

First Quarter Report
for the period ended March 31, 2024 (Un-Audited)



Embracing traditions,
driving change



Al-Ghazi Tractors Limited



As we embark on the next phase of our journey, we remain steadfast in our commitment to delivering superior value to our stakeholders while upholding the highest standards of corporate governance, ethics, and social responsibility. With a clear strategic vision, a resilient business model, and a passionate team driving us forward, we are well-positioned to capitalize on emerging opportunities and overcome future challenges

الغازی ٹریکٹرز
یہ ساتھ ہے فصلوں سے فصلوں کا



Contents

02

Company Information

04

Director's Review

06

Condensed Interim Statement
of Financial Position

07

Condensed Interim Statement
of Profit or Loss

08

Condensed Interim Statement
of Changes in Equity

09

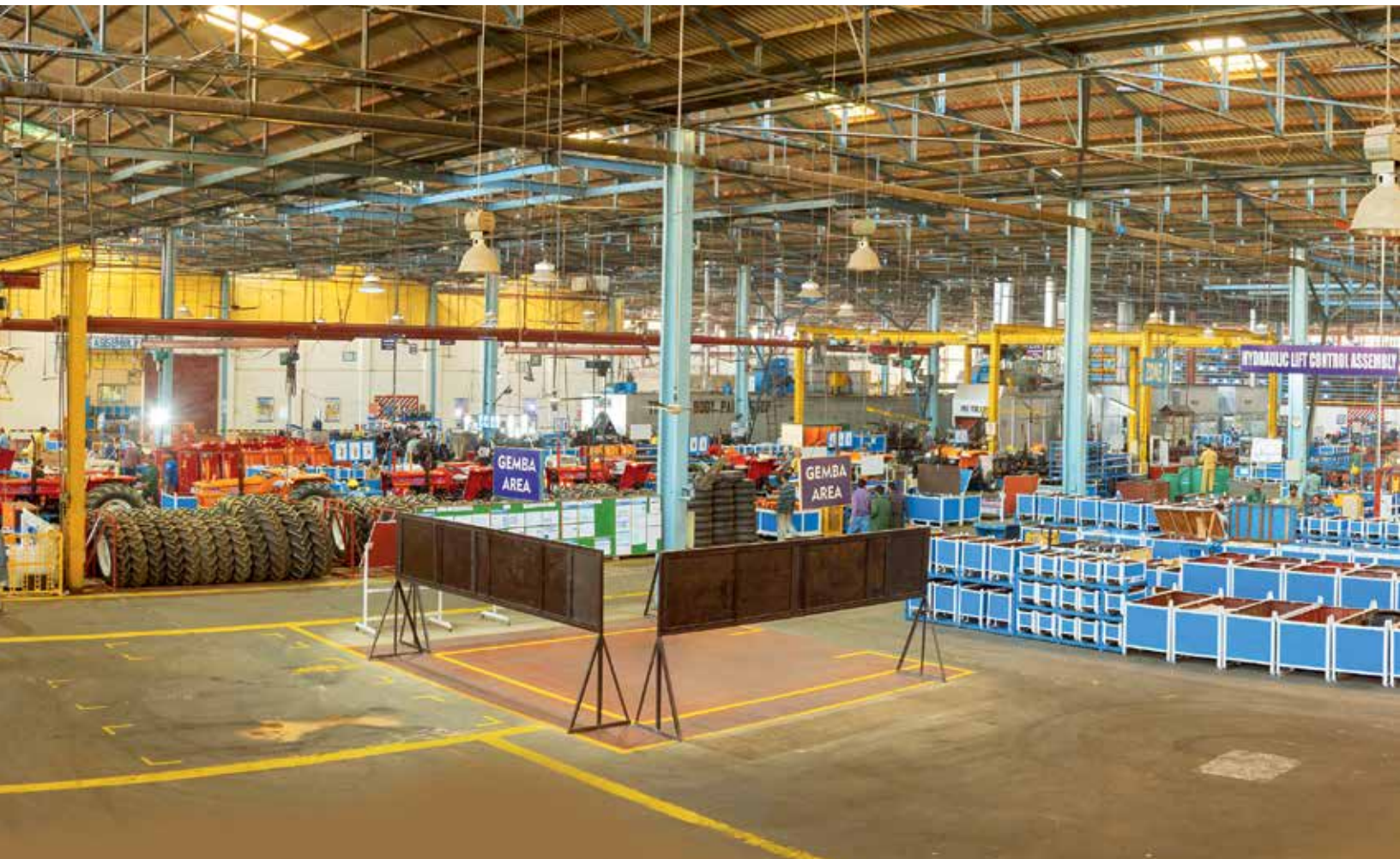
Condensed Interim Statement
of Cash Flows

