



Embracing traditions,
driving change



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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NEW HOLLAND
AGRICULTURE

Al-Futtaim

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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

Ms. Farah Qureshi
Independent Director

Mr. Shahid Shahbaz Toor
Independent Director

Mr. Mirza Malik
Independent Director

Chief Executive Officer

Mr. Sakib Eltaff

Audit Committee

Ms. Farah Qureshi
Chairperson, Independent Director

Mr. Marco Votta
Member, Non-Executive Director

Mr. Malik Ehtisham Ikram
Member, Non-Executive Director

Mr. Malik Mirza
Member, Independent Director

Human Resource & Remuneration Committee

Ms. Farah Qureshi
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 Associates (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@alghazitractors.com
Website: www.alghazitractors.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

Company Profile

Incorporated in June 1983, privatized in December 1991, Al-Ghazi Tractors Limited, the subsidiary Company of Al-Futtaim group of Dubai, is a story of rollicking success. With consistent corporate achievements, the Company is recognized for its corporate excellence.

With its registered office in Karachi, the AGTL plant at Dera Ghazi Khan, some 700 kms away from Karachi, manufactures New Holland (Fiat) tractors in technical collaboration with CNHI - Case New Holland, the Number One manufacturer of agricultural tractors in the world. The AGTL plant, an icon of engineering dynamics operates on high efficiency. With Quality Control and Quality Assurance, quality improvement systems exist at every level.

One of our mission statements reads, "Our most enduring competitive edge is the quality of tractors". Robust and sturdy, the Company's products of 55, 65, 75 and 85 HP, carry a local content of 92% - the highest in the country.

Monitoring the efficiency and effectiveness of each production process is the key to our success. Effort is made to make each process efficient to drive down the cost per tractor. Competent material and plant utilization has resulted in the Company's achieving its core objective of being the lowest cost producer of quality products. AGTL's produced tractors in all hp ranges are therefore among the most affordable tractors in the world.

Documentation of the entire manufacturing process and improved quality measurement being our priority, Al-Ghazi was the first automobile Company in Pakistan to earn the ISO-9000 certification. With yearly audits the Company is now registered for ISO-9001:2015 upto January 11, 2025.

AGTL products being a household name with the farmer community, our product profile reflects consumer needs. Price and convenience being the customer's first priority. The Company's objectives include: focus on all target markets and focus on all types of customers. As many dealers in every nook and cranny of the country, and over 3000 mechanical workshops across the country to work as customer care centers.

AGTL's name is synonymous with brand strength and customer loyalty and experience. One of the best performing stocks in the automobile sector, AGTL is a story of continued success achieved through resilient and consistent efforts.

At AGTL we believe that effective individuals make a difference; effective teams make a business. Of all the things that we have built the most admired is our teamwork. AGTL's human talent does not depreciate with time. AGTL workers are happy workers. AGTL values the stakeholders, customers, employees and the investors. The management works to ensure that all supply chain

associates, dealers, shareholders and employees share in the Company's growth and prosperity.

Al-Futtaim's flagship in Pakistan with over 93% foreign shareholding, Al-Ghazi Tractors Limited is a text book example of good corporate governance, conforming to all the Governance Reforms promulgated by the government.

AGTL's long list of accolades received year after year include Top Companies Award of the Karachi Stock Exchange, Corporate Excellence Award of the Management Association of Pakistan, Best Presented Annual Report Awards of ICAP, Best Calendar Awards of NCCA, Excellence Award on Human Resources and Industrial Relations and Excellence Award in Productivity from the Employer's Federation of Pakistan.

AGTL's Vision Statement is categoric: "To make AGTL a symbol of success." This sets the direction as well as the destination in sight and each of the employee lives to achieve the Company's Mission.



Business Model



Our Capitals

Financial Capital

- Equity PKR 5.78 billion
- Assets PKR 14.22 billion

Manufactured Capital

- State-of-the-art Tractor assembling facility
- 30k per annum production capacity

Human Capital

- 410 employees
- People-centered culture
- Strong governance

Natural Capital

- Water, energy & environment conservation
- Waste water treatment plant

Intellectual Capital

- Company's knowledge base
- Product manufacturing capabilities
- Well-equipped reporting tools
- Corporate reputation
- Brand (CNHi)

Social & Relationship Capital

- Relations with customers regulators, communities & other stakeholders
- Vast network of dealers, distributors & end-users

Value Creation for our Stakeholders

Customers/Suppliers

- Customer satisfaction
- Trust of vendors
- Growing network of vendors, dealers & customers

Shareholders

- Delivered strong and healthy returns for shareholders
- Return on equity: 45

Employees

- Talent nourishment and growth
- Rewarding high performance and investing in attracting, developing, and retaining our people

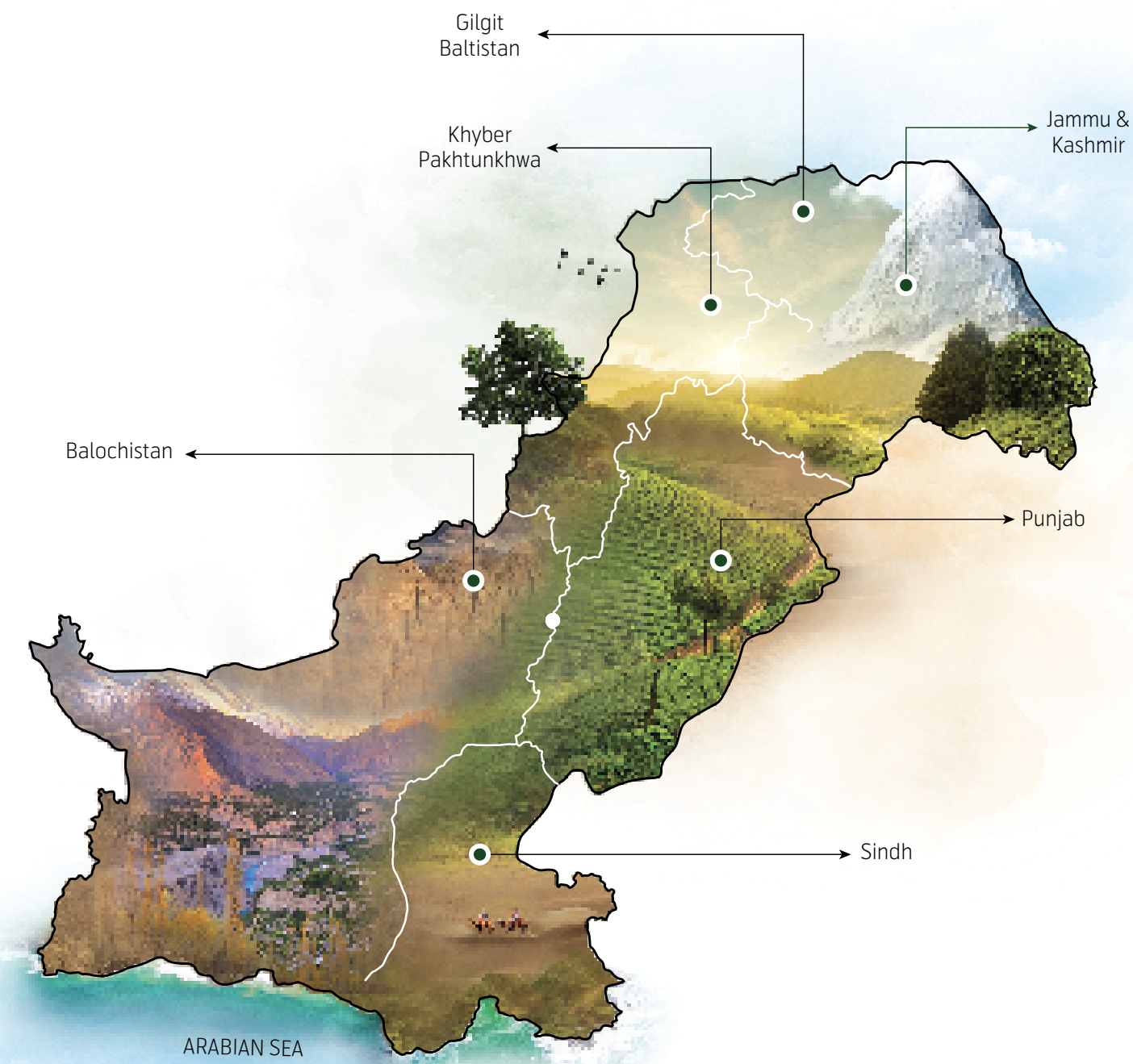
Governing Bodies & Regulators

- Compliance with all the regulatory requirements
- Contributed PKR 3 billion to national exchequer

Our Journey so far



Geographical Presence



Registered Office: Karachi
Plant: Dera Ghazi Khan
Marketing Centres: Lahore, Multan, Islamabad, Sukkur, Dera Ghazi Khan.

Dealership Network: For customized customer satisfaction, AGTL has dotted the whole country with a large dealer network, and tractor workshops, in every nook and cranny of the country.



At the Forefront of **Al-Futtaim** Success



Established in the 1930s as a trading business, Al-Futtaim is one of the most progressive regional business houses headquartered in Dubai, United Arab Emirates.

Al-Futtaim operates through more than 200 companies across sectors as diverse as commerce, industry and services, and employs in excess of 42,000 people across the UAE, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, Egypt, Pakistan, Sri Lanka, Syria, Singapore and Europe. Entrepreneurship and rigorous customer focus have enabled Al-Futtaim to grow its business by responding to the changing needs of the customers and societies in which it operates. Al-Futtaim is committed to offering customers an unrivalled choice of the world's best brands from the USA, UK, Japan, Sweden, France, Germany and Switzerland (from sectors as diverse with each other as automotive, retail, real estate and finance). Al-Futtaim's exceptional standards of customer service and after sales support is the reason some of the world's most admired and innovative brands trust Al-Futtaim with their own reputation and commercial success.

Structured into seven operational divisions; automotive, electronics, engineering and technologies, retail, financial services, general services, real estate and joint ventures, Al-Futtaim maintains a decentralized approach, giving individual businesses flexibility and versatility to maintain a competitive stance. The decades-long experience allows Al-Futtaim to embrace and foster new, forward-thinking business practices and seamlessly blend those into corporate DNA and people-first philosophy whilst upholding the value of integrity within a spirit of collaboration.

This benefits employees, providing a clearly defined work culture where individuals are empowered with authority and responsibility for their work. Al-Futtaim is the holding company of Al-Ghazi Tractors Limited with 50.02% shares.

Omar Al Futtaim has been steering the business towards corporate success and global recognition since 2001 when he was appointed Vice Chairman – following 12 years working at his family's business in different roles and for various brands. The diverse experience he amassed during this period, coupled with an innate passion he instinctively developed for Al-Futtaim Group, has guided him since.

Omar Al Futtaim
Vice Chairman





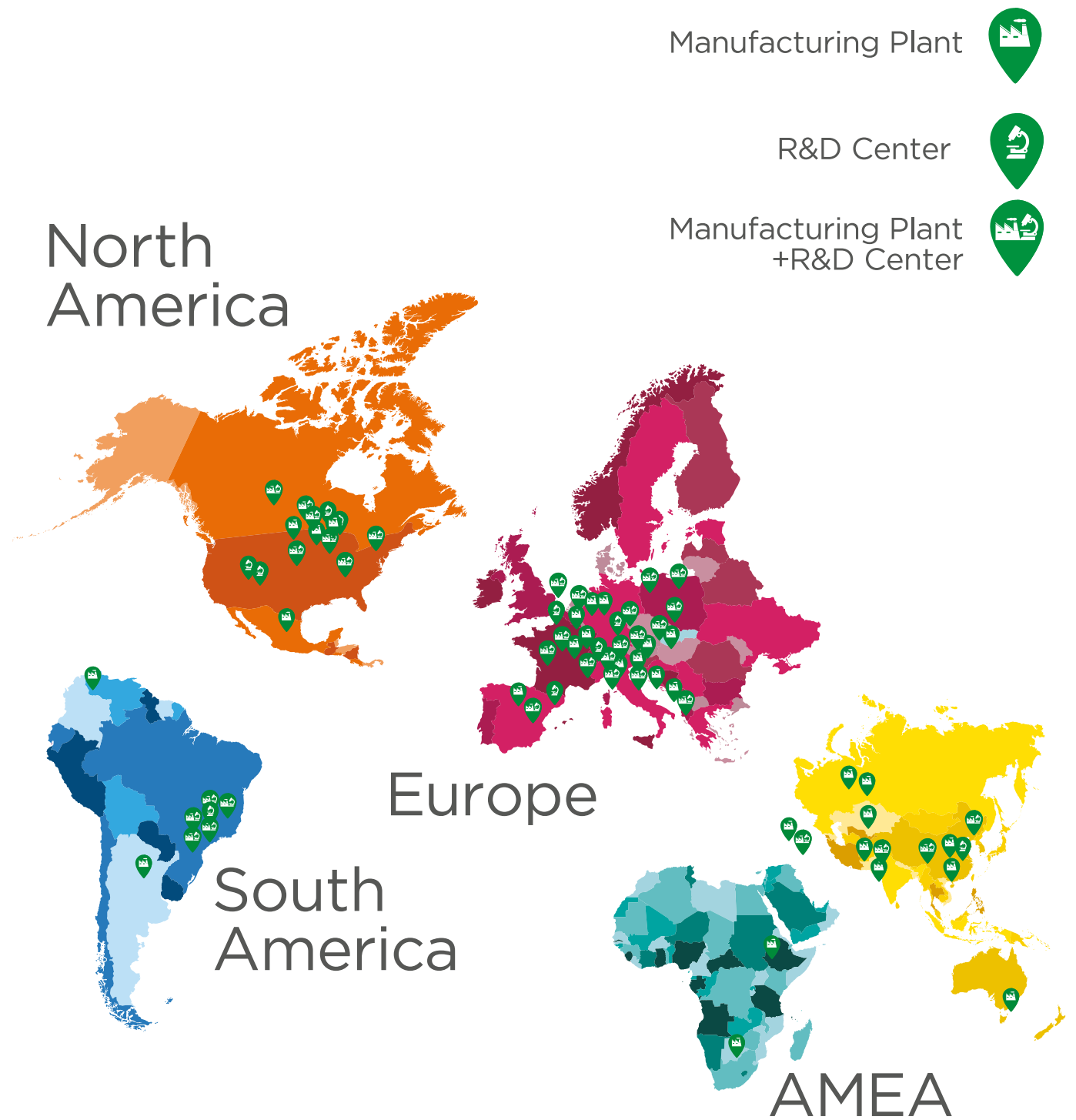
CNH Industrial is a global leader in capital goods that implements design, manufacturing, distribution, commercial and financial activities in international markets.

CNH Industrial is an international front-runner in the capital goods sector that designs, produces and sells agricultural and construction equipment (tractors, combines, excavators), wheel loaders, trucks, commercial vehicles, buses and specialty vehicles (including firefighting and civil protection vehicles), in addition to a broad portfolio of powertrain applications. CNH's symbolism is that they design, manufacture and sell 'machines for work'.

Across its 12 brands, 67 manufacturing plants, 56 research and development centers and a workforce of more than 63,000 people, CNH Industrial is present in 180 countries giving it a unique competitive position.

The Group has the flexibility to pursue the most advantageous strategic options and capitalize on opportunities for growth and consolidation consistent with our ambitions for it to become a leader in the sector.

CNHI holds 43.17% shares of Al-Ghazi Tractors Limited.



CNHi Global Footprint

Our Vision

To make AGTL a symbol of success

Our 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 cost competitive 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.



Values & Ethical Principles

Al-Ghazi Tractors Limited is a public limited Company with 93.19% foreign shareholding. The Company with its superior performance is recognized by all stakeholders as economically rewarding to all parties, acknowledged as being ethically, socially and environmentally responsible, welcomed by the communities, businesses, customers in which it operates. It facilitates economic, human resources and community development within a stable operating environment. The Directors believe that they can make a difference within their sphere of influence. Thus it is envisaged that:

- The Company should take a leadership role through establishment of ethical business principles.
- That while reflecting cultural diversity, the Company should do business consistent with the requirements of laws & regulations in Pakistan.
- The Company should show ethical leadership.
- The Company should facilitate the achievement of sound financial results and a fair sharing of economic benefits.
- The Company must have open, honest and transparent relationships, which are considered critical to the Company's success.

- The Company should create a business environment, which instigates against bribery and corruption and refrain from participation in any corrupt business practices.
- The Company should maintain good relations with stakeholders including contractors, suppliers and other business participants.
- The Company should aspire for stability and continuous improvement within the operating environment.
- The Company should focus on the protection of environment.
- The Company should promote community efforts as good corporate citizens.
- The Company should ensure consistency with labour laws and standards, ensure health and safety of workers and their rights.
- The Company should promote training and human resource development as an engine for growth with particular reference to the policy on succession planning.

The Company has established a defined code of ethics and business practices which is signed by all directors as well as employees of the Company.



Corporate Focus

To achieve evolution through continuous change with 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 and customers, and to continuously add customer care centres.

Strategic Planning

With roles and responsibilities clearly defined, strategic planning at Al-Ghazi Tractors aligns its vision with actionable roadmap to ensure optimal performance.

Sound business plans are outlined, brainstormed and developed to coordinate strategies for overall success of the Company. With disciplined efforts to take fundamental decisions and actions that shape and guide the Company with focus on the future, Strategic Planning at AGTL provides the best way to respond to circumstances of the Company's environment and its resources. By incorporating them, the Company remains consciously responsive to a dynamic and changing environment.

Strategic Planning at Al-Ghazi Tractors Limited supports strategic thinking and leads to strategic management – the basis for the making of an effective organization.



Board of Directors



Mr. Robert McAllister
Chairman, Non-Executive Director

Al-Ghazi Tractors Limited (AGTL) appointed Mr. Robert McAllister as Chairman and Non-Executive Director on the Board in January 2022. Mr. McAllister brings with him a wealth of experience and knowledge of the automotive industry, having held several leadership positions with renowned business conglomerates. His understanding of the key factors required for delivering at the highest level coupled with an objective perspective is a valuable asset to the Board.

Mr. Robert McAllister's impressive track record in organizing and leading diverse, multi-cultural teams to achieve outstanding results is a testament to his exceptional leadership skills. Having worked in several different geographic locations, he has demonstrated an adaptable nature that has enabled him to thrive in varied environments and face new challenges with enthusiasm.

Furthermore, Mr. McAllister's academic credentials, which include multiple finance degrees, further bolster his qualifications to serve on the Board. His appointment marks an important addition to the team, and the Board eagerly anticipates his valuable contributions in driving the Company's continued success.



Mr. Dmitrii Bogatyrev
Non-Executive Director

Mr. Dmitrii Bogatyrev was appointed as Director on the Board of AGTL in June 2023.

Mr. Dmitrii Bogatyrev is an accomplished corporate financial executive with a remarkable almost 20-year record of success in improving financial performance, productivity, and internal controls. He has held several key positions at Volkswagen Group, with the headquarters in Germany, as well as the Group's offices in the United Kingdom. His expertise extends to managing finance functions, assessing risks, guiding product profitability, promoting innovation, executing turnarounds, and improving operations.

Prior to his automotive roles, Mr. Dmitrii excelled at PricewaterhouseCoopers, leading audits and due diligence engagements across various industries. His exceptional skills, strategic mindset, and cross-functional expertise make him an asset to the Company.



Mr. Malik Ehtisham Ikram
Non-Executive Director

Malik Ehtisham Ikram was appointed as Director on the Board of AGTL in December 2019.

Mr. Ikram is a seasoned Senior Finance Executive with a career spanning 19 years in Finance with strong emerging market experience. He joined Al-Futtaim Group in 2012 and has been working at various Senior Finance & Leadership positions, independently handling high profile Automotive Projects for the Group. He has also served as Chief Financial Officer and Acting CEO of AGTL.

Over his career span he has worked with various consultancy firms including PwC and KPMG. Mr. Ikram is a member of the Institute of Chartered Accountants of Pakistan and holds a post graduate degree in Managerial Economics.



Mr. Vincent De Lassagne
Non-Executive Director

Mr. Vincent de Lassagne has been appointed on the Board of Al-Ghazi Tractors Limited since October 2015.

Mr. De Lassagne is the brand leader for New Holland Agriculture - Asia Pacific Region. He initially joined CNH in 1995. Within CNH, he acquired a significant experience in the CIS, AME and Asia Pacific markets. Since 2004, he has been posted as Business Director in Asia Pacific Region. Mr. De Lassagne holds an Agronomist Engineer degree & Masters in Marketing & Sales from the HEC University.



Mr. Matthieu Séjourné
Non-Executive Director

Mr. Matthieu Séjourné has been appointed as a Non-Executive Director on the Board of the Company since February 2020.

Mr. Séjourné joined CNHi in March 2002 covering several sales & marketing positions in the African continent. He also joined TurkTraktor, the JV of CNHi in Turkey, where he was Marketing Director. He then joined the Asia Pacific Region, where he was successively appointed as Head of Product Marketing and afterwards Brand Leader for Case IH. Since January 2019, he is the Brand Leader - New Holland & Case IH for Asia, Middle East and Africa Region.

Mr. Séjourné holds a Master degree in Business Administration from SDA Bocconi - Milan, Italy and Master in Engineering from CESTI-Paris (newly named SUPMECA, Superior Centre of Study in Industrial Techniques - Mechanical Engineering School) with a major in Supply Chain Management.



Mr. Marco Votta
Non-Executive Director

Mr. Marco Votta completed his undergraduate studies at the Business Administration Department of the Luigi Bocconi University of Commerce - Milan, Italy.

He started his career in the industrial automation sector, moving in 1994 to Andersen Consulting as Management Consultant.

Mr. Votta joined the Business Development Department of New Holland in 1998 and was appointed as Assistant General Manager in charge of Business Control at Türk Traktör ve Ziraat Makineleri A.Ş. and New Holland Trakmak Traktör ve Ziraat Makinaları Ticaret A.Ş. in 1999. He then became the company's CFO from 2006 to 2010, and then the CEO from April 2010 till December 2018. Since the beginning of 2019, Mr. Votta has remained a board member in Türk Traktör ve Ziraat Makineleri A.Ş. In addition, he is associated with CNH Industrial as the Managing Director of Turkey. From 2019 to 2021 he has been in charge of the product offering and development of the tractors up to 130hp as VP of Global Product Line - Small and Specialty Tractors.

Board of Directors



Mr. Shahid Shahbaz Toor
Independent Non-Executive Director

Mr. Shahid Shahbaz Toor was elected as Independent Non-Executive Director on the Board of Al-Ghazi Tractors in March 2021.

He has more than 35 years of experience in the Tractor manufacturing industry in areas pertaining to management, development, production, quality assurance, project management, supply chain management, etc. He has served as Director Technical at Millat Tractors Limited, CEO at Millat Equipment Limited as well as Mannan Shahid Forgings (an Abraaj Capital UAE Group Company).

Mr. Toor graduated with a degree in Mechanical Engineering from Kingston University, UK. He has attended various professional training courses in Pakistan and abroad in institutions like Ashraigh School of Management - United Kingdom (UK), Perkins Engines, Massey Ferguson Tractors - UK, AOTS - Japan, Pakistan Institute of Management, Lahore University of Management Sciences, Pakistan Institute of Quality Control. etc.



Ms. Farah Qureshi
Independent Non-Executive Director

Ms. Farah Qureshi was appointed as Independent Non-Executive Director on the Board of the Company in May 2020.

Ms. Qureshi is a fellow member of the Institute of Chartered Accountants of Pakistan. With over 25 years of experience in corporate governance, internal control, accounting, financial reporting, mergers and acquisitions, project feasibilities, banking and financial arrangements, legal, company secretarial and IT.

Her present occupation is providing consulting services in the areas of accounting, finance, IT systems, corporate governance, internal controls, preparing projections and feasibilities, banking and financial arrangements, etc. She has served as Company Secretary on the Board of Jahangir Siddiqui & Co. Limited., a listed company in financial services sector. Presently, she is on the Board of First UDL Modaraba as Director and in the past, she has remained on the Board of Network Microfinance Bank Limited (subsidiary of Jahangir Siddiqui & Co. Limited). Ms. Qureshi has also served on the sub-committee on taxation of the Overseas Investors' Chamber of Commerce and Industry.



Mr. Malik Mirza
Independent Non-Executive Director

Mr. Malik Mirza, a distinguished Fellow of the Institute of Chartered Accountants of Pakistan (ICAP) and the Association of Chartered Certified Accountants (ACCA UK), brings over two decades of comprehensive experience in Corporate Governance, Financial Management, Accounting, Financial Reporting, Financial Inclusion, and Capacity Building to his role as a Board member. With a proven track record of leadership, Mr. Mirza has notably contributed to the expansion of two national financial institutions, overseeing their growth in terms of branches, staff, and systems from a single city to a country-wide presence.

As the author of a book on financial literacy for children, Mr. Mirza's contributions to the accounting profession have been acknowledged by the ICAP with a bronze medal. His international representation includes serving at the ACCA assembly in the UK for two consecutive years. Mr. Mirza's extensive consultancy experience encompasses prestigious clients such as the World Bank, IFAD, the School of Frankfurt, ACCA, WFP Iraq, and various financial institutions, with a geographic footprint that spans Afghanistan, Iraq, Tajikistan, Kyrgyzstan, and Pakistan.

Currently, as the CEO of Finman Group, he oversees operations across the USA, UK, and Pakistan for consulting and advisory in areas of financial inclusion, entrepreneurship and capacity building. His previous roles include serving as CFO and Company Secretary on the Boards of The First Micro Finance Bank and U Bank. In addition, Mr. Mirza has facilitated numerous capacity-building sessions focusing on Corporate Governance, Entrepreneurship, and Financial Management for ICAP, ACCA, and other esteemed organizations, underscoring his commitment to the development of professional skills and knowledge in the financial sector.

Management



Mr. Sakib Eltaff
Chief Executive Officer

Sakib has over 25 years of experience, ranging from finance, business processes, transformation, and business operations across a variety of industries.

Prior to becoming CEO of Al Ghazi, he was serving as the Managing Director for the CMC Group, a subsidiary of the Al Futtaim Group, where he has led the transformation of the company towards the Agriculture Sector capitalizing on the growing potential of the sector across the East Africa region. The company is the distributor of New Holland Tractors in East Africa. He joined the Al Futtaim Group 5 years ago and previously held the position of General Manager Finance, Automotive, managing a portfolio of businesses covering operations in 9 countries across South Asia, MENA and East Africa.

Prior to joining Al Futtaim, Sakib worked with Kansai Paints, one of the top 10 paint manufacturers in the world covering operations with the MENA and CIS regions. Sakib was responsible for all financial matters of the regional business spanning over 8 countries with 6 manufacturing sites including 1 in Lahore, Pakistan. He is a Certified Director and has remained on the board of several companies as an Independent Director. He is a Fellow Member of Institute of Chartered Accountants of Pakistan.

Sakib also worked with the Hashoo Group, a family conglomerate, whose portfolio included business operations in Pakistan ranging from Oli & Gas, Hospitality, Manufacturing and Real Estate.

He was a non-executive director of Al Ghazi from February – November 2021.

Sakib holds MBA from Oxford Brookes University and is a Chartered Accountant holding the designation of CGA from Canada and a Fellow of the Association of Chartered Certified Accountants (FCCA) of England and Wales.



Mr. Javed Iqbal
Chief Financial Officer (CFO)

Javed Iqbal joined AGTL as CFO in July 2022 and has served the company as the acting CEO from December 2022 till September 2023.

Javed is a proactive, dynamic, diligent and result oriented professional with a career spanning 30 years across Chemical Manufacturing, FMCG and Service sectors. He specializes in Finance & Accounts, Financial and Corporate Governance, Strategic Planning, Merger & Acquisition, Fund Management & Analysis and Business Development. Prior to joining AGTL, he has worked at Management Positions for companies like Pakistan Services Limited (Hashoo Group), Ittehad Chemicals Ltd, Unilever, Daewoo and American Express Bank Ltd.

He is a Certified Director and has remained on the board of several companies as an Independent Director.

He is a Fellow Member of Institute of Chartered Accountants of Pakistan.



Mr. Mansoor Khan
Company Secretary

Mansoor Khan was appointed as Head of Compliance, Corporate Affairs and Company Secretary in August 2022.

He has more than 15 years of experience of handling corporate, regulatory affairs and governance matters. Prior to joining AGTL, he has served at senior management positions and as member of Board of Directors of various companies of Hashoo Group.

He is an advocate of High Court and holds Commerce and MBA degrees besides this he is an associate member of Institute of Corporate Secretaries of Pakistan (ICSP). Mr. Khan is also a Certified Director from Pakistan Institute of Corporate Governance (PICG).



Mr. Muneeb Ahmed Khan
Chief Internal Auditor

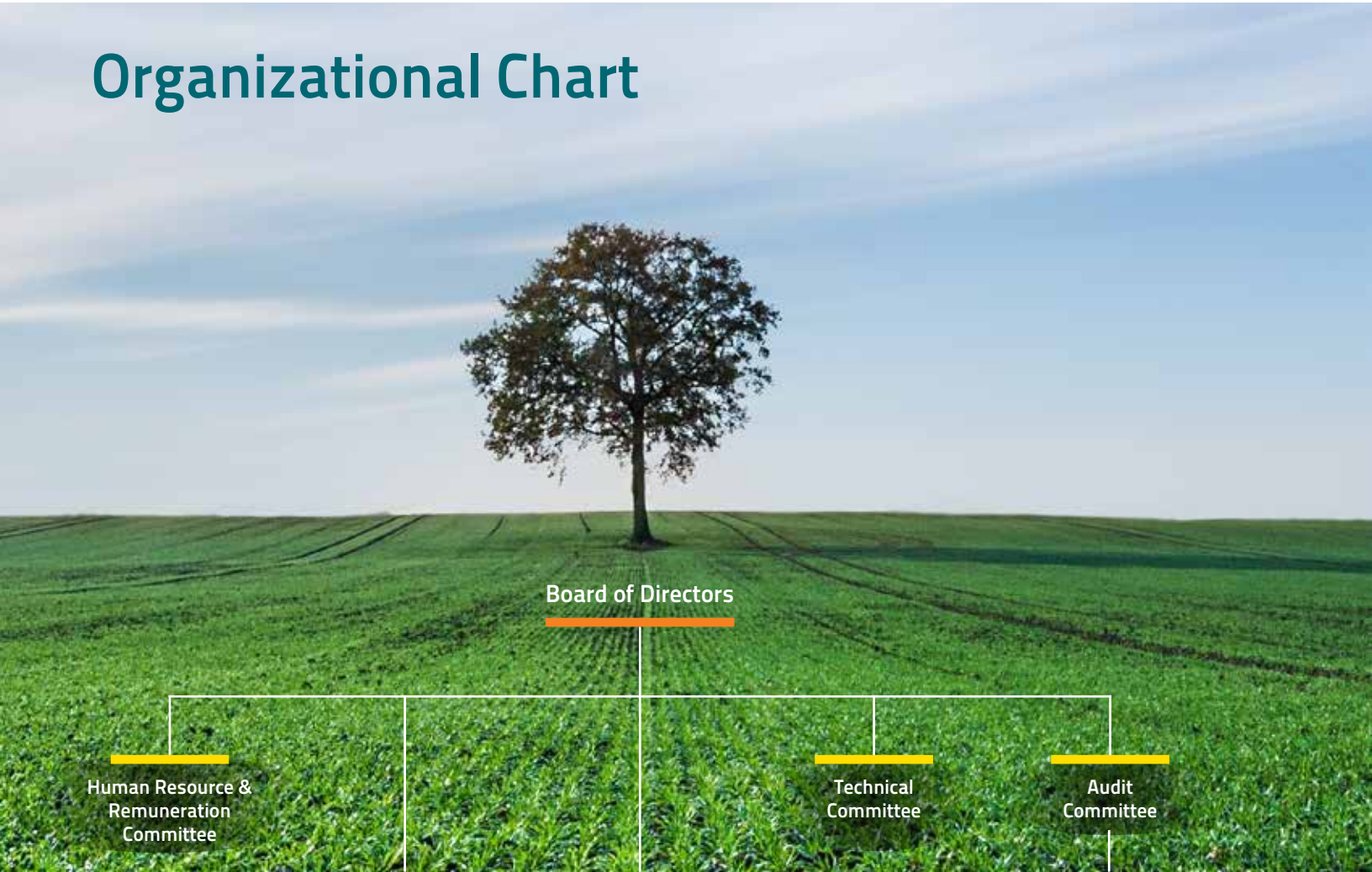
Muneeb Ahmed Khan was appointed as Head of Internal Audit in June 2022.

He has more than 10 years of experience in the field of Audit & Assurance, Risk Advisory and Compliance. Muneeb joined AGTL in February 2021 as Lead Auditor and was later promoted to Head of Internal Audit.

Prior to joining AGTL, he was leading a team of internal audit professionals across different entities of a group and has also worked with a listed automotive company.

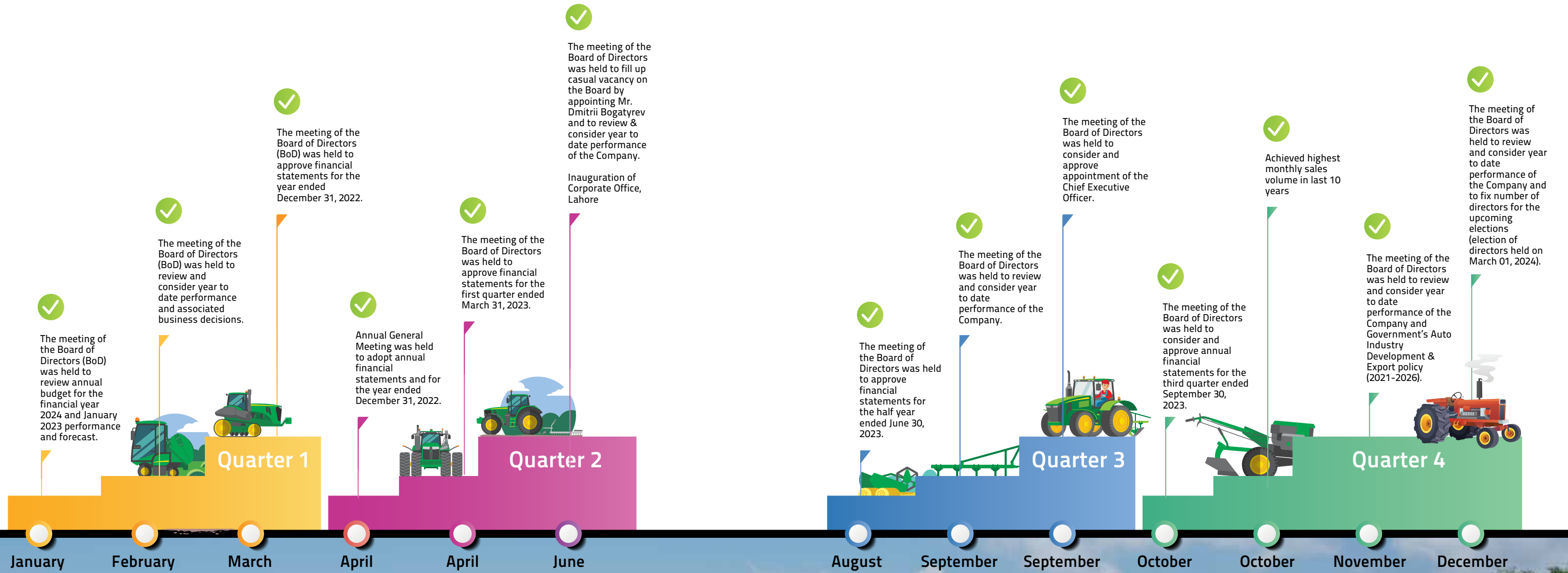
He is an ACCA Member, CA-Intermediate and has completed his articleship from KPMG Taseer Hadi & Co., Karachi, Pakistan.

Organizational Chart



Legend
 Functional Reporting
 ——— Administrative Reporting

Significant Events





Message for Stakeholders

Chairman's Review



Robert Ian McAllister
Chairman

Company's Performance Overview

In 2023, Pakistan's economy faced both opportunities and challenges. Key economic indicators fluctuated, the value of the Pakistani Rupee changed compared to major currencies, and there were constraints on consumer spending. Inflation along with restrictions on imports remained a concern. Additionally, political complexities added uncertainty to the business environment.

In the backdrop of a complex economic environment, Al-Ghazi Tractors Limited ("the Company") demonstrated resilience and growth. The Company achieved sales of 15,420 tractors, generating a Sales revenue of Rs. 34.543 billion, marking a substantial growth of 22.49% compared to the previous year's Rs. 28.201 billion. Gross profit for the year stood at Rs. 6.423 billion, a growth of Rs. 1.361 billion or 26.9% from last year's Rs. 5.061 billion. Profit before Tax for the year ended 31 December 2023 amounted to Rs. 4.687 billion, reflecting a significant increase of 23.47% compared to the previous year. These financial achievements underscore the Company's resilience and adaptability in navigating through economic challenges. The details of the Company's performance are elaborated in the director's report.

Throughout the year, the Company placed particular emphasis on a comprehensive revitalization endeavor. This initiative encompassed various aspects, including enhancing its product portfolio, refining its commercial and sales operations optimizing the supply chain, strategically redesigning the organizational structure, and implementing lean principles and



total quality management methodologies for manufacturing operations. Additionally, continuing the Company's transition from its existing BAAN system to SAP S/4HANA underscores its commitment to embracing state-of-the-art ERP solutions.

Looking ahead, our firm commitment to delivering uncompromised quality products will remain a pivotal focal point of our management endeavors. Simultaneously, the formulation and execution of robust business plans will feature prominently on our strategic agenda, aimed at ensuring the holistic success of the Company, especially in underexplored markets and segments.

Contribution to Government Exchequer

During the period under review, the Company made a substantial contribution of Rs. 3 billion to the national exchequer. This contribution encompasses various taxes and duties, including income tax, customs duties, general sales tax, and other requisite levies.

Board's Performance and Role Effectiveness

The Board of Directors ('the Board') consistently demonstrated

commendable performance, underscored by its effective contributions towards realizing the strategic objectives of the Company throughout the year.

The Board diligently fulfilled its duties and exercised its authority in strict accordance with the provisions of the Companies Act, 2017, and the Code of Corporate Governance. The Company has adhered to the pertinent principles outlined in the aforementioned code, as meticulously mentioned in the Company's 2023 statement of compliance with corporate governance. Detailed directors' reviews have been disclosed alongside all condensed interim financial information and annual financial statements for the financial year 2023. Demonstrating diligence, the Board has effectively supervised the Company's operations, ensuring the utmost protection of shareholders' interests.

The Board recognizes the critical significance of well-defined corporate governance procedures in enhancing corporate accountability. To reinforce meticulous oversight, the Board has established pertinent committees. In the fiscal year 2023, the Board convened regularly, conducting a total of

eleven meetings, supplemented by thirteen meetings held by its committees. The Board's effective leadership was instrumental in navigating the Company's affairs adeptly, achieving commendable performance amid a challenging economic landscape.

I extend my heartfelt gratitude to the esteemed members of the Board for their invaluable contributions towards AGTL's success in 2023. I also express sincere appreciation to our shareholders, customers, suppliers, and stakeholders for their unwavering support and trust. Special commendation is due to the dedicated efforts of AGTL's management and employees, whose commitment and hard work were pivotal in achieving our objectives. As we forge ahead, I am confident in AGTL's ability to overcome future challenges and create enduring value for all stakeholders.

Robert Ian McAllister
Chairman

22nd March 2024

چیئر مین کا جائزہ



رابرٹ اہسن میک ایلسٹر
چیئر مین

کمپنی کی کارکردگی کا جائزہ

سال 2023ء میں پاکستان کی معیشت بے شمار مواقعوں اور چیلنجز کے درمیان گھری رہی، بالخصوص اہم اکنامک انڈیکسز میں اتار چڑھاؤ، بین الاقوامی کرنسیوں کے مقابلے میں پاکستانی روپے کی قدر میں تبدیلی، صارفین کی قوت خرید میں کمی، مہنگائی بشمول درآمدی پابندیاں کا دباؤ رہا۔ مزید یہ کہ موجودہ غیر مستحکم سیاسی صورتحال نے کاروباری منظر نامے کو غیر یقینی کا شکار رکھا۔

اس پیچیدہ معاشی صورتحال کے پس منظر میں الغازی ٹریکٹرز لمیٹڈ (کمپنی) نے مستعدی کا مظاہرہ کیا۔ کمپنی نے 15,420 ٹریکٹرز فروخت کیے۔ جس میں 34.543 ارب روپے کی مجموعی آمدنی حاصل ہوئی جو کہ گزشتہ سال 28.201 ارب روپے کے مقابلے میں 22.49% کا نمایاں اضافہ ہے۔ سال کے دوران مجموعی منافع 6.423 ارب روپے رہا جو کہ گزشتہ سال کے 5.061 ارب روپے کے مقابلے میں 1.361 یا 26.9% زیادہ ہے۔ 31 دسمبر 2023ء کو اختتام ہونے والے مالی سال کے دوران قبل از ٹیکس منافع 4.687 ارب روپے رہا جو کہ گزشتہ سال کے مقابلے میں 23.47% کا نمایاں اضافہ ہے۔ یہ مالیاتی کامیابیاں کمپنی کی مستعدی اور معاشی پیچیدگیوں سے نبرد آزما ہونے کا ثبوت ہیں۔ کمپنی کی کامیابی کی جھلکیوں کی مزید تفصیلات ڈائریکٹرز کی رپورٹ میں پیش کی گئی ہیں۔

پوری مالی مدت کے دوران کمپنی کا سب سے زیادہ رجحان جدت اور معیار کو تقویت دینے کی کوشش کی جانب رہا۔ اس ہمہ جہت تبدیلی کے پروگرام میں پروڈکٹ پورٹ فولیوز میں بہتری، تجارتی اور فروخت کے امور میں بہتری، سپلائی چین میں بہتری، کمپنی کے نظامی ڈھانچے کی تنظیم نو، اور مینوفیکچرنگ آپریشنز کے لیے اصولوں اور ٹول کوالٹی مینجمنٹ کے طریقہ کار پر عمل درآمد شامل ہے۔ مزید برآں، موجودہ BAAN سسٹم سے SAP S/4HANA میں کی جانب منتقلی کمپنی کے جدید ترین ERP سلوشنز کو اپنانے کے عزم کی نشاندہی کرتی ہے۔

کمپنی اپنی معیاری مصنوعات کی فراہمی کو یقینی بنانے کے ساتھ ساتھ مستقبل میں بھی اسی معیار کو برقرار رکھنے کی کوششوں کا اعادہ کرتی ہے۔ اس کے ساتھ ساتھ مضبوط کاروباری منصوبوں کی تشکیل اور ان پر عمل درآمد ہماری حکمت عملی میں نمایاں ہے جس کا مقصد کمپنی کی مجموعی کامیابی اور خصوصاً نئی منڈیوں تک رسائی کرنا ہے۔

سرکاری خزانے میں حصہ ڈالنا

زیر جائزہ مدت کے دوران کمپنی نے قومی خزانے میں 3 ارب کی خطیر رقم جمع کروائی۔ اس مد میں مختلف ٹیکسیز اور ڈیوٹیز بشمول انکم ٹیکس، کسٹم ڈیوٹی، جزل سیلز ٹیکس، اور دیگر مطلوبہ محصولات شامل ہیں۔

بورڈ کی کارکردگی اور کردار کا اثر

بورڈ آف ڈائریکٹرز ('بورڈ') نے سال بھر کمپنی کے اسٹریٹجک مقاصد کو حاصل کرنے کے لیے اپنی موثر شراکت کے ذریعے مسلسل قابل ستائش کارکردگی کا مظاہرہ کیا۔

بورڈ نے پوری تندی سے اپنی ذمہ داریاں نبھائی ہیں اور کمپنی ایکٹ 2017ء اور کوڈ آف کارپوریٹ گورننس میں بیان کردہ شرائط کے مطابق اپنے اختیارات کا استعمال کیا ہے۔ کمپنی نے مذکورہ کوڈ میں بیان کردہ متعلقہ اصولوں کا مشاہدہ کیا ہے، جیسا کہ کمپنی کے 2023ء کے کارپوریٹ گورننس کے ضابطے کی تعمیل کے بیان میں جامع طور پر بیان کیا گیا ہے۔ ڈائریکٹرز کے جامع جائزوں کا اجرا تمام جامع عبوری مالیاتی معلومات اور مالی سال 2023ء کے سالانہ مالیاتی گوشواروں کے ساتھ کیا گیا ہے۔ بورڈ نے محنت اور لگن کے ساتھ کمپنی کے شیئر ہولڈرز کے مفادات کے تحفظ کے لیے کوشاں رہتے ہوئے کمپنی کے کاروبار کی بخوبی نگرانی کی ہے۔

بورڈ کارپوریٹ جو ابدی کو بڑھانے میں اچھی طرح سے طے شدہ کارپوریٹ گورننس کے عمل کی بنیادی اہمیت کو تسلیم کرتا ہے جتنا نگرانی کو مضبوط بنانے کے لیے بورڈ نے متعلقہ کمیٹیاں قائم کی ہیں۔ سال 2023ء کے دوران بورڈ نے باقاعدگی سے اجلاس بلایا اور کل گیارہ اجلاس منعقد کیے، جو اس کی کمیٹیوں کی طرف سے منعقدہ تیرہ اجلاسوں کے علاوہ ہیں۔ مشکل معاشی حالات میں قابل ستائش کارکردگی حاصل کرتے ہوئے کمپنی کے معاملات کو بخوبی چلانے میں بورڈ کا موثر کردار اہم تھا۔

میں 2023ء میں AGTL کی کامیابی میں بھرپور شراکت کے لیے بورڈ کے معزز اراکین کا تہہ دل سے شکریہ ادا کرتا ہوں۔ میں اپنے شیئر ہولڈرز، صارفین، سپلائرز، اور دیگر تمام اسٹیک ہولڈرز کی اور ان کی غیر متزلزل حمایت اور اعتماد کے لیے تہہ دل سے تعریف کرتا ہوں۔ خصوصی تعریف AGTL کی انتظامیہ اور ملازمین کی بھرپور کوششوں کی وجہ سے ہے جن کا عزم اور محنت ہمارے مقاصد کے حصول میں اہم تھی۔ جیسا کہ ہم آگے بڑھ رہے ہیں، مجھے AGTL کی مستقبل کے چیلنجز پر قابو پانے اور تمام اسٹیک ہولڈرز کے لیے پائیدار قدر پیدا کرنے کی صلاحیت پر یقین ہے۔

Rabiul Ahsan

رابرٹ اہسن میک ایلسٹر

چیئر مین

22 مارچ 2024ء

Directors' Report



The Directors of Al-Ghazi Tractors Limited ("the Company" or "AGTL") are pleased to present the annual report together with the Company's audited financial statements for the year ended 31 December 2023.

