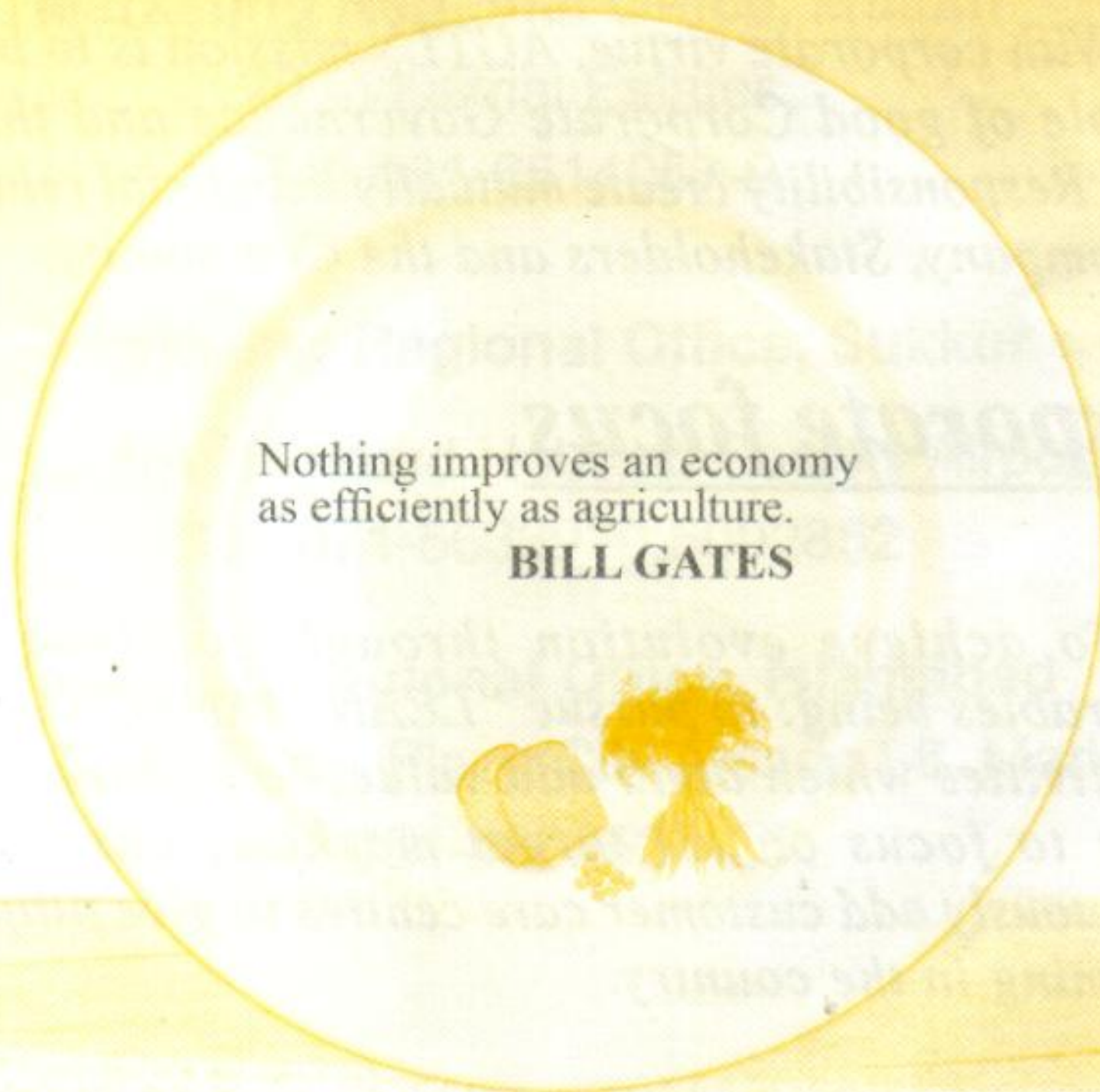


First Quarterly Report
31 March 2015
(un audited)

As ye SOW...

Agriculture sector hungers for attention



Nothing improves an economy
as efficiently as agriculture.
BILL GATES



to make AGTL a symbol of success

Mission

- *With AGTL's name being synonymous with stability, profitability, brand strength and customer loyalty, AGTL's mission is to retain market leadership as the lowest cost producer of the highest quality products – the most enduring competitive edge being the quality of our tractors.*
- *With corporate virtue, AGTL's mission is to be a text book case example of good Corporate Governance and through Corporate Social Responsibility create mutually beneficial relationships between the Company, Stakeholders and the Community.*

Corporate focus

- *To achieve evolution through continuous change – the deliverables being: to pursue "LEAN MANAGEMENT" to eliminate all activities which don't add value; to eliminate waste; to reduce costs; to focus on all target markets; customer focus and to continuously add customer care centres to give fillip to mechanization of farming in the country.*

AL-GHAZI TRACTORS LTD

CORPORATE INFORMATION

Board of Directors

Mr. Charles Leonard Hunt
Mr. Parvez Ali
Mr. Mohammad Ali Qaiyum
Mr. Kashif Lawai
Mr. Majd-ul-Ahsan Syed
Ms. Giovanna Barbieri
Mr. Michele Lombardi
Mr. Damiano Cretarola
Ms. Sobika Zubair

Chairman

Chief Executive Officer & Managing Director
Independent Director
Director
Director
Director
Director
Director
Company Secretary

Bankers

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

Legal Advisors

Saiduddin & Co.
Karachi.

