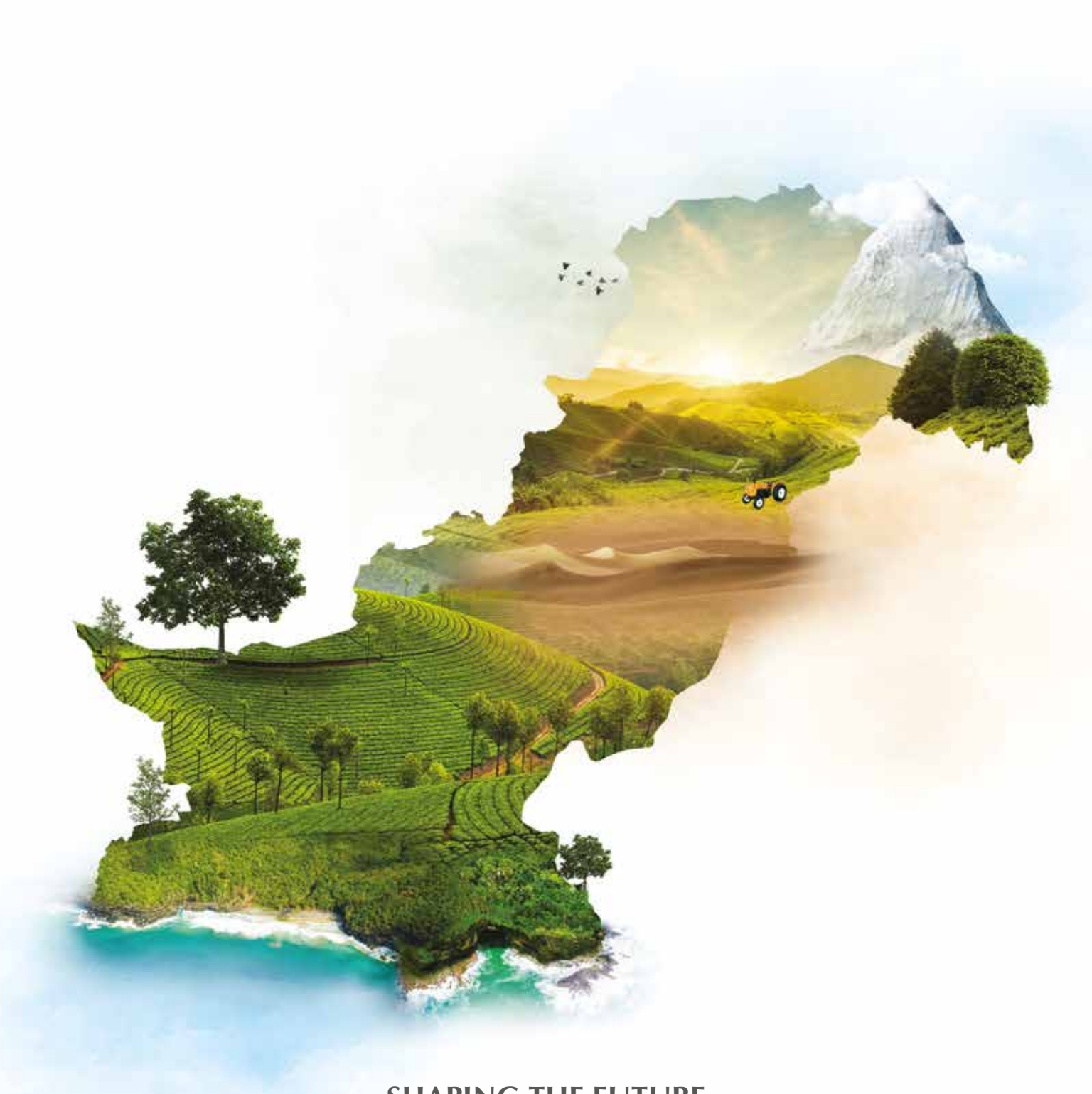
# AL-GHAZI TRACTORS LTD



## SHAPING THE FUTURE

First Quarter Ended  
March 31, 2022  
(Un-audited)





## SHAPING THE FUTURE

To position the company on a path of growth and become the market leader in the industry through brand recognition & loyalty and consistent improvements that are in line with its business strategy and vision, AGTL management is focused on shaping the future by revamping its resources, processes, and technology, to become an organization that is fit for the future and resultantly create additional value for our shareholders and customer.