Operating Results

The financial results for the year under review are as follows:

	2023	2022
	(Rupees in '000)	
Sales	34,543,545	28,201,812
Gross profit	6,423,068	5,061,446
Profit before taxation	4,687,092	3,795,949
Taxation	(2,075,320)	(1,639,905)
Profit after tax	2,611,772	2,156,044
Other comprehensive income	36,368	(39,371)
Total income	2,648,140	2,116,673

Dividend & General Reserve

For the year ended 31 December 2023, the Board in its meeting held on March 22, 2024 has proposed a final cash dividend of PKR Nil per share amounting to PKR Nil.

Earnings Per Share

The Basic earnings per share were Rs. 45.06 in 2023 compared to Rs. 37.20 in 2022.

Performance Highlights

The economic landscape of Pakistan in 2023 continued to present formidable challenges, characterized by political turmoil, high inflation, diminished consumer purchasing power, a contracting GDP, and currency depreciation, amidst intermittent import restrictions. Despite these adversities, AGTL sold 15,420 tractors during the year 2023 and achieved



market share of 36% with an impressive sales revenue of Rs. 34.543 billion as compared to Rs. 28.201 billion last year registering growth of 22.49%. Gross profit for the year under review was Rs. 6.423 billion as compared to Rs. 5.061 billion last year recording growth of Rs. 1.361 billion (26.9%). Profit before Tax for the year ended 31 December 2023 stood at Rs.4.687 billion, 23.47% higher than the previous year.

Profit after Tax for the year ended 31 December 2023 stood at Rs.2.611 billion as compared to Rs. 2.156 billion, which was 21.13% higher than the previous year translating into earnings per share (EPS) of Rs. 45.06 per share.

"Key Operating and Financial Data" and the "Horizontal and Vertical Analysis of Financial Statements" highlighted in the Annual Report testify to the strength of the Company.

Appropriations

The statement of unappropriated profit for the year under review is as follows:

	2023	2022
	(Rupees in '000)	
Unappropriated profit – brought forward	2,842,264	3,683,446
Total income for the year	2,648,140	2,116,673
Transfer from general reserve to unappropriated profit	-	-
Amount available for appropriation	5,490,404	5,800,119
Appropriation:		
Final dividend paid for the year 2021: Rs. 51.03 per share	-	(2,957,855)
Unappropriated profit – carried forward	5,490,404	2,842,264

Chairman's Review

The Directors fully endorse the contents of the Chairman's Review included in the Annual Report.





Board Structure

As at the signing of this report, the Board of directors comprise of following ten members including CEO of which one female member and nine male members.

1. Mr. Robert McAllister	Non-Executive director
2. Mr. Dmitrii Bogatyrev	Non-Executive director
3. Mr. Malik Ehtisham Ikram	Non-Executive director
4. Mr. Marco Votta	Non-Executive director
5. Mr. Vincent De Lassagne	Non-Executive director
6. Mr. Matthieu Séjourné	Non-Executive director
7. Mr. Shahid Shahbaz Toor	Independent director
8. Ms. Farah Qureshi	Independent director
9. Mr. Malik Mirza	Independent director
10. Mr. Sakib Eltaff	CEO

Following are the names of persons who, at any time during the financial year were directors/CEO of the Company:

1. Mr. Robert McAllister	Non-Executive director
2. Mr. Dmitrii Bogatyrev	Non-Executive director
3. Mr. Malik Ehtisham Ikram	Non-Executive director
4. Mr. Marco Votta	Non-Executive director
5. Mr. Vincent De Lassagne	Non-Executive director
6. Mr. Matthieu Séjourné	Non-Executive director
7. Mr. Shahid Shahbaz Toor	Independent director
8. Ms. Farah Qureshi	Independent director
9. Mr. Sakib Eltaff	CEO
10. Mr. Javed Iqbal	Acting CEO

During the period under review, Mr. Dmitrii Bogatyrev was co-opted as a non-executive and nominee director of Al-Futtaim Industries Co. LLC, succeeding Mr. Ramesh Narasimhan. Subsequently, Mr. Javed Iqbal, who had been serving as CFO & Acting CEO, resigned from the position of Acting CEO. In his place, Mr. Sakib Eltaff was appointed as CEO. Subsequent to the year-end, elections of the Board of Directors were held on March 01, 2024. All retiring directors were re-elected (unopposed) for a three-year term. Additionally, Mr. Malik Mirza was elected as an Independent Director for the first time on the Board. The Board re-elected Mr. Robert McAllister as the Chairman and re-appointed Mr. Sakib Eltaff as the Chief Executive Officer of the Company.

Gender diversity on the Board:

a) Male	9
b) Female	1

Functional diversity on the Board:

a) Independent directors	3
b) Non-Executive directors	6
c) Executive director (CEO)	1

Committees

The Board has formed three committees, comprising of the following members of the Board as at the signing of this report:

(a) Audit Committee

Ms. Farah Qureshi	Chairperson & Independent director
Mr. Marco Votta	Non-Executive director
Mr. Malik Ehtisham Ikram	Non-Executive director
Mr. Malik Mirza	Independent Director

(b) Human Resource & Remuneration Committee

Ms. Farah Qureshi	Chairperson & Independent director
Mr. Marco Votta	Non-Executive director
Mr. Malik Ehtisham Ikram	Non-Executive director
Mr. Sakib Eltaff	Chief Executive Officer

(c) Technical Committee

Mr. Shahid Shahbaz Toor	Chairman & Independent director
Mr. Robert McAllister	Non-Executive director
Mr. Matthieu Séjourné	Non-Executive director
Mr. Vincent De Lassagne	Non-Executive director
Mr. Marco Votta	Non-Executive director
Mr. Malik Ehtisham Ikram	Non-Executive director
Mr. Dmitrii Bogatyrev	Non-Executive Director

Directors' Remuneration

In order to retain the best talent, the Company's remuneration policies are structured in line with prevailing industry trends and business practices. The Company has approved the remuneration policy of directors. In accordance with the remuneration policy and the Code of Corporate Governance, it is ensured that no Director takes part in deciding his own remuneration. The Company does not pay remuneration to non-executive directors except independent directors for attending the meetings.

The Company has no executive directors other than the CEO.

Kindly refer to note 34 of the Unconsolidated Financial Statements for details of remuneration of Directors and Chief Executive.

The aggregate amount charged for the statement of profit or loss for the year in respect of fee to director was Rs.8.59 million (2022: Rs. 7.22 million).

The remuneration package of Directors on account of Salary, perquisites, benefits, and fee are:

Chief Executive Officer	Rs. 3.385 million
Executive Director	Rs. Nil million



Review of CEO's performance

The performance of the CEO is formally appraised through the evaluation system which is based on quantitative and qualitative values. It includes the performance of the business, the accomplishment of objectives with reference to profits, organization building, succession planning and corporate success.

Pattern of Shareholding

The pattern of shareholding of the Company is annexed to this report under the section of "Investor Relations".

Foreign Holding Position

Al Futtaim Industries Co. LLC., incorporated in United Arab Emirates, being the holder of 50.02% shares, is the holding company of AGTL. CNH Industrial N.V, incorporated in the Netherlands, is the other major shareholder, holding 43.17% shares of AGTL.

Business Continuity Plan

There are no significant doubts on the Company's ability to continue as a going concern.

Awards & Recognition

AGTL participated in Best Corporate Reports Awards 2022 and secured a merit certificate in the Engineering & Auto sector. This certificate was presented to AGTL by the Joint Committee of The Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP).

Environment, Social and Governance (ESG)

The Company actively considers social, environmental, and ethical factors within the broader business landscape. It is steadfast in its commitment to serving the best interests of all stakeholders, especially the community and workforce at its Dera Ghazi Khan plant, which forms a crucial part of its customer and employee base.

The Corporate Social Responsibility (CSR) report, which discusses the company's approach to health and safety, human resources, social, environmental, and related issues, is included in the 'Sustainability Report' within this Annual Report.

Throughout the year, the Company has continued to carry out various CSR activities, focusing on initiatives such as local talent development, employment of individuals with special needs, and active involvement in community welfare, particularly in Dera Ghazi Khan. Efforts have also been directed towards improving industrial relations, ensuring consumer protection, and upholding business ethics.

Regarding environmental impact, the Company remains dedicated



and has implemented several processes aimed at energy conservation, reuse, recycling, environmental conservation, tree planting, and fuel efficiency.

Flood Relief

In wake of the devastating floods that wreaked havoc in the southern region of Pakistan, AGTL stood in solidarity with the flood victims, offered vital assistance in form of relief kits. Those kits comprised of essential items such as rice, flour, pulses, ghee, sugar, and clothing. As a responsible corporate citizen and in line with shareholders' values to support local communities, and farmers, AGTL distributed 2,175 kits to flood-affected individuals across nine different cities.

Nature of Business

No change has occurred during the financial year concerning the nature of the business of the Company.

Significant Plans and Decisions

The year marked a significant milestone with the initiation of the SAP kickoff, a monumental step towards upgrading our technological infrastructure. This transition aligns AGTL with cutting-edge technology platforms, ensuring enhanced operational efficiency and adaptability to

evolving market demands. Furthermore, comprehensive organizational transformation endeavors were undertaken, fostering agility, prioritizing new product development, and elevating product quality across the organization.

Default of Payments, Debt/Loan, Taxes and Levies

Operating according to the highest business standards, the Company acknowledges its obligation to make timely repayments of due amounts. There were no instances of default on loan or debt payments during the reviewed year. Additionally, as of the end of the financial year, there are no overdue or outstanding payments for taxes, duties, or levies.

Macro-Economic Environment & Tractor Industry

As per State Bank of Pakistan's report, the country's economy achieved a real GDP growth of around 0.3% in FY23. The agriculture sector is indispensable to the country's economic growth, food security, employment generation and poverty alleviation, particularly at the rural level. It constitutes 22.9% of the GDP and provides employment to around 37.3% of the labor force. Overall, the tractor industry witnessed a sales drop of 3% in the calendar

year 2023 as compared to Last Year. According to published numbers, approx. 42,840 tractors were sold during the current period as compared to 43,981 last year.

Subsequent Events

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company and the date of this report, except as disclosed.

Adequacy of Internal Controls

The Board of Directors recognizes its responsibility for the internal control environment and has established a robust system to ensure effective and efficient operations, safeguard the Company's assets, comply with laws and regulations, and provide reliable financial reporting. The independent Internal Audit function regularly evaluates and oversees the implementation of financial controls, while the Audit Committee reviews the effectiveness of the internal control framework and financial statements quarterly.

Future Development & Outlook

Over the past several years, the company has maintained its position as a key player in the industry, particularly in the 55

to 75 HP segments nationwide. The evolving industry landscape presents an opportunity for the company to increase its market share across all HP segments, focusing on delivering superior product capabilities and services to customers in agriculture, commercial, government, and other sectors, while maximizing shareholder value. To achieve this goal, AGTL has initiated a comprehensive transformation journey aimed at fostering innovation, enhancing its product portfolio, and strengthening its business operations.

However, it is important to note the unprecedented challenges facing the Pakistani economy due to political instability and critically low foreign exchange reserves, which are exerting pressure on all sectors, particularly the automobile industry. Given the economic uncertainties, the company may face a challenging period ahead. Experts predict further devaluation of the PKR in the coming months, which could exacerbate difficulties for the company, especially due to import restrictions and rising prices of parts. Consequently, the purchasing power of customers is expected to decline significantly, potentially leading to a drop in sales volume for the entire tractor sector.

The transformation program targets improvements across all company operations, including Supply Chain, Sales and Marketing, Production Enhancement & Development, and Information Technology, among others.

The Company is actively working to implement mitigation strategies to minimize the adverse effects of these risks. However, the outcome largely depends on external factors, such as the country's economic situation and fiscal policies.

Financial & Corporate Governance Framework

The Company has ensured compliance with all material requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The following statements regarding financial and corporate governance/control framework are as follows:

- The financial statements prepared by the management of the Company, fairly present its state of affairs, the results of its operations, cash flows, and changes in equity.
- Accounting policies disclosed in the financial statements have been consistently applied in the preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan,

Directors' Report



have been followed in the preparation of these financial statements.

- The Company has fully complied with the Listing Regulations of the Pakistan Stock Exchange.
- The Directors, Chief Financial Officer, Head of Internal Audit, Company Secretary, and their spouses and minor children have not traded in the Company's shares during the year, except as disclosed to the Stock Exchange/SECP from time to time in compliance with PSX Regulations & Securities Act 2015.
- The key audited operating and financial results for the last six years have been included in this Annual Report.

- Eleven meetings of the Board of Directors were held during the year, six meetings of the Board's Technical Committee were held, and the number of meetings of the Board's Audit Committee held was six. One meeting of the Human Resources & Remuneration Committee was held during the year. Details of attendance by each director/member are shown in this Annual Report under the section of "Corporate Governance."
- The Board Audit Committee reviewed the related party transactions, and the Board approved them. These transactions were in line with the requirements of International Financial Reporting Standards (IFRS) and the Companies Act, 2017. The Company maintains a thorough and complete record of all such transactions. The details of related party transactions are disclosed in a note of the financial statements of the Company.
- Information about taxes and levies is given in the financial statements.

Credit Rating

Credit rating is an assessment of credit standing of entities in Pakistan. VIS Credit Rating Company Limited (VIS) has maintained the entity ratings of AGTL of 'A+/A-1' (Single A Plus/A-One). Long Term Rating of 'A+' reflects good credit quality and adequate protection factors. Risk factors may vary with possible changes in the economy. Short Term Rating of 'A-1' signifies

high certainty of timely payment, excellent liquidity factors supported by good fundamental protection factors. Risk factors are minor. Outlook on the assigned ratings is 'Stable'.

Principal Risks, Challenges and Uncertainties

To mitigate the main risks and uncertainties, the Company is actively managing its strategies. For example, its strategies and medium-term business plans consider relevant internal and external factors to address business risks. In 2023, the Company implemented various strategies to effectively manage the rising costs of metals. The localization drive, currently at 92%, along with short-term supplier management, played a crucial role in balancing the increased cost of metals and other raw materials.

The Company aims to strengthen its position as a market leader by becoming one of the most cost-effective producers of high-quality tractors. Its enduring competitive advantage lies in the quality of its tractors.

External Auditors

The current auditors, Messrs. A. F. Ferguson & Co., Chartered Accountants, are set to retire on the day of the Annual General Meeting. Being eligible, they have offered themselves for re-appointment. The Board of Directors endorse the recommendation of the Audit Committee for the re-appointment of Messrs. A. F. Ferguson & Co., Chartered Accountants, as the statutory auditors for the financial year 2024.

Financials on Website

The financial results for the year 2023 will be available on the Company's website at www.alghazitractors.com.

Acknowledgments

The Board expresses gratitude to our employees, dealers, and principals Al Futtaim Industries Co. LLC., and CNH Industrial for their ongoing support and dedication. We are committed to not only maintaining but enhancing our performance to deliver exceptional results in the years ahead.

On behalf of the Board of Directors

Robert Ian McAllister
Chairman of the Board

Sakib Eltaff
Chief Executive Officer

March 22, 2024



لیے قانونی آڈیٹرز کے طور پر میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کے لیے آڈٹ کمیٹی کی سفارش کی توثیق کرتے ہیں۔

ویب سائٹ پر مالیات

سال 2023ء کے مالیاتی نتائج کمپنی کی ویب سائٹ www.alghazitractors.com پر دستیاب ہوں گے۔

اعترافات

بورڈ ہمارے ملازمین، ڈیلرز، اور پرنسپل AI-Futtaim Industries Co. LLC, اور CNH انڈسٹریل کا مسلسل تعاون اور لگن کے لیے شکریہ ادا کرتا ہے۔ ہم آنے والے سالوں میں غیر معمولی نتائج فراہم کرنے کے لیے اپنی کارکردگی کو نہ صرف برقرار رکھنے بلکہ بڑھانے کے لیے پرعزم ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

Al-H

ثاقب الطاف
سی ای او

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رابرٹ میکالیسٹر
چیئر مین بورڈ

22 مارچ 2024ء

بورڈ آڈٹ کمیٹی نے متعلقہ فریق کے لین دین کا جائزہ لیا، اور بورڈ نے ان کی منظوری دی۔ یہ لین دین بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRS) اور اینڈسٹری ایکٹ 2017 کے تقاضوں کے مطابق تھے۔ کمپنی اس طرح کے تمام لین دین کا مکمل ریکارڈ رکھتی ہے۔ متعلقہ فریق کے لین دین کی تفصیلات کمپنی کے مالیاتی گوشواروں کے ایک نوٹ میں ظاہر کی گئی ہیں۔ ٹیکس اور لیویز کے بارے میں معلومات مالیاتی گوشواروں میں دی گئی ہیں۔

کریڈٹ ریٹنگ

کریڈٹ ریٹنگ پاکستان میں اداروں کے کریڈٹ سٹیٹنگ کا اندازہ ہے۔ VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) نے AGTL کے ادارے کی درجہ بندی کو 'A+' / 'A' (سنگل) / 'A+' (One-A/Plus A) برقرار رکھا ہے۔ 'A+' کی طویل مدتی درجہ بندی اچھے کریڈٹ کوالٹی اور مناسب تحفظ کے عوامل کی عکاسی کرتی ہے۔ معیشت میں ممکنہ تبدیلیوں کے ساتھ خطرے کے عوامل مختلف ہو سکتے ہیں۔ 'A+' کی قلیل مدتی درجہ بندی بروقت ادائیگی کے اعلیٰ یقین کی نشاندہی کرتی ہے، بہترین لیکویڈیٹی عوامل جن کی حمایت اچھے بنیادی تحفظ کے عوامل سے ہوتی ہے۔ خطرے کے عوامل معمولی ہیں۔ تفویض کردہ درجہ بندی پر آڈٹ لک 'مستحکم' ہے۔

بنیادی خطرات، چیلنجز اور غیر یقینی صورتحال

اہم خطرات اور غیر یقینی صورتحال کو کم کرنے کے لیے کمپنی فعال طور پر اپنی حکمت عملی پر عمل درآمد کر رہی ہے۔ مثال کے طور پر، اس حکمت عملی اور درمیانی مدت کے کاروباری منصوبے کاروباری خطرات سے نمٹنے کے لیے متعلقہ اندرونی اور بیرونی عوامل پر غور کرتے ہیں۔ 2023ء میں کمپنی نے دھاتوں کی بڑھتی ہوئی قیمتوں کو مؤثر طریقے سے منظم کرنے کے لیے مختلف حکمت عملیوں کو نافذ کیا۔ لوکلائزیشن ڈرائیو، فی الحال 92 فیصد پر، قلیل مدتی سپلائر مینجمنٹ کے ساتھ، دھاتوں اور دیگر خام مال کی بڑھتی ہوئی قیمت کو متوازن کرنے میں اہم کردار ادا کرتی ہے۔ کمپنی کا مقصد اعلیٰ معیار کے ٹریکٹرز کے سب سے زیادہ کفایتی پروڈیوسر میں سے ایک بن کر مارکیٹ لیڈر کے طور پر اپنی پوزیشن مضبوط کرنا ہے۔ اس کا پائیدار مسابقتی فائدہ اس کے ٹریکٹرز کے معیار میں مضمر ہے۔

بیرونی آڈیٹرز

موجودہ آڈیٹرز، میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، سالانہ جنرل میٹنگ کے دن ریٹائر ہونے والے ہیں۔ اہل ہونے کی وجہ سے انہوں نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ بورڈ آف ڈائریکٹرز مالی سال 2024ء کے

کمپنی خطرات کے منفی اثرات کو کم کرنے کیلئے تخفیف کی حکمت عملیوں کو یقینی بنانے کے لیے انتھک محنت کر رہی ہے۔ تاہم، صورتحال کا زیادہ تر انحصار بیرونی عوامل یعنی ملکی معاشی صورتحال اور نافذ کردہ مالیاتی پالیسی پر ہے۔

مالیاتی اور کارپوریٹ گورننس فریم ورک

کمپنی نے لسٹنگ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019ء کے تمام مادی تقاضوں کی تعمیل کی ہے۔ مالیاتی اور کارپوریٹ گورننس/کنٹرول فریم ورک کے بارے میں گوشوارہ جات درج ذیل ہیں:

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشواروں، اس کی حالت، اس کے کاموں کے نتائج، کیش فلو، اور ایکویٹی میں ہونے والی تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔
- مالیاتی گوشواروں میں ظاہر کردہ اکاؤنٹنگ پالیسیوں کو مالیاتی گوشواروں کی تیاری میں مسلسل لاگو کیا گیا ہے۔ اکاؤنٹنگ تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہوتے ہیں۔
- ان مالیاتی بیانات کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، کی بیرونی کی گئی ہے۔
- کمپنی نے پاکستان اسٹاک ایکسچینج کے لسٹنگ کے ضوابط کی مکمل تعمیل کی ہے۔
- ڈائریکٹرز، چیف فنانشل آفیسر، ہیڈ آف انٹرنل آڈٹ، کمپنی سیکرٹری، اور ان کی شریک حیات اور نایاب بچوں نے سال کے دوران کمپنی کے حصص میں کوئی لین دین نہیں کیا، سوائے اس کے کہ جس کا سیکورٹیز ایکٹ 2015ء اسٹاک ایکسچینج/SECP کے ضابطے کی تعمیل میں وقتاً فوقتاً انکشاف کیا گیا ہو۔
- گزشتہ چھ سالوں کے اہم آڈٹ شدہ آپریٹنگ اور مالیاتی نتائج کو اس سالانہ رپورٹ میں شامل کیا گیا ہے۔
- رواں سال کے دوران بورڈ آف ڈائریکٹرز کی گیارہ میٹنگز ہوئیں، بورڈ کی ٹیکنیکل کمیٹی کی چھ میٹنگز ہوئیں، اور بورڈ کی آڈٹ کمیٹی کی میٹنگز کی تعداد چھ تھی۔ سال کے دوران ہیومن ریسورسز اینڈ ریویژن کمیٹی کا ایک اجلاس منعقد ہوا۔ ہر ڈائریکٹر/ممبر کی حاضری کی تفصیلات "کارپوریٹ گورننس" کے سیکشن کے تحت اس سالانہ رپورٹ میں دکھائی گئی ہیں۔

ڈائریکٹرز رپورٹ

ڈائریکٹر کا معاوضہ

بہترین ٹیلنٹ کو برقرار رکھنے کے لیے کمپنی کی معاوضے کی پالیسیز صنعت کے مروجہ رجحانات اور کاروباری طریقوں کے مطابق بنائی گئی ہیں۔ کمپنی نے ڈائریکٹرز کے معاوضے کی پالیسی کی منظوری دے دی ہے۔ معاوضے کی پالیسی اور کوڈ آف کارپوریٹ گورننس کے مطابق اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے معاوضے کا فیصلہ کرنے میں حصہ نہ لے۔ کمپنی اجلاس میں شرکت کے لیے آزاد ڈائریکٹرز کے علاوہ نان ایگزیکٹو ڈائریکٹرز کو معاوضہ ادا نہیں کرتی ہے۔

کمپنی میں سی ای او کے علاوہ کوئی ایگزیکٹو ڈائریکٹر نہیں ہے۔

ڈائریکٹرز اور چیف ایگزیکٹو کے معاوضے کی تفصیلات کے لیے برائے مہربانی کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کے نوٹ 34 کو دیکھیں۔

ڈائریکٹرز کو فیس کی مددیں سال کے منافع یا نقصان کے گوشوارے پر وصول کی گئی مجموعی رقم 8.59 ملین روپے (2022 میں 7.22 ملین روپے) تھی۔

تنخواہ، مراعات، فوائد اور فیس کے حساب سے ڈائریکٹرز کا معاوضہ پیکج یہ ہے:

چیف ایگزیکٹو آفیسر 3.385 ملین روپے

ایگزیکٹو ڈائریکٹر صرف ملین روپے

سی ای او کی کارکردگی کا جائزہ

سی ای او کی کارکردگی کا باضابطہ طور پر تشخیصی نظام کے ذریعے اندازہ لگایا جاتا ہے جو مقصد اور معیاری اقدار پر مبنی ہوتا ہے۔ اس میں کاروباری کارکردگی، منافع کے حوالے سے مقاصد کی تکمیل، تنظیم سازی، جائیٹی کی منصوبہ بندی اور ادارہ جاتی کامیابی شامل ہے۔

شیر ہولڈنگ کا پیرن

کمپنی کے شیر ہولڈنگ کا نمونہ ”سرمایہ کار تعلقات“ کے جزو کے تحت اس رپورٹ کے ساتھ منسلک ہے۔

غیر ملکی ہولڈنگ پوزیشن

الظہم انڈسٹریز کمپنی ایل ایل سی، متحدہ عرب امارات میں قائم ہے، جو کہ % 50.02 حصص کی حامل ہے، AGTL کی ہولڈنگ کمپنی ہے۔ CNH انڈسٹریل N.V.، نیدرلینڈز میں قائم، دوسرا بڑا شیر ہولڈر ہے، جس کے پاس AGTL کے % 43.17 حصص ہیں۔

کاروبار کے تسلسل کا منصوبہ

جاری و ساری ادارے کے طور پر چلتے رہنے کی کمپنی کی صلاحیت کے بارے میں کوئی خاص شک و شبہ نہیں ہے۔

اعزازات و اعترافات

AGTL نے بہترین کارپوریٹ رپورٹس ایوارڈ 2022ء میں حصہ لیا اور انجینئرنگ اور آٹو سیکٹر میں میرٹ ٹیٹیکٹ حاصل کیا۔ یہ ٹیٹیکٹ حاصل کیا۔ یہ ٹیٹیکٹ AGTL کو دی انٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) اور انٹیٹیوٹ آف کاسٹ اینڈ میجینٹ اکاؤنٹنٹس آف پاکستان (ICMAP) کی مشترکہ کمپنی نے پیش کیا تھا۔

انوائزمنٹ، سوشل اینڈ گورننس (ای ایس جی)

کمپنی وسیع تر کاروباری تناظر میں سماجی، ماحولیاتی، اور اخلاقی عوامل پر فعال طور پر غور کرتی ہے۔ یہ اپنے ذریعہ غازی خان پلانٹ میں تمام اسٹیک ہولڈرز، خاص طور پر کمیونٹی اور افرادی قوت کے بہترین مفادات کی خدمت کے لیے اپنے عزم پر ثابت قدم ہے، جو اس کے کسٹمر اور ملازمین کی بنیاد کا ایک اہم حصہ ہے۔

کارپوریٹ سماجی ذمہ داری (CSR) رپورٹ جو کہ کمپنی کے صحت اور حفاظت، انسانی وسائل، سماجی، ماحولیاتی، اور متعلقہ مسائل پر مبنی ہے، اس سالانہ رپورٹ میں اسٹینڈیٹ رپورٹ میں شامل ہے۔

پورے سال کے دوران کمپنی نے مختلف CSR سرگرمیاں جاری رکھی ہیں، جن میں مقامی ٹیلنٹ کو پروان چڑھانا، خصوصی ضروریات کے حامل افراد کی ملازمت، اور خاص طور پر ذریعہ غازی خان میں کمیونٹی ویلفیئر میں فعال شمولیت جیسے اقدامات پر توجہ مرکوز کی گئی ہے۔ صنعتی تعلقات کو بہتر بنانے، صارفین کے تحفظ کو یقینی بنانے اور کاروباری اخلاقیات کو برقرار رکھنے کے لیے بھی کوششیں کی گئی ہیں۔

ماحولیاتی اثرات کیلئے کمپنی مکمل طور پر وقف ہے اور اس نے توانائی کے تحفظ، دوبارہ استعمال، ری سائیکلنگ، ماحولیاتی تحفظ، شجر کاری، اور ایندھن کی بچت کے لیے متعدد امور کو نافذ کیا ہے۔

سیلاب سے بحالی

پاکستان کے جنوبی علاقے میں تباہی چھانے والے تباہ کن سیلاب کے تناظر میں، AGTL سیلاب متاثرین کے ساتھ یکجہتی کے لیے کھڑا ہوا، ریلیف کٹس کی شکل میں مدد کی۔ ان کٹس میں چاول، آٹا، دالیں، گھی، چینی اور کپڑے جیسی ضروری اشیاء شامل تھیں۔ ایک ذمہ دار کارپوریٹ شہری کے طور پر اور مقامی کمیونٹی اور کسانوں کی مدد

کے لیے شیر ہولڈرز کی اقدار کے مطابق، AGTL نے نو مختلف شہروں میں سیلاب سے متاثرہ افراد میں 2,175 کٹس تقسیم کیں۔

کاروبار کی نوعیت

مالی سال کے دوران کمپنی کے کاروبار کی نوعیت سے متعلق کوئی تبدیلی نہیں آئی۔

اہم منصوبے اور فیصلے

یہ سال SAP کک آف کے آغاز کے اہم سنگ میل سے شروع ہوا جو ہمارے تکنیکی بنیادی ڈھانچے کو اپ گریڈ کرنے کی طرف ایک یادگار قدم ہے۔ یہ منتقلی AGTL کو جدید ترین ٹیکنالوجی پلیٹ فارمز کے ساتھ ہم آہنگ کرتی ہے، جس سے بہتر آپریشنل کارکردگی اور مارکیٹ کی بڑھتی ہوئی طلب کے مطابق موافقت کو یقینی بنایا جاتا ہے۔ مزید برآں، جامع تنظیمی تبدیلی کی کوششیں کی گئیں، برقی رفتار کی فروغ دینا، نئی مصنوعات کی ترقی کو ترجیح دینا، اور پوری تنظیم میں مصنوعات کے معیار کو بلند کرنا۔

ادائیگیوں کا نادر ہندہ، قرض / مختصر قرض، ٹیکس اور محصول

بہترین کاروباری طریقوں کی پابندی کرتے ہوئے کمپنی مقررہ رقم کی بروقت ادائیگی کرنے کی اپنی ذمہ داری کو تسلیم کرتی ہے۔ زبرد جانزہ سال کے دوران قرض یا قرض کی ادائیگیوں میں کوئی ڈیفالٹ ریکارڈ نہیں کیا گیا۔ مزید برآں، مالی سال کے اختتام تک، ٹیکس، ڈیوٹی، یا لیویز کی مد میں کوئی ادائیگی واجب الادا یا بقایا نہیں ہیں۔

میکرو اکنامک انوائزمنٹ اور ڈائریکٹرز انڈسٹری

اسٹیٹ بینک آف پاکستان کی رپورٹ کے مطابق، ملکی معیشت نے مالی سال 2023ء میں تقریباً 0.3 فیصد کی حقیقی جی ڈی پی نمو حاصل کی۔ زراعت کا شعبہ ملک کی اقتصادی ترقی، غذائی تحفظ، روزگار کے مواقع پیدا کرنے اور غربت کے خاتمے کے لیے خاص طور پر دیہی سطح پر ناگزیر ہے۔ یہ جی ڈی پی کا 22.96 فیصد بنتا ہے اور تقریباً 37.3 فیصد لیبر فورس کو روزگار فراہم کرتا ہے۔ مجموعی طور پر، ڈائریکٹرز کی صنعت نے گزشتہ سال کے مقابلے کیلئے رسالہ 2023ء میں فروخت میں 3 فیصد کی دیکھی ہے۔ جاری کردہ نمبروں کے مطابق، تقریباً موجودہ مدت کے دوران 42,840 ڈائریکٹرز فروخت ہوئے جو کہ گزشتہ سال 43,981 تھے۔

پیش آنے والے واقعات

کمپنی کے مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت کو متاثر کرنے والی کوئی مادی تبدیلیاں یا وعدے نہیں ہوئے ہیں سوائے ان کے جنہیں ظاہر کر دیا گیا ہے۔

داخلی کنٹرول کی اکتفا دیت

بورڈ آف ڈائریکٹرز داخلی کنٹرول کے ماحول کے لیے اپنی ذمہ داری سے آگاہ ہے اور اسکے مطابق، آپریشن کے موثر اور موثر انعقاد کو یقینی بنانے، کمپنی کے اثاثوں کی حفاظت، قوانین اور ضوابط کی تعمیل، اور قابل اعتماد مالیاتی رپورٹنگ فراہم کرنے کے لیے ایک مضبوط نظام قائم کیا ہے۔ آزادانہ اندرونی آڈٹ فنکشن مالیاتی کنٹرولز کے نفاذ کا باقاعدگی سے جائزہ اور نگرانی کرتا ہے جبکہ آڈٹ کمیٹی سہ ماہی بنیادوں پر اندرونی کنٹرول کے فریم ورک اور مالیاتی گوشواروں کے اثرات کا جائزہ لیتی ہے۔

مستقبل کی ترقی اور توقعات

گزشتہ کئی سالوں نے کمپنی نے انڈسٹری کے اہم رکن کے طور پر اپنا مقام برقرار رکھا ہے، بالخصوص قومی سطح پر 55 اور 75 ہارس پاور ٹریکٹر کے سیگمنٹ میں۔ انڈسٹری میں بدلتی صورتحال درحقیقت کمپنی کو ایک موقع فراہم کرتی ہے کہ وہ تمام HP کے شعبوں میں اپنے مارکیٹ شیر کو زراعت، تجارتی، حکومت اور دیگر شعبوں میں صارفین کو اعلیٰ مصنوعات کی صلاحیتوں اور خدمات کی فراہمی کو یقینی بنانے کے ساتھ ساتھ شیر ہولڈرز کی قدر کو زیادہ سے زیادہ بڑھائے۔ اس مقصد کو حاصل کرنے کیلئے AGTL نے ایک مکمل تبدیلی کے سفر کا آغاز کیا ہے جو کمپنی کو اپنے پراڈکٹ پورٹ فولیو اور کاروباری آپریشنز کو جدید، بہتر اور مضبوط کرنے کی طرف لے جا رہا ہے۔ تبدیلی کا پروگرام کمپنی کے تمام آپریشنز بشمول سپلائی چین، ہیڈ آفس مارکیٹنگ، پیداوار میں اضافہ اور ترقی، انفارمیشن ٹیکنالوجی، تنظیمی ڈھانچہ سمیت دیگر کاموں میں بہتری پر مرکوز ہے۔

تاہم، یہاں یہ بات قابل ذکر ہے کہ سیاسی عدم استحکام اور زور مبادلہ کے ذخائر کی کم ترین سطح کی وجہ سے پاکستانی معیشت کو درپیش بے مثال چیلنجز معیشت کے تمام شعبوں بالخصوص آٹو موٹائل سیکٹر کیلئے دباؤ پیدا کر رہے ہیں۔ معاشی بد حالی کو مد نظر رکھتے ہوئے کمپنی کو آگے بڑھنے میں مشکل دور کا سامنا کرنا پڑ سکتا ہے۔ ماہرین کی طرف سے یہ پیش گوئی کی گئی ہے کہ روپے کی قدر اگلے چند مہینوں میں مزید گر سکتی ہے، جو کمپنی کیلئے خاص طور پر درآمدی پابندیوں اور برزوں کی قیمتوں میں اضافے کی وجہ سے مزید مشکلات پیدا کرے گی۔ چیلنجز صارفین کی قوت خرید نمایاں طور پر خراب ہونے کا امکان ہے۔ یہ پورے ٹریکٹر سیکٹر کے حجم میں کمی کا باعث بن سکتا ہے۔

کمپنی کا تبدیلی کا پروگرام کمپنی کے تمام آپریشنز بشمول سپلائی چین، ہیڈ آفس مارکیٹنگ، پروڈکشن میں بہتری اور ترقی، اور انفارمیشن ٹیکنالوجی سمیت دیگر تمام امور میں بہتری پر مرکوز ہے۔



کمیشنرز

رپورٹ پر دستخط کرنے تک بورڈ نے مندرجہ ذیل ممبران پر مشتمل 3 کمیٹی تشکیل دی ہیں:

(الف) آڈٹ کمیٹی

محترمہ فرح قریشی	چیمبر پرسن و آزاد ڈائریکٹر	مسٹر مارکو وٹا	نان ایگزیکٹو ڈائریکٹر
جناب ملک احتشام اکرام	نان ایگزیکٹو ڈائریکٹر	جناب ملک مرزا	آزاد ڈائریکٹر

(ب) ہیومن ریسورس اینڈ ریمونڈیشن کمیٹی

محترمہ فرح قریشی	چیمبر پرسن و آزاد ڈائریکٹر	مسٹر مارکو وٹا	نان ایگزیکٹو ڈائریکٹر
جناب ملک احتشام اکرام	نان ایگزیکٹو ڈائریکٹر	جناب ثاقب الطاف	سی ای او

(ج) ٹیکنیکل کمیٹی

جناب شاہد شہباز طور	چیمبر مین و آزاد ڈائریکٹر	مسٹر رابرٹ میک ایلسٹر	نان ایگزیکٹو ڈائریکٹر
مسٹر میتھیو سچورنے	نان ایگزیکٹو ڈائریکٹر	مسٹر ونسنٹ ڈی لاساگنے	نان ایگزیکٹو ڈائریکٹر
مسٹر مارکو وٹا	نان ایگزیکٹو ڈائریکٹر	جناب ملک احتشام اکرام	نان ایگزیکٹو ڈائریکٹر
مسٹر دی متری بوگا تریریو	نان ایگزیکٹو ڈائریکٹر		

چیمبر مین کی جائزہ رپورٹ

ڈائریکٹرز سالانہ رپورٹ میں شامل چیمبر مین کے جائزے کے مندرجات کی مکمل توثیق کرتے ہیں۔

بورڈ کا ڈھانچہ

اس رپورٹ پر دستخط ہونے تک بورڈ آف ڈائریکٹرز مندرجہ ذیل دس ممبران پر مشتمل ہے جس میں سی ای او بھی شامل ہیں، ان میں سے ایک خاتون ممبر اور نو ممبران ہیں۔

1. مسٹر رابرٹ میک ایلسٹر	نان ایگزیکٹو ڈائریکٹر	2. مسٹر دی متری بوگا تریریو	نان ایگزیکٹو ڈائریکٹر
3. جناب ملک احتشام اکرام	نان ایگزیکٹو ڈائریکٹر	4. مسٹر مارکو وٹا	نان ایگزیکٹو ڈائریکٹر
5. مسٹر ونسنٹ ڈی لاساگنے	نان ایگزیکٹو ڈائریکٹر	6. مسٹر میتھیو سچورنے	نان ایگزیکٹو ڈائریکٹر
7. جناب شاہد شہباز طور	آزاد ڈائریکٹر	8. محترمہ فرح قریشی	آزاد ڈائریکٹر
9. جناب ملک مرزا	آزاد ڈائریکٹر	10. جناب ثاقب الطاف	سی ای او

ان افراد کے نام درج ذیل ہیں جو مالی سال کے دوران کسی بھی وقت کمپنی کے ڈائریکٹرز سی ای او تھے:

1. مسٹر رابرٹ میک ایلسٹر	نان ایگزیکٹو ڈائریکٹر	2. مسٹر دی متری بوگا تریریو	نان ایگزیکٹو ڈائریکٹر
3. جناب ملک احتشام اکرام	نان ایگزیکٹو ڈائریکٹر	4. مسٹر مارکو وٹا	نان ایگزیکٹو ڈائریکٹر
5. مسٹر ونسنٹ ڈی لاساگنے	نان ایگزیکٹو ڈائریکٹر	6. مسٹر میتھیو سچورنے	نان ایگزیکٹو ڈائریکٹر
7. جناب شاہد شہباز طور	آزاد ڈائریکٹر	8. محترمہ فرح قریشی	آزاد ڈائریکٹر
9. جناب ثاقب الطاف	سی ای او	10. جناب جاوید اقبال	قائم مقام سی ای او

زیر جائزہ مدت کے دوران، جناب رمیش نرسمن کی جگہ مسٹر دی متری بوگا تریریو کو لفظی طور پر کمپنی ایل ایل سی کے نان ایگزیکٹو اور نامزد ڈائریکٹر کے طور پر منتخب کیا گیا۔ اس کے بعد جناب جاوید اقبال جو کہ بطور CFO اور قائم مقام CEO خدمات انجام دے رہے تھے، نے قائم مقام سی ای او کے عہدے سے استعفیٰ دے دیا۔ ان کی جگہ جناب ثاقب الطاف کو سی ای او مقرر کیا گیا۔ سال کے اختتام کے بعد، بورڈ آف ڈائریکٹرز کے انتخابات 01 مارچ 2024ء کو منعقد ہوئے۔ تمام ریٹائر ہونے والے ڈائریکٹرز تین سال کی مدت کے لیے دوبارہ (بلا مقابلہ) منتخب ہوئے۔ مزید برآں، جناب ملک مرزا بورڈ میں پہلی بار آزاد ڈائریکٹر کے طور پر منتخب ہوئے۔ بورڈ نے مسٹر رابرٹ میک ایلسٹر کو دوبارہ چیمبر مین کے طور پر منتخب کیا اور مسٹر ثاقب الطاف کو کمپنی کے سی ای او کے طور پر دوبارہ مقرر کیا۔

بورڈ میں صنعتی تنوع:

(الف) مرد	9	(ب) خاتون	1
بورڈ میں فنکشنل تنوع			
(الف) آزاد ڈائریکٹرز	3	(ب) نان ایگزیکٹو ڈائریکٹرز	6
(ج) ایگزیکٹو ڈائریکٹرز	1		

ڈائریکٹرز رپورٹ

منافع منقسمہ

31 دسمبر 2023ء کو ختم ہونے والے سال کیلئے بورڈ نے 22 مارچ 2024ء کو منعقد ہونے والے اپنے اجلاس میں فی حصص صفر روپے کے حتمی نقد منافع کی تجویز پیش کی ہے جس کی کل مالیت صفر روپے بنتی ہے۔

فی شیئر آمدنی

2022ء میں 37.20 روپے کے مقابلے میں 2023ء میں فی حصص بنیادی آمدنی 45.06 روپے تھی۔

کارکردگی کی جھلکیاں

2023ء میں پاکستان کے معاشی منظر نامے پر زبردست چیلنجز سامنے آئے، سیاسی انتشار، بلند افراط زر، صارفین کی قوت خرید میں کمی، وقفے وقفے سے درآمدی پابندیاں، جی ڈی پی میں کمی، اور کرنسی کی قدر میں کمی ہے۔ ان مشکلات کے باوجود، AGTL نے سال 2023ء کے دوران 15,420 ٹریکٹرز فروخت کیے اور 34,543 ارب روپے کی شاندار مجموعی آمدن کے ساتھ 36% مارکیٹ شیئر حاصل کیا جو گزشتہ سال کے مقابلے میں 28.201 ارب روپے 22.49 فیصد کی نمو درج کی گئی۔ زیر نظر سال کا مجموعی منافع 6.423 ارب روپے تھا۔ جس کے مقابلے میں گزشتہ سال 5.061 ارب روپے تھا اور 1.361 ارب روپے کے ساتھ 26.9% نمو ریکارڈ کی گئی۔ 31 دسمبر 2023ء کو ختم ہونے والے سال کے لیے قبل از ٹیکس منافع 4.687 ارب روپے رہا، جو پچھلے سال کے مقابلے میں 23.47 فیصد زیادہ ہے۔

31 دسمبر 2023ء کو ختم ہونے والے سال کے لیے بعد از ٹیکس منافع گزشتہ برس کے منافع 2.156 ارب روپے کی نسبت 2.611 ارب روپے رہا جو گزشتہ سال کے مقابلے میں 21.13 فیصد زیادہ ہے جس کی فی حصص آمدنی (EPS) 45.06 فی شیئر روپے کی تھی۔

سالانہ رپورٹ میں نمایاں کردہ "کلیدی آپریٹنگ اور مالیاتی ڈیٹا" اور "فائنانشل اسٹیٹمنٹ کا افقی اور عمودی تجزیہ" کمپنی کی مضبوطی کی گواہی دیتے ہیں۔

اختصاصات

زیر نظر سال کے لیے غیر مختص منافع کا بیان حسب ذیل ہے:

2022ء	2023ء	
ہزار روپے میں		
3,683,446	2,842,264	آگے لایا گیا غیر اختصاصی منافع
2,116,673	2,648,140	سال کی کل آمدن
-	-	غیر مختص منافع سے عمومی ذخائر میں منتقلی
5,800,119	5,490,404	اختصاص کیلئے دستیاب رقم
اختصاص		
(2,957,855)	-	سال 2021ء کیلئے ادا کیا گیا حتمی منافع 51.03 روپے فی شیئر
2,842,264	5,490,404	آگے بڑھایا گیا غیر مختص منافع



31 دسمبر 2023ء کو ختم ہونے والے سال کیلئے

الغازی ٹریکٹرز لمیٹڈ (کمپنی یا AGTL) کے ڈائریکٹرز 31 دسمبر 2023ء کو ختم ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

عملی نتائج

زیر نظر سال کے مالیاتی نتائج حسب ذیل ہیں:

2022ء	2023ء	
ہزار روپے میں		
28,201,812	34,543,545	مجموعی آمدن
5,061,446	6,423,068	مجموعی منافع
3,795,949	4,687,092	منافع قبل از ٹیکس
(1,639,905)	(2,075,320)	ٹیکسیشن
2,156,044	2,611,772	منافع بعد از ٹیکس
(39,371)	36,368	دیگر جامع آمدنی
2,116,673	2,648,140	کل آمدنی

Achievement



Best Corporate Report Award

Al-Ghazi Tractors Limited was awarded Certificate of Merit for “Best Corporate Report Award 2022” in the Engineering & Auto Sector.