Registrar

FAMCO Associates (Private) Limited
8-F, Next to Hotel Faran, Nursery
Block 6, P.E.C.H.S, Karachi

Auditors

A.F.Ferguson & Co.
Chartered Accountants
Karachi

Tax Advisors

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants Karachi.

Registered Office

11th Floor, NICL Building, Abbasi Shaheed Road,
Karachi - 74400
Phones: (PABX) (92-21) 35660881-5
Fax: (92-21) 35689387
Email: agtl@alghazitractors.com
Web: www.alghazitractors.com

Board Committees

Audit Committee

Mr. Mohammad Ali Qaiyum Chairman
Mr. Majd-ul-Ahsan Syed Member
Mr. Damiano Cretarola Member

Human Resource & Remuneration Committee

Mr. Charles Leonard Hunt Chairman
Mr. Majd-ul-Ahsan Syed Member
Ms. Giovanna Barbieri Member



AL-GHAZI TRACTORS LTD





AL-GHAZI TRACTORS LIMITED DIRECTORS' REPORT

While the farmers are still protesting, staging sit-ins, demanding redressal of their grievances over support prices and timely payments, tractor sales have moved in a favourable direction – in line with the economy which seems to be on the mend. The Company was thus able to successfully deliver productivity led earnings growth.

4867 tractors were sold during the first quarter of the year, January – March 2015, compared with 1792 delivered last year – an increase of 171%.

Like a more productive firm which produces more with the same inputs and has cost advantages, the Company's throughput yielded respectable returns. The Company has earned a pre-tax profit of Rs. 900 million during the first quarter compared with a pre-tax profit of Rs. 317.4 million earned during the same period last year.

The second phase of the Sindh Tractor Scheme for purchase of 1600 tractors with a subsidy has been launched – albeit once again with a raft of allegations of foul play. The newspapers are reporting serious flaws in the scheme which they contend is not transparent and has once again been launched to benefit a coterie. Without throwing ourselves in a pit of despair, the Company will make efforts to deliver on competitive advantages of lower costs with a distinctly better product.

The wheat crop this year has been described as bumper, and the Chief Minister of Punjab, has "vowed to protect wheat growers interests", assuring them that their interests will be "safeguarded".

He has spoken of launching a wheat procurement campaign at the end of April, to procure wheat directly from the small farmers on priority basis.

This is plenty of good news. It will put more money in the pockets of the farmers.

The Company is well positioned to take advantage of the market with productivity and profitability.

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.alghazitractors.com.

For and on behalf of
the Board

Charles Leonard Hunt
Chairman

Karachi
April 22, 2015

AL-GHAZI TRACTORS LIMITED

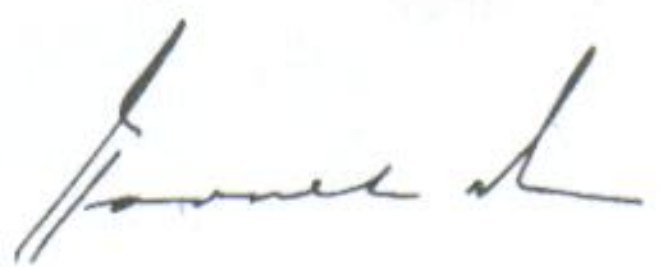
**CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2015 (UN-AUDITED)**

		(Unaudited) March 31, 2015	(Audited) December 31, 2014
		(Rupees'000)	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	3	469,527	466,751
Long-term investments		40,800	42,800
Long-term loans		267	342
Long-term deposits		1,789	1,789
		<u>512,383</u>	<u>511,682</u>
CURRENT ASSETS			
Stores and spares		35,863	35,962
Stock-in-trade		1,601,833	2,160,349
Trade debts		596,371	13,796
Loans and advances		129,630	78,796
Short-term deposits and prepayments		11,286	32,219
Accrued mark-up		175,638	33,986
Other receivables		121	6,149
Refunds due from the Government		1,157,122	1,281,074
Investments		1,949,213	1,909,970
Cash and bank balances		4,534,635	3,924,709
		<u>10,191,712</u>	<u>9,477,010</u>
TOTAL ASSETS		<u><u>10,704,095</u></u>	<u><u>9,988,692</u></u>
SHARE CAPITAL AND RESERVES			
Share capital		289,821	289,821
Reserves		8,877,587	8,261,674
		<u>9,167,408</u>	<u>8,551,495</u>
NON-CURRENT LIABILITIES			
Deferred staff benefits - compensated absences		27,291	32,106
Staff retirement benefit		31,051	29,929
Deferred taxation		40,301	25,870
		<u>98,643</u>	<u>87,905</u>
CURRENT LIABILITIES			
Taxation		162,259	1,476
Trade and other payables		1,275,785	1,347,816
Commitments	4		
TOTAL EQUITY AND LIABILITIES		<u><u>10,704,095</u></u>	<u><u>9,988,692</u></u>

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.