# CONTENTS

02	Company Information
04	Directors Review
06	Condensed Interim Statement of Financial Position
07	Condensed Interim Statement of Profit or Loss
08	Condensed Interim Statement of Cash Flows
09	Condensed Interim Statement of Changes in Equity
10	Notes To The Condensed Interim Financial Information

# Company Information

## **BOARD OF DIRECTORS**

Mr. Robert Ian McAllister  
Chairman, Non-Executive Director

Mr. Malik Ehtisham Ikram  
Acting CEO, CFO & Executive Director

Mr. Ramesh Narasimhan  
Non-Executive Director

Ms. Farah Qureshi  
Independent Director

Mr. Shahid Shahbaz Toor  
Independent Director

Mr. Marco Votta  
Non-Executive Director

Mr. Vincent Delassagne  
Non-Executive Director

Mr. Matthieu Sejourné  
Non-Executive Director

## **AUDIT COMMITTEE**

Ms. Farah Qureshi  
Chairperson, Independent Director

Mr. Ramesh Narasimhan  
Member, Non-Executive Director

Mr. Marco Votta  
Member, Non-Executive Director

## **HUMAN RESOURCE AND REMUNERATION COMMITTEE**

Mr. Malik Ehtisham Ikram  
Member, Acting CEO, CFO &  
Executive Director

Mr. Marco Votta  
Member, Non-Executive Director

Ms. Farah Qureshi  
Member, Independent Director

## **TECHNICAL COMMITTEE**

Mr. Shahid Shahbaz Toor  
Chairman, Independent Director

Mr. Matthieu Sejourné  
Member, Non-Executive Director

Mr. Vincent Delassagne  
Member, Non-Executive Director

Mr. Malik Ehtisham Ikram  
Member, Acting CEO, CFO &  
Executive Director

## **COMPANY SECRETARY**

Mr. Rashid Mohiuddin

## **CHIEF INTERNAL AUDITOR**

Mr. Ismail Zahid Selod

**AUDITORS**

A. F. Ferguson & Co.  
Chartered Accountants

**TAX ADVISORS**

EY Ford Rhodes  
Chartered Accountants

Tola Associates  
Chartered Accountants

**LEGAL ADVISORS**

Orr, Dignam & Co.  
Advocates

**BANKERS**

Bank AL-Habib Limited  
Faysal Bank Limited  
Habib Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
Zarai Taraqiat Bank Limited

**SHARE REGISTRAR**

FAMCO Associates (Private) Limited  
8-F, Adjacent to Hotel Faran  
Block 6, P.E.C.H.S., Near Nursery  
Shahrah-e-Faisal  
Karachi  
Tel: (92 21) 34380101-5  
Fax: (92 21) 34380106

**REGISTERED AND HEAD OFFICE**

Tractor House, 102 -B,  
16th East Street, DHA Phase I,  
Off. Korangi Road, Karachi.  
Tel: (92 21) 35318901-5  
Fax: (92 21) 35660882  
Email: [agtl@alghazitractors.com](mailto:agtl@alghazitractors.com)  
Website: [www.alghazitractors.com](http://www.alghazitractors.com)

**PLANT**

Sakhi Sarwar Road, P.O. Box 38  
Dera Ghazi Khan  
Tel: (92 64) 2463750, 2463812,  
2020750-51

**MARKETING CENTRES**

Dera Ghazi Khan  
Lahore  
Multan  
Islamabad  
Sukkur

# Directors' Review

The Directors are pleased to present the condensed interim financial information of Al-Ghazi Tractors Limited ("the Company") for the period ended 31 March 2022.

## Financial Review

The Company recorded the sale of 6,512 tractors in the quarter ended March 31, 2022 as compared to 4,801 tractors sold during corresponding quarter of last financial year. The Company earned a higher turnover when compared to same period of last year as the market started making a return to normalcy after surviving the effects of global pandemic.

The Company earned an operating revenue of Rs.8,653 million during the first three months of the current financial year which is almost 72% higher than Rs.5,043 million earned during the same period last year, whereas, the cost of sales also rose by 74% to Rs.6,740 million from Rs.3,873 million of previous corresponding period. As a result, gross profit for the quarter ended on 31 March 2022 has come to Rs.1,913 million which reflects an increase of 63% from the gross profit of Rs.1,171 million made during the same period of the last financial year.

The distribution and administrative expenses for the period under review respectively amounted to Rs.86 million and Rs.110million, showing the rise of 65% and fall of 18% respectively when compared to same period in financial year 2021.

The post-tax profit for the three months' period ended 31 March 2022 is Rs.1,159 million which is an increase of 67% when compared to Rs.693 million for the same period last year. The earnings per share for the quarter under review is Rs.19.99 which was Rs.11.95 for the same period last year.

