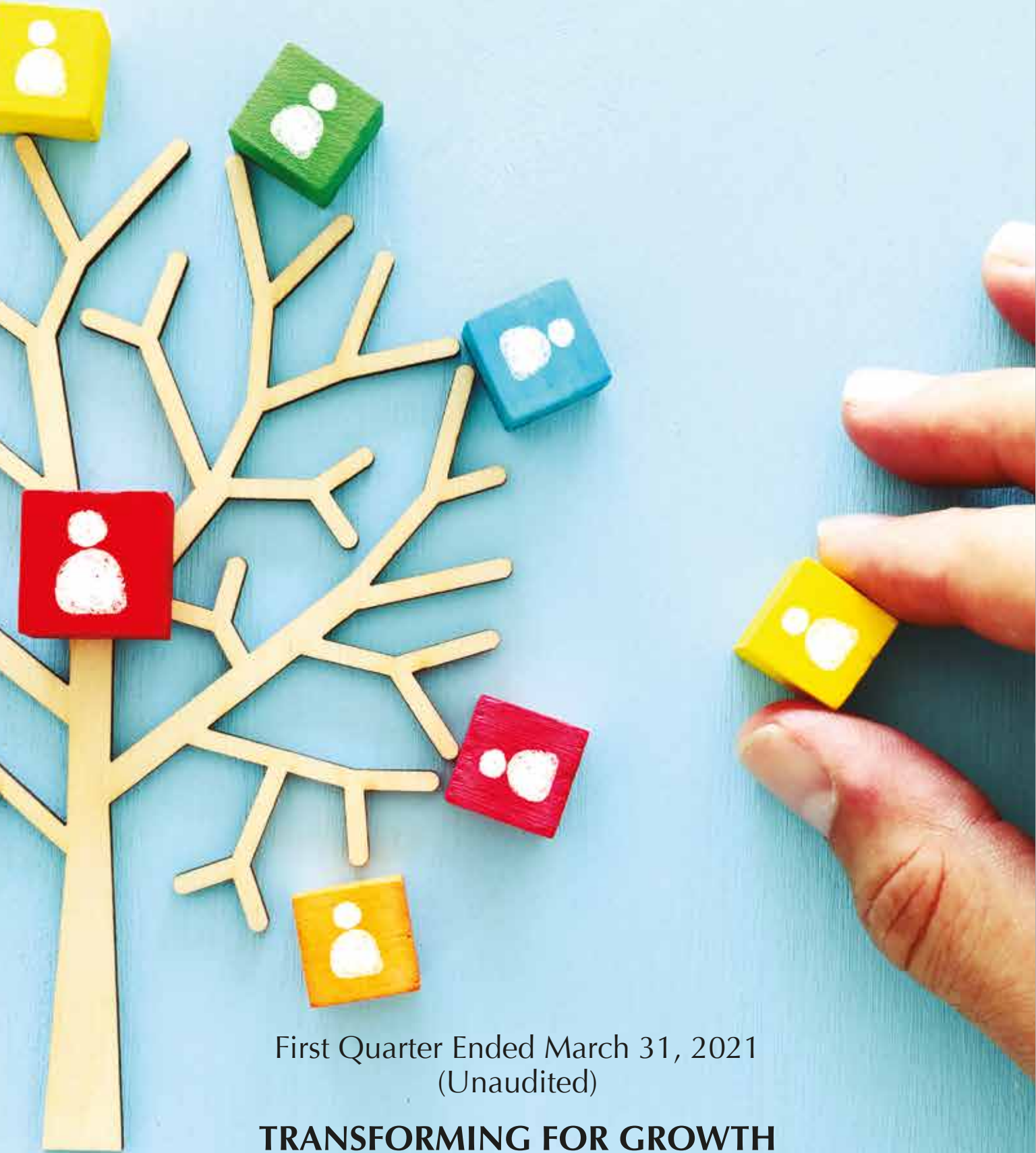




# AL-GHAZI TRACTORS LTD



First Quarter Ended March 31, 2021  
(Unaudited)

**TRANSFORMING FOR GROWTH**

## TRANSFORMING FOR GROWTH

To position the company for sustained success and growth for the foreseeable future and to better align the company with its business strategy and vision, AGTL management is focused on transforming its business personnel, processes, and technology, to help the company, compete more effectively, become more efficient, maximize company's potential and to create additional value of our shareholders