This award was presented to AGTL by the Joint Committee of the Institute of Chartered Accountants of Pakistan (ICAP) and Institute of Cost and Management Accountants of Pakistan (ICMAP).

Stakeholders' Engagement

AGTL is committed to conducting and enhancing its relationship with all classes of stakeholders acting in good faith, with loyalty, fairness, transparency and due respect for the Company's core ethical values. Further, the objective of the Company's investor relations policy is to govern the disclosure of material information to analysts, shareholders and potential investors in a manner designated to provide broad non-exclusionary distribution of information.

Building and retaining the trust of the Company's internal and external stakeholders is essential to Al-Ghazi's continued business success. Engagement and dialogue are consequently an important component required for the understanding of their expectations, needs and concerns.

Stakeholders' expectation and tools and interaction channel as detailed in adjacent table represent our engagement and relationship management.

Stakeholder	Stakeholders' Expectation	Tools and Interaction channel	Effect on AGTL's Performance and Value
Government and Regulatory Bodies	<ul style="list-style-type: none"> Compliance with laws and regulations Collaboration and access to information Technical support on specific industry related issues 	<ul style="list-style-type: none"> Periodic and ad hoc reporting 	The Company remains focused on having a sufficient level of compliance with laws and regulations.
Employees	<ul style="list-style-type: none"> Clarity of organization and protection in periods of uncertainty Clear and transparent reward system Training and professional development Stimulating and safe work environment Information on Company's strategy and results 	<ul style="list-style-type: none"> Daily dialogue Employee lunches/dinners Discussions regarding appraisals and development path In-house communication Easy access to top management Adherence to labour laws 	Human resources play a key role in organisation's success.
Employees' families/ Community development	<ul style="list-style-type: none"> Indirect participation in corporate life 	<ul style="list-style-type: none"> Staff town with family and bachelors' accommodation Transport facility Vaccination/health awareness campaigns Participation in sports events Health care plans, and community hall 	Adequate activities of the Company assist in maintaining positive image of the Company at the levels of local community and employees.
Dealers and Service Network	<ul style="list-style-type: none"> Complete and rapidly accessible product information Business profitability Quality and reliability of products/parts Competitive prices Extension of financial and non-financial assistance 	<ul style="list-style-type: none"> Daily contacts and periodic meetings with the network Individuals responsible for monitoring the network and ensuring fulfillment of contractual standards Programmes to support dealers, including training, conferences and incentives. Tractor festivals After-sales Service programme 	Dealers act as business partners. Satisfactory after-sales services helps in enhanced customer satisfaction.
Existing and Prospective Customers	<ul style="list-style-type: none"> Quality, reliability and safety of products Competitive prices Speed and efficiency of after sales services 	<ul style="list-style-type: none"> Market research Three-way communication through dealership, service centres and mechanical workshops 	Loyalty of customers to our products is key in achieving success and good financial performance.
Suppliers	<ul style="list-style-type: none"> Continuity of supply Fulfillment of contractual obligations 	<ul style="list-style-type: none"> Daily relationship through Supply Chain Department 	Effective management of suppliers helps in achieving production objectives.
Shareholders	<ul style="list-style-type: none"> Access to information Transparent and responsible management Value creation (return on investment, sustainability of business) 	<ul style="list-style-type: none"> Shareholders meetings Annual/Quarterly reports Price sensitive communication and information Daily dialog (email, telephones) Investor relations section of the Company's website: www.alghazitractors.com 	Support of shareholders serves as a foundation for Company's efforts to achieve its objectives and vision.
Analysts/ Institutional Investors	<ul style="list-style-type: none"> Availability of relevant information 	<ul style="list-style-type: none"> Communication to PSX Investor relation section of AGTL's website, containing relevant information about the Company 	Availability of adequate information about the Company helps in maintaining positive image of the Company with analysts and institutional investors.
Banks/ Financial Institutions	<ul style="list-style-type: none"> Continuity of business and operations Good financial management 	<ul style="list-style-type: none"> Provision of information as per the requirements of banks Frequent meetings and interaction 	Attractive rates and terms of overdrafts and other arrangements.
Media	<ul style="list-style-type: none"> Fulfillment of obligations of arrangement 	<ul style="list-style-type: none"> Promotional activities are carried out as per marketing requirements 	Necessary awareness about the Company and its products is imparted.

Notice of 41st Annual General Meeting



Notice is hereby given that the **41st Annual General Meeting** of Al-Ghazi Tractors Limited (the Company) will be held on **Thursday, April 25, 2024, at 3:00 PM at Pearl Continental Hotel, Karachi**, to transact the following business:

Ordinary Business:

- To confirm the minutes of the Extraordinary General Meeting held on March 01, 2024.
- To receive, consider and adopt the Audited Financial Statements together with the Chairman's Review Report, the Directors' Report and the Auditors' Report for the year ended 31 December 2023.

As required under section 223(6) of the Companies Act, 2017, annual audited financial statements of the Company are available on the website of the Company which can be downloaded from the following website link.
<https://www.alghazitractors.com/investor-information/>
- To appoint the Auditors for the financial year ending on December 31, 2024, and to fix their remuneration. The retiring Auditors M/s. A. F. Ferguson & Co., Chartered Accountants, being eligible, have offered themselves for reappointment. The members are hereby notified that the Audit Committee as well as the Board of Directors have recommended the name of retiring auditors, M/s. A. F. Ferguson & Co., Chartered Accountants, for re-appointment as auditors of the Company for the financial year ending on December 31, 2024.
- Any other business with the permission of the Chair.

By Order of the Board

-Sd-

Mansoor Khan
Company Secretary

March 22, 2024

Notes:

- The share transfer books of the Company will remain closed from April 19, 2024, to April 25, 2024 (both days inclusive). Transfers received in order at the office of our Share Registrars, M/s. FAMCO Associates (Private) Limited, situated at 8-F, Next to Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi, by the close of business on April 18, 2024 will be treated in time for the purpose of entitlement of the transferees to attend and vote at the meeting.
- Members holding in aggregate 10% or more shareholding residing at a geographical location other than Karachi, may participate in the meeting through video conference by submitting their application to the Company Secretary at least seven days prior to the date of the meeting. The Company will arrange video conference facility in the requested city subject to availability of such facility in that city. The Company will intimate members regarding the venue of the video conference facility at least 5 days before the date of the general meeting along with complete information necessary to enable them to access such facility.
- The shareholders of the Company desirous to attend the meeting through video conferencing facility may inform the Company and provide their relevant information including Name, copy of the CNIC, Folio No./ CDC Account, cell phone number and email address before close of business on Thursday, April 18, 2024 at the company's dedicated email "agm@alghazitractors.com".
- A member entitled to attend, and vote may appoint a proxy to attend and vote on his/her behalf. Proxies, in order to be effective, must be received at the Registered Office of the Company duly stamped and signed not less than 48 hours before the time of the meeting. Proxies may also be appointed by emailing a scanned copy of signed form by the shareholder authorizing proxy along with email address of proxy and relevant details (as stated above) to agm@alghazitractors.com.

The Form of Proxy in English and Urdu is attached in the Annual Report and should be witnessed by two persons whose names, addresses and CNIC Numbers should be mentioned on the forms. For CDC



shareholders, attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form; and in case of corporate entity, the Board of Directors' resolution / power of attorney and attested copy of valid CNIC of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted (unless provided earlier) along with proxy form to the Company. The Form of Proxy is also available on Company's website.

- Shareholders or their proxies are requested to bring with them or otherwise furnish their Computerized National Identity Card or Passport along with the folio number or participants ID number and their account number at the time of attending the Annual General Meeting physically or through videoconference in order to facilitate their identification. The representatives of corporate bodies should provide attested copies of Board of Directors' resolution/powers of attorney and/or all such documents as are required under Circular No.1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan ("SECP") for the purpose.
- Members (non-CDC) are requested to promptly communicate to the Share Registrars of the Company any change in their addresses. CDC shareholders should submit any change in their addresses to

Notice of 41st Annual General Meeting

the CDC. The individual members who have not yet submitted photocopy of their valid CNICs and corporate entities who have not yet submitted their NTN are once again reminded to have these details updated with their respective CDS participants, in case of CDC account holders and to send the same at the earliest directly to the Company's Share Registrars at the address given here-in-above, in case of physical shareholders. Please provide folio numbers with a copy of CNIC/NTN.

7. Shareholders who could not collect their previous dividend/shares are advised to contact our Share Registrars to claim their unclaimed dividend or shares, if any. The Unclaimed shares, Dividend which remain so unclaimed or unpaid for a period of three years from the date it is due and payable shall be dealt with in accordance with the requirements of the Companies Act.

As per the provisions of Section-242 of the Companies Act, 2017 and directives of Securities & Exchange Commission of Pakistan vide Circular no. 18 dated August 01, 2017, after October 31, 2017 the cash dividends will only paid through electronic mode directly in the bank accounts of the shareholders, therefore the Shareholders are requested to provide copies of their valid CNICs and Dividend Mandate including Name, Bank Account Number, Bank and Respective Branch addresses to the Company in order to enable the Company to pay cash dividend electronically. The Dividend Mandate Form is attached with printed Annual Report and also placed on Company's website.

8. In compliance with Section 150 read with Division I of Part III of the First Schedule of the Income Tax Ordinance, 2001 withholding tax on dividend income will be deducted for 'filer' and 'non-filer' shareholders at 15% and 30% respectively. A 'filer' is a taxpayer whose name appears in the Active Taxpayers List (ATL) issued by the FBR from time to time and a 'non-filer' is a person other than a filer. To enable the Company to withhold tax at 15% for filers, all shareholders are advised to ensure that their names appear in the latest available ATL on FBR website, otherwise tax on their cash dividend will be deducted at 30%. Withholding tax exemption from the dividend income shall only be allowed if a copy of valid tax exemption certificate is made available to the Share Registrars

of the Company, M/s. FAMCO Associates (Private) Limited, by the first day of book closure.

According to the FBR, withholding tax in case of joint accounts will be determined separately based on the 'Filer/ Non-Filer' status of the principal shareholder as well as the status of the joint holder(s) based on their shareholding proportions. Members those hold shares with joint shareholders are requested to provide the shareholding proportions of the principal shareholder and the joint holder(s) in respect of shares held by them to our Share Registrars, M/s. FAMCO Associates (Private) Limited, in writing. In case the required information is not provided to our Registrars it will be assumed that the shares are held in equal proportion by the principal shareholder and the joint holder(s).

9. The financial statements of the Company for the year ended 31 December 2023 along with reports have been placed on the website of the Company. The Annual Report of the Company for 2023 shall also be electronically available on PUCARS system of Pakistan Stock Exchange Limited and the Company's website under section of Shareholders Information. Additionally, in the interest of shareholders who had previously provided their valid email addresses, arrangements have been made to send 2023's Annual Report to such shareholders through email.
10. As per Section-72 of the Companies Act, 2017, all listed companies are required to replace its physical shares with book-entry form within four years from the promulgation of the Companies Act, 2017. Further SECP vide its letter dated March 26, 2021, had advised to comply with Section 72 of the Act and encourage shareholders to convert their physical shares into book-entry form. Accordingly, all shareholders of the Company having physical shares are requested to convert their shares into book-entry form at the earliest. The shareholders may contact the Company's Share Registrar, M/s. FAMCO Associates (Private) Limited for the conversion of physical shares into book-entry form. Furthermore, the withdrawal requests from shareholders holding shares in electronic form in CDC for conversion into physical form, will not be entertained.



Investors Relation & Stakeholders Engagement

The Company is committed to ensuring that shareholders and investors have easy access to clear, reliable, and meaningful information on the company to make informed investment decisions. In the context of constantly evolving requirements of disclosure, transparency, and corporate governance, we aim to provide investors with an accurate, coherent, and balanced account of the company's performance. To do this, multiple communication platforms are utilized including annual general meetings with shareholders and the investor relations section on our website. Apart from financial results, the website, www.alghazitractors.com, has other investor-related information including Company profile, annual and quarterly reports, major announcements, and information on free float shares.

Understanding Stakeholders' views through Corporate Briefing Session

The Company's stakeholders represent a diverse range of interests and include institutional investors, private investors, and individuals from various backgrounds. Regular interaction with these stakeholders is maintained through Corporate/Investor briefings, press releases, and quarterly reports. The Company ensures that its leadership is accessible to address any stakeholder queries in person or by phone, fostering a positive relationship with the investor community. In compliance with Pakistan Stock Exchange requirements, the Company planning to hold its Corporate Briefing Session in April/May 2024. This session aims to inform stakeholders about the Company's historical performance,

strategic and operational developments, financial status, and future prospects. It will also include a question-and-answer segment to address any stakeholder queries or concerns.

Shareholding Information

The Company is listed on Pakistan stock Exchange. The share symbol is AGTL. The share capital of the Company is Rs. 289.8 million. With a base price of Rs. 5 per share, the total number of the shares is 57,964,201.

There are 2,475 shareholders which are listed as follows:

Al-Futtaim Industries Company	28,992,705 shares	=	50.02%
CNH Industrial N.V.	25,022,379 shares	=	43.17%
Companies and corporations	779,836 shares	=	1.35%
Individual and others	3,169,281 shares	=	5.47%
Total	57,964,201 shares	=	100.00%

Dividend Policy

AGTL has a long history of paying rich dividends. The dividend policy is in the best interest of the Company, the shareholders and the stakeholders.

AGTL's equity now stands at Rs. 5,780 million. The Company's five-rupee share is without any doubt the top stock of the Auto and Industrial Engineering sector of Pakistan.

Annual General Meeting

The Annual General Meeting of the Company will be held at Pearl Continental Hotel, Karachi, on April 25, 2024 at 3:00 PM.

Dividend Payments during the year

Dividend is not recommended by the Board of Directors for the year ended December 31, 2023.

Investors' Queries, Grievances, and Complaint Resolution

The Company provides a dedicated section on its website for shareholders to register their grievances. Additionally, shareholders can contact the relevant person in the Company via email, telephone, or postal address, as listed on the website. The company secretary is actively involved in liaising with shareholders to ensure a timely and appropriate resolution of all queries and grievances, in compliance with legal requirements. Moreover, the contact details of the Company's Share Registrar are available on the website for addressing queries related to shares, transmission of notices and financial reports, unclaimed share certificates, dividends, and other matters.

Legitimate Needs, Interests of Key Stakeholders and Industry Trends

Stakeholders are the cornerstone of our success, driving our commitment to robust engagement practices. Our approach involves identifying and prioritizing stakeholders who are significantly impacted by our operations or whose actions can significantly influence our value creation over varying timeframes. We meticulously profile, map, and prioritize stakeholders based on criteria such as influence, responsibility, proximity, dependency, willingness to engage, and representation.

We employ specific measures to gain a profound understanding of stakeholder needs and interests. Our key stakeholders and their interests include:

1. Investors, who closely track our financial performance and strategic direction, seeking stability and growth opportunities.
2. Customers, who rely on our products for quality and innovation, expecting seamless experiences and sustainable practices.
3. Employees, who seek fulfilling careers, opportunities for development, and fair compensation, driving our commitment to a supportive work environment.
4. Business Partners, who value our reliability and seek long-term, mutually beneficial partnerships founded on trust and shared values.
5. Wider Community, who expect us to operate responsibly, support local initiatives, and contribute positively to societal well-being.
6. Government, who rely on us to adhere to regulations, contribute to the economy, and support national development goals.

This refined approach underscores our dedication to stakeholder satisfaction and sustainable value creation.

Legislative and Regulatory Environment and Political Environment where Organization Operates

The Company places a high priority on adhering to all statutory and regulatory requirements, ensuring full compliance with the relevant legal frameworks. This commitment not only underscores our dedication to ethical business practices but also serves as a foundation for refining our strategies, goals, and achievements. As part of our commitment to good corporate governance, we are continuously enhancing our understanding and application of the legislative and regulatory environment, benefiting

our employees, stakeholders, and overall business operations.

The impact of the political environment on organizational strategy is profound and cannot be ignored. In Pakistan, persistent political instability has resulted in the formulation of short-term economic policies and frequent changes, impeding economic growth. This situation has given rise to several challenges, including high inflation, dwindling foreign exchange reserves, currency devaluation, increases in energy

prices, and high interest rates. These factors have created demand pressures in sectors such as the automobile industry. Prolonged political uncertainty exacerbates these challenges, eroding investor confidence and hindering long-term planning. Striking a balance between political expediency and economic stability is crucial for achieving sustained growth and prosperity.

Pattern of Shareholding

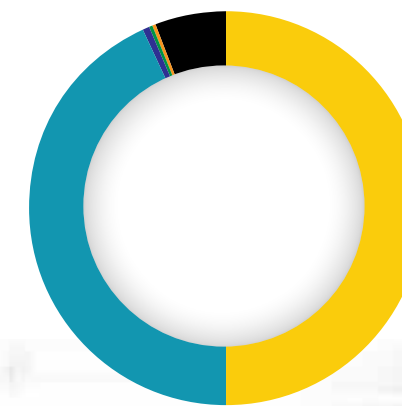
As at December 31, 2023

No of Shareholders	No. of Shareholdings		Total Shares
	From	To	
1,004	1	100	37,973
675	101	500	189,279
313	501	1,000	244,601
358	1,001	5,000	759,360
63	5,001	10,000	468,708
25	10,001	15,000	326,173
10	15,001	20,000	165,935
4	20,001	25,000	88,418
7	25,001	30,000	187,632
2	30,001	35,000	67,349
1	40,001	45,000	42,152
4	45,001	50,000	194,200
1	65,001	70,000	68,290
1	85,001	90,000	90,000
1	100,001	105,000	100,785
1	145,001	150,000	148,000
1	165,001	170,000	166,362
1	270,001	275,000	273,400
1	330,001	335,000	330,500
1	25,020,001	25,025,000	25,022,379
1	28,990,001	28,995,000	28,992,705
2,475			57,964,201

Categories of Shareholding

As at December 31, 2023

S.No.	Shareholders Category	No. of Shareholder	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	1	1,000	0.00
2	Associated Companies, Undertakings and related Parties	2	54,015,084	93.19
3	NIT and ICP	-	-	-
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	4	333,649	0.58
5	Insurance Companies	3	217,312	0.37
6	Modarabas and Mutual Funds	7	228,875	0.39
7	Share holders holding 10%	2	54,015,084	93.19
8	General Public :			
	a. local	2,413	2,714,194	4.68
	b. Foreign	-	-	-
9	Others	45	454,087	0.78
Total (excluding : share holders holding 10%)		2,475	57,964,201	100.00



50.02%	● Al-Futtaim Industries Company LLC
43.17%	● CNHi Global N.V.
0.58%	● Banks, Development Financial Institutions, Non Banking Financial Institutions
0.37%	● Insurance Companies
0.17%	● Modarabas and Mutual Funds
5.70%	● Others



Categories of Shareholders

As at December 31, 2023

S.No.	FOLIO	NAME		Holding	Percentage
Associated Companies, Undertakings and related Parties					
1	5336	M/s. Al-Futtaim Industries Company (LLC)		28,992,705	50.02
2	5635	M/s. CNH Industrial N.V.		25,022,379	43.17
Total >>				54,015,084	93.19
Banks, Development Financial Institutions, Non Banking Financial Institutions					
1	4707	Pak Libya Holding Company		183	0.00
2	5356	M/s. Crescent Investment Bank		2,914	0.01
3	5718	M/s. National Bank of Pakistan - Investor A/C (Former NDFC)		52	0.00
4	02626-37	Bank Al Habib Limited	Financial Institutions	330,500	0.57
Total >>				333,649	0.58
Insurance Companies					
1	02683-23	State Life Insurance Corporation of Pakistan	Insurance Companies	166,362	0.29
2	03277-10526	Habib Insurance Co. Limited	Insurance Companies	32,350	0.06
3	03277-8372	Ghaf Limited	Insurance Companies	18,600	0.03
Total >>				217,312	0.37
Modarabas and Mutual Funds					
1	01917-504	First Prudential Modaraba	Modarabas	675	0.00
2	05959-27	CDC - Trustee Atlas Stock Market Fund	Mutual Fund	148,000	0.26
3	09449-25	CDC - Trustee Atlas Islamic Stock Fund	Mutual Fund	46,200	0.08
4	09480-21	CDC - Trustee NBP Stock Fund	Mutual Fund	6,800	0.01
5	10603-21	CDC - Trustee APF - Equity Sub Fund	Mutual Fund	10,000	0.02
6	10900-25	CDC - Trustee APIF - Equity Sub Fund	Mutual Fund	9,700	0.02
7	17681-26	CDC - Trustee Atlas Islamic Dedicated Stock Fund	Mutual Fund	7,500	0.01
Total >>				228,875	0.39
Others					
1	4175	M/s. Alviya Limited		236	0.00
2	4598	M/s. Fateh Textile Mills Limited		765	0.00
3	4748	Punjabi Saudagar Multipurpose		207	0.00
4	5322	Midland Bank Trust Corporation		274	0.00
5	5398	Citibank N.A. Hongkong		714	0.00
6	5403	M/s. Coutts & Co.		5,800	0.01
7	5597	M/s. James Capel Incorporated		13,016	0.02
8	00307-46	IGI Finex Securities Limited	Joint Stock Companies	1	-
9	01669-26	Shaffi Securities (Pvt) Limited	Joint Stock Companies	200	0.00
10	01917-41	Prudential Securities Limited	Joint Stock Companies	270	0.00
11	03277-100272	Kiran Foundation	Cooperative Societies	850	0.00
12	03277-124224	Sao Capital (Private) Limited	Joint Stock Companies	250	0.00
13	03277-2102	The Agha Khan University Foundation	Charitablefoundation	15,000	0.03
14	03277-7421	Trustees Saeeda Amin Wakf	Wakf Alal Aulad	10,125	0.02
15	03277-7633	Trustees Mohamad Amin Wakf Estate	Wakf Alal Aulad	34,999	0.06

S.No.	FOLIO	NAME		Holding	Percentage
16	03277-9199	Loads Limited	Unlisted Public Limited	1	-
17	03277-94363	K.F. Corporation (Private) Limited	Joint Stock Companies	9,726	0.02
18	03277-98643	Merin (Private) Limited	Trading	1,000	0.00
19	03293-38	S.H. Bukhari Securities (Pvt) Limited	Joint Stock Companies	294	0.00
20	03525-105464	Innovative Investment Bank Limited (Under Liquidation)	Financial Institutions	1,350	0.00
21	03525-28788	Trustees D.G. Khan Cement Co. Ltd. Emp. P.F	Provident Fund	12,700	0.02
22	03525-57191	Sarfraz Mahmood (Private) Limited	Joint Stock Companies	100	0.00
23	03525-63817	NH Securities (Pvt) Limited.	Joint Stock Companies	1,350	0.00
24	03525-87235	Maple Leaf Capital Limited	Joint Stock Companies	1	-
25	04002-22	Memon Securities (Pvt.) Limited	Joint Stock Companies	1,250	0.00
26	04705-101031	Khayyam Securities (Pvt.) Limited	Joint Stock Companies	50	0.00
27	04705-65373	Associated Consultancy Centre (Pvt) Limited	Joint Stock Companies	1,000	0.00
28	04879-28	Akhai Securities (Private) Limited	Joint Stock Companies	50	0.00
29	05736-15	NCC - Pre Settlement Delivery Account	Joint Stock Companies	200	0.00
30	12203-12148	Merin (Private) Limited	Joint Stock Companies	5,900	0.01
31	12666-1831	Trustee Pakistan Petroleum Senior Provident Fund	Retirement Fund	3,100	0.01
32	12666-1849	Trustee Pakistan Petroleum Non-Executive Staff Pension Fund	Retirement Fund	9,700	0.02
33	12666-1856	Trustee Pakistan Petroleum Non-Executive Staff Gratuity Fund	Retirement Fund	1,900	0.00
34	12666-1864	Trustee Pakistan Petroleum Junior Provident Fund	Retirement Fund	1,900	0.00
35	12666-1872	Trustee Pakistan Petroleum Executive Staff Pension Fund	Retirement Fund	25,700	0.04
36	12666-1880	Trustee Pakistan Petroleum Executive Staff Gratuity Fund	Retirement Fund	1,700	0.00
37	12666-2037	Pakistan Petroleum Executive Staff Pension Fund-DC Shariah	Retirement Fund	8,900	0.02
38	12666-2250	Kaisar Shahzada (Pvt) Limited	Private Limited Company	4,300	0.01
39	13748-980	Trustee - Gul Ahmed Textile Mills Ltd. Emp. Provident Fund	Provident Fund	200	0.00
40	13987-24	Employees Old Age Benefits Institution	Federal Govt. Institution	273,400	0.47
41	14241-22	Fikrees (Private) Limited	Joint Stock Companies	1,208	0.00
42	14431-29	CDC - Trustee Nafa Islamic Pension Fund Equity Account	Pension Fund	3,500	0.01
43	16857-26	MRA Securities Limited - MF	Joint Stock Companies	200	0.00
44	17509-26	Trust Securities & Brokerage Limited - MF	Joint Stock Companies	200	0.00
45	18432-3177	Margalla Financial (Private) Limited	Financial Institutions	500	0.00
Total >>				454,087	0.78



Corporate Governance

Corporate Governance



Corporate Governance refers to the system of rules, practices, and processes through which a company is directed and controlled. It encompasses the framework of accountability, transparency, and ethical conduct that guides a company's decision-making and relationships with its stakeholders.

At Al-Ghazi Tractors Limited, the Board of Directors is fully committed to upholding the principles of corporate governance and fulfilling its obligations to all stakeholders, including shareholders, employees, customers, and the wider community. We recognize the critical role that effective governance plays in ensuring the long-term success of the Company

and strive to maintain the highest standards of governance in all our operations.

In line with this commitment, we have implemented all of the corporate governance reforms mandated by our regulators and have developed a comprehensive framework that aligns with the Revised Code of Corporate Governance 2019. Our governance practices are designed to promote accountability, transparency, and integrity, and to ensure that our decision-making is always guided by the best interests of the Company and its stakeholders.

We remain committed to maintaining these high standards and will continue to review and improve our governance practices

to ensure that we uphold our responsibilities and obligations to all stakeholders.

Board Of Directors

The Board recognizes the importance of transparency, accountability, and effective communication with its stakeholders. It remains committed to ensuring that the Company is managed with integrity, and that its operations are conducted ethically and in compliance with all relevant laws and regulations.

To support these objectives, the Board regularly reviews and updates the Company's policies and procedures and monitors the implementation of these policies across all departments.

It also places a strong emphasis on training and development programs for its employees, to promote a culture of ethical behavior and professional excellence.

During the year 2023, the Board focused on overseeing management's performance in implementing the Company's strategies, particularly in the challenging economic environment. It closely monitored the financial position of the Company and approved the financial statements.

Furthermore, the Board reviewed the Company's business operations and development plans, including budgets, and approved revisions to its policies. It also prioritized the development of standard operating procedures (SOPs) across all departments to promote consistency and efficiency.

Looking ahead to the year 2024, the Board will continue to focus on these key areas while also monitoring and responding to the evolving business and regulatory landscape. It will strive to maintain the highest standards of corporate governance and ethical behavior, while delivering sustainable growth and value to its shareholders and other stakeholders.

Matters Delegated to the Management

The Management is responsible for ensuring that the Company's routine business operations and day-to-day management of affairs

are carried out in accordance with the policies and decisions of the Board in an effective and ethical manner. It is also their responsibility to identify key risks and opportunities that may impact on the Company and to address them appropriately while keeping the Board updated on any significant changes.

In addition to their operational duties, the Management is also responsible for the preparation and presentation of financial statements in compliance with applicable accounting and reporting standards, and for maintaining related internal controls. The Board, on the other hand, oversees the financial reporting process and ensures that the financial statements present a true and fair view of the Company's financial position and performance.

The Management also plays a key role in implementing the Board's strategic objectives and plans. It is responsible for the day-to-day execution of the Company's strategy, as well as for developing and presenting business plans, budgets, and operational metrics. The Management also works closely with the Board to identify and assess emerging risks and opportunities that could impact the Company's long-term success.

AGTL has a robust corporate governance framework in place that ensures effective oversight, management, and control of the Company's affairs. The Board and Management work together to promote a culture of transparency,

accountability, and ethical conduct, and are committed to ensuring the long-term success of the Company for the benefit of its stakeholders. For effective governance, the Board had constituted following management committees and approved TORs of respective committees:

- Product Development, Engineering and Quality Committee
- Marketing Committee
- Learning and Development Committee

Board Composition

AGTL recognizes the importance of having a diverse and competent Board that can effectively oversee and guide the Company's affairs. The Board comprises Ten members, including the CEO, of which one member is female and nine are male. All directors, except the CEO, are Non-Executive Directors, and three of them are Independent Directors. The Independent Directors have provided their declaration of independence in accordance with the criteria defined in the Companies Act 2017, as well as the requirements of the Code of Corporate Governance Regulations.

AGTL believes that a diverse Board helps to promote a wider range of perspectives and ideas, leading to better decision-making and ultimately benefiting the Company and its stakeholders. The Board continues to evaluate its composition and regularly reviews the skills and expertise of its members to ensure that it is well equipped to meet the Company's current and future challenges.



Board Committees

The Board has constituted an Audit Committee, a Human Resource & Remuneration Committee, and a Technical Committee to aid in fulfilling its responsibilities.

The Board Committees are chaired by independent directors. The directors, who are not members of any of the afore-said Committees, may attend their meetings by invitation. Each committee operates under a written specific TORs approved by the Board.

The Chairman/Chairperson of each committee provides a detailed report to the Board along with recommendations of the Committee.

The Composition of above-mentioned committees is as follows (as on March 03, 2024 post-election of directors):

Name of Directors	Audit Committee	Technical Committee	Human Resource & Remuneration Committee
Mr. Robert McAllister	-	Member	-
Malik Ehtisham Ikram	Member	Member	Member
Mr. Marco Votta	Member	Member	Member
Ms. Farah Qureshi	Chairperson	-	Chairperson
Mr. Shahid Shahbaz Toor	-	Chairman	-
Mr. Vincent De Lassagne	-	Member	-
Mr. Matthieu Séjourné	-	Member	-
Mr. Dmitrii Bogatyrev	-	Member	-
Mr. Malik Mirza	Member	-	-
Mr. Sakib Eltaff	-	-	Member

Changes In Board Composition

Subsequent to the year end, the Election of Directors of the Company was held on March 01, 2024 in the Extraordinary General Meeting of the Company and following directors were elected unopposed for the a term of 3 years commencing March 03, 2024, in the respective category:

Sr. No.	Name	Technical Committee
1	Mr. Robert Ian McAllister	Non-Executive Director
2	Mr. Dmitri Bogatyrev	Non-Executive Director
3	Mr. Malik Ehtisham Ikram	Non-Executive Director
4	Mr. Marco Votta	Non-Executive Director
5	Mr. Matthieu Séjourné	Non-Executive Director
6	Mr. Vincent De Lassagne	Non-Executive Director
7	Mr. Shahid Shahbaz Toor	Independent Director
8	Ms. Farah Qureshi	Independent Director (female director)
9	Mr. Malik Mirza	Independent Director

Independent Directors

The Board of Directors comprises of three (3) independent directors namely Mr. Shahid Shahbaz Toor, Ms. Farah Qureshi and Mr. Malik Mirza, who are neither involved in the Company's management nor are connected with any business or other relationships that could interfere or materially affect their judgement.

The Board of Directors in terms of Section 166(1) of the Companies Act, 2017, has exercised its due diligence before selecting the independent directors and has ensured that their names are duly included in the databank of independent directors maintained by the Pakistan Institute of Corporate Governance, duly authorized by the SECP in accordance with the Companies (Manner and Selection of Independent Directors) Regulations 2018. All the independent directors have also provided their consent to act as director, along with 'Declaration to the Company' that they qualify the criteria of independence notified under the Companies Act 2017 and the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

Diversity in the Board

The Company takes pride in its well-rounded Board of Directors, comprising a diverse cohort of highly skilled professionals equipped with a blend of core competencies, essential skills, knowledge, and extensive experience. This diversity serves to ensure that decision-making processes benefit



from a comprehensive range of perspectives. The Company remains committed to maintaining gender diversity on the Board of Directors, with the inclusion of one female member.

Presence of Executive Directors on Other Boards

The Company does not have any Executive Director on its Board of Directors except the Chief Executive Officer.

Role of the Chairman of the Board of Directors and the Chief Executive Officer

As a proponent of good corporate governance practices, the Company adheres to the principle of appointing distinct individuals for the roles of Chairman of the Board of Directors and Chief Executive Officer, ensuring a clear division of roles and responsibilities. In accordance with Section 192(2) of the Companies Act 2017, the Board of Directors at Al-Ghazi Tractors Limited has delineated the specific roles and responsibilities attributed to both the Chairman and the Chief

Executive Officer (CEO) of the Company, as elucidated below:

Role of Chairman

The primary role of the Chairman of the Board is to oversee and provide leadership to the Board of Directors at the Company. The Chairman serves as the spokesperson for Board decisions when appropriate. Specifically, the Chairman's duties and responsibilities encompass:

- Presiding as the chair at all General Meetings of the Company.
- Ensuring necessary arrangements for Polls/Secret Balloting/via Postal Ballots and announcing results at general meetings.
- Leading the board and ensuring its effectiveness in fulfilling its responsibilities.
- Preparing a review report on the overall performance of the Board of Directors and assessing the effectiveness

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of the Board in achieving the Company's objectives.

- Developing and setting agendas for Board meetings.
- Ensuring timely circulation of meeting agendas, notices, and relevant materials, allowing adequate time for discussion.
- Providing proper information to Directors for informed decision-making.
- Overseeing the accurate recording of Board meeting minutes and reviewing and signing them.
- Ensuring compliance with laws in maintaining Board meeting minutes.
- Providing facilities for the smooth conduct of general shareholder meetings.
- Declaring quorum to conduct and conclude shareholder meetings in accordance with the law.
- Ensuring the Board fulfills its responsibilities effectively.
- Issuing letters to directors at the beginning of each three-year term outlining their roles, obligations, powers, and responsibilities.
- Safeguarding shareholders' interests in the Company.

Role of Chief Executive Officer

The CEO, subject to the control and direction of the Board, holds the

authority to manage the Company's affairs. In this capacity, the CEO's roles and responsibilities include following:

- Planning, formulating, and implementing strategic policies.
- Ensuring the achievement of productivity and profitability targets and overseeing efficient Company operations.
- Facilitating coordination between various Company departments for smooth and effective operations.
- Maintaining an ongoing dialogue with the Directors regarding changes in and implementation of Company policies, as well as the performance and development of the Company's business.
- Ensuring the proper protection and maintenance of the Company's interests and assets, and timely compliance with all required government obligations.
- Maintaining close liaison with the Government, customers, suppliers, and sales offices.
- Developing human resource policies to achieve high professional standards and overall progress for the Company.
- Ensuring proper succession planning at all levels of the Company's hierarchy, consistently updating the plans.

- Overseeing the proper functioning of the Management Committees within the Company.
- Preparing and presenting to the Board of Directors reports on the annual business plan, cash flow projections, long-term plans, budgets (including capital, manpower, and overhead budgets), along with variance analysis.
- Keeping the Board informed of quarterly operating results, segmented by operating divisions, and addressing any changes in laws, rules, regulations, and accounting standards that may affect the Company.
- Reviewing performance against budgets/targets, analyzing revenue and capital expenditures, profits, and other critical administrative, commercial, and personnel-related matters.
- Creating an open and progressive atmosphere among employees, fostering a sense of participation, and providing opportunities for them to perform at their best.

Board Effectiveness

The Board has access to complete, adequate, and timely information and resources. A formal agenda is prepared for all Board meetings. The agenda and supporting documents are circulated to all directors before the meeting.

The Board meets on a quarterly

basis to review and approve the release of quarterly results. Ad-hoc meetings may be convened as necessary to consider other specific matters. In addition to having meetings, decisions of the Board and its Committees may also be obtained via circular resolution(s) which are being ratified in subsequent Board Meetings. Schedule of all board and committees' meetings and Annual General Meeting (AGM) for the next calendar year is planned in advance.

The Board has access to the CEO, members of the management and the Company Secretary at all times. The Company Secretary provides support to the Board and ensures that Board procedures and applicable rules and regulations are followed. The Company Secretary also assists the Chairman in ensuring proper information flow within the Board and its Committees as well as advising the Board on all governance matters.

The Company Secretary attends all meetings and ensures that the minutes of the meetings of the Board are circulated among its members. The attendance of directors at the meetings of the Board and of the Committees held during the year ended December 31, 2023 was as follows:

Name of Directors	Board	Audit Committee	Technical Committee	Human Resource & Remuneration Committee
Mr. Robert McAllister	11	-	6	-
Malik Ehtisham Ikram	11	6	6	1
Mr. Marco Votta	8	5	4	1
Ms. Farah Qureshi	11	6	-	1
Mr. Shahid Shahbaz Toor	10	-	4	-
Mr. Vincent De Lassagne	9	-	6	-
Mr. Matthieu Séjourné	9	-	6	-
Mr. Dmitrii Bogatyrev	5	-	-	-

Evaluation of Board's Performance, its Members and Committees

There is a formal process for appraisal of Board performance, members of Board and its committees. Annual appraisals are carried out through a structured questionnaire addressing the following:

- Board organization.
- Board meeting and materials.
- Board responsibility and performance.
- Interaction with management and key stakeholders.
- The Audit Committee, internal audit, and corporate reporting.
- Performance of the Board Committees.

The questionnaire also includes the assessment of the Chairman of the



Board including his ability to lead the Board meetings. The evaluation and feedback are consolidated and presented to the Board. The Chairman of the Board announces the results after its compilation.

Directors' Orientation and Training

The company is committed to delivering thorough orientation through in-house training and awareness sessions for its executives and directors, ensuring they are well-prepared to fulfill their roles effectively. Our orientation program encompasses crucial aspects of corporate governance, updates on the regulatory environment and compliance, insights into the company's operations, understanding industry dynamics, and aligning with strategic objectives. This ongoing commitment to education and awareness is pivotal in



maintaining a well-informed and capable leadership team.

External Oversight of Functions and Measures taken to Enhance the Credibility of Internal Controls and Systems

Internal Audit

The company upholds a robust internal control system subject to continuous assessment for effectiveness and adequacy. Oversight by the Audit Committee is integral to achieving operational, compliance, risk management, financial reporting, and control objectives, ensuring the safeguarding of the company's assets and shareholders' wealth. The internal audit function adheres to an approved annual audit plan, with the Committee scrutinizing significant findings and taking requisite actions or elevating matters to the Board when necessary.

Provisions are in place to facilitate staff and management in reporting concerns about potential

improprieties in financial and other matters to the Audit Committee confidentially. Necessary remedial and mitigating measures are promptly implemented. The Head of Internal Audit maintains direct access to the Chairman of the Audit Committee, and the Committee guarantees that the function possesses the essential access to management and the right to seek information and explanations.