Chairman



Chief Executive

AL-GHAZI TRACTORS LIMITED

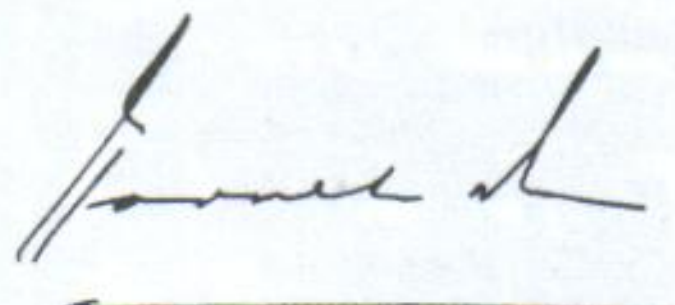
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE FIRST QUARTER ENDED MARCH 31, 2015 (UN-AUDITED)

	Note	Quarter ended	
		March, 31 2015	March, 31 2014
(Rupees' 000)			
Sales	5	3,443,306	1,251,187
Cost of goods sold	6	<u>(2,543,253)</u>	<u>(937,952)</u>
Gross profit		900,053	313,235
Distribution cost		(21,077)	(27,777)
Administrative expenses		<u>(56,311)</u>	<u>(47,815)</u>
		822,665	237,643
Other income		144,205	103,438
Other operating expenses		<u>(66,701)</u>	<u>(23,524)</u>
		900,169	317,557
Finance cost		<u>(205)</u>	<u>(160)</u>
Profit before taxation		899,964	317,397
Taxation		(284,051)	(82,573)
Profit after taxation		<u>615,913</u>	<u>234,824</u>
Other comprehensive income		-	-
Total comprehensive income		<u><u>615,913</u></u>	<u><u>234,824</u></u>
Earnings per share-Basic and diluted		<u><u>10.63</u></u>	<u><u>4.05</u></u>

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.



Chairman



Chief Executive

AL-GHAZI TRACTORS LIMITED

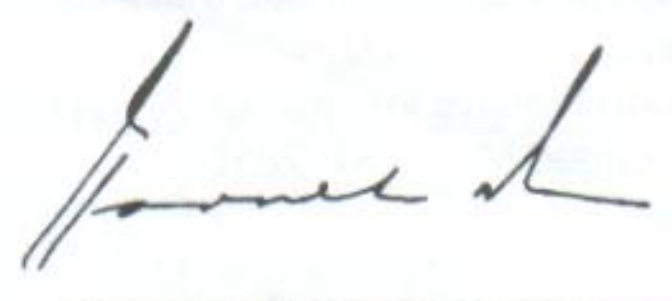
**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE FIRST QUARTER ENDED MARCH 31, 2015 (UN-AUDITED)**

	Note	March, 31 2015	March, 31 2014
(Rupees'000)			
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	7	786,137	(621,079)
Income taxes paid		(108,837)	(100,789)
Decrease in long-term loans		75	3,111
Decrease in deferred staff benefits		(4,815)	(1,900)
Increase in staff retirement benefits		1,122	434
Net cash from operating activities		<u>673,682</u>	<u>(720,223)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(13,540)	(18,421)
Proceeds from disposal of fixed assets		209	1,544
Sale of investments		2,001	202,001
Encashment of term deposits - net		300,000	-
Return on investments		(51,344)	17,854
Net cash from investing activities		<u>237,326</u>	<u>202,978</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid		(1,082)	(172)
Net increase in cash and cash equivalents		<u>909,926</u>	<u>(517,417)</u>
Cash and cash equivalents at the beginning of period		1,419,709	1,903,497
Cash and cash equivalents at the end of period		<u><u>2,329,635</u></u>	<u><u>1,386,080</u></u>

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.



Chairman



Chief Executive

AL-GHAZI TRACTORS LIMITED

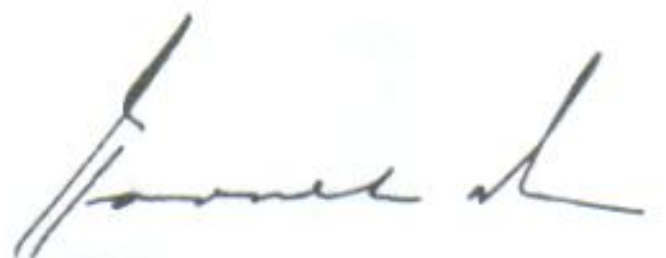
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED MARCH 31, 2015 (UN-AUDITED)

