

First Quarter Report
For the period ended March 31, 2025 (Un-Audited)



Al-Ghazi Tractors Limited

Empowering Farmers
with Reliable Performance



ABOUT THIS COVER



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.



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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

Ms. Samiha Zahid
Independent Director

Chief Executive Officer

Mr. Sakib Eltaff

Audit Committee

Mr. Malik Mirza
Chairman, Independent Director

Mr. Marco Votta
Member, Non-Executive Director

Mr. Malik Ehtisham Ikram
Member, Non-Executive Director

Human Resource & Remuneration Committee

Ms. Samiha Zahid
Chairperson, Independent Director

Mr. Marco Votta
Member, Non-Executive Director

Mr. Malik Ehtisham Ikram
Member, Non-Executive Director

Mr. Sakib Eltaff
Member, CEO

Technical Committee

Mr. Shahid Shahbaz Toor
Chairman, Independent Director

Mr. Robert Ian McAllister
Member, Non-Executive Director

Mr. Matthieu Séjourné
Member, Non-Executive Director

Mr. Vincent De Lassagne
Member, Non-Executive Director

Mr. Malik Ehtisham Ikram
Member, Non-Executive Director

Mr. Marco Votta
Member, Non-Executive Director

Mr. Dmitrii Bogatyrev
Member, Non-Executive Director

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 Shares 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@alghazित्रactors.com
Website: www.alghazित्रactors.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 2025.

Financial Review

During the period under review, the Company sold 1,422 tractors, a decline of 62.52% compared to the 3,794 units sold during the corresponding period last year. This downturn is primarily influenced by macroeconomic uncertainty, challenging taxation environment, and continued pressure on farmer economics. Farmers, already affected by the wheat crisis of the previous year, faced additional constraints due to the discontinuation of the Punjab Government's wheat procurement program – a development that further tightened rural liquidity and negatively affected the purchasing capacity within the Company's core customer base.

Contributing further to the subdued demand is the limited availability of affordable tractor financing which hindered farmers' ability to invest in mechanization. In parallel, the rollout of Punjab Government's Green Tractor Scheme, while well intentioned, led to distortion of the seasonal buying pattern. Early indicators suggest that the total industry volume in 2025 may contract, posing ongoing challenges to recovery in the near term. However, recent developments such as the Punjab Government's approval of a Rs. 15 billion relief package under the Kisan Card for wheat farmers signal renewed policy attention towards revival – offering cautious optimism for improved farmer liquidity and a potential support to the sector.

Despite these challenges, the Company during the period under review secured a Sales Revenue of Rs.3.64 billion, representing a decrease of 61.71% compared to the revenue of Rs.9.50 billion recorded in the corresponding quarter of the previous year. The cost of sales also saw a decrease of 61.34% to Rs.2.86 billion from Rs.7.39 billion in the previous corresponding period. The gross profit for the quarter ended on March 31, 2025 reached Rs.0.78 billion, reflecting a substantial decrease of 63.01% from the gross profit of Rs.2.11 billion accrued during the corresponding period of the last financial year. Furthermore, the Company earned an operating profit of Rs.0.15 billion during this period, marking a decrease of 89.26% compared to Rs. 1.44 billion during the same period last year.

During the period under review, distribution expenses amounted to Rs. 0.13 billion, reflecting a 26.11% decrease compared to the same period in the financial year 2024. Whereas administrative expenses totaled Rs. 0.41 billion, showing a slight increase of 3.69% compared to the corresponding period.

The post-tax profit for the three-month period ended March 31, 2025, amounted to Rs. 0.06 billion, representing a substantial decrease of 93.13% compared to Rs. 0.85 billion for the same period last year. The earnings per share (EPS) for the quarter under review are Rs. 1.01, which is significantly lower than the Rs. 14.72 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

Despite the aforementioned challenging business environment, the Company remains steadfast in its commitment to prudent operational management and long-term strategic resilience. During the period, the Company successfully secured a tender for the supply of 1,000 tractors (below 85 HP) under the Government of Punjab's Wheat Tractor Scheme — a development that reinforces confidence in the Company's product portfolio which is catering to the evolving demands of our customers through continuous innovation.

The Company continues to closely monitor developments in the macroeconomic and policy environment and remains focused on steering through these challenges with disciplined execution, operational agility, and a forward-looking strategic approach.

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 a challenging business environment.