Risk Management

The company established a dedicated Risk Management function in the current financial year with the primary goal of identifying and mitigating risks that could affect the Company. This function concentrates on assessing the likelihood, impact, and velocity of risks to ensure that the Company's management team directs efforts towards the most pertinent areas. Periodic updates on risks and their mitigation strategies are presented by the Head of Risk Management to the Audit Committee.

Diversity and Inclusion

Promoting diversity and inclusion is a cornerstone of the Company's leadership philosophy. The Company is dedicated to fostering an environment that supports and embraces every individual, irrespective of factors such as race, gender, age, disability, ethnicity, or nationality. Our objective is to establish a culture where inclusivity is inherent, transcending the status of a mere initiative. We aspire for it to be the default mode of operation at the Company. Creating and maintaining the fair and inclusive culture we envision demands collective efforts from each member of our organization.

Conflict of Interest among Board Members

Directors are required to disclose, at the time of appointment and during their term, the directorships they hold in other corporate bodies. As per the provisions of the Companies Act, 2017, every director is required to provide to the Board complete details regarding any material transaction which may bring conflict of interest with the Company.

Closed periods are determined and announced by the Company, precluding the Directors from dealing in the shares of the company, prior to each Board meeting involving announcement of interim/final results, distribution to shareholders or any other business decision which could materially affect the share price. Also, all directors are required to disclose any transaction in the shares of the Company

immediately to the Company Secretary. All trading in shares of the Company by the Directors or executives and all related party transactions are fully disclosed in the financial statements of the Company.

No conflict of interest was reported during 2023.

Retention of Board Fee by the Executive Director earned by him against his Services as Non-Executive Director in other Companies

The Company does not have any Executive Director except the Chief Executive Officer who is not serving as Non-Executive Director in any other company.

Policy for Conflicts of Interest among Board Members, and Management of Conflict of Interest

All business decisions and choices taken on behalf of the Company are made in the best interests of the Company. The Directors are obligated to avoid every possible conflict of interest, with particular regard to personal or family considerations, which might affect the independence of judgment when deciding what is in the Company's interests and what is the most appropriate way to pursue it.

Policy on Directors' Remuneration

The Board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with corporate law and regulations. According to the policy, only

independent directors are entitled to the fee for attending the Board and its committees' meetings as approved by the Board.

Security Clearance of Foreign Directors

Foreign Directors on our Board are mandated to furnish pertinent documents, encompassing declarations, undertakings, and any other requisite paperwork essential for expediting security clearance procedures conducted by the Ministry of Interior. Timely submission of the requisite documents for all Foreign Directors is diligently carried out to the SECP's Company Registration Office (CRO) in Karachi, adhering to the stipulated timelines.

Moreover, the Company is committed to facilitating the clearance process for Foreign Directors by actively cooperating with the Ministry of Interior and other law enforcement agencies. In the event of any necessity, the Company ensures the provision of all essential documentation required to facilitate the clearance process. This approach reflects our dedication to ensuring compliance with regulatory procedures and fostering a transparent and accountable governance framework.

Board Meetings held outside Pakistan

No Board meeting was held outside Pakistan during the year.

Human Resource Management Including Preparation of Succession Plan

The Company's HR strategy aims

to develop a skilled workforce, crucial for organizational growth and success. We are committed to providing continual learning and developmental opportunities to our employees, with technical, professional, and leadership training programs integrated into our HR program. These initiatives not only enhance skills, knowledge, and creativity but also support career advancement.

We foster a culture of performance excellence, encouraging employees to contribute their best and align with our core values. Transparency and meritocracy are fundamental to our HR activities, including employee induction, development, compensation, evaluation, and promotion. Performance-based awards are granted to stimulate healthy competition and motivate employees to embrace challenges for business growth and sustainability. Our competitive reward structure is benchmarked against industry best practices and tailored to meet the diverse needs of our workforce.

Furthermore, we emphasize critical thinking and decision-making to enhance productivity and maintain high standards of professionalism, promptness, and effectiveness. Our HR functions ensure effective communication and provide support regarding issues and challenges faced by employees across different establishments and locations.

Overall, our HR strategy is designed to cultivate a skilled, motivated, and engaged workforce, aligned with our business

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objectives and values, to drive sustainable growth and success.

Succession Planning

The Company places a strong emphasis on developing its key talent with leadership skills, preparing them for more complex and growth-oriented roles in the future. Our culture of succession planning is deeply ingrained, with ongoing efforts to develop a professional team and implement both short and long-term succession plans for critical positions.

In 2023, we conducted a rigorous succession planning exercise to identify potential leaders who could contribute to organizational growth. This involved regular training programs, skill enhancement workshops, and management courses aimed at preparing successors to assume higher responsibilities. These initiatives ensure the sustainability of our business operations in the long run.

Our commitment to developing leadership skills and succession planning reflects our dedication to nurturing a skilled workforce that can drive our organization forward. We will continue to focus on these efforts to ensure a seamless transition of leadership and sustain our growth momentum.

Social and Environmental Responsibility

The company is deeply committed to various social initiatives as part of its corporate social responsibility, reflecting its conscientious role in the corporate

community. It demonstrates this commitment by generously supporting a variety of social and charitable causes. Additionally, the company actively participated in flood relief activities. Furthermore, the company places a strong emphasis on environmental responsibility, ensuring strict compliance of its products and operations with all relevant environmental legislation and regulations. It continuously enhances its environmental management systems to meet or exceed recognized standards and adapts to changing requirements. Operating with a firm commitment to ongoing improvements in environmental sustainability, the company engages in initiatives such as recycling, resource conservation, pollution prevention, product innovation, and fostering environmental awareness among its employees. It ensures that no hazardous materials are emitted from its plant and informs and educates its suppliers and contractors about its environmental expectations, encouraging them to embrace environmentally friendly practices in line with these expectations.

Salient Features of Terms of Reference of Board Committees

Audit Committee

The Audit Committee comprises of three members, who are Non-Executive Directors. The committee is chaired by an Independent Director. The Audit Committee meets at least four times a year. The Company Secretary acts as the secretary to the Audit Committee. The brief terms of reference of the

Audit Committee are as follows:

- To recommend to the Board the appointment and removal of external auditors;
- To review quarterly, half-yearly and annual financial statements;
- To review the internal control systems and internal audit function; and
- To monitor compliance of statutory requirements.

Human Resource and Remuneration Committee

The Human Resource and Remuneration Committee comprises of three members, who are Non-Executive Directors. The committee is chaired by an Independent Director. The Committee meets at least once a year. The Company Secretary acts as the secretary to the Committee. The brief terms of reference of the Human Resource and Remuneration Committee are as follows:

- Recommend human resource management policies to the Board;
- Recommend to the Board the selection, evaluation, compensation (including retirement benefits) of CFO, Company Secretary and Head of Internal Audit;
- Recommend to the Board the selection, evaluation, compensation (including retirement benefits) and

succession planning of the CEO;

- Consideration and approval on the recommendations of CEO on such matters for key management positions who report directly to CEO;
- Assess periodically the Board's performance and the performance of the Committees of the Board.

Technical Committee

The Technical Committee is composed of six members, all of whom are Non-Executive Directors, with an Independent Director serving as the chair. Regular meetings of the Technical Committee are convened, typically on a monthly basis, and the Company Secretary assumes the role of the committee's secretary. The outlined terms of reference for the Technical Committee include:

- Review of Technical Drawings and Parts Availability.
- Vendor Evaluation and Validation.
- Cost Optimization Recommendations.
- Review of Quality Key Performance Indicators (KPIs).
- Examination of Customer Feedback and Warranty Claims.
- Assessment of Model Change Projects.
- Evaluation of Various Projects.

Use of an External Search Consultancy in the Appointment of Chairman or Non-Executive Directors

The appointment of directors to the Board did not involve the engagement of any external search consultancy.

Chairman's Significant Commitments

Mr. Robert McAllister assumed the role of Chairman and Non-Executive Director of the Company in January 2022. He has since been re-elected in the Directors' Election conducted on March 01, 2024. Further details about his professional engagements and background can be found in his profile.

Governance Practices Exceeding Legal Requirements

AGTL is committed to compliance with all applicable laws and regulations. In addition, the Company also endeavors to go the extra-mile voluntarily in terms of adopting best governance practices exceeding legal requirements and following are

examples in this respect:

- Disclosure of various important information in the annual report, as per best practices, like ratios and trends, graphs, commentary, analysis, etc.
- Health, Safety and Environment strategies for the safety of employees and equipment.
- High standards of management and reporting practices, as evident from numerous awards consistently bestowed by ICAP/ICMAP, MAP, etc.

Diversity Policy

AGTL strives to be an equal opportunity employer, free from any discrimination whatsoever due to gender, caste, creed, religion, ethnicity, color, or the like. The Company is committed to a merit-based environment where there is fair and equal treatment of employees. In all aspects of human resources management,



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short-listing of candidates for hiring through to their selection, compensation, and benefits – monetary and otherwise, promotions and increments, transfers, social and recreational activities, professional grooming, terminations, etc., our endeavor is to remain non-discriminate and free of any bias. Accordingly, in all aspect employees are treated according to their abilities to meet job requirements and all decisions are free from any form of discrimination.

Related Parties

Disclosures relating to related parties have been provided in the financial statements section of this annual report, in accordance with applicable approved accounting and reporting standards. The said disclosures include name, basis of relationship and percentage of shareholding of related parties including associated companies with whom the Company had entered into transactions or have arrangements/agreements in place. Related party transactions have also been disclosed in the

financial statements appropriately along with other related parties related disclosures.

The Company has a policy of compliance with corporate laws and regulations regarding related party transactions. All such transactions along with relevant information were placed before the Audit Committee for review quarterly. After review by the Committee, the transactions were considered and approved by the Board, keeping in view the recommendations made by the Committee. Directors are also required to disclose their interest, if any, in accordance with the requirements of corporate laws and regulations.

Statement of Management's Responsibility towards the Preparation and Presentation of Financial Statements

The Board of Directors, Audit Committee and the management have been committed to keeping the Company in compliance with accounting and reporting framework as applicable under

corporate law. The management is responsible for the preparation and presentation of financial statements as per applicable accounting and reporting standards and for related internal controls.

Whistle Blowing Policy

The Company has adopted a whistle blowing culture to detect and deter wrongdoing in preparing and implementing accurate and complete financial reports and records as well as the internal controls essential to support its financial and accounting system and operations. Violation of matters referred to in the Code of Conduct signed by all the employees may also be reported. The establishment of whistle blowing structure also augments the Company's ability to detect potential fraud, providing another level of comfort and assurance to the stakeholders.

The policy provides a mechanism for employees to report possible wrongdoings to the Company Secretary without fear of reprisal or discrimination. Every report case is considered and investigated. The whole process is looked after by the Audit Committee.

The Company also has a policy on "Suggestion System", encouraging all employees to make suggestions. These are discussed and employees are often rewarded for their input.

Shareholder Rights and Responsibilities

The Company ensures that all shareholders are treated fairly

and equitably. The Company is committed to ensuring that all shareholders have access to clear, reliable and meaningful information. The Company regularly communicates major developments in business operations to the stock exchange, SECP, press releases, circular to shareholders and placement of information on Company' website. The Company also encourages shareholder participation at the general meetings of the shareholders.

All shareholders are invited to participate in the Company's general meeting in person or through proxy. The Chairman delivers a short presentation at each AGM to shareholders to update them on performance of the Company. Every matter requiring approval is proposed as a separate resolution. Shareholders presents are given an opportunity to clarify or direct questions on issues pertaining to the proposed resolution. The Board is in attendance to address these queries and obtain feedback from shareholders. External auditors are also present as required by law.

Issues Raised at Last AGM

The Company's AGM was held on April 27, 2023. The following were approved by the shareholders:

- Minutes of Annual General Meeting held on May 17, 2022.
- Financial statements for the year ended December 31, 2022
- Re-appointment of M/s. A.

F. Ferguson & Co., Chartered Accountants, as external auditors

- Circulation of annual financial statements through QR enabled code and weblink.

For above-stated shareholders' approvals, related implementation was timely completed by the Company.

During the AGM held on April 27, 2023, the shareholders asked general queries related to annual financial statements for the year 2022 and fee of external auditors which were appropriately responded by the directors present in the meeting. No significant matter was raised at the AGM.

Extraordinary General Meeting for Election of Directors

An Extraordinary General Meeting (EOGM) was held on March 01, 2024 to elect nine directors, as fixed by the Board in accordance with the provisions of the Companies Act, 2017 for a term of three years.

Employee Health, Safety and Protection

The well-being and safety of our employees and contract workers are of utmost importance to the Company. Our in-house Environment, Health, and Safety mechanism are integral to instilling a culture of safety throughout all aspects of our business. Acknowledging that employees perform optimally when they can balance work and family responsibilities, we have implemented programs that

support work-life harmony and prioritize good health.

Presence of the Chairman of the Audit Committee at AGM

The Chairperson of the Audit Committee was also present at the AGM of the Company held on April 27, 2023 to answer any questions asked on the Audit Committee's activities and matters within the scope of the Audit Committee's responsibilities.

Encouraging Minority Shareholders to Attend General Meetings

The Company's management aims to encourage minority shareholders to attend general meetings.

Accordingly, the Company sends notice of its general meetings to all shareholders in addition to these notices being published in Urdu and English newspapers.

Understanding of the Views of Major Shareholders by the Directors including Non-Executive Directors

AGTL is owned to the extent of 93% by two foreign shareholders, namely Al-Futtaim Industries Company (L.L.C.) and CNH Industrial N.V. At the time of induction of each of the new directors, the Company carries out orientation in respect of the expectations and views of major shareholders.

Investor Relations Policy and Grievance Programme

The Company is committed to maintaining the highest standards of corporate transparency and



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disclosure and believes that it should provide regular, effective, and fair communication with its shareholders. An investor relation program has been put in place to provide clear, timely and fair disclosure of information about the Company's business development and performance.

Shareholders are also welcome to seek any information that they may require by contacting the Company Secretary at the following Telephone Number 021-35318901-5. Information / complaints may also be sent in writing or through email. All efforts are made to provide the required information / resolve their complaints on a priority basis.

Policy of Safety of Records

The Company places emphasis on safety and storage of its financial and other records. The Company ensures that all data and records are retained to meet legal, administrative, and operational requirements. No loss or breach of confidential data was reported during 2023.

Company's Approach to Managing and Reporting Policies like Procurement, Waste and Emissions

The Company is dedicated to managing and reporting on essential practices such as procurement, waste, and emissions in an open and sustainable manner. Our approach involves strict compliance with regulatory standards, continual enhancement through engaging stakeholders, and the incorporation of leading practices



to reduce environmental impact and enhance resource efficiency. By implementing effective management systems and conducting regular monitoring, we aim to streamline procurement processes, minimize waste generation, and mitigate emissions. This demonstrates our commitment to being a responsible corporate entity.

Business Continuity/Disaster Recovery Plan and Review by the Board

The Company places paramount importance on ensuring business continuity/disaster recovery. The following measures are in place to ensure smooth restoration of key operations:

- Application and data back-ups are maintained at different sites to ensure maximum security. In case of failure of the primary server, a back-up server with the same configuration is also available.
- Comprehensive fire prevention systems have been put in place through mechanical installations as well as frequent fire drills.
- Adequate insurance arrangements have been made to mitigate business risks.

- Preventive maintenance Programme coupled with training is carried out intermittently to minimize business disruptions.
- 24-hour security at the plant, head office and staff town has been provided.

The Board is apprised relating to disaster recovery strategies and mitigating plans.

Information Technology Governance

Information Management and Information Technology is built into AGTL's strategy. IT system plays an important role in supporting AGTL's current operations and its new initiatives. Our ERP system continues to integrate all functions across the Company, facilitating greater efficiency and effectiveness of all processes and controls. However, keeping in view the new business requirements and competencies required to compete with the new business challenges, The Company has initiated the process of moving from its existing BAAN system to SAP S/4HANA which will be completed and implemented in due course of time.

Analyst Briefing:

As required under PSX regulations, the Company will be arranging this year a corporate briefing session for the analyst community.



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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF AL-GHAZI TRACTORS LIMITED**Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Al-Ghazi Tractors Limited (the Company) for the year ended December 31, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2023.

**Chartered Accountants
Karachi**

Dated: March 28, 2024

UDIN: CR202310073JL2xGVWmR

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■ KARACHI ■ LAHORE ■ ISLAMABAD

Statement of Compliance

with Listed Companies (Code of Corporate Governance) Regulations, 2019

For the year ended December 31, 2023



The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors including the Chief Executive are 9 as per the following:

- a. Male 8
- b. Female 1

2. The composition of Board as at the year-end is as follows:

Category	Names
a) Independent Director	Ms. Farah Qureshi Mr. Shahid Shahbaz Toor
b) Non-Executive Directors	Mr. Robert McAllister Mr. Dmitri Bogatyrev Mr. Malik Ehtisham Ikram Mr. Marco Votta Mr. Vincent De Lassagne Mr. Matthieu Séjourné
c) Chief Executive Officer	Mr. Sakib Eltaff

* One casual vacancy resulting from the resignation of an independent director on September 15, 2021 remained open till the year end. Subsequent to the year end, fresh elections of the Board were held on March 1, 2024, wherein the Company have elected three independent directors for a term of three years starting from March 3, 2024. For the purpose of rounding up of fraction, the Company did not round up the fraction as the Board determined that composition is adequate.

3. The directors have confirmed that none of them is serving as a director of more than seven listed companies, including this company.
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 [the Act] and the Listed Companies (Code of Corporate Governance) Regulations, 2019 [the Regulations].
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations pertaining to frequency, recording, and circulating minutes of meeting of the Board.
8. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.
9. All the directors on the Board are fully conversant with their duties and responsibilities as directors of corporate bodies.
10. The Board has approved the appointment of the Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. The Chief financial officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has approved formation of Audit Committee, Human Resources and Remuneration Committee and Technical Committee. The composition of the said committees as at December 31, 2023 is as follows:

a) Audit Committee Ms. Farah Qureshi (Chairperson) Mr. Marco Votta Mr. Malik Ehtisham Ikram	b) Human Resources and Remuneration Committee Ms. Farah Qureshi (Chairperson) Mr. Marco Votta Mr. Malik Ehtisham Ikram
c) Technical Committee Mr. Shahid Shahbaz Toor (Chairperson) Mr. Robert McAllister Mr. Malik Ehtisham Ikram Mr. Marco Votta Mr. Vincent De Lassagne Mr. Matthieu Séjourné	
13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committee for compliance.
14. Six (6) meetings of the Audit Committee were held during the year where at least one meeting was held in each quarter. Six (6) meetings of the Technical Committee were held during the year under review. One meeting of the Human Resources and Remuneration Committee was held during the year under review.


Statement of Compliance

15. The board has set up an effective internal audit function.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of Institute of Chartered Accountants of Pakistan [ICAP] and they are registered with Audit Oversight Board of Pakistan. They have further confirmed that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with in all material respects.
19. Explanation for non-compliance with requirements, other than those of regulations 3, 6, 7, 8, 27, 32, 33 and 36, are provided below:

S. No.	Requirement	Explanation	Reg. No.
1.	<p>It is encouraged that:</p> <p>(i) by June 30, 2020 at least half of the directors on their Boards.</p> <p>(ii) by June 30, 2021 at least 75% of the directors on their Boards; and</p> <p>(iii) by June 30, 2022 all the directors on their Boards have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.</p> <p>A newly appointed director on the Board may acquire, the directors training program certification within a period of one year from the date of appointment as a director on the Board:</p> <p>Provided that director having a minimum of 14 years of education and 15 years of experience on the Board of a listed company, local and/or foreign, shall be exempt from the directors training program.</p> <p>Companies are also encouraged to arrange training for:</p> <p>(i) at least one female executive every year under the Directors' Training program from year July 2020; and</p> <p>(ii) at least one head of department every year under the Directors' Training program from July 2022.</p>	<p>Since the requirement is not mandatory now, all the directors are highly qualified and experienced.</p>	19



S. No.	Requirement	Explanation	Reg. No.
2.	The Board may constitute a separate committee, designated as the nomination committee, of such number and class of Directors, as it may deem appropriate in its circumstances.	The responsibilities prescribed for the Nomination Committee are being taken care of at Board level.	29
3.	The Board may constitute the Risk Management Committee, of such number and class of Directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board has constituted a Risk Management Function of the Company and tasked the Audit Committee to oversee Risk Management related matters of the Company.	30
4.	<p>The Company may post on its website key elements of its significant policies including but not limited to the following:</p> <p>I. Communication and disclosure policy</p> <p>II. Code of conduct for members of Board of Directors senior management and other employees</p> <p>III. Risk management policy</p> <p>IV. Internal control policy</p> <p>V. Whistle blowing policy</p> <p>VI. Corporate social responsibility / sustainability / environmental, social and governance related policy</p>	As the Regulation provides concession with respect to disclosure of significant policies on the website, only key elements of relevant policies are available on the Company's website.	35


Robert Mcallister
 Chairman of the Board


Sakib Eltaff
 Chief Executive Officer

Date: March 22, 2024

Statement of Adherence

with the International Integrated Reporting Framework

This annual report (report) of Al-Ghazi Tractors Limited has been prepared in accordance with the guidelines of the International Integrated Reporting (IR) framework. The Company's primary objective under the subject is to enhance shareholders' and stakeholders' awareness for better understanding and valued decision-making. We always strive to achieve our objective through excellence in corporate governance and management practices regarding human resources.

AGTL has been continuously working towards transparency of the information presented to its stakeholders. It has considered various transformations to adapt to a changing corporate environment and the need for additional information beyond the basic financial statements. This information includes management commentary, governance disclosures, performance analysis, forward outlook and footnotes to the financial statement to better reflect the corporate reporting for information needs of different stakeholders.

The Company has included the following content elements for the users of this report:

- Organizational Overview and External Environment
- Messages for Stakeholders
- Governance
- Strategies, Risks and Opportunities
- Performance Analysis
- Sustainability and Corporate Social Responsibility
- Financial Statements
- Other Information

The adoption of integrated reporting requires involvement and support of the Board of Directors and the leadership team. Henceforth, Management of the Company provides guidance to achieve organizational objectives by advising, assessing, and monitoring business strategies; ensuring the execution and modification of strategies; and evaluating their own effectiveness and contribution in these activities. Reporting is being monitored and it is ensured that the relevant information is shared in the most suited way for the stakeholders of the Company.

We will continue to improve the information produced to make it even easier to understand, while taking into account the opinion of stakeholders reading this report.



Sakib Eltaff
Chief Executive Officer

March 22, 2024

Statement of Unreserved Compliance

of International Financial Reporting Standards (IFRSs) issued by International Accounting Standards Board (IASB)

Al-Ghazi Tractors Limited is preparing statutory financial statements in accordance with the IFRS issued by IASB as notified under the Companies Act 2017 including the disclosure requirements of the fourth schedule.

In addition to this, note 2.1.3 to the financial statement specifies a few standards, interpretations and disclosures which are yet to be effective in Pakistan. The Company believes that the impact of such standards, interpretations and disclosures does not have any material impact on the financial statements.



Sakib Eltaff
Chief Executive Officer

March 22, 2024



Internal Audit



The Board has set up an effective independent Internal Audit function, which is headed by a Chartered Certified Accountant. The Head of Internal Audit reports functionally to the Chairman of the Audit Committee and administratively to the CEO. Using a risk-based approach, an annual Internal Audit plan is formulated which is reviewed and approved by the Audit Committee.

The key role of the Internal Audit is to assist the Audit Committee to provide reasonable assurance that the Company is maintaining an adequate system of internal controls. The internal audit function examines Company records and operations, ensuring fair financial reporting processes, compliance with applicable laws

and adherence with internal control systems. It provides detailed reports to the audit committee on the same.

The Audit Committee ensures that the internal audit function has adequate resources and appropriate standing within the Company. On an ongoing basis, it assesses the effectiveness of the Internal Audit function, such as its scope of work and quality of audit reports.

Report of the Audit Committee



Composition

The Audit Committee, as of March 03, 2024, comprised of two independent and two Non-Executive Directors namely.

- **Ms. Farah Qureshi**
Chairperson & Independent Director
- **Mr. Malik Mirza**
Independent Director
- **Mr. Marco Votta**
Non-Executive Director
- **Malik Ehtisham Ikram**
Non-Executive Director

The Secretary of the Board functions as the Secretary to the Committee.

Charter of the Committee

The terms of reference of the Committee are clearly defined in the Charter of the Committee,

salient features of which are stated below:

- To recommend to the Board the appointment and removal of external auditors;
- To review quarterly, half-yearly and annual financial statements;
- To review the internal control systems and internal audit function;
- To monitor compliance of statutory requirements.

Meetings during 2023

The Audit Committee met six times during the year. The attendance of the members at these meetings is stated in the table on page 71

of the Annual Report. The Chief Financial Officer and the Chief Internal Auditor attended all meetings.

Role of the Committee

The Audit Committee assists the Board to effectively carry out its supervisory oversight responsibilities on financial reporting and compliance, internal controls and risks, internal and external audit functions of the Company.

The Committee ensured compliance with its terms of reference. The Committee has concluded its annual review of the operations of the Company for the year ended December 31, 2023 and reports that:

Report of the Audit Committee



- The Committee reviewed and approved the quarterly and annual financial statements of the Company and recommended them for approval of the Board.
- Appropriate accounting policies have been consistently applied and all applicable accounting standards were followed in preparation of the financial statements for the year ended December 31, 2023, which present fairly the state of affairs, results of operations, profits, cash flows, and changes in equity of the Company.
- The Chief Executive Officer/ Chief Financial Officer has reviewed the financial statements of the Company. They acknowledge their responsibility for true and fair presentation of the financial statements, accuracy of reporting and compliance with regulations and applicable accounting standards.
- Review process of financial statements by Audit Committee also includes detailed consideration of related matters and issues which were dealt in accordance with applicable accounting and reporting standards. Contents of External Audit Report for the financial year 2023 are in accordance with applicable Regulations in Pakistan. The auditors have issued unmodified audit report in respect of the financial statements for the said financial year.
- Accounting estimates are based on reasonable and prudent judgment.
- Proper, accurate and adequate accounting records have been maintained by the Company.
- The Company's system of internal control is sound in design and has been continually evaluated for effectiveness and adequacy.

- The Company has a proper approach in place for risk management whereby identification and mitigation of relevant risks take place. Details regarding risk identified by the Company and mitigating strategies are included in respective section of this annual report and summary is mentioned in the Directors' Report. The Audit Committee has reviewed this information.
- The Audit Committee has reviewed and approved all related party transactions.
- The Committee has reviewed arrangements for staff and management for reporting to the Committee, their concerns, if any, about improprieties in financial and other matters, and remedial and mitigating measures. No cases of complaints regarding accounting, internal accounting controls or audit matters, or whistleblowing were received by the Committee.
- Closed periods were duly determined and announced by the Company, precluding the directors and executives (as defined by the Board to be an employee drawing a basic salary of Rs. 1,200,000 and above in a financial year) from dealing in the shares of the Company, prior to each Board meeting involving announcement of interim / final results, distribution to shareholders or any other

business decision which could materially affect the share price.

- The Company's 2023 Annual Report is properly structured to provide all necessary information in detail yet in a lucid way. Not only it gives financial information like state of affairs and financial performance as per applicable accounting framework, it also enlightens through financial analysis in easy to comprehend style. Besides the core financial information, it also covers all other necessary domains like background details about company and its directors, comprehensive management reviews and future prospects, stakeholder's information and corporate governance.

Internal Audit

- The Board has effectively implemented the internal control framework through the Chief Internal Auditor who is a qualified Certified Chartered Accountant.
- The Internal Auditor reviews the risks and control processes. It carries out reviews in accordance with the internal audit plan approved by the Committee.
- The internal audit function has direct access to the Committee. The Committee reviews the findings and observation of the internal audit and provides appropriate guidance.

- The Committee met with the internal audit in absence of the management.

External Audit

- The statutory auditors of the Company, A. F. Ferguson & Co., Chartered Accountants, have completed their audit assignment of the Company's financial statements and the statement of compliance with the Code of Corporate Governance for the year ended December 31, 2023 and shall retire on conclusion of 41st Annual General Meeting.
- The Audit Committee has reviewed and discussed audit observations with the external auditors. A meeting was also held with the external auditors in absence of the management.
- The external auditors have direct access to the Audit Committee and internal audit department, hereby ensuring the effectiveness, independence and objectivity of the audit process.

- The performance, cost and independence of the external auditors is reviewed annually by the Audit Committee. Being eligible for reappointment under the listing regulations, the Committee has recommended to the Board the reappointment of A. F. Ferguson and Co., Chartered Accountants for the year 2024. A resolution to this effect has been proposed at the forthcoming Annual General Meeting.



Self-Evaluation of Audit Committee

The Committee's evaluation was conducted internally using a bespoke process during the review period. Each Committee member performed a self-assessment in alignment with the Committee's terms of reference.

Performance of Audit Committee

The Committee views that it discharged its responsibilities as per its terms of reference. A separate mechanism is in place for annual evaluation of members of the Board of Directors and its Committees.

-Sd-

Farah Qureshi

Chairperson, Audit Committee

Report of the Human Resource & Remuneration Committee



Composition
The Human Resource & Remuneration Committee, as of March 03, 2024, comprised of one independent, two Non-Executive Directors and the CEO namely:

- **Ms. Farah Qureshi**
Chairperson & Independent Director
- **Mr. Marco Votta**
Non-Executive Director
- **Malik Ehtisham Ikram**
Non-Executive Director
- **Mr. Sakib Eltaff**
Chief Executive Officer

The Secretary of the Board functions as the Secretary to the Committee.

Terms of Reference
The terms of reference of the Committee are clearly defined in the Charter of the Committee,

salient features of which are stated below:

Salient Terms of Reference of the Committee are as follows:

- Recommend human resource management policies to the Board.
- Recommend to the Board the selection, evaluation, compensation (including retirement benefits) of CFO, Company Secretary and Head of Internal Audit.
- Recommend to the Board the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO.

- Consideration and approval on the recommendations of CEO on such matters for key management positions who report directly to CEO.
- Assess periodically the Board's performance and the performance of the Committees of the Board.

Meetings during 2023
One meeting of the Committee was held during the year as listing regulations requirement.

-Sd-
Farah Qureshi
Chairperson
Human Resource and Remuneration Committee

Report of the Technical Committee



Composition

The Technical Committee, as of March 03, 2024, comprised of one independent and six Non-Executive Directors namely:

- **Mr. Shahid Shahbaz Toor**
Chairman & Independent Director
- **Mr. Robert Ian McAllister**
Non-Executive Director
- **Mr. Matthieu Séjourné**
Non-Executive Director
- **Mr. Vincent De Lassagne**
Non-Executive Director
- **Mr. Marco Votta**
Non-Executive Director
- **Malik Ehtisham Ikram**
Non-Executive Director
- **Mr. Dmitrii Bogatyrev**
Non-Executive Director

The Secretary of the Board functions as the Secretary to the Committee.

Terms of Reference of the Committee

- Technical Drawings Availability of Production Parts and Sub-Assemblies.
 - Technical Committee will review the data of available drawings for function parts only.
 - Technical Committee will ensure to make available the data and drawings of missing functional parts.
- Vendor's Evaluation & Validation.
 - Technical Committee will review the existing evaluation procedure of New Vendors.
- Periodic Quality Audits of existing vendors will be executed and Technical Committee will review.
- Cost Optimization of Existing Parts – Product Development/ Finance
 - Technical Committee will review Top 100 expensive parts cost estimation and optimization process.
 - Technical Committee will review and ensure regular costing updates of existing parts according to market situation.

- Inspection Facility Availability at AGTL – Quality Assurance
 - Technical Committee will review the KPI's of Quality-in and Quality-out.
 - Technical Committee will review and suggest improvements in existing quality facility and skills.
- Customer Feedback & Warranty Claims – Sales / Quality Assurance.
 - Technical Committee will review Top 5 customer complaints and failed components.
 - Technical Committee will review the KPI of no. of complaints and warranty claims on periodic basis.
- Full Model Change / Major Model Change / Minor Model Change Projects.
 - Technical Committee will review the product specifications, capacity requirement and price indication of model change projects before presenting to BOD.
 - Technical Committee will review the progress of model change projects during planning, execution and closing phases.
- Projects (Vertical Integration / Cost Reduction / Capacity Enhancement / Power Generation / HSE / IT / Marketing & Sales)
 - Technical Committee will review the business case and / or cost feasibility of other above mentioned large-scale projects before presenting to BOD.
 - Technical Committee will review the progress of the large-scale projects during planning, execution and closing phases.

Meetings during 2023
The Technical Committee met six times during the year. The attendance of the members at these meetings is stated in the table on page 71 of the Annual Report. The Chief Executive Officer, Chief Financial Officer, and General Managers of plant, Quality Assurance and Supply Chain attended all meetings.

Performance of Audit Committee
The Committee views that it discharged its responsibilities as per its terms of reference. A separate mechanism is in place for annual evaluation of members of the Board of Directors and its Committees.

-Sd-
Mr. Shahid Shahbaz Toor
Chairman, Technical Committee

A person in a white shirt and dark trousers stands on a rocky peak, looking through binoculars against a bright, cloudy sky. The sun is low on the horizon, creating a strong lens flare and silhouetting the person. The sky is filled with scattered white clouds.

Strategy, Risks and Opportunities

Risks and Opportunities

Risks

To achieve an informed understanding of our tolerance for risks when delivering our overall business plan, we must be mindful that the objective of risk management is not necessarily to eliminate risk but to ensure that the risks we do accept remain within a predetermined level of acceptability and control while pursuing value-enhancing opportunities. The ultimate goal of risk management within AGTL is to continually assess the control environment to prevent and build resilience against any internal or external shocks, both anticipated and unforeseen.

Within the automotive industry, uncertainties stem from various sources including changes in the economy, technology, government regulations, relative prices, and market dynamics.

Following are the major risks that may affect our business operations and mitigating strategies for controlling these risks.

Financial Capital (External Source)				
Risk	Risk level/ Impact	Likelihood	Risk Description	Mitigation Strategy
Exchange Rate Fluctuation	High/High	High	It becomes challenging for the Company to compete in the market due to frequent fluctuation of PKR parity against USD.	The Company's product has around 92% local components, thus reducing the dependency on imported material and hence reducing negative consequences resulting from exchange rate fluctuations.
Working Capital Management	Moderate/Moderate	Moderate	Any increase in raw material cost or increase in the volume of raw material stock or debts may limit the avenues for availability of sufficient working capital.	Management has addressed the risk of shortage of working capital by availing the sufficient credit lines from different banks in order to meet the short-term requirements of the Company.
Import Restrictions	High/High	High	It has become challenging for the company to ensure business continuity and fulfil production demand requirements due to import restrictions on tractor's parts. This is because of record low forex reserves in the country.	Management addresses the risk by escalating the importance of tractor industry and its contribution to agriculture at relevant forums including the central bank. Advocacy efforts being done for exemption of import restrictions for AGTL along with exploring various FOREX funding options including shareholder's funding support.

Human Capital (Internal Source)				
Risk	Risk level/ Impact	Likelihood	Risk Description	Mitigation Strategy
High Employee Turnover	Moderate/Moderate	Moderate	Key employees and workers may leave the Company causing a lack of a competent workforce.	The Company believes in the importance of having the right people with the requisite qualifications, skills and expertise to achieve its strategic business plans. The Company has in place comprehensive human resources policies and procedures for recruitment, compensation, staff development and management succession.



Manufactured Capital (External Source)				
Risk	Risk level/ Impact	Likelihood	Risk Description	Mitigation Strategy
Information System Failure risk	Moderate	Moderate	Loss of Company data and theft of sensitive information	A comprehensive disaster recovery policy is in place and addresses the underlying risk. The Company maintains backup servers to recover data in case of any disaster. Further, the Company has a well-established disaster recovery plan and data backup to cope with any unwarranted event.
Natural Catastrophe	Moderate	Moderate	Becoming unable or constrained to continue the business	The Company recognizes that quick recovery and resumption of business operations after a disruption are critical to minimizing financial, operational and reputational impact. To mitigate these risks, the Company has in place a Business Continuity Plan, which complements its ERP framework.

Opportunities

Based on detailed analyses, we have identified various opportunities in the current economic landscape along with the strategy to maximize benefits from it:

Opportunities				
Opportunity	Impact Area	Source	Opportunity Description	Strategy to Capitalize on Opportunity
High Horse Power Tractors	Manufactured Capital	Internal	The market contains significant potential for high-power tractors.	Under the transformation efforts, with alignment with CNHi, AGTL is currently conducting R&D efforts for the development of durable and superior high horse power tractors.
Modernization of the AGTL Plant	Manufactured Capital	External	Most modern and state-of-the-art machinery for the production of high-quality tractors.	Under the transformation efforts, AGTL with Kaizen Institute has launched a comprehensive plant modernization program at the facility in D.G. Khan. This will focus on quality management and modernization.
Diversification	Manufactured Capital	External	A potential market for lube oil and spare parts exists.	Under the transformation efforts, AGTL is currently conducting R&D efforts to enter into the spare parts market.
Efficiency at Workplace by Employees	Human Capital	External	Provide a congenial work environment where the employee feels motivated and works for the betterment of the Company.	Provide an effective environment without excessive work pressure. Continuous training and development of employees. Benefit aligned with efficient and effective work and team management.



Enterprise Risk Management (ERM)

At Al-Ghazi Tractors, we are committed to maintaining a robust and dynamic enterprise risk management (ERM) framework that safeguards our stakeholders' interests and enhances long-term value creation. Our ERM approach is designed to identify, assess, mitigate, and monitor risks across all facets of our operations, enabling us to navigate uncertainties effectively and seize opportunities for sustainable growth. This policy statement outlines our commitment to managing risks comprehensively and proactively.

- The purpose of our Enterprise Risk Management Policy is to:
 - Identify and prioritize key risks that may impact our strategic objectives, operations, financial performance, and reputation.

- Establish a structured framework for assessing and managing risks throughout the organization.
 - Promote a culture of risk-awareness and accountability at all levels.
 - Enhance decision-making processes by integrating risk considerations into strategic planning and daily operations.
 - Ensure compliance with applicable laws, regulations, and industry standards.
- The Board of Directors and senior management are responsible for providing oversight of the ERM framework and ensuring its alignment with the company's strategic goals. The Risk Management Function,

comprised of key stakeholders from various functions, oversees the implementation and effectiveness of the ERM process and reports regularly to the Board and senior management on risk exposures, mitigation efforts, and emerging trends.

- We employ a systematic approach to identify, evaluate, and prioritize risks across the organization. This includes both internal and external factors that may impact our business objectives. Risk assessments are conducted regularly, taking into account qualitative and quantitative factors, historical data, industry benchmarks, and expert insights. Key risk indicators (KRIs) are established to monitor risk trends and trigger timely responses.

- Once risks are identified and assessed on following model



Appropriate mitigation strategies and controls are implemented to reduce the likelihood and impact of adverse events. Risk owners are assigned to each identified risk, responsible for implementing mitigation measures and monitoring risk indicators. Mitigation plans are reviewed periodically to ensure effectiveness and alignment with changing risk profiles.

- Ongoing monitoring and reporting are essential components of our ERM framework. Regular risk assessments, performance reviews, and scenario analyses are conducted to track the effectiveness of risk mitigation efforts and identify emerging risks. Comprehensive reports are provided to the Board, senior management, and relevant stakeholders to facilitate informed decision-making and transparency.
- We are committed to continuous improvement in our ERM practices to adapt to evolving business environments and emerging risks. Lessons learned from past experiences, industry trends, and stakeholder feedback are incorporated into our risk management processes to enhance resilience and agility.

Impact	Risk Management Actions		
Significant	Considerable Management Required	Must manage and monitor risks	Extensive management essential
Moderate	Risks may be worth accepting with monitoring	Management effort worthwhile	Management effort required
Minor	Accept risks	Accept, but monitor risks	Manage and monitor risks
	Low	Medium	High
	Likelihood		



At Al-Ghazi Tractors, we recognize that effective risk management is integral to achieving our strategic objectives and maintaining stakeholder trust. By embedding a robust ERM framework into our organizational culture and decision-making processes, we strive to proactively manage risks, seize opportunities, and create sustainable value for our shareholders, employees, customers, and communities.



PERFORMANCE



Year 2023 in
Review



Company Transformation



The ongoing increase in the world's population leads to a growing demand for agricultural products. This industry not only ensures food security for many nations but also supplies raw materials for various manufacturing sectors such as textiles. Moreover, it faces increasing pressure from regulators to adopt sustainable practices. Consequently, profit opportunities are shifting towards precision farming, data-driven solutions, connectivity, and autonomy. There is also a need for greater vertical integration, with some original equipment manufacturers (OEMs) creating platforms to capture future profit opportunities.

These global trends are also relevant to the tractor industry in Pakistan. With a steady 2% annual population growth, expected to reach 265 million by 2030, there will be changes in per capita consumption. The agricultural sector will expand to meet the rising demand. While the industry currently focuses on high-horsepower (HP) tractors for high yields, there is also growth potential for low HP tractors due to the limited financial resources of farmers with smaller land holdings.

For the company:

- Over the years, the company has maintained a strong position in the industry, particularly in the 55 to 75

HP segment. The evolving industry dynamics, influenced by major trends and specific socioeconomic conditions, present an opportunity for the company to increase its market share across all HP categories. This involves delivering superior products and services to customers in agriculture, commercial sectors, government, and other areas, while also maximizing shareholder value.

- To achieve this, the company is undergoing a comprehensive transformation focused on innovation, improving its product lineup, and enhancing business operations.

Transformation Objectives and Benefits:

1. Objectives:

a. Innovating Product Portfolio:

- Collaborating with CNHi to enhance products across all segments and HP types through cutting-edge research and technical partnerships.
- Prioritizing innovations in hydraulic lift, transmission capabilities, engine performance, and aesthetics for enhanced customer experience.

b. Improving Sales Channels and Customer Experience:

- Partnering with dealers to enhance the overall customer experience, including one-stop facilities for purchasing tractors, spare parts, lubricants, and top-notch repair services.

c. Strengthening Core Supply Chain:

- Focusing on cost-effective delivery by ensuring quality throughout the supply chain, empowering vendors to provide quality products at optimal costs.



d. Modernizing Manufacturing Operations:

- Implementing a plant modernization program in DG Khan to meet growing production needs, focusing on total quality management, pull flow production, and process standardization.

e. Reimagining Organizational Structure:

- Undertaking organizational design projects to foster agility, clarify roles, empower employees, and create a motivating work environment.

f. Change Management:

- Executing a change readiness plan to ensure the transformation's success through engagement strategies, impactful communications, innovation, and alignment of people, processes, and systems.

2. Benefits:

- Engaged Customers
- Increased Market Share and Revenue Growth
- Enhanced Brand Image
- Improved Employee Experience



Information Technology



Project Falcon

Al Ghazi Tractors Limited, one of Pakistan's largest agricultural equipment manufacturers, is currently in the second phase of a major digital transformation initiative with an investment of PKR 3 billion.

With the deployment of the world's premier manufacturing ERP solution, SAP S/4HANA, an integrated end to end visibility of the company's operations and data-driven strategic decision making will be enabled. In addition, the new ERP shall be

leveraged to achieve efficiencies in all aspects of the business.

The digital transformation at Al Ghazi Tractors Limited has currently entered the second year of a planned 4-year project aiming to utilize the latest technology effectively to maximize ROI and create value. The transformation project is being led by a dedicated Steering Committee which includes the Al-Futtaim Group Technology and Digital Platforms, local IT, Transformation and Strategy teams.