	Share capital	General reserve	Unappropriated profit	Total
	(Rupees'000)			
Balance as at January 1, 2014	214,682	1,000,000	7,004,277	8,218,959
Final Dividend @ Rs. 15 per share for the year ended December 31, 2013	-	-	(644,047)	(644,047)
Interim Dividends @ Rs. 10 per share for the year ended December 31, 2014	-	-	(579,642)	(579,642)
Issue of 35 bonus shares for every 100 shares held	75,139	-	(75,139)	-
Total comprehensive income for the year ended December 31, 2014				
Profit for the year ended December 31, 2014	-	-	1,574,744	1,574,744
Other comprehensive loss for the year ended December 31, 2014	-	-	(18,519)	(18,519)
	-	-	1,556,225	1,556,225
Balance as at December 31, 2014	289,821	1,000,000	7,261,674	8,551,495
Total comprehensive income for the first quarter ended March 31, 2015				
Profit for the first quarter ended March 31, 2015	-	-	615,913	615,913
Other comprehensive income for the first quarter ended March 31, 2015	-	-	-	-
	-	-	615,913	615,913
Balance as at March 31, 2015	289,821	1,000,000	7,877,587	9,167,408

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.



Chairman



Chief Executive

AL-GHAZI TRACTORS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE FIRST QUARTER ENDED MARCH 31, 2015 (UN-AUDITED)

1 THE COMPANY AND ITS OPERATIONS

Al-Ghazi Tractors Limited (the company) was incorporated in Pakistan under the Companies Act, 1913 (now the Companies Ordinance, 1984) as a public limited company in June 1983 and is quoted on Karachi and Lahore Stock Exchanges. The registered office of the company is '11th Floor, NICL Building, Abbasi Shaheed Road, Karachi'. The company is principally engaged in the manufacture and sale of agricultural tractors, implements and spare parts.

The financial information is presented in Pak Rupee which is the company's functional and presentation currency.

2 BASIS OF PREPARATION

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information is being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of Karachi and Lahore Stock Exchanges.

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements of the company for the year ended December 31, 2014.

3 FIXED ASSETS

Additions and disposals of operating assets during the period are as follows:

	Additions (at cost)		Disposals (at net book value)	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	← Rupees '000 →			
Furnitures & fixtures	212	195	209	162
Computer hardware	477	917	-	-
Vehicles	7,434	1,049	-	-
Factory Equipment & Tools	306	2,718	-	-
	<u>8,429</u>	<u>4,879</u>	<u>209</u>	<u>162</u>

4 COMMITMENTS

Commitments for capital expenditure outstanding as at March 31, 2015 amounted to Rs. 1.38 million (2014: Rs. 5.16 million)

5 SALES

	March, 31 2015	March, 31 2014
	(Rupees'000)	
Tractors	3,796,437	1,455,131
Trading and others	42,684	15,960
	<u>3,839,121</u>	<u>1,471,091</u>
Less: Commission and discounts	(46,730)	(17,921)
Sales Tax	<u>(349,085)</u>	<u>(201,983)</u>
	<u><u>3,443,306</u></u>	<u><u>1,251,187</u></u>

AL-GHAZI TRACTORS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED MARCH 31, 2015 (UN-AUDITED)

	March, 31 2015	March, 31 2014
	(Rupees'000)	
6 COST OF GOODS SOLD		
Cost of goods manufactured	2,198,351	1,226,832
Opening stock of finished goods	318,342	8,866
Closing stock of finished goods	<u>(2,562)</u>	<u>(307,122)</u>
Manufactured goods	2,514,131	928,576
Trading and others	<u>29,122</u>	<u>9,376</u>
	<u><u>2,543,253</u></u>	<u><u>937,952</u></u>
7 CASH GENERATED FROM OPERATIONS		
Profit before taxation	899,964	317,397
Add/(Less) adjustment for non cash charges and other items		
Depreciation / amortisation	10,554	10,404
Profit on disposal of fixed assets	-	(1,382)
Fair value gain on investments	(39,244)	(67,809)
Return on investments and bank deposits	<u>(90,308)</u>	<u>(29,473)</u>
Profit before working capital changes	780,966	229,137
Effect on Cash Flow due to Working Capital changes		
(Increase) / Decrease in current assets		
Stores and spares	99	(6,887)
Stock in trade	558,516	(102,465)
Trade debts	(582,575)	91,718
Loans and advances	(50,834)	8,528
Short-term deposits and prepayments	20,933	(8,208)
Other receivables	6,028	11,336
Refunds due from the Government	<u>123,952</u>	<u>(70,946)</u>
	76,119	(76,924)
(Decrease) / Increase in trade and other payables	(70,948)	(773,292)
	<u><u>786,137</u></u>	<u><u>(621,079)</u></u>

AL-GHAZI TRACTORS LIMITED

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED MARCH 31, 2015 (UN-AUDITED)**

8 RELATED PARTY TRANSACTIONS

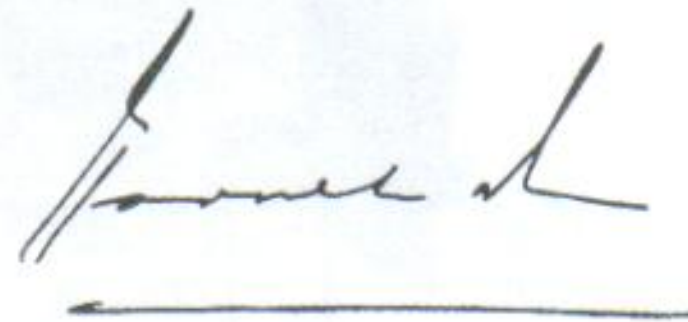
There were no significant related party transactions during the quarter ended March 31, 2015 (2014: NIL).