10

Notes to the Condensed Interim
Financial Information



Company Information



Board of Directors

Mr. Robert Ian McAllister

Chairman, Non-Executive Director

Mr. Dmitrii Bogatyrev

Non-Executive Director

Mr. Malik Ehtisham Ikram

Non-Executive Director

Mr. Marco Votta

Non-Executive Director

Mr. Matthieu Séjourné

Non-Executive Director

Mr. Vincent De Lassagne

Non-Executive Director

Mr. Shahid Shahbaz Toor

Independent Director

Mr. Mirza Malik

Independent Director

Chief Executive Officer

Mr. Sakib Eltaff

Audit Committee

Mr. Marco Votta

Mr. Malik Ehtisham Ikram

Mr. Malik Mirza

Human Resource & Remuneration Committee

Mr. Marco Votta

Mr. Malik Ehtisham Ikram

Mr. Sakib Eltaff

Technical Committee

Mr. Shahid Shahbaz Toor

Mr. Robert Ian McAllister

Mr. Matthieu Séjourné

Mr. Vincent De Lassagne

Mr. Malik Ehtisham Ikram

Mr. Marco Votta

Mr. Dmitrii Bogatyrev

Chief Financial Officer

Mr. Javed Iqbal

Company Secretary

Mr. Mansoor Khan



Chief Internal Auditor

Mr. Muneeb Ahmed Khan

Auditors

A.F. Ferguson & Co.
Chartered Accountants

Tax Advisors

EY Ford Rhodes
Chartered Accountants

Tola Associates

Chartered Accountants

KPMG Taseer Hadi & Co.

Chartered Accountants

Legal Advisors

Orr, Dignam & Co.

Advocates

Engagement Partner: Mr. Shahzaib Siddiqui

Share Registrar

FAMCO Share Registration
Services (Pvt) 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 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

Website: www.alghazitractors.com

Corporate Office

Askari Corporate Tower

9th Floor, 75/76 D-1, Main Boulevard,
Gulberg – III, Lahore

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' Report



The Directors are pleased to present the condensed interim financial information of Al-Ghazi Tractors Limited ("the Company") for the period ended 31 March 2024.

Financial Review

During the period under review, the Company achieved a significant sales performance, recording sales of 3,794 tractors, a 69% increase compared to the 2,246 tractors sold in the corresponding period last year. This notable increase in sales volume resulted in a Sales Revenue of Rs. 9.50 billion, representing a growth of 128% compared to the revenue of Rs. 4.17 billion recorded in the corresponding quarter of the previous financial year.

The cost of sales experienced a sharp increase of 109% to Rs. 7.39 billion from Rs. 3.54 billion in the previous corresponding period. Despite this rise in costs, the gross profit for the quarter ended on March 31, 2024, reached Rs. 2.11 billion, reflecting a substantial increase of 234% from the gross profit of Rs. 0.63 billion accrued during the corresponding period of the last financial year. Furthermore, the Company earned an operating income of Rs. 1.44 billion during this period, marking a significant increase of 248% compared to the Rs. 0.41 billion earned during the same period last year.

During the period under review, distribution expenses amounted to Rs. 0.18 billion, reflecting a 112% increase compared to the same period in the financial year 2023. Similarly, administrative expenses totaled Rs. 0.40 billion, showing an 89% increase over the corresponding period. The significant rise in administrative expenses is primarily attributed to manpower costs, SAP license fees, and transformation-related expenses. These expenditures are expected to enhance operational efficiency and support the Company's growth initiatives in the long run.

