

Winning as



AL-GHAZI TRACTORS LTD

First Quarter Ended March 31, 2019

(Unaudited)



winning as One

Alignment and engagement has been the forte of AGTL bringing unity, while creating ownership towards vision and common goals. We perform at our best practicing above and it has been one of our key winning factors leading to high performance and success.

A decorative border composed of numerous small, stylized icons of people from various ethnicities and professions, arranged in a circular pattern around the central text area.

Contents

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

Company Information

BOARD OF DIRECTORS

Mr. Colin William Cordery
Non-Executive Chairman

Mr. Mohammad Shahid Hussain
CEO & Managing Director

Mr. Kashif Lawai
Executive Director & CFO

Mr. M. Ali Qaiyum
Independent Non-Executive Director

Mr. Vincent Delassagne
Non-Executive Director

Mr. Mark Brinn
Non-Executive Director

Mr. Damiano Cretarola
Non-Executive Director

AUDIT COMMITTEE

Mr. M. Ali Qaiyum
Chairman, Independent Non-Executive Director

Mr. Colin William Cordery
Member, Non-Executive Director

Mr. Damiano Cretarola
Member, Non-Executive Director

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. M. Ali Qaiyum
Chairman, Independent Non-Executive Director

Mr. Colin William Cordery
Member, Non-Executive Director

Mr. Vincent Delassagne
Member, Non-Executive Director

COMPANY SECRETARY

Mr. Muhammad Babar Khan

CHIEF INTERNAL AUDITOR

Syed Faisal Bin Maaz

SHARE REGISTRAR

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

AUDITORS

A.F. Ferguson & Co.
Chartered Accountants
Karachi

TAX ADVISORS

E&Y Ford Rhodes
Chartered Accountants
Karachi

Tola Associates
Chartered Accountants
Karachi

LEGAL ADVISORS

Saiduddin & Co.
Karachi

BANKERS

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

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
Website: www.alghazitractors.com

PLANT

Sakhi Sarwar Road, P.O. Box 38
Dera Ghazi Khan
Tel: 92 64 2463750, 2463812, 2020750-51
Fax: 92 64 2462117

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 March 31, 2019.

Despite continuity of depressed tractor market and economic conditions, the Company through aggressive marketing approach and strategies still managed to sell 5,716 tractors in the current quarter, in comparison to last year's first quarter where 8,827 tractors were sold. The Company managed to earn post-tax profit of Rs. 565 million, as compared to Rs. 1,136 million for same period last year. EPS for the current quarter was Rs. 9.76 per share.

The economic outlook is still on the challenging side as it remains uncertain due to heavy inflation, extra-ordinary rupee devaluation, other economic conditions and resultant depressed margins for the Company and the industry in general. Financial cost remained on the higher side due to consistent increase in discount rate announced by the SBP. Also, non-receipt from the authority of our legitimate sales tax refundable balance of Rs. 2 billion approximately is a major contributor to current liquidity challenge faced by the Company.

That said, the Company's management strategizes accordingly in order to hopefully sail through the aforesaid challenges. AGTL has recently received the coveted Corporate Excellence Award from the Management Association of Pakistan yet again. This recognition serves as an added-motivation for taking the Company to next higher level.

The Company's financial results have been recommended by the Audit Committee of the Board and will be placed on the company's website at www.alghazित्रactors.com.

On behalf of the Board of Directors



Chief Executive



Chief Financial Officer

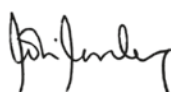
Karachi: April 25, 2019

Condensed Interim Statement of Financial Position

As at March 31, 2019 (Un-audited)