SAP Implementation

In today's times, technology and digitalization is essential for driving business sustainability and unlocking growth. Through data-driven decision making and performance management systems, Al Ghazi Tractors Limited continues to strive to deliver unprecedented levels of customer satisfaction as well as shareholder confidence. SAP S/4HANA will enable flexibility, responsiveness and resilience in adapting to evolving consumer demands and variable market

conditions. Advanced integrated technologies from SAP including AI, Data Analytics, IoT and Machine Learning will enable Al Ghazi Tractors Limited to streamline its adaptiveness and agility, making the way business is done easier, faster and better.

AGTL continues its journey to become a high-tech, customer-centric organization that strives to exceed the expectations of its customers and shareholders.

IT Infrastructure Revamp

With the adoption of modern ways of doing business, including

cloud-based and bandwidth intensive data storage and processing technologies, the need for a robust IT Infrastructure framework is paramount. Complete overhaul of our network and IT Infrastructure and implementation of state-of-the-art equipment will enable adherence to the latest global compute, storage, networking, Cybersecurity and digital experience (DX) standards. AGTL is committed to ensuring that the technology on the ground can match our digital value creation vision.

Scope of the Project

The scope of the project includes Finance and Controlling, Sales and Distribution, Materials Management, Customer Service, Logistics, Quality Management, Vehicle Management, Plant Maintenance, Dealer Management, Production Planning, Warehouse Management and Human Capital Management, covering all the major operational and strategic functions at Al Ghazi Tractors Limited.



HR Initiatives

Human Resource Management (HRM)



A GTL is committed to attracting and retaining exceptional talent to drive business growth. To achieve this, we are enhancing our employer brand through a strong presence on social media and engaging employee initiatives.

We are currently refining our recruitment process to ensure it is best-in-class and have recently recruited professionals for key positions, focusing on individuals who are top performers in their respective fields. Our dedication to diversity and inclusivity ensures that we attract, retain, and develop high-potential employees without bias. Additionally, we offer a variety of job learning and mentoring opportunities to enhance the strengths and professional skills of our new appointees.

Performance Appraisals

In our commitment to continuous improvement, we constantly refine our performance appraisal

process to align with industry best practices. This includes leveraging cutting-edge tools and techniques to ensure that all targets are in line with the corporate Balanced Scorecard (BSC). Regular briefings for employees and line managers underscore the importance of performance management, highlighting its direct impact on employee engagement and motivation. As part of our digital transformation journey, we are transitioning from a paper-based to a system-based module for performance appraisals, enhancing user experience and streamlining HR processes. This shift reflects our dedication to embracing technology to drive efficiency and effectiveness across our HR practices.

Succession Planning

As part of our Succession Planning strategy, AGTL has commenced internal recruitment to fill critical positions across all departments, ensuring organizational continuity

and a sustainable talent pipeline for critical roles. We are also developing Individual Development Plans (IDPs) for successors, tailored to their short, mid-term, or long-term readiness levels. This effort is part of our strong focus on developing key talent with leadership skills to take on more complex and growth-oriented roles in the future. We maintain a culture of succession planning by making persistent efforts to develop a professional team and short- and long-term succession plans for all critical positions. During the period under review, a rigorous succession planning exercise was conducted to identify potential performers for leadership roles, contributing to organizational growth. Regular training programs, skill enhancement workshops, and management courses were arranged to prepare successors for higher responsibilities, ensuring the sustainability of business operations in the long run.

Harassment

AGTL has a comprehensive harassment policy in place, aligning with the Protection Against Harassment of Women at Workplace Act 2010, ensuring a safe and respectful work environment for all employees. We are committed to upholding ethical standards and promoting diversity and inclusion within our organization. It's noteworthy that no instances of harassment were reported in 2023, reflecting our commitment to maintaining a harassment-free workplace. We continuously strive to create a culture where all employees feel valued, respected, and supported.

HR Initiatives

AGTL Values Awards

In 2023, the AGTL Values Awards recognized 15 exceptional individuals for their unwavering commitment to excellence and embodiment of our core values. In recognition of their efforts, certificates and a cash reward of AED 300 in Pakistani Rupees were presented by the CEO and Functional Heads.



Sports Festival at DGK Plant

The Sports Festival at DGK Plant in mid-February showcased athleticism, teamwork, and employee engagement, featuring the "Ghazi Got Talent" segment for employees to flaunt their skills. CEO Sakib Eltaff, alongside distinguished guests Mr. Robert McAllister and Mr. Ehtisham Malik from Al Futtaim, joined Heads of Departments and the enthusiastic DG Khan plant workforce, fostering camaraderie.

Training Session at DGK Plant

Prioritizing safety, AGTL conducted a First Aid and Fire Fighting Refresher training session at DGK Plant, with 62 employees and family members participating, reinforcing our commitment to a safer workplace.



Birthday Bashes for Employees

AGTL's HR and Admin team spread joy by celebrating quarterly birthday bashes for employees across all locations.

HR Initiatives

New Corporate Office Inaugurations

The inauguration of AGTL's Lahore Corporate Office at Askari Corporate Towers on June 6th, 2023, was graced by Chairman BOD Mr. Robert McAllister and Director Mr. Malik Ehtisham, marking a significant milestone for the company.



AGTL's CSR Initiative

AGTL's CSR initiative conducted mock interviews on March 30, 2023 at Lahore School of Economics, aiming to enhance employer branding and support student readiness.



Long Service Award

The Long Service Award and Training Certificates Distribution Ceremony at DGK Plant AGTL honored employees' dedication. Muhammad Ali and Ejaz Ahmad were recognized for 10 years of service.

Allama Iqbal's Day

AGTL commemorates Allama Iqbal's contributions on November 8th, 2023, with employees inscribing his poetry on flip charts.



Al Ghazi Palat De Baazi" Training Session

The "Al Ghazi Palat De Baazi" training session January 18th, 2024 emphasized customer engagement and teamwork, receiving positive feedback for fostering growth mindset and sales skills.

Training Session with UCP Lahore

Collaborating with UCP Lahore, AGTL prioritized skill development through a two-day training on "Material Testing and Heat Treatment," attended by 21 employees.



Technical Training Program at DGK

Second batch of the Mechanics Technical Training Program at the DGK plant, in collaboration with our manufacturing and aftersales teams focused on providing essential skills in utilizing standard tools and practices for troubleshooting, including Hydraulics Lift Control (HLC) and Periodic Maintenance



Independence Day

AGTL celebrated Independence Day across all locations with traditional fervor and patriotism. Events included flag-raising ceremonies, recitation of the national anthem and dua, and cake cutting. Additionally, a quiz competition on Pakistan's history and a Milli-Naghma competition were held, with chocolates distributed to the winners.



Established a Technical Training Center at the DGK

AGTL and factory management established a technical training center at the DGK plant, enhancing skills for our technical team. Initially focusing on assembling tractor sub-components, future plans include expanding to cater to the training needs of plant and aftersales staff with paint booths, welding booths, and workbenches.

HR Initiatives

Annual Dinner



Gold Pin Award
To recognize high performers

Communication Skills Training



Iftaar Dinner 2023

Marketing & Sales Initiatives

Annual Sales Conference 2023

The AGTL Annual Sales Conference convened at PC Hotel Lahore on July 7th, 2023, with the active participation of all 72 dealers from across Pakistan. The event commenced with a warm welcome from Mr. Muhammad Afzal, GM Commercial, setting the tone for the proceedings. A video message from the Chairman of the Board, Mr. Robert McAllister, further enriched the gathering with strategic insights.

AGTL's market standing. His vision outlined key projects poised to elevate our market share and seize emerging opportunities.

The grand finale of the event was marked by a captivating live Qawali performance, delighting all attendees with its cultural resonance and melodious charm. The festivities culminated in a sumptuous Grand Dinner, fostering bonds and leaving a lasting impression of camaraderie and shared success.

Throughout the conference, AGTL's top management acknowledged and commended the dedication and efforts of our esteemed business partners in fortifying our market presence. Mr. Muhammad Afzal, in his comprehensive analysis, delved into the intricacies of our sales accomplishments, providing valuable insights.

CEO Mr. Javed Iqbal shared profound reflections on our notable achievements, prevailing challenges, and forthcoming initiatives aimed at enhancing business prospects and solidifying

Summary

The AGTL Annual Sales Conference held at PC Hotel Lahore on July 7th, 2023, brought together all 72 dealers nationwide. GM Commercial, Mr. Muhammad Afzal, and Chairman of the Board, Mr. Robert McAllister, set the tone with inspiring messages. Throughout, AGTL management praised partners' contributions, while Mr. Afzal and CEO Mr. Javed Iqbal highlighted sales achievements and future strategies. The event concluded with a lively Qawali performance and a grand dinner, reinforcing bonds and success.



Marketing & Sales Initiatives

Expo Center Exhibition

Al Ghazi Tractors Ltd. proudly presented their portfolio at the 2nd Engineering & Health Care Show organized by TDAP on February 23rd, 24th, and 25th, 2023. This event garnered significant attention, attracting over 400 foreign delegates and 2000 visitors, including dignitaries from major countries and African nations. AGTL participation, highlighted by informative presentations and engaging interactions, contributed to bolstering Pakistan's export market expertise.



Bankers Engagement Activity

Throughout 2023, Al Ghazi Tractors engaged in multiple activities to familiarize bankers with AGTL products and unique selling points (USPs). One standout event was the Product Awareness & Networking Session held at PC Hotel Lahore, which saw participation from Agri Heads and their regional teams representing esteemed financial institutions such as BOP, MCB, NBP, Bank Al-Falah, Faysal Bank & Bank Al Habib. This interactive session, attended by over 50 banking professionals, featured presentations on AGTL product features followed by a Q&A session.



Farmers Engagement Activity

Engaging with farmers is essential for educating them about AGTL products, services, and government financing schemes. These ongoing activities are conducted year-round to empower progressive farmers with knowledge and support.



Flood Relief Activity

AGTL stands in solidarity with the flood victims, offering vital assistance in the form of Relief Kits. These kits comprise of essential items such as rice, flour, pulses, ghee, sugar, clothing, and blankets. AGTL distributed approximately 2,175 Relief Kits to flood-affected individuals across 10 different cities. This operation was executed seamlessly, with distribution taking place at respective dealerships and in the most severely affected villages.



Sustainability and Corporate Social Responsibilities



CEO's Message on Sustainability Report



I am pleased to present the company's comprehensive Sustainability Report, which underscores our unwavering commitment to sustainability throughout 2023. This report serves as a testament to our dedication to responsible business practices, highlighting sustainability as a cornerstone of our corporate strategy. We remain steadfast in our efforts to optimize growth, preserve the environment, and enhance stakeholder value, reflecting our commitment to long-term sustainable development.

Despite the challenging economic landscape in Pakistan, marked by political turmoil and economic uncertainties, our dedication to sustainability remained steadfast. We have made significant strides in reducing carbon emissions and implementing sustainable

business practices, showcasing our proactive stance on environmental responsibility.

The company's enduring commitment to sustainable business practices has evolved significantly, highlighting our unwavering dedication to resource efficiency and sustainable growth for all stakeholders. Our sustainability strategy is comprehensive, encompassing environmental, social, and economic impacts across our operations.

The company actively considers social, environmental, and ethical factors within the broader business context. We are steadfast in our commitment to serving the best interests of all stakeholders, particularly the community and workforce at our Dera Ghazi Khan

plant, which is integral to our customer and employee base.

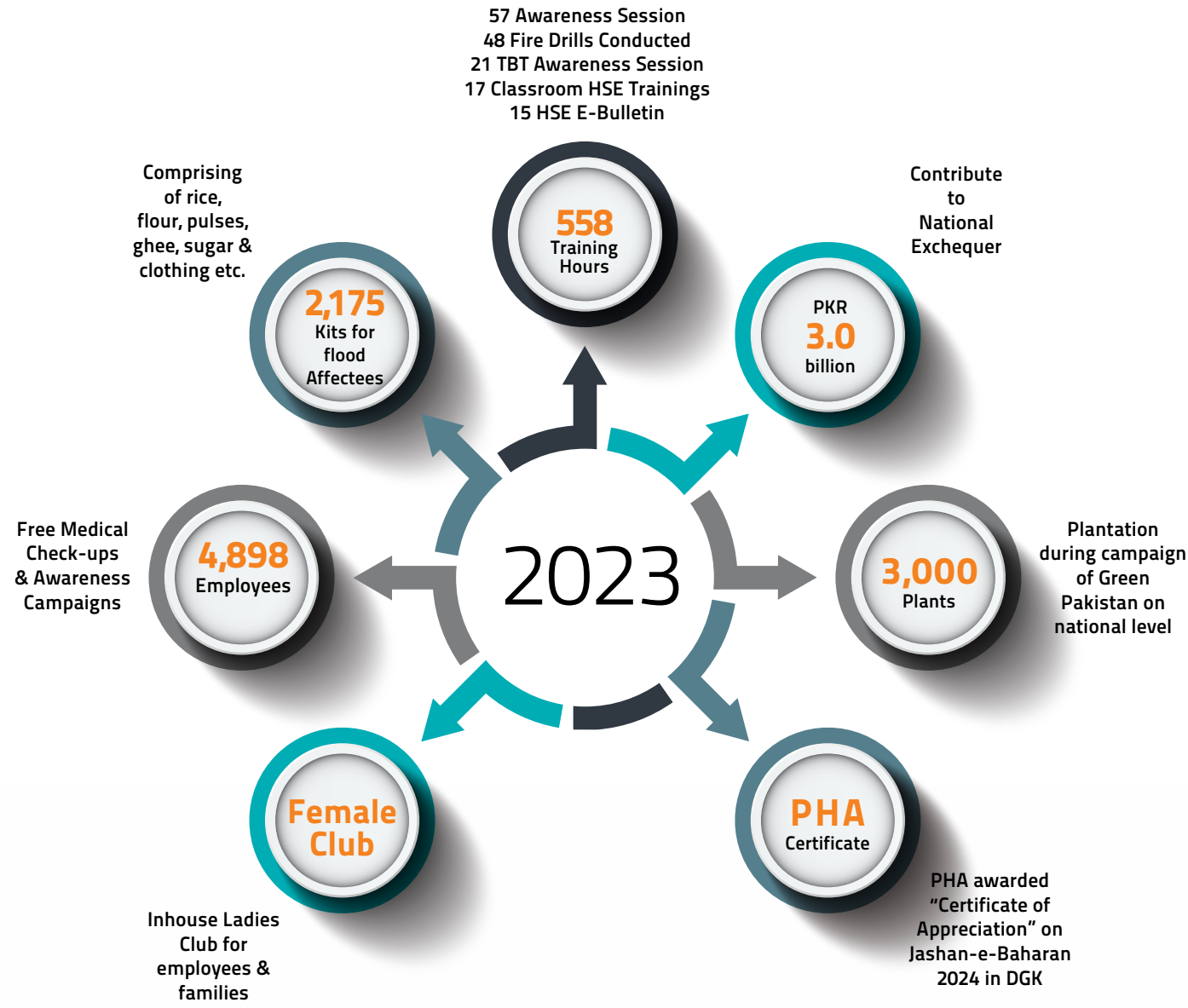
Throughout the year, we remained dedicated and implemented several processes aimed at energy conservation, reuse, recycling, environmental conservation, tree planting, and fuel efficiency.

I would like to express my sincere gratitude to our shareholders, Al-Futtaim LLC and CNH Industrial, for their unwavering support and dedication throughout our journey toward sustainable development for all stakeholders.

Sakib Eltaff
Chief Executive Officer



Sustainability Highlights



Health, Safety, & Environment (HSE) Initiatives

Health, Safety, Security, and Environment (HSSE) are paramount considerations at Al Ghazi Tractors. We are committed to ensuring the well-being of our employees, contractors, visitors, and the communities in which we operate. Our HSSE policies are designed to proactively manage risks, prevent incidents, and promote a culture of safety and environmental stewardship.

At our company, we prioritize the health of our workforce. We provide regular health and wellness programs, access to medical facilities, ergonomic assessments, and mental health support. We are dedicated to promoting a healthy and safe work environment for all employees.

Safety is a core value at our company. We have stringent safety protocols in place to protect our employees from workplace hazards. Regular safety training, hazard identification programs, incident reporting mechanisms, and emergency response procedures are all integral parts of our safety culture. Our goal is to have zero incidents and injuries in the workplace.

Security is a top priority to safeguard our employees, facilities, and assets. We have robust security measures in place to prevent unauthorized access, theft, vandalism, and other security threats. By ensuring a secure working environment, we aim to provide peace of mind to our employees and stakeholders.

Environmental responsibility is central to our business practices. We are committed to minimizing our environmental impact through

sustainable operations, waste reduction programs, energy efficiency initiatives, and pollution prevention measures. We strive to comply with all environmental regulations and standards to protect the environment for future generations.

Our HSSE performance is regularly monitored, assessed, and reported to ensure transparency and accountability. We conduct internal and external audits, performance evaluations, and continuous improvement initiatives to enhance our HSSE practices. We encourage open communication, feedback, and collaboration to promote a positive HSSE culture across our organization.

In conclusion, Al Ghazi Tractors management is dedicated to upholding the highest standards of HSSE to ensure the well-being of our people and the protection of the environment. We remain



committed to promoting a culture of safety, security, and environmental stewardship in all aspects of our operations.

Dengue Awareness at DGK

The HSSE, HR, and Admin teams collaborated for a dengue awareness drive at DGK plant, emphasizing employee well-being through pamphlets and rallies.



Performance Analysis



Analysis of Financial and Non-Financial Performance

AGTL believes in the achievement of business objectives through both financial and non-financial factors. From financial indicators like Sales revenue, net profit, gearing, liquidity, etc. to non-financial indicators like brand image, customer centricity, shareholders satisfaction, and human resource development, the Company focuses on all the aspects to maintain sustainable growth and to timely identify key focus areas for remedial actions and growth.

Budgets are set for both financial and non-financial factors and performance is assessed accordingly. Overall, most of the targets set by the Company were achieved.

Financial Indicators

Actual Results

In 2023, the Tractor industry faced significant challenges due to a convergence of severe rupee devaluation, all time high inflation, political instability, and government-imposed restrictions on imported parts. These factors led to unprecedented increases in material costs and disruptions in parts procurement. Additionally, Government had imposed additional super tax on current and prior year profit which has impacted the profitability of the company.

Despite the formidable challenges, AGTL's secured to sale an impressive 15,420 tractors, showcasing the company's resilience and determination. Building on the solid foundation of selling 19,929 tractors in 2022, AGTL continued to make strides forward, even amidst adverse market conditions. Securing



a market share of 36%, AGTL demonstrated its unwavering commitment to excellence and its ability to adapt and thrive. This achievement not only highlights AGTL's strength but also its potential for continued growth and success, poised to seize opportunities and overcome obstacles in the ever-evolving market landscape."

The summarized operating performance of the Company for the current year as compared to last year is as follows:

	2023	2022
Rupees '000		
Sales	34,543,545	28,201,812
Gross Profit	6,423,068	5,061,446
Profit before taxation	4,687,092	3,795,949
Taxation	(2,075,320)	(1,639,905)
Profit after tax	2,611,772	2,156,044

The summarized operating performance of the Company for the current year as compared to last year is as follows:

	Units	
	2023	2022
Sales	15,420	19,929
Production	14,317	21,216

Methods and Assumptions in Compiling Indicators

The Company has identified indicators that effectively reflect the Company's performance and profitability. The Company analyzes market positioning, competitors, and general market conditions while compiling key indicators. Sales are monitored on daily basis through various management reports and future lines of action are decided accordingly. Gross profit, expenses, profit after tax, and EPS are monitored on monthly basis to gauge performance. For management reporting purposes, the Company has developed a mix of systems based on ERP and dashboard reports to compute various KPIs. An effective financial reporting system coupled with various management reports and a three-layer review system enables AGTL to report accurate, complete, and reviewed information to all its stakeholders.

Non-Financial Indicators

Objective	Monitoring
Manufactured Capital	
Product Development	Research and Development projects undertaken in collaboration with CNHi to enable production of high-quality tractors bearing low cost.
Increase in Market Share	Aggressive marketing strategies resulting in increased market share Operational Efficiency and Effectiveness Continuous commitment to operational effectiveness through monitoring of production efficiency ratios and minimal production losses.
Operational Efficiency and Effectiveness	Continuous commitment to operational effectiveness through monitoring of production efficiency ratios and minimal production losses.
Economize on Cost – Eliminating Redundancies	Optimum utilization of resources resulting in elimination of redundant costs.
Human Capital	
Health, Safety and Environment	Effective system of horticulture and annual plantation project results in better environment for the employees.
Training and Education	Continuous training of employees and workers. Monitoring training need analysis with special focus on safety at work.
Relationship Capital	
Supplier relationship	Timely payment to vendors to enhance vendor confidence and reliance.
Customer relationship	Providing exquisite after sales services and support services to enhance customer loyalty and trust worthiness.



Key Operating & Financial Data

	2023	2022	2021	2020	2019	2018
Quantitative Data						
Units:						
Sales	15,420	19,929	18,156	12,142	15,719	23,933
Production	14,317	21,216	17,120	12,654	15,400	24,823
Rupees '000						
Profitability						
Revenue	34,543,545	28,201,812	20,578,906	11,935,172	13,992,388	19,372,522
Gross profit	6,423,068	5,061,446	4,721,228	2,766,012	2,544,716	4,665,484
Depreciation	187,794	120,952	84,846	81,512	80,836	70,061
Operating Profit (before investment income)	4,242,843	3,688,799	4,078,670	1,887,289	1,330,943	3,705,802
Investment income	444,249	107,150	91,060	40,618	17,581	29,033
Profit before taxation	4,687,092	3,795,949	4,169,730	1,927,907	1,348,524	3,734,835
Income tax expense	2,075,320	1,639,905	1,211,868	578,250	370,872	1,282,321
Profit for the year	2,611,772	2,156,044	2,957,862	1,349,657	977,652	2,452,514
Earnings before investment income, tax and depreciation (EBITDA)	4,430,637	3,809,751	4,163,516	1,968,801	1,411,779	3,775,863
Manpower Cost - Direct	680,089	515,339	397,871	302,194	345,368	375,240
Manpower Cost - Indirect	596,291	356,872	263,703	283,646	287,773	303,572
Total Manpower Cost	1,276,380	872,211	661,574	585,840	633,141	678,812
Financial position						
Fixed assets	1,608,167	1,331,267	1,108,805	1,066,974	1,068,382	828,804
Other non-current assets	16,919	20,473	11,334	4,941	4,757	4,696
Employee benefit prepayments	32,039	-	8,481	36,197	-	-
Deferred tax asset	129,972	101,819	85,553	111,756	87,090	-
	1,787,097	1,453,559	1,214,173	1,219,868	1,160,229	833,500
Current assets	12,442,536	10,827,170	8,275,942	3,963,576	4,315,154	5,951,957
Current liabilities	8,299,836	8,990,546	5,467,934	2,849,239	4,442,078	5,299,961
Net working capital	4,142,700	1,836,624	2,808,008	1,114,337	(126,924)	651,996
Less: Non-current liabilities	149,572	158,098	48,914	46,083	129,588	116,099
Capital employed	5,780,225	3,132,085	3,973,267	2,288,122	903,717	1,369,397
Represented by:						
Share capital	289,821	289,821	289,821	289,821	289,821	289,821
Reserves	-	-	-	1,049,000	-	-
Unappropriated profit	5,490,404	2,842,264	3,683,446	949,301	613,896	1,079,576
	5,780,225	3,132,085	3,973,267	2,288,122	903,717	1,369,397
Cash Flows						
Operating activities	3,051,290	(4,270,631)	4,630,496	2,125,302	1,936,798	(1,155,682)
Investing activities	(11,685)	(162,817)	(34,067)	(38,909)	(303,716)	(151,004)
Financing activities	(1,234,748)	2,353,917	(1,240,189)	(4,708)	(1,393,589)	(3,713,121)

Analysis of Financial Ratios

	2023	2022	2021	2020	2019	2018
Analysis of Financial Ratios						
Profitability Ratios						
Gross profit ratio	18.59%	17.60%	22.94%	23.18%	18.19%	24.08%
Pre-tax profit ratio	13.57%	13.46%	20.26%	16.15%	9.64%	19.28%
Net profit to Sales	7.56%	7.65%	14.37%	11.31%	6.99%	12.66%
EBITDA margin to sales	12.83%	13.51%	20.23%	16.50%	10.09%	19.49%
Operating Leverage ratio	0.72	-0.23	1.54	-2.68	2.25	-6.31
Return on asset	18.35%	17.56%	31.17%	26.04%	17.86%	36.14%
Return on Equity / Capital employed	45.18%	68.84%	74.44%	58.99%	108.18%	179.09%
Liquidity Ratios						
Current Ratio	1.50	1.20	1.51	1.39	0.97	1.12
Quick Ratio	0.77	0.62	0.99	0.69	0.34	0.46
Cash to current liabilities	0.21	0.08	0.37	0.08	0.04	0.06
Activity / Turnover Ratios						
Inventory turnover ratio	4.96	5.71	6.50	3.83	3.64	5.05
Receivables turnover ratio	427.00	339.00	9,455.00	2,480.00	423.00	565.00
Creditors turnover ratio	29.00	16.00	18.00	28.00	26.00	22.00
Fixed assets turnover ratio	21.48	21.18	18.56	11.19	13.10	23.37
Total assets turnover ratio	2.43	2.30	2.17	2.30	2.56	2.86
Operating Cycle						
No. of days in inventory	74	64	56	95	100	72
No. of days in receivables	1	1	0	0	1	1
No. of days in payables	13	22	21	13	14	17
Operating Cycle	62	43	36	83	87	56
Capital Structure Ratios						
Financial leverage ratio	0.31	0.38	0.39	0.75	0.88	0.44
Weighted average cost of debt	3.84%	3.84%	0.00%	0.00%	10.87%	3.10%
Debt to equity ratio (As per book value)	1.18	1.18	0.00	0.08	4.02	2.90
Debt to equity ratio (As per market value)	0.17	0.17	0.00	0.00	0.00	0.12
Interest cover ratio	6.72	0.54	477.32	14.22	4.38	30.74
Investment / Market ratios						
Pre-Tax earning per share (Basic and diluted) - Rs	80.86	65.49	71.94	33.26	23.26	64.43
Post-Tax earning per share (Basic and diluted) - Rs	45.06	37.20	51.03	23.28	16.87	42.31
Price earnings ratio	8.12	8.55	6.60	15.95	21.79	12.90
Dividend yield ratio	0.00%	0.00%	15.14%	5.76%	4.08%	7.14%
Dividend ratio	-	-	6.60	17.37	24.50	14.00
Dividend payout ratio	0.00%	0.00%	100.00%	91.86%	88.93%	92.17%
Dividend cover	-	-	1.00	1.09	1.12	1.08
Dividend per share						
- Cash	-	-	51.03	21.39	15.00	39.00
- Bonus	-	-	-	-	-	-
Dividend payout - Rs '000	-	-	2,957,862	1,239,854	869,463	2,260,604
Cash dividend - %	0%	0%	1021%	428%	300%	780%
Market value per share - Rs						
- Closing	366.0	318.0	337.0	371.5	367.5	546.00
- High	462.4	470.0	408.0	418.8	564.0	775.31
- Low	247.5	315.0	320.1	210.2	232.0	490.04
Market capitalisation - Rs Million	21,215	18,433	19,534	21,531	21,302	31,648
Breakup value per share - Rs	99.72	54.03	68.55	39.47	15.59	23.62
Market price to break up value	3.67	5.89	4.92	9.41	23.57	23.11
Earning Yield (%)	12.31%	11.70%	15.14%	6.27%	4.59%	7.75%

Analysis of Financial Ratios



Comments on Ratios

Profitability Ratios: The company's profitability ratios for the year 2023 indicate a solid performance. The gross profit ratio stands at 18.59%, demonstrating efficient management of production costs. The pre-tax profit ratio is strong at 13.57%, indicating robust operational efficiency and effective cost management strategies. The net profit to sales ratio is at 7.56%, showcasing the company's ability to convert sales revenue into net income. Additionally, the EBITDA margin to sales ratio is healthy at 12.83%, reflecting strong earnings before interest, taxes, depreciation, and amortization relative to sales. The return on assets and return on equity/capital employed ratios are impressive, standing at 18.35% and 45.18%, respectively, indicating efficient utilization of assets and shareholder equity to generate profits.

Liquidity and Turnover Ratios: The company's liquidity ratios for 2023 depict a healthy financial position. The current ratio of 1.50

and quick ratio of 0.77 indicate that the company possesses adequate current assets to cover its short-term liabilities. However, the cash to current liabilities ratio is relatively low at 0.21, suggesting that the company may need to improve its cash position to meet immediate obligations. In terms of turnover ratios, the inventory turnover ratio, receivables turnover ratio, and creditors turnover ratio indicate efficient management of inventory, receivables, and payables, respectively. The fixed assets turnover ratio and total assets turnover ratio also reflect efficient utilization of assets to generate sales revenue.

Market Ratios: The market ratios for the company in 2023 exhibit mixed results. The pre-tax earnings per share (EPS) and post-tax EPS are commendable at Rs 80.86 and Rs 45.06, respectively, indicating strong earnings potential for shareholders. However, the price-earnings ratio is relatively low at 8.12, suggesting that the stock may be undervalued relative to its earnings. The absence of dividend yield and dividend payout ratios suggests that the company did not distribute dividends during the period. The market value per share indicates volatility in the stock price throughout the year, with a high of Rs 462.4 and a low of Rs 247.5. The market capitalization stands at Rs 21,215 million, reflecting the total market value of the company's outstanding shares.

Operating Cycle: The operating cycle analysis for the year 2023 provides insights into the efficiency of the company's operational processes. The number of days in inventory, which stands

at 74 days, indicates the average number of days it takes for the company to convert its inventory into sales. A lower value for this metric suggests better inventory management and faster turnover of goods, potentially leading to improved liquidity and profitability.

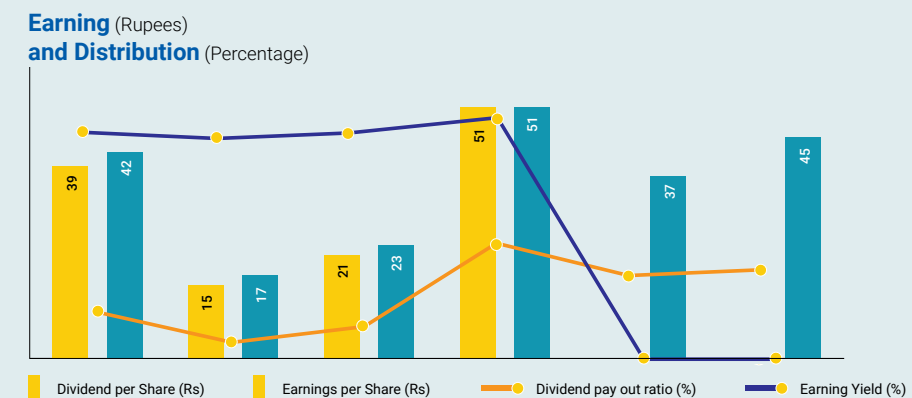
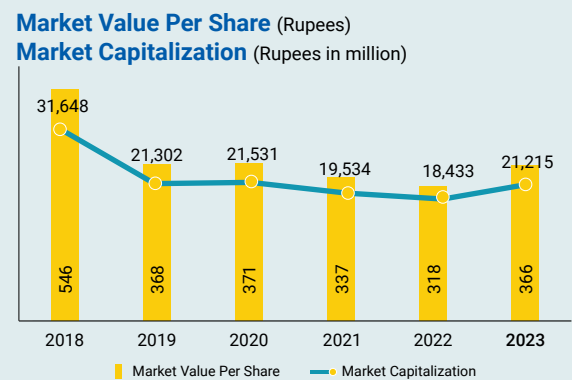
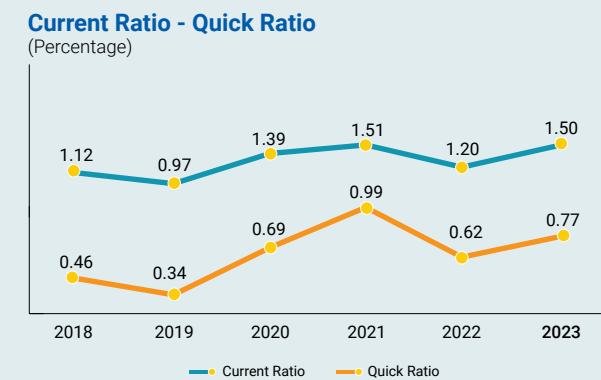
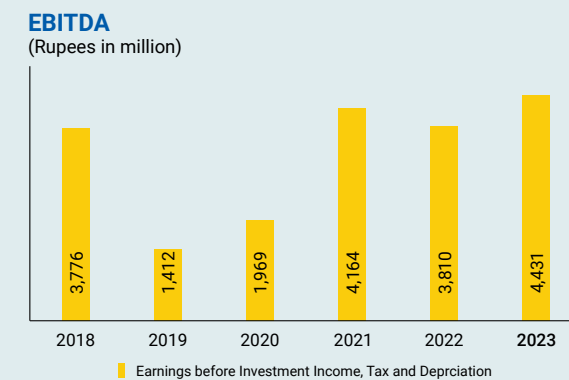
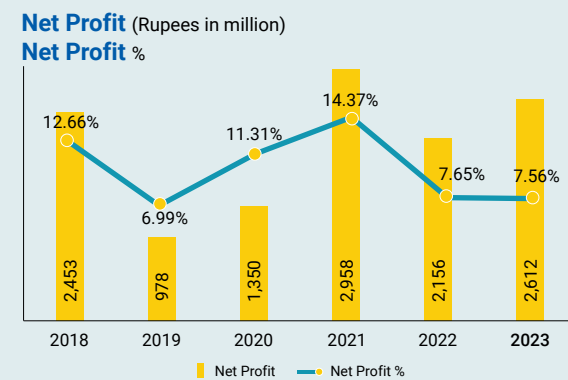
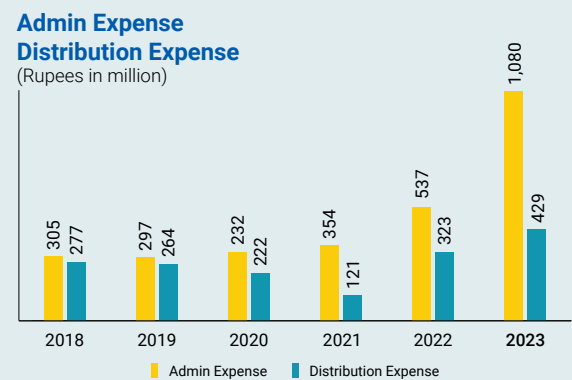
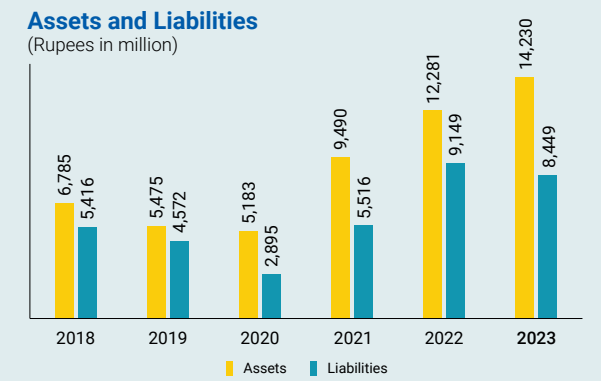
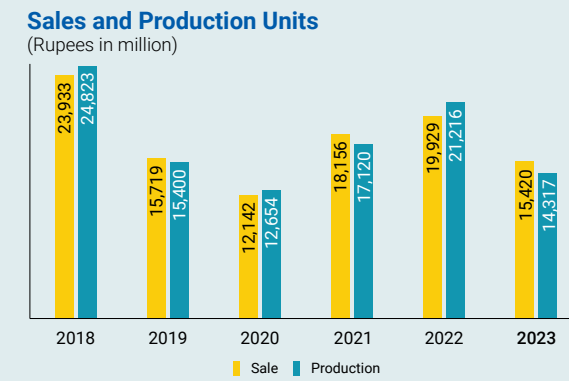
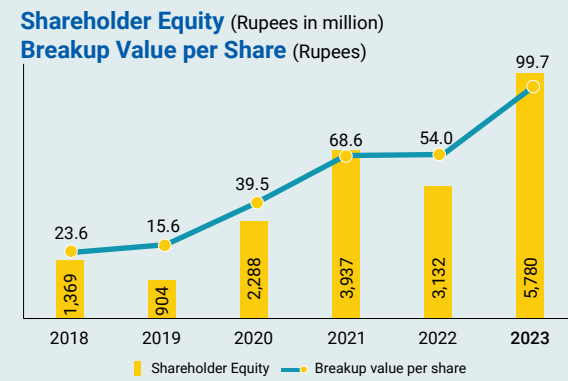
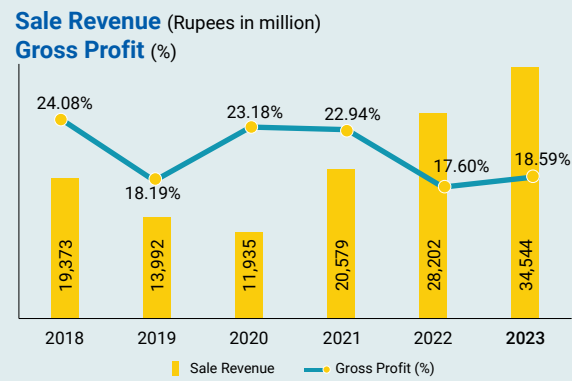
The remarkably low number of days in receivables, at just 1 day, reflects the company's efficient collection of accounts receivable, indicating prompt payment from customers. This efficiency contributes to a shorter cash conversion cycle and ensures that funds are readily available for the company's operations.

Capital Structure Ratios: The company's capital structure ratios highlight a conservative financial approach. The financial leverage ratio of 0.31 indicates a low level of financial leverage, suggesting that the company relies more on equity financing than debt. The weighted average cost of debt is reasonable at 3.84%, indicating the cost of debt on minimal side. The debt to equity ratio is moderate at 1.18 based on book value and significantly lower at 0.17 based on market value, indicating a healthy balance between debt and equity financing. The interest cover ratio of 6.72 suggests that the company can comfortably meet its interest obligations with its earnings.

In conclusion, the company's financial analysis for 2023 reflects strong profitability, liquidity, and turnover, coupled with a conservative capital structure. However, there may be opportunities to enhance market valuation through improved earnings multiples and dividend distributions.