The post-tax profit for the three-month period ended March 31, 2024, amounted to Rs. 0.85 billion, representing a substantial increase of 272% compared to Rs. 0.23 billion for the same period last year. This increase in profit underscores the Company's strong performance and effective



strategic initiatives. The earnings per share (EPS) for the quarter under review are Rs. 14.72, which is significantly higher than the Rs. 3.96 reported 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 the company's website.

Future Outlook

Following the recent general elections and the formation of a new government, the economic outlook for the Company appears to be optimistic. With the government's commitment to introducing policy reforms geared towards improving the business climate, attracting foreign investment, and fostering economic growth, we anticipate a more favorable operating environment ahead. These developments bode well for our company's future prospects, as we look forward to leveraging emerging opportunities,

expanding our market presence, and advancing our strategic initiatives to capitalize on the anticipated economic upturn.

Election of Directors

During the period under review, the election of the Board of Directors was held, resulting in all nine (9) directors being elected unopposed. Consequently, the Chairman of the Board of Directors was re-elected and the CEO was re-appointed for a term of three years, and the Board Committees were reconstituted. Regrettably, subsequent to the period under review, Ms. Farah Qureshi, an Independent Director of the Company, passed away on April 16, 2024. The Board acknowledges Ms. Farah Qureshi's invaluable contributions as a member of the Board and extends heartfelt condolences to her family, urging them to bear this irreparable loss with fortitude.

Acknowledgement

The Board would like to place on record 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 appreciate 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 Ian McAllister
Chairman of the Board

Sakib Eltaff
Chief Executive Officer

April 25 2024

Condensed Interim Statement of Financial Position

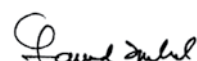
As at March 31, 2024 (Un-Audited)

	Note	(Unaudited) March 31, 2024	(Audited) December 31, 2023
(Rupees in thousand)			
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	5	1,694,325	1,608,167
Deferred tax asset		174,637	129,972
Long-term loans		3,072	3,459
Long-term deposits		14,050	13,460
Employee benefit prepayments		-	32,039
		1,886,084	1,787,097
CURRENT ASSETS			
Inventories		8,333,031	6,084,499
Trade receivables		663,687	-
Loans and advances		225,412	95,715
Trade deposits and short-term prepayments		112,270	324,848
Interest accrued		2,055	3,371
Other receivables		200	201
Refunds due from the Government		4,215,547	4,210,453
Cash and bank balances		1,132,740	1,723,449
		14,684,942	12,442,536
TOTAL ASSETS		16,571,026	14,229,633
SHARE CAPITAL AND RESERVES			
Share capital		289,821	289,821
Unappropriated profit		6,343,720	5,490,404
		6,633,541	5,780,225
NON-CURRENT LIABILITIES			
Deferred staff benefits - compensated absences		107,585	103,154
Lease liability		40,849	46,418
Employee benefit obligations		9,329	-
		157,763	149,572
CURRENT LIABILITIES			
Trade and other payables		6,152,995	3,812,570
Customers' and dealers' advances		138,829	131,452
Taxation - payments less provision		190,839	213,815
Unclaimed Dividend		63,505	65,498
Unpaid Dividend		2,416,858	2,416,858
Current portion of Lease Liability		9,672	10,990
Short term financing		807,024	1,648,653
TOTAL LIABILITIES		9,937,485	8,449,408
COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		16,571,026	14,229,633

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.


Director


Chief Executive Officer


Chief Financial Officer

Condensed Interim Statement of Profit or Loss and Other Comprehensive Income

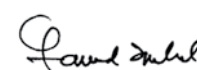
For the First Quarter ended March 31, 2024 (Un-Audited)

	Note	March 31, 2024	March 31, 2023
		(Rupees in thousand)	
Revenue from contracts with customers	7	9,496,684	4,173,540
Cost of sales	8	(7,386,468)	(3,541,503)
Gross profit		2,110,216	632,037
Distribution expenses		(181,225)	(85,418)
Administrative expenses		(395,130)	(208,817)
		1,533,861	337,802
Other income		32,058	117,348
Other operating expenses		(125,460)	(42,804)
		1,440,459	412,346
Finance costs		(50,131)	(67,870)
Profit before income tax		1,390,328	344,476
Income tax expense		(537,012)	(114,771)
Profit after income tax		853,316	229,705
Other comprehensive income		-	-
Total comprehensive income		853,316	229,705
Basic and diluted earnings per share		14.72	3.96

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.