	Note	March 31, 2019 (Unaudited)	December 31, 2018 (Audited)
(Rupees in '000)			
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	4	791,227	828,804
Long-term loans		994	891
Long-term deposits		3,805	3,805
		796,026	833,500
CURRENT ASSETS			
Inventories		2,682,301	3,507,588
Trade receivables		19,016	56,606
Loans and advances		209,671	132,337
Trade deposits and short-term prepayments		54,124	43,305
Interest accrued		256	1
Other receivables		4,135	12,964
Taxation - payments less provision		206,830	108,040
Refunds due from the Government		2,002,942	1,797,206
Other financial assets		-	-
Cash and bank balances		817,680	293,910
		5,996,955	5,951,957
TOTAL ASSETS		6,792,981	6,785,457
SHARE CAPITAL AND RESERVES			
Share capital		289,821	289,821
Reserves		1,645,185	1,079,576
		1,935,006	1,369,397
NON-CURRENT LIABILITIES			
Deferred staff benefits - compensated absences		58,811	64,057
Employee benefit obligations		-	21,602
Deferred tax liability		41,961	30,440
		100,772	116,099
CURRENT LIABILITIES			
Trade and other payables		1,670,529	1,247,226
Unclaimed Dividend		78,927	79,529
Short term financing		3,007,747	3,973,206
TOTAL LIABILITIES		4,857,975	5,416,060
Commitments	5		
TOTAL EQUITY AND LIABILITIES		6,792,981	6,785,457

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.



Chairman



Chief Executive



Chief Financial Officer

Condensed Interim Profit or Loss

For the First Quarter Ended March 31, 2019 (Un-audited)

	Note	March 31, 2019	March 31, 2018
		(Rupees in '000)	
Revenue	6	4,833,191	6,957,891
Cost of sales	7	(3,761,472)	(5,071,810)
Gross profit		1,071,719	1,886,081
Distribution expenses		(69,658)	(76,186)
Administrative expenses		(76,731)	(87,815)
		925,330	1,722,080
Other income		14,439	15,023
Other operating expenses		(57,324)	(119,068)
		882,445	1,618,035
Finance costs		(97,061)	(142)
Profit before taxation		785,384	1,617,893
Income tax expense		(219,775)	(481,796)
Profit for the period		565,609	1,136,097
Other comprehensive income		-	-
Total comprehensive income		565,609	1,136,097
Earnings per share (Rupees)		9.76	19.60

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.



Chairman



Chief Executive



Chief Financial Officer

Condensed Interim Statement of Cash Flows

For the First Quarter Ended March 31, 2019 (Un-audited)

	Note	March 31, 2019	March 31, 2018
(Rupees in '000)			
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	8	1,872,171	1,035,936
Income tax paid		(307,044)	(481,200)
Finance Cost Paid		(70,813)	-
Increase/ (decrease) in deferred staff benefits		(5,246)	7,124
Employee benefit obligations paid		(21,602)	-
(Increase) in long-term deposits		-	(310)
(Increase) /decrease in long-term loans		(103)	106
Net cash inflow from operating activities		1,467,363	561,656
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to fixed assets		18,224	(11,054)
Proceeds from disposal of fixed assets		298	34
Return on bank deposits received		3,945	7,647
Net cash inflow / (outflow) from investing activities		22,467	(3,373)
CASH FLOW FROM FINANCING ACTIVITY			
Dividend paid		(602)	(536,750)
Net increase in cash and cash equivalents		1,489,229	21,453
Cash and cash equivalents at the beginning of period		(3,679,296)	1,340,511
Cash and cash equivalents at the end of period		(2,190,067)	1,361,964

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.



Chairman



Chief Executive




Chief Financial Officer

Condensed Interim Statement of Changes in Equity

For the First Quarter Ended March 31, 2019 (Un-audited)

	Share capital	General reserve	Unappropriated profit	Total
	(Rupees in '000)			
Balance as at January 1, 2018	289,821	1,000,000	835,995	2,125,816
Transfer of general reserve to				
unappropriated profit	-	(1,000,000)	1,000,000	-
Profit for the first quarter ended March 31, 2018	-	-	1,136,097	1,136,097
Other comprehensive income for the first quarter ended March 31, 2018	-	-	-	-
	-	-	1,136,097	1,136,097
Balance as at March 31, 2018	<u>289,821</u>	<u>-</u>	<u>2,972,092</u>	<u>3,261,913</u>
Balance as at January 1, 2019	289,821	-	1,079,576	1,369,397
Profit for the first quarter ended March 31, 2019	-	-	565,609	565,609
Other comprehensive income for the first quarter ended March 31, 2019	-	-	-	-
	-	-	565,609	565,609
Balance as at March 31, 2019	<u>289,821</u>	<u>-</u>	<u>1,645,185</u>	<u>1,935,006</u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.