The Company's annexed financial statements have been recommended by the Audit Committee of the Board and are authorized by the Board for placement on company's website.

## Future outlook

The Company is committed to the delivery of quality products, keeping in view the economic environment and the industry it operates in. The Company follows its business plans that are developed and continuously monitored for any updates that may affect strategies for overall success. With the focus on cost effectiveness and driven by optimism and belief in its workforce, the Company is viewed as a perfect example of a progressive company.

## Board of Directors

As already reported in the Directors' Report for the year ended 31 December 2021, following changes occurred on the Board of Directors of the Company, during the quarter under review:

- Mr. Bernd Erich Schwendtke resigned as the Non-Executive Director and Chairman of the Board and upon nomination received from Al-Futtaim Industries Co. (LLC), Mr. Robert Ian McAllister was appointed in place of Mr. Schwendtke.
- Mr. Raheel Asghar resigned as the Chief Executive Officer (CEO) of the Company and Malik Ehtisham Ikram was given the additional charge of Acting CEO for interim period.

Moreover, subsequent to the period under review, Mr. Andrea Trabacchin resigned as the Non-Executive Director of the Company and in accordance with the fresh nomination from CNH Industrial N.V., Mr. Marco Votta was appointed in place of Mr. Trabacchin.

### **Acknowledgement**

The Board would like to place on record the all stakeholders, especially its customers as well as the vendors and suppliers, for their continued commitment and support to the Company.

The Board would also like to thank all Board members for their guidance and support, and acknowledges and appreciates the contribution of all staff members of the Company for performing their tasks with dedication, diligence and commitment in the challenging environment.

### **On behalf of the Board of Directors**



**Robert McAllister**  
Chairman of the Board



**Malik Ehtisham Ikram**  
Acting Chief Executive Officer

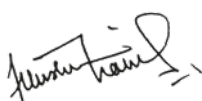
Karachi: 17 May 2022

# Condensed Interim Statement of Financial Position

As at March 31, 2022 (Un-audited)

	Note	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
(Rupees in '000)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets	5	1,125,777	1,108,805
Deferred tax asset		88,821	85,553
Long-term loans		1,510	1,927
Long-term deposits and prepayments		9,407	9,407
Employee benefit prepayments		17,493	8,481
		1,243,008	1,214,173
<b>CURRENT ASSETS</b>			
Inventories		2,799,486	2,875,085
Trade receivables		298	4,651
Loans and advances		235,080	147,874
Trade deposits and short-term prepayments		410,956	114,772
Interest accrued		-	1,396
Other receivables		4,833	8,283
Taxation - payments less provision		133,392	142,313
Refunds due from the Government		3,565,685	2,983,446
Other financial assets		-	-
Cash and bank balances		890,328	1,998,122
		8,040,058	8,275,942
<b>TOTAL ASSETS</b>		<b>9,283,066</b>	<b>9,490,115</b>
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		289,821	289,821
Reserves		4,842,332	3,683,446
		5,132,153	3,973,267
<b>NON-CURRENT LIABILITIES</b>			
Deferred staff benefits - compensated absences		49,415	48,914
<b>CURRENT LIABILITIES</b>			
Trade and other payables		3,193,754	1,907,361
Customers' and dealer's advances		836,816	3,488,532
Unclaimed dividend		70,928	72,041
Short term financing		-	-
<b>TOTAL LIABILITIES</b>		<b>4,110,913</b>	<b>5,516,848</b>
<b>COMMITMENTS</b>	6		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,283,066</b>	<b>9,490,115</b>

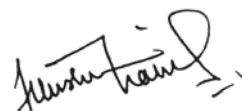
The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.



Acting Chief Executive



Director



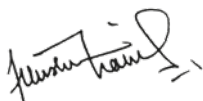
Chief Financial Officer

# Condensed Interim Statement of Profit or Loss

For the First Quarter Ended March 31, 2022 (Un-audited)

	Note	March 31, 2022	March 31, 2021
		(Rupees in '000)	
Revenue from contracts with customers	7	8,653,053	5,043,288
Cost of sales	8	(6,740,410)	(3,872,783)
Gross profit		1,912,643	1,170,505
Distribution expenses		(86,011)	(52,024)
Administrative expenses		(109,536)	(134,191)
		1,717,096	984,290
Other income		42,316	30,718
Other expenses		(125,993)	(22,488)
		1,633,419	992,520
Finance costs		(904)	(7,825)
Profit before taxation		1,632,515	984,695
Income tax expense		(473,629)	(291,902)
Profit for the period		1,158,886	692,793
Other comprehensive income		-	-
Total comprehensive income		1,158,886	692,793
Earnings per share (Rupees) - Basic and diluted		19.99	11.95