Graphical Analysis



Six Years Horizontal Analysis

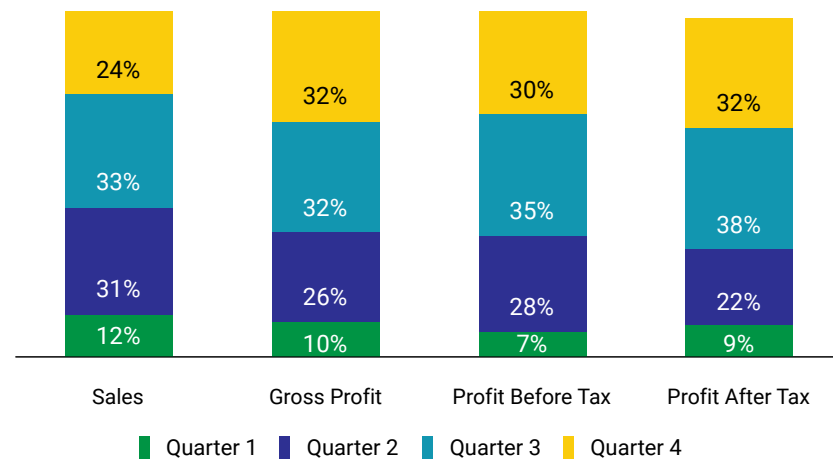
	2023	2022	2021	2020	2019	2018		2023	2022	2021	2020	2019	2018
	(Rupees '000)							Increase / (decrease) from preceeding year in Rs 000 (Rupees '000)					
BALANCE SHEET							BALANCE SHEET						
Fixed assets	1,608,167	1,331,267	1,108,805	1,066,974	1,068,382	828,804	Fixed assets	276,900	222,462	41,831	(1,408)	239,578	114,072
Long-term investments	-	-	-	-	-	-	Long-term investments	-	-	-	-	-	-
Long-term loans and deposits	16,919	20,473	11,334	4,941	4,757	4,696	Long-term loans and deposits	(3,553)	9,139	6,393	184	61	36
Employee benefit prepayments	32,039	-	8,481	36,197	-	-	Employee benefit prepayments	32,039	(8,481)	(27,716)	36,197	-	-
Deferred tax asset	129,972	101,819	85,553	111,756	87,090	-	Deferred tax asset	28,153	16,266	(26,203)	24,666	87,090	-
Inventories	6,084,499	5,263,574	2,875,085	2,004,517	2,786,893	3,507,588	Inventories	820,925	2,388,489	870,568	(782,376)	(720,695)	1,186,424
Trade receivables	-	161,820	4,651	-	9,624	56,606	Trade receivables	(161,820)	157,169	4,651	(9,624)	(46,982)	44,583
Loan and advances	95,715	91,105	147,874	86,561	93,216	132,337	Loan and advances	4,610	(56,769)	61,313	(6,655)	(39,121)	(69,351)
Trade deposits and short-term prepayments	324,848	372,903	114,772	24,925	7,398	43,305	Trade deposits and short-term prepayments	(48,055)	258,131	89,847	17,527	(35,907)	31,434
Interest accrued	3,371	1,550	1,396	197	-	1	Interest accrued	1,821	154	1,199	197	(1)	(946)
Other receivables	201	4,833	8,283	8,225	108,134	12,964	Other receivables	(4,632)	(3,450)	58	(99,909)	95,170	992
Taxation - payments less provision	-	-	142,313	157,786	347,462	108,040	Taxation - payments less provision	-	(142,313)	(15,473)	(189,676)	239,422	67,965
Refunds due from the Government	4,210,453	4,203,395	2,983,446	1,450,847	773,334	1,797,206	Refunds due from the Government	7,058	1,219,949	1,532,599	677,513	(1,023,872)	575,518
Other financial assets	-	-	-	-	-	-	Other financial assets	-	-	-	-	-	-
Cash and bank balances	1,723,449	727,990	1,998,122	230,518	189,093	293,910	Cash and bank balances	995,459	(1,270,132)	1,767,604	41,425	(104,817)	(1,046,601)
Total assets	14,229,633	12,280,729	9,490,115	5,183,444	5,475,383	6,785,457	Total assets	1,948,904	2,790,614	4,306,671	(291,939)	(1,310,074)	904,126
Current liabilities	8,299,836	8,990,546	5,467,934	2,849,239	4,442,078	5,299,961	Current liabilities	(690,710)	3,522,612	2,618,695	(1,592,839)	(857,883)	1,629,706
Non-current liabilities	149,572	158,098	48,914	46,083	129,588	116,099	Non-current liabilities	(8,526)	109,184	2,831	(83,505)	13,489	30,839
Total liabilities	8,449,408	9,148,644	5,516,848	2,895,322	4,571,666	5,416,060	Total liabilities	(699,236)	3,631,796	2,621,526	(1,676,344)	(844,394)	1,660,545
Capital employed	5,780,225	3,132,085	3,973,267	2,288,122	903,717	1,369,397	Capital employed	2,648,140	(841,182)	1,685,145	1,384,405	(465,680)	(756,419)
Share capital	289,821	289,821	289,821	289,821	289,821	289,821	Share capital	-	-	-	-	-	-
Reserves	5,490,404	2,842,264	3,683,446	1,998,301	613,896	1,079,576	Reserves	2,648,140	(841,182)	1,685,145	1,384,405	(465,680)	(756,419)
Capital employed	5,780,225	3,132,085	3,973,267	2,288,122	903,717	1,369,397	Capital employed	2,648,140	(841,182)	1,685,145	1,384,405	(465,680)	(756,419)
PROFIT AND LOSS ACCOUNT							PROFIT AND LOSS ACCOUNT						
Revenue	34,543,545	28,201,812	20,578,906	11,935,172	13,992,388	19,372,522	Revenue	6,341,733	7,622,906	8,643,734	(2,057,216)	(5,380,134)	501,074
Cost of sales	28,120,477	23,140,366	15,857,678	9,164,670	11,447,672	14,707,038	Cost of sales	4,980,111	7,282,688	6,693,008	(2,283,002)	(3,259,366)	1,095,328
Gross profit	6,423,068	5,061,446	4,721,228	2,770,502	2,544,716	4,665,484	Gross profit	1,361,622	340,218	1,950,726	225,786	(2,120,768)	(594,254)
Distribution expenses	429,463	322,944	120,631	221,904	263,946	276,950	Distribution expenses	106,519	202,313	(101,273)	(42,042)	(13,004)	36,120
Administrative expenses	1,080,390	536,715	353,849	322,675	296,763	305,425	Administrative expenses	543,675	182,866	31,174	25,912	(8,662)	67,627
	4,913,215	4,102,618	4,246,748	2,225,923	1,984,007	4,083,109		810,597	(144,130)	2,020,825	241,916	(2,099,102)	(698,001)
Other income	560,091	184,613	146,057	58,798	61,423	61,902	Other income	375,478	38,556	87,259	(2,625)	(479)	(82,174)
Other operating expenses	429,812	345,416	214,321	211,025	298,443	284,608	Other operating expenses	84,396	131,095	3,296	(87,418)	13,835	(54,636)
	5,043,494	3,941,815	4,178,484	2,073,696	1,746,987	3,860,403		1,101,679	(236,669)	2,104,788	326,709	(2,113,416)	(725,539)
Finance cost	356,402	245,035	8,754	145,789	398,463	125,568	Finance cost	111,367	236,281	(137,035)	(252,674)	272,895	124,639
Profit before taxation	4,687,092	3,795,949	4,169,730	1,927,907	1,348,524	3,734,835	Profit before taxation	891,143	(373,781)	2,241,823	579,383	(2,386,311)	(850,178)
Income tax expense	2,075,320	1,639,905	1,211,868	578,250	370,872	1,282,321	Income tax expense	435,415	428,037	633,618	207,378	(911,449)	(179,572)
Profit for the year	2,611,772	2,156,044	2,957,862	1,349,657	977,652	2,452,514	Profit for the year	455,728	(801,818)	1,608,205	372,005	(1,474,862)	(670,606)

Six Years Vertical Analysis

	2023 (Rupees '000)	2023 %age	2022 (Rupees '000)	2022 %age	2021 (Rupees '000)	2021 %age		2020 (Rupees '000)	2020 %age	2019 (Rupees '000)	2019 %age	2018 (Rupees '000)	2018 %age
Increase / (decrease) from preceeding year in Rs 000													
BALANCE SHEET							BALANCE SHEET						
Fixed assets	1,608,167	27.82%	1,331,267	42.50%	1,108,805	27.91%	Fixed assets	1,066,974	46.63%	1,068,382	118.22%	828,804	60.52%
Long-term investments	-	0.00%	-	0.00%	-	0.00%	Long-term investments	-	0.00%	-	-	-	-
Long-term loans and deposits	16,919	0.29%	20,473	0.65%	11,334	0.29%	Long-term loans and deposits	4,941	0.22%	4,757	0.53%	4,696	0.34%
Employee benefit prepayments	32,039	0.55%	-	0.00%	8,481	0.21%	Employee benefit prepayments	36,197	1.58%	-	-	-	-
Deferred tax asset	129,972	2.25%	101,819	3.25%	85,553	2.15%	Deferred tax asset	111,756	4.88%	87,090	9.64%	-	-
Inventories	6,084,499	105.26%	5,263,574	168.05%	2,875,085	72.36%	Inventories	2,004,517	87.61%	2,786,893	308.38%	3,507,588	256.14%
Trade receivables	-	0.00%	161,820	5.17%	4,651	0.12%	Trade receivables	-	0.00%	9,624	1.06%	56,606	4.13%
Loan and advances	95,715	1.66%	91,105	2.91%	147,874	3.72%	Loan and advances	86,561	3.78%	93,216	10.31%	132,337	9.66%
Trade deposits and short-term prepayments	324,848	5.62%	372,903	11.91%	114,772	2.89%	Trade deposits and short-term prepayments	24,925	1.09%	7,398	0.82%	43,305	3.16%
Interest accrued	3,371	0.06%	1,550	0.05%	1,396	0.04%	Interest accrued	197	0.01%	-	0.00%	1	0.00%
Other receivables	201	0.00%	4,833	0.15%	8,283	0.21%	Other receivables	8,225	0.36%	108,134	11.97%	12,964	0.95%
Taxation - payments less provision	-	0.00%	-	0.00%	142,313	3.58%	Taxation - payments less provision	157,786	6.90%	347,462	38.45%	108,040	7.89%
Refunds due from the Government	4,210,453	72.84%	4,203,395	134.20%	2,983,446	75.09%	Refunds due from the Government	1,450,847	63.41%	773,334	85.57%	1,797,206	131.24%
Other financial assets	-	0.00%	-	0.00%	-	0.00%	Other financial assets	-	0.00%	-	0.00%	-	0.00%
Cash and bank balances	1,723,449	29.82%	727,990	23.24%	1,998,122	50.29%	Cash and bank balances	230,518	10.07%	189,093	20.92%	293,910	21.46%
Total assets	14,229,633	246.18%	12,280,729	392.09%	9,490,115	238.85%	Total assets	5,183,444	226.54%	5,475,383	605.87%	6,785,457	495.51%
Current liabilities	8,299,836	143.59%	8,990,546	287.05%	5,467,934	137.62%	Current liabilities	2,849,239	124.52%	4,442,078	491.53%	5,299,961	387.03%
Non-current liabilities	149,572	2.59%	158,098	5.05%	48,914	1.23%	Non-current liabilities	46,083	2.01%	129,588	14.34%	116,099	8.48%
Total liabilities	8,449,408	146.18%	9,148,644	292.09%	5,516,848	138.85%	Total liabilities	2,895,322	126.54%	4,571,666	505.87%	5,416,060	395.51%
Capital employed	5,780,225	100.00%	3,132,085	100.00%	3,973,267	100.00%	Capital employed	2,288,122	100.00%	903,717	100.00%	1,369,397	100.00%
Share capital	289,821	5.01%	289,821	9.25%	289,821	7.29%	Share capital	289,821	12.67%	289,821	32.07%	289,821	21.16%
Reserves	5,490,404	94.99%	2,842,264	90.75%	3,683,446	92.71%	Reserves	1,998,301	87.33%	613,896	67.93%	1,079,576	78.84%
Capital employed	5,780,225	100.00%	3,132,085	100.00%	3,973,267	100.00%	Capital employed	2,288,122	100.00%	903,717	100.00%	1,369,397	100.00%
PROFIT AND LOSS ACCOUNT							PROFIT AND LOSS ACCOUNT						
Revenue	34,543,545	100.00%	28,201,812	100.00%	20,578,906	100.00%	Revenue	11,935,172	100.00%	13,992,388	100.00%	19,372,522	100.00%
Cost of sales	28,120,477	81.41%	23,140,366	82.05%	15,857,678	77.06%	Cost of sales	9,164,670	76.79%	11,447,672	81.81%	14,707,038	75.92%
Gross profit	6,423,068	18.59%	5,061,446	17.95%	4,721,228	22.94%	Gross profit	2,770,502	23.21%	2,544,716	18.19%	4,665,484	24.08%
Distribution expenses	429,463	1.24%	322,944	1.15%	120,631	0.59%	Distribution expenses	221,904	1.86%	263,946	1.89%	276,950	1.43%
Administrative expenses	1,080,390	3.13%	536,715	1.90%	353,849	1.72%	Administrative expenses	322,675	2.70%	296,763	2.12%	305,425	1.58%
	4,913,215	14.22%	4,102,618	14.55%	4,246,748	20.64%		2,225,923	18.65%	1,984,007	14.18%	4,083,109	21.08%
Other income	560,091	1.62%	184,613	0.65%	146,057	0.71%	Other income	58,798	0.49%	61,423	0.44%	61,902	0.32%
Other operating expenses	429,812	1.24%	345,416	1.22%	214,321	1.04%	Other operating expenses	211,025	1.77%	298,443	2.13%	284,608	1.47%
	5,043,494	14.60%	3,941,815	13.98%	4,178,484	20.30%		2,073,696	17.37%	1,746,987	12.49%	3,860,403	19.93%
Finance cost	356,402	1.03%	245,035	0.87%	8,754	0.04%	Finance cost	145,789	1.22%	398,463	2.85%	125,568	0.65%
Profit before taxation	4,687,092	13.57%	3,795,949	13.46%	4,169,730	20.26%	Profit before taxation	1,927,907	16.15%	1,348,524	9.64%	3,734,835	19.28%
Income tax expense	2,075,320	6.01%	1,639,905	5.81%	1,211,868	5.89%	Income tax expense	578,250	4.84%	370,872	2.65%	1,282,321	6.62%
Profit for the year	2,611,772	7.56%	2,156,044	7.65%	2,957,862	14.37%	Profit for the year	1,349,657	11.31%	977,652	6.99%	2,452,514	12.66%

Quarterly Analysis

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
	Mar-23	Jun-23	Sep-23	Dec-23	
Revenue	4,173,540	10,577,842	11,378,827	8,413,336	34,543,545
Cost of sales	(3,541,503)	(8,878,368)	(9,317,027)	(6,383,579)	(28,120,477)
Gross profit	632,037	1,699,474	2,061,800	2,029,757	6,423,068
Gross profit %	15.1%	16.1%	18.1%	24.1%	18.6%
Distribution expenses	(85,418)	(93,053)	(143,080)	(107,912)	(429,463)
Administrative expenses	(208,817)	(210,500)	(330,118)	(330,955)	(1,080,390)
	(294,235)	(303,553)	(473,198)	(438,867)	(1,509,853)
Other income	117,348	209,540	62,096	171,107	560,091
Other operating expenses	(42,804)	(129,531)	(122,303)	(135,174)	(429,812)
Operating Profit	412,346	1,475,930	1,528,395	1,626,823	5,043,494
Finance cost	(67,870)	(156,802)	110,353	(242,083)	(356,402)
Profit before taxation	344,476	1,319,128	1,638,748	1,384,740	4,687,092
Income tax expense	(114,771)	(746,507)	(657,966)	(556,076)	(2,075,320)
Profit for the year	229,705	572,621	980,782	828,664	2,611,772
	5.5%	5.4%	8.6%	9.8%	7.6%



Quarterly Result Commentary for the Year 2023:

Revenue Analysis:

Throughout the year 2023, the company demonstrated consistent revenue growth, with quarterly revenues of Rs 4,173,540 in Q1, Rs 10,577,842 in Q2, Rs 11,378,827 in Q3, and Rs 8,413,336 in Q4, totaling Rs 34,543,545 for the year. Notably, Q3 recorded the highest revenue, indicating strong performance and market demand during that period.

Gross Profit Margin:

The gross profit margin fluctuated across quarters, ranging from 15.1% in Q1 to 24.1% in Q4, with an annual average of 18.6%. The increase in gross profit margin towards the latter part of the year suggests improved cost management and pricing strategies, contributing to higher profitability.

Operating Expenses:

Distribution expenses, administrative expenses, and other operating expenses were incurred consistently across quarters to support business operations. However, Q3 witnessed a spike in administrative expenses, reflecting increased operational activities or one-time expenditures during that period.

Other Income and Expenses:

The company generated additional income from non-operating sources, contributing Rs 560,091 for the year. Conversely, finance costs fluctuated, with significant expenses incurred in Q2 and Q4, impacting overall profitability.

Profitability:

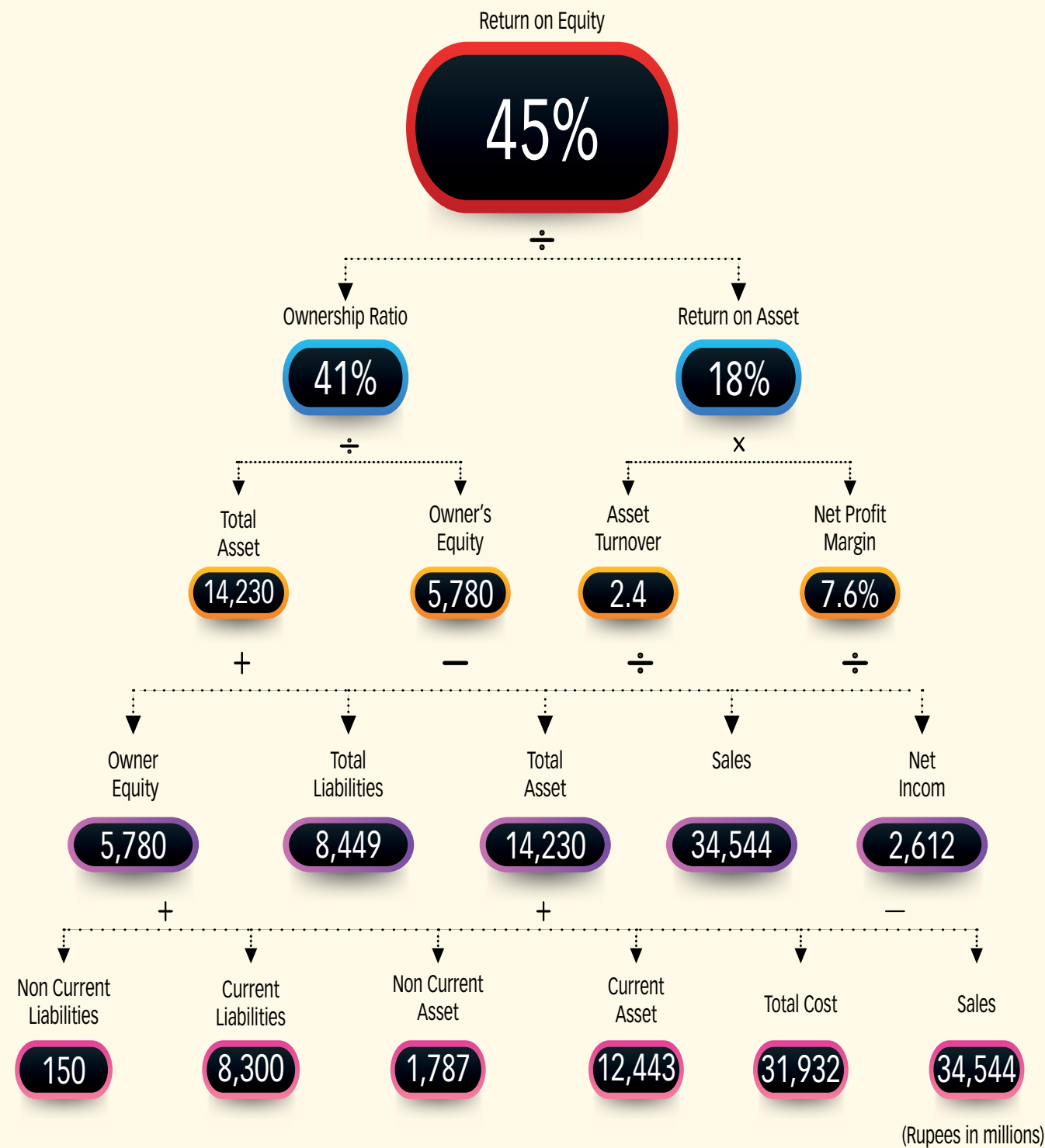
Despite fluctuations in revenue and expenses, the company maintained a relatively stable net profit margin throughout the year, ranging from 5.4% to 9.8% across quarters, with an annual average of 7.6%. This consistency indicates effective cost management and operational efficiency, resulting in sustained profitability.

Overall Performance:

The company's performance in 2023 reflects resilience and adaptability in navigating market challenges and capitalizing on opportunities. While revenue growth was steady, profitability remained robust, underscoring the company's ability to maintain financial stability and deliver value to shareholders amidst changing market dynamics. Moving forward, continued focus on cost optimization, revenue diversification, and prudent financial management will be essential to sustain growth and profitability in the future.



Dupont Analysis



Comments on Dupont Analysis:

The DuPont analysis for the year 2023 provides a detailed examination of the company's return on equity (ROE) and the underlying factors contributing to its financial performance.

Asset Utilization:

The company's asset turnover ratio of 2.4 indicates that for every rupee of total assets, the company generated Rs 34,544 million in sales revenue during the year. This suggests efficient utilization of assets to drive sales growth and revenue generation.

Profitability:

With a net profit margin of 7.6%, the company effectively converted its sales revenue into net income. This margin signifies the company's ability to manage costs and operate profitably, ensuring a healthy bottom line.

Financial Leverage:

The ownership ratio, indicating the proportion of assets financed by owner's equity, stands at 41%. This suggests that the company relies more on equity financing than debt, indicating a conservative financial structure. Additionally, the return on assets (ROA) of 18% demonstrates the company's efficiency in generating profits from its assets.

Return on Equity (ROE):

The return on equity (ROE) of 45% reflects the company's ability to generate strong returns for its shareholders. This metric is derived from the combined effects of asset utilization, profitability, and financial leverage, indicating the overall effectiveness of the company's operations in generating profits for its owners.

Conclusion:

Overall, the DuPont analysis for 2023 highlights the company's effective management of assets, profitability, and financial leverage, culminating in a robust return on equity. The company's focus on efficient asset utilization, prudent cost management, and conservative financial structure has resulted in strong financial performance and value creation for its shareholders.



Direct Cash Flow Statement

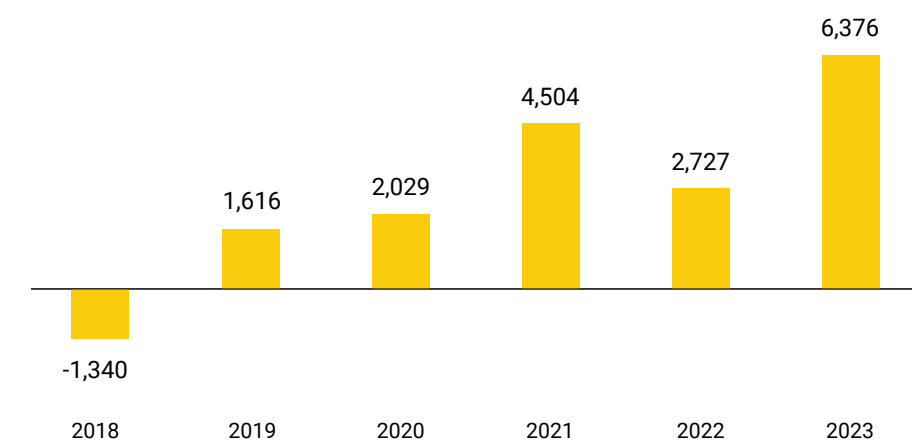
For the year ended December 31, 2023

	2023	2022
Rupees '000		
Cash flows from operating activities		
Cash receipts from customers	34,725,660	24,667,268
Cash paid to suppliers / service providers and employees	(29,146,863)	(25,759,729)
Workers Funds	(356,460)	(283,664)
Income tax paid	(1,908,092)	(1,495,592)
Sales tax refund / (Payment)	(7,058)	(1,219,949)
Finance costs paid	(227,024)	(18,835)
Retirement benefits	(61,974)	(25,605)
Loans, deposits & other operating income - net	33,895	75,237
(Decrease) / increase in long-term loans	(793)	(209,762)
Net Cash (used) / generated from operating activities	3,051,290	(4,270,631)
Cash flows from investing activities		
Fixed Capital Expenditure	(468,994)	(272,627)
Proceeds from disposal of fixed assets	14,881	2,814
Return on bank deposits	442,428	106,996
Net Cash (used) / generated from investing activities	(11,685)	(162,817)
Cash flows from financing activities		
Dividend paid	(9,853)	(537,687)
Musharkah facility obtained	(1,136,320)	2,784,973
Recovery of other financial asset	44,000	-
Short term borrowing obtained	(115,000)	115,000
Lease rentals paid	(17,574)	(8,369)
Net (decrease) / increase in cash and cash equivalents	1,804,857	(2,079,531)
Cash and cash equivalents at beginning of the year	(81,409)	1,998,122
Cash and cash equivalents at end of the year	1,723,448	(81,409)



Free Cash Flows

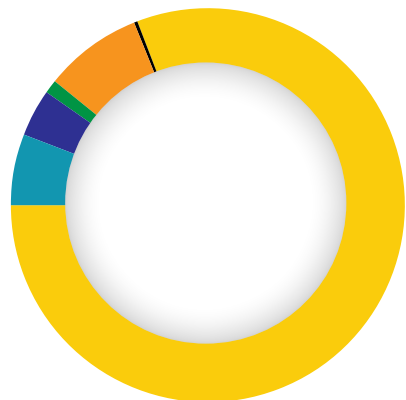
	2023	2022	2021	2020	2019	2018
Rupees '000						
Profit before taxation	4,687,092	3,795,949	4,169,730	1,927,907	1,348,524	3,734,835
Adjustment of non cash items	(147,678)	175,530	14,896	204,542	475,355	175,568
working capital changes	2,306,076	(971,384)	445,869	(8,803)	112,919	(5,066,085)
Net cash generated from operating activities	6,845,490	3,000,096	4,630,495	2,123,646	1,936,798	(1,155,682)
Capital expenditure	(468,994)	(272,627)	(126,743)	(94,945)	(320,631)	(184,195)
Free Cash flows	6,376,496	2,727,469	4,503,752	2,028,701	1,616,167	(1,339,877)



Statement of Value Addition



	2023		2022	
	Rs '000	%	Rs '000	%
Wealth Generated				
Sales	34,543,545	98.4	28,201,812	99.3
Other income	560,091	1.6	184,613	0.7
	35,103,636	100.0	28,386,425	100.0
Distribution of Wealth				
Cost of sales & overheads (excluding remuneration)	28,522,558	81	23,251,897	82
To employees as remuneration	1,276,380	4	872,211	3
To government as tax	2,075,320	6	1,639,905	6
WPPF and WWF	356,460	1	286,468	1
To shareholders as dividend	-	0	-	0
Cash Retained within the business	2,872,918	8	2,335,944	8
	35,103,636	100	28,386,425	100



- 81% ● Cost of sales and overheads
- 6% ● To government as tax
- 4% ● To employees as remuneration
- 1% ● WPPF and WWF
- 8% ● Retained within the business
- 0% ● To shareholders as dividend

Statement of Value Addition Commentary for 2023:

The statement of value addition for the year 2023 provides insights into the company's wealth generation and distribution, highlighting its contribution to various stakeholders and the retention of value within the business.

Wealth Generation:

The company generated a total of Rs 35,103,636 in wealth during 2023, representing a significant increase from the previous year's figure of Rs 28,386,425. This growth in wealth generation is primarily attributed to the substantial increase in sales revenue amount due to price increase, which accounted for 98.4% of total wealth generated, reflecting the company's successful revenue generation efforts and market expansion strategies. Additionally, other income contributed 1.6% to the total wealth, indicating diversified revenue streams.

Distribution of Wealth:

The distribution of wealth demonstrates the company's commitment to various stakeholders and societal obligations. The majority of wealth, represented by 81%, was allocated to covering costs of sales and overheads, excluding

remuneration. This allocation underscores the importance of maintaining operational efficiency and controlling expenses to ensure sustainable business operations.

A significant portion of wealth, accounting for 4%, was distributed to employees as remuneration, highlighting the company's dedication to rewarding its workforce for their contributions to its success. Additionally, 6% of wealth was allocated to the government as taxes, fulfilling the company's fiscal responsibilities and supporting public welfare initiatives.

Furthermore, contributions to welfare funds such as WPPF and WWF, representing 1% of total wealth, reflect the company's commitment to corporate social responsibility and community development.

Retention of Value:

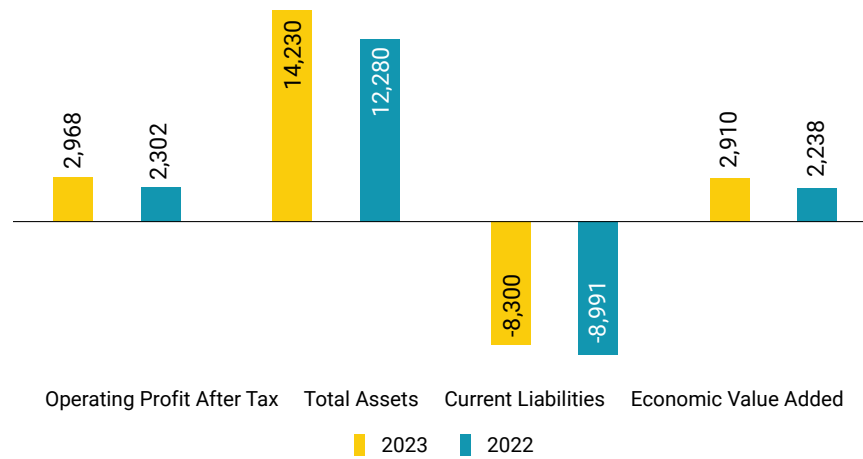
Despite the substantial distribution of wealth to various stakeholders, the company retained 8% of total wealth within the business, amounting to Rs 2,872,918. This retained cash is essential for reinvestment in growth initiatives, research and development, Transformation and strengthening the company's financial position for future opportunities and challenges.

In conclusion, the statement of value addition for 2023 illustrates the company's ability to generate wealth through robust sales performance and diversified income streams while ensuring equitable distribution to stakeholders and retaining value for sustained growth and prosperity.



Economic Value Added

	2023	2022
Rupees '000		
Net Operating Profit after Tax	2,968,174	2,301,910
Cost of Capital	(58,094)	(63,464)
Economic Value Added	2,910,081	2,238,446
Total Assets	14,229,633	12,280,729
Current Liabilities	(8,299,836)	(8,990,546)
Invested Capital	5,929,797	3,290,183
WACC	0.98%	1.93%
Cost of Capital	58,094	63,464



Comments on Economic Value Added (EVA):

The economic value added (EVA) analysis for the years 2023 and 2022 reveals a positive trend in the company's performance. In 2023, the net operating profit after tax amounted to Rs 2,968,174, marking a significant increase from the previous year's figure of Rs 2,301,910. This increase in profitability contributed to the growth of economic value added, which reached Rs 2,910,081 in 2023 compared to Rs 2,238,446 in 2022.

Furthermore, the company's invested capital witnessed a substantial increase from Rs 3,290,183 in 2022 to Rs 5,929,797 in 2023, reflecting potential expansion or investment activities during the period. Despite fluctuations in the weighted average cost of capital (WACC), the company managed to maintain a favorable cost of capital, contributing to the overall enhancement of economic value added.

Overall, the EVA analysis underscores the company's ability to generate wealth above the cost of capital, thereby creating value for its shareholders and stakeholders.

Share Price Sensitivity Analysis

The performance of the company's share price is intricately tied to its financial performance and exhibits a positive correlation with various factors influencing the company's operations. In the current economic climate of Pakistan, management carefully assesses several key factors that may impact the company's share price sensitivity.

Agriculture

Given Pakistan's agrarian economy, where a significant portion of the population relies on agriculture for their livelihoods, the agricultural sector's performance is pivotal to the company's success. Factors such as crop acreage, weather conditions, availability of irrigation water and farm inputs, and government support prices significantly influence agricultural growth, directly impacting the company's sales and profitability. Consequently, favorable agricultural conditions typically result in increased sales and improved profitability, positively influencing the company's share price.

Government Decisions and Policies

Government policies regarding crop prices, taxation, and subsidized tractor schemes exert a substantial influence on the company's share prices. Positive government decisions that support the agricultural industry generally foster a favorable environment for the tractor industry, leading to increased share prices. Conversely, adverse governmental decisions can have a detrimental effect on share prices.

Plant Operations

The stability of plant operations is paramount, directly impacting production levels and, consequently, the company's profitability. Stable plant operations enable higher production output, which can positively impact the company's share price.

Variation in Material Costs

As a manufacturing entity, material costs constitute a significant portion of variable expenses. Any increase in material costs directly affects gross profit margins, potentially leading to reduced profitability and, consequently, a decline in share prices.

Law and Order

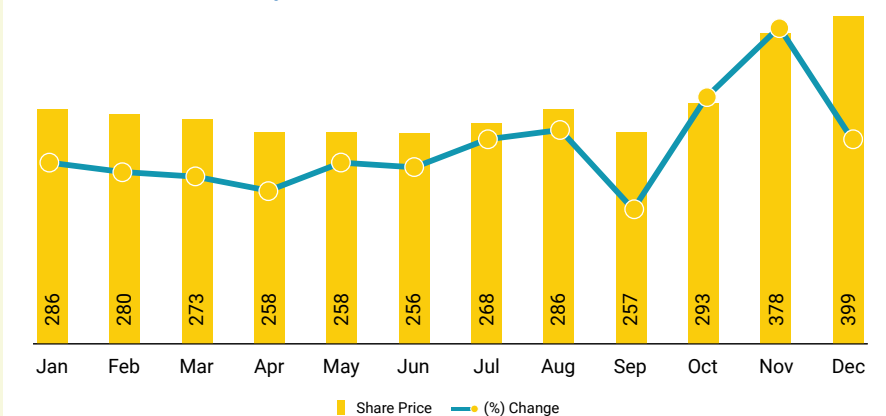
Political uncertainty and disruptions in law and order pose significant challenges to business operations, disrupting economic activity and supply chains. Such disruptions can adversely impact production levels and profitability, consequently affecting the company's share price.

Exchange Fluctuation

The company's exposure to exchange rate fluctuations, particularly due to its reliance on imported raw materials, poses a significant risk to its financial performance. Continuous depreciation of the Pakistani Rupee can adversely affect the company's financial performance, potentially influencing its share price dynamics.

In conclusion, the company's share price sensitivity analysis underscores the importance of closely monitoring various internal and external factors that can significantly impact its financial performance and market valuation. By proactively addressing these factors and implementing strategic measures to mitigate risks, the company aims to enhance shareholder value and ensure sustainable long-term growth.

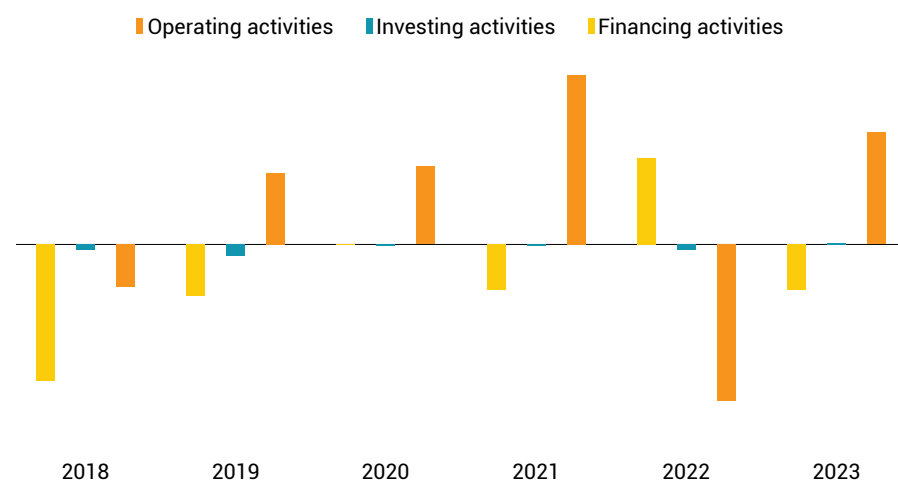
Share Price Sensitivity



Summary of Statement of Cash Flows

Last Six Years

	2023	2022	2021	2020	2019	2018
	Rupees '000					
Net cash (used in) / generated from operating activities	3,051,290	(4,270,631)	4,630,496	2,125,302	1,936,798	(1,155,682)
Net cash used in investing activities	(11,685)	(162,817)	(34,067)	(38,909)	(303,716)	(151,004)
Net cash generated from / (used in) financing activities	(1,234,748)	2,353,917	(1,240,189)	(4,708)	(1,393,589)	(3,713,121)
Net (decrease) / increase in cash and cash equivalents	1,804,857	(2,079,531)	3,356,240	2,081,685	239,493	(5,019,807)
Cash and cash equivalents as at the beginning of the year	(81,409)	1,998,122	(1,358,118)	(3,439,803)	(3,679,296)	1,340,511
Cash and cash equivalents as at the end of the year	1,723,449	(81,409)	1,998,122	(1,358,118)	(3,439,803)	(3,679,296)



Comments on Cash flow Analysis:

The cash flow statement for the year 2023 provides valuable insights into the company's liquidity position, operational efficiency, and financing activities. The Company monitors its cash inflows and outflows on a daily basis. Cash management and investment strategies are planned well in advance to maximize returns.

Operating Activities:

Net cash generated from operating activities amounted to Rs 3,051,290, indicating that the company's core business operations were profitable and generated positive cash flows during the year. This positive cash flow from operations suggests efficient management of working capital and effective revenue generation.

Investing Activities:

The company utilized Rs 11,685 in investing activities during the year, reflecting expenditures on capital investments, acquisitions, or other long-term assets. While this represents a cash outflow, it also signifies the company's commitment to investing in its future growth and expansion.

Financing Activities:

Net cash used in financing activities amounted to Rs 1,234,748, indicating cash outflows related to financing activities mainly short-term bank borrowings repayments. This negative cash flow from financing activities may suggest that the due to lower sales, company relied on external financing sources to fund its financial obligations.

For the past few years, the Company has obtained a notable value of running finance facility to ensure smooth business operations. Funded finance facility from difference banks as at 31st Dec, 2023 stood at PKR 5.5 billion.

Net Increase in Cash:

Overall, the company experienced a net increase in cash and cash equivalents of Rs 1,804,857 during the year. This positive cash flow indicates that the company's cash inflows exceeded outflows, resulting in a stronger liquidity position at the end of the year.

Cash Position:

The company's cash and cash equivalents at the end of the year stood at Rs 1,723,449, significantly higher than the beginning-of-year balance of Rs 81,409. This substantial increase in cash reserves indicates improved liquidity and financial stability, providing the company with flexibility to pursue future opportunities or weather unforeseen challenges.

In conclusion, the cash flow statement for 2023 reflects the company's ability to generate positive cash flows from its core operations, effectively manage its investing and financing activities, and strengthen its cash position. This prudent cash management underscores the company's financial health and resilience in achieving its strategic objectives.

The Company monitors its cash inflows and outflows on a daily basis. Cash management and investment strategies are planned well in advance to maximize returns. Operating cash flows contracted in 2022 mainly on account of utilization of customer advances of year 2021, increase in finished goods tractor inventories and sales tax refund accumulation in 2022.

Net cash used in investing activities depicts cash utilization on account of fixed capital expenditure. Moreover, in current year fixed capital expenditures mainly represented additions related to turnaround initiatives, IT infrastructure upgrade, replacement of essentials plant and machinery at manufacturing plant and staff wellbeing. Company expects to generate additional returns on the investments being made in assets.

Segmental Review of Business

Market Segment / Share

The agricultural sector stands as the cornerstone of Pakistan’s economy, constituting a vital segment of the nation’s GDP and employing most of its workforce. However, the tractor industry has grappled with formidable challenges stemming from a perfect storm of factors including drastic rupee devaluation, record-high inflation rates, political turbulence, and governmental restrictions on imported components. This confluence has led to unprecedented spikes in material costs and disruptions in the procurement of essential parts. Moreover, the imposition of an additional super tax on profits for both the current and preceding years has further dented the profitability landscape for companies within the sector.

Among these entities, Al-Ghazi Tractors Limited (AGTL) holds a significant position as the second-largest player in Pakistan’s tractor industry, commanding a 36% market share, while competitors control the remaining 64%.

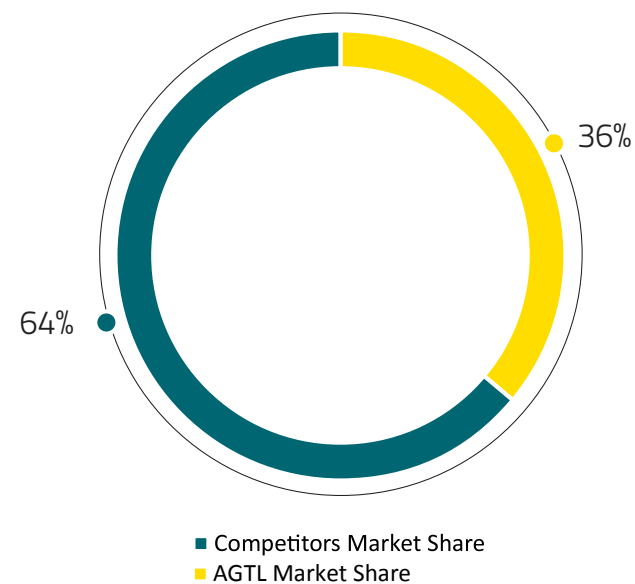
However, AGTL has experienced a decline in market share compared to the previous year. This decline can be attributed to the formidable macroeconomic challenges plaguing the nation and the tractor industry. The ongoing severe rupee devaluation, coupled with continued restrictions on imports by the central bank and persistent political instability, have compounded matters, leading to unprecedented escalations in material costs and disruptions in the timely arrival of imported parts.

In light of these adversities, AGTL’s sales figures for the year reflect the toll of these challenges, with the company selling 15,420 tractors compared to the previous year’s tally of 19,929 units.

Operating Segments

The company’s primary focus remains on the manufacturing and/or sale of agricultural tractors, implements, and spare parts. This core activity forms the backbone of its operations and revenue streams.

In line with its business structure and operational focus, the financial statements of the company have been meticulously prepared, consolidating all relevant financial data under a single reportable segment. This approach ensures transparency and coherence in financial reporting, allowing stakeholders to gain a comprehensive understanding of the company’s performance within its core business domain. By adhering to this reporting framework, the company maintains clarity and consistency in presenting its financial position and operational results to investors, regulators, and other stakeholders.



NH-480 SPECIAL

SPECIFICATIONS

ENGINE POWER

At flywheel 55 HP

OPERATING WEIGHT

1,710 KG

ENGINE

New Holland 8035.06
 4-Stroke, direct injection diesel engine
 Number of cylinder: 3
 Bore and stroke: 100x115 mm
 Pstion Displacement: 2,710 cc
 Compression ratio: 17:1
 Max. Torque at 1,500 rpm: 22.7 kgm
 Dry-type cylinder liners
 Water cooled, Four-row brass tube & copper fin radiator Forced-feed lubrication system
 Distributor-type fuel injection pump with mechanical speed governor
 Vertical exhaust muffler

FILTERS

Air: Oil-bath with pre-cleaner
Fuel: 2 replaceable cartridges.
Oil: Easy-to-change, continuous flow cartridge

CLUTCH

Dual plate, dry-type, with separate controls (pedal for transmission and hand lever for PTO), diameter of plates: 11 inch
 Plate facing of asbestos compound

TRANSMISSION

Gear box with constant-mesh gears: 8 forward and 2 reverse speeds;
 Synchronesh on 3rd, 4th, 7th and 8th speeds
 Differential with pedal actuated lock and automatic disconnection
 Single-reduction spur gear final drives
 Gear Box mounted starter safety switch

TRACKS

Front (8 position):
 1,320- 1,420- 1,520- 1,620-
 1,720- 1,820 - 1,920- 2,020 mm
 Rear (8 position):
 1,200- 1,300- 1,400- 1,500-
 1,600 - 1,700- 1,800 - 1,900 mm

STEERING (OPTIONAL)

Option 1: Manual, recirculating ball type. Centre relay lever. Joints lubricated for life.
Option 2: Hydro assisted power steering with independent circuit.
 Turning radius:
 -with brakes: 3,400 mm
 -without brakes: 3,900 m

POWER TAKE OFF

6 spline shaft - 35 mm dia/1- $\frac{3}{8}$ "
 Fully independent: 540 rps at 2,160 engine rpm
 High-speed DTO (*) 35 mm dia / 1- $\frac{3}{8}$ " same speed as engine
 (*) for application of high speed implements.

HYDRAULIC LIFT

With draft and position control. Draft control through top link, Gear type hydraulic pump driven from engine crankshaft. Pump capacity: 22.7 l/min
 Relief valve opening pressure: 150-170 kg/cm²
 3-Point linkage Cat I-II
 Manual response control
 Lower links with sway restrictors
 Control Lever with safety stop.
 Max. Lifting capacity: 1,450 kg

DRIVER'S SEAT

Fully upholstered with parallelogram suspension, adjustable to driver's weight.

CAPACITY

Fuel tank: 54 l
 Engine oil: 8 l
 Hydraulic Transmission: 18 l
 Rear Axle: 2+2 l at both sides
 Air Cleaner: 1 l

BRAKES

Service dry band-type with mechanical control
 Parking: with hand lever

TYRES

Front: 6.00-16
 Rear: 12.4/11-28

BODY

Hood has side-hinged cover for engine inspection. Front grill is easily removable for quick access to air cleaner and battery

LIGHTING SYSTEM

With 3-position headlights, plough lamp, blue high beam warning light on dashboard, low oil pressure warning light

ELECTRICAL SYSTEM

12 Volt starting system, 4hp (3kw) starter motor, 400 watts alternator, 100 ah battery.

FRONT AXLE

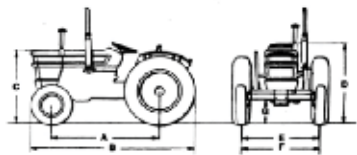
Telescopic type, inverted U, variable track

Al-Ghazi Tractors Ltd reserves the rights to change specifications without prior notice.

DIMENSIONS

(With 6.00-16 and 12.4/11-28 tyres)
 A. Wheelbase: 1,920 mm
 B. Overall length: 2,960 mm
 C. Height to top of hood: 1,390 mm
 D. Height to steering wheel: 1,490 mm

E: Front track (8 positions):
 from 1,320 to 2,020 mm
 F: Rear track (8 positions):
 from 1,200 to 1,900 mm
 G: Ground clearance under front axle: 480 mm



AL-GHAZI TRACTORS LTD.
 Producers of NEW HOLLAND Tractors in Pakistan

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NH-480 SPECIAL

(55 HP)



AL-GHAZI TRACTORS LTD.
 Producers of NEW HOLLAND Tractors in Pakistan

NH-480 POWER PLUS

SPECIFICATIONS

ENGINE POWER

At flywheel 55 HP

OPERATING WEIGHT

1,710 KG

ENGINE

New Holland 8035.06
 4-Stroke, direct injection diesel engine
 Number of cylinder: 3
 Bore and stroke: 100x115 mm
 Piston Displacement: 2,710 cc
 Compression ratio: 17:1
 Max. Torque at 1,500 rpm: 22.7 kgm
 Dry-type cylinder liners
 Water cooled, Four-row brass tube & copper fin radiator Forced-feed lubrication system
 Distributor-type fuel injection pump with mechanical speed governor
 Vertical exhaust muffler

FILTERS

Air: Oil-bath with pre-cleaner
 Fuel: 2 replaceable cartridges.
 Oil: Easy-to-change, continuous flow cartridge

CLUTCH

Dual plate, dry-type, with separate controls (pedal for transmission and hand lever for PTO), diameter of plates: 11 inch
 Plate facing of asbestos compound

TRANSMISSION

Gear box with constant-mesh gears: 8 forward and 2 reverse speeds;
 Synchronesh on 3rd, 4th, 7th and 8th speeds
 Differential with pedal actuated lock and automatic disconnection
 Single-reduction spur gear final drives
 Gear Box mounted starter safety switch

TRACKS

Front (8 position):
 1,320- 1,420- 1,520- 1,620-
 1,720- 1,820 - 1,920- 2,020 mm
 Rear (8 position):
 1,200- 1,300- 1,400- 1,500-
 1,600 - 1,700- 1,800 - 1,900 mm

STEERING (OPTIONAL)

Hydro assisted with independent circuit.
 Minimum turning radius:
 -with brakes: 3400mm
 -without brakes: 3900mm

POWER TAKE OFF

6 spline shaft - 35 mm dia/1- $\frac{3}{8}$ "*
 Fully independent: 540 rps at 2,160 engine rpm
 High-speed DTO (*) 35 mm dia / 1- $\frac{3}{8}$ "*
 same speed as engine
 (*) for application of high speed implements.

