



# AL-GHAZI TRACTORS LTD



## SHAPING THE FUTURE

Half Year Ended  
June 30, 2022  
(Unaudited)





## SHAPING THE FUTURE

To position the company on a path of growth and become the market leader in the industry through brand recognition & loyalty and consistent improvements that are in line with its business strategy and vision, AGTL management is focused on shaping the future by revamping its resources, processes, and technology, to become an organization that is fit for the future and resultantly create additional value for our shareholders and customer.

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# Company Information

## **BOARD OF DIRECTORS**

Mr. Robert Ian McAllister  
Chairman, Non-Executive Director

Mr. Malik Ehtisham Ikram  
Acting CEO, CFO & Executive Director

Mr. Ramesh Narasimhan  
Non-Executive Director

Ms. Farah Qureshi  
Independent Director

Mr. Shahid Shahbaz Toor  
Independent Director

Mr. Marco Votta  
Non-Executive Director

Mr. Vincent Delassagne  
Non-Executive Director

Mr. Matthieu Sejourné  
Non-Executive Director

## **AUDIT COMMITTEE**

Ms. Farah Qureshi  
Chairperson, Independent Director

Mr. Ramesh Narasimhan  
Member, Non-Executive Director

Mr. Marco Votta  
Member, Non-Executive Director

## **HUMAN RESOURCE & REMUNERATION COMMITTEE**

Mr. Malik Ehtisham Ikram  
Member, Acting CEO, CFO  
& Executive Director

Mr. Marco Votta  
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, Acting CEO, CFO  
& Executive Director

## **COMPANY SECRETARY**

Mr. Rashid Mohiuddin

## **AUDITORS**

A.F. Ferguson & Co.  
Chartered Accountants

**TAX ADVISORS**

EY Ford Rhodes  
Chartered Accountants

Tola Associates  
Chartered Accountants

**LEGAL ADVISORS**

Orr, Dignam & Co.  
Advocates

**BANKERS**

Bank AL-Habib Limited  
Faysal Bank Limited  
Habib Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
Zarai Tarqati Bank Limited

**SHARE REGISTRAR**

FAMCO Associates (Private) 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 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

**MARKETING CENTRES**

Dera Ghazi Khan  
Lahore  
Multan  
Islamabad  
Sukkur

## Directors' Review

The Directors are pleased to present the condensed interim review of Al-Ghazi Tractors Limited (the Company) for the half-year ended 30 June 2022.

### Financial Review

The Company has to operate in challenging economic and business environment during the period under review. Overall economic slowdown, and a large fiscal deficit have swelled the import bill, the ongoing political unrest is increasing economic uncertainty which is causing unprecedented currency devaluation coupled with Government restrictions including delays in LC approvals resulted in supply chain disruptions and have huge impact on cost of production. All these factors are making the economic outlook uncertain. However, despite all these challenges, the Company has managed to produce 14,552 units of tractors and achieve the sale of 14,717 units in the half-year as compared to corresponding half-year of last financial year where 7,684 units were produced and 8,931 units were sold.

The Company earned an operating revenue of Rs.19,899 million during the half-year ended 30 June 2022 which is 106.11% higher than Rs.9,655 million earned during the half-year last year, whereas, the cost of sales rose by 111.38% to Rs.15,740 million from Rs.7,446 million of corresponding period in previous year. As a result, gross profit for the current half-year has come to Rs.4,160 million which reflects an increase of 88.32% from the gross profit of Rs.2,209 million accrued during the half-year ended 30 June 2021.

The distribution and administrative expenses for the half-year respectively amounted to Rs.237 million and Rs.226 million, showing the rise of 239.60% and 41.74% when compared to same period of last year.

The post-tax profit for the period under review is Rs.1,931 million which is an increase of 39.89% when compared to Rs.1,380 million for the same period last year. The earnings per share for the half-year ended 30 June 2022 is Rs.33.31 which was Rs.23.81 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 Company's website.