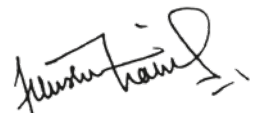
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Acting Chief Executive



Director



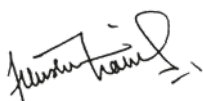
Chief Financial Officer

# Condensed Interim Statement of Cash Flows

For the First Quarter Ended March 31, 2022 (Un-audited)

	Note	March 31, 2022	March 31, 2021
(Rupees in '000)			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	9	(606,216)	3,397,583
Income tax paid		(467,976)	(204,924)
Finance Cost Paid		-	(14,996)
Increase/(Decrease) in deferred staff benefits		501	3,251
Increase/(Decrease) in employee benefit obligations		(9,012)	(1,040)
(Increase)/Decrease in long-term deposits		-	-
(Increase)/Decrease in long-term loans		417	166
Net cash inflow from operating activities		(1,082,286)	3,180,039
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Additions to fixed assets		(41,667)	(52,309)
Proceeds from disposal of fixed assets		108	687
Return on bank deposits received		17,164	18,576
Net cash inflow / (outflow) from investing activities		(24,394)	(33,047)
<b>CASH FLOW FROM FINANCING ACTIVITY</b>			
Dividend paid		(1,114)	(388)
<b>Net (decrease) / increase in cash and cash equivalents</b>		(1,107,794)	3,146,605
Cash and cash equivalents at the beginning of period		1,998,122	(1,358,118)
Cash and cash equivalents at the end of period		890,328	1,788,487

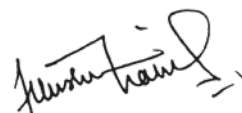
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Acting Chief Executive



Director



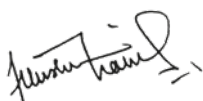
Chief Financial Officer

# Condensed Interim Statement of Changes in Equity

For the First Quarter Ended March 31, 2022 (Un-audited)

	Share capital	General reserve	Unappropriated profit	Total
	(Rupees in '000)			
<b>Balance as at January 1, 2022</b>	289,821	-	3,683,446	3,973,267
Profit for the first quarter ended March 31, 2022	-	-	1,158,886	1,158,886
Other comprehensive income for the first quarter ended March 31, 2022	-	-	-	-
	-	-	1,158,886	1,158,886
<b>Balance as at March 31, 2022</b>	<u>289,821</u>	<u>-</u>	<u>4,842,332</u>	<u>5,132,153</u>
<b>Balance as at January 1, 2021</b>	289,821	1,049,000	949,301	2,288,122
Profit for the first quarter ended March 31, 2021	-	-	692,793	692,793
Other comprehensive income for the first quarter ended March 31, 2021	-	-	-	-
	-	-	692,793	692,793
<b>Balance as at March 31, 2021</b>	<u>289,821</u>	<u>1,049,000</u>	<u>1,642,094</u>	<u>2,980,915</u>

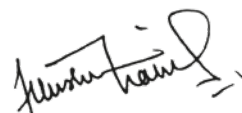
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Acting Chief Executive



Director



Chief Financial Officer

# Notes to and Forming Part of the Condensed Interim Financial Statements

For the First Quarter Ended March 31, 2022 (Un-audited)

## 1 THE COMPANY AND ITS OPERATIONS

- 1.1** Al-Ghazi Tractors Limited (the Company) was incorporated in Pakistan under the Companies Act, 1913 (now the Companies Act, 2017) as a public limited company in June 1983 and is quoted on the Pakistan Stock Exchange. The Company is principally engaged in the manufacture and sale of agricultural tractors, implements and spare parts.

The Company is a subsidiary of Al-Futtaim Industries Company LLC, U.A.E.

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

- 1.2** The geographical locations and addresses of the Company's business units, including plant are as under:

- The registered office of the Company is situated at Tractor House, 102-B, 16th East Street, DHA Phase I, Off. Korangi Road
- The assembling plant of the Company is situated at Sakhi Sarwar Road, P.O. Box 38, Dera Ghazi Khan
- The marketing centres of the Company are situated at:
  - 10km Sheikhupura Road, Lahore
  - Plot No. 20, Industrial Estate, Near Mill No, 4, Multan
  - Plaza No. 4, 2nd Floor, Sector A, Jinnah Boulevard (East), DHA Phase II, Islamabad
  - Abad Lakha, Shikarpur Road, Sukkur

## 2 BASIS OF PREPARATION

- 2.1** These condensed interim financial statements 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 in Pakistan for interim financial reporting comprise of:

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

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

- 2.2** These condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2021.
- 2.3** There were certain amendments to accounting and reporting standards which were mandatory for the Company's annual accounting period which began on January 1, 2022. However, these do not have any significant impact on Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

## 3 ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial statements are the same as those applied in the preparation of the preceding annual financial statements of the company for the year ended December 31, 2021.