9 AUTHORISATION OF ISSUE

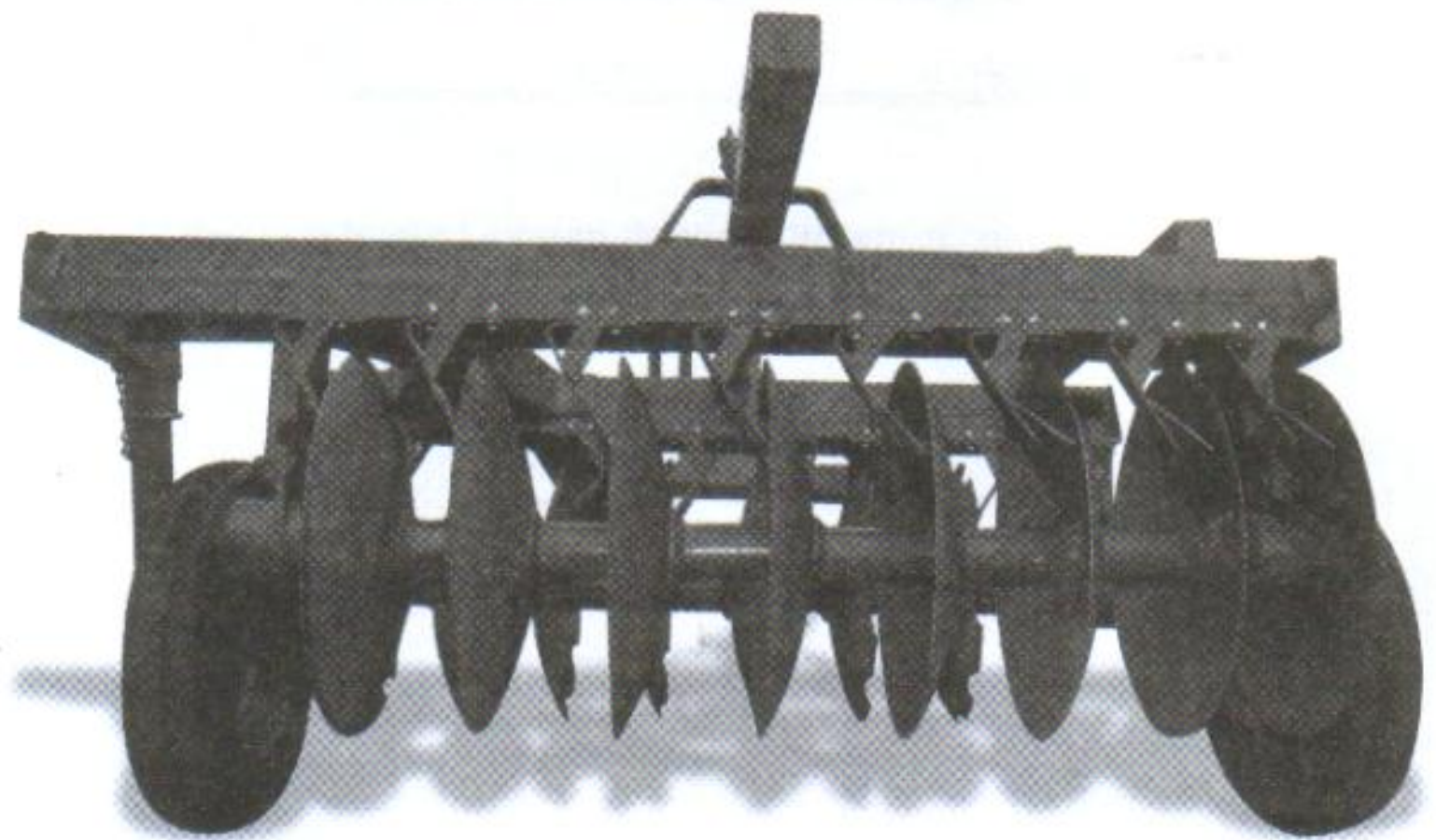
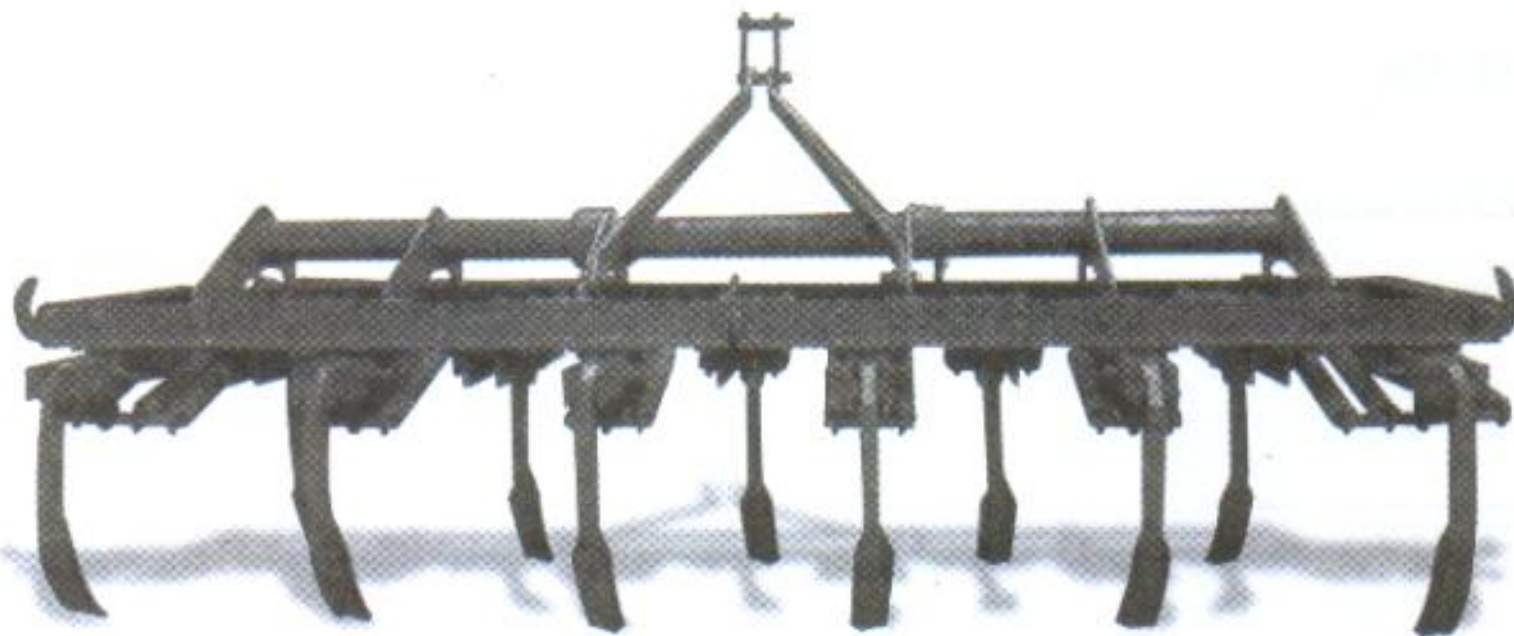