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# Company Information

## **BOARD OF DIRECTORS**

Mr. Bernd Erich Schwendtke  
Chairman, Non-Executive Director

Mr. Raheel Asghar  
CEO & Executive Director

Mr. Malik Ehtisham Ikram  
CFO & Executive Director

Mr. Sakib Eltaff  
Non-Executive Director

Ms. Farah Qureshi  
Independent Director

Mr. Shehzad Naqvi  
Independent Director

Mr. Shahid Shahbaz Toor  
Independent Director

Mr. Andrea Trabacchin  
Non-Executive Director

Mr. Vincent Delassagne  
Non-Executive Director

Mr. Matthieu Sejourné  
Non-Executive Director

## **AUDIT COMMITTEE**

Ms. Farah Qureshi  
Chairman, Independent Director

Mr. Shehzad Naqvi  
Member, Independent Director

Mr. Bernd Erich Schwendtke  
Member, Non-Executive Director

Mr. Sakib Eltaff  
Member, Non-Executive Director

Mr. Andrea Trabacchin  
Member, Non-Executive Director

## **HUMAN RESOURCE AND REMUNERATION COMMITTEE**

Mr. Bernd Erich Schwendtke  
Chairman, Non-Executive Director

Mr. Malik Ehtisham Ikram  
Member, Executive Director & CFO

Mr. Raheel Asghar  
Member, Executive Director & CEO

Mr. Andrea Trabacchin  
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, Executive Director & CFO

Mr. Raheel Asghar  
Member, Executive Director & CEO

## **COMPANY SECRETARY (Acting)**

Mr. Rashid Mohiuddin

## **CHIEF INTERNAL AUDITOR**

Ismail Zahid Selod

**AUDITORS**

A.F. Ferguson & Co.  
Chartered Accountants Karachi

**TAX ADVISORS**

EY Ford Rhodes  
Chartered Accountants Karachi

Tola Associates  
Chartered Accountants Karachi

**LEGAL ADVISORS**

Orr, Dignam & Co. Karachi

**BANKERS**

Askari Bank Limited  
Bank AL-Habib Limited  
Faysal Bank Limited  
Habib Bank Limited  
Meezan Bank Limited

**SHARE REGISTRAR**

FAMCO Associates (Private) Limited  
8-F, Adjacent to Hotel Faran, Nursery,  
Block 6, P.E.C.H.S, 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 the Company for the first quarter ended 31 March 2021.

## Financial Review

The Company managed to achieve the sale of 4,801 tractors in the current quarter as compared to corresponding quarter of last financial year where 2,852 tractors were sold. Company achieved a higher turnover compared to same period last year even though it faced the challenging market conditions compounded with economic slowdown driven by COVID-19.

The Company earned an operating revenue of Rs.5,043 million during the first quarter ended 31 March 2021 which is 88% higher than Rs.2,682 million earned during the same quarter last year, whereas, the cost of sales rose by 77% to Rs.3,873 million from Rs.2,185 million of previous corresponding quarter. As a result, gross profit for the current quarter has come to Rs.1,171 million which reflects an increase of 136% from the gross profit of Rs.497 million accrued during the quarter ended 31 March 2020.

The distribution and administrative expenses for the quarter respectively amounted to Rs.52 million and Rs.134 million, showing a fall of 11% and a rise of 81% when compared to same period of last year.

The post-tax profit for the period under review is Rs.693 million which is an increase of 317% when compared to Rs.166 million for the same period last year. The earnings per share for the quarter ended 31 March 2021 is Rs.11.95 which was Rs.2.86 for the same quarter 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 Board expects the momentum of first quarter growth to continue in the second quarter and beyond considering market resilience and recent growth indicators. The agri-economy is showing a healthy growth with one of the best wheat production in the last season. With the support of government's policies targeting development of agricultural and industrial sectors, including *Kamyab Kissan Scheme*, the Company is geared to enhance its share in stronger market.

## Board of Directors

The directors forming the previous Board retired as on March 03, 2021 when the election of directors for the next term of 3 years was conducted at the Extraordinary General Meeting held for the purpose. As a result, following directors stood elected/re-elected:

01.	Mr. Andrea Trabacchin	Non-Executive Director
02.	Mr. Vincent Delassagne	Non-Executive Director
03.	Mr. Matthieu Sejourne	Non-Executive Director
04.	Ms. Farah Qureshi	Independent Director
05.	Mr. Shehzad Naqvi	Independent Director
06.	Mr. Shahid Shahbaz Toor	Independent Director
07.	Mr. Bernd Erich Schwendtke	Non-Executive Director
08.	Malik Ehtisham Ikram	Executive Director
09.	Mr. Sakib Eltaff	Non-Executive Director

Mr. Raheel Asghar, being the Chief Executive Officer of the Company, is the tenth director on the Board.