On behalf of the Board of Directors

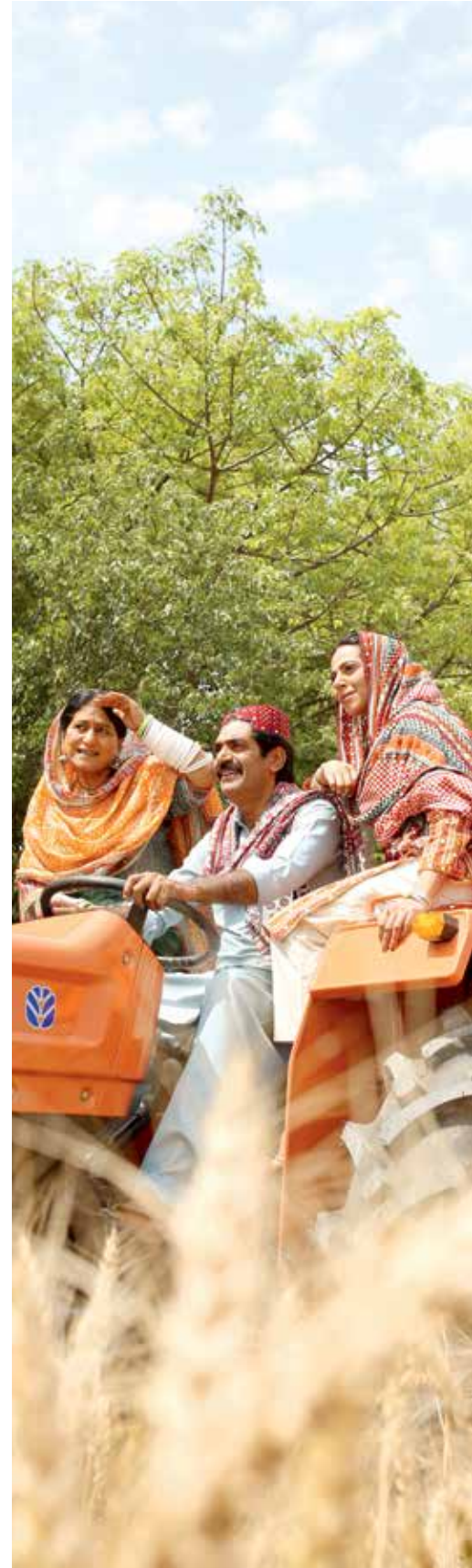


Robert Ian McAllister
Chairman of the Board



Sakib Eltaff
Chief Executive Officer

April 24, 2025



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

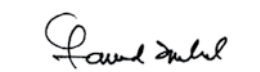
As at March 31, 2025 (Un-Audited)

	Note	(Un-audited) March 31, 2025 (Rupees in thousand)	(Audited) Dec 31, 2024
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	5	1,795,391	1,838,546
Intangible assets		440,851	451,160
Deferred tax asset		181,473	79,051
Long-term loans		2,308	2,355
Long-term deposits		13,587	13,864
		2,433,610	2,384,976
CURRENT ASSETS			
Inventories		6,706,294	5,764,333
Trade receivables		2,407,912	5,052,051
Loans and advances		1,917,807	984,688
Trade deposits and short-term prepayments		113,113	107,456
Interest accrued		1,897	344
Other receivables		50,018	49,327
Refunds due from the Government		5,372,149	5,072,477
Cash and bank balances		361,169	976,090
		16,930,359	18,006,766
TOTAL ASSETS		19,363,969	20,391,742
SHARE CAPITAL AND RESERVES			
Share capital		289,821	289,821
Unappropriated profit		8,965,673	8,907,092
		9,255,494	9,196,913
NON-CURRENT LIABILITIES			
Deferred staff benefits - compensated absences		114,721	102,052
Lease liability		31,476	31,476
Employee benefit obligations		20,449	58,763
		166,646	192,291
CURRENT LIABILITIES			
Trade and other payables		4,610,154	5,383,665
Customers' and dealers' advances		251,334	490,732
Taxation - payments less provision		84,700	206,131
Unclaimed Dividend		60,918	60,918
Unpaid Dividend		2,415,654	2,416,858
Current portion of Lease Liability		14,943	14,943
Short term financing		2,504,126	2,429,291
TOTAL LIABILITIES		10,108,475	11,194,829
COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		19,363,969	20,391,742

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

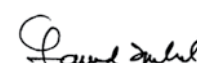
For the First Quarter ended March 31, 2025 (Un-Audited)

	Note	March 31, 2025	March 31, 2024
		(Rupees in thousand)	
Revenue from contracts with customers	7	3,635,965	9,496,684
Cost of sales	8	(2,855,458)	(7,386,468)
Gross profit		780,507	2,110,216
Distribution expenses		(133,911)	(181,225)
Administrative expenses		(409,725)	(395,130)
		236,871	1,533,861
Other income		36,183	32,058
Other operating expenses		(118,338)	(125,460)
		154,716	1,440,459
Finance costs		(52,116)	(50,131)
Profit before income tax		102,600	1,390,328
Income tax expense		(44,019)	(537,012)
Profit after income tax		58,581	853,316
Other comprehensive income		-	-
Total comprehensive income		58,581	853,316
Basic and diluted earnings per share		1.01	14.72

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, 2025 (Un-Audited)

	Share capital	General reserve	Unappropriated profit	Total
(Rupees in thousand)				
Balance as at January 1, 2025	289,821	-	8,907,092	9,196,913
Transactions with the owners recorded directly in equity				
Profit after tax for the three months ended March 31, 2025	-	-	58,581	58,581
Other comprehensive income for the three months ended March 31, 2025	-	-	-	-
	-	-	58,581	58,581
Balance as at March 31, 2025	289,821	-	8,965,673	9,255,494
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 three months ended March 31, 2024	-	-	-	-
	-	-	853,316	853,316
Balance as at March 31, 2024	289,821	-	6,343,720	6,633,541