Chairman


Chief Executive


Chief Financial Officer

Notes To The Condensed Interim Financial Information

For the First Quarter Ended March 31, 2019 (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 Sheikhpora 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

This condensed interim financial information of the Company for the quarter ended March 31, 2019 has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. These condensed interim financial statements are being posted on company's website for information of member as required by section 237 of the companies Act, 2017 and the Listing Regulations of the Pakistan Stock Exchange.

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, 2019.

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, 2018.

Notes To The Condensed Interim Financial Information

For the First Quarter Ended March 31, 2019 (Un-audited)

4. FIXED ASSETS

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

	Additions (at cost)		Disposals / Transfers (at net book value)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	(Rupees in '000)			
Building	-	1,660	-	-
Electrical equipment	181	939	0	33
Plant and machinery	3,156	2,871	0	-
Furniture and fixtures	115	467	27	-
Computer hardware	129	1,724	3	17
Vehicles	-	3,675	-	-
Factory equipments and tools	2,644	1,595	-	-
Additions to capital work in progress	19,451	18,515	45,054	20,932
Intangibles	1,154	540	-	-
	<u>26,830</u>	<u>31,986</u>	<u>45,084</u>	<u>20,982</u>

5. COMMITMENTS

Commitments for capital expenditure outstanding as at March 31, 2019 amounted to Rs. 144 million (2018: Rs. 88.12 million)

6. REVENUE

	March 31, 2019	March 31, 2018
	(Rupees in '000)	
Tractors	5,151,086	7,409,046
Trading and others	12,708	10,336
	<u>5,163,794</u>	<u>7,419,382</u>
Less: Commission and discounts	(79,305)	(114,890)
Sales Tax	(251,298)	(346,601)
	<u>4,833,191</u>	<u>6,957,891</u>

7. COST OF SALES

Cost of goods manufactured	3,314,633	4,922,197
Opening stock of finished goods	830,183	169,461
Closing stock of finished goods	(390,316)	(23,507)
Manufactured goods	<u>3,754,500</u>	<u>5,068,151</u>
Trading and others	6,972	3,659
	<u>3,761,472</u>	<u>5,071,810</u>

Notes To The Condensed Interim Financial Information

For the First Quarter Ended March 31, 2019 (Un-audited)

8. CASH GENERATED FROM OPERATIONS

Profit before income tax

Add/(Less) adjustment for non cash charges and other items

Depreciation / amortisation

(Profit)/Loss on disposal of fixed assets

Return on bank deposits

Mark up on running finance

Profit before working capital changes

Effect on Cash Flow due to Working Capital changes

Decrease / (Increase) in current assets

Inventories

Trade receivables

Loans and advances

Trade deposits and short-term prepayments

Other receivables

Refunds due from the Government

(Decrease) / increase in current liabilities

Trade and other payables

Cash generated from operations

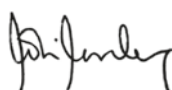
March 31, 2019	March 31, 2018
(Rupees in '000)	
785,384	1,617,893
19,322	16,263
(268)	16
(4,200)	(12,198)
93,925	-
894,163	1,621,97
825,287	419,509
37,590	(15,157)
(77,334)	4,788
(10,819)	(9,534)
8,829	10,964
(205,736)	(374,228)
577,817	36,342
400,191	(622,380)
1,872,171	1,035,936

9. RELATED PARTY TRANSACTIONS

There were no significant related party transactions during the quarter ended March 31, 2019 (2018: Rs. 633 million)."

10. DATE OF AUTHORISATION OF ISSUE

These financial statements were authorised for issue on April 25th, 2019 by the Board of Directors .



Chairman



Chief Executive



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
Website: www.alghazitractors.com



QUALITY MANAGEMENT BRAND STRENGTH

AL-GHAZI TRACTORS LTD