Director


Chief Executive Officer


Chief Financial Officer

Condensed Interim Statement of Changes in Equity

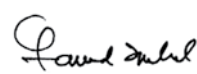
For the First Quarter ended March 31, 2024 (Un-Audited)

	Share capital	General reserve	Unappropriated profit	Total
(Rupees in thousand)				
Balance as at January 1, 2024	289,821	-	5,490,404	5,780,225
Transactions with the owners recorded directly in equity				
Profit after tax for the three months ended March 31, 2024	-	-	853,316	853,316
Other comprehensive income for the nine months ended March 31, 2024	-	-	-	-
	-	-	853,316	853,316
Balance as at March 31, 2024	289,821	-	6,343,720	6,633,541
Balance as at January 1, 2023	289,821	-	2,842,264	3,132,085
Transactions with the owners recorded directly in equity				
Profit after tax for the three months ended March 31, 2023	-	-	229,705	229,705
Other comprehensive income for the nine months ended March 31, 2023	-	-	-	-
	-	-	229,705	229,705
Balance as at March 31, 2023	289,821	-	3,071,969	3,361,790

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.


Director


Chief Executive Officer


Chief Financial Officer

Condensed Interim Statement of Cash Flows

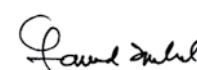
For the First Quarter ended March 31, 2024 (Un-Audited)

	Note	March 31, 2024	March 31, 2023
		(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	9	968,682	8,820,681
Income tax paid		(604,653)	(274,577)
Finance cost paid		(8,778)	(121,300)
Increase/(Decrease) in deferred staff benefits		4,431	1,799
Increase/(Decrease) in employee benefit obligations		9,329	7,563
(Increase)/Decrease in long-term deposits		(589)	(64)
(Increase)/Decrease in long-term loans		387	85
Net cash generated from operating activities		368,809	8,434,187
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to fixed assets		(138,461)	(103,247)
Proceeds from disposal of fixed assets		9,559	26
Return on bank deposits received		22,212	54,242
Net cash used in investing activities		(106,690)	(48,980)
CASH FLOW FROM FINANCING ACTIVITY			
Dividend paid		(1,993)	(5,029)
Lease rentals paid		(9,206)	-
Net increase / (decrease) in cash and cash equivalents		250,920	8,380,178
Cash and cash equivalents at the beginning of period		74,796	(2,981,382)
Cash and cash equivalents at the end of period		325,716	5,398,796

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.


Director


Chief Executive Officer


Chief Financial Officer

Condensed Interim Statement of Profit or Loss and Other Comprehensive Income

For the First Quarter ended March 31, 2024 (Un-Audited)

1. THE COMPANY AND ITS OPERATIONS

1.1 The Company was incorporated in Pakistan under the Companies Act, 1913 (now 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 and its ultimate parent is Al-Futtaim Holding Limited, U.A.E.

The financial statements are presented in Pak Rupee which is the Company's functional and presentation currency and all amounts have been rounded off to nearest thousands unless otherwise indicated.

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, Karachi.
- Corporate office situated at Askari Corporate Tower, Plot No. 75D, 76D LDA Scheme Gulberg III, District Lahore
- The assembling plant of the Company is situated at Sakhi Sarwar Road, P.O. Box 38, Dera Ghazi Khan
- The marketing centers of the Company are situated at:
 - J6CV - 58, Sheikhpura 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
 - House No. B-166, Sukkur Society, 100 FT Road, Opposite JS bank, Sukkar.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these condensed interim financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

2.1.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information required to be contained in the annual financial statements and therefore should be read in conjunction with the annual audited financial statements for the year ended December 31, 2023.