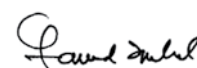
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Director



Chief Executive Officer



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS

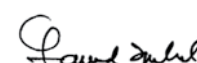
For the First Quarter ended March 31, 2025 (Un-Audited)

	Note	March 31, 2025	March 31, 2024
(Rupees in thousand)			
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	9	(193,187)	968,682
Income tax paid		(356,068)	(604,653)
Finance cost paid		(52,116)	(8,778)
Increase/(Decrease) in employee benefit obligations		9,309	13,760
(Increase)/Decrease in long-term deposits		(47)	(589)
(Increase)/Decrease in long-term loans		277	387
Net cash generated from operating activities		(591,832)	368,809
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to fixed assets		(107,599)	(138,461)
Proceeds from disposal of fixed assets		-	9,559
Return on bank deposits received		21,768	22,212
Net cash used in investing activities		(85,831)	(106,690)
CASH FLOW FROM FINANCING ACTIVITY			
Dividend paid		(1,205)	(1,993)
Lease rentals paid		(10,888)	(9,206)
Net increase / (decrease) in cash and cash equivalents		(689,756)	250,920
Cash and cash equivalents at the beginning of period		(1,453,201)	74,796
Cash and cash equivalents at the end of period		(2,142,957)	325,716

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


Director


Chief Executive Officer


Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the First Quarter ended March 31, 2025 (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 it's 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, 2024.

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, 2025. However, these do not have any significant impact on the Company's financial reporting.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the First Quarter ended March 31, 2025 (Un-Audited)

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, 2025. 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, 2024.

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, 2024.

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, 2024.

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, 2025	March 31, 2024	March 31, 2025	March 31, 2024
(Rupees in thousand)				
Building	-	488	-	-
Electrical Equipment	-	167	-	-
Plant and machinery	-	7,571	-	-
Furnitures and fixtures	4,955	687	-	-
Computer hardware	33,551	2,417	-	147
Vehicles	15,685	-	-	-
Factory equipment and tools	99	842	-	-
Additions to capital work in progress	53,310	126,288	-	-
Total	107,599	138,461	-	147

6. COMMITMENTS

Commitments for capital expenditure outstanding as at March 31, 2025 amounted to Rs 429.2 million (2024: Rs. 459.6 million).

	March 31, 2025	March 31, 2024
(Rupees in thousand)		
7. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Tractors	4,189,608	9,781,334
Trading goods and others	59,277	80,824
	4,248,885	9,862,158
Less: Commission and discounts	(96,533)	(349,432)
Sales Tax	(516,387)	(16,042)
	3,635,965	9,496,684

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the First Quarter ended March 31, 2025 (Un-Audited)

	March 31, 2025	March 31, 2024
	(Rupees in thousand)	
8. COST OF SALES		
Cost of goods manufactured	4,007,094	8,171,192
Opening stock of finished goods	768,784	945,811
Closing stock of finished goods	(1,938,071)	(1,775,795)
Cost of manufactured goods sold	2,837,807	7,341,208
Cost of trading goods and others sold	17,651	45,260
	2,855,458	7,386,468
9. CASH GENERATED FROM OPERATIONS		
Profit before taxation	102,600	1,390,328
Add/(Less) : Adjustment for non cash charges and other items		
Depreciation and amortization	122,427	52,156
Retirement benefits charge	9,309	32,039
Gain on disposal of fixed assets	-	(9,412)
Profit on PLS savings and deposit accounts	(20,478)	(20,896)
Interest on lease liability	2,272	2,318
Mark up on running finance	45,935	46,872
	262,064	1,493,405
Effect on Cash Flow due to Working Capital changes		
(Increase) / Decrease in current assets		
Inventories	(995,773)	(2,248,532)
Trade receivables	3,273,990	(663,687)
Loans and advances	(966,481)	(129,697)
Trade deposits and short-term prepayments	249,038	212,578
Other receivables	32,363	1
Refunds due from the Government	(299,672)	(5,094)
	1,293,465	(2,834,431)
Increase in current liabilities		
Trade and other payables	(1,761,612)	2,302,331
Customers' and dealers' advances	12,895	7,377
Cash generated from operations	(193,187)	968,682

10. RELATED PARTY TRANSACTIONS

There are no Significant transactions (royalty and Al-Futtaim Logistics) during the period (2024: Rs.719.25 million).

11. SUBSEQUENT EVENTS

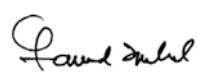
The Board of Directors in its meeting held on April 24, 2025 declared an interim cash dividend of Rs. Nil Per share (2024: Rs. Nil per share).

12. DATE OF AUTHORISATION OF ISSUE

These condensed interim financial statements were authorised for issue on April 24, 2025 by the Board of Directors.


Director


Chief Executive Officer


Chief Financial Officer



www.alghazitractors.com



Tractor House

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