### Future outlook

The Board is optimistic about the future outlook as agricultural sector is indispensable to the country's economic growth, food security, employment generation and poverty alleviation particularly, at the rural level, it substantially contributes to the GDP and provides employment to a large chunk of the labor force. The Company is committed to improve its product quality at both incoming and assembly stages. A state-of-the-art quality lab set up at the plant ensures quality of inbound components. The lab is operational with further improvements and enhancements on an on-going basis. The Company is poised to perform even better to grab a higher market share.

### Board of Directors

Subsequent to issue of the Company's Annual Report for the year ended 31 December 2021 and till the approval of financial statements for the period under review, no changes occurred on the Board of Directors of the Company.

### Acknowledgement

The Board would like to place on record its gratitude to all the 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**



Chairman of the Board  
Karachi: August 29, 2022



Acting Chief Executive Officer

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF  
AL-GHAZI TRACTORS LIMITED****Report on review of Interim Financial Statements****Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Al-Ghazi Tractors Limited as at June 30, 2022 and the related condensed interim statement of profit or loss, condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of profit or loss and other comprehensive income for the quarters ended June 30, 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended June 30, 2022.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Syed Muhammad Hasnain.



Chartered Accountants  
Karachi

Date: August 29, 2022

UDIN: RR202210073WOH8Lix3V

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

# Condensed Interim Statement of Financial Position

As at June 30, 2022

	Note	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
(Rupees in '000)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	5	1,159,317	1,108,805
Deferred tax asset		104,843	85,553
Long-term loans		1,238	1,927
Long-term deposits		12,783	9,407
Employee benefit prepayments		21,084	8,481
		<u>1,299,265</u>	<u>1,214,173</u>
<b>CURRENT ASSETS</b>			
Inventories		2,410,925	2,875,085
Trade receivables		70,968	4,651
Loans and advances		168,529	147,874
Trade deposits and short-term prepayments	6	791,834	114,772
Interest accrued		847	1,396
Other receivables		4,833	8,283
Taxation - payments less provision		-	142,313
Refunds due from Government		4,004,635	2,983,446
Cash and bank balances	7	1,886,844	1,998,122
		<u>9,339,415</u>	<u>8,275,942</u>
<b>TOTAL ASSETS</b>		<u>10,638,680</u>	<u>9,490,115</u>
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		289,821	289,821
Unappropriated profit		2,656,249	3,683,446
		<u>2,946,070</u>	<u>3,973,267</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred staff benefits - compensated absences		57,855	48,914
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	3,302,551	1,907,361
Customers' and dealers' advances		1,332,485	3,488,532
Taxation - provision less payments		502,435	-
Unclaimed dividend		80,425	72,041
Unpaid dividend	9	2,416,859	-
Short-term financing	10	-	-
		<u>7,692,610</u>	<u>5,516,848</u>
<b>TOTAL LIABILITIES</b>		<u>7,692,610</u>	<u>5,516,848</u>
<b>COMMITMENTS</b>	11		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>10,638,680</u>	<u>9,490,115</u>

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.



Acting Chief Executive



Director



Chief Financial Officer

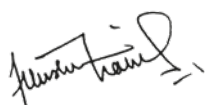


# Condensed Interim Statement of Profit or Loss

For the Quarter and Half Year Ended June 30, 2022 (Unaudited)

	Note	Quarter ended		Half year ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
(Rupees in '000)					
Revenue from contracts with customers	12	11,246,416	4,611,626	19,899,469	9,654,914
Cost of sales	13	(8,999,186)	(3,573,207)	(15,739,596)	(7,445,990)
Gross profit		2,247,230	1,038,419	4,159,873	2,208,924
Distribution costs		(151,225)	(17,834)	(237,236)	(69,858)
Administrative expenses		(116,499)	(25,277)	(226,035)	(159,468)
		1,979,506	995,308	3,696,602	1,979,598
Other income	14	18,117	37,312	60,433	68,030
Other operating expenses		(137,532)	(64,789)	(263,525)	(87,277)
		1,860,091	967,831	3,493,510	1,960,351
Finance costs		(17,468)	(188)	(18,372)	(8,013)
Profit before income tax		1,842,623	967,643	3,475,138	1,952,338
Income tax expense	15	(1,070,851)	(280,332)	(1,544,480)	(572,234)
Profit after income tax		771,772	687,311	1,930,658	1,380,104
Basic and diluted earnings per share - Rupees	16	13.31	11.86	33.31	23.81