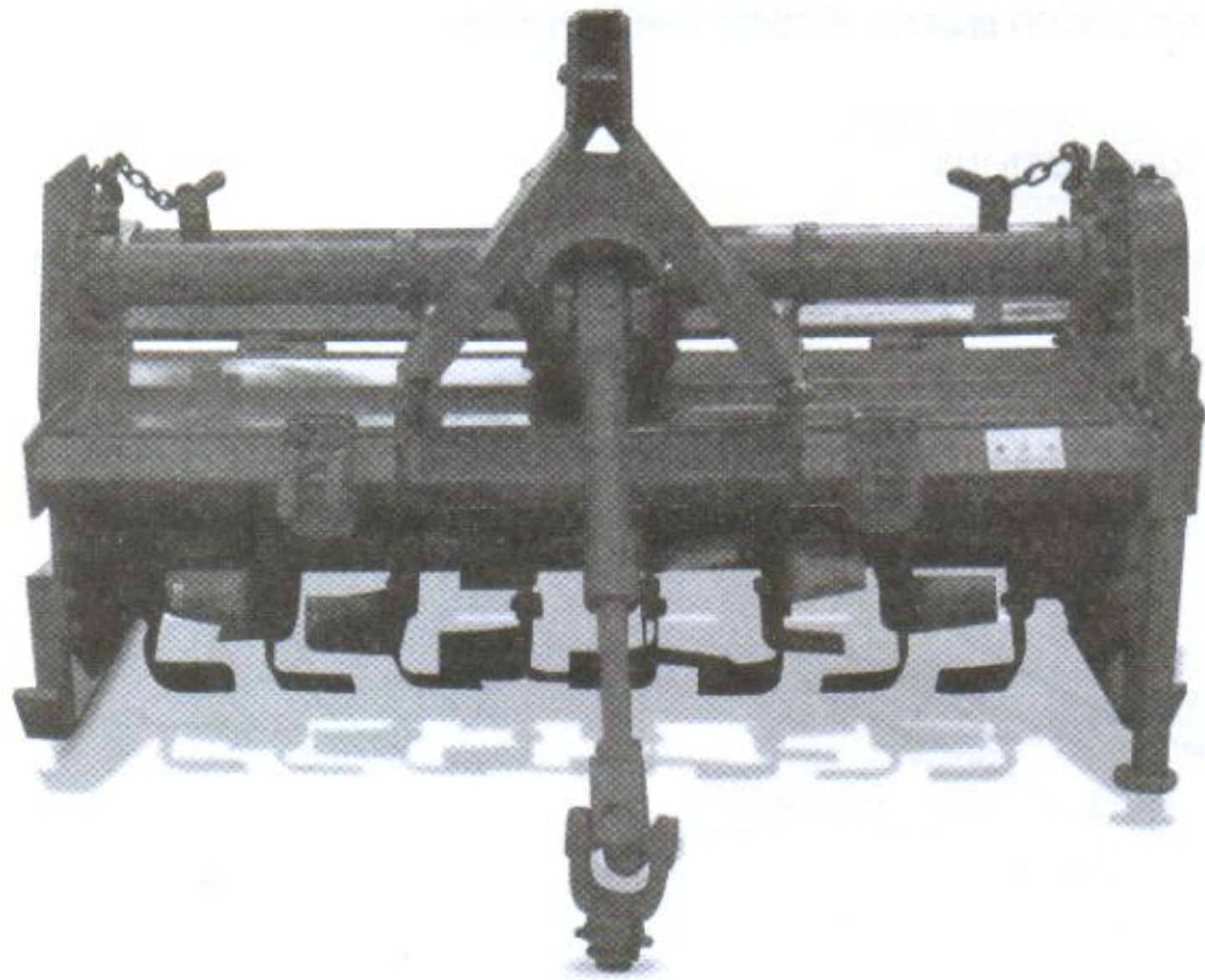
These financial statements were authorised for issue by the Board of Directors on April 22, 2015.