HYDRAULIC LIFT

With draft and position control. Draft control through top link, Gear type hydraulic pump driven from engine crankshaft. Pump capacity: 22.7 l/min
 Relief value opening pressure: 150-170 kg/cm²
 3-Point linkage Cat I-II
 Manual response control
 Lower links with sway restrictors
 Control Lever with safety stop.
 Max. Lifting capacity: 1,450 kg

DRIVER'S SEAT

Fully upholstered with parallelogram suspension, adjustable to driver's weight.

CAPACITY

Fuel tank: 54 l
 Engine oil: 8 l
 Hydraulic Transmission: 18 l
 Rear Axle: 2+2 l at both sides
 Air Cleaner: 1 l

BRAKES

Service dry band-type with mechanical control
 Parking: with hand lever

TYRES

Front: 6.00-16
 Rear: 14.9/13-28

BODY

Hood has side-hinged cover for engine inspection.
 Front grill is easily removable for quick access to air cleaner and battery

LIGHTING SYSTEM

With 3-position headlights, plough lamp, blue high beam warning light on dashboard, low oil pressure warning light

ELECTRICAL SYSTEM

12 Volt starting system, 4hp (3kw) starter motor, 400 watts alternator, 100 ah battery.

FRONT AXLE

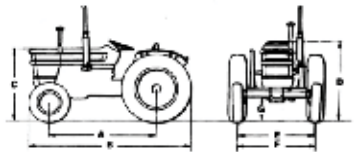
Telescopic type, inverted U, variable track

Al-Ghazi Tractors Ltd reserves the rights to change specifications without prior notice.

DIMENSIONS

(With 6.00-16 and 12.4/13-28 tyres)
 A. Wheelbase: 1,920 mm
 B. Overall length: 2,960 mm
 C. Height to top of hood: 1,390 mm
 D. Height to steering wheel: 1,490 mm

E. Front track (8 positions):
 from 1,320 to 2,020 mm
 F. Rear track (8 positions):
 from 1,200 to 1,900 mm
 G. Ground clearance under front axle: 480 mm



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NH-480 POWER PLUS

POWER STEERING (55 HP)



AL-GHAZI TRACTORS LTD.
 Producers of NEW HOLLAND Tractors in Pakistan

NH-GHAZI SPECIFICATIONS

ENGINE POWER

At flywheel 65 HP

OPERATING WEIGHT

1,785 KG

ENGINE

New Holland 8035.05
4-Stroke, direct injection diesel engine
Number of cylinder: 3
Bore and stroke: 104x 115 mm
Piston Displacement: 2,931 cc
Compression ratio: 17:1
Max. Torque at 1,500 rpm: 23.9 kgm
Dry-type cylinder liners
Water cooling system,
Five-row brass tube and fin radiator
Forced-feed lubrication system
Vertical exhaust muffler
Distributor type fuel injection pump with mechanical speed governor

FILTERS

Air: Oil-bath with pre-cleaner
Fuel: 2 replaceable cartridges;
Oil: Easy-to-change, continuous flow cartridge

CLUTCH

Dual plate, dry-type, with separate controls (pedal for transmission and hand lever for PTO), diameter of plates: 11 inch
Plates facing of asbestos compound

TRANSMISSION

Gear box with constant-mesh gears:
8 forward and 2 reverse speeds
Synchromesh on 3rd, 4th, 7th and 8th speeds
Differential with pedal actuated lock and automatic disconnection
Single-reduction spur gear final drives
Gear Box mounted starter safety switch

TYRES

Front: Rear 6.00-16
FRONT AXLE 14.9/13-28

FRONT AXLE

Telescopic type, inverted U, variable tread

FENDER

Flat top

TRACKS

Front (8 positions):
1,320 - 1,420 - 1,520 - 1,620
1,720 - 1,820 - 1,920 - 2,020 mm.
Rear (8 positions):
1,200 - 1,300 - 1,400 - 1,500 -
1,600 - 1,700 - 1,800 - 1,900 mm.

STEERING

Hydro assisted power steering with independent circuit.
Turning radius:
-with brakes: 3,400 mm
-without brakes: 3,900 mm

DRIVER'S SEAT

Deluxe seat with spring suspension, adjustable to driver's weight

POWER TAKE OFF

6 spline shaft -35 mm dia / 1- $\frac{3}{8}$ "
Fully independent: 540 rpm at 2,160 engine rpm
High-speed DTO (*) 35 mm dia / 1- $\frac{3}{8}$ "
same speed as engine
(*) for application of high speed implements.

HYDRAULIC LIFT

With draft and position control, Draft control through top link, Gear type hydraulic pump driven from engine crank shaft.
Pump capacity: 22.7 l /min
Reliefvalve opening pressure: 150-170kg/cm²
3-point linkageCat I - II
Manual response control.
Lower links with inter changeable balls & sway restrictors
Control Lever with safety stop.
Max. Lifting capacity: 1,650 kg

BODY

Hood has side-hinged cover for engine inspection.
Front grill is easily removable for quick access to air cleaner and battery

LIGHTING SYSTEM

With 3-position halogen headlamps
Blue high beam warning light on dashboard.
Low oil pressure warning light.
Direction Indicators, Parking & Hazard lights.

ELECTRICAL SYSTEM

12 volt starting system, 4 HP (3kw) starter motor, 400 watt alternator, 100 ah battery, starting aid.

CAPACITIES

Fuel tank: 54 l
Engine oil: 08 l
Hydraulic Transmission: 18 l
Rear Axle: 2+2 l at both sided
Air Cleaner: 01 l
Power Steering: 1.5 l

BRAKES

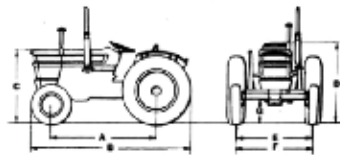
Service dry band-type with mechanical control
Parking: with hand lever.

Al-Ghazi Tractors Ltd reserves the rights to change specifications without prior notice.

DIMENSIONS

(With 6.00-16 and 14.9/13-28 tyres)
A. Wheelbase: 1,953 mm
B. Overall length: 3,046 mm
C. Height to top of hood: 1,390 mm
D. Height to steering wheel: 1,490 mm

E. Front track (8 positions):
from 1,320 to 2,020 mm
F. Rear track (8 positions):
from 1,200 to 1,900 mm
G. Ground clearance under front axle: 480 mm



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NH-GHAZI (65 HP)



AL-GHAZI TRACTORS LTD.
Producers of NEW HOLLAND Tractors in Pakistan

NH-640 SPECIFICATIONS

ENGINE POWER

At flywheel 75 HP

OPERATING WEIGHT

2,070 KG

ENGINE

New Holland 8045.06
4-Stroke, direct injection diesel engine
Number of cylinder: 4
Bore and stroke: 100 x 115 mm
Piston Displacement: 3,613 cc
Flyweight type dynamic balancer.
Compression ratio: 17:1
Max. Torque at 1,400 rpm: 24.9 kgm
Dry-type cylinder liners.
Oil Cooler
Cooling system: water
Five-row, brass tube and copper fin radiator
Forced-feed lubrication system.
Two power outlets for hydraulic pump on timing over.
Distributor type injection pump with mechanical speed governor.
Exhaust muffler: vertical
Five bearing crankshaft.

FILTERS

Air: Oil-bath with pre-cleaner
Fuel: 2 replaceable cartridges;
Oil: Easy-to-change, continuous-flow cartridge

CLUTCH

Dual plate, dry-type with separate controls (pedal for transmission and hand lever for PTO).
Diameter of plates: 11 inches
Plated facing of asbestos compound.

FRONT AXLE

Inverted U section, telescopic type.

TYRES

Front: 7.50-16
Rear: 16.9/14-30

TRANSMISSION

Gearbox with constant-mesh gears: 8 forward and 2 reverse speeds. Synchronmesh on 3rd, 4th, 7th and 8th speeds Double control lever. Bevel gear 12/47
Differential lock with pedal actuated and automatic disconnection.
Spur gear final drives.
Gear Box mounted starter safety switch.

FENDER

Square type with flat top.

TRACKS

Front (8 positions):
1,320- 1,420- 1,520- 1,620
1,720- 1,820- 1,920- 2,020 mm.
Rear (8 positions):
1,320- 1,420- 1,520- 1,620
1,720- 1,820- 1,920- 2,020MM

STEERING

Hydro assisted with independent circuit.
Minimum turning radius:
-with brakes: 3,400 mm
-without brakes: 3,700 mm

POWER TAKE OFF

6 spline shaft- 35 mm dia/1- $\frac{3}{8}$ "
Fully independent: 540 rpm at 2,160 engine rpm
High-speed DTO(*) 35 mm dia/1- $\frac{3}{8}$ "
same speed as engine.
(*) for application of high speed implements

HYDRAULIC LIFT

With draft and position control, Draft control through top link.
Gear type hydraulic pump driven from engine crankshaft.
Pump capacity (at 2,400 engine rpm): 24.8 /min
Relief valve opening pressure: 190 kg/cm²
Response control,3-point linkage Cat I-II
Sway chains.
Lift lever lock bracket.
Max. Lifting capacity: 1,650 kg

DRIVER`S SEAT

Fully upholstered, with parallelogram suspension, adjustable to driver` s weight.

BODY

Hood with side-hinged cover for engine inspection.
Front grill is easily removable for quick access to air cleaner and battery.

LIGHTING SYSTEM

3-position headlights (parking, low & high beam). Rear parking lights.
Blue high beam warning light on instrument panel and low oil pressure & battery charging light. Direction Indicators, Parking & Head lights.

ELECTRICAL SYSTEM

12 Volt starting system, 4hp (3kw) starter motor, 400 watts alternator, 108 ah battery.

CAPACITIES

Fuel tank: 54 ℓ
Engine oil: 11.5 ℓ
Hydraulic Transmission: 18 ℓ
Rear Axle: 4+4 ℓ at both sides
Air Cleaner: 1 ℓ
Power Steering: 1.5 ℓ

BRAKES

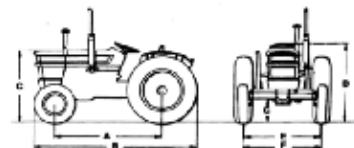
Service dry band-type; mechanically operated.
Parking: manual lever.

Al-Ghazi Tractors Ltd reserves the rights to change specifications without prior notice.

DIMENSIONS

(With 7.50-16 and 16.9/14-30 tyres)
A. Wheelbase: 2,070 mm
B. Overall length: 3,200 mm
C. Height to top of hood: 1,430 mm
D. Height to steering wheel: 1,580 mm

E: Front track (8 positions):
from 1,320 to 2,020 mm
F: Rear track (8 positions):
from 1,320 to 2,020 mm
G: Ground clearance under front axle: 520 mm



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LAHORE

DERA GHAZI KHAN

ISLAMABAD

MULTAN

SUKKUR



NH-640 (75 HP)



AL-GHAZI TRACTORS LTD.
Producers of NEW HOLLAND Tractors in Pakistan

NH 70-56 4WD SPECIFICATIONS

ENGINE POWER

At flywheel	85 HP
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OPERATING WEIGHT

	2600 KG
--	---------

ENGINE

Model	New Holland 8045.05
Type	Vertical, Water Cooled, 4 cycle Naturally aspirated
Cylinder Arrangement	4 Cylinder in line
Bore & Stroke	104 x 115 mm
Piston Displacement	3908 cc
Compression Ratio	17:1
Max. torque at 1500 RPM	27 Kgm
Dry type Cylinder Liners	
Cooling System	Water Cooled
Lubrication System	Force feed
Fuel Injection	Distributor type injection pump with mechanical speed governor

FILTERS

Air Oil-bath air cleaner with semi automatic type dust unloader pre cleaner
Fuel: Two replaceable cartridges;
Oil Filter: Easy to change, flow cartridges.
Exhaust Muffler: Vertical

CLUTCH

Type	Dual
Diameter	305 mm x 254 mm
Lining Material	Cerametalllic

TRANSMISSION

Gear box with constant-mesh gears Synchromesh on 3rd, 4th, 7th. and 8th speeds
 Double control lever, Differential with mechanically operated lock, spur gear final drives

TYRES

Front:	12.4/11-24
Rear	18.4/15-30

4WD FRONT AXLE

Axle Type	Parallel Drive
Engagement	Mechanical

DRIVER'S SEAT

Deluxe, with parallelogram suspension and hydraulic shock absorber, adjustable to driver' weight reach and height

POWER TAKE OFF

Type	Live
Engine Speed at 540 PTO rpm	1750 rpm
Shaft Diameter	35 mm
No of Splines	6

HYDRAULIC LIFT

Lift-o-matic, automatic, with draft, position and mixed control. Draft control through the top link, pump capacity 34.5 L/min. (Max) Relief valve opening pressure 190 Kg/cm² Automatic lifting and lowering device. Lowering speed adjustment & transport lock. Lifting capacity 2200 Kg

ELECTRICAL SYSTEM

Electrical System	
Voltage	12V
Starting Motor	4 HP (3KW)
Alternator	400 W
Battery	110/120Ah
Starter safety switch	
High-low beam head lights	
Parking, direction, stop lights	
multiple gauge instrument panel, Rear flood light	

OPERATION

Parking Dependent, operating on service brakes, with hand control lever and flashing warning light

STEERING

Hydrostatic power steering with independent circuit

GENERAL FEATURES

Efficient and automatic hydraulic system with latest technology of lift-o-matic
 Fuel efficient
 Heavy duty oil cooled disc brakes
 Adjustable & comfortable diver seat
 Hydrostatic power steering
 Ease of engine hood for maximum access to engine service points
 Advance & more visible instrument panel

BRAKES

Brake Type	Oil immersed. Multi-disc
Brake Pedal	Pendant
Brakes Actuation	Hydraulic
Parking Brake	Hand Lever Operated

STANDARD EQUIPMENT

Weight frame without weights, standard tool box with set of tools, top link, top link end, Cat-I,II,Check Chains,Stabiliser Chains and operator manual

OPERATOR AREA

Seat	Cushioned
Fenders	Flat Top
Tool	Standard

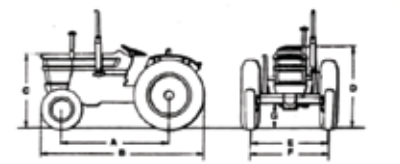
Al-Ghazi Tractors Ltd reserves the rights to change specifications without prior notice.

For further information please contact

DIMENSIONS

(with 12.4/11-24 and 18.4/15-30 tyres)
 A: Wheelbase: 2,260 mm
 B: Overall length: 3,760 mm
 C: Height to top of hood: 1,390 mm
 D: Height to steering wheel: 1,655 mm

E: Front tread (8 positions):
 from 1,320 to 2,020 mm
 F: Rear tread (8 positions):
 from 1,200 to 1,900 mm
 G: Ground clearance under front axle: 480 mm



AL-GHAZI TRACTORS LTD.

Producers of NEW HOLLAND Tractors in Pakistan

Registered Office: Tractor House, Plot No. 102-B, 16th East Street, DHA Phase I, Off. Korangi Road, Karachi, Pakistan, Ph: 021-35318901-5
 Email: agtl@alghazitractors.com | Website: www.alghazitractors.com

LAHORE

DERA GHAZI KHAN

ISLAMABAD

MULTAN

SUKKUR



NH 70-56 4WD (85 HP)



AL-GHAZI TRACTORS LTD.

Producers of NEW HOLLAND Tractors in Pakistan

NH-DABUNG SPECIFICATIONS

ENGINE POWER	
At flywheel	85 HP
OPERATING WEIGHT	
	2865Kg
ENGINE	
New Holland 8045.05 4-Stroke, direct injection diesel engine	
Number of cylinder:	4
Bore and stroke:	104 x 115 mm
Piston Displacement:	3,908 cc
Flyweight type dynamic balancer.	
Compression ratio:	17:1
Max. Power at 2,600 rpm:	85 HP
Max. Torque at 1,600 rpm:	29.7 kgm
Dry-type cylinder liners.	
Oil Cooler	
Cooling system:	water
Five-row, brass tube and copper fin radiator	
Forced-feed lubrication system.	
Two power outlets for hydraulic pump on timing cover.	
Distributor type fuel injection pump with mechanical Speed Governor.	
Exhaust Muffler:	Vertical
Five bearing crankshaft	
FILTERS	
Air: Oil-bath with pre-cleaner	
Fuel: 2 replaceable cartridges;	
Oil: Easy-to-change, continuous-flow cartridge	
CLUTCH	
Dual plate, dry-type, with separate controls (pedal for transmission and hand lever for PTO),	
diameter of plates:	11 inch
Cera Metallic Clutch Plate.	
TYRE SIZE	
Front:	7.50-16
Rear:	18.4/15.30

TRANSMISSION	
Gear box with constant-mesh gears: 8 forward and 2 reverse speeds	
Synchromesh on 3rd, 4th, 7th and 8th speeds	
Double control lever	
Differential lock with pedal actuated and automatic disconnection.	
Spur gear final drives.	
Gear Box mounted starter safety switch.	
FRONT AXLE	
Inverted U section, telescopic type, front weight 160kg.	
TRACKS	
Front (8 positions): 1,320 - 1,420 - 1,520 - 1,620 1,720 - 1,820 - 1,920 - 2,020 mm.	
Rear (8 positions): 1,320- 1,420- 1,520- 1,620 1,720 - 1,820 - 1,920 - 2,020 mm.	
STEERING	
Hydrostatic power steering. Minimum turning radius: -with brakes: 3,600 mm -without brakes: 4,400 mm	
POWER TAKE OFF	
6 spline shaft- 35 mm dia/ Fully independent: 540 rpm at 2,160 engine rpm High-speed DTO (*) 35 mm dia/ same speed as engine. (*) for application of high speed implements	
HYDRAULIC LIFT	
With draft and position control. Draft control through top link. Gear type pump driven from engine crankshaft. Pump capacity (at 2,400 engine rpm). 26.7 l /min	
Relief valve opening pressure: 190kg/cm2 3-point linkage Cat I - II Sway chains. Lift lever lock bracket. Max. Lifting capacity: 2,150 kg	

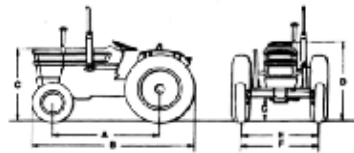
DRIVER'S SEAT	
Fully upholstered, with parallelogram suspension, adjustable, foot step for ease.	
BODY	
Front lifting hood. Three side access to Engine for ease of maintenance.	
LIGHTING SYSTEM	
3-position headlights; (parking, low < high beam). Blue high beam warning light on instrument panel. Adjustable head light mounted in the front grill, indicators, parking & hazard lights.	
ELECTRICAL SYSTEM	
12 Volt starting system, 4hp (3KW) starter motor. 400 Watts alternator, 108 ah battery. 7 pin connector for trolley. Cold Starting aid. Provision for mobile charger and MP3.	
INSTRUMENT PANEL	
Separate temperature, fuel gauge & hour meter.	
CAPACITY	
Fuel tank:	65 l
Engine oil:	11.5 l
Hydraulic Transmission:	29 l
Rear Axle:	4 l at each side
Air Cleaner:	1 l
Power Steering:	2 l
BRAKES	
Oil immersed disc brakes. Parking: manual lever on right side of operator.	
ADDITIONAL	
Rear seat, Front and Rear Weights, Towing Hook.	

Al-Ghazi Tractors Ltd reserves the rights to change specifications without prior notice.

DIMENSIONS

- (With 7.50-16 and 18.4/15-30 tyres)
- A. Wheelbase: 2,070 mm
- B. Overall length: 3,330 mm
- C. Height to top of hood: 1,402 mm
- D. Height to steering wheel: 1,675 mm

- E: Front track (8 positions): from 1,320 to 2,020 mm
- F: Rear track (8 positions): from 1,320 to 2,020 mm
- G: Ground clearance under front axle: 500 mm



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NH-DABUNG (85 HP)



AL-GHAZI TRACTORS LTD.
Producers of NEW HOLLAND Tractors in Pakistan



Financial Statements

for the year ended December 31, 2023



A.F. FERGUSON & CO.

INDEPENDENT AUDITOR'S REPORT

To the members of Al-Ghazi Tractors Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Al-Ghazi Tractors Limited (the Company), which comprise the statement of financial position as at December 31, 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2023 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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>

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Following is the Key Audit Matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
(i)	<p>Inventories</p> <p><i>(Refer note 6 to the annexed financial statements)</i></p> <p>The Company has significant level of inventories comprising of raw material, work-in-process and finished goods. The Company makes provision against inventory items that are either obsolete, rejected or slow moving. Significant judgements, assumptions and estimates are involved to determine the inventory at lower of cost and net realizable values.</p> <p>Given the level of significant management judgements and estimates involved we considered inventory valuation a key audit matter.</p>	<p>We performed, amongst others, the following audit procedures:</p> <ul style="list-style-type: none"> • Obtained understanding of valuation methodology, the basis and process for making the inventory provision; • obtained understanding of design, implementation and operating effectiveness of the key controls management has established for inventory provision computations; • recalculated a sample of items included within the inventory provision to ensure accuracy of calculation and that inventories are stated at the lower of cost or net realizable value at the reporting date by reviewing relevant documents and sales prices of inventories subsequent to the reporting date; and • assessed the adequacy of the disclosures made by the Company in accordance with applicable accounting and reporting standards.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

A.F. Ferguson & Co.
Chartered Accountants
Karachi

Date: March 28, 2024

UDIN: AR202310073SeZoDJ3rR



A.F. FERGUSON & Co.

The Company Secretary
Al-Ghazi Tractors Limited
Tractors House
Plot No.102-B, 16th East Street
Off Korangi Road, Phase-1
D.H.A, Karachi

13 March 2024

Our reference: ASR 4299

Dear Sirs

As requested, we confirm the following:

- The partners of the firm, their spouses and minor children do not hold shares of Al-Ghazi Tractors Limited and all partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan (ICAP).
- We have been given satisfactory rating under the quality control review program of the ICAP and are registered with the Audit Oversight Board of Pakistan.
- We are in compliance with IFAC guidelines on code of ethics as adopted by the ICAP and that our partners involved in the audit are not close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.
- We have not performed any service resulting in non-compliance of IFAC guidelines.
- The engagement team, others in the firm and the firm have complied with applicable ethical requirements regarding independence.
- We are not aware of any relationships and other matters between the firm, network firms, and the company that, in our professional judgment, may reasonably be thought to bear on independence.

Yours truly

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
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Statement of Financial Position

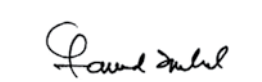
As at December 31, 2023

	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	1,607,672	1,330,613
Intangible assets	4	495	654
Deferred tax asset	5	129,972	101,819
Long-term loans		3,459	2,666
Long-term deposits and prepayments		13,460	17,807
Employee benefit prepayments	32	32,039	-
		1,787,097	1,453,559
CURRENT ASSETS			
Inventories	6	6,084,499	5,263,574
Trade receivables	7	-	161,820
Loans and advances	8	95,715	91,105
Trade deposits and short-term prepayments	9	324,848	372,903
Interest accrued		3,371	1,550
Other receivables	10	201	4,833
Refunds due from the Government	11	4,210,453	4,203,395
Other financial asset	12	-	-
Cash and bank balances	13	1,723,449	727,990
		12,442,536	10,827,170
TOTAL ASSETS		14,229,633	12,280,729
SHARE CAPITAL AND RESERVES			
Share capital	14	289,821	289,821
Unappropriated profit		5,490,404	2,842,264
		5,780,225	3,132,085
NON-CURRENT LIABILITIES			
Deferred staff benefits - compensated absences		103,154	73,605
Lease liability	15	46,418	57,723
Employee benefit obligations	32	-	26,770
		149,572	158,098
CURRENT LIABILITIES			
Trade and other payables	16	3,812,570	2,651,918
Customers' and dealers' advances	17	131,452	111,157
Taxation - provision less payments		213,815	18,435
Unclaimed dividend		65,498	75,351
Unpaid dividend	18	2,416,858	2,416,858
Current portion of lease liability	15	10,990	7,455
Short term financing	19	1,648,653	3,709,372
		8,299,836	8,990,546
TOTAL LIABILITIES		8,449,408	9,148,644
COMMITMENTS	20	-	-
TOTAL EQUITY AND LIABILITIES		14,229,633	12,280,729

The annexed notes 1 to 41 form an integral part of these financial statements.


Director


Chief Executive Officer


Chief Financial Officer

Statement of Profit or Loss

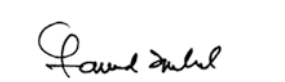
For the year ended December 31, 2023

	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
Revenue from contracts with customers	21	34,543,545	28,201,812
Cost of sales	22	(28,120,477)	(23,140,366)
Gross profit		6,423,068	5,061,446
Distribution expenses	23	(429,463)	(322,944)
Administrative expenses	24	(1,080,390)	(536,715)
		4,913,215	4,201,787
Other income	25	560,091	184,613
Other expenses	26	(429,812)	(345,416)
		5,043,494	4,040,984
Finance costs	27	(356,402)	(245,035)
Profit before taxation		4,687,092	3,795,949
Income tax expense	28	(2,075,320)	(1,639,905)
Profit for the year		2,611,772	2,156,044
Earnings per share (Rupees) - Basic and diluted	29	45.06	37.20

The annexed notes 1 to 41 form an integral part of these financial statements.


Director


Chief Executive Officer


Chief Financial Officer

Statement of Comprehensive Income

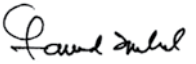
For the year ended December 31, 2023

	2023 (Rupees in thousand)	2022
Profit for the year	2,611,772	2,156,044
Other comprehensive income / (loss):		
Items that will not be subsequently reclassified in profit or loss		
Remeasurements of post employment benefit obligations	36,368	(39,371)
Total comprehensive income for the year	2,648,140	2,116,673

The annexed notes 1 to 41 form an integral part of these financial statements.


Director


Chief Executive Officer


Chief Financial Officer

Statement of Cash Flows

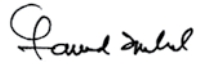
For the year ended December 31, 2023

	Note	2023 (Rupees in thousand)	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	30	5,215,278	(2,746,152)
Income tax paid		(1,908,092)	(1,495,592)
Finance cost paid		(227,024)	(18,835)
Increase in long-term deposits		4,346	(8,399)
Employee benefit obligations paid		(61,974)	(25,605)
Increase in deferred staff benefits			
- compensated absences		29,549	24,691
Increase in long-term loans		(793)	(739)
Net cash inflow / (outflow) from operating activities		3,051,290	(4,270,631)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(468,664)	(272,376)
Additions to intangible assets		(330)	(251)
Proceeds from disposal of property, plant and equipment		14,881	2,814
Return on bank deposits received		442,428	106,996
Net cash outflow from investing activities		(11,685)	(162,817)
CASH FLOW FROM FINANCING ACTIVITY			
Dividend paid		(9,853)	(537,687)
Recovery of other financial asset		44,000	-
Musharkah facility (paid) / obtained - net		(1,136,320)	2,784,973
Short term borrowing (paid) / obtained		(115,000)	115,000
Lease rentals paid		(17,574)	(8,369)
Net increase / (decrease) in cash and cash equivalents		1,804,858	(2,079,531)
Cash and cash equivalents at beginning of the year		(81,409)	1,998,122
Cash and cash equivalents at end of the year	31	1,723,449	(81,409)

The annexed notes 1 to 41 form an integral part of these financial statements.


Director


Chief Executive Officer


Chief Financial Officer

Statement of Changes in Equity

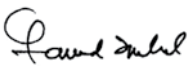
For the year ended December 31, 2023

	Issued, subscribed and paid up capital	Revenue Reserves		Total
		General reserve	Unappropriated profit	
(Rupees in thousand)				
Balance as at January 1, 2022	289,821	-	3,683,446	3,973,267
Transactions with the owners recorded directly in equity				
Final dividend @ Rs. 51.03 per share for the year ended December 31, 2021	-	-	(2,957,855)	(2,957,855)
Total comprehensive income for the year ended December 31, 2022	-	-	-	-
Profit for the year ended December 31, 2022	-	-	2,156,044	2,156,044
Other comprehensive loss for the year ended December 31, 2022	-	-	(39,371)	(39,371)
	-	-	2,116,673	2,116,673
Balance as at January 1, 2023	289,821	-	2,842,264	3,132,085
Transactions with the owners recorded directly in equity				
Total comprehensive income for the year ended December 31, 2023	-	-	-	-
Profit for the year ended December 31, 2023	-	-	2,611,772	2,611,772
Other comprehensive income for the year ended December 31, 2023	-	-	36,368	36,368
	-	-	2,648,140	2,648,140
Balance as at December 31, 2023	289,821	-	5,490,404	5,780,225

The annexed notes 1 to 41 form an integral part of these financial statements.


Director


Chief Executive Officer


Chief Financial Officer

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

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 its 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 centres 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.

1.3 In 2021, the Competition Commission of Pakistan (CCP) 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 advice of the Company's legal counsel, the Company believes that there are no grounds which could result in any adverse order against the Company.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these 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.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

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.

2.1.2 Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The matter involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are provision for taxation and provision for staff retirement benefit.

Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. There were no significant judgements involved in the application of Company's accounting policies. The management has made the following estimates which are significant to the financial statements:

i. Employee benefit obligations

The Company has made certain actuarial assumptions as disclosed in note 32 to the financial statement for valuation of present value of defined benefit obligations and fair value of planned assets, based on actuarial valuation.

ii. Current and deferred income taxes

In making the estimates for income taxes payable by the Company, management considers current income tax laws and the decisions of appellate authorities on certain cases issued in the past. Where the final outcome is different from the amounts that were initially recorded, such differences will impact the income tax provision in the period in which such final outcome is determined. Deferred taxes are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

iii. Property, plant and equipment and intangible assets

Estimates with respect to residual values and useful lives and pattern flow of economic benefit are based on the recommendation of technical teams of the Company. Further, the Company reviews the internal and external indicators for possible impairment of assets on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment (note 3) and intangible assets (note 4) with a corresponding effect on the depreciation charge, amortisation charge and impairment.

iv. Provisions

Provisions are considered, among others, for legal matters, disputed indirect taxes and warranty obligations where a legal or constructive obligation exists at the statement of financial position's date and reliable estimate can be made of the likely outcome. The nature of these costs is such that judgement is involved in estimating the timing and amount of cashflows.

v. Inventories

Estimates with respect to obsolete and slow moving inventories are based on the management's assessment on aged based analysis regarding their future usability.

2.1.3 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

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

are mandatory for Company's annual accounting period which began on January 1, 2023. However, these do not have any significant impact on the Company's financial reporting.

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 annual accounting periods beginning on or after January 1, 2024. 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.

2.2 Overall valuation policy

These financial statements have been prepared under the historical cost convention except as otherwise disclosed in the accounting policy notes.

2.3 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation / amortisation and impairment, if any, except freehold land which is stated at cost less impairment, if any.

The cost of leasehold land is amortised over the period of lease. Depreciation on all other assets is charged to statement of profit or loss applying straight-line method whereby the cost of an asset less residual value is written off over its estimated useful life. The useful life of the assets as estimated by the management is as follows:

- Leasehold land	99 years
- Building	40 years
- Plant and machinery	10 years
- Furniture and fixtures	4 - 10 years
- Office equipment	10 years
- Computer hardware	3 years
- Vehicles	4 years
- Factory equipments and tools	10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each date of statement of financial position.

Depreciation on additions is charged from the month during which the asset is available for use whereas no depreciation is charged in the month of disposal.

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

Gains and losses on disposal / retirement of property, plant and equipment are included in statement of profit or loss.

2.4 Capital work-in-progress (CWIP)

Capital work in progress is stated at cost including, where relevant, related financing costs less impairment losses, if any. These costs are transferred to operating assets as and when assets are available for use.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

2.5 Intangibles

Intangible assets having a finite useful life are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is calculated using the straight-line method to allocate the cost of intangible over its estimated useful life of 3 years.

Costs associated with maintaining computer softwares are charged to statement of profit or loss.

2.6 Impairment

The carrying values of assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount and the resulting impairment is charged to statement of profit or loss.

2.7 Loans, advances, deposits and prepayments

Loans, advances, deposits and prepayments are non-derivative financial assets with fixed and determinable payments. These are included in current assets, except those with maturities greater than twelve months after the reporting date, which are classified as non-current assets.

Interest free loans to employees are stated at amortised cost.

2.8 Taxation

Current

The charge for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates after taking into account tax credits and rebates available, if any. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that the taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability.

Deferred

Deferred tax is accounted for using the balance sheet liability method on all temporary differences arising between tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liability is generally recognised for all taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax is charged or credited in the statement of profit or loss and other comprehensive income. Deferred tax is determined using tax rates and prevailing law for taxation on income that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

2.9 Inventories

These are valued at the lower of cost and net realisable value. Cost is determined on moving average method except for stock-in-transit which is valued at invoice value plus other charges incurred thereon.

Cost of finished goods includes prime cost and appropriate portion of manufacturing expenses.

Net realisable value signifies the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

Stores and spares are valued at average cost. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

2.10 Trade and other receivables

Trade and other receivables are initially recognised at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. Refer note 2.26 for a description of the Company's impairment policies.

2.11 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost. For the purposes of cash flow statement, cash and cash equivalents comprise cash, cheques, demand drafts in hand and balances with banks on current, savings and deposit accounts and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents also include bank overdrafts / short term borrowings that are repayable on demand. Further, contractual borrowings are not part of cash and cash equivalents and are part of financing activities.

2.12 Staff retirement benefits

(i) Defined contribution plan

The Company operates an approved contributory provident fund for its permanent employees. Equal monthly contributions are made, both by the Company and the employees, to the fund at the rate of 10% of basic salary.

(ii) Defined benefit plan

Defined benefit plans define an amount of pension or gratuity that an employee will receive on or after retirement, usually dependent on one or more factors, such as age, years of service and compensation. A defined benefit plan is a plan that is not a defined contribution plan. The liability recognised in the Statement of Financial Position in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of high quality corporate bonds or the market rates on Government bonds. These are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related employee benefit obligation.

The Company operates an approved funded gratuity scheme for all its permanent employees. The scheme defines an amount of gratuity benefit that an employee will receive on retirement subject to a minimum qualifying period of service under the scheme.

Contributions to the gratuity scheme are based on actuarial recommendations. The latest actuarial valuation of the scheme was carried out as at December 31, 2023 using the Projected Unit Credit Method.

The amount arising as a result of remeasurements are recognised in the statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which they occur.

Past-service costs are recognised immediately in statement of profit or loss.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

2.13 Deferred staff benefits - compensated absences

The Company accounts for compensated absences of its employees on unavailed balance of leave in the period in which the leave is earned. The liability recognised in respect of compensated absences is based on employees last drawn salary.

2.14 Lease liability and right-of-use asset

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit and loss and other comprehensive income if the carrying amount of right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

2.15 Trade and other payables

Trade and other payables are initially measured at cost which is the fair value of the consideration received. These are subsequently measured at amortised cost.

2.16 Contract asset and contract liability (Advance from customers)

A contract asset is recognised for the Company's right to consideration in exchange for goods that it has transferred to a customer. If the Company performs by transferring goods to a customer before the customer pays consideration or before payment is due, the Company presents the amount as a contract asset, excluding any amounts presented as a receivable

A contract liability is recognised for the Company's obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration, or the Company has a right to an amount of consideration that is unconditional (i.e. a receivable), before the Company transfers a good to the customer, the entity shall present the contract as a contract liability when the payment is made or the payment is due (whichever is earlier).

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

2.17 Provisions

Provisions are recognised in the statement of financial position when the Company has a legal or constructive obligation, as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation. However, the provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

2.18 Warranty obligations

The Company recognises the estimated liability, on an accrual basis, to repair or replace products under warranty at the reporting date, and recognises the estimated product warranty costs in the statement of profit or loss when the sale is recognised.

2.19 Foreign currencies

Assets and liabilities in foreign currencies are recorded at the rates of exchange prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupee at the rates of exchange approximating to those prevailing at the date of statement of financial position. Exchange gains and losses are taken to statement of profit or loss.

2.20 Revenue from contracts with customers

Revenue from contracts with customers is recognised in time when control over the goods transfers to the customer that is when the customer has the ability to control the use of the transferred goods provided and generally derive their remaining benefits and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Revenue is recognised as follows:

- revenue from local sales is recognised on dispatch of goods from the premises of the Company.
- revenue from export is recognised on the basis of the terms of sale with the customer.

It is measured at the transaction price which the Company expects to be entitled to and represents the amount of goods supplied, after netting off discounts, returns and value added taxes.

(a) Sale of goods

Revenue from contracts for sale of tractors, implements and trading goods is recognized upon delivery and acknowledgement of the good by the customer i.e. at a point-in-time when the performance obligation of the Company is satisfied. Since there is only one performance obligation the revenue is recognized at full amount. Payments for sale of tractors are received in advance from customers, while in the case of implements and trading goods credit periods are provided as per Company policy on a case to case basis. The credit term does not include any financing component.

(b) Warranties

When determining the nature of warranty-related promises, the Company considers whether all or part of the warranty provides the customer with an additional service beyond the basic assurance that it will perform in accordance with published specifications.

Standard-type warranties of free repair, parts replacement, assurance and major rectification to the customer along with free service after specific intervals are not offered separately for any consideration by the Company and rather are embedded in the sale price of the good. Accordingly, the same are not considered to be separate performance obligations and are accounted for under IAS 37.

2.21 Other income

Sale of Property, plant and equipment is recognised as income when risk and rewards of ownership are transferred.

Profit from savings accounts is accounted for as income on accrual basis.

Investment income is recognized when right to receive the income is established.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

2.22 Borrowings and their costs

Borrowings are initially recognised at fair value less any directly attributable transaction cost. Subsequently, these are recognised at amortised cost using the effective interest method. Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs are capitalised as part of the cost of that asset. Borrowings payable within next twelve months are classified as current liabilities.

2.23 Dividend distribution

Dividend distribution to shareholders is recognised as liability in the financial statements in the period in which the dividends are approved by the shareholders / directors, as appropriate.

2.24 Share Capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

2.25 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

2.26 Financial instruments - Initial recognition and subsequent measurement

Initial Recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortised cost or cost as the case may be. Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Company commits to purchase the financial asset.

Classification of financial assets

The Company classifies its financial instruments in the following categories:

- at fair value through profit or loss (FVTPL),
- at fair value through other comprehensive income (FVTOCI), or
- at amortised cost.

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business models for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial assets is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cashflows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit and loss (FVTPL), or
- at amortised cost.

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Subsequent measurement

(i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognised at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive income / (loss).

(ii) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are initially recognised at fair value, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

(iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities initially carried at FVTPL are initially recorded at fair value and transaction costs are expressed in the statement of profit or loss and other comprehensive income. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss in the period in which they arise.

Where management has opted to recognise a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognised in other comprehensive income / (loss). Currently, there are no financial liabilities designated at FVTPL.

Impairment of financial asset

The Company recognises loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortised cost and fair value through OCI at an amount equal to life time ECLs except for the following, which are measured at 12 months ECLs:

- bank balances for whom credit risk (the risk of default occurring over the expected life of the financial instrument) has not increased since the inception.
- employee receivables.
- other short term receivables that have not demonstrated any increase in credit risk since inception.

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

3.1.1 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Location	Usage	Total Area (acres)
Sakhi Sarwar Road, P.O. Box 38, Dera Ghazi Khan	Assembling Plant / Staff Colony	90
Plot No. 20, Industrial Estate, Near Mill No, 4, Multan	Marketing Centre	10
J6CV - 58 , Sheikhpura Road, Lahore	Marketing Centre	1.86
Tractor House, 102-B, 16th East Street, DHA Phase I, Off. Korangi Road, Karachi	Registered Office	0.18

3.1.2 This represents lease of premises acquired for business operations in Lahore.

3.1.3 Details of property, plant and equipment disposed off, having net book value in excess of five hundred thousand rupees or more are as follows:

	Original cost	Accumulated depreciation	Book value	Sale proceeds	Gain on disposal	Mode of disposal	Particulars of buyer	Relationship with buyer
	(Rupees in '000)							
Vehicles								
Toyota Yaris 1330cc	2,625	(1,313)	1,312	4,000	2,688	Insurance claim	EFU Insurance	Insurer

3.2 Capital Work-In-Progress

	2023			2022			Balance as at December 31, 2022	Balance as at December 31, 2022
	Balance as at January 1, 2023	Additions Notes 3.2.1 & 3.2.2	Transfers	Balance as at December 31, 2023	Balance as at January 1, 2022	Additions		
	Rupees in thousand							
Civil works	27,810	96,508	(114,021)	10,297	101,517	8,592	(82,299)	27,810
Software	-	164,338	-	164,338	-	-	-	-
Factory equipment and tools	-	-	-	-	1,952	-	(1,952)	-
Advances to suppliers	38,701	292,371	(278,953)	52,119	40,379	99,462	(101,140)	38,701
Total	66,511	553,217	(392,974)	226,754	143,848	108,054	(185,391)	66,511

3.2.1 These include expenditure incurred mainly in respect of renovation of premises acquired for business operations in Lahore amounting to Rs. 84.71 million (2022: Rs 8.59 million).

3.2.2 These include expenditure amounting to Rs. 164 million (2022: Nil) incurred for the purposes of implementation of SAP S/4 HANA cloud system. The implementation is expected to be completed in 2024 and the system will be available for use once implemented.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

	2023 (Rupees in thousand)	2022 (Rupees in thousand)
4. INTANGIBLE ASSETS		
Net carrying value basis		
Opening net book value	654	1,298
Additions	330	251
Amortisation	(489)	(895)
Closing net book value	495	654
Gross carrying value basis		
Cost	17,670	17,339
Accumulated amortisation	(17,175)	(16,685)
Net book value	495	654
	2023	2022
Average remaining useful life in years	1.7	1.7

Intangibles include commercially acquired computer softwares.