2.1.2 Changes in accounting standards, interpretations and pronouncements

a) Standards, interpretations and amendments to published approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's condensed accounting period which began on January 1, 2024. However, these do not have any significant impact on the Company's financial reporting.

b) Standards and amendments to published approved accounting standards that are not yet effective

There are standards and certain other amendments to the accounting and reporting standards that will be mandatory for the Company's condensed accounting periods beginning on or after January 1, 2024. However these are considered either not to be relevant or not to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these 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, 2023.

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 annual audited financial statements for the year ended December 31, 2023.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended December 31, 2023.

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, 2024	March 31, 2023	March 31, 2024	March 31, 2023
(Rupees in thousand)				
Building	488	616	-	-
Electrical equipment	167	4,788	-	-
Plant and machinery	7,572	196	-	-
Furniture and fixtures	687	2,521	-	-
Computer hardware	2,417	1,660	147	17
Vehicles	-	22,426	-	-
Factory equipments and tools	842	53	-	-
Additions to capital work in progress	126,288	70,988	-	-
	138,461	103,248	147	17

6. COMMITMENTS

Commitments for capital expenditure outstanding as at March 31, 2024 amounted to Rs. 459.6 million (2023: Rs. 81.3 million).

	March 31, 2024	March 31, 2023
(Rupees in thousand)		
7. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Tractors	9,781,334	4,231,419
Trading goods and others	80,824	88,227
	9,862,158	4,319,646
Less: Commission and discounts	(349,432)	(128,548)
Sales Tax	(16,042)	(17,558)
	9,496,684	4,173,540

Condensed Interim Statement of Profit or Loss and Other Comprehensive Income

For the First Quarter ended March 31, 2024 (Un-Audited)

	March 31, 2024	March 31, 2023
	(Rupees in thousand)	
8. COST OF SALES		
Cost of goods manufactured	8,171,192	2,133,350
Opening stock of finished goods	945,811	2,413,775
Closing stock of finished goods	(1,775,795)	(1,059,028)
Cost of manufactured goods sold	7,341,208	3,488,097
Cost of trading goods and others sold	45,260	53,406
	7,386,468	3,541,503
9. CASH GENERATED FROM OPERATIONS		
Profit before taxation	1,390,328	344,476
Add/(Less) : Adjustment for non cash charges and other items		
Depreciation and amortization	52,156	41,636
Retirement benefits charge	32,039	-
Gain on disposal of fixed assets	(9,412)	(9)
Profit on PLS savings and deposit accounts	(20,896)	(115,704)
Interest on lease liability	2,318	2,632
Mark up on running finance	46,872	64,446
	1,493,405	337,477
Effect on Cash Flow due to Working Capital changes		
(Increase) / Decrease in current assets		
Inventories	(2,248,532)	(989,401)
Trade receivables	(663,687)	119,879
Loans and advances	(129,697)	(74,714)
Trade deposits and short-term prepayments	212,578	(675,598)
Other receivables	1	(205)
Refunds due from the Government	(5,094)	(36,469)
	(2,834,431)	(1,656,508)
Increase in current liabilities		
Trade and other payables	2,302,331	2,459,395
Customers' and dealers' advances	7,377	7,680,317
	968,682	8,820,681

10. RELATED PARTY TRANSACTIONS

Significant transactions including royalty and AFL during the period amounted to Rs. 719.25 million (2023: Rs. 30.9 million).

11. SUBSEQUENT EVENTS

The Board of Directors in its meeting held on April 25, 2024 declared an interim cash dividend of Rs. Nil Per share (2023: Rs. Nil per share).

12. DATE OF AUTHORISATION OF ISSUE

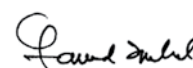
These condensed interim financial statements were authorised for issue on April 25, 2024 by the Board of Directors.



Director



Chief Executive Officer



Chief Financial Officer

Al-Ghazi
Tractors Ltd.



Al-Futtaim

NEW HOLLAND
AGRICULTURE



www.alghazitractors.com



Al-Futtaim



NEWHOLLAND

Al-Ghazi Tractors Limited

Tractor House, Plot No.102-B, 16th East Street, DHA Phase-1,
Off. Korangi Road, Karachi, Pakistan.