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Acting Chief Executive



Director



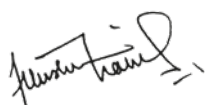
Chief Financial Officer

# Condensed Interim Statement of Profit or Loss and Other Comprehensive Income

For the Quarter and Half Year Ended June 30, 2022 (Unaudited)

	Quarter ended		Half year ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	(Rupees in '000)			
Profit after taxation	771,772	687,311	1,930,658	1,380,104
Other comprehensive income	-	-	-	-
Items that will not be subsequently reclassified in profit or loss	-	-	-	-
Total comprehensive income for the period	<u>771,772</u>	<u>687,311</u>	<u>1,930,658</u>	<u>1,380,104</u>

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.



Acting Chief Executive



Director



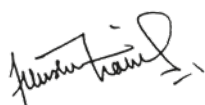
Chief Financial Officer

# Condensed Interim Statement of Cash Flows

For the Half Year Ended June 30, 2022 (Unaudited)

	Note	June 30, 2022	June 30, 2021
(Rupees in '000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	17	1,420,676	4,476,456
Income tax paid		(919,022)	(399,401)
Finance cost paid		(690)	(22,615)
Increase in long-term deposits		(3,376)	-
Increase in deferred staff benefits - compensated absences		8,941	7,755
Increase in employee benefit prepayments		(12,603)	(1,859)
Net cash generated from operating activities		493,926	4,060,336
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to fixed assets		(102,447)	(59,867)
Proceeds from disposal of fixed assets		108	1,404
Interest received		29,058	43,534
Decrease / (increase) in long-term loans		689	(1,249)
Net cash used in investing activities		(72,592)	(16,178)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(532,612)	(67,352)
<b>Net (decrease) / increase in cash and cash equivalents</b>		(111,278)	3,976,806
Cash and cash equivalents at beginning of the period		1,998,122	(1,358,118)
Cash and cash equivalents at end of the period		1,886,844	2,618,688

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.



Acting Chief Executive



Director



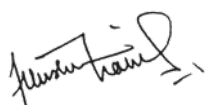
Chief Financial Officer

# Condensed Interim Statement of Changes in Equity

For the Half Year Ended June 30, 2022 (Unaudited)

	Share capital	General reserve	Unappropriated profit	Total
	(Rupees in '000)			
<b>Balance as at January 1, 2022</b>	<b>289,821</b>	<b>-</b>	<b>3,683,446</b>	<b>3,973,267</b>
<b>Profit after tax for the half year ended June 30, 2022</b>	-	-	<b>1,930,658</b>	<b>1,930,658</b>
<b>Other comprehensive income for the half year ended June 30, 2022</b>	-	-	-	-
	-	-	<b>1,930,658</b>	<b>1,930,658</b>
<b>Transactions with the owners in their capacity as owners</b>				
<b>Final dividend @ Rs. 51.03 per share for the year ended December 31, 2021</b>	-	-	<b>(2,957,855)</b>	<b>(2,957,855)</b>
<b>Balance as at June 30, 2022</b>	<b>289,821</b>	<b>-</b>	<b>2,656,249</b>	<b>2,946,070</b>
<b>Balance as at January 1, 2021</b>	289,821	1,049,000	949,301	2,288,122
Transfer from General reserve to Unappropriated profit	-	(1,049,000)	1,049,000	-
<b>Profit after tax for the half year ended June 30, 2021</b>	-	-	<b>1,380,104</b>	<b>1,380,104</b>
<b>Other comprehensive income for the half year ended June 30, 2021</b>	-	-	-	-
	-	-	<b>1,380,104</b>	<b>1,380,104</b>
<b>Transactions with the owners in their capacity as owners</b>				
<b>Final dividend @ Rs. 21.39 per share for the year ended December 31, 2020</b>	-	-	<b>(1,239,854)</b>	<b>(1,239,854)</b>
<b>Balance as at June 30, 2021</b>	<b>289,821</b>	<b>-</b>	<b>2,138,551</b>	<b>2,428,372</b>