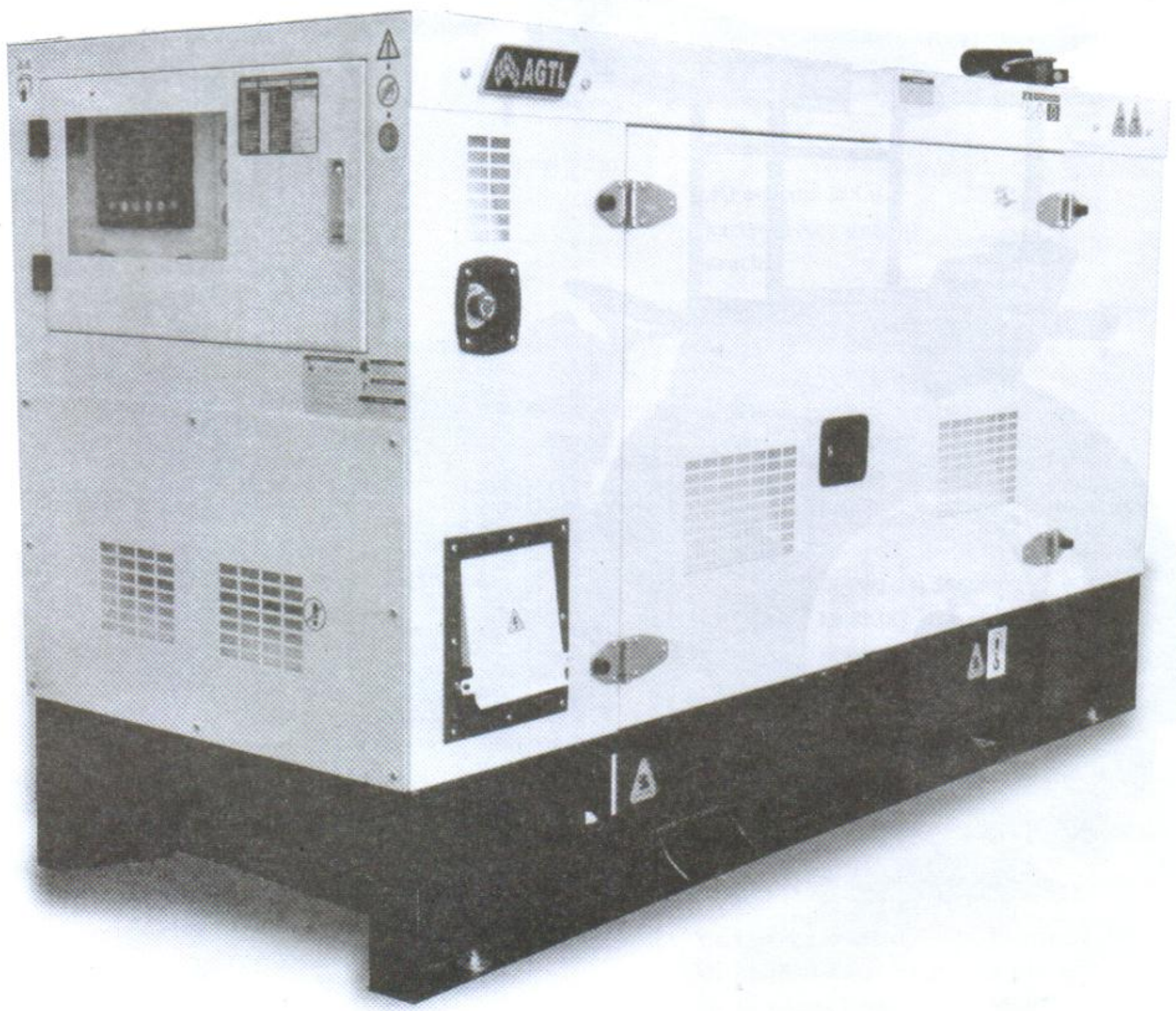
Chairman



Chief Executive



AL-GHAZI TRACTORS LTD
AL-FUTTAIM



AL-GHAZI TRACTORS LTD





REGIONAL OFFICES

Marketing Centre, Lahore

10 Km, Sheikhupura Road,
Tel: 042-37912226, 37924676-7

Marketing Regional Office, Multan

20 Industrial Estates,
Tel: 061-6514057-9

Marketing Regional Office, Sukkur