### **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.

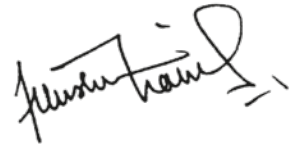
The Board would also like to thank all Board members for their guidance and support, and acknowledges and appreciates the contribution and dedication of all staff members of the Company in performing their tasks with diligence and commitment, particularly in the recent unprecedented challenging work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

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



**Raheel Asghar**

Chief Executive Officer



**Malik Ehtisham Ikram**

CFO & Executive Director

Karachi: June 30, 2021

# Condensed Interim Statement of Financial Position

As at March 31, 2021 (Un-audited)

	Note	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
(Rupees in '000)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	5	1,097,851	1,066,974
Deferred tax asset		95,947	111,756
Long-term loans		615	781
Long-term deposits		4,160	4,160
Employee benefit prepayments		37,237	36,197
		<u>1,235,810</u>	<u>1,219,868</u>
<b>CURRENT ASSETS</b>			
Inventories		1,367,834	2,004,517
Trade receivables		-	-
Loans and advances		93,860	86,561
Trade deposits and short-term prepayments		51,061	24,925
Interest accrued		3,175	197
Other receivables		3,805	8,225
Taxation - payments less provision		86,617	157,786
Refunds due from the Government		1,583,618	1,450,847
Other financial assets		-	-
Cash and bank balances		1,788,487	230,518
		<u>4,978,457</u>	<u>3,963,576</u>
<b>TOTAL ASSETS</b>		<u>6,214,267</u>	<u>5,183,444</u>
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		289,821	289,821
Reserves		2,691,094	1,998,301
		<u>2,980,915</u>	<u>2,288,122</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred staff benefits - compensated absences		49,334	46,083
Employee benefit obligations		-	-
		<u>49,334</u>	<u>46,083</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		3,112,030	1,188,227
Unclaimed Dividend		71,988	72,376
Short term financing		-	1,588,636
<b>TOTAL LIABILITIES</b>		<u>3,233,352</u>	<u>2,895,322</u>
Commitments	6		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>6,214,267</u>	<u>5,183,444</u>

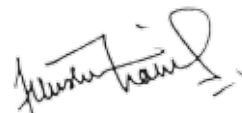
The annexed notes 1 to 11 form an integral part of this condensed interim financial information.



Chief Executive



Director



Chief Financial Officer



# Condensed Interim Profit or Loss

For the First Quarter Ended March 31, 2021 (Un-audited)

	Note	March 31, 2021	March 31, 2020
		(Rupees in '000)	
Revenue from contracts with customers	7	5,043,288	2,682,074
Cost of sales	8	(3,872,783)	(2,185,467)
Gross profit		1,170,505	496,607
Distribution expenses		(52,024)	(58,367)
Administrative expenses		(134,191)	(74,289)
		984,290	363,951
Other income		30,718	6,573
Other expenses		(22,488)	(50,538)
		992,520	319,986
Finance costs		(7,825)	(87,052)
Profit before taxation		984,695	232,934
Income tax expense		(291,902)	(66,931)
Profit for the period		692,793	166,003
Other comprehensive income		-	-
Total comprehensive income		692,793	166,003
Earnings per share (Rupees) - Basic and diluted		11.95	2.86

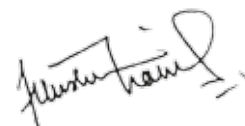
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Chief Executive



Director



Chief Financial Officer

# Condensed Interim Statement of Cash Flows

For the First Quarter Ended March 31, 2021 (Un-audited)

Note	March 31, 2021	March 31, 2020
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	3,397,583	2,522,769
Income tax paid	(204,924)	(17,723)
Finance Cost Paid	(14,996)	(106,019)
Increase in deferred staff benefits	3,251	6,128
Employee benefit obligations paid	(1,040)	-
(Increase) in long-term deposits	-	(1,285)
Net cash inflow from operating activities	3,179,873	2,403,870
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to fixed assets	(52,309)	13,837
Proceeds from disposal of fixed assets	687	-
(Increase) /decrease in long-term loans	166	467
Return on bank deposits received	18,576	5,462
Net cash inflow / (outflow) from investing activities	(32,881)	19,766
<b>CASH FLOW FROM FINANCING ACTIVITY</b>		
Dividend paid	(388)	(1,647)
<b>Net increase in cash and cash equivalents</b>	3,146,605	2,421,990
Cash and cash equivalents at the beginning of period	(1,358,118)	(3,439,803)
Cash and cash equivalents at the end of period	1,788,487	(1,017,813)

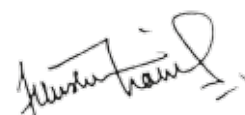
The annexed notes 1 to 11 form an integral part of this condensed interim financial information.