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.



Acting Chief Executive



Director



Chief Financial Officer

# Notes To And Forming Part Of The Condensed Interim Financial Statements

For The Half Year Ended June 30, 2022 (Unaudited)

## 1. THE COMPANY AND ITS OPERATIONS

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 registered office of the Company is situated at 'Tractor House, Plot No. 102-B, 16th East Street, Off Korangi Road, Phase I, D.H.A, Karachi'. The Company is principally engaged in the manufacture and sale of agricultural tractors, implements, spare parts and providing irrigation solutions for agriculture.

The Company is a subsidiary of Al-Futtaim Industries Company LLC, U.A.E.

These condensed interim financial statements are presented in Pak Rupee which is the Company's functional and presentation currency.

- 1.1 In the year 2021, the Competition Commission of Pakistan (CCP) has initiated proceedings against the Company under relevant provisions of the Competition Act, 2010. CCP has issued an enquiry report and multiple show cause notices to the Company. The Company has filed a petition against CCP proceedings and obtained interim relief from Islamabad High Court through which CCP is restrained from passing any adverse order against the Company during the pendency of the petition. Based on the relevant facts and the advice of Company's legal counsel, the Company believes that there are no grounds which could result in any adverse order against the Company.

## 2. BASIS OF PREPARATION

### 2.1. Statement of compliance

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.

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, 2021.

### 2.2 Changes in accounting standards, interpretations and amendments to published accounting and reporting standards

#### a) Standards and amendments to approved accounting and reporting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on January 1, 2022. However, these do not have any significant impact on the Company's financial reporting.

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

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after January 1,

# Notes To And Forming Part Of The Condensed Interim Financial Statements

For The Half Year Ended June 30, 2022 (Unaudited)

2023. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

## 3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended December 31, 2021.

## 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, 2021.

The Company's financial risk management objectives and policies are consistent with those disclosed in

## 5. FIXED ASSETS

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

	Additions (at cost)		Disposals (at net book value)	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	(Rupees in '000)			
Building	20,249	3,320	-	-
Plant and machinery	7,324	2,626	*	-
Furnitures and fixtures	11,443	2,108	-	60
Computer hardware	26,317	164	108	-
Vehicles	19,928	47,702	-	- *
Factory equipments and tools	26,446	36	-	-
	<u>111,707</u>	<u>55,956</u>	<u>108</u>	<u>60</u>

\*Assets write off having nil net book value

5.2 Additions to capital work in progress and intangibles are Rs 35.428 million (June 30, 2021: Rs 77.78 million) and Rs 0.126 million (June 30, 2021: Rs 0.52 million) respectively.

# Notes To And Forming Part Of The Condensed Interim Financial Statements

For The Half Year Ended June 30, 2022 (Unaudited)

	Note	June 30, 2022	December 31, 2021
(Rupees in '000)			
<b>6. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS</b>			
LC margin against imports	6.1	754,110	89,957
Prepayments		18,013	12,269
Other deposits		19,711	12,546
		<u>791,834</u>	<u>114,772</u>

**6.1** This includes Rs. 293.72 million (2021: Rs. 66.63 million) being 100% cash margin on import of specified items kept with commercial banks in accordance with the requirements of Circular No. 02 of 2017 of Banking Policy & Regulations Department, State Bank of Pakistan.