## 4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to financial statements as at and for the year ended December 31, 2021.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2021."

# Notes to and Forming Part of the Condensed Interim Financial Statements

For the First Quarter Ended March 31, 2022 (Un-audited)

## 5 FIXED ASSETS

Additions and disposals of assets during the period are as follow:

	Additions (at cost)		Disposals / Transfers (at net book value)	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	(Rupees in '000)			
Building	6,708	-	-	-
Electrical equipment	96	29	-	-
Plant and machinery	7,261	936	-	-
Furniture and fixtures	4,100	781	-	-
Computer hardware	6,526	44	108	-
Vehicles	6,190	25,000	-	-
Factory equipments and tools	380	125	-	-
Additions to capital work in progress	10,280	25,394	-	-
Intangibles	126	-	-	-
	41,667	52,309	108	-

## 6 COMMITMENTS

Commitments for capital expenditure outstanding as at March 31, 2022 amounted to Rs. 89.5 million (2021: Rs. 144.5 million)

## 7 REVENUE FROM CONTRACTS WITH CUSTOMERS

	March 31, 2022	March 31, 2021
	(Rupees in '000)	
Tractors	9,144,393	5,342,927
Trading and others	74,412	52,331
	9,218,805	5,395,259
Less: Commission and discounts	(112,128)	(87,729)
Sales Tax	(453,624)	(264,241)
	8,653,053	5,043,288

## 8 COST OF SALES

Cost of goods manufactured	6,931,885	3,361,470
Opening stock of finished goods	334,723	537,857
Closing stock of finished goods	(568,988)	(59,998)
Manufactured goods	6,697,620	3,839,329
Trading and others	42,790	33,454
	6,740,410	3,872,783

# Notes to and Forming Part of the Condensed Interim Financial Statements

For the First Quarter Ended March 31, 2022 (Un-audited)

## 9 CASH GENERATED FROM OPERATIONS

	March 31, 2022	March 31, 2021
	(Rupees in '000)	
<b>Profit before income tax</b>	1,632,515	984,695
Add/(Less) adjustment for non cash charges and other items		
Depreciation / amortisation	24,588	21,432
Gain on disposal of fixed assets	-	(687)
Return on bank deposits	(15,768)	(21,554)
Mark up on running finance	690	7,668
Profit before working capital changes	1,642,025	991,555
<b>Effect on Cash Flow due to Working Capital changes</b>		
<b>Decrease / (Increase) in current assets</b>		
Inventories	75,599	636,683
Trade receivables	4,353	-
Loans and advances	(87,206)	(7,299)
Trade deposits and short-term prepayments	(296,184)	(26,136)
Other receivables	3,450	4,420
Refunds due from the Government	(582,239)	(132,771)
	(882,227)	474,897
<b>(Decrease) / increase in current liabilities</b>		
Trade and other payables	1,285,703	1,218,177
Customers' and dealers' advances	(2,651,716)	712,954
<b>Cash generated from operations</b>	<u>(606,216)</u>	<u>3,397,583</u>

## 10 RELATED PARTY TRANSACTIONS

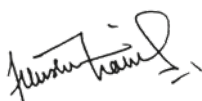
There were no significant related party transactions during the quarter ended March 31, 2022. (2021: Nil).

## 11 DIVIDEND

The Board of Directors in its meeting held on 17th May 2022 declared an interim cash dividend of Rs. Nil per share (2021: Rs. Nil per share) amounting to Rs. Nil (2021: Rs. Nil).

## 12 DATE OF AUTHORISATION OF ISSUE

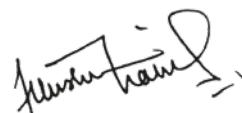
These financial statements were authorised for issue on 17th May 2022 by the Board of Directors.



Acting Chief Executive



Director



Chief Financial Officer

**REGISTERED AND HEAD OFFICE**

Tractor House, 102 -B, 16th East Street, DHA Phase I,  
Off. Korangi Road, Karachi.

Tel: 92 21 35318901-5 | Fax: 92 21 35660882

Email: [agtl@alghazitractors.com](mailto:agtl@alghazitractors.com) | Website: [www.alghazitractors.com](http://www.alghazitractors.com)



QUALITY MANAGEMENT-BRAND STRENGTH

**AL-GHAZI TRACTORS LTD**