Chief Executive



Director



Chief Financial Officer

# Condensed Interim Statement of Changes in Equity

For the First Quarter Ended March 31, 2021 (Un-audited)

	Share capital	General reserve	Unappropriated profit	Total
	(Rupees in '000)			
<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>	289,821	1,049,000	1,642,094	2,980,915
<b>Balance as at January 1, 2020</b>	289,821	-	613,896	903,717
Profit for the first quarter ended March 31, 2020	-	-	166,003	166,003
Other comprehensive income for the first quarter ended March 31, 2020	-	-	-	-
	-	-	166,003	166,003
<b>Balance as at March 31, 2020</b>	289,821	-	779,899	1,069,720

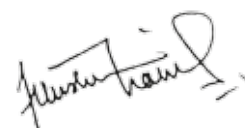
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Chief Executive



Director



Chief Financial Officer

# Notes To The Condensed Interim Financial Information

For the First Quarter Ended March 31, 2021 (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 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
  - 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, 2020.
- 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, 2020. 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, 2020.

## 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.

# Notes To The Condensed Interim Financial Information

For the First Quarter Ended March 31, 2021 (Un-audited)

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, 2020.

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, 2020.

## 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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	(Rupees in '000)			
Building	-	-	-	-
Electrical equipment	29	21	-	-
Plant and machinery	936	4,696	-	-
Furniture and fixtures	781	382	-	-
Computer hardware	44	265	-	-
Vehicles	25,000	-	-	-
Factory equipments and tools	125	303	-	-
Additions to capital work in progress	25,394	13,971	-	33,474
Intangibles	-	-	-	-
	<u>52,309</u>	<u>19,637</u>	<u>-</u>	<u>33,474</u>

## 6. COMMITMENTS

Commitments for capital expenditure outstanding as at March 31, 2021 amounted to Rs. 144.5 million (2020: Rs. 159.8 million)

## 7. REVENUE FROM CONTRACTS WITH CUSTOMERS

	March 31, 2021	March 31, 2020
	(Rupees in '000)	
Tractors	5,342,927	2,880,337
Trading and others	52,331	22,735
	<u>5,395,259</u>	<u>2,903,072</u>
Less: Commission and discounts	(87,729)	(53,896)
Sales Tax	(264,241)	(167,102)
	<u>5,043,288</u>	<u>2,682,074</u>

## 8. COST OF SALES

Cost of goods manufactured	3,361,470	1,687,807
Opening stock of finished goods	537,857	658,793
Closing stock of finished goods	(59,998)	(176,511)
Manufactured goods	<u>3,839,329</u>	<u>2,170,089</u>
Trading and others	33,454	15,378
	<u>3,872,783</u>	<u>2,185,467</u>

# Notes To The Condensed Interim Financial Information

For the First Quarter Ended March 31, 2020 (Un-audited)

	March 31, 2021	March 31, 2020
	(Rupees in '000)	
<b>9. CASH GENERATED FROM OPERATIONS</b>		
Profit before income tax	984,695	232,934
Add/(Less) adjustment for non cash charges and other items		
Depreciation / amortisation	21,432	21,372
Gain on disposal of fixed assets	(687)	-
Return on bank deposits	(21,554)	(5,712)
Mark up on running finance	7,668	85,956
Profit before working capital changes	991,555	334,550
<b>Effect on Cash Flow due to Working Capital changes</b>		
Decrease / (Increase) in current assets		
Inventories	636,683	744,764
Trade receivables	-	4,233
Loans and advances	(7,299)	(24,189)
Trade deposits and short-term prepayments	(26,136)	(54,557)
Other receivables	(4,420)	(51,791)
Refunds due from the Government	(132,771)	(5,733)
	474,897	612,727
(Decrease) / increase in current liabilities		
Trade and other payables	1,931,131	1,575,492
Cash generated from operations	3,397,583	2,522,769

## 10. RELATED PARTY TRANSACTIONS

There were no significant related party transactions during the quarter ended March 31, 2021. (2020:NIL).

## 11. DATE OF AUTHORISATION OF ISSUE

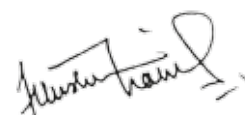
These financial statements were authorised for issue on 30th June, 2021 by the Board of Directors .



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)



**AL-GHAZI TRACTORS LTD**