	Note	June 30, 2022	December 31, 2021
(Rupees in '000)			
<b>7. CASH AND BANK BALANCES</b>			
Cash with banks on			
- Current accounts		118,602	135,187
- Savings and deposit accounts	7.1	1,340,470	1,793,613
Cash in hand		512	592
Demand drafts in hand		427,260	68,730
		<u>1,886,844</u>	<u>1,998,122</u>

**7.1** These carry mark-up ranging from 4% to 12.25% per annum (December 31, 2021: 4% to 7.25% per annum).

		June 30, 2022	December 31, 2021
(Rupees in '000)			
<b>8. TRADE AND OTHER PAYABLES</b>			
Creditors - note 8.1		471,208	238,111
Accrued liabilities		1,912,839	1,268,073
Accrued markup		15,287	-
Deposits		75,534	73,279
Taxes deducted at source		30,659	31,163
Workers' Welfare Fund		160,482	85,222
Payable to employees' provident fund		3,895	8,250
Royalty payable to CNH Industrial N.V. - associated company		269,231	98,279
Provision for warranty services		26,419	19,012
Workers' Profit Participation Fund		183,384	-
Others		153,613	85,972
		<u>3,302,551</u>	<u>1,907,361</u>

**8.1** These include payable to CNH Industrial Italia S.p.A amounting to Rs. 1.96 million (2021: Rs. 1.96 million) against purchases made.

## 9. UNPAID DIVIDEND

This represents unpaid dividend for the year ended December 31, 2021, awaiting approval from the State Bank of Pakistan.

# Notes To And Forming Part Of The Condensed Interim Financial Statements

For The Half Year Ended June 30, 2022 (Unaudited)

## 10. SHORT TERM FINANCING - under mark up / profit arrangement

- 10.1** The facility for running musharkah available from banks amounted to Rs. 2.5 billion (2021: 2.5 billion) out of which the amount unavailed at the year end was Rs 2.5 billion (2021: Rs 2.5 billion). Rates of profit ranges from one month KIBOR plus 0.4% (2021: one month KIBOR plus 0.4%) to three months KIBOR plus 0.25% (2021: three month KIBOR plus 0.25%) per annum.
- 10.2** The facility for running finance available from banks amounted to Rs. 1.5 billion (2021: 1.5 billion) out of which the amount unavailed at the year end was Rs 1.5 billion (2021: Rs 1.5 billion). Rates of mark-up ranges from one month KIBOR plus 0.5% (2021: one months KIBOR plus 0.5%) to three months KIBOR plus 1% (2021: three months KIBOR plus 1%) per annum.
- 10.3** The above arrangements are secured by way of hypothecation of selected plant and machinery and pari-passu charge against hypothecation of Company's present and future current assets.

## 11. COMMITMENTS

Commitments for capital expenditure outstanding as at June 30, 2022 amounted to Rs. 100.074 million (December 31, 2021: Rs. 153.84 million).

## 12. REVENUE FROM CONTRACTS WITH CUSTOMERS

	Half year ended	
	June 30, 2022	June 30, 2021
	(Rupees in '000)	
Tractors	21,165,476	10,224,664
Trading goods and others	118,407	78,594
	21,283,883	10,303,258
Less: Commission and discounts	(343,919)	(143,048)
Sales tax	(1,040,495)	(505,296)
	19,899,469	9,654,914

## 13. COST OF SALES

Cost of goods manufactured	15,518,205	6,971,110
Opening stock of finished goods	318,163	525,250
Closing stock of finished goods	(184,682)	(103,464)
Cost of manufactured goods sold	15,651,686	7,392,896
Cost of trading goods and others sold	87,910	53,094
	15,739,596	7,445,990

## 14. OTHER INCOME

<b>Income from financial assets:</b>		
Return on savings and deposit accounts	28,509	46,959
<b>Income from assets other than financial assets:</b>		
Profit on disposal of fixed assets	-	1,344
Sale of scrap materials	30,770	18,646
Others	1,154	1,081
	60,433	68,030