House No. 8/A Hamdard Housing Society Airport Road.
Tel: 071-5633920,5002852

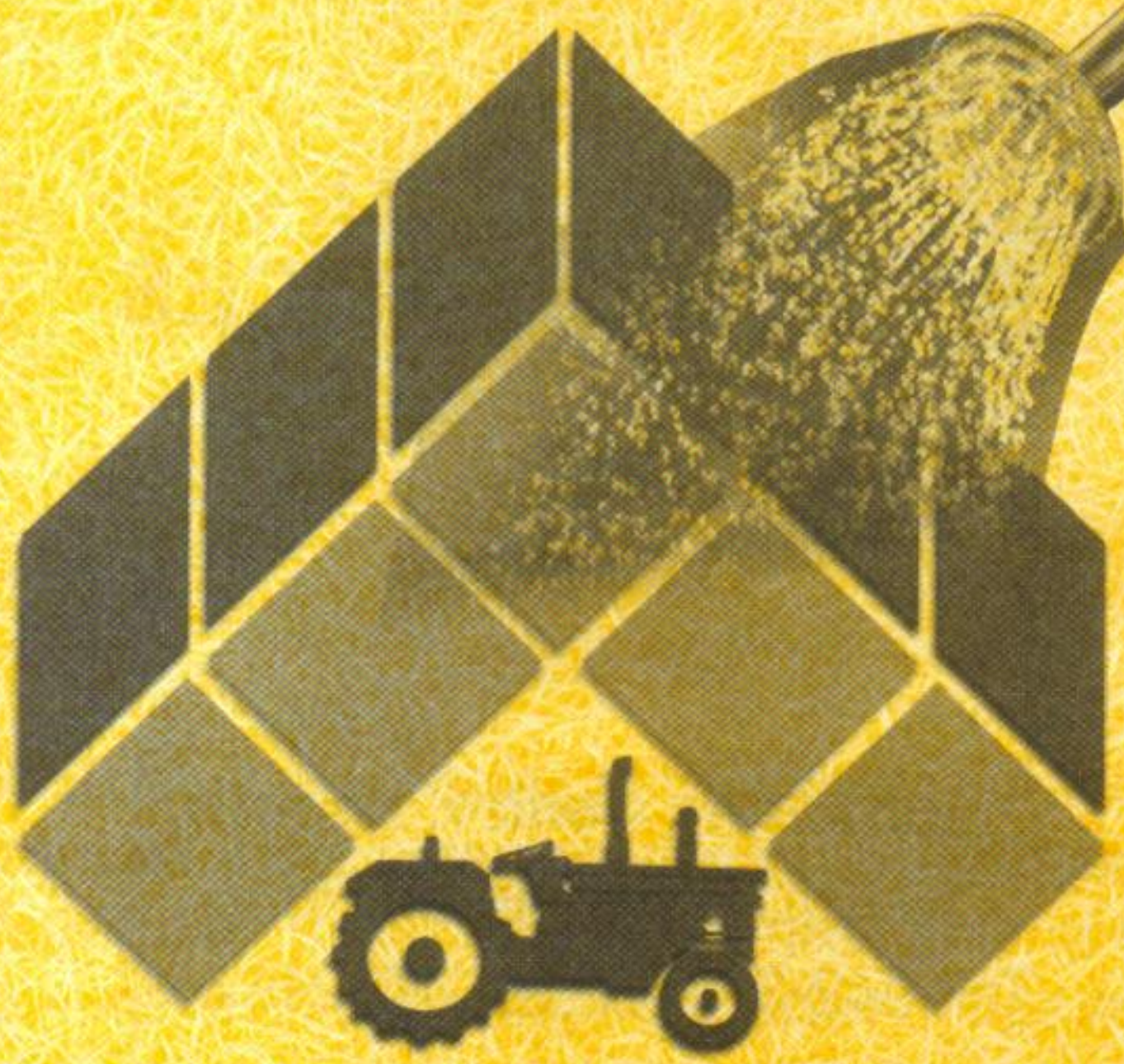
Marketing Regional Office, Islamabad

Flat no.7, 2nd Floor, Plaza City Arcade I-8, Markaz.
Tel: 051-4862524-25



AL-GHAZI TRACTORS LTD





AGTL



Generators



Tractors



Farm Machines & Equipment



Smart Irrigation Solutions



AL-GHAZI TRACTORS LTD