	2023 (Rupees in thousand)	2022 (Rupees in thousand)
5. DEFERRED TAX ASSET		
(Credit) / debit balances arising on account of:		
- accelerated tax depreciation allowances compensated absences	(162,930)	(144,295)
- deferred staff benefits - compensated absences	40,232	24,290
- provision for impairment on investment	-	16,269
- provision for slow moving inventories	98,389	75,927
- provision for doubtful receivables	4,592	9,705
- provision for sales tax	24,950	21,112
- provision others	40,586	24,588
- provision warranty	10,032	8,940
- provision for special excise duty	51,732	43,774
- lease liabilities	22,389	21,509
	129,972	101,819

5.1 Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. As per Finance Act, 2023, companies operating in certain sectors, including automobile, having income above Rs. 500 million are liable to pay super tax at 10% for tax year 2023 and onwards. Accordingly, deferred tax assets and liabilities have been recognised using the expected applicable rate of 39%.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
6. INVENTORIES			
Raw materials and components – including in transit Rs. 1,232.99 million (2022: Rs. 532.69 million)	6.1	5,233,080	2,889,465
Less: Provision for obsolescence	6.2	(367,524)	(282,145)
		4,865,556	2,607,320
Work-in-process		122,732	88,231
Stores and spares		136,096	175,662
Less: Provision for obsolescence	6.2	(14,346)	(21,414)
		121,750	154,248
Finished goods – tractors and implements		945,811	2,400,451
Less: Provision for obsolescence	6.2	-	(4,960)
		945,811	2,395,491
Trading stock – spare parts		28,650	18,284
		6,084,499	5,263,574

6.1 The amount includes raw materials of Rs. 0.46 million (2022: Rs. 0.46 million) held by third parties.

	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
6.2 Provision for obsolescence			
(i) Raw material			
Balance as at January 1		282,145	226,904
Charge for the year		85,379	55,241
Balance as at December 31		367,524	282,145
(ii) Stores and spares			
Balance as at January 1		21,414	18,640
(Reversal) / charge for the year		(7,068)	2,774
Balance as at December 31		14,346	21,414
(iii) Finished goods			
Balance as at January 1		4,960	4,027
(Reversal) / charge for the year		(4,960)	933
Balance as at December 31		-	4,960
7. TRADE RECEIVABLES			
Unsecured	7.1	11,776	191,230
Less: Provision against doubtful receivables	7.2	(11,776)	(29,410)
		-	161,820

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

7.1 As at December 31, the age analysis of trade receivables is as follows:

	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
Not yet due		-	81,776
1 to 6 months		-	96,870
6 to 12 months		-	9,608
More than 1 year		11,776	2,976
		11,776	191,230

7.2 Provision for doubtful receivables

Balance as at January 1		29,410	2,826
Provision made during the year		-	26,584
Written down during the year		(17,634)	-
Balance as at December 31		11,776	29,410

8. LOANS AND ADVANCES – considered good

Loans and advances to employees	8.1	11,509	7,335
Advances to suppliers for goods and services		84,206	83,770
		95,715	91,105

8.1 These represent current portion of interest free loans given to employees under employee loan schemes to facilitate purchase of domestic appliances and motor cycles. The said loans are repayable over a period of 24 to 36 months and are secured against provident fund balances.

	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
9. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
LC margin against imports	9.1	23,039	364,784
Prepayments	9.2	84,936	7,606
Deposit with government authority	9.3	215,282	-
Other deposits		1,591	513
		324,848	372,903

9.1 This includes Nil (2022: Rs. 360.81 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. During the year, the said circular has been withdrawn vide Circular No. 06 of 2023.

9.2 This includes prepayment of subscriptions amounting to Rs. 77.94 million (2022: Nil) in respect of cloud and related services.

9.3 This represents security deposit paid to Customs as a security for releasing container from the port without paying Customs duty due to non-availability of EDB quota.

9.4 These deposits do not carry any mark-up.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
10. OTHER RECEIVABLES			
Receivable from CNH Industrial N.V.	10.1	-	4,632
Others		201	201
		201	4,833

10.1 The maximum aggregate due from the related party at the end of any month during the year was Rs. 4.63 million (2022: Rs. 4.63 million).

	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
11. REFUNDS DUE FROM THE GOVERNMENT			
Sales tax	11.1	4,274,428	4,267,370
Less: Provision for Sales Tax		(63,975)	(63,975)
		4,210,453	4,203,395
Special excise duty	11.2	-	-
		4,210,453	4,203,395

11.1 This represents a sales tax refund which has been accumulating since July 2019. The company has filed Refund applications through RCPS (Refund Claim Preparation System) of FBR. However, processing of refund through STARR (Sales Tax Automated Refund Repository) and RPOs (Refund Payment Orders) are pending at FBR end. The sales tax refund claims have been filed under Agricultural Tractor Refund Rules stipulated under SRO 363(I)/2012 and SRO 563(I)/2022. The company had challenged the retrospective change in Agricultural Tractor Sales tax refund rules in the Honourable Sindh High Court (SHC) where the court has directed the Company to take up the matter with the FBR. The company intends to challenge the decision of SHC in Honourable Supreme Court of Pakistan. Based on facts, legal advice, and legal precedents the refund claim of the company is legitimate, that it shall eventually be realized in full.

	2023 (Rupees in thousand)	2022 (Rupees in thousand)
11.2 Balance as at January 1	132,647	132,647
Provisions	(132,647)	(132,647)
Balance as at December 31	-	-

Special Excise Duty was levied on tractor components through Finance Act, 2008 from July 2007 at the rate of 1% of the invoice value, which was subsequently discontinued in June 2011. This 1% was refundable in the same manner as normal sales tax refunds.

Due to non-routine processing of the SED refunds the outstanding balance kept accumulating to the tune of Rs. 251 million till September 2013.

The matter was then taken up with the Federal Tax Ombudsman (FTO), and an appeal in this regard was filed. FTO decided the matter in the Company's favor and directed FBR to process the unprocessed claim. Certain claims were processed and refund payment order (RPO) of Rs. 135 million was issued till December 2019.

In 2019, the Company re-assessed its assessment for recovery of Special excise duty recoverable since 2008 and after due consideration on a prudent basis a provision of Rs 132.60 million has been created against balance for special excise duty.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
12. OTHER FINANCIAL ASSET			
Investment			
Held at amortised cost - Certificate of Investment		-	49,300
Less: Provision for impairment	12.1	-	(49,300)
		-	-

12.1 This represents investment in Certificate of Investment (COI) of Saudi Pak Leasing Company Limited (SPLCL) which matured in January 2009, however, encashment proceeds were not received due to liquidity problem of SPLCL. The Board of Directors filed a winding-up petition against SPLCL in Sindh High Court for recovery of the said outstanding amount and appointed M/s Saiduddin and Co. for the said purpose.

In 2018, the Company entered into a settlement agreement with SPLCL through The High Court and accordingly, petition was disposed off by the High Court. During the current year, the Company has received Rs. 44 million (2022: Nil) from SPLCL under an out of court settlement.

	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
13. CASH AND BANK BALANCES			
With banks in			
Conventional			
- Current accounts		295,911	6,936
- Savings and deposit accounts	13.1	436,412	216,577
Islamic			
- Current accounts		49,486	59,339
- Savings and deposit accounts	13.1	107,975	210,490
Cash in hand		1,093	890
Demand drafts in hand		832,572	233,758
		1,723,449	727,990

13.1 During the year, the mark-up / profit rates on savings and deposit accounts range from 7.51% to 21.05% per annum (2022: 7% to 14.5% per annum).

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

	2023 (Rupees in thousand)		2022 (Rupees in thousand)	
14. SHARE CAPITAL				
14.1 Authorised share capital				
120,000,000 ordinary shares of Rs. 5 each (2022: 120,000,000 ordinary shares of Rs. 5 each)		600,000		600,000
14.2 Issued, subscribed and paid-up capital				
	Ordinary shares of Rs. 5 each			
	2022	2023	2023	2022
			(Rupees in thousand)	
	4,500,000	4,500,000	Shares allotted for consideration paid in cash	22,500
	53,464,201	53,464,201	Shares allotted as bonus shares	267,321
	57,964,201	57,964,201		289,821
14.3	All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.			
14.4	As at December 31, 2023, Al-Futtaim Industries Company LLC, U.A.E., the holding company, and CNH Industrial N.V. (formerly CNH Global N.V.), an associated company, held 50%, i.e., 28,992,705 (2022: 28,992,705) and 43%, i.e., 25,022,379 (2022: 25,022,379) shares of Rs. 5 each respectively.			
		2023 (Rupees in thousand)		2022 (Rupees in thousand)
15. LEASE LIABILITY				
Balance as at January 1		65,178		-
Additions to lease liability		-		71,374
Unwinding of finance cost		9,804		2,173
Lease rentals paid		(17,574)		(8,369)
Balance as at December 31		57,408		65,178
		2023 (Rupees in thousand)		2022 (Rupees in thousand)
Current portion		10,990		7,455
Non-current portion		46,418		57,723
		57,408		65,178

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

15.1 Lease liabilities payable are as follows:

	2023		2022	
	Minimum lease payments	Interest	Present value of minimum lease payments	Present value of minimum lease payments
	(Rupees in thousand)			
Less than one year	19,332	(8,342)	10,990	7,455
Between one and five years	56,909	(10,491)	46,418	57,723
	76,241	(18,833)	57,408	65,178

15.2 Finance charge at rate of 17.06% (2022: 17.06%) per annum has been used for discounting factor.

	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
16. TRADE AND OTHER PAYABLES			
Creditors	16.1	142,605	897,243
Bills payable to foreign supplier		141,424	-
Freight payable to Al Futtaim Logistics - associated company		165,936	133,317
Accrued liabilities	16.2	2,366,673	831,116
Accrued markup		8,291	121,294
Deposits	16.3	77,180	76,180
Taxes deducted at source		48,519	18,854
Workers' Welfare Fund	16.4	106,231	84,579
Workers' Profit Participation fund		11,864	-
Payable to employees' provident fund	16.5	-	25,476
Royalty payable to CNH Industrial N.V. - associated company		609,811	317,795
Provision for warranty services	16.6	25,722	27,091
Others		108,314	118,973
		3,812,570	2,651,918

16.1 These include amount payable to a related party, CNH Industrial N.V. (formerly CNH Global N.V.), amounting to Rs. 1.55 million (2022: Rs. 1.64 million) against purchases made in 2021.

16.2 This includes liabilities amounting to Rs. 1,232.99 million (2022: Rs. 532.69 million) pertaining to raw material and components in transit.

16.3 These include security deposits received from dealers / customers utilisable for the purpose of the business in accordance with requirements of written agreements, in terms of section 217 of the Companies Act, 2017.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

	2023 (Rupees in thousand)	2022
16.4 Workers' Welfare Fund		
Balance as at January 1	84,579	85,222
Allocation for the year	104,283	82,348
	188,862	167,570
Less: Amount paid during the year	(82,631)	(82,991)
Balance as at December 31	106,231	84,579

16.5 All investments out of provident fund have been made in the in collective investment schemes, listed equity and listed debt securities in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for the purpose.

	2023 (Rupees in thousand)	2022
16.6 Provision for warranty services:		
Balance as at January 1	27,091	19,012
Recognised during the year	27,307	37,925
Expenses against provision	(28,676)	(29,846)
Balance as at December 31	25,722	27,091

17. CUSTOMERS' AND DEALERS' ADVANCES

These represent amount received in advance from customers against performance obligations / sales to be made in subsequent periods i.e. sale of tractors, and carry no mark-up. Advance received from customer is recognised as revenue when the performance obligation in accordance with the policy as described in note 2.20 is satisfied.

During the year, the Company recognised revenue amounting to Rs. 126.20 million (2022: Rs. 3,390 million) out of the advance balance outstanding at beginning of the year.

18. UNPAID DIVIDEND

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

	Note	2023 (Rupees in thousand)	2022
19. SHORT TERM FINANCING - under mark up / profit arrangement			
Islamic Finances	19.1 & 19.3	1,648,653	2,784,973
Conventional Finances	19.2 & 19.3	-	924,399
		1,648,653	3,709,372

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

19.1 The facility for running musharkah available from banks amounted to Rs. 3,500 million (2022: Rs. 3,500 million) out of which the amount unavailed at the year end was Rs. 1,851.35 million (2022: Rs. 715.03 million). Rates of profit ranges from one month KIBOR plus 0.4% (2022: one month KIBOR plus 0.4%) to three months KIBOR plus 0.25% (2022: three months KIBOR plus 0.25%) per annum.

19.2 The facility for running finance available from banks amounted to Rs. 2,000 million (2022: Rs. 1,500 million) out of which the amount unavailed at the year end was Rs. 2,000 million (2022: Rs. 576.6 million). Rates of mark-up ranges from one month KIBOR plus 0.25% (2022: one month KIBOR plus 0.5%) to three months KIBOR plus 1% (2022: three months KIBOR plus 1%) per annum. Running finance facility payable on demand amounted to Nil (2022: Rs. 809.4 million).

19.3 The facilities for opening letters of credit and guarantees as at December 31, 2023, amounted to Rs. 4,350 million (2022: Rs. 2,850 million) out of which unutilised balance at year end amounted to Rs. 935.82 million (2022: Rs. 2,003.79 million).

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 amounting to Rs. 9,336 million (2022: Rs. 6,670 million)

20. COMMITMENTS

Commitments for capital expenditure outstanding as at December 31, 2023, amounted to Rs. 460.91 million (2022: Rs. 53.69 million).

21. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2023			2022		
	Tractors	Trading goods and others	Total	Tractors	Trading goods and others	Total
	Rupees in thousand					
Local sales	34,827,124	356,830	35,183,954	29,393,168	278,665	29,671,833
Export sales	119,134	-	119,134	10,275	-	10,275
	34,946,258	356,830	35,303,088	29,403,443	278,665	29,682,108
Less:						
- Discounts, Commissions and incentives	(676,833)	(6,549)	(683,382)	(425,183)	(5,235)	(430,418)
- Sales tax	-	(76,161)	(76,161)	(1,006,952)	(42,926)	(1,049,878)
	(676,833)	(82,710)	(759,543)	(1,432,135)	(48,161)	(1,480,296)
	34,269,425	274,120	34,543,545	27,971,308	230,504	28,201,812

21.1 These financial statements do not include disclosure relating to IFRS 8 "Operating Segments" as the Company is considered to be a single operating segment.

21.2 Management considers that revenue from its ordinary activities are shariah compliant.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
22. COST OF SALES			
Manufactured goods			
Raw materials and components consumed	22.1	24,759,178	23,667,081
Salaries, wages and benefits		654,555	499,149
Charge for defined benefit plan		14,092	8,698
Charge for defined contribution plan		11,442	7,493
Stores and supplies		313,050	315,493
Royalty and technical fee		296,557	242,101
Insurance		3,062	2,194
Depreciation		75,193	54,392
Fuel, power and electricity		154,838	114,965
Inwards freight and transportation		13,454	23,145
Repairs and maintenance		174,072	86,450
Travelling, vehicle running and entertainment		24,878	18,732
Rent, rates and taxes		1,734	1,176
Communication		1,197	635
Printing and stationery		4,878	16,173
Others		19,126	4,925
Opening stock of work-in-process		88,231	104,727
Closing stock of work-in-process		(122,732)	(88,231)
Cost of goods manufactured		26,486,805	25,079,298
Opening stock of finished goods		2,395,491	318,164
Closing stock of finished goods		(945,811)	(2,395,491)
		27,936,485	23,001,971
Trading goods			
Opening stock		18,284	16,559
Purchases		194,358	140,120
		212,642	156,679
Closing stock		(28,650)	(18,284)
		183,992	138,395
		28,120,477	23,140,366

22.1 In 2021, the Company received four show cause notices from Collector of Customs (Adjudication - I) for recovery of duty and taxes amounting to Rs. 394.74 million in respect of imports made during past years. Subsequently, the Collector of Customs (Adjudication - I) has decided these notices by upholding the charges levied in the notices. The Company filed appeals before Customs Appellate Tribunal, Karachi, against the order. The appeals were allowed in favour of the Company where the orders passed by Collector of Customs (Adjudication - I) was set aside. The Directorate of Intelligence and Investigation, Karachi, has filed three applications before Sindh High Court. The Company, based on the legal advisor's opinion, is confident that outcome of the case would be in the Company's favour.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
23. DISTRIBUTION EXPENSES			
Salaries, wages and benefits		148,049	109,775
Charge for defined benefit plan		5,420	3,934
Charge for defined contribution plan		5,118	3,471
Insurance		2,891	2,196
Provision against doubtful receivables		-	26,584
Depreciation / amortisation		20,628	12,343
Electricity		5,314	4,862
Travelling, vehicle running and entertainment		36,341	29,317
Repairs and maintenance		3,741	1,099
Rent, rates and taxes		8,416	3,349
Communication		6,601	2,036
Advertisement and promotion		88,270	62,483
After sales expense		44,232	7,729
Warranty expense		27,307	37,925
Freight charges		17,888	7,569
Legal and professional charges		2,013	4,121
Printing and stationery		2,044	1,236
Others		5,190	2,915
		429,463	322,944
24. ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits		404,498	222,202
Charge for defined benefit plan		20,021	8,853
Charge for defined contribution plan		13,184	8,637
Insurance		6,732	2,874
Depreciation		91,973	54,216
Electricity		17,602	12,470
Travelling, vehicle running and entertainment		101,761	20,974
Repairs and maintenance		2,706	2,672
Rent, rates and taxes		10,822	11,726
Fees and subscription	24.1 & 24.2	218,094	57,359
Communication		33,028	16,203
Auditors' remuneration	24.3	8,775	13,450
Advertising		471	112
Transformation charges	24.4	88,195	-
Legal and professional charges		43,362	38,146
Printing and stationery		7,374	2,230
Donation		131	63,886
Others		11,661	705
		1,080,390	536,715

24.1 This includes fee paid to directors amounting Rs. 8.59 million (2022: Rs. 7.22 million).

24.2 This includes subscription paid in respect of cloud and related services amounting to Rs. 197.43 million (2022: Nil).

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

	2023 (Rupees in thousand)	2022 (Rupees in thousand)
24.3 Auditors' remuneration		
Audit fee	2,750	2,500
Fee for limited review of half yearly financial statements	500	500
Certification for compliance with Code of Corporate Governance, certifications for government and other agencies and other services	4,700	9,700
Out of pocket expenses	825	750
	8,775	13,450

24.4 This represents transformation and consultancy charges in respect of quality and standards upgradation activity carried out during the year.

	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
25. OTHER INCOME			
Income from financial assets			
Return on savings and deposit accounts		444,249	107,150
Income from other assets			
Scrap sales		43,173	73,710
Provision against doubtful receivables written down		17,635	-
Profit on disposal of Property, plant and equipment		10,581	2,226
Recovery of other financial asset	12.1	44,000	-
Others		453	1,527
		115,842	77,463
		560,091	184,613

26. OTHER EXPENSES

Workers' Profit Participation Fund	252,178	204,120
Workers' Welfare Fund	104,283	82,348
Charge of provision against slow moving and obsolete inventories	73,351	58,948
	429,812	345,416

27. FINANCE COSTS

Bank charges and commission	2,562	3,564
Mark up on Islamic financing	86,697	124,902
Mark up on running finance	27,324	15,227
Exchange loss	230,015	99,169
Finance charges on finance lease	9,804	2,173
	356,402	245,035

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
28. INCOME TAX EXPENSE			
Current			
- for the year		1,869,622	1,257,936
- prior year charge	28.2	233,849	398,237
Deferred		(28,151)	(16,268)
		2,075,320	1,639,905

28.1 Relationship between tax expense and accounting profit:

	2023 (Percentage)	2022 (Percentage)	2023 (Rupees in thousand)	2022 (Rupees in thousand)
Accounting profit before tax			4,687,092	3,795,949
Tax at applicable rate	29.00%	29.00%	1,359,257	1,100,825
Effect of final tax on exports	(0.11)%	(0.01)%	(4,936)	(305)
Tax credit	0.00%	(0.17)%	-	(6,380)
Tax effect on permanent differences	0.21%	(0.02)%	9,834	(583)
Super tax				
- Current year	10.25%	4.04%	480,409	153,250
- Prior year	4.99%	10.49%	233,849	398,237
Others	(0.07)%	(0.14)%	(3,093)	(5,139)
	44%	43%	2,075,320	1,639,905
Effective rate (percentage)			44%	43%

28.2 This represents super tax at the incremental rate of 6% under Finance Act, 2023, for the tax year 2023.

	2023	2022
29. EARNINGS PER SHARE - Basic and diluted		
Profit after taxation attributable to ordinary shareholders (Rupees in thousand)	2,611,772	2,156,044
Weighted average number of shares in issue during the year (in thousand)	57,964	57,964
Basic and diluted earnings per share (Rupees)	45.06	37.20

29.1 A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at December 31, 2023 and 2022 which would have any effect on the earnings per share if the option to convert was exercised.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

Note	2023 (Rupees in thousand)	2022
30. CASH GENERATED FROM OPERATIONS		
Profit before income tax	4,687,092	3,795,949
Add / (less): Adjustment for non-cash charges and other items		
Depreciation and amortisation	187,794	120,951
Retirement benefits charge	39,533	21,653
Recovery of other financial asset	(44,000)	-
Gain on disposal of Property, plant and equipment	(10,581)	(2,226)
Return on bank deposits	(444,249)	(107,150)
Interest on lease liability	9,804	2,173
Mark up on running finance	114,021	140,129
	4,539,414	3,971,479
Effect on cash flow due to working capital changes		
Increase in current assets		
Inventories	(820,925)	(2,388,489)
Trade receivables	161,820	(157,169)
Loans and advances	(4,610)	56,769
Trade deposits and short-term prepayments	48,055	(258,131)
Other receivables	4,632	3,450
Refunds due from the Government	(7,058)	(1,219,949)
	(618,086)	(3,963,519)
Increase / (decrease) in current liabilities		
Trade and other payables	1,273,655	623,263
Customers' and dealers' advances	20,295	(3,377,375)
	675,864	(6,717,631)
Cash generated from / (used in) operations	5,215,278	(2,746,152)
31. CASH AND CASH EQUIVALENTS		
Cash and bank balances	13	1,723,449
Short term financing	19.2	-
	1,723,449	(81,409)

32. EMPLOYEE BENEFIT OBLIGATIONS / PREPAYMENTS

32.1 As stated in note 2.12 (ii) the Company operates an approved funded gratuity scheme for all its permanent employees. The scheme defines an amount of gratuity benefit that an employee will receive on retirement subject to a minimum qualifying period of service under the scheme. Actuarial valuation of the scheme is carried out every year and the latest actuarial valuations of the scheme was carried out as at December 31, 2023.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

32.2 Plan assets held in trusts are governed by local regulations which mainly include Trust Act, 1882 (which is now repealed, and Provincial Trust Acts are promulgated in September 2020), Companies Act, 2017, Income Tax Rules, 2002, and Rules under the Trust deeds of the Plans. Responsibility for governance of the Plans, including investment decisions and contribution schedules, rests with the Board of Trustees. The Company appoints the trustees and all trustees are employees of the Company.

32.3 Risks on account of defined benefit plan

The Company faces the following risks on account of defined benefit plan:

Final Salary risk - The risk that the final salary at the time of cessation of service is greater than what the Company has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Asset volatility - Most assets are invested in short term savings accounts. However, instruments in Open-ended Mutual Funds are subject to adverse fluctuation as a result of change of market price.

Discount rate fluctuation - The plan liabilities are calculated using discount rate set with reference to market yields on government bonds. A decrease in market yields on government bonds will increase plan liabilities.

Investment risks - The risk of the investment underperforming and not being sufficient to meet the liabilities. The risk is mitigated by closely monitoring the performance of plan investments.

Risk of insufficiency of assets - This is managed by making regular contribution to the fund as advised by the actuary.

32.4 The latest actuarial valuation of the Plan as at December 31, 2023 was carried out using the Projected Unit Credit Method. Details of the Fund as per the actuarial valuation are as follows:

Note	2023 (Rupees in thousand)	2022
32.5 Statement of financial position reconciliation as at December 31		
Present value of defined benefit obligation	32.6	325,566
Fair value of plan assets	32.7	(357,605)
		(32,039)
32.6 Movement in present value of defined benefit obligation		
Obligation as at January 1		302,263
Current service cost		43,696
Interest expense		39,486
Remeasurement on obligation		(48,980)
Benefits paid		(10,899)
Obligation as at December 31		325,566

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

	2023	2022
	(Rupees in thousand)	
32.7 Movement in the fair value of plan assets		
Fair value as at January 1	275,493	255,890
Interest income	43,649	28,748
Remeasurement on plan assets	(12,612)	(9,145)
Employer contributions	61,974	25,605
Benefits paid	(10,899)	(25,605)
Fair value as at December 31	357,605	275,493
32.8 Expense recognised in statement of profit or loss		
Current service cost	43,696	26,454
Interest (income) / expense - net	(4,163)	(4,969)
	39,533	21,485
32.9 Remeasurement recognised in other comprehensive income		
Remeasurement of obligation	48,980	(30,226)
Remeasurement of fair value of plan assets	(12,612)	(9,145)
Remeasurements	36,368	(39,371)
32.10 Net recognised liability / (asset)		
Balance as at January 1	26,770	(8,481)
Expense for the year	39,533	21,485
Employer contributions	(61,974)	(25,605)
Remeasurement recognised in other comprehensive income	(36,368)	39,371
Balance as at December 31	(32,039)	26,770

32.11 Composition of plan assets:

	2023		2022	
	Rupees in thousand	%	Rupees in thousand	%
	(Rupees in thousand)			
Cash at bank	258,088	72.17	194,026	70.43
Mutual Funds	99,517	27.83	81,467	29.57
	357,605	100.00	275,493	100.00

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

	2023	2022
32.12 Actuarial assumptions		
Expected rate of increase in salaries		
- Management staff		
- Short-term - 1 year	10.00%	10.00%
- Long-term - more than 1 year	16.00%	15.50%
- Non-management staff		
- Short-term - 1 year	10.00%	10.00%
- Long-term - more than 1 year	16.00%	15.50%
Discount factor used	16.00%	14.50%

32.13 Pre-Retirement mortality was assumed to be SLIC (2001-05) for males and females, as the case may be, but rated down one year.

32.14 The Company ensures asset / liability matching by investing in short-term deposits and does not use derivatives to manage its risk.

32.15 The expected return on plan assets has been determined by considering the expected returns available on the assets underlying the current investment policy.

32.16 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
	(Rupees in thousand)		
Discount rate at December 31	1%	(15,864)	18,288
Future salary increases	1%	17,384	(15,331)

If longevity increases by 1 year, the resultant decrease in obligation is insignificant.

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

32.17 Historical information

	2023	2022	2021	2020	2019
Rupees in thousand					
As at December 31					
Present value of defined benefit obligation	325,566	302,263	247,409	207,226	258,137
Fair value of plan assets	(357,605)	(275,493)	(255,890)	(243,423)	(206,938)
Deficit / (surplus)	(32,039)	26,770	(8,481)	(36,197)	51,199
Experience adjustments					
(Loss) / gain on obligation	48,980	(30,226)	(21,596)	39,065	(50,016)
Loss on plan assets	(12,612)	(9,145)	(11,267)	(4,317)	(2,172)
	36,368	(39,371)	(32,863)	34,748	(52,188)

32.18 The expected return on plan assets is based on the market expectations and depends upon the asset portfolio of the fund, at the beginning of the period.

32.19 The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy.

As per actuarial advice, the Company is expected to contribute Rs.30.08 million towards gratuity fund in 2024 (2023: Rs. 40.07 million).

The actuary conducts separate valuations for calculating contribution rates and the Company contributes to the gratuity fund according to the actuary's advice. Expense of the defined benefit plan is calculated by the actuary.

32.20 The weighted average duration of non-management employees is 19.93 years (2022: 2.65 years) and of management employees is 13.88 years (2022: 10.79 years).

32.21 Expected maturity analysis of undiscounted retirement benefit plan is as follows:

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Between 5 - 10 years	Over 10 years	Total
Rupees in thousand						
At December 31, 2023						
Retirement benefit plan	158,133	42,452	109,765	122,577	1,642,838	2,075,765
At December 31, 2022						
Retirement benefit plan	78,361	39,826	112,404	129,028	1,222,258	1,581,877

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

33. RELATED PARTY TRANSACTIONS

33.1 The related parties comprise related group companies, staff retirement benefits, directors, key management personnel and close members of the family of directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties.

Transactions with related parties are as follows:

Nature of relationship	Nature of transactions	2023 (Rupees in thousand)	2022 (Rupees in thousand)
i. Associate company			
CNH Industrial N.V. (formerly CNH Global N.V.)	Royalty paid Royalty charge	- 257,033	10,160 209,843
Al Futtaim Logistics Company (LLC)	Services Rendered	-	133,317
ii. Other related parties			
Al-Ghazi Tractors Limited Staff Provident Fund	Contribution paid	88,514	23,170
Al-Ghazi Tractors Limited Employees' Gratuity Fund	Contribution paid	61,974	25,605
Key management personnel	Salaries and other employee benefits * Retirement benefits	210,680 17,171	162,031 26,906

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

The outstanding balances of related parties as at December 31, 2023 are included in trade and other payables. These are settled in the ordinary course of business.

33.2 Following are the related parties including associated companies with whom the Company had entered into transactions or have arrangements / agreements in place:

S. No.	Name of Related Party	Relationship	Direct Share Holding %
1	Al-Futtaim Industries Company LLC	Parent	50.02%
2	CNH Industrial N.V. (formerly CNH Global N.V.)	Associate	43.17%

33.2.1 Al-Futtaim Industries Company (LLC) is a Company incorporated in Dubai.

33.2.2 CNH Industrial N.V. (formerly CNH Global N.V.) is a Company incorporated in the Netherlands.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

34. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company are as follows:

	Chief Executive		Executives		Director	
	2023	2022	2023	2022	2023	2022
Rupees in thousand						
Managerial remuneration	1,381	5,707	-	2,398	261,900	98,047
Bonus	-	-	-	-	8,080	2,479
House rent	1,061	1,044	-	-	77,202	28,403
Utilities	-	246	-	126	17,156	3,429
Retirement benefits	253	7,936	-	-	31,447	36,063
Leave passage	690	7,614	-	-	38,435	25,882
	3,385	22,547	-	2,524	434,220	194,303
Number of persons	1	2	0	1	49	46

- The Chief Executive and Executives are also provided with Company maintained cars and are entitled to medical benefits in accordance with their entitlements.
- The Chief Executive is also provided with company maintained furnished accommodation. Further, the Chief Executive and Directors are entitled to other remuneration which is borne by the Parent Company therefore, it is not included here.
- Aggregate amount charged to statement of profit or loss for the year in respect of fee to director was Rs. 8.59 million (2022: Rs. 7.22 million).
- During the year, Mr. Javed Iqbal, CFO of the Company, served as the Acting CEO till September 26, 2023. Subsequently, Mr. Sakib Eltaff was appointed as the CEO of the Company.

35. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

35.1 Financial risk factors

The Company's activities expose it to variety of financial risks namely market risks (including interest rate risk, currency risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost effective funding as well as manage financial risk to minimise earnings volatility and provide maximum return to shareholders.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

35.2 Financial assets and liabilities by category and their respective maturities

	Interest / mark-up bearing			Non interest bearing			Total
	Maturity up to one year	Maturity after one year	Sub-total	Maturity up to one year	Maturity after one year	Sub-total	
Rupees in thousand							
AT DECEMBER 31, 2023							
FINANCIAL ASSETS							
Loans and receivables							
Loans and advances	-	-	-	11,509	3,459	14,968	14,968
Deposits	-	-	-	24,630	13,460	38,090	38,090
Interest accrued	-	-	-	3,371	-	3,371	3,371
Other receivables	-	-	-	201	-	201	201
Cash and bank balances	544,387	-	544,387	1,179,062	-	1,179,062	1,723,449
	544,387	-	544,387	1,218,773	16,919	1,235,692	1,780,079
FINANCIAL LIABILITIES							
At amortised cost							
Trade and other payables	-	-	-	3,620,234	-	3,620,234	3,620,234
Unclaimed dividend	-	-	-	65,498	-	65,498	65,498
Short term borrowings	1,648,653	-	1,648,653	-	-	-	1,648,653
Lease liability	10,990	46,418	57,408	-	-	-	57,408
Unpaid dividend	-	-	-	2,416,858	-	2,416,858	2,416,858
	1,659,643	46,418	1,706,061	6,102,590	-	6,102,590	7,808,651
AT DECEMBER 31, 2022							
FINANCIAL ASSETS							
Loans and receivables							
Loans and advances	-	-	-	7,335	2,666	10,001	10,001
Deposits	-	-	-	365,297	17,807	383,104	383,104
Interest accrued	-	-	-	1,550	-	1,550	1,550
Trade receivables	-	-	-	161,820	-	161,820	161,820
Other receivables	-	-	-	201	-	201	201
Cash and bank balances	427,067	-	427,067	300,923	-	300,923	727,990
	427,067	-	427,067	837,126	20,473	857,599	1,284,666
FINANCIAL LIABILITIES							
At amortised cost							
Trade and other payables	-	-	-	2,521,394	-	2,521,394	2,521,394
Unclaimed dividend	-	-	-	75,351	-	75,351	75,351
Short term borrowings	3,709,372	-	3,709,372	-	-	-	3,709,372
Lease liability	7,455	57,723	65,178	-	-	-	65,178
Unpaid dividend	-	-	-	2,416,858	-	2,416,858	2,416,858
	3,716,827	57,723	3,774,550	5,013,603	-	5,013,603	8,788,153
Off balance sheet items							
Financial commitments:							
Contracts for capital expenditure							460,914
Letters of credit and guarantee							3,414,182
2023							3,875,096
2022							846,213

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

The effective mark-up rates for the monetary financial assets are mentioned in respective notes to the financial statements.

(i) Concentrations of credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparties failed to perform as contracted. Financial assets are written off when there is no reasonable expectation of recovery such as a debtor failing to engage in a repayment plan of the Company. Out of the total financial assets of Rs. 1,780.08 million (2022: Rs. 1,284.67 million) the financial assets exposed to the credit risk amount to Rs. 946.41 million (2022: Rs. 1,050.02 million) which mainly comprise of balances with banks.

The Company places surplus funds with various reputed banks having credit ratings ranging from "A-1" to "A-1+" as assigned by credit rating agencies. The Company monitors its exposure to a single bank its ratings on continuous basis.

The Company's products are mainly sold against cash or demand drafts issued by Zarai Taraqiati Bank Limited (ZTBL) and certain other commercial banks. Hence, the Company believes that it is not exposed to credit risk against tractor sales. As of December 31, 2023, there are no trade receivables which relate to independent customers.

Loans to employees are not exposed to any material credit risk and are secured against the retirement benefits of the respective employees.

Other receivables are not exposed to any significant credit risk.

Deposits have been placed mainly with government institutions, hence exposed to no significant credit risk.

The management does not expect any losses from non-performance by these counterparts.

(ii) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these monitoring statement of financial position liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	2023				
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years
Rupees in thousand					
Financial liabilities					
Trade and other payables	3,620,234	(3,620,234)	(3,620,234)	-	-
Unclaimed dividend	65,498	(65,498)	(65,498)	-	-
Unpaid dividend	2,416,858	(2,416,858)	(2,416,858)	-	-
Lease liability	57,408	(76,241)	(9,206)	(10,126)	(56,909)
Short term financing	1,648,653	(1,648,653)	(1,648,653)	-	-
	7,808,651	(7,827,484)	(7,760,449)	(10,126)	(56,909)

	2023				
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years
Rupees in thousand					
Financial liabilities					
Trade and other payables	2,521,394	(2,521,394)	(2,521,394)	-	-
Unclaimed dividend	75,351	(75,351)	(75,351)	-	-
Unpaid dividend	2,416,858	(2,416,858)	(2,416,858)	-	-
Lease liability	65,178	(93,815)	(8,368)	(9,206)	(76,241)
Short term financing	3,709,372	(3,709,372)	(3,709,372)	-	-
	8,788,153	(8,816,790)	(8,731,343)	(9,206)	(76,241)

(iii) Market risk

a) Currency risk

Currency risk is the risk that the fair value or future cash flow of the financial instruments, will fluctuate because of changes in foreign currency rates. Foreign currency risk arises mainly where receivables and payables exist due to foreign currency transactions. At December 31, 2023 trade and other payables exposed to foreign currency risk amount to Rs. 2,018.09 million (2022: Rs. 563.03 million).

The company imports raw materials and components in US Dollar and is exposed to Rupee / US Dollar exchange risk. If the Pakistan Rupee had weakened / strengthened by 4% against US Dollar with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 80.72 million (2022: Rs. 22.52 million), mainly as a result of foreign exchange losses / gains on settlement of US Dollar denominated trade payables.

The sensitivity of foreign exchange rate looks at the outstanding foreign exchange balances of the Company only as at the statement of financial position date and assumes this is the position for the year. The volatility percentages for movement in foreign exchange rates have been used due to the fact that historically (five years) rates have moved on average basis by the mentioned percentage per annum.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. The Company's interest rate risk arises from short-term financing which includes running finance facilities (note 19), cash and bank in savings accounts and deposit accounts (note 13). Short-term financing availed at variable rates expose the Company to cash flow interest rate risk.

As at December 31, 2023, the Company's interest bearing financial assets amounted to Rs. 544.39 million (2022: Rs. 427.07 million) and liabilities of Rs. 1,648.65 million (2022: Rs. 3,710 million) had the interest rate varied by 100 basis points with all the other variables held constant, profit before tax for the year would have been approximately higher / lower by Rs. 11.04 million (2022: Rs. 32.82 million) as a result of lower / higher interest income on savings and deposit accounts.

c) Price risk

Price risk is the risk that fair value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the fund or its management company.

There is no exposure to price risk as at December 31, 2023 as the Company does not hold any financial assets subject to price risk.

(iv) Fair values of the financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

As at December 31, 2023, all financial assets and financial liabilities are carried at amortised cost.

The carrying value of all financial assets and liabilities reflected in these financial statements approximate their fair values. The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred.

The Company's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

- changes in market and trading activity (e.g. significant increases / decreases in activity).
- changes in inputs used in valuation techniques (e.g. inputs becoming / ceasing to be observable in the market).

There were no financial instruments classifiable under level 1, 2 or 3 of the fair value hierarchy during the year.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

36. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide adequate returns for shareholders and benefits for other stakeholders.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

	2023	2022
37. PLANT CAPACITY AND PRODUCTION		
Plant capacity (single shift) - units	30,000	30,000
Actual production - units	14,317	21,216

Actual production of tractors varies in line with the market demand.

	2023	2022
38. NUMBER OF EMPLOYEES		
38.1 Number of employees including contractual employees at 31 December	410	393
38.2 Average number of employees including contractual employees during the year	407	389

39. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purpose of comparison and better presentation the effect of which is immaterial to the financial statements.

40. SUBSEQUENT EVENTS

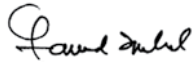
The Board of Directors in their meeting held on 22 March 2024 have proposed a final cash dividend of Rs. Nil per share amounting to Rs. Nil (2022: Nil per share amounting to Nil) subject to approval of the Company in the forthcoming annual general meeting.

41. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 22 March 2024 by the Board of Directors. The directors have the power to amend and reissue the financial statements.


Director


Chief Executive Officer


Chief Financial Officer

FAMCO ASSOCIATES (PVT) LTD.
 8-F, Near Hotel Faran, Nursery
 Block 6, P.E.C.H.S.
 Shakra-e-Faisal
 Karachi.

Date:

Dear Sirs,

ELECTRONIC CREDIT MANDATE FORM (MANDATORY)

I hereby communicate to receive my future dividends directly in my bank account as detailed below:

Name of share-holder/certificate-holder : -----
 Folio Number/CDC Account No. : ----- Company/Entity: -----
 Contact number : -----
 Title of Bank Account : -----
 IBAN Number (see Note below) : -----
 Name of Bank : -----
 Bank branch name & full mailing address : -----

 CNIC No. (copy attached) : -----
 NTN (in case of corporate entity) : -----
 Cell / Landline number : -----

It is stated that the above particulars given by me are correct and to the best of my knowledge; I shall keep the Company/Modaraba informed in case of any changes in the said particulars in future.

 Shareholder/Certificate-holder's Signature

Notes and Instructions:

1. Please provide complete IBAN Number (24 digits), after checking with your concerned branch to enable electronic credit directly into your bank account.
2. The payment of cash dividend will be processed based on the account number alone. Company/Modaraba will rely on the account number as per Shareholder/Certificate holder's instructions and shall not be responsible for any loss, damage, liability or claim arising, directly or indirectly, from any error, delay, or failure in performance of any of its obligations hereunder which is caused by incorrect payment instructions and /or due to any event beyond the control of the Company/Modaraba.
3. Shareholders holding shares in physical form must submit this form separately for each Company/Modaraba where they hold their shares/Modaraba Certificates quoting their folio number.
4. CDC shareholders are requested to submit their Dividend Mandate directly to their broker (participant)/CDC Investor Accounts Services. It is not required to file separate form for each Company.



Form of Proxy



I / We _____ of _____ ,
 a member(s) of Al-Ghazi Tractors Limited and holding _____ ordinary shares,
 as per Registered Folio _____ ,
 hereby appoint _____ of _____ ,
 or failing him, _____ of _____ , to vote for me/us and on
 my/our behalf at the **41st Annual General Meeting of Al-Ghazi Tractors Limited** to be held on **Thursday,
 April 25, 2024 at 3:00 PM at Pearl Continental Hotel, Karachi** as well as through video-link arrangement.

Signed on this _____ day of _____ , 2024 in the presence of:

Signature of
member(s)
across
Revenue Stamp
of appropriate
value

1. Signature: _____	2. Signature: _____
Name: _____	Name: _____
Address: _____ _____	Address: _____ _____
CNIC or Passport No.: _____	CNIC or Passport No.: _____

- Important:**
1. A member entitled to attend a General Meeting is entitled to appoint a proxy to attend and vote instead of him. No person shall act as proxy (except for a corporation) unless he is entitled to be present and vote in his own right.
 2. The instrument appointing a proxy should be signed by the member or by his attorney duly authorized in writing. If the member is a corporation, its common seal (if any) should be affixed to the instrument.
 3. The proxies shall be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.



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**AFFIX
CORRECT
POSTAGE**

The Company Secretary
Al-Ghazi Tractors Limited
Tractor House, 102-B,
16th East Street, DHA Phase I,
Off. Korangi Road, Karachi.

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الغازی ٹریکٹر لمیٹڈ نمائندگی (پراسی) کا فارم



میں / ہم _____ ساکن _____

بیشیت ممبر (ز) الغازی ٹریکٹر لمیٹڈ اور حق ملکیت رکھتے ہوئے عمومی شیئرز _____ برطابق رجسٹرڈ فوئیو _____ یہاں _____

ساکن _____ کو اپنی جانب سے منتخب کرتا ہوں، یا ان کے ناجانے پر _____

ساکن _____ کو الغازی ٹریکٹر لمیٹڈ کے 41 ویں سالانہ اجلاس عام میں میری / ہماری جگہ اور میری / ہماری طرف سے دوپہر 3:00 بجے جمعرات، 25 اپریل 2024 کو پرل کانٹینیٹینل ہوٹل، کراچی کے ساتھ ساتھ بذریعہ ویڈیو لنک انتظام سے ووٹ دینے کیلئے نمائندہ مقرر کرتا ہوں۔

بروز _____ کے دن _____ 2024 کو ان کو ابان کی موجودگی میں دستخط کیے گئے:

مناسب اہلیت کے ریویو
اسٹیپ پر نمبر (ز) کے
دستخط

1- دستخط: _____ 2- دستخط: _____

نام: _____ نام: _____

پتہ: _____ پتہ: _____

قومی کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر: _____ قومی کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر: _____

قابل توجہ:

- 1- اجلاس میں شرکت کرنے اور ووٹ دینے کا استحقاق رکھنے والا کوئی بھی ممبر اجلاس میں اپنی جگہ شرکت کرنے اور ووٹ دینے کے لئے تحریری طور پر کسی (نمائندہ) کا تقرر کر سکتا ہے۔ کوئی شخص بھی کسی کے طور پر (ماسوائے کارپوریشن) کام نہیں کر سکتا جب تک کہ وہ خود شرکت کرنے اور ووٹ دینے کا استحقاق نہ رکھتا ہو۔
- 2- پراسی کی دستاویز پر ممبر یا اس کا اٹارنی جسے تحریری طور پر اسکی اجازت دی گئی ہو، دستخط کریں گے، اگر ممبر کوئی کارپوریشن ہے تو اسکی مشترکہ ممبر (اگر کوئی ہو) اس دستاویز پر ثبت کی جائے گی۔
- 3- فارم کے کارآمد ہونے کے لئے یہ ضروری ہے کہ پراسی کمپنی کے رجسٹرڈ آفس میں اجلاس کے لئے مقررہ وقت سے کم از کم 48 گھنٹے قبل جمع کر دیا جائے۔



درست رقم کا ٹکٹ
چسپاں کریں

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