## 15. INCOME TAX EXPENSE

Current	1,014,032	573,568
Deferred	(19,291)	(1,334)
Super Tax	549,739	-
	1,544,480	572,234



# Notes To And Forming Part Of The Condensed Interim Financial Statements

For The Half Year Ended June 30, 2022 (Unaudited)

- 15.1** As per Finance Act, 2022, companies operating in certain sectors, including automobile, are liable to pay super tax at 10% for tax year 2022 and upto 4% for subsequent years. Further, amount of Rs. 409.87 million on account of super tax has been charged for the year ended December 31, 2021 in current accounting period.

## 16. EARNINGS PER SHARE

	Half year ended	
	June 30, 2022	June 30, 2021
	(Rupees in '000)	
Profit after taxation attributable to ordinary shareholders	1,930,658	1,380,104
Weighted average number of shares in issue during the period	57,964	57,964
Basic and diluted earnings per share - Rupees	33.31	23.81

There were no convertible dilutive potential ordinary shares in issue as at June 30, 2022 and 2021.

## 17. CASH GENERATED FROM OPERATIONS

	June 30, 2022	June 30, 2021
		(Rupees in '000)
Profit before taxation	3,475,138	1,952,338
Add / (less): Adjustments for non-cash charges and other items		
Depreciation and amortisation	51,827	41,224
Gain on disposal of fixed assets	-	(1,344)
Profit on savings and deposit accounts	(28,509)	(46,959)
Mark up on running finance	15,977	7,590
	3,514,433	1,952,849
<b>Effect on cash flow due to working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
Inventories	464,160	469,676
Trade receivables	(66,317)	-
Loans and advances	(20,655)	(12,262)
Trade deposits and short-term prepayments	(677,062)	(295,452)
Other receivables	3,450	976
Refunds due from Government	(1,021,189)	(381,250)
	(1,317,613)	(218,312)
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	1,379,903	1,030,218
Customers' and dealers' advances	(2,156,047)	1,711,701
	(2,093,757)	2,523,607
<b>Cash generated from operations</b>	1,420,676	4,476,456

# Notes To And Forming Part Of The Condensed Interim Financial Statements

For The Half Year Ended June 30, 2022 (Unaudited)

## 18. TRANSACTIONS WITH RELATED PARTIES

Significant transactions between the Company and the related parties during the period are as follows:

Relationship	Nature of transactions	Half year ended	
		June 30, 2022	June 30, 2021
		(Rupees in '000)	
<b>i. Associate Company</b>			
CNH Industrial N.V. (formerly CNH Global N.V)	Royalty charge	148,288	71,822
AI Futtaim Logistics Company LLC	Services received	155,048	-
<b>ii. Other related parties</b>			
AI-Ghazi Tractors Limited Staff Provident Fund	Contribution paid	7,480	7,292
AI-Ghazi Tractors Limited Employees' Gratuity Fund	Contribution paid	9,800	7,202
Key management personnel*	Salaries and other employee benefits	47,542	52,171
	Retirement benefits	5,270	4,289

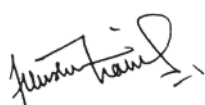
\*Key management personnel includes CEO, CFO and all Head of the Departments.

## 19. SUBSEQUENT EVENT

The Board of Directors in its meeting held on August 29, 2022 declared an interim cash dividend of Rs. Nil per share (2021: Rs. Nil per share) amounting to Rs. Nil (2021: Rs. Nil). These condensed interim financial statements do not recognise the proposed interim dividend which will be recognized in the financial statements for the year ending December 31, 2022.

## 20. DATE OF AUTHORISATION FOR ISSUE

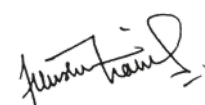
These condensed interim financial statements were authorised for issue on August 29, 2022 by the Board of Directors.



Acting Chief Executive



Director



Chief Financial Officer

**REGISTERED AND HEAD OFFICE**

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